

ACWA Legal Affairs
Committee

CLE Subcommittee

GROUNDWATER
ADJUDICATIONS PAST &
PRESENT: LESSONS
FROM WATERMASTER
COUNSEL

Adjudicated Areas, DWR Website

“At the time of SGMA's passage, 27 groundwater areas, located mostly in Southern California, were treated as adjudicated by SGMA. Since passage of SGMA, two areas submitted court decrees adjudicating water rights. SGMA established a process for adjudicated basin watermasters, or local agencies, to report information according to [Water Code 10720.8](#).”

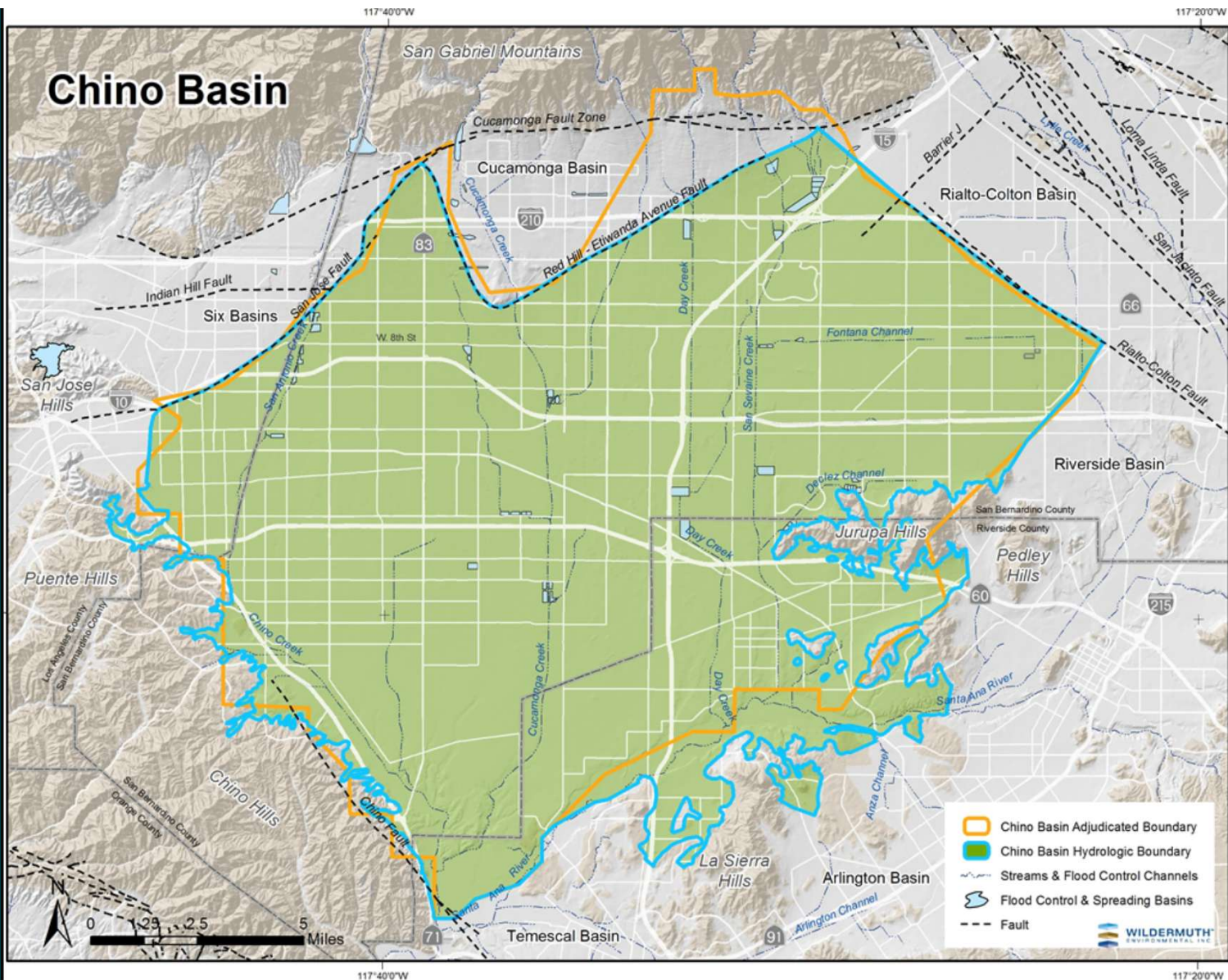
Pending Adjudications Listed on DWR Website

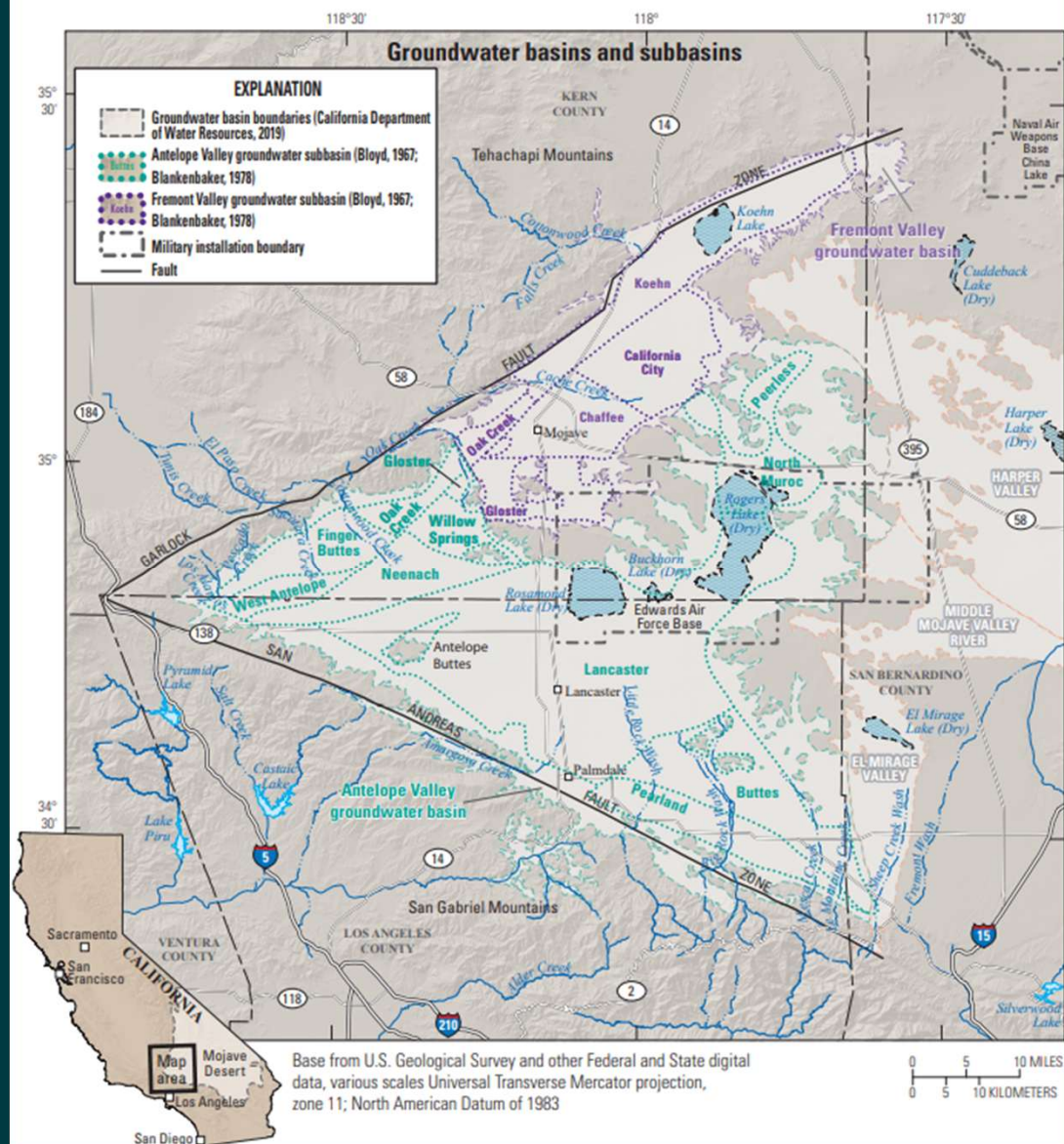
- Bolthouse Land Company, LLC et al. v. All Persons Claiming a Right to Extract or Store Groundwater in the Cuyama Valley Groundwater Basin
- OPV Coalition et al. v. Fox Canyon Groundwater Management Agency et al. - Oxnard Groundwater Subbasin and Pleasant Valley Groundwater Basin
- Indian Wells Valley Water District v All Persons Who Claim a Right to Extract Groundwater in the Indian Wells Valley Groundwater Basin, ect., et al.
- Borrego Water District v. All Persons Who Claim a Right to Extract Groundwater in the Borrego Valley Groundwater Subbasin, etc., et al.
- [Santa Barbara Channelkeeper v. SWRCB, et al.](#)
- [Los Posas Basin v. Fox Canyon Adjudication](#)

Code Civ. Proc., § 850, subd. (b)

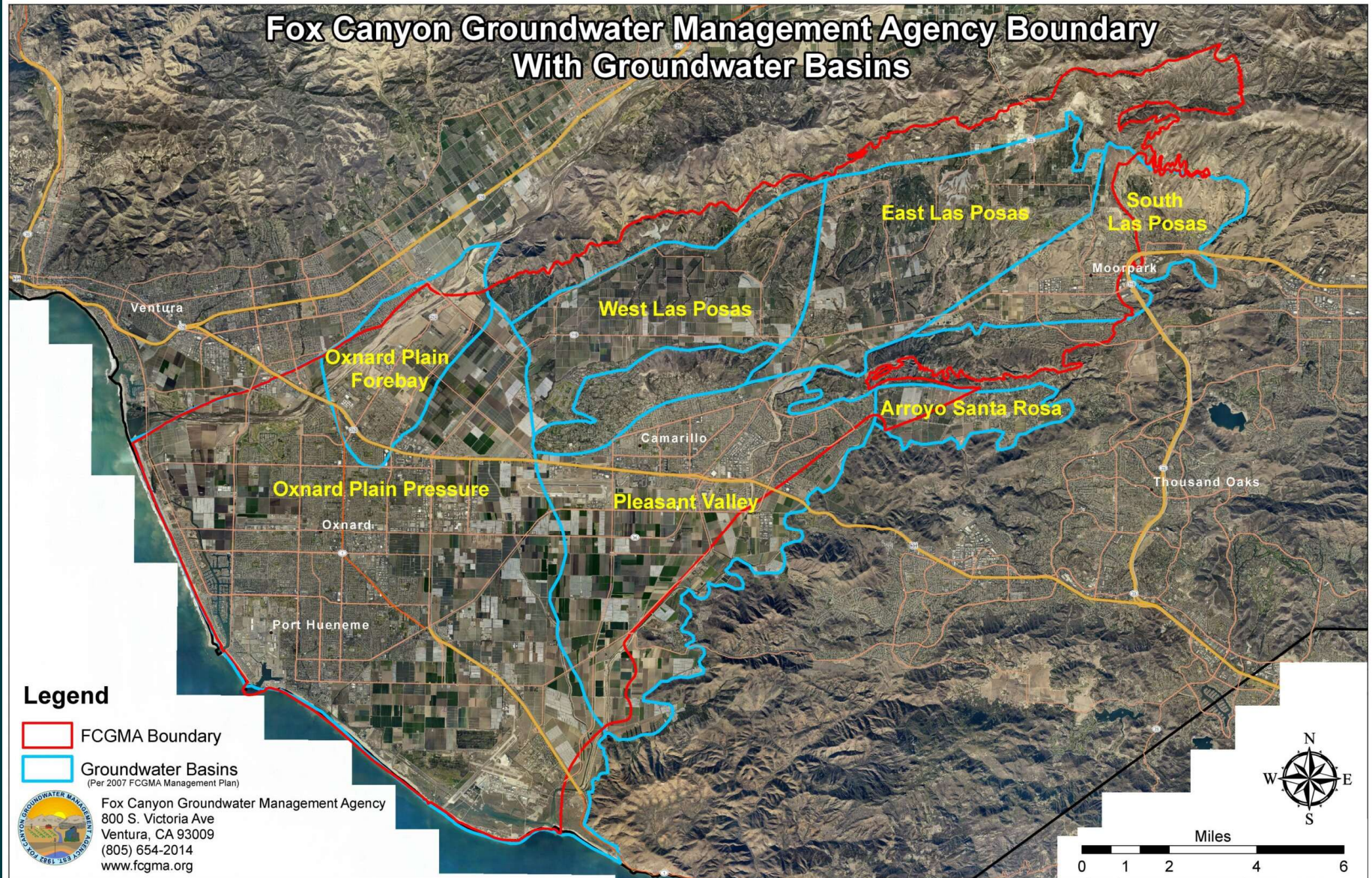
“The court may enter judgment in an adjudication action for a basin required to have a groundwater sustainability plan under the Sustainable Groundwater Management Act (Part 2.74 (commencing with Section 10720) of Division 6 of the Water Code), if in addition to the criteria enumerated in subdivision (a), the court also finds that the judgment will not substantially impair the ability of a groundwater sustainability agency, the State Water Resources Control Board, or the department to comply with the Sustainable Groundwater Management Act and to achieve sustainable groundwater management.”

Chino Basin





Fox Canyon Groundwater Management Agency Boundary With Groundwater Basins



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8
9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO
10

11 CHINO BASIN MUNICIPAL WATER
12 DISTRICT,

13 Plaintiff,

No. RCV 51010¹

14
15 v.

16 CITY OF CHINO, et al.

Defendants
17

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20 RESTATED JUDGMENT
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27 ¹ Original Judgment signed January 27, 1978, Case # 164327 by Judge Howard B. Weiner. File transferred August 1989, by order
28 of the Court and assigned new case number RCV 51010.

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO

CHINO BASIN MUNICIPAL WATER
DISTRICT,

Plaintiff,

v.

CITY OF CHINO, et al.

Defendants

No. RCV 51010²

JUDGMENT

I. INTRODUCTION

1. Pleadings, Parties and Jurisdiction. The complaint herein was filed on January 2, 1975, seeking an adjudication of water rights, injunctive relief and the imposition of a physical solution. A first amended complaint was filed on July 16, 1976. The defaults of certain defendants have been entered, and certain other defendants dismissed. Other than defendants who have been dismissed or whose defaults have been entered, all defendants have appeared herein. By answers and order of this Court,

² Original Judgment signed January 27, 1978, Case # 164327 by Judge Howard B. Weiner. File transferred August 1989, by order of the Court and assigned new case number RCV 51010.

1 the issues have been made those of a full inter se adjudication between the parties. This Court has
2 jurisdiction of the subject matter of this action and of the parties herein.

3 2. Stipulation For Judgment. Stipulation for entry of judgment has been filed by and on
4 behalf of a majority of the parties, representing a majority of the quantitative rights herein adjudicated.

5 3. Trial; Findings and Conclusions. Trial was commenced on December 16, 1977, as to the
6 non-stipulating parties, and findings of fact and conclusions of law have been entered disposing of the
7 issues in the case.

8 4. Definitions. As used in this Judgment, the following terms shall have the meanings
9 herein set forth:

10 (a) Active Parties. All parties other than those who have filed with Watermaster a
11 written waiver of service of notices, pursuant to Paragraph 58.

12 (b) Annual or Year -- A fiscal year, July 1 through June 30, following, unless the
13 context shall clearly indicate a contrary meaning.

14 (c) Appropriative Right -- The annual production right of a producer from the Chino
15 Basin other than pursuant to an overlying right.

16 (d) Basin Water -- Ground water within Chino Basin which is part of the Safe Yield,
17 Operating Safe Yield, or replenishment water in the Basin as a result of operations under the
18 Physical Solution decreed herein. Said term does not include Stored Water.

19 (e) CBMWD -- Plaintiff Chino Basin Municipal Water District.

20 (f) Chino Basin or Basin -- The ground water basin underlying the area shown as
21 such on Exhibit "B" and within the boundaries described in Exhibit "K".

22 (g) Chino Basin Watershed -- The surface drainage area tributary to and overlying
23 Chino Basin.

24 (h) Ground Water -- Water beneath the surface of the ground and within the zone of
25 saturation, i.e., below the existing water table.
26
27
28

1 (i) Ground Water Basin -- An area underlain by one or more permeable formations
2 capable of furnishing substantial water storage.

3 (j) Minimal Producer -- Any producer whose production does not exceed **ten** acre-
4 feet per year.³

5 (k) MWD -- The Metropolitan Water District of Southern California.

6 (l) Operating Safe Yield -- The annual amount of ground water which Watermaster
7 shall determine, pursuant to criteria specified in Exhibit "I", can be produced from Chino Basin by
8 the Appropriative Pool parties free of replenishment obligation under the Physical Solution herein.

9 (m) Overdraft -- A condition wherein the total annual production from the Basin
10 exceeds the Safe Yield thereof.

11 (n) Overlying Right -- The appurtenant right of an owner of lands overlying Chino
12 Basin to produce water from the Basin for overlying beneficial use on such lands.

13 (o) Person. -- Any individual, partnership, association, corporation, governmental
14 entity or agency, or other organization.

15 (p) PVMWD -- Defendant Pomona Valley Municipal Water District.

16 (q) Produce or Produced -- To pump or extract ground water from Chino Basin.

17 (r) Producer -- Any person who produces water from Chino Basin.

18 (s) Production -- Annual quantity, stated in acre feet, of water produced.

19 (t) Public Hearing -- A hearing after notice to all parties and to any other person
20 legally entitled to notice.

21 (u) Reclaimed Water -- Water which, as a result of processing of waste water, is
22 suitable for a controlled use.

23 (v) Replenishment Water -- Supplemental water used to recharge the Basin
24 pursuant to the Physical Solution, either directly by percolating the water into the Basin or
25

26
27 ³ Order dated September 27, 2001.
28

1 indirectly by delivering the water for use in lieu of production and use of safe yield or Operating
2 Safe Yield.

3 (w) Responsible Party — The owner, co-owner, lessee or other person designated by
4 multiple parties interested in a well as the person responsible for purposes of filing reports
5 hereunder.

6 (x) Safe Yield — The long-term average annual quantity of ground water (excluding
7 replenishment or stored water but including return flow to the Basin from use of replenishment or
8 stored water) which can be produced from the Basin under cultural conditions of a particular year
9 without causing an undesirable result.

10 (y) SBVMWD — San Bernardino Valley Municipal Water District.

11 (z) State Water — Supplemental Water imported through the State Water Resources
12 Development System, pursuant to Chapter 8, Division 6, Part 6 of the Water Code.

13 (aa) Stored Water — Supplemental water held in storage, as a result of direct
14 spreading, in lieu delivery, or otherwise, for subsequent withdrawal and use pursuant to
15 agreement with Watermaster.

16 (bb) Supplemental Water — Includes both water imported to Chino Basin from outside
17 Chino Basin Watershed, and reclaimed water.

18 (cc) WMWD — Defendant Western Municipal Water District of Riverside County.

19 5. List of Exhibits. The following exhibits are attached to this Judgment and made a part
20 hereof:
21

22 "A" -- "Location Map of Chino Basin" showing boundaries of Chino Basin Municipal Water
23 District, and other geographic and political features of Chino Basin.

24 "B" -- "Hydrologic Map of Chino Basin" showing hydrologic features of Chino Basin.

25 "C" -- Table Showing Parties in Overlying (Agricultural) Pool.

26 "D" -- Table Showing Parties in Overlying (Non-agricultural Pool and Their Rights.

27 "E" -- Table Showing Appropriators and Their Rights.
28

1 "F" -- Overlying (Agricultural) Pool Pooling Plan.

2 "G" -- Overlying (Non-agricultural) Pool Pooling Plan.

3 "H" -- Appropriative Pool Pooling Plan.

4 "I" -- Engineering Appendix.

5 "J" -- Map of In Lieu Area No. 1.

6 "K" -- Legal Description of Chino Basin.

7
8 II. DECLARATION OF RIGHTS

9
10 A. HYDROLOGY

11
12 6. Safe Yield. The Safe Yield of Chino Basin is 140,000 acre feet per year.

13 7. Overdraft and Prescriptive Circumstances. In each year for a period in excess of five
14 years prior to filing of the First Amended Complaint herein, the Safe Yield of the Basin has been
15 exceeded by the annual production therefrom, and Chino Basin is and has been for more than five years
16 in a continuous state of over draft. The production constituting said overdraft has been open, notorious,
17 continuous, adverse, hostile and under claim of right. The circumstances of said overdraft have given
18 notice to all parties of the adverse nature of such aggregate over-production.

19 B. WATER RIGHTS IN SAFE YIELD

20
21 8. Overlying Rights. The parties listed in Exhibits "C" and "D", are the owners or in
22 possession of lands which overlie Chino Basin. As such, said parties have exercised overlying water
23 rights in Chino Basin. All overlying rights owned or exercised by parties listed in Exhibits "C" and "D",
24 have, in the aggregate, been limited by prescription except to the extent such rights have been preserved
25 by self-help by said parties. Aggregate preserved overlying rights in the Safe Yield for agricultural pool
26 use, including the rights of the State of California, total 82,800 acre feet per year. Overlying rights for
27 non-agricultural pool use total 7,366 acre feet per year and are individually decreed for each affected
28

1 party in Exhibit "D". No portion of the Safe Yield of Chino Basin exists to satisfy unexercised overlying
2 rights, and such rights have all been lost by prescription. However, uses may be made of Basin Water on
3 overlying lands which have no preserved overlying rights pursuant to the Physical Solution herein. All
4 overlying rights are appurtenant to the land and cannot be assigned or conveyed separate or apart
5 therefrom ***for the term of the Peace Agreement except that the members of the Overlying (Non-***
6 ***Agricultural) Pool shall have the right to Transfer or lease their quantified Production rights (i)***
7 ***within the Overlying (Non-Agricultural) Pool; (ii) to Watermaster in conformance with the***
8 ***procedures described in the Peace Agreement between the Parties therein, dated June 29, 2000;***
9 ***or (iii) in accordance with the Overlying (Non-Agricultural) Pool Pooling Plan set forth in Exhibit***
10 ***"G."***⁴

11 9. Appropriative Rights. The parties listed in Exhibit "E" are the owners of appropriative
12 rights, including rights by prescription, in the unadjusted amounts therein set forth, and by reason thereof
13 are entitled under the Physical Solution to share in the remaining Safe Yield, after satisfaction of overlying
14 rights and rights of the State of California, and in the Operating Safe Yield in Chino Basin, in the annual
15 shares set forth in Exhibit "E".

16 (a) Loss of Priorities. By reason of the long continued overdraft in Chino Basin, and
17 in light of the complexity of determining appropriative priorities and the need for conserving and
18 making maximum beneficial use of the water resources of the State, each and all of the parties
19 listed in Exhibit "E" are estopped and barred from asserting special priorities or preferences, inter
20 se. All of said appropriative rights are accordingly deemed and considered of equal priority.

21 (b) Nature and Quantity. All rights listed in Exhibit "E" are appropriative and
22 prescriptive in nature. By reason of the status of the parties, and the provisions of Section 1007
23 of the Civil Code, said rights are immune from reduction or limitation by prescription.

27 ⁴ Order dated September 28, 2000 and Order dated April 19, 2001 further modified by Order dated December 21, 2007.

1 10. Rights of the State of California. The State of California, by and through its Department
2 of Corrections, Youth Authority and Department of Fish and Game, is a significant producer of ground
3 water from and the State is the largest owner of land overlying Chino Basin. The precise nature and
4 scope of the claims and rights of the State need not be, and are not, defined herein. The State, through
5 said departments, has accepted the Physical Solution herein decreed, in the interests of implementing the
6 mandate of Section 2 of Article X of the California Constitution. For all purposes of this Judgment, all
7 future production by the State or its departments or agencies for overlying use on State-owned lands shall
8 be considered as agricultural pool use.

9
10 C. RIGHTS TO AVAILABLE GROUND WATER STORAGE CAPACITY

11 11. Available Ground Water Storage Capacity. There exists in Chino Basin a substantial
12 amount of available ground water storage capacity which is not utilized for storage or regulation of Basin
13 Waters. Said reservoir capacity can appropriately be utilized for storage and conjunctive use of
14 supplemental water with Basin Waters. It is essential that said reservoir capacity utilization for storage
15 and conjunctive use of supplemental water be undertaken only under Watermaster control and regulation,
16 in order to protect the integrity of both such Stored Water and Basin Water in storage and the Safe Yield
17 of Chino Basin.

18
19 12. Utilization of Available Ground Water Capacity. Any person or public entity, whether a
20 party to this action or not, may make reasonable beneficial use of the available ground water storage
21 capacity of Chino Basin for storage of supplemental water; provided that no such use shall be made
22 except pursuant to written agreement with Watermaster, as authorized by Paragraph 28. In the allocation
23 of such storage capacity, the needs and requirements of lands overlying Chino Basin and the owners of
24 rights in the Safe Yield or Operating Safe Yield of the Basin shall have priority and preference over
25 storage for export.

1 III. INJUNCTION

2 13. Injunction Against Unauthorized Production of Basin Water. Each party in each of the
3 respective pools is enjoined, as follows:
4

5 (a) Overlying Agricultural Pool. Each party in the Overlying (Agricultural) Pool, its
6 officers, agents, employees, successors and assigns, is and they each are ENJOINED AND
7 RESTRAINED from producing ground water from Chino Basin in any year hereafter in excess of
8 such party's correlative share of the aggregate of 82,800 acre feet allocated to said Pool, except
9 pursuant to the Physical Solution or a storage water agreement.

10 (b) Overlying Non-Agricultural Pool. Each party in the Overlying Non-Agricultural
11 Pool, its officers, agents, employees, successors and assigns, is and they each are ENJOINED
12 AND RESTRAINED from producing ground water of Chino Basin in any year hereafter in excess
13 of such party's decreed rights in the Safe Yield, except pursuant to the provisions of the Physical
14 Solution or a storage water agreement.

15 (c) Appropriative Pool. Each party in the Appropriative Pool, its officers, agents,
16 employees, successors and assigns, is and they are each ENJOINED AND RESTRAINED from
17 producing ground water of Chino Basin in any year hereafter in excess of such party's decreed
18 share of Operating Safe Yield, except pursuant to the provisions of the Physical Solution or a
19 storage water agreement.
20

21 14. Injunction Against Unauthorized Storage or Withdrawal of Stored Water. Each party, its
22 officers, agents, employees, successors and assigns is and they each are ENJOINED AND
23 RESTRAINED from storing supplemental water in Chino Basin for withdrawal, or causing withdrawal of,
24 water stored by that party, except pursuant to the terms of a written agreement with Watermaster and in
25 accordance with Watermaster regulations. Any supplemental water stored or recharged in the Basin,
26 except pursuant to such a Watermaster agreement, shall be deemed abandoned and not classified as
27 Stored Water. This paragraph has no application, as such, to supplemental water spread or provided in
28 lieu by Watermaster pursuant to the Physical Solution.

1 IV. CONTINUING JURISDICTION

2 15. Continuing Jurisdiction. Full jurisdiction, power and authority are retained and reserved
3 to the Court as to all matters contained in this judgment, except:
4

5 (a) The redetermination of Safe Yield, as set forth in Paragraph 6, during the first ten
6 (10) years of operation of the Physical Solution;

7 (b) The allocation of Safe Yield as between the several pools as set forth in
8 Paragraph 44 of the Physical Solution;

9 (c) The determination of specific quantitative rights and shares in the declared Safe
10 Yield or Operating Safe Yield herein declared in Exhibits "D" and "E"; and
11

12 (d) The amendment or modification of Paragraphs 7 (a) and (b) of Exhibit "H", during
13 the first ten (10) years of operation of the Physical Solution, and thereafter only upon affirmative
14 recommendation of at least 67% of the voting power (determined pursuant to the formula
15 described in Paragraph 3 of Exhibit "H"), but not less than one-third of the members of the
16 Appropriative Pool Committee representatives of parties who produce water within IEUA or
17 WMWD; after said tenth year the formula set forth in said Paragraph 7 (a) and 7 (b) of Exhibit "H"
18 for payment of the costs of replenishment water may be changed to 100% gross or net, or any
19 percentage split thereof, but only in response to recommendation to the Court by affirmative vote
20 of at least 67% of said voting power of the Appropriative Pool representatives of parties who
21 produce ground water within IEUA or WMWD, but not less than one-third of their number. In
22 such event, the Court shall act in conformance with such recommendation unless there are
23 compelling reasons to the contrary; and provided, further, that the fact that the allocation of Safe
24 Yield or Operating Safe Yield shares may be rendered moot by a recommended change in the
25 formula for replenishment assessments shall not be deemed to be such a "compelling reason."
26
27
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1 Said continuing jurisdiction is provided for the purpose of enabling the Court, upon application of any
2 party, the Watermaster, the Advisory Committee or any Pool Committee, by motion and, upon at least 30
3 days' notice thereof, and after hearing thereon, to make such further or supplemental orders or directions
4 as may be necessary or appropriate for interpretation, enforcement or carrying out of this Judgment, and
5 to modify, amend or amplify any of the provisions of this Judgment.

6 V. WATERMASTER

7 A. APPOINTMENT

8
9
10 16. Watermaster Appointment. CBMWD, acting by and through a majority of its board of
11 directors, is hereby appointed Watermaster, to administer and enforce the provisions of this Judgment
12 and any subsequent instructions or orders of the Court hereunder. The term of appointment of
13 Watermaster shall be for five (5) years. The Court will by subsequent orders provide for successive terms
14 or for a successor Watermaster. Watermaster may be changed at any time by subsequent order of the
15 Court, on its own motion, or on the motion of any party after notice and hearing. Unless there are
16 compelling reasons to the contrary, the Court shall act in conformance with a motion requesting the
17 Watermaster be changed if such motion is supported by a majority of the voting power of the Advisory
18 Committee.

19 B. POWERS AND DUTIES

20
21 17. Powers and Duties. Subject to the continuing supervision and control of the Court,
22 Watermaster shall have and may exercise the express powers, and shall perform the duties, as provided
23 in this Judgment or hereafter ordered or authorized by the Court in the exercise of the Court's continuing
24 jurisdiction.

18. Rules and Regulations.⁵

(a) Upon recommendation by the Advisory Committee, Watermaster shall make and adopt, after public hearing, appropriate rules and regulations for conduct of Watermaster affairs, including, meeting schedules and procedures, and compensation of members of Watermaster. Thereafter, Watermaster may amend the rules from time to time upon recommendation, or with approval of the Advisory Committee after hearing noticed to active parties, except that compensation of Watermaster members shall be subject to Court Approval. A copy of the rules and regulations, and of amendments, shall be mailed to each active party.

(b) Under the rules, Watermaster members shall be paid up to \$125 for each day's attendance at meetings at the direction of the board, not to exceed eight meetings in each month. Compensation shall not be paid for junkets or attendance at conferences, seminars, or retreats at locations other than Watermaster headquarters. Members shall not be compensated for more than one meeting each day.

(c) Under the rules, Watermaster members may be reimbursed for reasonable and necessary travel, meals, lodging and registration expenses incurred on Watermaster business. Mileage shall not be paid for travel to or from Watermaster meetings unless the individual must travel more than 50 miles per month. The Watermaster's budget shall include an appropriation for expense reimbursement. The Watermaster shall file a report on the expense reimbursement with the court as part of the Annual Report. The Report shall disclose total expense reimbursements and single expenditures for items of \$125.00 or more.

19. Acquisition of Facilities. Watermaster may purchase, lease, acquire and hold all necessary facilities and equipment; provided, that it is not the intent of the Court that Watermaster acquire any interest in real property or substantial capital assets.

⁵ Order dated March 31, 1999.

1 20. Employment of Experts and Agents. Watermaster may employ or retain such
2 administrative, engineering, geologic, accounting, legal or other specialized personnel and consultants as
3 may be deemed appropriate in the carrying out of its powers and shall require appropriate bonds from all
4 officers and employees handling Watermaster funds. Watermaster shall maintain records for purposes of
5 allocation of costs of such services as well as of all other expenses of Watermaster administration as
6 between the several pools established by the Physical Solution.

7
8 21. Measuring Devices. Watermaster shall cause parties, pursuant to uniform rules, to install
9 and maintain in good operating condition, at the cost of each party, such necessary measuring devices or
10 meters as Watermaster may deem appropriate. Such measuring devices shall be inspected and tested
11 as deemed necessary by Watermaster, and the cost thereof shall constitute an expense of Watermaster.

12 22. Assessments. Watermaster is empowered to levy and collect all assessments provided
13 for in the pooling plans and Physical Solution.

14
15 23. Investment of Funds. Watermaster may hold and invest any and all Watermaster funds
16 in investments authorized from time to time for public agencies of the State of California.

17 24. Borrowing. Watermaster may borrow from time to time amounts not exceeding the
18 annual anticipated receipts of Watermaster during such year.

19
20 25. Contracts. Watermaster may enter into contracts for the performance of any powers
21 herein granted; provided, however, that Watermaster may not contract with or purchase materials,
22 supplies or services from IEUA, except upon the prior recommendation and approval of the Advisory
23 Committee and pursuant to written order of the Court.

24 26. Cooperation With Other Agencies. Subject to prior recommendation or approval of the
25 Advisory Committee, Watermaster may act jointly or cooperate with agencies of the United States and the
26 State of California or any political subdivisions, municipalities or districts or any person to the end that the
27 purpose of the Physical Solution may be fully and economically carried out.
28

1 27. Studies. Watermaster may, with concurrence of the Advisory Committee or affected Pool
2 Committee and in accordance with Paragraph 54 (b), undertake relevant studies of hydrologic conditions,
3 both quantitative and qualitative, and operating aspects of implementation of the management program
4 for Chino Basin.

5 28. Ground Water Storage Agreements. Watermaster shall adopt, with the approval of the
6 Advisory Committee, uniformly applicable rules and a standard form of agreement for storage of
7 supplemental water, pursuant to criteria therefore set forth in Exhibit "I". Upon appropriate application by
8 any person, Watermaster shall enter into such a storage agreement; provided that all such storage
9 agreements shall first be approved by written order of the Court, and shall by their terms preclude
10 operations which will have a substantial adverse impact on other producers.
11

12 29. Accounting for Stored Water. Watermaster shall calculate additions, extractions and
13 losses and maintain an annual account of all Stored Water in Chino Basin, and any losses of water
14 supplies or Safe Yield of Chino Basin resulting from such Stored Water.
15

16 30. Annual Administrative Budget. Watermaster shall submit to Advisory Committee an
17 administrative budget and recommendation for each fiscal year on or before March 1. The Advisory
18 Committee shall review and submit said budget and their recommendations to Watermaster on or before
19 April 1, following. Watermaster shall hold a public hearing on said budget at its April quarterly meeting
20 and adopt the annual administrative budget which shall include the administrative items for each pool
21 committee. The administrative budget shall set forth budgeted items in sufficient detail as necessary to
22 make a proper allocation of the expense among the several pools, together with Watermaster's proposed
23 allocation. The budget shall contain such additional comparative information or explanation as the
24 Advisory Committee may recommend from time to time. Expenditures within budgeted items may
25 thereafter be made by Watermaster in the exercise of powers herein granted, as a matter of course. Any
26 budget transfer in excess of 20% of a budget category during any budget year or modification of such
27 administrative budget during any year shall be first submitted to the Advisory Committee for review and
28 recommendation.

1 31. Review Procedures. All actions, decisions or rules of Watermaster shall be subject to
2 review by the Court on its own motion or on timely motion by any party, the Watermaster (in the case of a
3 mandated action), the Advisory Committee, or any Pool Committee, as follows:

4 (a) Effective Date of Watermaster Action. Any action, decision or rule of
5 Watermaster shall be deemed to have occurred or been enacted on the date on which written
6 notice thereof is mailed. Mailing of copies of approved Watermaster minutes to the active parties
7 shall constitute such notice to all parties.

8 (b) Noticed Motion. Any party, the Watermaster (as to any mandated action), the
9 Advisory Committee, or any Pool Committee may, by a regularly noticed motion, apply to the
10 Court for review of any Watermaster's action, decision or rule. Notice of such motion shall be
11 served personally or mailed to Watermaster and to all active parties. Unless otherwise ordered
12 by the Court, such motion shall not operate to stay the effect of such Watermaster action,
13 decision or rule.

14 (c) Time for Motion. Notice of motion to review any Watermaster action, decision or
15 rule shall be served and filed within ninety (90) days after such Watermaster action, decision or
16 rule, except for budget actions, in which event said notice period shall be sixty (60) days.

17 (d) De Novo Nature of Proceedings. Upon the filing of any such motion, the Court
18 shall require the moving party to notify the active parties, the Watermaster, the Advisory
19 Committee, and each Pool Committee, of a date for taking evidence and argument, and on the
20 date so designated shall review de novo the question at issue. Watermaster's findings or
21 decision, if any, may be received in evidence at said hearing, but shall not constitute presumptive
22 or prima facie proof of any fact in issue.

23 (e) Decision. The decision of the Court in such proceeding shall be an appealable
24 supplemental order in this case. When the same is final, it shall be binding upon the
25 Watermaster and all parties.
26
27
28

1
2
3 C. ADVISORY AND POOL COMMITTEES

4 32. Authorization. Watermaster is authorized and directed to cause committees of producer
5 representatives to be organized to act as Pool Committees for each of the several pools created under
6 the Physical solution. Said Pool Committees shall, in turn, jointly form an Advisory Committee to assist
7 Watermaster in performance of its functions under this judgment. Pool Committees shall be composed as
8 specified in the respective pooling plans, and the Advisory Committee shall be composed of ten (10)
9 voting representatives from each pool, as designated by the respective Pool Committee⁶ **in accordance**
10 **with each pool's pooling plan.** WMWD, **Three Valleys Municipal Water District (Successor to**
11 **PVMWD)** and SBVMWD shall each be entitled to one non-voting representative on said Advisory
12 Committee.

13
14 33. Term and Vacancies. Members of any Pool Committee, shall serve for the term, and
15 vacancies shall be filled, as specified in the respective pooling plan. Members of the Advisory Committee
16 shall serve at the will of their respective Pool Committee.

17 34. Voting Power. The voting power on each Pool Committee shall be allocated as provided
18 in the respective pooling plan. The voting power on the Advisory Committee shall be one hundred (100)
19 votes allocated among the three pools in proportion to the total assessments paid to Watermaster during
20 the preceding year; provided, that the minimum voting power of each pool shall be

21
22 (a) Overlying Agricultural Pool 20,

23 (b) Overlying Non-Agricultural Pool 5, and

24
25 (c) Appropriative Pool 20.
26

27 ⁶ Order dated September 18, 1996.
28

1 In the event any pool is reduced to its said minimum vote, the remaining votes shall be allocated between
2 the remaining pools on said basis of assessments paid to Watermaster by each such remaining pool
3 during the preceding year. The method of exercise of each pool's voting power on the Advisory
4 Committee shall be as determined by the respective pool committees.

5 35. Quorum. A majority of the voting power of the Advisory Committee or any Pool
6 Committee shall constitute a quorum for the transaction of affairs of such Advisory or Pool Committee;
7 provided, that at least one representative of each Pool Committee shall be required to constitute a
8 quorum of the Advisory Committee. No Pool Committee representative may purposely absent himself or
9 herself, without good cause, from an Advisory Committee meeting to deprive it of a quorum. Action by
10 affirmative vote of a majority of the entire voting power of any Pool Committee or the Advisory Committee
11 shall constitute action by such committee. Any action or recommendation of a Pool Committee or the
12 Advisory Committee shall be transmitted to Watermaster in writing, together with a report of any
13 dissenting vote or opinion.
14

15 36. Compensation. Pool or Advisory Committee members may receive compensation, to be
16 established by the respective pooling plan, but not to exceed twenty-five dollars (\$25.00) for each
17 meeting of such Pool or Advisory Committee attended, and provided that no member of a Pool or
18 Advisory Committee shall receive compensation of more than three hundred (\$300.00) dollars for service
19 on any such committee during any one year. All such compensation shall be a part of Watermaster
20 administrative expense. No member of any Pool or Advisory Committee shall be employed by
21 Watermaster or compensated by Watermaster for professional or other services rendered to such Pool or
22 Advisory Committee or to Watermaster, other than the fee for attendance at meetings herein provided,
23 plus reimbursement of reasonable expenses related to activities within the Basin.
24

25 37. Organization.

26 (a) Organizational Meeting. At its first meeting in each year, each Pool Committee
27 and the Advisory Committee shall elect a chairperson and a vice chairperson from its
28

1 membership. It shall also select a secretary, a treasurer and such assistant secretaries and
2 treasurers as may be appropriate, any of whom may, but need not, be members of such Pool or
3 Advisory Committee.

4 (b) Regular Meetings. All Pool Committees and the Advisory Committee shall hold
5 regular meetings at a place and time to be specified in the rules to be adopted by each Pool and
6 Advisory Committee. Notice of regular meetings of any Pool or Advisory Committee, and of any
7 change in time or place thereof, shall be mailed to all active parties in said pool or pools.
8

9 (c) Special Meetings. Special meetings of any Pool or Advisory Committee may be
10 called at any time by the Chairperson or by any three (3) members of such Pool or Advisory
11 Committee by delivering notice personally or by mail to each member of such Pool or Advisory
12 Committee and to each active party at least 24 hours before the time of each such meeting in the
13 case of personal delivery, and 96 hours in the case of mail. The calling notice shall specify the
14 time and place of the special meeting and the business to be transacted. No other business shall
15 be considered at such meeting.
16

17 (d) Minutes. Minutes of all Pool Committee, Advisory Committee and Watermaster
18 meetings shall be kept at Watermaster's offices. Copies thereof shall be mailed or otherwise
19 furnished to all active parties in the pool or pools concerned. Said copies of minutes shall
20 constitute notice of any Pool or Advisory Committee action therein reported, and shall be
21 available for inspection by any party.

22 (e) Adjournments. Any meeting of any Pool or Advisory Committee may be
23 adjourned to a time and place specified in the order of adjournment. Less than a quorum may so
24 adjourn from time to time. A copy of the order or notice of adjournment shall be conspicuously
25 posted forthwith on or near the door of the place where the meeting was held.

26 38. Powers and Functions. The powers and functions of the respective Pool Committees
27 and the Advisory Committee shall be as follows:
28

1 (a) Pool Committees. Each Pool Committee shall have the power and responsibility
2 for developing policy recommendations for administration of its particular pool, as created under
3 the Physical Solution. All actions and recommendations of any Pool Committee which require
4 Watermaster implementation shall first be noticed to the other two pools. If no objection is
5 received in writing within thirty (30) days, such action or recommendation shall be transmitted
6 directly to Watermaster for action. If any such objection is received, such action or
7 recommendation shall be reported to the Advisory Committee before being transmitted to
8 Watermaster.

9 (b) Advisory Committee. The Advisory Committee shall have the duty to study, and
10 the power to recommend, review and act upon all discretionary determinations made or to be
11 made hereunder by Watermaster.

12
13 [1] Committee Initiative. When any recommendation or advice of the
14 Advisory Committee is received by Watermaster, action consistent therewith may be
15 taken by Watermaster; provided, that any recommendation approved by 80 votes or more
16 in the Advisory Committee shall constitute a mandate for action by Watermaster
17 consistent therewith. If Watermaster is unwilling or unable to act pursuant to
18 recommendation or advice from the Advisory Committee (other than such mandatory
19 recommendations), Watermaster shall hold a public hearing, which shall be followed by
20 written findings and decision. Thereafter, Watermaster may act in accordance with said
21 decision, whether consistent with or contrary to said Advisory Committee
22 recommendation. Such action shall be subject to review by the Court, as in the case of
23 all other Watermaster determinations.

24
25 [2] Committee Review. In the event Watermaster proposes to take
26 discretionary action, other than approval or disapproval of a Pool Committee action or
27 recommendation properly transmitted, or execute any agreement not theretofore within
28 the scope of an Advisory Committee recommendation, notice of such intended action

1 shall be served on the Advisory Committee and its members at least thirty (30) days
2 before the Watermaster meeting at which such action is finally authorized.

3 (c) Review of Watermaster Actions. Watermaster (as to mandated action), the
4 Advisory Committee or any Pool Committee shall be entitled to employ counsel and expert
5 assistance in the event Watermaster or such Pool or Advisory Committee seeks Court review of
6 any Watermaster action or failure to act. The cost of such counsel and expert assistance shall be
7 Watermaster expense to be allocated to the affected pool or pools.
8

9 VI. PHYSICAL SOLUTION

10 A. GENERAL

11
12 39. Purpose and Objective. Pursuant to the mandate of Section 2 of Article X of the
13 California Constitution, the Court hereby adopts and orders the parties to comply with a Physical Solution.
14 The purpose of these provisions is to establish a legal and practical means for making the maximum
15 reasonable beneficial use of the waters of Chino Basin by providing the optimum economic, long-term,
16 conjunctive utilization of surface waters, ground waters and supplemental water, to meet the
17 requirements of water users having rights in or dependent upon Chino Basin.
18

19 40. Need for Flexibility. It is essential that this Physical solution provide maximum flexibility
20 and adaptability in order that Watermaster and the Court may be free to use existing and future
21 technological, social, institutional and economic options, in order to maximize beneficial use of the waters
22 of Chino Basin. To that end, the Court's retained jurisdiction will be utilized, where appropriate, to
23 supplement the discretion herein granted to the Watermaster.

24 41. Watermaster Control. Watermaster, with the advice of the Advisory and Pool
25 Committees, is granted discretionary powers in order to develop an optimum basin management program
26 for Chino Basin, including both water quantity and quality considerations. Withdrawals and supplemental
27 water replenishment of Basin Water, and the full utilization of the water resources of Chino Basin, must
28

1 be subject to procedures established by and administered through Watermaster with the advice and
2 assistance of the Advisory and Pool Committees composed of the affected producers. Both the quantity
3 and quality of said water resources may thereby be preserved and the beneficial utilization of the Basin
4 maximized.

5 42. General Pattern of Operations. It is contemplated that the rights herein decreed will be
6 divided into three (3) operating pools for purposes of Watermaster administration. A fundamental
7 premise of the Physical Solution is that all water users dependent upon Chino Basin will be allowed to
8 pump sufficient waters from the Basin to meet their requirements. To the extent that pumping exceeds
9 the share of the Safe Yield assigned to the Overlying Pools, or the Operating Safe Yield in the case of the
10 Appropriative Pool, each pool will provide funds to enable Watermaster to replace such overproduction.
11 The method of assessment in each pool shall be as set forth in the applicable pooling plan.

13 B. POOLING

14 43. Multiple Pools Established. There are hereby established three (3) pools for
15 Watermaster administration of, and for the allocation of responsibility for, and payment of, costs of
16 replenishment water and other aspects of this Physical Solution.

17
18 (a) Overlying (Agricultural) Pool. The first pool shall consist of the State of California
19 and all overlying producers who produce water for other than industrial or commercial purposes.
20 The initial members of the pool are listed in Exhibit "C".

21
22 (b) Overlying (Non-agricultural) Pool The second pool shall consist of overlying
23 producers who produce water for industrial or commercial purposes. The initial members of this
24 pool are listed in Exhibit "D".

25 (c) Appropriative Pool. A third and separate pool shall consist of owners of
26 appropriative rights. The initial members of the pool are listed in Exhibit "E".
27
28

Any party who changes the character of his use may, by subsequent order of the Court, be reassigned to the proper pool; but the allocation of Safe Yield under Paragraph 44 hereof shall not be changed. Any non-party producer or any person who may hereafter commence production of water from Chino Basin, and who may become a party to this physical solution by intervention, shall be assigned to the proper pool by the order of the Court authorizing such intervention.

44. Determination and Allocation of Rights to Safe Yield of Chino Basin. The declared Safe Yield of Chino Basin is hereby allocated as follows:

<u>Pool</u>	<u>Allocation</u>
Overlying (Agricultural) Pool	414,000 acre-feet in any five (5) consecutive years.
Overlying (Non-agricultural) Pool	7,366 acre-feet per year.
Appropriative Pool	49,834 acre-feet per year.

The foregoing acre foot allocations to the overlying pools are fixed. Any subsequent change in the Safe Yield shall be debited or credited to the Appropriative Pool. Basin Water available to the Appropriative Pool without replenishment obligation may vary from year to year as the Operating Safe Yield is determined by Watermaster pursuant to the criteria set forth in Exhibit "I".

45. Annual Replenishment. Watermaster shall levy and collect assessments in each year, pursuant to the respective pooling plans, in amounts sufficient to purchase replenishment water to replace production by any pool during the preceding year which exceeds that pool's allocated share of Safe Yield in the case of the overlying pools, or Operating Safe Yield in the case of the Appropriative Pool. It is anticipated that supplemental water for replenishment of Chino Basin may be available at different rates to the various pools to meet their replenishment obligations. If such is the case, each pool will be assessed only that amount necessary for the cost of replenishment water to that pool, at the rate available to the pool, to meet its replenishment obligation.

1 46. Initial Pooling Plans. The initial pooling plans, which are hereby adopted, are set forth in
2 Exhibits "F", "G" and "H", respectively. Unless and until modified by amendment of the judgment pursuant
3 to the Court's continuing jurisdiction, each such plan shall control operation of the subject pool.

4
5 C. REPORTS AND ACCOUNTING

6 47. Production Reports. Each party or responsible party shall file periodically with
7 Watermaster, pursuant to Watermaster rules, a report on a form to be prescribed by Watermaster
8 showing the total production of such party during the preceding reportage period, and such additional
9 information as Watermaster may require, including any information specified by the affected Pool
10 Committee.

11
12 48. Watermaster Report and Accounting. **Watermaster's Annual Report shall be filed by**
13 **January 31 of each year. The Report shall apply to the preceding fiscal years' operation. The**
14 **Report shall contain details as to operation of the Pools. A certified audit of assessments and**
15 **expenditures pursuant to this Physical Solution, and a review of Watermaster activity.⁷**

16 D. REPLENISHMENT

17
18 49. Sources of Supplemental Water. Supplemental water may be obtained by Watermaster
19 from any available source. Watermaster shall seek to obtain the best available quality of supplemental
20 water at the most reasonable cost for recharge in the Basin. To the extent that costs of replenishment
21 water may vary between pools, each pool shall be liable only for the costs attributable to its required
22 replenishment. Available sources may include, but are not limited to:

23 (a) Reclaimed Water. There exist a series of agreements generally denominated the
24 Regional Waste Water Agreements between IEUA and owners of the major municipal sewer
25

26
27 ⁷ Order dated March 31, 1999.
28

1 systems within the basin. Under those agreements, which are recognized hereby but shall be
2 unaffected and unimpaired by this judgment, substantial quantities of reclaimed water may be
3 made available for replenishment purposes. There are additional sources of reclaimed water
4 which are, or may become, available to Watermaster for said purposes. Maximum beneficial use
5 of reclaimed water shall be given high priority by Watermaster.

6 (b) State Water. State water constitutes a major available supply of supplemental
7 water. In the case of State Water, Watermaster purchases shall comply with the water service
8 provisions of the State's water service contracts. More specifically, Watermaster shall purchase
9 State Water from MWD for replenishment of excess production within IEUA, WMWD and
10 TVMWD, and from SBVMWD to replenish excess production within SBVMWD's boundaries in
11 Chino Basin, except to the extent that MWD and SBVMWD give their consent as required by
12 such State water service contracts.

13
14 (c) Local Import. There exist facilities and methods for importation of surface and
15 ground water supplies from adjacent basins and watersheds.

16
17 (d) Colorado River Supplies. MWD has water supplies available from its Colorado
18 River Aqueduct.

19 50. Methods of Replenishment. Watermaster may accomplish replenishment of
20 overproduction from the Basin by any reasonable method, including:

21
22 (a) Spreading and percolation or Injection of water in existing or new facilities,
23 subject to the provisions of Paragraphs 19, 25 and 26 hereof.

24
25 (b) In Lieu Procedures. Watermaster may make, or cause to be made, deliveries of
26 water for direct surface use, in lieu of ground water production.

27 E. REVENUES
28

1 51. Production Assessment. Production assessments, on whatever basis, may be levied by
2 Watermaster pursuant to the pooling plan adopted for the applicable pool.

3 52. Minimal Producers. Minimal Producers shall be exempted from payment of production
4 assessments, upon filing of production reports as provided in Paragraph 47 of this Judgment, and
5 payment of an annual five dollar (\$5.00) administrative fee as specified by Watermaster rules.
6

7 53. Assessment Proceeds -- Purposes. Watermaster shall have the power to levy
8 assessments against the parties (other than minimal pumpers) based upon production during the
9 preceding period of assessable production, whether quarterly, semi-annually or annually, as may be
10 determined most practical by Watermaster or the affected Pool Committee.

11 54. Administrative Expenses. The expenses of administration of this Physical Solution shall
12 be categorized as either (a) general Watermaster administrative expense, or (b) special project expense.
13

14 (a) General Watermaster Administrative Expense shall include office rental, general
15 personnel expense, supplies and office equipment, and related incidental expense and general
16 overhead.
17

18 (b) Special Project Expense shall consist of special engineering, economic or other
19 studies, litigation expense, meter testing or other major operating expenses. Each such project
20 shall be assigned a Task Order number and shall be separately budgeted and accounted for.
21 General Watermaster administrative expense shall be allocated and assessed against the
22 respective pools based upon allocations made by the Watermaster, who shall make such
23 allocations based upon generally accepted cost accounting methods. Special Project Expense
24 shall be allocated to a specific pool, or any portion thereof, only upon the basis of prior express
25 assent and finding of benefit by the Pool Committee, or pursuant to written order of the Court.

26 55. Assessments -- Procedure. Assessments herein provided for shall be levied and
27 collected as follows:
28

1 (a) Notice of Assessment. Watermaster shall give written notice of all applicable
2 assessments to each party on or before ninety (90) days after the end of the production period to
3 which such assessment is applicable.

4 (b) Payment. Each assessment shall be payable on or before thirty (30) days after
5 notice, and shall be the obligation of the party or successor owning the water production facility at
6 the time written notice of assessment is given, unless prior arrangement for payment by others
7 has been made in writing and filed with Watermaster.

8 (c) Delinquency. Any delinquent assessment shall bear interest at 10% per annum
9 (or such greater rate as shall equal the average current cost of borrowed funds to the
10 Watermaster) from the due date thereof. Such delinquent assessment and interest may be
11 collected in a show-cause proceeding herein instituted by the Watermaster, in which case the
12 Court may allow Watermaster its reasonable costs of collection, including attorney's fees.
13

14 56. Accumulation of Replenishment Water Assessment Proceeds. In order to minimize
15 fluctuation in assessment and to give Watermaster flexibility in purchase and spreading of replenishment
16 water, Watermaster may make reasonable accumulations of replenishment water assessment proceeds.
17 Interest earned on such retained funds shall be added to the account of the pool from which the funds
18 were collected and shall be applied only to the purchase of replenishment water.
19

20 57. Effective Date. The effective date for accounting and operation under this Physical
21 Solution shall be July 1, 1977, and the first production assessments hereunder shall be due after July 1,
22 1978. Watermaster shall, however, require installation of meters or measuring devices and establish
23 operating procedures immediately, and the cost of such Watermaster activity (not including the cost of
24 such meters and measuring devices) may be recovered in the first administrative assessment in 1978.
25
26
27
28

VII. MISCELLANEOUS PROVISIONS

58. Designation of Address for Notice and Service. Each party shall designate the name and address to be used for purposes of all subsequent notices and service herein, either by its endorsement on the Stipulation for Judgment or by a separate designation to be filed within thirty (30) days after Judgment has been served. Said designation may be changed from time to time by filing a written notice of such change with the Watermaster. Any party desiring to be relieved of receiving notices of Watermaster or committee activity may file a waiver of notice on a form to be provided by Watermaster. Thereafter such party shall be removed from the Active Party list. Watermaster shall maintain at all times a current list of all active parties and their addresses for purposes of service. Watermaster shall also maintain a full current list of names and addresses of all parties or their successors, as filed herein. Copies of such lists shall be available, without cost, to any party, the Advisory Committee or any Pool Committee upon written request therefor.

59. Service of Documents. Delivery to or service upon any party or active party by the Watermaster, by any other party, or by the Court, of any item required to be served upon or delivered to such party or active party under or pursuant to the Judgment shall be made personally or by deposit in the United States mail, first class, postage prepaid, addressed to the designee and at the address in the latest designation filed by such party or active party.

60. Intervention After Judgment. Any non-party assignee of the adjudicated appropriative rights of any appropriator, or any other person newly proposing to produce water from Chino Basin, may become a party to this Judgment upon filing a petition in intervention. Said intervention must be confirmed by order of this Court. Such intervenor shall thereafter be a party bound by this judgment and entitled to the rights and privileges accorded under the Physical Solution herein, through the pool to which the Court shall assign such intervenor.

61. Loss of Rights. Loss, whether by abandonment, forfeiture or otherwise, of any right herein adjudicated shall be accomplished only (1) by a written election by the owner of the right filed with Watermaster, or (2) by order of the Court upon noticed motion and after hearing.

62. Scope of Judgment. Nothing in this Judgment shall be deemed to preclude or limit any party in the assertion against a neighboring party of any cause of action now existing or hereafter arising based upon injury, damage or depletion of water supply available to such party, proximately caused by nearby pumping which constitutes an unreasonable interference with such complaining party's ability to extract ground water.

63. Judgment Binding on Successors. This Judgment and all provisions thereof are applicable to and binding upon not only the parties to this action, but also upon their respective heirs, executors, administrators, successors, assigns, lessees and licensees and upon the agents, employees and attorneys in fact of all such persons.

64. Costs. No party shall recover any costs in this proceeding from any other party.

Dated: January 1, 1978

Howard B. Weiner

Howard B. Weiner

STIPULATION EXHIBIT 1

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES - CENTRAL DISTRICT**

Coordination Proceeding Special Title
(Rule 1550(b))

**ANTELOPE VALLEY
GROUNDWATER CASES**

Judicial Council Coordination Proceeding No.
4408

Santa Clara Case No.: 1-05-CV-049053

Judge: The Honorable Jack Komar, Dept. 17

[PROPOSED] JUDGMENT AND PHYSICAL
SOLUTION

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Exhibits:

- Exhibit 1: Listing of Parties Against Which a Default Judgment Has Been Entered.
- Exhibit 2: Map of Area Adjudicated in This Action.
- Exhibit 3: Non-Overlying Production Rights.
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- Exhibit 6: Map of boundaries of Edwards Air Force Base.
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- Appendix A: Non-Pumper Class Judgment.
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1 A number of Parties have agreed and stipulated to entry of a Judgment consistent with the
2 terms of this Judgment and Physical Solution (hereafter “this Judgment”). The stipulations of the
3 Parties are conditioned upon further proceedings that will result in a Judgment binding all Parties
4 to the Action. The Court, having considered the pleadings, the stipulations of the Parties, and the
5 evidence presented, and being fully informed in the matter, approves the Physical Solution¹
6 contained herein. This Judgment is entered as a Judgment binding on all Parties served or
7 appearing in this Action, including without limitation, those Parties which have stipulated to this
8 Judgment, are subject to prior settlement(s) and judgment(s) of this Court, have defaulted or
9 hereafter stipulate to this Judgment.

10 I. DESCRIPTION OF LITIGATION

11 1. PROCEDURAL HISTORY

12 1.1 Initiation of Litigation.

13 On October 29, 1999, Diamond Farming Company (“Diamond Farming”) filed in
14 the Riverside County Superior Court (Case No. RIC 344436) the first complaint in what would
15 become these consolidated complex proceedings known as the Antelope Valley Groundwater
16 Cases. Diamond Farming's complaint names as defendants the City of Lancaster, Palmdale
17 Water District, Antelope Valley Water Company, Palm Ranch Irrigation District, Quartz Hill
18 Water District, Rosamond Community Services District, and Mojave Public Utility District.

19 On February 22, 2000, Diamond Farming filed another complaint in the Riverside
20 County Superior Court (Case No. RIC 344468). The two Diamond Farming actions were
21 subsequently consolidated.

22 On January 25, 2001, Wm. Bolthouse Farms, Inc. (“Bolthouse”) filed a complaint
23 in the same Court against the same entities, as well as Littlerock Creek Irrigation District and Los
24 Angeles Waterworks Districts Nos. 37 and 40 (Case No. RIC 353840).

25 ¹ A “physical solution” describes an agreed upon or judicially imposed resolution of conflicting claims in a manner
26 that advances the constitutional rule of reasonable and beneficial use of the state’s water supply. (*City of Santa Maria*
27 *v. Adam* (2012) 211 Cal. App. 4th 266, 288.) It is defined as “an equitable remedy designed to alleviate overdrafts
28 and the consequential depletion of water resources in a particular area, consistent with the constitutional mandate to
prevent waste and unreasonable water use and to maximize the beneficial use of this state’s limited resource.”
(*California American Water v. City of Seaside* (2010) 183 Cal. App. 4th 471, 480.)

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1 The Diamond Farming and Bolthouse complaints variously allege that unregulated
2 pumping by these named public agencies (collectively the Public Water Suppliers) has irreparably
3 harmed Diamond Farming and Bolthouse's rights to produce Groundwater from the Antelope
4 Valley Groundwater Basin, and interfered with their rights to put that Groundwater to reasonable
5 and beneficial uses on property they own or lease. Diamond Farming and Bolthouse's complaints
6 seek a determination of their water rights and to quiet title as to the same.

7 In 2001, the Diamond Farming and Bolthouse actions were consolidated in the
8 Riverside County Superior Court.

9 In August 2002, a Phase 1 trial commenced in the Riverside County Superior
10 Court in the consolidated Diamond Farming/Bolthouse proceedings for the purpose of
11 determining the geographic boundary of the area to be adjudicated. That Phase 1 trial was not
12 concluded and the Court did not determine any issues or make any factual findings at that time.

13 **1.2 General Adjudication Commenced.**

14 In 2004, Los Angeles County Waterworks District No. 40 ("District No. 40")
15 initiated a general Groundwater adjudication for the Antelope Valley Ground Water Basin by
16 filing identical complaints for declaratory and injunctive relief in the Los Angeles and Kern
17 County Superior Courts (Los Angeles County Superior Court Case No. BC 325201 and Kern
18 County Superior Court Case No. S-1500-CV 254348). District No. 40's complaints sought a
19 judicial determination of the respective rights of the Parties to produce Groundwater from the
20 Antelope Valley Groundwater Basin.

21 On December 30, 2004, District No. 40 petitioned the Judicial Council of
22 California for coordination of the above-referenced actions. On June 17, 2005, the Judicial
23 Council of California granted the petition and assigned the "Antelope Valley Groundwater Cases"
24 (Judicial Council Coordination Proceeding No. 4408) to this Court (Santa Clara County Superior
25 Court Case No. 1-05-CV-049053 (Hon. Jack Komar)).

26 For procedural purposes, the Court requested that District No. 40 refile its
27 complaint as a first amended cross-complaint in the now coordinated proceedings. Joined by the
28

1 other Public Water Suppliers, District No. 40 filed a first amended cross-complaint seeking
2 declaratory and injunctive relief and an adjudication of the rights to all Groundwater within the
3 Antelope Valley Groundwater Basin. The Public Water Suppliers' cross-complaint, as currently
4 amended, requests an adjudication to protect the public's water supply, prevent water quality
5 degradation, and stop land subsidence. Some of the Public Water Suppliers allege they have
6 acquired prescriptive and equitable rights to the Groundwater in the Basin. They allege the Basin
7 has been in overdraft for more than five consecutive Years and they have pumped water from the
8 Basin for reasonable and beneficial purposes in an open, notorious, and continuous manner. They
9 allege each non-public cross-defendant had actual or constructive notice of these activities,
10 sufficient to establish prescriptive rights in their favor. In order to alleviate overdraft conditions
11 and protect the Basin, the Public Water Suppliers also request a physical solution.

12 **1.3 Other Actions**

13 In response to the Public Water Suppliers first amended cross-complaint,
14 numerous Parties filed cross-complaints seeking various forms of relief.

15 On August 30, 2006, Antelope Valley-East Kern Water Agency ("AVEK") filed a
16 cross-complaint seeking declaratory and injunctive relief and claiming overlying rights and rights
17 to pump the supplemental yield attributable to return flows from State Water Project water
18 imported to the Basin.

19 On January 11, 2007, Rebecca Lee Willis filed a class action complaint in the Los
20 Angeles County Superior Court (Case No. BC 364553) for herself and on behalf of a class of
21 non-pumping overlying property owners ("Non-Pumper Class"), through which she sought
22 declaratory relief and money damages from various public entities. Following certification, the
23 Non-Pumper Class entered into a settlement agreement with the Public Water Suppliers
24 concerning the matters at issue in the class complaint. On September 22, 2011, the Court
25 approved the settlement through an amended final judgment.

26 On June 2, 2008, Richard A. Wood filed a class action complaint for himself and
27 on behalf of a class of small property owners in this action ("Small Pumper Class"), *Wood v. Los*
28

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1 *Angeles Co. Waterworks Dist. 40, et al.*, (Case No.: BC 391869) through which he sought
2 declaratory relief and money damages from various public entities. The Small Pumper Class was
3 certified on September 2, 2008.

4 On February 24, 2010, following various orders of coordination, the Court granted
5 the Public Water Suppliers' motion to transfer and consolidate all complaints and cross-
6 complaints in this matter, with the exception of the complaint in Sheldon R. Blum, etc. v. Wm.
7 Bolthouse Farms, Inc. (Santa Clara County Superior Court Case No. 1-05-CV-049053), which
8 remains related and coordinated.

9 **1.4 McCarran Amendment Issues**

10 The Public Water Suppliers' cross-complaint names Edwards Air Force Base,
11 California and the United States Department of the Air Force as cross-defendants, seeking the
12 same declaratory and injunctive relief as sought against the other cross-defendants. This
13 Judgment, or any other determination in this case regarding rights to water, is contingent on a
14 Judgment satisfying the requirements of the McCarran Amendment, 43 U.S.C. §666. The United
15 States reserves all rights to object or otherwise challenge any interlocutory judgment and reserves
16 all rights to appeal a Judgment that does not satisfy the requirements of the McCarran
17 Amendment.

18 **1.5 Phased Trials**

19 The Court has divided the trial in this matter into multiple phases, four of which
20 have been tried.

21 Through the Phase 1 trial, the Court determined the geographical boundaries of the
22 area adjudicated in this Action which is defined as the Basin. On November 3, 2006, the Court
23 entered an order determining that issue.

24 Through the Phase 2 trial, the Court determined that all areas within the Basin are
25 hydrologically connected and a single aquifer, and that there is sufficient hydraulic connection
26 between the disputed areas and the rest of the Basin such that the Court must include the disputed
27 areas within the adjudication area. The Court further determined that it would be premature to make
28

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1 any determinations regarding, *inter alia*, claims that portions of the Basin should be treated as a
2 separate area for management purposes. On November 6, 2008, the Court entered its Order after
3 Phase Two Trial on Hydrologic Nature of Antelope Valley.

4 Through the Phase 3 trial, the Court determined the Basin is in a current state of
5 overdraft and the safe yield is 110,000 acre-feet per Year. The Court found the preponderance of
6 the evidence presented established that setting the safe yield at 110,000 acre-feet per Year will
7 permit management of the Basin in such a way as to preserve the rights of the Parties in
8 accordance with the California Constitution and California law. On July 13, 2011, the Court filed
9 its Statement of Decision.

10 Through the Phase 4 trial, the Court determined the overall Production occurring
11 in the Basin in calendar Years 2011 and 2012.

12 **1.6 Defaults**

13 Numerous Parties have failed to respond timely, or at all, to the Public Water
14 Suppliers' cross-complaint, as amended, and their defaults have been entered. The Court has
15 given the defaulted Parties notice of this Judgment and Physical Solution, together with the
16 opportunity to be heard regarding this Judgment, and hereby enters default judgments against all
17 such Parties and incorporates those default judgments into this Judgment. Pursuant to such
18 default judgments a defaulted Party has no right to Produce Groundwater from the Basin. All
19 Parties against which a default judgment has been entered are identified on Exhibit 1, attached
20 hereto and incorporated herein by reference.

21 **2. GENERAL ADJUDICATION DOES NOT APPLY TO SURFACE WATER.**

22 Pursuant to California law, surface water use since 1914 has been governed by the Water
23 Code. This Judgment does not apply to surface water as defined in the Water Code and is not
24 intended to interfere with any State permitted or licensed surface water rights or pre-1914 surface
25 water right. The impact of any surface water diversion should be considered as part of the State
26 Water Resources Control Board permitting and licensing process and not as part of this Judgment.

II. DECREE**3. JURISDICTION, PARTIES, DEFINITIONS.**

3.1 Jurisdiction. This Action is an *inter se* adjudication of all claims to the rights to Produce Groundwater from the Basin alleged between and among all Parties. This Court has jurisdiction over the subject matter and Parties herein to enter a Judgment declaring and adjudicating the rights to reasonable and beneficial use of water by the Parties in the Action pursuant to Article X, section 2 of the California Constitution.

3.2 Parties. The Court required that all Persons having or claiming any right, title or interest to the Groundwater within the Basin be notified of the Action. Notice has been given pursuant to the Court's order. All Public Water Suppliers, landowners, Non-Pumper Class and Small Pumper Class members and other Persons having or making claims have been or will be included as Parties to the Action. All named Parties who have not been dismissed have appeared or have been given adequate opportunity to appear.

3.3 Factual and Legal Issues. The complaints and cross-complaints in the Action frame many legal issues. The Action includes over 4,000 Parties, as well as the members of the Non-Pumper Class and the members of the Small Pumper Class. The Basin's entire Groundwater supply and Groundwater rights, extending over approximately 1390 square miles, have been brought to issue. The numerous Groundwater rights at issue in the case include, without limitation, overlying, appropriative, prescriptive, and federal reserved water rights to Groundwater, rights to return flows from Imported Water, rights to recycled water, rights to stored Imported Water subject to the Watermaster rules and regulations, and rights to utilize the storage space within the Basin. After several months of trial, the Court made findings regarding Basin characteristics and determined the Basin's Safe Yield. The Court's rulings and judgments in this case, including the Safe Yield determination, form the basis for this Judgment.

3.4 Need for a Declaration of Rights and Obligations for a Physical Solution. A Physical Solution for the Basin, based on a declaration of water rights and a formula for allocation of rights and obligations, is necessary to implement the mandate of Article X,

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section 2 of the California Constitution and to protect the Basin and the Parties' rights to the Basin's water resources. The Physical Solution governs Groundwater, Imported Water and Basin storage space, and is intended to ensure that the Basin can continue to support existing and future reasonable and beneficial uses. A Physical Solution requires determining individual Groundwater rights for the Public Water Suppliers, landowners, Non-Pumper Class and Small Pumper Class members, and other Parties within the Basin. The Physical Solution set forth in this Judgment: (1) is a fair and reasonable allocation of Groundwater rights in the Basin after giving due consideration to water rights priorities and the mandate of Article X, section 2 of the California Constitution; (2) provides for a reasonable sharing of Imported Water costs; (3) furthers the mandates of the State Constitution and State water policy; and (4) is a remedy that gives due consideration to applicable common law rights and priorities to use Basin water and storage space without substantially impairing such rights. Combined with water conservation, water reclamation, water transfers, water banking, and improved conveyance and distribution methods within the Basin, present and future Imported Water sources are sufficient both in quantity and quality to assure implementation of a Physical Solution. This Judgment will facilitate water resource planning and development by the Public Water Suppliers and individual water users.

3.5 Definitions. As used in this Judgment, the following terms shall have the meanings set forth herein:

3.5.1 Action. The coordinated and consolidated actions included in the Antelope Valley Groundwater Cases, Judicial Council Coordination Proceeding No. 4408, Santa Clara Superior Court Case No. 1-05-CV-049053.

3.5.2 Adjusted Native Safe Yield. The Native Safe Yield minus (1) the Production Right allocated to the Small Pumper Class under Paragraph 5.1.3, (2) the Federal Reserved Water Right under Paragraph 5.1.4, and (3) the State of California Production Right under Paragraph 5.1.5. The Adjusted Native Safe Yield as of the date of entry of this Judgment is 70,686.6 acre-feet per year.

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1 **3.5.3 Administrative Assessment.** The amount charged by the
2 Watermaster for the costs incurred by the Watermaster to administer this Judgment.

3 **3.5.4 Annual Period.** The calendar Year.

4 **3.5.5 Antelope Valley United Mutuals Group.** The members of the
5 Antelope Valley United Mutuals Group are Antelope Park Mutual Water Company, Aqua-J
6 Mutual Water Company, Averydale Mutual Water Company, Baxter Mutual Water Company,
7 Bleich Flat Mutual Water Company, Colorado Mutual Water Co., El Dorado Mutual Water
8 Company, Evergreen Mutual Water Company, Land Projects Mutual Water Co., Landale Mutual
9 Water Co., Shadow Acres Mutual Water Company, Sundale Mutual Water Company, Sunnyside
10 Farms Mutual Water Company, Inc., Tierra Bonita Mutual Water Company, West Side Park
11 Mutual Water Co. and White Fence Farms Mutual Water Co., together with the successor(s)-in-
12 interest to any member thereof. Each of the members of the Antelope Valley United Mutuals
13 Group was formed when the owner(s) of the lands that were being developed incorporated the
14 mutual water company and transferred their water rights to the mutual water company in
15 exchange for shares of common stock. The mutual water company owns, operates and maintains
16 the infrastructure for the production, storage, distribution and delivery of water solely to its
17 shareholders. The shareholders of each of these mutual water companies, who are the owners of
18 the real property that is situated within the mutual water company's service area, have the right to
19 have water delivered to their properties, a right appurtenant to their land. [*See, Erwin v. Gage*
20 *Canal Company* (1964) 226 Cal.App.2d 189].

21 **3.5.6 AVEK.** The Antelope Valley–East Kern Water Agency.

22 **3.5.7 Balance Assessment.** The amount of money charged by the
23 Watermaster on all Production Rights, excluding the United States' actual Production, to pay for
24 the costs, not including infrastructure, to purchase, deliver, produce in lieu, or arrange for
25 alternative pumping sources in the Basin.

26 **3.5.8 Basin.** The area adjudicated in this Action as shown on Exhibit 2,
27 attached hereto and incorporated herein by reference, which lies within the boundaries of the line
28

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1 labeled “Boundaries of the Adjudicated Area” and described therein. The Basin generally
2 encompasses the Antelope Valley bordered on the West and South by the San Gabriel and
3 Tehachapi Mountains, with the eastern boundary being the Los Angeles-San Bernardino County
4 line, as determined by the Court.

5 **3.5.9 Carry Over.** The right to Produce an unproduced portion of an
6 annual Production Right or a Right to Imported Water Return Flows in a Year subsequent to the
7 Year in which the Production Right or Right to Imported Water Return Flows was originally
8 available.

9 **3.5.10 Conjunctive Use.** A method of operation of a groundwater basin
10 under which Imported Water is used or stored in the Basin in Years when it is available; allowing
11 the Basin to refill, and more Groundwater is Produced in Years when Imported Water is less
12 available.

13 **3.5.11 Defaulting Party.** A Party who failed to file a responsive pleading
14 and against which a default judgment has been entered. A list of Defaulting Parties is attached as
15 Exhibit 1.

16 **3.5.12 Drought Program.** The water management program in effect only
17 during the Rampdown period affecting the operations and Replacement Water Assessments of the
18 participating Public Water Suppliers.

19 **3.5.13 Judgment.** A judgment, consistent with Cal.C.C.P. §§ 577 and
20 1908(a)(1) and 43 U.S.C. § 666, determining all rights to Groundwater in the Basin, establishing
21 a Physical Solution, and resolving all claims in the Action.

22 **3.5.14 Groundwater.** Water beneath the surface of the ground and within
23 the zone of saturation, excluding water flowing through known and definite channels.

24 **3.5.15 Imported Water.** Water brought into the Basin from outside the
25 watershed of the Basin as shown in Exhibit 9.

26 **3.5.16 Imported Water Return Flows.** Imported Water that net
27 augments the Basin Groundwater supply after use.

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1 **3.5.17 In Lieu Production.** The amount of Imported Water used by a
2 Producer in a Year instead of Producing an equal amount of that Producer's Production Right.

3 **3.5.18 Material Injury.** Material Injury means impacts to the Basin caused
4 by pumping or storage of Groundwater that:

5 **3.5.18.1** Causes material physical harm to the Basin, any
6 Subarea, or any Producer, Party or Production Right, including, but not limited to, Overdraft,
7 degradation of water quality by introduction of contaminants to the aquifer by a Party and/or
8 transmission of those introduced contaminants through the aquifer, liquefaction, land subsidence and
9 other material physical injury caused by elevated or lowered Groundwater levels. Material physical
10 harm does not include "economic injury" that results from other than direct physical causes, including
11 any adverse effect on water rates, lease rates, or demand for water.

12 **3.5.18.2** If fully mitigated, Material Injury shall no longer be
13 considered to be occurring.

14 **3.5.19 Native Safe Yield.** Naturally occurring Groundwater recharge to
15 the Basin, including "return flows" from pumping naturally occurring recharge, on an average
16 annual basis. Imported Water Return Flows are not included in Native Safe Yield.

17 **3.5.20 New Production.** Any Production of Groundwater from the Basin
18 not of right under this Judgment, as of the date of this Judgment.

19 **3.5.21 Non-Overlying Production Rights.** The rights held by the Parties
20 identified in Exhibit 3, attached hereto and incorporated herein by reference.

21 **3.5.22 Non-Pumper Class.** All private (i.e., non-governmental) Persons
22 and entities that own real property within the Basin, as adjudicated, that are not presently
23 pumping water on their property and did not do so at any time during the five Years preceding
24 January 18, 2006. The Non-Pumper Class includes the successors-in-interest by way of purchase,
25 gift, inheritance, or otherwise of such Non-Pumper Class members' land within the Basin. The
26 Non-Pumper Class excludes (1) all Persons to the extent their properties are connected to a
27 municipal water system, public utility, or mutual water company from which they receive water
28

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1 service, (2) all properties that are listed as “improved” by the Los Angeles County or Kern
2 County Assessor's offices, unless the owners of such properties declare under penalty of perjury
3 that they do not pump and have never pumped water on those properties, and (3) those who opted
4 out of the Non-Pumper Class. The Non-Pumper Class does not include landowners who have
5 been individually named under the Public Water Suppliers' cross-complaint, unless such a
6 landowner has opted into such class.

7 **3.5.23 Non-Pumper Class Judgment.** The amended final Judgment that
8 settled the Non-Pumper Class claims against the Public Water Suppliers approved by the Court
9 on September 22, 2011.

10 **3.5.24 Non-Stipulating Party.** Any Party who had not executed a
11 Stipulation for Entry of this Judgment prior to the date of approval of this Judgment by the Court.

12 **3.5.25 Overdraft.** Extractions in excess of the Safe Yield of water from
13 an aquifer, which over time will lead to a depletion of the water supply within a groundwater
14 basin as well as other detrimental effects, if the imbalance between pumping and extraction
15 continues.

16 **3.5.26 Overlying Production Rights.** The rights held by the Parties
17 identified in Exhibit 4, attached hereto and incorporated herein by reference.

18 **3.5.27 Party (Parties).** Any Person(s) that has (have) been named and
19 served or otherwise properly joined, or has (have) become subject to this Judgment and any prior
20 judgments of this Court in this Action and all their respective heirs, successors-in-interest and
21 assigns. For purposes of this Judgment, a “Person” includes any natural person, firm, association,
22 organization, joint venture, partnership, business, trust, corporation, or public entity.

23 **3.5.28 Pre-Rampdown Production.** The reasonable and beneficial use of
24 Groundwater, excluding Imported Water Return Flows, at a time prior to this Judgment, or the
25 Production Right, whichever is greater.

26 **3.5.29 Produce(d).** To pump Groundwater for existing and future
27 reasonable beneficial uses.

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1 **3.5.30 Producer(s).** A Party who Produces Groundwater.

2 **3.5.31 Production.** Annual amount of Groundwater Produced, stated in
3 acre-feet of water.

4 **3.5.32 Production Right.** The amount of Native Safe Yield that may be
5 Produced each Year free of any Replacement Water Assessment and Replacement Obligation.
6 The total of the Production Rights decreed in this Judgment equals the Native Safe Yield. A
7 Production Right does not include any right to Imported Water Return Flows pursuant to
8 Paragraph 5.2.

9 **3.5.33 Pro-Rata Increase.** The proportionate increase in the amount of a
10 Production Right, as provided in Paragraph 18.5.10, provided the total of all Production Rights
11 does not exceed the Native Safe Yield.

12 **3.5.34 Pro-Rata Reduction.** The proportionate reduction in the amount
13 of a Production Right, as provided in Paragraph 18.5.10, in order that the total of all Production
14 Rights does not exceed the Native Safe Yield.

15 **3.5.35 Public Water Suppliers.** The Public Water Suppliers are Los
16 Angeles County Waterworks District No. 40, Palmdale Water District, Quartz Hill Water District,
17 Littlerock Creek Irrigation District, California Water Service Company, Desert Lake Community
18 Services District, North Edwards Water District, City of Palmdale, City of Lancaster, Palm Ranch
19 Irrigation District, Rosamond Community Services District, and West Valley County Water
20 District.

21 **3.5.36 Purpose of Use.** The broad categories of type of water use
22 including but not limited to municipal, irrigation, agricultural and industrial uses.

23 **3.5.37 Rampdown.** The period of time for Pre-Rampdown Production to
24 be reduced to the Native Safe Yield in the manner described in this Judgment.

25 **3.5.38 Recycled Water.** Water that, as a result of treatment of waste, is
26 suitable for a direct beneficial use or a controlled use that would not otherwise occur and is
27 therefore considered a valuable resource.

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1 **3.5.39 Replacement Obligation.** The obligation of a Producer to pay for
2 Replacement Water for Production of Groundwater from the Basin in any Year in excess of the
3 sum of such Producer's Production Right and Imported Water Return Flows.

4 **3.5.40 Replacement Water.** Water purchased by the Watermaster or
5 otherwise provided to satisfy a Replacement Obligation.

6 **3.5.41 Replacement Water Assessment.** The amount charged by the
7 Watermaster to pay for all costs incurred by the Watermaster related to Replacement Water.

8 **3.5.42 Responsible Party.** The Person designated by a Party as the
9 Person responsible for purposes of filing reports and receiving notices pursuant to the provisions
10 of this Judgment.

11 **3.5.43 Safe Yield.** The amount of annual extractions of water from the
12 Basin over time equal to the amount of water needed to recharge the Groundwater aquifer and
13 maintain it in equilibrium, plus any temporary surplus. [*City of Los Angeles v. City of San*
14 *Fernando* (1975) 14 Cal. 3d 199, 278.]

15 **3.5.44 Small Pumper Class.** All private (i.e., non-governmental)
16 Persons and entities that own real property within the Basin, as adjudicated, and that have been
17 pumping less than 25 acre-feet per Year on their property during any Year from 1946 to the
18 present. The Small Pumper Class excludes the defendants in *Wood v. Los Angeles Co.*
19 *Waterworks Dist. 40, et al.*, any Person, firm, trust, corporation, or other entity in which any such
20 defendants has a controlling interest or which is related to or affiliated with any such defendants,
21 and the representatives, heirs, affiliates, successors-in-interest or assigns of any such excluded
22 party. The Small Pumper Class also excludes all Persons and entities that are shareholders in a
23 mutual water company. The Small Pumper Class does not include those who opted out of the
24 Small Pumper Class.

25 **3.5.45 Small Pumper Class Members.** Individual members of the Small
26 Pumper Class who meet the Small Pumper Class definition, and for purposes of this Judgment
27 and any terms pertaining to water rights, where two or more Small Pumper Class Members reside
28

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1 in the same household, they shall be treated as a single Small Pumper Class Member for purposes
2 of determining water rights.

3 **3.5.46 State of California.** As used herein, State of California shall mean
4 the State of California acting by and through the following State agencies, departments and
5 associations: (1) The California Department of Water Resources; (2) The California Department
6 of Parks and Recreation; (3) The California Department of Transportation; (4) The California
7 State Lands Commission; (5) The California Department of Corrections and Rehabilitation; (6)
8 The 50th District Agricultural Association; (7) The California Department of Veteran Affairs; (8)
9 The California Highway Patrol; and, (9) The California Department of Military.

10 **3.5.47 State Water Project.** Water storage and conveyance facilities
11 operated by the State of California Department of Water Resources from which it delivers water
12 diverted from the Feather River and the Sacramento-San Joaquin Delta via the California
13 Aqueduct to public agencies it has contracted with.

14 **3.5.48 Stipulating Party.** Any Party who has executed a Stipulation for
15 Entry of this Judgment prior to the date of approval of this Judgment by the Court.

16 **3.5.49 Stored Water.** Water held in storage in the Basin, as a result of
17 direct spreading or other methods, for subsequent withdrawal and use pursuant to agreement with
18 the Watermaster and as provided for in this Judgment. Stored Water does not include Imported
19 Water Return Flows.

20 **3.5.50 Subareas.** Portions of the Basin, as described in this document,
21 divided for management purposes.

22 **3.5.51 Total Safe Yield.** The amount of Groundwater that may be safely
23 pumped from the Basin on a long-term basis. Total Safe Yield is the sum of the Native Safe
24 Yield plus the Imported Water Return Flows.

25 **3.5.52 Watermaster.** The Person(s) appointed by the Court to administer
26 the provisions of this Judgment.

3.5.53 Watermaster Engineer. The engineering or hydrology expert or Watermaster to perform engineering and technical analysis and water measurements as provided for in this Judgment.

3.5.54 District No. 40. Los Angeles County Waterworks District No. 40.

3.5.55 Year. Calendar year.

3.5.55 Year. Calendar year.

4.1 Safe Yield: The Native Safe Yield of the Basin is 82,300 acre-feet per Year. With the addition of Imported Water Return Flows, the Total Safe Yield is approximately 100,000 acre-feet per Year, but will vary annually depending on the volume of Imported Water.

4.2 **Overdraft:** In its Phase 3 trial decision, the Court held that the Basin, Court's March 12, 2007 Revised Order After Hearing On Jurisdictional in a state of overdraft based on estimate of extraction and recharge, corroborated evidence of conditions in the Basin. Reliable estimates of the long-term extractions have exceeded reliable estimates of the Basin's recharge by significant margins, evidence of overdraft in the Basin corroborates that conclusion. Portions of the sustained a significant loss of Groundwater storage since 1951. The evidence is t current extractions exceed recharge and therefore that the Basin is in a state of e Court's full Phase 3 trial decision is attached as Exhibit 5 and is incorporated rence.

5.1 Allocation of Rights to Native Safe Yield. Consistent with the goals of and to maximize reasonable and beneficial use of the Groundwater of the Basin Article X, section 2 of the California Constitution, all the Production Rights in this Judgment are of equal priority, except the Federal Reserved Water Right addressed in Paragraph 5.1.4, and with the reservation of the Small Pumper Class right to claim a priority under Water Code section 106.

[PROPOSED] JUDGMENT

STIPULATION EXHIBIT 1

1 **5.1.1 Overlying Production Rights.** The Parties listed in Exhibit 4,
2 attached hereto and incorporated herein by reference, have Overlying Production Rights. Exhibit
3 4 sets forth the following for each Overlying Production Right: (1) the Pre-Rampdown
4 Production; (2) the Production Right; and (3) the percentage of the Production from the Adjusted
5 Native Safe Yield.

6 **5.1.1.1** The Parties listed on Exhibit 4 have the right to Produce
7 Groundwater, on an annual basis, up to their Overlying Production Right set forth in Exhibit 4 for
8 each Party. Each Party's Overlying Production Right is subject to the following conditions and
9 limitations:

10 **5.1.1.2** Pursuant to the terms of this Judgment, the Parties listed on
11 Exhibit 4 have the right to Produce their Overlying Production Right for use on land they own or
12 lease and without the need for Watermaster approval.

13 **5.1.1.3** Overlying Production Rights may be transferred pursuant to
14 the provisions of Paragraph 16 of this Judgment.

15 **5.1.1.4** Overlying Production Rights are subject to Pro-Rata
16 Reduction or Increase only pursuant to Paragraph 18.5.10.

17 **5.1.2 Non-Pumper Class Rights.** The Non-Pumper Class members
18 claim the right to Produce Groundwater from the Native Safe Yield for reasonable and beneficial
19 uses on their overlying land as provided for in this Judgment. On September 22, 2011, the Court
20 approved the Non-Pumper Class Stipulation of Settlement through an amended final judgment
21 that settled the Non-Pumper Class' claims against the Public Water Suppliers ("Non-Pumper
22 Class Judgment"). A copy of the Non-Pumper Class Judgment and the Non-Pumper Class
23 Stipulation of Settlement are attached for reference only as Appendices A and B. This Judgment
24 is consistent with the Non-Pumper Class Stipulation of Settlement and Judgment. Future
25 Production by a member of the Non-Pumper Class is addressed in the Physical Solution.

26 **5.1.2.1** The Non-Pumper Class members shall have no right to
27 transfer water pursuant to this Judgment.

5.1.3 Small Pumper Class Production Rights. Subject only to the closure of the Small Pumper Class membership, the Small Pumper Class's aggregate Production Right is 3806.4 acre-feet per Year. Allocation of water to the Small Pumper Class is set at an average Small Pumper Class Member amount of 1.2 acre-feet per existing household or parcel based upon the 3172 known Small Pumper Class Member parcels at the time of this Judgment. Any Small Pumper Class Member may Produce up to and including 3 acre-feet per Year per existing household for reasonable and beneficial use on their overlying land, and such Production will not be subject to Replacement Water Assessment. Production by any Small Pumper Class Member above 3 acre-feet per Year per household or parcel will be subject to Replacement Water Assessment, as set forth in this Judgment. Administrative Assessments for unmetered Production by Small Pumper Class Members shall be set based upon the allocation of 1.2 acre-feet per Year per household or parcel, whichever is the case; metered Production shall be assessed in accord with the actual Production. A Small Pumper Class Member who is lawfully, by permit, operating a shared well with an adjoining Small Pumper Class Member, shall have all of the same rights and obligations under this Judgment without regard to the location of the shared well, and such shared use is not considered a prohibited transfer of a pumping right under Paragraph 5.1.3.3.

5.1.3.1 The Production of Small Pumper Class Members of up to 3 acre-feet per Year of Groundwater per household or per parcel for reasonable and beneficial use shall only be subject to reduction if: (1) the reduction is based upon a statistically credible study and analysis of the Small Pumper Class' actual Native Safe Yield Production, as well as the nature of the use of such Native Safe Yield, over at least a three Year period; and (2) the reduction is mandated by Court order after notice to the Small Pumper Class Members affording a reasonable opportunity for the Court to hear any Small Pumper Class Member objections to such reduction, including a determination that Water Code section 106 may apply so as to prevent a reduction.

5.1.3.2 The primary means for monitoring the Small Pumper Class Members' Groundwater use under the Physical Solution will be based on physical inspection by

STIPULATION EXHIBIT 1

1 the Watermaster, including the use of aerial photographs and satellite imagery. All Small Pumper
2 Class Members agree to permit the Watermaster to subpoena the electrical meter records
3 associated with their Groundwater wells on an annual basis. Should the Watermaster develop a
4 reasonable belief that a Small Pumper Class Member household is using in excess of 3 acre-feet
5 per Year, the Watermaster may cause to be installed a meter on such Small Pumper Class
6 Member's well at the Small Pumper Class Member's expense.

7 **5.1.3.3** The pumping rights of Small Pumper Class Members are
8 not transferable separately from the parcel of property on which the water is pumped, provided
9 however a Small Pumper Class Member may move their water right to another parcel owned by
10 that Small Pumper Class Member with approval of the Court. If a Small Pumper Class Member
11 parcel is sold, absent a written contract stating otherwise and subject to the provisions of this
12 Judgment, the water right for that Small Pumper Class Member parcel shall transfer to the new
13 owners of that Small Pumper Class Member parcel. The pumping rights of Small Pumper Class
14 Members may not be aggregated for use by a purchaser of more than one Small Pumper Class
15 Member's property.

16 **5.1.3.4** Defaults or default judgments entered against any Small
17 Pumper Class Member who did not opt out of the Small Pumper Class are hereby deemed non-
18 operative and vacated *nunc pro tunc*, but only with respect to their ownership of real property
19 meeting the Small Pumper Class definition.

20 **5.1.3.5** The Small Pumper Class shall be permanently closed to new
21 membership upon issuance by the Court of its order granting final approval of the Small Pumper
22 Class Settlement (the "Class Closure Date"), after the provision of notice to the Class of the Class
23 Closure Date. Any Person or entity that does not meet the Small Pumper Class definition prior to
24 the Class Closure Date is not a Member of the Small Pumper Class. Similarly, any additional
25 household constructed on a Small Pumper Class Member parcel after the Class Closure Date is
26 not entitled to a Production Right as set forth in Paragraphs 5.1.3 and 5.1.3.1.

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1 **5.1.3.6** Unknown Small Pumper Class Members are defined as: (1)
2 those Persons or entities that are not identified on the list of known Small Pumper Class Members
3 maintained by class counsel and supervised and controlled by the Court as of the Class Closure
4 Date; and (2) any unidentified households existing on a Small Pumper Class Member parcel prior
5 to the Class Closure Date. Within ten (10) Court days of the Class Closure Date, class counsel
6 for the Small Pumper Class shall publish to the Court website and file with the Court a list of the
7 known Small Pumper Class Members.

8 **5.1.3.7** Given the limited number of additions to the Small Pumper
9 Class during the more than five Years since the initial notice was provided to the Class, the Court
10 finds that the number of potentially unknown Small Pumper Class Members and their associated
11 water use is likely very low, and any Production by unknown Small Pumper Class Members is
12 hereby deemed to be *de minimis* in the context of this Physical Solution and shall not alter the
13 Production Rights decreed in this Judgment. However, whenever the identity of any unknown
14 Small Pumper Class Member becomes known, that Small Pumper Class Member shall be bound
15 by all provisions of this Judgment, including without limitation, the assessment obligations
16 applicable to Small Pumper Class Members.

17 **5.1.3.8** In recognition of his service as class representative, Richard
18 Wood has a Production Right of up to five 5 acre-feet per Year for reasonable and beneficial use
19 on his parcel free of Replacement Water Assessment. This Production Right shall not be
20 transferable and is otherwise subject to the provisions of this Judgment.

21 **5.1.4 Federal Reserved Water Right.** The United States has a right to
22 Produce 7,600 acre-feet per Year from the Native Safe Yield as a Federal Reserved Water Right
23 for use for military purposes at Edwards Air Force Base and Air Force Plant 42. *See Cappaert v.*
24 *United States*, 426 U.S. 128, 138 (1976); *United States v. New Mexico*, 438 U.S. 696, 700 (1978).
25 Maps of the boundaries of Edwards Air Force Base and Plant 42 are attached hereto as Exhibits 6
26 and 7. The United States may Produce any or all of this water at any time for uses consistent with
27 the purposes of its Federal Reserved Water Right. Water uses at Edwards Air Force Base and
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Plant 42 as of the date of this Judgment are consistent with the military purposes of the facilities. The Federal Reserved Water Right to Produce 7,600 acre-feet per Year is not subject to Rampdown or any reduction including Pro-Rata Reduction due to Overdraft.

5.1.4.1 In the event the United States does not Produce its entire 7,600 acre-feet in any given Year, the unused amount in any Year will be allocated to the Non-Overlying Production Rights holders, except for Boron Community Services District and West Valley County Water District, in the following Year, in proportion to Production Rights set forth in Exhibit 3. This Production of unused Federal Reserved Water Right Production does not increase any Non-Overlying Production Right holder's decreed Non-Overlying Production Right amount or percentage, and does not affect the United States' ability to fully Produce its Federal Reserved Water Right as provided in Paragraph 5.1.4 in any subsequent Year. Upon entry of a judgment confirming its Federal Reserved Water Rights consistent with this Judgment, the United States waives any rights under State law to a correlative share of the Groundwater in the Basin underlying Edwards Air Force Base and Air Force Plant 42.

5.1.4.2 The United States is not precluded from acquiring State law based Production Rights in excess of its Federal Reserved Water Right through the acquisition of Production Rights in the Basin.

5.1.5 State of California Production Rights. The State of California shall have a Production Right of 207 acre-feet per Year from the Native Safe Yield and shall have the additional right to Produce Native Safe Yield as set forth in Paragraphs 5.1.5.3 and 5.1.5.4 below. This Production of Native Safe Yield shall not be subject to Pro-Rata Reduction. Any Production by the State of California above 207 acre-feet per Year that is not Produced pursuant to Paragraphs 5.1.5.3 and 5.1.5.4 below shall be subject to Replacement Assessments. All Production by the State of California shall also be subject to the Administrative Assessment and the Balance Assessment except in emergency situations as provided in Paragraph 5.1.5.4.3 below. Any Production of Native Safe Yield pursuant to Paragraphs 5.1.5.3 and 5.1.5.4 below shall not reduce any other Party's Production Rights pursuant to this Judgment.

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5.1.5.1 The State of California's Production Right in the amount of 207 acre-feet per Year is allocated separately to each of the State agencies, departments, and associations as listed below in Paragraph 5.1.5.2. Notwithstanding the separate allocations, any Production Right, or portion thereof, of one of the State agencies, departments, and associations may be transferred or used by the other State agencies, departments, and associations on parcels within the Basin. This transfer shall be done by agreement between the State agencies, departments, or associations without a Replacement Water Assessment and without the need for Watermaster approval. Prior to the transfer of another State agency, department, or association's Production Right, the State agency, department, or association receiving the ability to use the Production Right shall obtain written consent from the transferor. Further, the State agency, department, or association receiving the Production Right shall notify the Watermaster of the transfer.

5.1.5.2 The Production Rights are allocated as follows and may be exercised by the following nine (9) State agencies:

5.1.5.2.1 The California Department of Water Resources-104 acre- feet per Year.

5.1.5.2.2 The California Department of Parks and Recreation-9 acre-feet per Year.

5.1.5.2.3 The California Department of Transportation -47 acre-feet per Year.

5.1.5.2.4 The California State Lands Commission-3 acre-feet per Year

5.1.5.2.5 The California Department of Corrections and Rehabilitation-3 acre-feet per Year.

5.1.5.2.6 The 50th District Agricultural Association-32 acre-feet per Year.

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1 **5.1.5.2.7** The California Department of Veteran Affairs-3
2 acre-feet per Year.

3 **5.1.5.2.8** The California Highway Patrol -3 acre- feet per
4 Year.

5 **5.1.5.2.9** The California Department of Military-3 acre-feet
6 per Year.

7 **5.1.5.3** If at any time, the amount of water supplied to the State of
8 California by District No. 40, AVEK, or Rosamond Community Service District is no longer
9 available or no longer available at reasonable rates to the State of California, the State of
10 California shall have the additional right to Produce Native Safe Yield to meet its reasonable and
11 beneficial needs up to 787 acre-feet per Year, the amount provided by District No. 40, AVEK and
12 Rosamond Community Services District to the State of California in the Year 2013.

13 **5.1.5.4** The following provisions will also apply to each specific
14 agency listed below:

15 **5.1.5.4.1** California Department of Corrections &
16 Rehabilitation (CDCR). In addition to its Production Right pursuant to Paragraphs 5.1.5.2.5 and
17 5.1.5.3, CDCR may also pump Groundwater: (1) to the extent necessary to conduct periodic
18 maintenance of its well pumping equipment; and (2) as a supplementary source of drinking water
19 or as an emergency back-up supply as set forth in Water Code section 55338.

20 **5.1.5.4.2** California Department of Water Resources (DWR).
21 In addition to its Production pursuant to Paragraphs 5.1.5.2.1 and 5.1.5.3 above, DWR may also
22 pump Native Safe Yield from the area adjacent to and beneath the California Aqueduct and
23 related facilities at a time and in an amount it determines is reasonably necessary to protect the
24 physical integrity of the California Aqueduct and related facilities from high Groundwater.
25 Further, notwithstanding provisions of this Judgment prohibiting the export of Native Safe Yield
26 from the Basin, DWR may place the Native Safe Yield that it pumps for the protection of the
27 California Aqueduct into the California Aqueduct, whether or not such Native Safe Yield is
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ultimately returned to the Basin. However, DWR and AVEK shall use their best efforts to enter into an agreement allowing AVEK to recapture the Native Safe Yield DWR puts into the California Aqueduct and return it to the Basin.

5.1.5.4.3 Department of Military. The Department of Military may Produce additional Groundwater in an amount necessary to protect and promote public health and safety during an event deemed to be an emergency by the Department of Military pursuant to California Government Code sections 8567 and 8571, and California Military and Veterans Code sections 143 and 146. Such Production shall be free from any assessment, including any Administrative, Balance, or Replacement Water Assessment.

5.1.5.4.4 The California Department of Veterans Affairs. The California Department of Veteran Affairs has begun the expansion and increased occupancy project of the Veterans Home of California – Lancaster facility owned by the State of California by and on behalf of the California Department of Veterans Affairs. The California Department of Veterans Affairs fully expects that it will be able to purchase up to an additional 40 acre-feet per Year for use at this facility from District No. 40.

5.1.6 Non-Overlying Production Rights. The Parties listed in Exhibit 3 have Production Rights in the amounts listed in Exhibit 3. Exhibit 3 is attached hereto, and incorporated herein by reference. Non-Overlying Production Rights are subject to Pro-Rata Reduction or Increase only pursuant to Paragraph 18.5.10.

5.1.7 City of Lancaster. The City of Lancaster ("Lancaster") can Produce up to 500 acre-feet of Groundwater for reasonable and beneficial uses at its National Soccer Complex. Such production shall only be subject to Administrative Assessment and no other assessments. Lancaster will stop Producing Groundwater and will use Recycled Water supplied from District No. 40, when it becomes available, to meet the reasonable and beneficial water uses of the National Soccer Complex. Lancaster may continue to Produce up to 500 acre-feet of Groundwater until Recycled Water becomes available to serve the reasonable and beneficial water uses of the National Soccer Complex. Nothing in this paragraph shall be

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1 construed as requiring Lancaster to have any responsibility for constructing, or in any way
2 contributing to the cost of, any infrastructure necessary to deliver Recycled Water to the National
3 Soccer Complex.

4 **5.1.8 Antelope Valley Joint Union High School District.** Antelope
5 Valley Joint Union High School District is a public school entity duly organized and existing
6 under the laws of the State of California. In addition to the amounts allocated to Antelope Valley
7 Joint Union High School District (“AVJUHS”) and pursuant to Exhibit 4, AVJUHS can
8 additionally produce up to 29 acre-feet of Groundwater for reasonable and beneficial uses on its
9 athletic fields and other public spaces. When recycled water becomes available to Quartz Hill
10 High School (located at 6040 West Avenue L, Quartz Hill, CA 93535) which is a site that is part
11 of AVJUHS, at a price equal to or less than the lowest cost of any of the following:
12 Replacement Obligation, Replacement Water, or other water that is delivered to AVJUHS at
13 Quartz Hill High School, AVJUHS will stop producing the 29 acre-feet of Groundwater
14 allocated to it and use recycled water as a replacement to its 29 acre-feet production. AVJUHS
15 retains its production rights and allocation pursuant to Exhibit 4 of this Judgment.

16 **5.1.9 Construction of Solar Power Facilities.** Any Party may Produce
17 Groundwater in excess of its Production Right allocated to it in Exhibit 4 for the purpose of
18 constructing a facility located on land overlying the Basin that will generate, distribute or store
19 solar power through and including December 31, 2016 and shall not be charged a Replacement
20 Water Assessment or incur a Replacement Obligation for such Production in excess of its
21 Production Rights. Any amount of such production in excess of the Production Right through
22 and including December 31, 2016 shall be reasonable to accomplish such construction but shall
23 not exceed 500 acre-feet per Year for all Parties using such water.

24 **5.1.10 Production Rights Claimed by Non-Stipulating Parties.** Any
25 claim to a right to Produce Groundwater from the Basin by a Non-Stipulating Party shall be
26 subject to procedural or legal objection by any Stipulating Party. Should the Court, after taking
27 evidence, rule that a Non-Stipulating Party has a Production Right, the Non-Stipulating Party

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shall be subject to all provisions of this Judgment, including reduction in Production necessary to implement the Physical Solution and the requirements to pay assessments, but shall not be entitled to benefits provided by Stipulation, including but not limited to Carry Over pursuant to Paragraph 15 and Transfers pursuant to Paragraph 16. If the total Production by Non-Stipulating Parties is less than seven percent (7%) of the Native Safe Yield, such Production will be addressed when Native Safe Yield is reviewed pursuant to Paragraph 18.5.9. If the total Production by Non-Stipulating Parties is greater than seven percent (7%) of the Native Safe Yield, the Watermaster shall determine whether Production by Non-Stipulating Parties would cause Material Injury, in which case the Watermaster shall take action to mitigate the Material Injury, including, but not limited to, imposing a Balance Assessment, provided however, that the Watermaster shall not recommend any changes to the allocations under Exhibits 3 and 4 prior to the redetermination of Native Safe Yield pursuant to Paragraph 18.5.9. In all cases, however, whenever the Watermaster re-determines the Native Safe Yield pursuant to Paragraph 18.5.9, the Watermaster shall take action to prevent Native Safe Yield Production from exceeding the Native Safe Yield on a long-term basis.

5.2 Rights to Imported Water Return Flows.

5.2.1 Rights to Imported Water Return Flows. Return Flows from Imported Water used within the Basin which net augment the Basin Groundwater supply are not a part of the Native Safe Yield. Subject to review pursuant to Paragraph 18.5.11, Imported Water Return Flows from Agricultural Imported Water use are 34% and Imported Water Return Flows from Municipal and Industrial Imported Water use are 39% of the amount of Imported Water used.

5.2.2 Water Imported Through AVEK. The right to Produce Imported Water Return Flows from water imported through AVEK belongs exclusively to the Parties identified on Exhibit 8, attached hereto, and incorporated herein by reference. Each Party shown on Exhibit 8 shall have a right to Produce an amount of Imported Water Return Flows in any Year equal to the applicable percentage multiplied by the average amount of Imported Water used

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1 by that Party within the Basin in the preceding five Year period (not including Imported Stored
2 Water in the Basin). Any Party that uses Imported Water on lands outside the Basin but within the
3 watershed of the Basin shall be entitled to Produce Imported Water Return Flows to the extent
4 such Party establishes to the satisfaction of the Watermaster the amount that its Imported Water
5 Return Flows augment the Basin Groundwater supply. This right shall be in addition to that
6 Party's Overlying or Non-Overlying Production Right. Production of Imported Water Return
7 Flows is not subject to the Replacement Water Assessment. All Imported Water Return Flows
8 from water imported through AVEK and not allocated to Parties identified in Exhibit 8 belong
9 exclusively to AVEK, unless otherwise agreed by AVEK. Notwithstanding the foregoing, Boron
10 Community Services District shall have the right to Produce Imported Water Return Flows, up to
11 78 acre-feet annually, based on the applicable percentage multiplied by the average amount of
12 Imported Water used by Boron Community Services District outside the Basin, but within its
13 service area in the preceding five Year period (not including Imported Stored Water in the Basin)
14 without having to establish that the Imported Water Return Flows augment the Basin
15 Groundwater supply.

16 **5.2.3 Water Not Imported Through AVEK.** After entry of this
17 Judgment, a Party other than AVEK that brings Imported Water into the Basin from a source
18 other than AVEK shall notify the Watermaster each Year quantifying the amount and uses of the
19 Imported Water in the prior Year. The Party bringing such Imported Water into the Basin shall
20 have a right to Produce an amount of Imported Water Return Flows in any Year equal to the
21 applicable percentage set forth above multiplied by the average annual amount of Imported Water
22 used by that Party within the Basin in the preceding five Year period (not including Imported
23 Stored Water in the Basin).

24 **5.3 Rights to Recycled Water.** The owner of a waste water treatment plant
25 operated for the purpose of treating wastes from a sanitary sewer system shall hold the exclusive
26 right to the Recycled Water as against anyone who has supplied the water discharged into the
27 waste water collection and treatment system. At the time of this Judgment those Parties that
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1 produce Recycled Water are Los Angeles County Sanitation Districts No. 14 and No. 20,
2 Rosamond Community Services District, and Edwards Air Force Base. Nothing in this Judgment
3 affects or impairs this ownership or any existing or future agreements for the use of Recycled
4 Water within the Basin.

5 **6. INJUNCTION**

6 **6.1 Injunction Against Unauthorized Production.** Each and every Party, its
7 officers, directors, agents, employees, successors, and assigns, except for the United States, is
8 ENJOINED AND RESTRAINED from Producing Groundwater from the Basin except pursuant
9 to this Judgment. Without waiving or foreclosing any arguments or defenses it might have, the
10 United States agrees that nothing herein prevents or precludes the Watermaster or any Party from
11 seeking to enjoin the United States from Producing water in excess of its 7,600 acre-foot per Year
12 Reserved Water Right if and to the extent the United States has not paid the Replacement
13 Assessments for such excess Production or entered into written consent to the imposition of
14 Replacement Assessments as described in Paragraph 9.2.

15 **6.2 Injunction Re Change in Purpose of Use Without Notice to The**
16 **Watermaster.** Each and every Party, its officers, directors, agents, employees, successors, and
17 assigns, is ENJOINED AND RESTRAINED from changing its Purpose of Use of Groundwater at
18 any time without notifying the Watermaster.

19 **6.3 Injunction Against Unauthorized Capture of Stored Water.** Each and
20 every Party, its officers, directors, agents, employees, successors and assigns, is ENJOINED
21 AND RESTRAINED from claiming any right to Produce the Stored Water that has been
22 recharged in the Basin, except pursuant to a Storage Agreement with the Watermaster, and as
23 allowed by this Judgment, or pursuant to water banking operations in existence and operating at
24 the time of this Judgment as identified in Paragraph 14. This Paragraph does not prohibit Parties
25 from importing water into the Basin for direct use, or from Producing or using Imported Water
26 Return Flows owned by such Parties pursuant to Paragraph 5.2.

1 **6.4 Injunction Against Transportation From Basin.** Except upon further
2 order of the Court, each and every Party, its officers, agents, employees, successors and assigns,
3 is ENJOINED AND RESTRAINED from transporting Groundwater hereafter Produced from the
4 Basin to areas outside the Basin except as provided for by the following. The United States may
5 transport water Produced pursuant to its Federal Reserved Water Right to any portion of Edwards
6 Air Force Base, whether or not the location of use is within the Basin. This injunction does not
7 prevent Saint Andrew's Abbey, Inc., U.S. Borax and Tejon Ranchcorp/Tejon Ranch Company
8 from conducting business operations on lands both inside and outside the Basin boundary, and
9 transporting Groundwater Produced consistent with this Judgment for those operations and for
10 use on those lands outside the Basin and within the watershed of the Basin as shown in Exhibit 9.
11 This injunction also does not apply to any California Aqueduct protection dewatering Produced
12 by the California Department of Water Resources. This injunction does not apply to the recovery
13 and use of stored Imported Water by any Party that stores Imported Water in the Basin pursuant
14 to Paragraph 14 of this Judgment.

15 **6.4.1 Export by Boron and Phelan Piñon Hills Community Services**
16 **Districts.**

17 **6.4.1.1** The injunction does not prevent Boron Community Services
18 District from transporting Groundwater Produced consistent with this Judgment for use outside
19 the Basin, provided such water is delivered within its service area.

20 **6.4.1.2** The injunction does not apply to any Groundwater Produced
21 within the Basin by Phelan Piñon Hills Community Services District and delivered to its service
22 areas, so long as the total Production does not exceed 1,200 acre-feet per Year, such water is
23 available for Production without causing Material Injury, and the District pays a Replacement
24 Water Assessment pursuant to Paragraph 9.2, together with any other costs deemed necessary to
25 protect Production Rights decreed herein, on all water Produced and exported in this manner.

26 **6.5 Continuing Jurisdiction.** The Court retains and reserves full jurisdiction,
27 power and authority for the purpose of enabling the Court, upon a motion of a Party or Parties
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1 noticed in accordance with the notice procedures of Paragraph 20.6 hereof, to make such further
2 or supplemental order or directions as may be necessary or appropriate to interpret, enforce,
3 administer or carry out this Judgment and to provide for such other matters as are not
4 contemplated by this Judgment and which might occur in the future, and which if not provided for
5 would defeat the purpose of this Judgment.

6 **III. PHYSICAL SOLUTION**

7 **7. GENERAL**

8 **7.1 Purpose and Objective.** The Court finds that the Physical Solution
9 incorporated as part of this Judgment: (1) is a fair and equitable basis for satisfaction of all water
10 rights in the Basin; (2) is in furtherance of the State Constitution mandate and the State water
11 policy; and (3) takes into account water rights priorities, applicable public trust interests and the
12 Federal Reserved Water Right. The Court finds that the Physical Solution establishes a legal and
13 practical means for making the maximum reasonable and beneficial use of the waters of the Basin
14 by providing for the long-term Conjunctive Use of all available water in order to meet the
15 reasonable and beneficial use requirements of water users in the Basin. Therefore, the Court
16 adopts, and orders the Parties to comply with this Physical Solution.

17 **7.2 Need For Flexibility.** This Physical Solution must provide flexibility and
18 adaptability to allow the Court to use existing and future technological, social, institutional, and
19 economic options in order to maximize reasonable and beneficial water use in the Basin.

20 **7.3 General Pattern of Operations.** A fundamental premise of the Physical
21 Solution is that all Parties may Produce sufficient water to meet their reasonable and beneficial
22 use requirements in accordance with the terms of this Judgment. To the extent that Production by
23 a Producer exceeds such Producer's right to Produce a portion of the Total Safe Yield as provided
24 in this Judgment, the Producer will pay a Replacement Water Assessment to the Watermaster and
25 the Watermaster will provide Replacement Water to replace such excess production according to
26 the methods set forth in this Judgment.

1 **7.4 Water Rights.** A Physical Solution for the Basin based upon a declaration
2 of water rights and a formula for allocation of rights and obligations is necessary to implement
3 the mandate of Article X, section 2 of the California Constitution. The Physical Solution requires
4 quantifying the Producers' rights within the Basin in a manner which will reasonably allocate the
5 Native Safe Yield and Imported Water Return Flows and which will provide for sharing Imported
6 Water costs. Imported Water sources are or will be available in amounts which, when combined
7 with water conservation, water reclamation, water transfers, and improved conveyance and
8 distribution methods within the Basin, will be sufficient in quantity and quality to assure
9 implementation of the Physical Solution. Sufficient information and data exists to allocate
10 existing water supplies, taking into account water rights priorities, within the Basin and as among
11 the water users. The Physical Solution provides for delivery and equitable distribution of
12 Imported Water to the Basin.

13 **8. RAMPDOWN**

14 **8.1 Installation of Meters.** Within two (2) Years from the entry of this
15 Judgment all Parties other than the Small Pumper Class shall install meters on their wells for
16 monitoring Production. Each Party shall bear the cost of installing its meter(s). Monitoring or
17 metering of Production by the Small Pumper Class shall be at the discretion of the Watermaster,
18 subject to the provisions of Paragraph 5.1.3.2.

19 **8.2 Rampdown Period.** The "Rampdown Period" is seven Years beginning
20 on the January 1 following entry of this Judgment and continuing for the following seven (7)
21 Years.

22 **8.3 Reduction of Production During Rampdown.** During the first two Years
23 of the Rampdown Period no Producer will be subject to a Replacement Water Assessment.
24 During Years three through seven of the Rampdown Period, the amount that each Party may
25 Produce from the Native Safe Yield will be progressively reduced, as necessary, in equal annual
26 increments, from its Pre-Rampdown Production to its Production Right. Except as is determined
27 to be exempt during the Rampdown period pursuant to the Drought Program provided for in
28

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Paragraph 8.4, any amount Produced over the required reduction shall be subject to Replacement Water Assessment. The Federal Reserved Water Right is not subject to Rampdown.

8.4 Drought Program During Rampdown for Participating Public Water

Suppliers. During the Rampdown period a drought water management program (“Drought Program”) will be implemented by District No. 40, Quartz Hill Water District, Littlerock Creek Irrigation District, California Water Service Company, Desert Lake Community Services District, North Edwards Water District, City of Palmdale, and Palm Ranch Irrigation District, (collectively, "Drought Program Participants"), as follows:

8.4.1 During the Rampdown period, District No. 40 agrees to purchase from AVEK each Year at an amount equal to 70 percent of District No. 40's total annual demand if that amount is available from AVEK at no more than the then current AVEK treated water rate. If that amount is not available from AVEK, District No. 40 will purchase as much water as AVEK makes available to District No. 40 at no more than the then current AVEK treated water rate. Under no circumstances will District No. 40 be obligated to purchase more than 50,000 acre-feet of water annually from AVEK. Nothing in this Paragraph affects AVEK’s water allocation procedures as established by its Board of Directors and AVEK’s Act.

8.4.2 During the Rampdown period, the Drought Program Participants each agree that, in order to minimize the amount of excess Groundwater Production in the Basin, they will use all water made available by AVEK at no more than the then current AVEK treated water rate in any Year in which they Produce Groundwater in excess of their respective rights to Produce Groundwater under this Judgment. During the Rampdown period, no Production by a Drought Program Participant shall be considered excess Groundwater Production exempt from a Replacement Water Assessment under this Drought Program unless a Drought Program Participant has utilized all water supplies available to it including its Production Right to Native Safe Yield, Return Flow rights, unused Production allocation of the Federal Reserved Water Rights, Imported Water, and Production rights previously transferred from another party. Likewise, no Production by a Drought Program Participant will be considered excess

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Groundwater Production exempt from a Replacement Water Assessment under this Drought Program in any Year in which the Drought Program Participant has placed water from such sources described in this Paragraph 8.4.2 into storage or has transferred such water to another Person or entity.

8.4.3 During the Rampdown period, the Drought Program Participants will be exempt from the requirement to pay a Replacement Water Assessment for Groundwater Production in excess of their respective rights to Produce Groundwater under this Judgment up to a total of 40,000 acre-feet over the Rampdown Period with a maximum of 20,000 acre-feet in any single Year for District No. 40 and a total of 5,000 acre-feet over the Rampdown Period for all other Drought Program Participants combined. During any Year that excess Groundwater is produced under this Drought Program, all Groundwater Production by the Drought Program Participants will be for the purpose of a direct delivery to customers served within their respective service areas and will not be transferred to other users within the Basin.

8.4.4 Notwithstanding the foregoing, the Drought Program Participants remain subject to the Material Injury limitation as provided in this Judgment.

8.4.5 Notwithstanding the foregoing, the Drought Program Participants remain subject to a Balance Assessment as provided in Paragraph 9.3 of this Judgment.

9. ASSESSMENTS.

9.1 Administrative Assessment. Administrative Assessments to fund the Administrative Budget adopted by the Watermaster shall be levied uniformly on an annual basis against (1) each acre foot of a Party's Production Right as described in Paragraph 5.1, (2) each acre foot of a Party's right to Produce Imported Water Return Flows as determined pursuant to Paragraph 5.2, (3) each acre foot of a Party's Production for which a Replacement Water Assessment has been imposed pursuant to Paragraph 9.2, and (4) during the Rampdown, each acre foot of a Party's Production in excess of (1)-(3), above, excluding Production from Stored Water and/or Carry Over water, except that the United States shall be subject to the Administrative Assessment only on the actual Production of the United States. During the

1 Rampdown the Administrative Assessment shall be no more than five (5) dollars per acre foot, or
2 as ordered by the Court upon petition of the Watermaster. Non-Overlying Production Rights
3 holders using the unused Production allocation of the Federal Reserved Water Right shall be
4 subject to Administrative Assessments on water the Non-Overlying Production Rights holders
5 Produce pursuant to Paragraph 5.1.4.1.

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1 shall allocate the Imported Water for delivery to areas on an equitable and practicable basis
2 pursuant to the Watermaster rules and regulations.

3 **9.2.1** The Non-Pumper Class Stipulation of Settlement, executed by its
4 signatories and approved by the Court in the Non-Pumper Class Judgment, specifically provides
5 for imposition of a Replacement Water Assessment on Non-Pumper Class members. This
6 Judgment is consistent with the Non-Pumper Class Stipulation of Settlement and Judgment. The
7 Non-Pumper Class members specifically agreed to pay a replacement assessment if that member
8 produced “more than its annual share” of the Native Safe Yield less the amount of the Federal
9 Reserved Right. (See Appendix B at paragraph V., section D. Replacement Water.) In approving
10 the Non-Pumper Class Stipulation of Settlement this Court specifically held in its Order after
11 Hearing dated November 18, 2010, that “the court determination of physical solution cannot be
12 limited by the Class Settlement.” The Court also held that the Non-Pumper Class Stipulation of
13 Settlement “may not affect parties who are not parties to the settlement.”

14 **9.2.2** Evidence presented to the Court demonstrates that Production by
15 one or more Public Water Suppliers satisfies the elements of prescription and that Production by
16 overlying landowners during portion(s) of the prescriptive period exceeded the Native Safe Yield.
17 At the time of this Judgment the entire Native Safe Yield is being applied to reasonable and
18 beneficial uses in the Basin. Members of the Non-Pumper Class do not and have never Produced
19 Groundwater for reasonable beneficial use as of the date of this Judgment. Pursuant to *Pasadena*
20 *v. Alhambra* (1949) 33 Cal 2d 908, 931-32 and other applicable law, the failure of the Non-
21 Pumper Class members to Produce any Groundwater under the facts here modifies their rights to
22 Produce Groundwater except as provided in this Judgment. Because this is a comprehensive
23 adjudication pursuant to the McCarran Amendment, consistent with the California Supreme Court
24 decisions, including *In Re Waters of Long Valley Creek Stream System* (1979) 25 Cal. 3d 339,
25 this Court makes the following findings: (1) certainty fosters reasonable and beneficial use of
26 water and is called for by the mandate of Article X, section 2; (2) because of this mandate for
27 certainty and in furtherance of the Physical Solution, any New Production, including that by a
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1 member of the Non-Pumper Class must comply with the New Production Application Procedure
2 specified in Paragraph 18.5.13; (3) as of this Judgment no member of the Non-Pumper Class has
3 established a Production Right to the reasonable and beneficial use of Groundwater based on their
4 unexercised claim of right to Produce Groundwater; (4) if in the future a member of the Non-
5 Pumper Class proposes to Produce Groundwater for reasonable and beneficial use, the
6 Watermaster as part of the New Production Application Procedure, has the authority to determine
7 whether such a member has established that the proposed New Production is a reasonable and
8 beneficial use in the context of other existing uses of Groundwater and then-current Basin
9 conditions; and (5) the Watermaster's determinations as to the approval, scope, nature and priority
10 of any New Production is reasonably necessary to the promotion of the State's interest in fostering
11 the most reasonable and beneficial use of its scarce water resources. All provisions of this
12 Judgment regarding the administration, use and enforcement of the Replacement Water
13 Assessment shall apply to each Non-Pumper Class member that Produces Groundwater. Prior to
14 the commencement of Production, each Producing Non-Pumper Class member shall install a
15 meter and report Production to the Watermaster. The Court finds that this Judgment is consistent
16 with the Non-Pumper Stipulation of Settlement and Judgment.

17 **9.3 Balance Assessment.** In order to ensure that after Rampdown each Party
18 may fully exercise its Production Right, there may be a Balance Assessment imposed by the
19 Watermaster. The Balance Assessment shall be assessed on all Production Rights, excluding the
20 United States' actual Production, but including that portion of the Federal Reserved Right
21 Produced by other Parties, in an amount determined by the Watermaster. A Balance Assessment
22 may not be imposed until after the end of the Rampdown. In determining whether to adopt a
23 Balance Assessment, and in what amount, the Watermaster Engineer shall consider current Basin
24 conditions as well as then-current pumping existing after Rampdown exclusive of any
25 consideration of an effect on then-current Basin conditions relating to Production of Groundwater
26 pursuant to the Drought Program which occurred during the Rampdown, and shall only assess a
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Balance Assessment or curtail a Party's Production under section 9.3.4 below, to avoid or mitigate Material Injury that is caused by Production after the completion of the Rampdown.

9.3.1 Any proceeds of the Balance Assessment will be used to purchase, deliver, produce in lieu, or arrange for alternative pumping sources of water in the Basin, but shall not include infrastructure costs.

9.3.2 The Watermaster Engineer shall determine and collect from any Party receiving direct benefit of the Balance Assessment proceeds an amount equal to that Party's avoided Production costs.

9.3.3 The Balance Assessment shall not be used to benefit the United States unless the United States participates in paying the Balance Assessment.

9.3.4 The Watermaster Engineer may curtail the exercise of a Party's Production Right under this Judgment, except the United States' Production, if it is determined necessary to avoid or mitigate a Material Injury to the Basin and provided that the Watermaster provides an equivalent quantity of water to such Party as a substitute water supply, with such water paid for from the Balance Assessment proceeds.

10. SUBAREAS. Subject to modification by the Watermaster the following Subareas are recognized:

10.1 Central Antelope Valley Subarea. The Central Antelope Valley Subarea is the largest of the five Subareas and underlies Rosamond, Quartz Hill, Lancaster, Edwards AFB and much of Palmdale. This Subarea also contains the largest amount of remaining agricultural land use in the Basin. The distinctive geological features of the Central Antelope Valley Subarea are the presence of surficial playa and pluvial lake deposits; the widespread occurrence of thick, older pluvial lake bed deposits; and alluvial deposits from which Groundwater is produced above and below the lake bed deposits. The Central Antelope Valley Subarea is defined to be east of the largely buried ridge of older granitic and tertiary rocks exposed at Antelope Buttes and extending beyond Little Buttes and Tropico Hill. The Central Subarea is defined to be southwest and

1 northeast of the extension of the Buttes Fault, and northwest of an unnamed fault historically
2 identified from Groundwater level differences, as shown on Exhibit 10.

3 **10.2 West Antelope Valley Subarea.** The West Antelope Valley Subarea is
4 the second largest subarea. The area is characterized by a lack of surficial lake bed deposits, and
5 little evidence of widespread subsurface lake beds, and thick alluvial deposits. The Western
6 Antelope Valley Subarea is defined to be south of the Willow Springs-Cottonwood Fault and
7 west of a largely buried ridge of older granitic and tertiary rocks that are exposed at Antelope
8 Buttes and Little Buttes, and continue to Tropico Hill, as shown on Exhibit 10.

9 **10.3 South East Subarea.** The South East Subarea is characterized by granitic
10 buttes to the north, shallow granitic rocks in the southwest, and a lack of lake bed deposits. The
11 South East Subarea is defined to encompass the remainder of the Basin from the unnamed fault
12 between the Central and South East subareas, to the county-line boundary of the Basin. Notably,
13 this area contains Littlerock and Big Rock creeks that emanate from the mountains to the south
14 and discharge onto the valley floor.

15 **10.4 Willow Springs Subarea.** The Willow Springs Subarea is separated from
16 the West Antelope Subarea primarily because the Willow Springs fault shows some signs of
17 recent movement and there is substantial Groundwater hydraulic separation between the two
18 adjacent areas, suggesting that the fault significantly impedes Groundwater flow from the Willow
19 Springs to the lower West Antelope Subarea. Otherwise, the Willow Springs Subarea is
20 comparable in land use to the West Antelope Subarea, with some limited agricultural land use and
21 no municipal development, as shown on Exhibit 10.

22 **10.5 Rogers Lake Subarea.** The Rogers Lake Subarea is characterized by
23 surficial pluvial Lake Thompson and playa deposits, and a narrow, fault-bound, central trough
24 filled with alluvial deposits. The area is divided into north and south subareas on opposite sides
25 of a buried ridge of granite rock in the north lake, as shown on Exhibit 10.

26 **11. INCREASE IN PRODUCTION BY THE UNITED STATES.**

11.1 Notice of Increase of Production Under Federal Reserved Water

Right. After the date of entry of this Judgment, the United States shall provide the Watermaster with at least ninety (90) days advanced notice if Production by the United States is reasonably anticipated to increase more than 200 acre-feet per Year in a following 12 month period.

11.2 Water Substitution to Reduce Production by United States. The United

States agrees that maximizing Imported Water is essential to improving the Basin's health and agrees that its increased demand can be met by either increasing its Production or by accepting deliveries of Imported Water of sufficient quality to meet the purpose of its Federal Reserved Water Right under the conditions provided for herein. Any Party may propose a water substitution or replacement to the United States to secure a reduction in Groundwater Production by the United States. Such an arrangement would be at the United States' sole discretion and subject to applicable federal law, regulations and other requirements. If such a substitution or replacement arrangement is agreed upon, the United States shall reduce Production by the amount of Replacement Water provided to it, and the Party providing such substitution or replacement of water to the United States may Produce a corresponding amount of Native Safe Yield free from Replacement Water Assessment in addition to their Production Right.

12. MOVEMENT OF PUBLIC WATER SUPPLIERS PRODUCTION FACILITIES.**12.1 No Requirement to Move Public Water Suppliers' Production Wells.**

One or more of the Public Water Suppliers intend to seek Federal or State legislation to pay for all costs related to moving the Public Water Suppliers Production wells to areas that will reduce the impact of Public Water Supplier Production on the United States' current Production wells. The Public Water Suppliers shall have no responsibility to move any Production wells until Federal or State legislation fully funding the costs of moving the wells is effective or until required to do so by order of this Court which order shall not be considered or made by this Court until the seventeenth (17th) Year after entry of this Judgment. The Court may only make such an order if it finds that the Public Water Supplier Production from those wells is causing Material

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1 Injury. The Court shall not impose the cost of moving the Public Water Supplier Production
2 Facilities on any non-Public Water Supplier Party to this Judgment.

3 **13. FEDERAL APPROVAL.** This Judgment is contingent on final approval by the
4 Department of Justice. Such approval will be sought upon final agreement of the terms of this
5 Judgment by the settling Parties. Nothing in this Judgment shall be interpreted or construed as a
6 commitment or requirement that the United States obligate or pay funds in contravention of the
7 Anti-Deficiency Act, 31 U.S.C. § 1341, or any other applicable provision of law. Nothing in this
8 Judgment, specifically including Paragraphs 9.1, 9.2 and 9.3, shall be construed to deprive any
9 federal official of the authority to revise, amend, or promulgate regulations. Nothing in this
10 Judgment shall be deemed to limit the authority of the executive branch to make
11 recommendations to Congress on any particular piece of legislation. Nothing in this Judgment
12 shall be construed to commit a federal official to expend federal funds not appropriated by
13 Congress. To the extent that the expenditure or advance of any money or the performance of any
14 obligation of the United States under this Judgment is to be funded by appropriation of funds by
15 Congress, the expenditure, advance, or performance shall be contingent upon the appropriation of
16 funds by Congress that are available for this purpose and the apportionment of such funds by the
17 Office of Management and Budget and certification by the appropriate Air Force official that
18 funding is available for this purpose, and an affirmative obligation of the funds for payment made
19 by the appropriate Air Force official. No breach of this Judgment shall result and no liability
20 shall accrue to the United States in the event such funds are not appropriated or apportioned.

21 **14. STORAGE.** All Parties shall have the right to store water in the Basin pursuant to
22 a Storage Agreement with the Watermaster. If Littlerock Creek Irrigation District or Palmdale
23 Water District stores Imported Water in the Basin it shall not export from its service area that
24 Stored Water. AVEK, Littlerock Creek Irrigation District or Palmdale Water District may enter
25 into exchanges of their State Water Project "Table A" Amounts. Nothing in this Judgment limits
26 or modifies operation of preexisting banking projects (including AVEK, District No. 40, Antelope
27 Valley Water Storage LLC, Tejon Ranchcorp and Tejon Ranch Company, Sheep Creek Water
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Co., Rosamond Community Services District and Palmdale Water District) or performance of preexisting exchange agreements of the Parties. The Watermaster shall promptly enter into Storage Agreements with the Parties at their request. The Watermaster shall not enter into Storage Agreements with non-Parties unless such non-Parties become expressly subject to the provisions of this Judgment and the jurisdiction of the Court. Storage Agreements shall expressly preclude operations which will cause a Material Injury on any Producer. If, pursuant to a Storage Agreement, a Party has provided for pre-delivery or post-delivery of Replacement Water for the Party's use, the Watermaster shall credit such water to the Party's Replacement Water Obligation at the Party's request. Any Stored Water that originated as State Water Project water imported by AVEK, Palmdale Water District or Littlerock Creek Irrigation District may be exported from the Basin for use in a portion of the service area of any city or public agency, including State Water Project Contractors, that are Parties to this action at the time of this Judgment and whose service area includes land outside the Basin. AVEK may export any of its Stored State Project Water to any area outside its jurisdictional boundaries and the Basin provided that all water demands within AVEK's jurisdictional boundaries are met. Any Stored Water that originated as other Imported Water may be exported from the Basin, subject to a requirement that the Watermaster make a technical determination of the percentage of the Stored Water that is unrecoverable and that such unrecoverable Stored Water is dedicated to the Basin.

15. CARRY OVER

15.1 In Lieu Production Right Carry Over. Any Producer identified in Paragraph 5.1.1, 5.1.5 and 5.1.6 can utilize In Lieu Production by purchasing Imported Water and foregoing Production of a corresponding amount of the annual Production of Native Safe Yield provided for in Paragraph 5 herein. In Lieu Production must result in a net reduction of annual Production from the Native Safe Yield in order to be entitled to the corresponding Carry Over benefits under this paragraph. In Lieu Production does not make additional water from the Native Safe Yield available to any other Producer. If a Producer foregoes pumping and uses Imported Water In Lieu of Production, the Producer may Carry Over its right to the unproduced portion of

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its Production Right for up to ten (10) Years. A Producer must Produce its full current Year's Production Right before any Carry Over water is Produced. Carry Over water will be Produced on a first-in, first-out basis. At the end of the Carry Over period, the Producer may enter into a Storage Agreement with the Watermaster to store unproduced portions, subject to terms and conditions in the Watermaster's discretion. Any such Storage Agreements shall expressly preclude operations, including the rate and amount of extraction, which will cause a Material Injury to another Producer or Party, any subarea or the Basin. If not converted to a Storage Agreement, Carry Over water not Produced by the end of the tenth Year reverts to the benefit of the Basin and the Producer no longer has a right to the Carry Over water. The Producer may transfer any Carry Over water or Carry Over water stored pursuant to a Storage Agreement.

15.2 Imported Water Return Flow Carry Over. If a Producer identified in Paragraph 5.1.1, 5.1.5 and 5.1.6 fails to Produce its full amount of Imported Water Return Flows in the Year following the Year in which the Imported Water was brought into the Basin, the Producer may Carry Over its right to the unproduced portion of its Imported Water Return Flows for up to ten (10) Years. A Producer must Produce its full Production Right before any Carry Over water, or any other water, is Produced. Carry Over water will be Produced on a first-in, first-out basis. At the end of the Carry Over period, the Producer may enter into a Storage Agreement with the Watermaster to store unproduced portions, subject to terms and conditions in the Watermaster's discretion. Any such Storage Agreements shall expressly preclude operations, including the rate and amount of extraction, which will cause a Material Injury to another Producer or Party, any subarea or the Basin. If not converted to a Storage Agreement, Carry Over water not Produced by the end of the tenth Year reverts to the benefit of the Basin and the Producer no longer has a right to the Carry Over water. The Producer may transfer any Carry Over water or Carry Over water stored pursuant to a Storage Agreement.

15.3 Production Right Carry Over. If a Producer identified in Paragraph 5.1.1, 5.1.5 and 5.1.6 fails to Produce its full Production Right in any Year, the Producer may Carry Over its right to the unproduced portion of its Production Right for up to ten (10) Years. A

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1 Producer must Produce its full Production Right before any Carry Over water, or any other water,
2 is Produced. Carry Over water will be Produced on a first-in, first-out basis. At the end of the
3 Carry Over period, the Producer may enter into a Storage Agreement with the Watermaster to
4 store unproduced portions, subject to terms and conditions in the Watermaster's discretion. Any
5 such Storage Agreements shall expressly preclude operations, including the rate and amount of
6 extraction, which will cause a Material Injury to another Producer or Party, any subarea or the
7 Basin. If not converted to a Storage Agreement, Carry Over water not Produced by the end of the
8 tenth Year reverts to the benefit of the Basin and the Producer no longer has a right to the Carry
9 Over water. The Producer may transfer any Carry Over water or Carry Over water stored
10 pursuant to a Storage Agreement.

11 **16. TRANSFERS.**

12 **16.1 When Transfers are Permitted.** Pursuant to terms and conditions to be
13 set forth in the Watermaster rules and regulations, and except as otherwise provided in this
14 Judgment, Parties may transfer all or any portion of their Production Right to another Party so
15 long as such transfer does not cause Material Injury. All transfers are subject to hydrologic
16 review by the Watermaster Engineer.

17 **16.2 Transfers to Non-Overlying Production Right Holders.** Overlying
18 Production Rights that are transferred to Non-Overlying Production Right holders shall remain on
19 Exhibit 4 and be subject to adjustment as provided in Paragraph 18.5.10, but may be used
20 anywhere in the transferee's service area.

21 **16.3 Limitation on Transfers of Water by Antelope Valley United Mutuals**
22 **Group.** After the date of this Judgment, any Overlying Production Rights pursuant to Paragraph
23 5.1.1, rights to Imported Water Return Flows pursuant to Paragraph 5.2, rights to Recycled Water
24 pursuant to Paragraph 5.3 and Carry Over water pursuant to Paragraph 15 (including any water
25 banked pursuant to a Storage Agreement with the Watermaster) that are at any time held by any
26 member of the Antelope Valley United Mutuals Group may only be transferred to or amongst
27 other members of the Antelope Valley United Mutuals Group, except as provided in Paragraph
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16.3.1. Transfers amongst members of the Antelope Valley United Mutuals Group shall be separately reported in the Annual Report of the Watermaster pursuant to Paragraphs 18.4.8 and 18.5.17. Transfers amongst members of the Antelope Valley United Mutuals Group shall not be deemed to constitute an abandonment of any member's non-transferred rights.

16.3.1 Nothing in Paragraph 16.3 shall prevent Antelope Valley United Mutuals Group members from transferring Overlying Production Rights to Public Water Suppliers who assume service of an Antelope Valley United Mutuals Group member's shareholders.

16.4 Notwithstanding section 16.1, the Production Right of Boron Community Services District shall not be transferable. If and when Boron Community Services District permanently ceases all Production of Groundwater from the Basin, its Production Right shall be allocated to the other holders of Non-Overlying Production Rights, except for West Valley County Water District, in proportion to those rights.

17. CHANGES IN POINT OF EXTRACTION AND NEW WELLS. Parties may change the point of extraction for any Production Right to another point of extraction so long as such change of the point of extraction does not cause Material Injury. A replacement well for an existing point of extraction which is located within 300 feet of a Party's existing well shall not be considered a change in point of extraction.

17.1 Notice of New Well. Any Party seeking to construct a new well in order to change the point of extraction for any Production Right to another point of extraction shall notify the Watermaster at least 90 days in advance of drilling any well of the location of the new point of extraction and the intended place of use of the water Produced.

17.2 Change in Point of Extraction by the United States. The point(s) of extraction for the Federal Reserved Water Right may be changed, at the sole discretion of the United States, and not subject to the preceding limitation on Material Injury, to any point or points within the boundaries of Edwards Air Force Base or Plant 42. The point(s) of extraction for the Federal Reserved Water Right may be changed to points outside the boundaries of

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Edwards Air Force Base or Plant 42, provided such change in the point of extraction does not cause Material Injury. In exercising its discretion under this Paragraph 17.2, the United States shall consider information in its possession regarding the effect of Production from the intended new point of extraction on the Basin, and on other Producers. Any such change in point(s) of extraction shall be at the expense of the United States. Nothing in this Paragraph is intended to waive any monetary claim(s) another Party may have against the United States in federal court based upon any change in point of extraction by the United States.

18. WATERMASTER

18.1 Appointment of Initial Watermaster.

18.1.1 Appointment and Composition: The Court hereby appoints a Watermaster. The Watermaster shall be a five (5) member board composed of one representative each from AVEK and District No. 40, a second Public Water Supplier representative selected by District No. 40, Palmdale Water District, Quartz Hill Water District, Littlerock Creek Irrigation District, California Water Service Company, Desert Lake Community Services District, North Edwards Water District, City of Palmdale, City of Lancaster, Palm Ranch Irrigation District, and Rosamond Community Services District, and two (2) landowner Parties, exclusive of public agencies and members of the Non-Pumper and Small Pumper Classes, selected by majority vote of the landowners identified on Exhibit 4 (or their successors in interest) based on their proportionate share of the total Production Rights identified in Exhibit 4. The United States may also appoint a non-voting Department of Defense (DoD) Liaison to the Watermaster committee to represent DoD interests. Participation by the DoD Liaison shall be governed by Joint Ethics Regulation 3-201. The opinions or actions of the DoD liaison in participating in or contributing to Watermaster proceedings cannot bind DoD or any of its components.

18.1.2 Voting Protocol for Watermaster Actions:

18.1.2.1 The Watermaster shall make decisions by unanimous vote for the purpose of selecting or dismissing the Watermaster Engineer.

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1 **18.1.2.2** The Watermaster shall determine by unanimous vote, after
2 consultation with the Watermaster Engineer, the types of decisions that shall require unanimous
3 vote and those that shall require only a simple majority vote.

4 **18.1.2.3** All decisions of the Watermaster, other than those
5 specifically designated as being subject to a simple majority vote, shall be by a unanimous vote.

6 **18.1.2.4** All board members must be present to make any decision
7 requiring a unanimous vote.

8 **18.1.3** In carrying out this appointment, the Watermaster shall segregate
9 and separately exercise in all respects the Watermaster powers delegated by the Court under this
10 Judgment. All funds received, held, and disbursed by the Watermaster shall be by way of
11 separate Watermaster accounts, subject to separate accounting and auditing. Meetings and
12 hearings held by the Watermaster shall be noticed and conducted separately.

13 **18.1.4** Pursuant to duly adopted Watermaster rules, Watermaster staff and
14 administrative functions may be accomplished by AVEK, subject to strict time and cost
15 accounting principles so that this Judgment does not subsidize, and is not subsidized by AVEK.

16 **18.2 Standard of Performance.** The Watermaster shall carry out its duties,
17 powers and responsibilities in an impartial manner without favor or prejudice to any Subarea,
18 Producer, Party, or Purpose of Use.

19 **18.3 Removal of Watermaster.** The Court retains and reserves full
20 jurisdiction, power, and authority to remove any Watermaster for good cause and substitute a new
21 Watermaster in its place, upon its own motion or upon motion of any Party in accordance with the
22 notice and hearing procedures set forth in Paragraph 20.6. The Court shall find good cause for
23 the removal of a Watermaster upon a showing that the Watermaster has: (1) failed to exercise its
24 powers or perform its duties; (2) performed its powers in a biased manner; or (3) otherwise failed
25 to act in the manner consistent with the provisions set forth in this Judgment or subsequent order
26 of the Court.

1 **18.4 Powers and Duties of the Watermaster.** Subject to the continuing
2 supervision and control of the Court, the Watermaster shall have and may exercise the following
3 express powers and duties, together with any specific powers and duties set forth elsewhere in
4 this Judgment or ordered by the Court:

5 **18.4.1 Selection of the Watermaster Engineer.** The Watermaster shall
6 select the Watermaster Engineer with the advice of the Advisory Committee described in
7 Paragraph 19.

8 **18.4.2 Adoption of Rules and Regulations.** The Court may adopt
9 appropriate rules and regulations prepared by the Watermaster Engineer and proposed by the
10 Watermaster for conduct pursuant to this Judgment. Before proposing rules and regulations, the
11 Watermaster shall hold a public hearing. Thirty (30) days prior to the date of the hearing, the
12 Watermaster shall send to all Parties notice of the hearing and a copy of the proposed rules and
13 regulations or amendments thereto. All Watermaster rules and regulations, and any amendments
14 to the Watermaster rules and regulations, shall be consistent with this Judgment and are subject to
15 approval by the Court, for cause shown, after consideration of the objections of any Party.

16 **18.4.3 Employment of Experts and Agents.** The Watermaster may
17 employ such administrative personnel, engineering, legal, accounting, or other specialty services,
18 and consulting assistants as appropriate in carrying out the terms of this Judgment.

19 **18.4.4 Notice List.** The Watermaster shall maintain a current list of
20 Parties to receive notice. The Parties have an affirmative obligation to provide the Watermaster
21 with their current contact information. For Small Pumper Class Members, the Watermaster shall
22 initially use the contact information contained in the list of Small Pumper Class members filed
23 with the Court by class counsel.

24 **18.4.5 Annual Administrative Budget.** The Watermaster shall prepare a
25 proposed administrative budget for each Year. The Watermaster shall hold a public hearing
26 regarding the proposed administrative budget and adopt an administrative budget. The
27 administrative budget shall set forth budgeted items and Administrative Assessments in sufficient
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1 detail to show the allocation of the expense among the Producers. Following the adoption of the
2 budget, the Watermaster may make expenditures within budgeted items in the exercise of powers
3 herein granted, as a matter of course.

4 **18.4.6 Investment of Funds.** The Watermaster may hold and invest any
5 funds in investments authorized from time to time for public agencies in the State of California.
6 All funds shall be held in separate accounts and not comingled with the Watermaster's personal
7 funds.

8 **18.4.7 Borrowing.** The Watermaster may borrow in anticipation of
9 receipt of proceeds from any assessments authorized in Paragraph 9 in an amount not to exceed
10 the annual amount of assessments.

11 **18.4.8 Transfers.** On an annual basis, the Watermaster shall prepare and
12 maintain a report or record of any transfer of Production Rights among Parties. Upon reasonable
13 request, the Watermaster shall make such report or record available for inspection by any Party.
14 A report or records of transfer of Production Rights under this Paragraph shall be considered a
15 ministerial act.

16 **18.4.9 New Production Applications.** The Watermaster shall consider
17 and determine whether to approve applications for New Production after consideration of the
18 recommendation of the Watermaster Engineer.

19 **18.4.10 Unauthorized Actions.** The Watermaster shall bring such action
20 or motion as is necessary to enjoin any conduct prohibited by this Judgment.

21 **18.4.11 Meetings and Records.** Watermaster shall provide notice of and
22 conduct all meetings and hearings in a manner consistent with the standards and timetables set
23 forth in the Ralph M. Brown Act, Government Code sections 54950, et seq. Watermaster shall
24 make its files and records available to any Person consistent with the standards and timetables set
25 forth in the Public Records Act, Government Code sections 6200, et seq.

26 **18.4.12 Assessment Procedure.** Each Party hereto is ordered to pay the
27 assessments authorized in Paragraph 9 of this Judgment, which shall be levied and collected in
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1 accordance with the procedures and schedules determined by the Watermaster. Any assessment
2 which becomes delinquent, as defined by rules and regulations promulgated by the Watermaster
3 shall bear interest at the then current real property tax delinquency rate for the county in which
4 the property of the delinquent Party is located. The United States shall not be subject to payment
5 of interest absent congressional waiver of immunity for the imposition of such interest. This
6 interest rate shall apply to any said delinquent assessment from the due date thereof until paid.
7 The delinquent assessment, together with interest thereon, costs of suit, attorneys fees and
8 reasonable costs of collection, may be collected pursuant to (1) motion by the Watermaster giving
9 notice to the delinquent Party only; (2) Order to Show Cause proceeding, or (3) such other lawful
10 proceeding as may be instituted by the Watermaster or the Court. The United States shall not be
11 subject to costs and fees absent congressional waiver of immunity for such costs and fees. The
12 delinquent assessment shall constitute a lien on the property of the Party as of the same time and
13 in the same manner as does the tax lien securing county property taxes. The property of the
14 United States shall not be subject to any lien. The Watermaster shall annually certify a list of all
15 such unpaid delinquent assessments. The Watermaster shall include the names of those Parties
16 and the amounts of the liens in its list to the County Assessor's Office in the same manner and at
17 the same time as it does its Administrative Assessments. Watermaster shall account for receipt of
18 all collections of assessments collected pursuant to this Judgment, and shall pay such amounts
19 collected pursuant to this Judgment to the Watermaster. The Watermaster shall also have the
20 ability to seek to enjoin Production of those Parties, other than the United States, who do not pay
21 assessments pursuant to this Judgment.

22 **18.5** **Watermaster Engineer.** The Watermaster Engineer shall have the
23 following duties:

24 **18.5.1** **Monitoring of Safe Yield.** The Watermaster Engineer shall
25 monitor all the Safe Yield components and include them in the annual report for Court approval.
26 The annual report shall include all relevant data for the Basin.

1 **18.5.2 Reduction in Groundwater Production.** The Watermaster
2 Engineer shall ensure that reductions of Groundwater Production to the Native Safe Yield
3 (Rampdown) take place pursuant to the terms of this Judgment and any orders by the Court.

4 **18.5.3 Determination of Replacement Obligations.** The Watermaster
5 Engineer shall determine Replacement Obligations for each Producer, pursuant to the terms of
6 this Judgment.

7 **18.5.4 Balance Obligations.** The Watermaster Engineer shall determine
8 Balance Assessment obligations for each Producer pursuant to the terms of this Judgment. In
9 addition, the Watermaster Engineer shall determine the amount of water derived from the Balance
10 Assessment that shall be allocated to any Producer to enable that Producer to fully exercise its
11 Production Right.

12 **18.5.5 Measuring Devices, Etc.** The Watermaster Engineer shall
13 propose, and the Watermaster shall adopt and maintain, rules and regulations regarding
14 determination of Production amounts and installation of individual water meters. The rules and
15 regulations shall set forth approved devices or methods to measure or estimate Production.
16 Producers who meter Production on the date of entry of this Judgment shall continue to meter
17 Production. The Watermaster rules and regulations shall require Producers who do not meter
18 Production on the effective date of entry of this Judgment, except the Small Pumper Class, to
19 install water meters within two Years.

20 **18.5.6 Hydrologic Data Collection.** The Watermaster Engineer shall (1)
21 operate, and maintain such wells, measuring devices, and/or meters necessary to monitor stream
22 flow, precipitation, Groundwater levels, and Basin Subareas, and (2) to obtain such other data as
23 may be necessary to carry out this Judgment.

24 **18.5.7 Purchases of and Recharge with Replacement Water.** To the
25 extent Imported Water is available, the Watermaster Engineer shall use Replacement Water
26 Assessment proceeds to purchase Replacement Water, and deliver such water to the area deemed
27 most appropriate as soon as practicable. The Watermaster Engineer may pre-purchase
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1 Replacement Water and apply subsequent assessments towards the costs of such pre-purchases.
2 The Watermaster Engineer shall reasonably and equitably actively manage the Basin to protect
3 and enhance the health of the Basin.

4 **18.5.8 Water Quality.** The Watermaster Engineer shall take all
5 reasonable steps to assist and encourage appropriate regulatory agencies to enforce reasonable
6 water quality regulations affecting the Basin, including regulation of solid and liquid waste
7 disposal, and establishing Memorandums of Understanding with Kern and Los Angeles Counties
8 regarding well drilling ordinances and reporting.

9 **18.5.9 Native Safe Yield.** Ten (10) Years following the end of the seven
10 Year Rampdown period, in the seventeenth (17th) Year, or any time thereafter, the Watermaster
11 Engineer may recommend to the Court an increase or reduction of the Native Safe Yield. The
12 Watermaster Engineer shall initiate no recommendation to change Native Safe Yield prior to the
13 end of the seventeenth (17th) Year. In the event the Watermaster Engineer recommends in its
14 report to the Court that the Native Safe Yield be revised based on the best available science, the
15 Court shall conduct a hearing regarding the recommendations and may order a change in Native
16 Safe Yield. Watermaster shall give notice of the hearing pursuant to Paragraph 20.3.2. The most
17 recent Native Safe Yield shall remain in effect until revised by Court order according to this
18 paragraph. If the Court approves a reduction in the Native Safe Yield, it shall impose a Pro-Rata
19 Reduction as set forth herein, such reduction to be implemented over a seven (7) Year period. If
20 the Court approves an increase in the Native Safe Yield, it shall impose a Pro-Rata Increase as set
21 forth herein, such increase to be implemented immediately. Only the Court can change the
22 Native Safe Yield.

23 **18.5.10 Change in Production Rights in Response to Change in Native**
24 **Safe Yield.** In the event the Court changes the Native Safe Yield pursuant to Paragraph 18.5.9,
25 the increase or decrease will be allocated among the Producers in the agreed percentages listed in
26 Exhibits 3 and 4, except that the Federal Reserved Water Right of the United States is not subject
27 to any increase or decrease.

18.5.11 Review of Calculation of Imported Water Return Flow

Percentages. Ten (10) Years following the end of the Rampdown, in the seventeenth (17th) Year, or any time thereafter, the Watermaster Engineer may recommend to the Court an increase or decrease of Imported Water Return Flow percentages. The Watermaster Engineer shall initiate no recommendation to change Imported Water Return Flow percentages prior to end of the seventeenth (17th) Year. In the event the Watermaster Engineer recommends in its report to the Court that Imported Water Return Flow percentages for the Basin may need to be revised based on the best available science, the Court shall conduct a hearing regarding the recommendations and may order a change in Imported Water Return Flow percentages. Watermaster shall give notice of the hearing pursuant to Paragraph 20.6. The Imported Water Return Flow percentages set forth in Paragraph 5.2 shall remain in effect unless revised by Court order according to this Paragraph. If the Court approves a reduction in the Imported Water Return Flow percentages, such reduction shall be implemented over a seven (7) Year period. Only the Court can change the Imported Water Return Flow percentages.

18.5.12 Production Reports. The Watermaster Engineer shall require each Producer, other than unmetered Small Pumper Class Members, to file an annual Production report with the Watermaster. Producers shall prepare the Production reports in a form prescribed by the rules and regulations. The Production reports shall state the total Production for the reporting Party, including Production per well, rounded off to the nearest tenth of an acre foot for each reporting period. The Production reports shall include such additional information and supporting documentation as the rules and regulations may reasonably require.

18.5.13 New Production Application Procedure. The Watermaster Engineer shall determine whether a Party or Person seeking to commence New Production has established the reasonableness of the New Production in the context of all other uses of Groundwater in the Basin at the time of the application, including whether all of the Native Safe Yield is then currently being used reasonably and beneficially. Considering common law water rights and priorities, the mandate of certainty in Article X, section 2, and all other relevant

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factors, the Watermaster Engineer has authority to recommend that the application for New Production be denied, or approved on condition of payment of a Replacement Water Assessment. The Watermaster Engineer shall consider, investigate and recommend to the Watermaster whether an application to commence New Production of Groundwater may be approved as follows:

18.5.13.1 All Parties or Person(s) seeking approval from the Watermaster to commence New Production of Groundwater shall submit a written application to the Watermaster Engineer which shall include the following:

18.5.13.1.1 Payment of an application fee sufficient to recover all costs of application review, field investigation, reporting, and hearing, and other associated costs, incurred by the Watermaster and Watermaster Engineer in processing the application for New Production;

18.5.13.1.2 Written summary describing the proposed quantity, sources of supply, season of use, Purpose of Use, place of use, manner of delivery, and other pertinent information regarding the New Production;

18.5.13.1.3 Maps identifying the location of the proposed New Production, including Basin Subarea;

18.5.13.1.4 Copy of any water well permits, specifications and well-log reports, pump specifications and testing results, and water meter specifications associated with the New Production;

18.5.13.1.5 Written confirmation that the applicant has obtained all applicable Federal, State, County, and local land use entitlements and other permits necessary to commence the New Production;

18.5.13.1.6 Written confirmation that the applicant has complied with all applicable Federal, State, County, and local laws, rules and regulations, including but not limited to, the California Environmental Quality Act (Public Resources Code §§ 21000, et. seq.);

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18.5.13.1.7 Preparation of a water conservation plan, approved and stamped by a California licensed and registered professional civil engineer, demonstrating that the New Production will be designed, constructed and implemented consistent with California best water management practices.

18.5.13.1.8 Preparation of an analysis of the economic impact of the New Production on the Basin and other Producers in the Subarea of the Basin;

18.5.13.1.9 Preparation of an analysis of the physical impact of the New Production on the Basin and other Producers in the Subarea of the Basin;

18.5.13.1.10 A written statement, signed by a California licensed and registered professional civil engineer, determining that the New Production will not cause Material Injury;

18.5.13.1.11 Written confirmation that the applicant agrees to pay the applicable Replacement Water Assessment for any New Production.

18.5.13.1.12 Other pertinent information which the Watermaster Engineer may require.

18.5.13.2 Finding of No Material Injury. The Watermaster Engineer shall not make recommendation for approval of an application to commence New Production of Groundwater unless the Watermaster Engineer finds, after considering all the facts and circumstances including any requirement that the applicant pay a Replacement Water Assessment required by this Judgment or determined by the Watermaster Engineer to be required under the circumstances, that such New Production will not cause Material Injury. If the New Production is limited to domestic use for one single-family household, the Watermaster Engineer has the authority to determine the New Production to be *de minimis* and waive payment of a Replacement Water Assessment; *provided*, the right to Produce such *de minimis* Groundwater is not transferable, and shall not alter the Production Rights decreed in this Judgment.

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1 **18.5.13.3 New Production.** No Party or Person shall commence New
2 Production of Groundwater from the Basin absent recommendation by the Watermaster Engineer
3 and approval by the Watermaster.

4 **18.5.13.4 Court Review.** Court review of a Watermaster decision on
5 a New Production application shall be pursuant to Paragraph 20.3.

6 **18.5.14 Storage Agreements.** The Watermaster shall adopt uniformly
7 applicable rules for Storage Agreements. The Watermaster Engineer shall calculate additions,
8 extractions and losses of water stored under Storage Agreements and maintain an Annual account
9 of all such water. Accounting done by the Watermaster Engineer under this Paragraph shall be
10 considered ministerial.

11 **18.5.15 Diversion of Storm Flow.** No Party may undertake or cause the
12 construction of any project within the Watershed of the Basin that will reduce the amount of
13 storm flows that would otherwise enter the Basin and contribute to the Native Safe Yield, without
14 prior notification to the Watermaster Engineer. The Watermaster Engineer may seek an
15 injunction or to otherwise impose restrictions or limitations on such project in order to prevent
16 reduction to Native Safe Yield. The Party sought to be enjoined or otherwise restricted or limited
17 is entitled to notice and an opportunity for the Party to respond prior to the imposition of any
18 restriction or limitation. Any Person may take emergency action as may be necessary to protect
19 the physical safety of its residents and personnel and its structures from flooding. Any such
20 action shall be done in a manner that will minimize any reduction in the quantity of Storm Flows.

21 **18.5.16 Data, Estimates and Procedures.** The Watermaster Engineer
22 shall rely on and use the best available science, records and data to support the implementation of
23 this Judgment. Where actual records of data are not available, the Watermaster Engineer shall
24 rely on and use sound scientific and engineering estimates. The Watermaster Engineer may use
25 preliminary records of measurements, and, if revisions are subsequently made, may reflect such
26 revisions in subsequent accounting.

18.5.17 Filing of Annual Report. The Watermaster Engineer shall prepare an Annual Report for filing with the Court not later than April 1 of each Year, beginning April 1 following the first full Year after entry of this Judgment. Prior to filing the Annual Report with the Court, Watermaster shall notify all Parties that a draft of the Annual Report is available for review by the Parties. Watermaster shall provide notice to all Parties of a public hearing to receive comments and recommendations for changes in the Annual Report. The public hearing shall be conducted pursuant to rules and regulations promulgated by the Watermaster. The notice of public hearing may include such summary of the draft Annual Report as Watermaster may deem appropriate. Watermaster shall distribute the Annual Report to any Parties requesting copies.

18.5.18 Annual Report to Court. The Annual Report shall include an Annual fiscal report of the preceding Year's operation; details regarding the operation of each of the Subareas; an audit of all Assessments and expenditures; and a review of Watermaster activities. The Annual Report shall include a compilation of at least the following:

- 18.5.18.1** Replacement Obligations;
- 18.5.18.2** Hydrologic Data Collection;
- 18.5.18.3** Purchase and Recharge of Imported Water;
- 18.5.18.4** Notice List;
- 18.5.18.5** New Production Applications
- 18.5.18.6** Rules and Regulations;
- 18.5.18.7** Measuring Devices, etc;
- 18.5.18.8** Storage Agreements;
- 18.5.18.9** Annual Administrative Budget;
- 18.5.18.10** Transfers;
- 18.5.18.11** Production Reports;
- 18.5.18.12** Prior Year Report;
- 18.5.18.13** Amount of Stored Water owned by each Party;

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1 **18.5.18.14** Amount of Stored Imported Water owned by each Party;

2 **18.5.18.15** Amount of unused Imported Water Return Flows owned by
3 each Party;

4 **18.5.18.16** Amount of Carry Over Water owned by each Party;

5 **18.5.18.17** All changes in use.

6 **18.6** **Recommendations of the Watermaster Engineer.** Unless otherwise
7 determined pursuant to Paragraph 18.1.2.2, all recommendations of the Watermaster Engineer
8 must be approved by unanimous vote of all members of the Watermaster. If there is not
9 unanimous vote among Watermaster members, Watermaster Engineer recommendations must be
10 presented to the Court for action and implementation.

11 **18.7** **Interim Approvals by the Court.** Until the Court approves rules and
12 regulations proposed by the Watermaster, the Court, upon noticed motion, may take or approve
13 any actions that the Watermaster or the Watermaster Engineer otherwise would be authorized to
14 take or approve under this Judgment.

15 **19.** **ADVISORY COMMITTEE**

16 **19.1** **Authorization.** The Producers are authorized and directed to cause a
17 committee of Producer representatives to be organized and to act as an Advisory Committee.

18 **19.2** **Compensation.** The Advisory Committee members shall serve without
19 compensation.

20 **19.3** **Powers and Functions.** The Advisory Committee shall act in an advisory
21 capacity only and shall have the duty to study, review, and make recommendations on all
22 discretionary determinations by Watermaster. Parties shall only provide input to the Watermaster
23 through the Advisory Committee.

24 **19.4** **Advisory Committee Meetings.** The Advisory Committee shall 1) meet
25 on a regular basis; 2) review Watermaster's activities pursuant to this Judgment on at least a
26 semi-annual basis; and 3) receive and make advisory recommendations to Watermaster.

27 Advisory Committee Meetings shall be open to all members of the public. Edwards Air Force
28

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Base and the State of California shall be ex officio members of the committee. The United States may also appoint a DoD Liaison to the Watermaster pursuant to Joint Ethics Regulation 3-201.

19.5 Subarea Advisory Management Committees. Subarea Advisory Management Committees will meet on a regular basis and at least semi-annually with the Watermaster Engineer to review Watermaster activities pursuant to this Judgment and to submit advisory recommendations.

19.5.1 Authorization. The Producers in each of the five Management Subareas are hereby authorized and directed to cause committees of Producer representatives to be organized and to act as Subarea Management Advisory Committees.

19.5.2 Composition and Election. Each Management Subarea Management Advisory Committee shall consist of five (5) Persons who shall be called Management Advisors. In the election of Management Advisors, every Party shall be entitled to one vote for every acre-foot of Production Right for that Party in that particular subarea. Parties may cumulate their votes and give one candidate a number of votes equal to the number of advisors to be elected, multiplied by the number of votes to which the Party is normally entitled, or distribute the Party's votes on the same principle among as many candidates as the Party thinks fit. In any election of advisors, the candidates receiving the highest number of affirmative votes of the Parties are elected. Elections shall be held upon entry of this Judgment and thereafter every third Year. In the event a vacancy arises, a temporary advisor shall be appointed by unanimous decision of the other four advisors to continue in office until the next scheduled election. Rules and regulations regarding organization, meetings and other activities shall be at the discretion of the individual Subarea Advisory Committees, except that all meetings of the committees shall be open to the public.

19.5.3 Compensation. The Subarea Management Advisory Committee shall serve without compensation.

19.5.4 Powers and Functions. The Subarea Management Advisory Committee for each subarea shall act in an advisory capacity only and shall have the duty to

study, review and make recommendations on all discretionary determinations made or to be made hereunder by Watermaster Engineer which may affect that subarea.

20. MISCELLANEOUS PROVISIONS.

20.1 Water Quality. Nothing in this Judgment shall be interpreted as relieving any Party of its responsibilities to comply with State or Federal laws for the protection of water quality or the provisions of any permits, standards, requirements, or orders promulgated thereunder.

20.2 Actions Not Subject to CEQA Regulation. Nothing in this Judgment or the Physical Solution, or in the implementation thereof, or the decisions of the Watermaster acting under the authority of this Judgment shall be deemed a "project" subject to the California Environmental Quality Act (CEQA). See e.g., *California American Water v. City of Seaside* (2010) 183 Cal.App.4th 471, and *Hillside Memorial Park & Mortuary v. Golden State Water Co.* (2011) 205 Cal.App.4th 534. Neither the Watermaster, the Watermaster Engineer, the Advisory Committee, any Subarea Management Committee, nor any other Board or committee formed pursuant to the Physical Solution and under the authority of this Judgment shall be deemed a "public agency" subject to CEQA. (See Public Resources Code section 21063.)

20.3 Court Review of Watermaster Actions. Any action, decision, rule, regulation, or procedure of Watermaster or the Watermaster Engineer pursuant to this Judgment shall be subject to review by the Court on its own motion or on timely motion by any Party as follows:

20.3.1 Effective Date of Watermaster Action. Any order, decision or action of Watermaster or Watermaster Engineer pursuant to this Judgment on noticed specific agenda items shall be deemed to have occurred on the date of the order, decision or action.

20.3.2 Notice of Motion. Any Party may move the Court for review of an action or decision pursuant to this Judgment by way of a noticed motion. The motion shall be served pursuant to Paragraph 20.7 of this Judgment. The moving Party shall ensure that the Watermaster is served with the motion under that Paragraph 20.7 or, if electronic service of the

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Watermaster is not possible, by overnight mail with prepaid next-day delivery. Unless ordered by the Court, any such petition shall not operate to stay the effect of any action or decision which is challenged.

20.3.3 Time for Motion. A Party shall file a motion to review any action or decision within ninety (90) days after such action or decision, except that motions to review assessments hereunder shall be filed within thirty (30) days of Watermaster mailing notice of the assessment.

20.3.4 De Novo Nature of Proceeding. Upon filing of a motion to review a decision or action, the Watermaster shall notify the Parties of a date for a hearing at which time the Court shall take evidence and hear argument. The Court's review shall be *de novo* and the Watermaster's decision or action shall have no evidentiary weight in such proceeding.

20.3.5 Decision. The decision of the Court in such proceeding shall be an appealable supplemental order in this case. When the Court's decision is final, it shall be binding upon Watermaster and the Parties.

20.4 Multiple Production Rights. A Party simultaneously may be a member of the Small Pumper Class and hold an Overlying Production Right by virtue of owning land other than the parcel(s) meeting the Small Pumper Class definition. The Small Pumper Class definition shall be construed in accordance with Paragraph 3.5.44 and 3.5.45.

20.5 Payment of Assessments. Payment of assessments levied by Watermaster hereunder shall be made pursuant to the time schedule developed by the Watermaster, notwithstanding any motion for review of Watermaster actions, decisions, rules or procedures, including review of assessments implemented by the Watermaster.

20.6 Designation of Address for Notice and Service. Each Party shall designate a name and address to be used for purposes of all subsequent notices and service herein, either by its endorsement on this Judgment or by a separate designation to be filed within thirty (30) days after judgment has been entered. A Party may change its designation by filing a written notice of such change with Watermaster. A Party that desires to be relieved of receiving notices

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1 of Watermaster activity may file a waiver of notice in a form to be provided by Watermaster. At
2 all times, Watermaster shall maintain a current list of Parties to whom notices are to be sent and
3 their addresses for purpose of service. Watermaster shall also maintain a full current list of said
4 names and addresses of all Parties or their successors, as filed herein. Watermaster shall make
5 copies of such lists available to any requesting Person. If no designation is made, a Party's
6 designee shall be deemed to be, in order of priority: (1) the Party's attorney of record; (2) if the
7 Party does not have an attorney of record, the Party itself at the address on the Watermaster list;
8 (3) for Small Pumper Class Members, after this Judgment is final, the individual Small Pumper
9 Class Members at the service address maintained by the Watermaster.

10 **20.7** **Service of Documents**. Unless otherwise ordered by the Court, delivery to
11 or service to any Party by the Court or any Party of any document required to be served upon or
12 delivered to a Party pursuant to this Judgment shall be deemed made if made by e-filing on the
13 Court's website at www.scefiling.org. All Parties agree to waive service by mail if they receive
14 notifications via electronic filing at the above identified website.

15 **20.8** **No Abandonment of Rights**. In the interest of the Basin and its water
16 supply, and the principle of reasonable and beneficial use, no Party shall be encouraged to
17 Produce and use more water in any Year than is reasonably required. Failure to Produce all of the
18 Groundwater to which a Party is entitled shall not, in and of itself, be deemed or constitute an
19 abandonment of such Party's right, in whole or in part, except as specified in Paragraph 15.

20 **20.9** **Intervention After Judgment**. Any Person who is not a Party or
21 successor to a Party and who proposes to Produce Groundwater from the Basin, to store water in
22 the Basin, to acquire a Production Right or to otherwise take actions that may affect the Basin's
23 Groundwater is required to seek to become a Party subject to this Judgment through a noticed
24 motion to intervene in this Judgment prior to commencing Production. Prior to filing such a
25 motion, a proposed intervenor shall consult with the Watermaster Engineer and seek the
26 Watermaster's stipulation to the proposed intervention. A proposed intervenor's failure to consult
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with the Watermaster Engineer may be grounds for denying the intervention motion. Thereafter, if approved by the Court, such intervenor shall be a Party bound by this Judgment.

20.10 Judgment Binding on Successors, etc. Subject to specific provisions hereinbefore contained, this Judgment applies to and is binding upon, and inures to the benefit of the Parties to this Action and all their respective heirs, successors-in-interest and assigns.

20.11 Costs. Except subject to any existing court orders, each Party shall bear its own costs and attorneys fees arising from the Action.

20.12 Headings; Paragraph References. Captions and headings appearing in this Judgment are inserted solely as reference aids for ease and convenience; they shall not be deemed to define or limit the scope or substance of the provisions they introduce, nor shall they be used in construing the intent or effect of such provisions.

20.13 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation of the Parties.

20.14 Severability. Except as specifically provided herein, the provisions of this Judgment are not severable.

20.15 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Judgment.

20.16 Exhibits and Other Writings. Any and all exhibits, documents, instruments, certificates or other writings attached hereto or required or provided for by this Judgment, if any, shall be part of this Judgment and shall be considered set forth in full at each reference thereto in this Judgment.

Dated:

JUDGE OF THE SUPERIOR COURT

FILED

SUPERIOR COURT of CALIFORNIA
COUNTY of SANTA BARBARA

07/10/2023

Darrel E. Parker, Executive Officer

BY Rostami, Jazmin

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9 Group")

10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

11 **COUNTY OF SANTA BARBARA**

12
13 LAS POSAS VALLEY WATER
14 RIGHTS COALITION, an unincorporated
association, et al.,

15 Plaintiffs,

16 v.

17 FOX CANYON GROUNDWATER
18 MANAGEMENT AGENCY, a public
entity, et al.,
19 Defendants.

Case No. VENCI00509700

Assigned for All Purposes to the
Honorable Thomas P. Anderle

[PROPOSED] FINAL JUDGMENT

Action Filed: March 27, 2018
Phase 3 Trial Date: May 16, 2023

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INTRODUCTION AND BACKGROUND INFORMATION

1 **A. Judgment.** This Judgment and Physical Solution (“Judgment”) is entered
2
3 pursuant to Code of Civil Procedure sections 830 *et seq.*, to: (i) comprehensively determine and
4 adjudicate all Groundwater rights within the Las Posas Valley Groundwater Basin (“Basin”),
5 whether based on appropriation, overlying right, prescriptive right, or any other possible basis of
6 right; and (ii) establish and implement the Physical Solution set forth herein for the ongoing
7 management of the Basin. The management of the Basin pursuant to this Judgment will not
8 impair the ability of the FCGMA to achieve Sustainable Groundwater Management for the Basin
9 pursuant to the provisions and requirements of SGMA, including Water Code section 10737.8,
10 and consistent with the reasonable and beneficial use requirements of Article X, section 2 of the
11 California Constitution. This Judgment and its Exhibits, together with the Groundwater
12 Sustainability Plan (“GSP”) for the Basin adopted by the FCGMA on December 13, 2019,
13 (available on the FCGMA’s website at <https://fcgma.org/groundwater-sustainability-plans-gsps/>
14 and also available at <https://sgma.water.ca.gov/portal/service/gspdocument/download/468>), and
15 as shall be updated as provided herein, is hereinafter referred to as, and constitutes, the Physical
16 Solution; provided, however, that to the extent that the provisions of the GSP conflict with this
17 Judgment, the terms of this Judgment control. The Court shall exercise its continuing jurisdiction
18 to implement the Physical Solution consistent with Code of Civil Procedure section 852.

19 **B. Basin.** The Basin is located in Ventura County, California, and underlies the Las
20 Posas Valley, including portions of the City of Moorpark and adjacent communities. The Basin
21 includes three management areas: the East Las Posas Management Area, the West Las Posas
22 Management Area, and the Epworth Gravels Management Area. The Department of Water
23 Resources (“DWR”) designated the Basin as a high-priority basin under SGMA.

24 **C. Pleadings.** The Plaintiffs Las Posas Basin Water Rights Coalition *et al.*
25 (“Plaintiffs”) filed their initial Complaint on March 27, 2018, their First Amended Complaint on
26 July 5, 2018, and their Second Amended Complaint on October 29, 2018 (“Complaint”), in the
27 Superior Court for the County of Ventura, seeking a comprehensive determination and
28 adjudication of groundwater rights in the Basin pursuant to Code of Civil Procedure section 830

1 *et seq.* Several parties also filed cross-complaints.

2 **D. Assignment of Action.** Pursuant to Code of Civil Procedure section 838(a), the
3 Judicial Council of California reassigned the case for all purposes to the Honorable Thomas P.
4 Anderle of the Santa Barbara County Superior Court.

5 **E. Service of Complaint, Notice of Groundwater Basin Adjudication, and Form**
6 **Answer.** Plaintiffs served the Complaint, the court-approved notice of commencement of
7 groundwater basin adjudication, and the court-approved Form Answer in accordance with the
8 statutory provisions governing this adjudication. (See Code Civ. Proc., §§ 830(b)(2), (7), 835-
9 836.5; Notice of Completion of Mailing (June 3, 2019).) All holders of fee title to real property
10 in the Basin were identified using the assessors records of the County of Ventura, and were
11 served the Notice, Complaint, and Form Answer by registered mail, return receipt requested as
12 required by Code of Civil Procedure section 836. Where the physical address of the real property
13 differed from the mailing address of the holder of fee title, the Notice, Complaint, and Form
14 Answer were mailed by registered mail, return receipt requested, to the physical address of the
15 real property and the mailing address of the holder of fee title. A notice of completion of mailing
16 was filed with the Court on June 3, 2019, consistent with Code of Civil Procedure section 836.

17 **F. Publication of Notice.** Plaintiffs provided the Notice and Form Answer to DWR
18 and the Fox Canyon Groundwater Management Agency (“FCGMA”). DWR and the FCGMA
19 provided a link to the Notice and Form Answer on the home page of their respective websites
20 consistent with Code of Civil Procedure section 836(m). The notice was also published at least
21 once per week for four consecutive weeks in the Ventura County Star, a newspaper of general
22 circulation in the County of Ventura on all persons interested in the proceeding, consistent with
23 Code of Civil Procedure section 836 and orders of the Court.

24 **G. Parties.** All Persons that own a parcel in the Basin, Extract or store water in the
25 Basin, or claim any other possible rights in the Basin are subject to the jurisdiction of the Court
26 pursuant to Code of Civil Procedure sections 830 *et seq.* All such Parties received numerous
27 notices of their right to participate in this Comprehensive Adjudication, including the statutory
28 notice described above; open, public pretrial and trial proceedings in all phases of the case; and

1 extensive additional individual efforts by existing parties to notify their neighbors about the
2 adjudication, including public meetings, meetings of mutual water companies, FCGMA meetings,
3 newsletters, and various other communications. The Court allowed any and all parties who
4 wished to join the case to do so. Several parties chose not to appear in the case or at various
5 phases of trial, or to appear very late, despite repeated notice and numerous opportunities to
6 participate. All parties who chose to appear received ample opportunity to present their evidence
7 and arguments in the proper course of proceedings. In all cases, the Court thoroughly considered
8 the Parties' submissions and evidence, and found that the proceedings satisfied due process and
9 all statutory requirements.

10 **H. Jurisdiction.** By the pleadings herein, operation of Code of Civil Procedure
11 sections 830 *et seq.*, and by Order of the Court, the case presents an adjudication with *in*
12 *personam* and *in rem* jurisdiction, in which any and all Groundwater rights as between each and
13 all of the Parties is determined. Having complied with the notice and service requirements of
14 Code of Civil Procedure section 836, the *in rem* jurisdiction over all Groundwater rights in the
15 Basin and the comprehensive effect of this Comprehensive Adjudication have been established.
16 This Court has jurisdiction over the subject matter of this action and all Parties herein.

17 **I. Phases of Trial and Findings of the Court.** The issues presented in this
18 Comprehensive Adjudication are complex. Accordingly, this Court divided the adjudication into
19 three phases. The first phase adjudicated the water rights claims of and allocated rights to Use
20 Groundwater to Ventura County Waterworks Districts No. 1 and 19 (referred to herein as the
21 "WWDs"). In Phase 1, all Parties had a chance to take discovery and all active participants in the
22 case eventually entered into a stipulation to resolve the Phase 1 issues by a final stipulation they
23 presented to the Court. At one point, the FCGMA and Calleguas Municipal Water District
24 ("Calleguas") objected to the Phase 1 Stipulation, but those objections were resolved. Thereafter,
25 a dispute arose between Plaintiffs and other parties concerning the scope of the Phase 1
26 Stipulation. No Party other than Plaintiffs raised any objections. The Court held an open, public
27 hearing at which the Phase 1 stipulating parties presented briefing and arguments in support of the
28 Phase 1 Stipulation, the Plaintiffs had a chance to do the same, and after which the Court

1 approved the Phase 1 Stipulation and resolved all then-outstanding disputes concerning its terms.
2 On September 17, 2020, the Court issued its Partial Statement of Decision resolving Phase 1
3 (“Phase 1 Order”). The Phase 1 Order allocated 12.31 percent of the Basin’s Total Safe Yield to
4 the WWDs, and noted that remaining allocations would be addressed in Phase 2, along with other
5 disputed issues.

6 The Court defined the Phase 2 issues as: “the individual percentage of the Total Safe
7 Yield, as that term is defined in the Phase I Partial Statement of Decision, for each Party (property
8 owners and mutual water companies) in the Las Posas Basin, excepting the following parties:
9 Ventura County Waterworks District Nos. 1 and 19 (whose respective percentages were already
10 decided in Phase I), Calleguas Municipal Water District (whose storage recovery rights will be
11 the subject of a subsequent phase of trial), and Fox Canyon Groundwater Management Agency
12 (who does not claim a groundwater pumping right).” (Case Mgmt. Order at 4 (Dec. 11, 2020).)
13 The Parties attempted to negotiate a resolution of the Phase 2 issues presented in the case and
14 again took months of extensive discovery. More than a year after the Court’s Phase 1 Order,
15 some 86 percent of the parties reached a comprehensive settlement of the Phase 2 issues. All
16 Parties litigating the Phase 2 issues in the case also stipulated before this Phase 2 Settlement was
17 reached that any and all potential prescription claims had been waived. The Phase 2 Settlement
18 developed a land-based allocation system using a sophisticated and complete compendium of data
19 detailing land use and Groundwater Use in the Basin.

20 Phase 2 proceeded to trial to resolve claims and objections to the Phase 2 Settlement from
21 a few landowners, mutual water companies, and public agency parties. The pretrial proceedings
22 are described in detail in the Court’s Statement of Decision, Phase 2, issued on October 28, 2022
23 (“Phase 2 Order”). The Court held a five-week trial in Phase 2, which commenced on September
24 26, 2022. The Court had the opportunity to assess the credibility of witnesses and evaluate all of
25 the facts and legal arguments presented by the Parties. Upon conclusion of trial, the Court issued
26 the Phase 2 Order, which approved and adopted the Phase 2 Settlement and its allocation
27 approach. The Phase 2 Order includes detailed findings and conclusions. One set of issues
28 resolved in the Phase 2 Order was how to interpret certain terms in the Phase 1 Order. The

1 findings made by the Court in earlier phases of this action support entry of this Judgment.

2 Upon conclusion of Phase 2, many parties commenced negotiations to resolve the Phase 3
3 issues, including “the adoption of a physical solution and the manner in that the physical solution
4 will be implemented and adaptively managed” and “the intersection of the GMA’s and Court’s
5 scope of authority.” (Case Mgmt. Order at 2 (Dec. 11, 2020).) As a result of those negotiations,
6 nearly all of the active Parties in the case, including all of the public agency Parties (“Phase 3
7 Settling Parties”), jointly submitted the Phase 3 Settlement to the Court on February 8, 2023.
8 Among other issues, the Phase 3 Settlement settled the important matters of: (i) future Basin
9 management under the Physical Solution, which, pursuant to the terms herein, incorporates the
10 GSP as a material component of the Physical Solution and recognizes the FCGMA’s SGMA
11 authority as the Basin GSA and as the special act water agency created to manage and conserve
12 the Basin’s Groundwater resources; (ii) harmonizing the Judgment with SGMA; and (iii) a
13 process to develop an updated, technically sound operating plan to effectuate Calleguas’s rights to
14 store and Extract Groundwater attributable to imported water. The Phase 3 Settling Parties
15 confirmed their intent that this Judgment will hereafter govern all aspects of the FCGMA’s
16 ongoing management of the Basin, whether undertaken by the FCGMA in its role as a special act
17 water management agency, the GSA under SGMA, or as Watermaster.

18 The Phase 3 Settling Parties then presented an initial draft of a proposed Stipulated
19 Judgment to the Court and all other parties on March 24, 2023. On April 24, 2023, they
20 submitted an updated draft of the Stipulated Judgment, which was consistent with both the Phase
21 3 Settlement and the March 24 draft, together with a Stipulation for Entry of Judgment.

22 Extensive discovery again occurred in Phase 3, and the Court provided the few remaining
23 Parties that objected to the Phase 3 Settlement Agreement the opportunity to present objections to
24 the Stipulated Judgment at trial and propose any alternative to resolve the remaining open issues
25 before the Court.

26 The Court heard evidence and argument in the Phase 3 trial, prepared a Statement of
27 Decision, and issued this Judgment, resolving this long-running Comprehensive Adjudication.

28 The Court found in its Statement of Decision, based on the evidence and argument

1 presented at trial, that the Phase 3 Settlement’s integrated approach to Basin management is
2 robustly supported by the facts, fully accords with California law, and will not interfere with the
3 attainment of Sustainable Groundwater Management and the reasonable and beneficial use of the
4 Basin’s water resources, in compliance with article X, section 2 of the California Constitution,
5 Code of Civil Procedure sections 849(b), 850(a), and Water Code section 10737.8.

6 This Judgment resolves all aspects of this Comprehensive Adjudication and shall govern
7 all Groundwater rights in the Basin.

8 **J. Comprehensive Settlement of Claims.** Despite the length of this litigation,
9 extensive discovery taken, and need for three phases of trial, the Court notes that nearly all of the
10 Parties have agreed with the comprehensive settlement of all legal and factual disputes embodied
11 in this Judgment. The Phase 1 and Phase 2 Settlements received overwhelming support, and
12 through the Phase 3 Settlement, the Stipulating Parties have entered into an agreement to resolve
13 and settle all claims, and thereby avoid the burden and expense of continued contested litigation.

14 **K. Dismissal of Related Action.** Plaintiffs Las Posas Basin Water Rights Coalition
15 (also erroneously referred to as the “Las Posas Valley Water Rights Coalition”), as Petitioner and
16 Plaintiffs in the related action *Las Posas Basin Water Rights Coalition v. Fox Canyon*
17 *Groundwater Management Agency*, Santa Barbara County Superior Case No. 20CV02036 (the
18 “Writ Action”), will dismiss the Writ Action with prejudice within 7 days of entry of this
19 Judgment.

20 **L. Permitted or Licensed Water Rights.** Pursuant to California law, surface water
21 use since 1914 has been governed by the Water Code. This Judgment is not intended to interfere
22 with any State-permitted or licensed surface water rights or pre-1914 surface water right.

23 DECREE

24 NOW, THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED:

25 I. DEFINITIONS

26 As used in this Judgment, the following terms shall have the meaning set forth
27 below.

28 1.1 **Adaptive Management** – Management of the Basin based on the best available

1 science as developed over time to address changes in the Basin's physical conditions and/or
2 regulatory or economic changes so to achieve and sustain Sustainable Groundwater Management
3 and to maximize the reasonable and beneficial use of the Basin's water resources.

4 1.2 **AFY** – Acre-feet per Water Year.

5 1.3 **Aggregate Mutual Supply** – The total aggregated Annual Allocation managed by
6 a Mutual Water Company on behalf of its Mutual Exclusive Shareholders. The Aggregate
7 Mutual Supply is comprised of Annual Allocation derived from: (i) the aggregated Allocation
8 Basis of all of a Mutual Water Company's Mutual Exclusive Shareholders, excluding the
9 Allocation Basis of those Mutual Exclusive Shareholders who have agreed with their Mutual
10 Water Company to the separate reporting of said Mutual Exclusive Shareholder's Groundwater
11 Use pursuant to Section 4.7.1; (ii) any Allocation Basis acquired by a Mutual Exclusive
12 Shareholder described in (i) above through a Transfer pursuant to Section 4.12; (iii) the Mutual
13 Water Company's Mutual Water Company Allocation; (iv) any Allocation Basis acquired by a
14 Mutual Water Company through a Transfer pursuant to Section 4.12; (v) any Carryover managed
15 by the Mutual Water Company; and (vi) any Groundwater to which the Mutual Water Company
16 is entitled pursuant to a Subscription Project.

17 1.4 **Agricultural Allocation** – An Allocation granted pursuant to Section 4.5.1 for a
18 predominantly Agricultural Use and any ancillary Domestic or Commercial Use.

19 1.5 **Agricultural Landowner** – A Landowner engaged in Agricultural Use.

20 1.6 **Agricultural Use** – Use of Groundwater for the cultivation of crops for
21 commercial sale and distribution, or the irrigation of pasture for the commercial production, sale,
22 and distribution of crops for food, fiber, fuel, or ornament, including animal husbandry.

23 1.7 **Allocated Groundwater** – The full cumulative and Basin-wide amount of
24 Groundwater that will be allocated for Use by Water Right Holders pursuant to the Operating
25 Yield, which is sourced from native Groundwater, Return Flows, and Replenishment, but
26 excluding water stored pursuant to the Calleguas ASR Project for later recovery by Calleguas or
27 pursuant to a Subscription Project.

28 1.8 **Allocation** – An entitlement granted to a Party to Use Allocated Groundwater

1 from the Basin.

2 1.9 **Allocation Basis** – An initial amount of Allocated Groundwater assigned to each
3 Water Right Holder in the Groundwater Allocation Schedule, which forms the basis for
4 determining each Water Right Holder’s Annual Allocation.

5 1.10 **Annual Allocation** – The maximum annual amount of Allocated Groundwater a
6 Water Right Holder may Use pursuant to an Allocation in a given Water Year.

7 1.11 **Annual Allocations Accounting** – As described in Section 5.2.4.

8 1.12 **Annual Allocations Calculation** – As described in Section 4.2.

9 1.13 **Annual Report** – An annual report of Basin management and Watermaster
10 activities filed with DWR and with the Court by April 1 of each year pursuant to Section 5.2.3
11 herein.

12 1.14 **Base Agricultural Allocation** – A form of Agricultural Allocation described in
13 Section 4.5.1.

14 1.15 **Base Agricultural Allocation Factor** – A factor set at 1.3 AFY (subject to
15 reduction pursuant to Section 4.5.1), which, when multiplied by an Agricultural Landowner’s
16 Irrigated Acreage, establishes the Agricultural Landowner’s Base Agricultural Allocation.

17 1.16 **Basin** – The Las Posas Valley Groundwater Basin as currently defined by DWR
18 Bulletin No. 118 as Basin No. 4-8, including all water-bearing formations therein, including the
19 Shallow Aquifer, Fox Canyon Aquifer, Grimes Canyon Aquifer, and Epworth Gravel Aquifer.

20 1.17 **Basin Assessment** – As defined in Section 7.2.

21 1.18 **Basin Management Actions** – Actions, failures to act, enforcement actions,
22 decisions, or determinations by Watermaster related to the implementation of the Judgment as
23 defined in Section 9.1.

24 1.19 **Basin Optimization Plan** – The plan developed by Watermaster in accordance
25 with Section 5.3.

26 1.20 **Basin Optimization Projects** – Water management activities and projects that
27 Watermaster has approved consistent with the Basin Optimization Plan to enhance or optimize
28 the Sustainable Yield, to avoid or mitigate Undesirable Results, and to achieve Sustainable

1 Groundwater Management consistent with SGMA.

2 1.21 **Basin Optimization Yield** – The estimated yield that is projected to be available
3 to achieve Sustainable Groundwater Management by 2040. Prior to Water Year 2040, the
4 Sustainable Yield established in the GSP and the Basin Optimization Yield may be different.
5 However, by Water Year 2040, the Basin Optimization Yield and the Operating Yield must equal
6 the Sustainable Yield. The Basin Optimization Yield will take into account: (i) water available
7 from native Groundwater inflows; (ii) Return Flows; (iii) reasonably anticipated enhanced yield
8 (*i.e.*, managed replenishment excluding water stored and dedicated to the Calleguas ASR Project)
9 projected to be available by Water Year 2040 consistent with the projected Basin Optimization
10 Plan; and (iv) opportunities for optimization of the Sustainable Yield achieved by relocating
11 Extraction and transmission of water to avoid Undesirable Results. The Basin Optimization
12 Yield will also, through Adaptive Management, take into account circumstances including: (a)
13 improved understanding of Basin conditions and hydrogeologic parameters as a result of new data
14 over time; (b) the current status of Basin Optimization Projects; and (c) changing hydrological
15 conditions.

16 1.22 **Basin Optimization Yield Study** – The process to be undertaken by Watermaster,
17 following Committee Consultation, every five years in coordination with the GSP Updates (Wat.
18 Code, § 10728.2), or at Watermaster’s discretion in response to material changing or changed
19 Basin conditions, beginning with the Basin Optimization Yield Study to be finalized in 2025,
20 which will set the Basin Optimization Yield, and thus the Operating Yield and the Rampdown
21 Rate for Water Year 2025 and subsequent Water Years.

22 1.23 **Carryover** – Any portion of a Water Right Holder’s Annual Allocation not Used
23 in the Water Year in which it is allowed, which may be accrued and Used in future Water Years,
24 provided that the Water Right Holder complies with this Judgment, including Section 4.11.

25 1.24 **Calleguas** – The Calleguas Municipal Water District.

26 1.25 **Calleguas ASR In Lieu** – Delivery of imported water from Calleguas to a Water
27 Right Holder, following the Water Right Holder’s voluntary agreement, for Use instead of the
28 Water Right Holder’s Use of its Annual Allocation for the purpose of establishing water stored in

1 the Basin as part of the Calleguas ASR Project for later recovery by Calleguas. This definition
2 does not include In Lieu Water as defined in Section 1.57.

3 1.26 **Calleguas ASR Project** – The aquifer storage and recovery project operated in the
4 Basin by Calleguas as defined in Section 8.1.

5 1.27 **Calleguas ASR Project Operations** – As defined in Section 8.3.

6 1.28 **Calleguas ASR Project Operations Plan** – As defined in Section 8.1.

7 1.29 **Calleguas ASR Study Group** – As defined in Section 8.4.

8 1.30 **Change of Point of Extraction** – As defined in Section 4.13.

9 1.31 **Change of WMID Ownership** – A conveyance of all of the Parcels identified
10 within a WMID in the Groundwater Allocation Schedule without any reservation or Transfer of
11 the Allocation Basis assigned to the WMID, pursuant to Section 4.12.9.

12 1.32 **Commercial Allocation** – An Allocation granted pursuant to Section 4.5.2 for a
13 predominantly Commercial Use.

14 1.33 **Commercial Use** – Use of Groundwater on land for purposes other than Domestic
15 Use or Agricultural Use, including Use of Water for mining, golf course irrigation, irrigation of
16 municipally owned Overlying Lands, or water service by a WWD.

17 1.34 **Committees** – The Policy Advisory Committee or the Technical Advisory
18 Committee, or both, as the context demands.

19 1.35 **Committee Consultation** – The process by which Watermaster shall consult
20 either with the Policy Advisory Committee or Technical Advisory Committee, or both as
21 specified in the Judgment or Watermaster Rules, or in Watermaster’s discretion as may be
22 appropriate under the circumstances, pursuant to Article VI.

23 1.36 **Complaint** – The complaint for a comprehensive adjudication of Groundwater
24 rights of the Basin, as amended, pursuant to the Code of Civil Procedure sections 830 *et seq.*

25 1.37 **Comprehensive Adjudication** – This action to comprehensively determine rights
26 to Extract and store Groundwater in the Basin and to implement a physical solution. (Code Civ.
27 Proc., §§ 832(c), 834(b), 849(a).)

28 1.38 **Conditional Domestic Allocation** – A Domestic Allocation that may accrue

pursuant to the conditions precedent and subject to the limitations set forth in **Exhibits G and H**.

1.39 **Constituency Groups** – The representative groups of stakeholders set forth in Section 6.10.2.

1.40 **County** – The County of Ventura.

1.41 **Cure Period** – As defined in Section 4.15.2.

1.42 **Domestic Allocation** – An Allocation granted pursuant to Section 4.5.3 for a predominantly Domestic Use.

1.43 **Domestic Use** – Use of Groundwater for domestic purposes, which include indoor potable water Uses and landscape irrigation.

1.44 **DWR** – The California Department of Water Resources.

1.45 **Effective Date** – Date of entry of this Judgment.

1.46 **Equitably Justified** – A basis for granting an Allocation that is based on California common law addressing the division of water supplies among landowners possessing correlative water rights.

1.47 **Extract(ion)** – The process of producing or extracting Groundwater from the Basin.

1.48 **Form Answer** – The form answer to the Complaint approved by the Court pursuant to Code of Civil Procedure section 836.

1.49 **FCGMA** – The Fox Canyon Groundwater Management Agency. (Wat. Code App., §§ 121-102, 121-201.)

1.50 **Good Standing** – The status of a Party who has paid all applicable assessments, fees, charges and is otherwise in compliance with the Judgment.

1.51 **Groundwater** – Water beneath the surface of the earth within the zone below the water table in which the soil is completely saturated with water, but does not include water that flows in known and definite channels. (Code Civ. Proc., § 832(g).)

1.52 **Groundwater Allocation Schedule** – The schedule of Allocation Basis granted to Water Right Holders attached to this Judgment as **Exhibit C**.

1.53 **Groundwater Sustainability Agency (GSA)** – As defined in Water Code sections

1 10721(j) and Water Code section 10723(c)(1)(D).

2 1.54 **Groundwater Sustainability Plan (GSP)** – The plan defined by Water Code
3 section 10721(k) adopted by the FCGMA for the Basin on December 13, 2019, approved by
4 DWR on January 13, 2022, and as it may be amended from time to time in accordance with the
5 procedures herein.

6 1.55 **GSP Updates** – The regular and periodic evaluations and updates to the GSP to be
7 undertaken by the FCGMA pursuant to SGMA. (Wat. Code, § 10728.2.)

8 1.56 **Historical Use** – The average amount of a Landowner’s historical reasonable and
9 beneficial use of Groundwater on land owned by the Landowner during the period 2013 through
10 2019, inclusive, after eliminating the highest and lowest years.

11 1.57 **In Lieu Water** – Pursuant to the provisions of Section 5.6, Water delivered to a
12 Water Rights Holder in a Water Year for Use in lieu of Use of an equal amount of that Water
13 Rights Holder’s Annual Allocation pursuant to an approved Watermaster program to advance the
14 Physical Solution. In Lieu Water does not include Calleguas ASR In Lieu water as defined in
15 Section 1.25.

16 1.58 **Irrigated Acreage** – The irrigated acreage owned by each Agricultural
17 Landowner set forth in the Master Disclosure Record. Following extensive technical analysis, the
18 Irrigated Acreage was calculated as the total acreage of the effective field of irrigation made by
19 an Agricultural Landowner for an Agricultural Use. For irrigated tree crops, the extent of
20 ultimate mature canopy at the perimeter of the effective field defined the boundaries of the
21 effective field of irrigation. For non-tree crops, the effective field of irrigation was defined as the
22 area that is plowed between plantings, excluding perimeter roads. Areas of an Agricultural
23 Landowner’s property which are considered outside of the effective field of irrigation and are
24 excluded on that basis from the calculation of Irrigated Acreage include: perimeter and permanent
25 roads, whether paved or graveled; buildings and surrounding areas not used for an Agricultural
26 Use; barrancas; reservoirs; irrigation swales and ditches outside of the plantable area; windbreaks;
27 and staging areas.

28 1.59 **Judgment** – This judgment and Physical Solution entered in this Comprehensive

1 Adjudication.

2 1.60 **Landowner** – An owner of land identified in the Groundwater Allocation
3 Schedule, which is a (i) Party to this Comprehensive Adjudication or (ii) a Mutual Shareholder.

4 1.61 **Lease** – A Transfer of Allocation Basis for one Water Year or for several Water
5 Years from one WMID to another, as set forth in a written lease agreement. The term of a Lease
6 must be for one or more full Water Years. Allocation Basis may not be leased for a portion of a
7 Water Year.

8 1.62 **Management Area(s)** – The East Las Posas Management Area, the West Las
9 Posas Management Area, or Epworth Gravels Management Area, as described in the GSP.

10 1.63 **Master Disclosure Record** – The record of: Historical Use by each Landowner;
11 Irrigated Acres owned by each Agricultural Landowner; parcels served by each Mutual Water
12 Company; and historical deliveries of water by, and annual water supplies Used by, each Mutual
13 Water Company, attached to this Judgment as **Exhibit B**.

14 1.64 **Material Injury** – A material and unreasonable impact to the Basin, any
15 Management Area, Water Rights Holder, Party, well or water supply caused by the Extraction,
16 storage, or Transfer of Groundwater in the Basin. Material Injury does not include economic
17 injury that results from other than direct physical causes, including any adverse effect on water
18 rates, lease rates, or demand for water. If fully mitigated, Material Injury shall no longer be
19 considered to be occurring. Topics that may be considered in an analysis for a Material Injury
20 determination include the following: (i) groundwater levels; (ii) groundwater in storage; (iii)
21 groundwater quality; (iv) land subsidence; (v) natural recharge; and (vi) minimum thresholds and
22 measurable objectives as set forth in SGMA and implementing regulations. With respect to the
23 Calleguas ASR Project, Material Injury will not be deemed to have occurred unless a material and
24 unreasonable impact to the Basin, any Management Area, Water Rights Holder, Party develops as
25 result of Extraction or storage associated with the Calleguas ASR Project in a degree beyond the
26 impact that would have occurred absent the existence and operation of the Calleguas ASR
27 Project.

28 1.65 **Mutual Exclusive Shareholder** – A Mutual Shareholder granted Allocation Basis

1 that receives all of its Groundwater from a Mutual Water Company, and not from a Landowner's
2 private well.

3 1.66 **Mutual Hybrid Shareholder** – A Mutual Shareholder granted Allocation Basis
4 that receives all or some Groundwater from a Landowner's private well in addition to holding
5 shares in a Mutual Water Company.

6 1.67 **Mutual Shareholder** – A shareholder of a Mutual Water Company.

7 1.68 **Mutual Water Company** – A corporation organized for and engaged in the
8 business of supplying water to its Mutual Shareholders at a cost consistent with the provisions of
9 Corporations Code section 14300 *et seq.* that is a Party to this Comprehensive Adjudication.

10 1.69 **Mutual Water Company Allocation** – A form of Supplemental Agricultural
11 Allocation granted to each Mutual Water Company serving Agricultural Uses, which was
12 determined by subtracting the total average deliveries by a Mutual Water Company to its Mutual
13 Shareholders from 2013 through 2019 from the Mutual Water Company's Total Mutual Supply,
14 which amount is necessary to reflect typical industry-standard water losses from conveyance,
15 system evaporation, fire flow, and other causes.

16 1.70 **New Use** – A new Use of Groundwater made available through a Subscription
17 Project approved by Watermaster.

18 1.71 **No Injury Rule** – as applied to the Calleguas ASR Project, the No Injury Rule
19 means operation of the Calleguas ASR Project in a manner that neither: (i) causes or exacerbates
20 Undesirable Results beyond those that would exist in the Basin without use of the Calleguas ASR
21 Project; nor (ii) causes Material Injury.

22 1.72 **Notice** – The notice of the Comprehensive Adjudication approved by the Court
23 pursuant to Code of Civil Procedure section 836.

24 1.73 **Operating Yield** – The cumulative amount of Allocated Groundwater that may be
25 sustainably Extracted from the Basin for Use in any particular Water Year under the terms of this
26 Judgment, excluding the Use of any Groundwater pursuant to a right of Carryover. Consistent
27 with the definition of "Total Safe Yield" in the Phase 1 Order, the components of the Operating
28 Yield include all native and non-native sources of water within the Basin, or within either

subbasin (as the contexts requires), presently and in the future, including native Groundwater, surface water underflow, Return Flows from the use of imported water within the Basin, recharge from treated wastewater, recharge from septic systems, storm water recharge (intentional or otherwise), recharge from natural and non-natural sources originating inside or outside the Basin, excepting augmented yield physically existing within, and recoverable from, the Basin as a result of the Calleguas ASR Project, if any.

1.74 **Original Allocation Basis Parcel** – A parcel of land listed in the Master Disclosure Record to which Allocation Basis was originally granted.

1.75 **Overdraft** – The cumulative Extraction of Groundwater from the Basin in quantities that exceed the Basin’s Sustainable Yield.

1.76 **Overlying Land(s)** – Land(s) owned by a Landowner that overlie the Basin and are benefited by Overlying Rights.

1.77 **Overlying Right(s)** – The correlative right of a landowner to take water from the ground underneath for reasonable and beneficial use on the landowner’s land within the basin or watershed, which is based on the ownership of the land and is appurtenant thereto. (*City of Barstow v. Mojave Water Agency* (2000) 23 Cal.4th 1224, 1240.)

1.78 **Overuse** – The overuse of Groundwater as described in Section 4.15.

1.79 **Overuse Assessment** – A fee for Overuse.

1.80 **Parcel(s)** – The parcel(s), identified by assessor parcel numbers assigned to a WMID in the Groundwater Allocation Schedule to which this Judgment assigns Allocation Basis.

1.81 **Party or Parties** – Any Person(s) that has (have) been named and served or otherwise properly joined or has (have) become subject to this Judgment of the Court under the *in personam* and *in rem* jurisdiction afforded under Code of Civil Procedure sections 830 *et seq.* and all persons bound pursuant to Code of Civil Procedure section 851.

1.82 **Permanent Transfer** – Subject to the provisions of Section 4.12, a permanent: (i) Transfer of Allocation Basis from one WMID to another; or (ii) conveyance of one or more Parcels or portion thereof that results in a change in the Parcels assigned to a WMID in the Groundwater Allocation Schedule to which this Judgment assigns Allocation Basis. This

definition does not apply to a Change of WMID Ownership pursuant to Sections 1.31 and 4.12.9.

1.83 **Person** – A natural person, firm, association, organization, partnership, business trust, corporation, limited liability company, local, state or federal public entity, or tribe.

1.84 **Phase 1 Order** – The Court’s order resolving all Phase 1 matters, which was issued on September 17, 2020.

1.85 **Phase 2 Order** – The Court’s order resolving all Phase 2 matters, which was issued on October 28, 2022.

1.86 **Physical Solution** – The terms of this Judgment, including the GSP, which (i) may be modified over time through Adaptive Management and (ii) will achieve Sustainable Groundwater Management for the Basin consistent with the requirements of SGMA and Article X, section 2 of the California Constitution.

1.87 **Policy Advisory Committee (PAC)** – The advisory body to Watermaster, established pursuant to Sections 6.1 and 6.10, on policy matters of a non-technical nature to be considered by Watermaster pertaining to the management of the Basin. The PAC reports directly to Watermaster.

1.88 **Rampdown** – The reduction in Operating Yield that may be imposed pursuant to the terms of this Judgment to the extent necessary to (i) achieve Sustainable Groundwater Management and the reasonable and beneficial use of the Basin’s water resources and (ii) avoid Undesirable Results consistent with the terms of Article X, section 2 of the California Constitution. This may, if necessary, include the reduction in the initial Operating Yield so that, by Water Year 2040, and consistent with SGMA, the Operating Yield does not exceed the Sustainable Yield.

1.89 **Rampdown Rate** – The rate of Rampdown beginning in Water Year 2025 and each Water Year thereafter, which will result from the Basin Optimization Yield Study.

1.90 **Recommendation Report** – A written report setting forth a Committee’s recommendation on a Basin Management Action pursuant to the Committee Consultation process, as provided for in Section 6.8.

1.91 **Replenishment** – The augmentation of Groundwater in the Basin (either by

1 directly increasing the amount of available Groundwater or through deliveries of In Lieu Water)
2 to: (i) enhance the Sustainable Yield; (ii) reduce or narrow, if not eliminate, the difference
3 between the initial Operating Yield and the Sustainable Yield, for the purpose of also mitigating
4 or eliminating any Rampdown; or (iii) avoid or mitigate Undesirable Results.

5 1.92 **Response Report** – A written report prepared by Watermaster responding to a
6 recommendation and contentions in support thereof set forth in a timely submitted
7 Recommendation Report from a Committee, as provided for in Section 6.3.

8 1.93 **Return Flows** – Water that percolates into the Basin after Use and augments the
9 Groundwater supply, regardless of original source.

10 1.94 **SGMA** – The Sustainable Groundwater Management Act set forth at Water Code
11 sections 10720 to 10933 and 12924 and implementing regulations.

12 1.95 **Stipulated Judgment** – The proposed Judgment and Physical Solution jointly
13 submitted by the Stipulating Parties.

14 1.96 **Stipulating Parties** – The Parties that executed the Stipulation for Entry of
15 Judgment attached hereto as **Exhibit J**.

16 1.97 **Statement of Decision** – The Court’s order resolving all Phase 3 matters, which
17 was issued on June __, 2023.

18 1.98 **Subscription Project** – A project developed by Watermaster or a designee of
19 Watermaster, subject to Section 4.6, to supply Groundwater for a New Use by a specified Party or
20 Parties, which is fully funded by Subscription Project Assessments paid by the Party or Parties
21 permitted by Watermaster to make the New Use of Groundwater.

22 1.99 **Subscription Project Assessment** – An assessment levied on a Party making a
23 New Use in an amount sufficient to purchase, in the same Water Year, from either (i) Calleguas,
24 or (ii) a source of water that does not otherwise replenish the Basin, an equivalent amount of
25 water as may be necessary to replace the Groundwater Extracted for the New Use.

26 1.100 **Supplemental Agricultural Allocation** – A form of Agricultural Allocation as
27 described in Section 4.5.1.

28 1.101 **Sustainable Groundwater Management** – The management and Use of the

Basin's Groundwater in a manner that can be maintained during the planning and implementation horizon without causing Undesirable Results and consistent with SGMA. (Wat. Code, § 10721(v).)

1.102 **Sustainable Yield** – The maximum quantity of water, calculated over a base period representative of long-term conditions in the Basin and including any temporary surplus, that can be withdrawn annually from the Basin's Groundwater supply without causing an Undesirable Result and consistent with SGMA. (Wat. Code, § 10721(w).)

1.103 **Technical Advisory Committee (TAC)** – The advisory body established pursuant to Section 6.1 and 6.11 to study technical aspects of the Basin and to issue Recommendation Reports to Watermaster based on such technical study for the purpose of achieving Sustainable Groundwater Management in the Basin in an effective and efficient manner, consistent with this Judgment.

1.104 **Total Allocation Basis** – The cumulative total of all Allocation Bases.

1.105 **Total Mutual Supply** – Each Mutual Water Company's average annual total supplies of water (from all sources) from 2013 to 2019 as listed in the Groundwater Allocation Schedule.

1.106 **Transfer** – A Permanent Transfer, Lease, or Transfer of Carryover.

1.107 **Transfer Request Form** – The form set forth in **Exhibit I** that must be filed with Watermaster to initiate a request of Watermaster to approve a Transfer.

1.108 **Undesirable Result(s)** – As defined in Water Code section 10721(x), one or more of the following effects caused by Groundwater conditions occurring throughout the Basin:

(1) Chronic lowering of groundwater levels indicating a significant and unreasonable depletion of supply if continued over the planning and implementation horizon. Overdraft during a period of drought is not sufficient to establish a chronic lowering of groundwater levels if extractions and groundwater recharge are managed as necessary to ensure that reductions in groundwater levels or storage during a period of drought are offset by increases in groundwater levels or storage during other periods.

(2) Significant and unreasonable reduction of groundwater storage.

(3) Significant and unreasonable seawater intrusion.

(4) Significant and unreasonable degraded water quality, including the migration of contaminant plumes that impair water supplies.

(5) Significant and unreasonable land subsidence that substantially interferes with surface land uses.

(6) Depletions of interconnected surface water that have significant and unreasonable adverse impacts on beneficial uses of the surface water.

1.109 **UWCD** – United Water Conservation District.

1.110 **Use** – The use of Groundwater or In Lieu Water by a Water Right Holder or by a Water Right Holder’s designee pursuant to an Allocation, which may be further defined as an Agricultural Use, Commercial Use, or Domestic Use.

1.111 **Water Right Holder** – A Party that owns an Allocation.

1.112 **Water Year** – The period from October 1 through the following September 30, inclusive. (Wat. Code, § 10721(aa).) Water Years are referenced herein by the calendar year in which they begin (*e.g.*, the 2025 Water Year will run from October 1, 2025 to September 30, 2026).

1.113 **Watermaster** – The FCGMA acting as the special master to the Court appointed pursuant to Section 5.1 of this Judgment for the purpose of executing the powers, duties, and responsibilities assigned therein.

1.114 **Watermaster Budget** – The budget to fund the operation and administration of Watermaster and programs undertaken by or on behalf of Watermaster, and which will be prepared annually by Watermaster consistent with the provisions of Section 7.5.

1.115 **Watermaster Rules** – The rules and regulations attached to this Judgment as **Exhibit A**, which may be amended from time to time pursuant to the provisions of Section 5.2.9.

1.116 **WMID** – A water management identification number assigned to a Water Right Holder or group of Water Right Holders within the Groundwater Allocation Schedule as further described in Section 4.3.

1.117 **WWD(s)** – Either Ventura County Water Works Districts No. 1 or Ventura County Water Works Districts No. 19, or both, as the context demands.

1.118 **WWD Allocations** – The Commercial Allocations granted to the WWDs in this

Judgment.

II. EXHIBITS.

The following exhibits are attached to this Judgment and made a part hereof.

Exhibit A Watermaster Rules

Exhibit B Master Disclosure Record

Exhibit C Groundwater Allocation Schedule

Exhibit D Protocols and Formulas to Determine Annual Allocation

Exhibit E Crestview Domestic Parcels

Exhibit F Del Norte Domestic Parcels

Exhibit G Conditions Precedent to Conditional Domestic Allocation for Hypericum
Land Company, LLC and Hypericum Interests, LLC and Butler Ranch
Mutual Water Company

Exhibit H Conditions Precedent to Conditional Domestic Allocation for Del Norte
Water Company

Exhibit I Transfer Request Form

Exhibit J Stipulation for Entry of Judgment

III. PHYSICAL AND LEGAL SETTING

3.1 **Basin as Common Source of Supply.** The Groundwater within the Basin constitutes a common source of water supply to the Parties and is a critical resource on which the overlying and surrounding community rely to sustain the regional economy, to supply water to people and businesses within Ventura County, and to maintain environmental interests within and surrounding the Arroyo Las Posas.

3.2 **Physical Solution.** Having considered all evidence presented, including the GSP, the Court concludes that it is necessary to the resolution of this Action and consistent with Article X, section 2 of the California Constitution to impose a Physical Solution for the Basin as set forth herein on the Parties as authorized by Code of Civil Procedure section 849. The Judgment incorporates the GSP, as it may be amended from time to time, as a material component of the Physical Solution to achieve Sustainable Groundwater Management, provided that to the extent

1 that the provisions of the GSP conflict with the Judgment, the terms of the Judgment as agreed
2 are controlling. The Physical Solution also takes into consideration the unique physical and
3 climatic conditions of the Basin, the Use of water within the Basin, the character and rate of
4 Return Flows, the character and extent of reasonable and beneficial uses, and the opportunities to
5 fund and implement Basin optimization and Replenishment. This Court has received substantial
6 evidence to support its conclusion that the Physical Solution appropriately balances competing
7 economic, social, and environmental considerations, and that it will maximize reasonable and
8 beneficial use of the Basin's water resources consistent with Article X, section 2 of the California
9 Constitution.

10 3.3 **Judgment as a Basis of SGMA Compliance for the Basin.** Consistent with
11 Water Code section 10737.8, the Court finds the Judgment's approach to compliance with
12 SGMA, and the Judgment's comprehensive determination of all Groundwater rights within the
13 Basin, to be a prudent, legal, and durable means to achieve Sustainable Groundwater
14 Management within the Basin. In its role as GSA and as the special act water agency created to
15 manage and conserve the Basin's Groundwater resources the FCGMA is appointed as
16 Watermaster pursuant to Section 5.1 of this Judgment to perform the tasks assigned to it by this
17 Judgment consistent with the Judgment's terms and Watermaster Rules. The FCGMA also will
18 continue in its role as the GSA for the Basin, fulfilling its SGMA statutory obligations, and will
19 simultaneously integrate those regulatory responsibilities and authorities with its role as
20 Watermaster under the Judgment. To the maximum extent practical, the Judgment unites the
21 FCGMA's role as the GSA for the Basin with its responsibilities as Watermaster in implementing
22 the Physical Solution so that Groundwater resources are managed efficiently, effectively, and
23 equitably pursuant to the principles set forth in this Judgment. In some instances, this Judgment
24 assigns certain responsibilities to the FCGMA as the GSA, and in others, as Watermaster.
25 Similarly, in some instances this Judgment refers to certain functions based on SGMA statutory
26 authority and requirements, and others, arising out of the Judgment and Physical Solution. These
27 references are intended to acknowledge the primary authority from which the requirements arise.
28 Nevertheless, the Court concludes that all of the FCGMA's functions as GSA pursuant to SGMA

1 and all of the FCGMA's Watermaster responsibilities are to be fully integrated as provided
2 herein, and all subject to a single process under the Court's continuing jurisdiction, culminating,
3 if and as necessary, in judicial review pursuant to Section 9.2.

4 3.4 **Injunction Against Use of Groundwater Contrary to Judgment.** This
5 Judgment, and the Physical Solution decreed herein, comprehensively adjudicates, determines,
6 defines, and allocates all rights to Use Groundwater and Calleguas ASR Project water Extracted
7 from the Basin. Any Use inconsistent with this Judgment will frustrate efforts to achieve
8 Sustainable Groundwater Management and to protect public, environmental, and economic
9 interests in the Basin; injure the Parties' rights; and interfere with the Physical Solution.
10 Therefore, each and every Person and Party, its officers, directors, managing agents, agents,
11 employees, successors, and assigns, is enjoined and restrained from Using Groundwater and
12 Calleguas ASR Project water Extracted from the Basin except pursuant to this Judgment. Should
13 Watermaster become aware of any unauthorized Use that is not promptly ceased at Watermaster's
14 instruction, Watermaster shall promptly bring a motion before the Court to enforce this Judgment
15 pursuant to Section 5.2.6.

16 3.5 **No Effect on Existing Law.** Nothing in this Judgment or Watermaster Rules
17 amends or modifies existing law including common law regarding the determination of
18 Groundwater rights, SGMA, or the special act creating the FCGMA.

19 3.6 **Satisfaction of Code of Civil Procedure Section 850.** The Court finds, based on
20 the entirety of the submitted evidence and arguments of counsel in the three phases of trial, that
21 this Judgment and the Physical Solution it establishes are consistent with, and satisfy the
22 substantive requirements of, Code of Civil Procedure section 850(a). The Stipulating Parties also
23 affirmatively demonstrated that the thresholds of stipulated support for the Judgment, as applied
24 in Section 850(b), are met as evidenced by the breadth of parties executing the Stipulation. The
25 Stipulation garnered support among nearly all of the Water Rights Holders in addition to all seven
26 of the public agencies that are parties to this Comprehensive Adjudication.

1 **IV. DECLARATION OF RIGHTS AND OBLIGATIONS**

2 4.1 **Types and Nature of Allocations.** This Judgment grants four types of
3 Allocations: Agricultural, Commercial, Domestic, and Mutual Water Company Allocations. This
4 Judgment grants Allocations to Landowners, or to Mutual Water Companies on behalf of
5 Landowners, based on the Landowners' Overlying Rights. Compliance with the limitations
6 established by such Allocations is determined based on the amount of Groundwater Used rather
7 than the amount of Groundwater Extracted. Consequently: (i) a Mutual Water Company is not
8 restricted in the amount of Groundwater the Mutual Water Company may Extract; (ii) a Mutual
9 Water Company is not restricted in its ability to deliver Groundwater to a Mutual Shareholder;
10 (iii) the limitations imposed on Mutual Exclusive Shareholders, under Section 4.7.1, are based on
11 the amount of Groundwater Used in aggregate by the Mutual Exclusive Shareholders; and (iv) the
12 limitations imposed on a Mutual Hybrid Shareholder, under Section 4.7.2, are based on the
13 combined amount of Groundwater Used by the Mutual Hybrid Shareholder regardless of whether
14 the Mutual Hybrid Shareholder receives the Groundwater from a private well or from a Mutual
15 Water Company.

16 4.2 **Allocation Basis and Determination of Annual Allocations.** The Groundwater
17 Allocation Schedule sets forth an Allocation Basis for each Landowner pursuant to which Annual
18 Allocations are determined. The amount of each Water Right Holder's Annual Allocation(s)
19 depends, in part, on the Operating Yield in effect in any particular Water Year. **Exhibit D** sets
20 forth the protocols and formulas to be used to quantify each Water Right Holder's Annual
21 Allocation, as well as an example calculation to illustrate the application of such protocols and
22 formulas. Watermaster, following Committee Consultation, shall annually calculate the Annual
23 Allocations using the protocols and formulas set forth in **Exhibit D** (the "Annual Allocations
24 Calculation") and publish the Annual Allocations Calculation in a chart to be included within the
25 Annual Report and maintained on the FCGMA website. The Operating Yield may be adjusted
26 year to year to ensure Sustainable Groundwater Management of the Basin consistent with Water
27 Code section 10737.8. Because Annual Allocations are tied to the Operating Yield pursuant to
28 the protocols and formulas set forth in **Exhibit D**, as the Operating Yield decreases or increases,

1 the Annual Allocations will adjust concurrently.

2 4.3 **Groundwater Allocation Schedule.** The Groundwater Allocation Schedule
3 assigns to each Water Right Holder a WMID. For Landowners, the Groundwater Allocation
4 Schedule also specifies the following information: (i) the Landowner's ranch or property name
5 and the Ventura County assessor parcel numbers on which Groundwater is Used; (ii) the wells
6 from which Groundwater is Extracted to support the Allocation (except for Mutual Exclusive
7 Shareholders); (iii) the category of Allocation held by the Landowner (Agricultural, Commercial,
8 or Domestic Allocation); (iv) whether the Landowner is a member of a Mutual Water Company,
9 and if so whether the Landowner is an Mutual Exclusive Shareholder or a Mutual Hybrid
10 Shareholder; (v) and the amount of Allocation Basis granted to the Landowner (and if an
11 Agricultural Allocation, the amount of the Base Allocation and the amount of Supplemental
12 Allocation that comprise the Landowner's total Allocation Basis pursuant to Section 4.5.1).
13 Water Right Holders with mixed Uses without separate meters to serve each Use receive an
14 Allocation and are assigned to an Allocation type in the Groundwater Allocation Schedule, based
15 on the Water Right Holder's predominant type of Use.

16 4.3.1. **Corrections and Maintenance of Groundwater Allocation Schedule.**
17 On or before August 1, 2023, each Water Right Holder shall send a written notice to
18 Watermaster, which shall be attested to under penalty of perjury, that shall either: (i) confirm that
19 the information set forth in the Groundwater Allocation Schedule pertaining to the WMID(s)
20 assigned to them is true and correct to the best of their knowledge; or (ii) identify any errors
21 regarding such information and how the information should be corrected. No Water Right Holder
22 may Use Groundwater during the 2023 Water Year or thereafter until the aforementioned notice
23 is submitted to Watermaster. Watermaster shall notify all Persons on the notice and service list
24 maintained pursuant to Section 12.2 of any requested correction of an identified error to the
25 Groundwater Allocation Schedule and any Party may contest such requested correction before
26 Watermaster, and if thereafter necessary through motion to the Court pursuant to the Court's
27 continuing jurisdiction set forth in Section 9.1. Subject to any investigation by Watermaster of
28 the veracity of any identified corrections and the resolution of any contest to a requested

1 correction of information in the Groundwater Allocation Schedule, Watermaster shall update the
2 Groundwater Allocation Schedule to correct any identified errors. Watermaster shall annually
3 update the Groundwater Allocation Schedule as further set forth in Section 5.2.4.

4 4.4 **WWD Allocations.** The Court's Phase 1 Order granted to the WWDs an
5 allocation of 12.31 percent of the Basin's Total Safe Yield. The term "Total Safe Yield" was
6 used in the Phase 1 Order in conjunction with the determination and adjudication of the WWDs
7 rights to reasonably and beneficially use Groundwater. The Phase 2 Order defined the rights of
8 the Landowners in relation to the "Operating Yield," as defined herein. This Judgment does not
9 use the term Total Safe Yield because the term is not needed as part of the Physical Solution,
10 which among other things establishes the Operating Yield as the cumulative amount of Allocated
11 Groundwater that may be sustainably Used in any particular Water Year, and requires that the
12 Operating Yield to be adjusted up or down consistent with the regular reassessment of the Basin
13 Optimization Yield as set forth in Section 4.10. To convert the WWDs' allocation from Phase 1
14 into the WWD Allocation, expressed as Allocation Basis (*i.e.*, the same framework used for the
15 Allocations granted to Landowners in Phase 2 of this action), the Groundwater Allocation
16 Schedule grants Allocation Basis to the WWDs in the following amounts: Ventura County
17 Waterworks District No. 1 (WMID 2011) - 2,661.76 AF, Ventura County Waterworks District
18 No. 19 (WMID 2191) - 499.71 AF, and Ventura County Waterworks District No. 19 (WMID
19 2192) - 1,990.46 AF. Consistent with the Court's Phase 1 Order, this grant of Allocation Basis to
20 the WWDs will afford the WWDs collectively 12.31 percent of the Operating Yield. A WWD
21 shall report to Watermaster the total amount of any Groundwater Extracted or obtained from any
22 other source for Use by the WWD as provided in the Watermaster Rules.

23 4.5 **Landowner Allocations.** Landowners are collectively entitled to 87.69 percent of
24 the Basin's Operating Yield. The Groundwater Allocation Schedule establishes an Allocation
25 Basis for each Landowner, which is used to determine each Allocation. Most Parties' individual
26 Allocations are assigned to a legal parcel or a group of adjacently located and commonly operated
27 legal parcels. However, as provided in Section 4.7.1, Allocations to the Mutual Exclusive
28 Shareholders within each Mutual Water Company are combined for purposes of administration

1 by the Mutual Water Company that provides Groundwater for Use on those Overlying Lands.

2 Following extensive mediation, each Landowner's Allocation Basis was determined based
3 on Historical Use, reasonable current Groundwater demand, and unique equitable factors,
4 including irrigation efficiency, climate, crop replanting, well failure, and fire damage. The Court
5 has determined, following the Phase 2 trial, that the Allocation Basis provided in the
6 Groundwater Allocation Schedule is Equitably Justified. A Landowner, other than a Mutual
7 Exclusive Shareholder, shall report to Watermaster both the total amount of all Groundwater
8 Extracted and the total amount of Groundwater Used by the Landowner from any source as
9 provided in the Watermaster Rules.

10 4.5.1. Agricultural Allocations. Agricultural Allocations are established
11 pursuant to the Allocation Basis set forth in the Groundwater Allocation Schedule for
12 Landowners that predominantly Use Groundwater for an Agricultural Use. The minimum
13 Allocation Basis for Agricultural Landowners is 1.3 acre-feet per Irrigated Acre and the
14 maximum Allocation Basis is 3.1 acre-feet per Irrigated Acre. Such minimum and maximum
15 quantities are Equitably Justified and established as part of an effort to balance competing
16 equitable considerations relevant to the Agricultural Landowners' correlative Overlying Rights.
17 Agricultural Allocation that is not Used in a particular Water Year may be carried over for Use in
18 subsequent Water Years as Carryover. Agricultural Allocations are granted in two forms: Base
19 Agricultural Allocation and Supplemental Agricultural Allocation. Base Agricultural Allocations
20 are determined based on the product of multiplying a Landowner's Irrigated Acres by the Base
21 Allocation Factor. Supplemental Agricultural Allocations are an additional form of Allocation
22 Basis established pursuant to the Allocation Schedule for Agricultural Landowners that have been
23 assigned an Allocation Basis in excess of 1.3 acre-feet per Irrigated Acre. If Rampdown is
24 necessary, Agricultural Allocations as a whole will be reduced in the same proportion as
25 reductions to all other types of Allocation. Within and among Water Right Holders holding
26 Agricultural Allocations, however, Supplemental Agricultural Allocations will be reduced first to
27 account for the necessary reductions to Agricultural Allocations as a whole and Base Agricultural
28 Allocations will not be reduced until after all Supplemental Agricultural Allocations have been

1 reduced to zero. If the Operating Yield is reduced through Rampdown to such an extent that all
2 Supplemental Agricultural Allocations have been reduced to zero, then all further required
3 reductions to Agricultural Allocations will be borne by Base Agricultural Allocations, which will
4 be reduced in the same proportion as reductions to all other types of Allocation.

5 4.5.2. Commercial Allocations. Commercial Allocations are established
6 pursuant to the Allocation Basis set forth in the Groundwater Allocation Schedule for
7 Landowners that predominantly Use Groundwater for a Commercial Use. Commercial
8 Allocation that is not Used in a particular Water Year may be carried over for Use in subsequent
9 Water Years as Carryover. Commercial Allocations are subject to reductions resulting from
10 Rampdown on the same terms as applied to other grants of Allocation Basis (excepting the
11 division of the burden of reduction among Landowners receiving an Agricultural Allocation as
12 provided for in Section 4.5.1).

13 4.5.3. Domestic Allocations. Domestic Allocations are established pursuant
14 to the Allocation Basis set forth in the Groundwater Allocation Schedule for Landowners that
15 predominantly Use Groundwater for a Domestic Use subject to the following terms:

16 4.5.3.1. Domestic Allocations granted in the Groundwater
17 Allocation Schedule derive from, benefit, and shall remain appurtenant to, the Overlying Lands to
18 which the Domestic Allocation is granted. Domestic Allocations therefore may not be
19 Transferred, leased or otherwise alienated from the benefited Overlying Lands, provided that the
20 Domestic Allocation may be assigned to a water service provider for the sole purpose of
21 providing domestic water service to the benefited Overlying Lands.

22 4.5.3.2. Domestic Allocations shall not be carried over for Use in
23 subsequent Water Years as Carryover.

24 4.5.3.3. The minimum Allocation Basis for Water Right Holders
25 holding a Domestic Allocation is one acre-foot of Allocation Basis per legal parcel.

26 4.5.3.4. In the event of a subdivision of Overlying Land benefited by
27 a Domestic Allocation, the subdivision shall not increase the Domestic Allocation and the
28 Domestic Allocation will remain appurtenant to the parcel containing the residence, or in the case

1 of multiple residences, divided proportionally among those parcels containing a residence.

2 4.5.3.5. The Annual Allocations resulting from the grants of
3 Domestic Allocations will be calculated in the same manner as applied to other recipients of
4 Allocation Basis under Section 4.2. Domestic Allocations are therefore subject to reductions
5 resulting from Rampdown on the same terms as applied to other grants of Allocation Basis
6 (excepting the division of the burden of reduction among Landowners receiving an Agricultural
7 Allocation as provided for in Section 4.5.1).

8 4.5.3.6. A Mutual Water Company providing domestic water service
9 to benefited Overlying Lands does so as an agent for its Mutual Shareholders.

10 4.5.3.7. The Overlying Lands that presently receive domestic water
11 service from Crestview Mutual Water Company are set forth in Exhibit E. The Domestic
12 Allocation granted to Crestview Mutual Water Company in the Groundwater Allocation Schedule
13 is granted for the benefit of those identified Overlying Lands.

14 4.5.3.8. The Overlying Lands that presently receive domestic water
15 service from Del Norte Water Company are set forth in Exhibit F. The Domestic Allocation
16 granted to Del Norte Water Company in the Groundwater Allocation Schedule is granted for the
17 benefit of those identified Overlying Lands.

18 4.5.3.9. Hypericum Land Company, LLC and Hypericum Interests,
19 LLC and Butler Ranch Mutual Water Company shall be granted a Conditional Domestic
20 Allocation, which may accrue into a Domestic Allocation if the conditions precedent set forth in
21 Exhibit G are satisfied. Any Domestic Allocation that accrues from the Conditional Domestic
22 Allocation shall be subject to the limitations set forth in **Exhibit G**. If a Domestic Allocation
23 accrues to Hypericum Land Company, LLC and Hypericum Interests, LLC, or Butler Ranch
24 Mutual Water Company upon the satisfaction of the conditions precedent set forth in **Exhibit G**,
25 the accrued Domestic Allocation will be deemed granted for the benefit of the Overlying Land
26 identified in **Exhibit G** for which the conditions precedent are satisfied.

27 4.5.3.10. Del Norte Water Company shall be granted a Conditional
28 Domestic Allocation, which may accrue into a Domestic Allocation if the conditions precedent

1 set forth in Exhibit H are satisfied. Any Domestic Allocation that accrues from the Conditional
2 Domestic Allocation shall be subject to the limitations set forth in **Exhibit H**. If a Domestic
3 Allocation accrues to Del Norte Water Company upon the satisfaction of the conditions precedent
4 set forth in **Exhibit H** the accrued Domestic Allocation will be deemed granted for the benefit of
5 the Overlying Land identified in **Exhibit H** for which the conditions precedent are satisfied.

6 4.6 **New Uses.** No Person may commence or maintain a New Use of Groundwater
7 unless the Person: (i) already is or becomes a Party to this Comprehensive Adjudication; (ii)
8 agrees to participate in a Subscription Project that is approved by Watermaster following a
9 finding, made subject to Committee Consultation, that the Subscription Project will not cause
10 reductions to the Operating Yield, impair or reduce the amount of replenishment water available
11 to maintain the Operating Yield, cause Material Injury or Undesirable Results, or interfere with
12 the achievement of Sustainable Groundwater Management; (iii) is in good standing under the
13 terms of the applicable Subscription Project agreement; (iv) has paid and is current on all
14 applicable Subscription Project Assessments and Basin Assessments; and (v) obtains approval
15 from Watermaster to commence the New Use after affirmatively demonstrating that the New Use
16 will not cause reductions to the Operating Yield, impair or reduce the amount of replenishment
17 water available to maintain the Operating Yield, interfere with the achievement of Sustainable
18 Groundwater Management, or otherwise cause Material Injury or Undesirable Results.

19 4.7 **Mutual Shareholder and Mutual Water Company Allocations.** Grants of
20 Allocation Basis set forth in the Groundwater Allocation Schedule to Landowners owning
21 Overlying Land served by a Mutual Water Company are made based on those Mutual
22 Shareholders' Overlying Rights, which have been previously exercised, in whole or in part,
23 through Use of water delivered by the Mutual Water Company. Such correlative Overlying
24 Rights of the Mutual Shareholders giving rise to the Allocation are of equal priority to the
25 correlative Overlying Rights giving rise to the Allocations of the Landowners that have
26 historically relied on private wells to satisfy their water demand. Each Mutual Water Company,
27 therefore, acts as an agent for each of its Mutual Shareholders with respect to the company's
28 delivery of Groundwater to its Mutual Shareholders.

1 4.7.1. Mutual Exclusive Shareholders. The Mutual Water Company will be
2 responsible for complying with the Judgment, including reporting Groundwater Use to
3 Watermaster and paying all Basin Assessments, and any Overuse Assessments related to the
4 Groundwater delivered by the Mutual Water Company and Used by its Mutual Exclusive
5 Shareholders. A Mutual Water Company's internal treatment of Basin Assessments and Overuse
6 Assessments assessed on a Mutual Water Company is not controlled by this Judgment and is left
7 to the internal governance of the Mutual Water Company.

8 Unless otherwise agreed by the Mutual Water Company and one or more of its
9 shareholders, the Mutual Water Company shall report to Watermaster, as the sole reporting entity,
10 the total applied Groundwater Use by all of its Mutual Exclusive Shareholders as provided in the
11 Watermaster Rules. Mutual Exclusive Shareholder Allocations shall be aggregated for reporting
12 of Groundwater Use and therefore no Overuse Assessment shall be charged to the Mutual Water
13 Company or its Mutual Exclusive Shareholders unless the aggregate total Use of Groundwater by
14 the Mutual Exclusive Shareholders is greater than the sum of all Allocations held by the Mutual
15 Exclusive Shareholders plus the Mutual Water Company Allocation.

16 Each Mutual Exclusive Shareholder may, in addition to the requirements pursuant to
17 Section 4.12, Transfer its Allocation to any Party either upon obtaining written permission from
18 the Mutual Water Company to do so, or upon five-years' prior written notice to the Mutual Water
19 Company.

20 In the event that a Mutual Exclusive Shareholder arranges after the Effective Date to
21 obtain all or some Groundwater for irrigation of agriculture on Overlying Lands from a
22 Landowner's private well, the Mutual Exclusive Shareholder may be treated as a Mutual Hybrid
23 Shareholder commencing with the next Water Year, subject to: (i) providing notice to
24 Watermaster; (ii) providing notice to the respective Mutual Water Company; and (iii)
25 Watermaster approval pursuant to Section 4.13 regarding Changes of Point of Extraction.

26 This Judgment does not alter a Mutual Exclusive Shareholder's obligation to pay to the
27 Mutual Water Company all charges and assessments charged by the Mutual Water Company to
28 the Mutual Exclusive Shareholder unless waived, discharged, compromised, or modified by the

1 Mutual Water Company, consistent with the Mutual Water Company's governing documents,
2 while the Mutual Exclusive Shareholder remains a Mutual Shareholder.

3 4.7.2. Mutual Hybrid Shareholders. Mutual Hybrid Shareholders, and not
4 the Mutual Water Company, will be responsible for complying with the Judgment with respect to
5 the Mutual Hybrid Shareholder's full Allocation (inclusive of any Groundwater delivered to the
6 shareholder by its Mutual Water Company), including reporting all Groundwater Use from all
7 sources to Watermaster. A Mutual Hybrid Shareholder shall pay all Basin Assessments, and any
8 Overuse Assessment. A Mutual Water Company shall report to Watermaster the total amount of
9 any Groundwater delivered by the Mutual Water Company to a Mutual Hybrid Shareholder as
10 provided in the Watermaster Rules.

11 This Judgment does not alter a Mutual Hybrid Shareholder's obligation to pay to the
12 Mutual Water Company all charges and assessments charged by the Mutual Water Company to
13 the Mutual Hybrid Shareholder unless waived, discharged, compromised, or modified by the
14 Mutual Water Company consistent with the Mutual Water Company's governing documents,
15 while the Mutual Hybrid Shareholder remains a Mutual Shareholder.

16 4.8 Mutual Water Company Allocations. Certain Mutual Water Companies shall
17 receive a Mutual Water Company Allocation on behalf of, and to facilitate delivery of water to,
18 its Mutual Shareholders as specified in the Groundwater Allocation Schedule. The Mutual Water
19 Company Allocation may not be Transferred, but unused Mutual Water Company Allocation will
20 result in Carryover pursuant to Section 4.11, which Carryover may thereafter be used by the
21 Mutual Water Company or Transferred.

22 4.9 Technical Approach to Basin Management.

23 4.9.1. SGMA Compliance. The FCGMA, acting in its role as the GSA and
24 as Watermaster appointed under this Judgment, shall comply with the requirements of SGMA,
25 including developing an Annual Report each year and undertaking the GSP Updates. (Wat. Code,
26 §§ 10728, 10728.2). The Annual Report shall include all information required by SGMA and
27 SGMA's corresponding regulations, together with the additional information required by
28 Watermaster Rules. The GSP Updates (to be undertaken every five years) will focus on

1 determining whether the actions under the GSP and the Judgment are meeting the GSP's
2 management objectives, are in substantial compliance with SGMA, and are being implemented in
3 a manner that will achieve Sustainable Groundwater Management in the Basin by 2040, as
4 required by Water Code section 10728.2 and California Code of Regulations, title 23, section
5 356.4. In its role as the GSA, the FCGMA shall file each Annual Report and each GSP Update to
6 DWR, and in its role as Watermaster, the FCGMA shall file each Annual Report and each GSP
7 Update with the Court as part of the technical data to be considered and as a material component
8 of the initial Basin Optimization Yield and all future Reassessments of the Basin Optimization
9 Yield as set forth in Section 4.10. The FCGMA shall undertake Committee Consultation in
10 developing the Annual Reports and GSP Updates.

11 If Watermaster determines, following Committee Consultation, that the Judgment is
12 failing, or is likely to fail, to achieve Sustainable Groundwater Management, Watermaster shall
13 petition the Court for an order modifying the Judgment sufficient to implement Adaptive
14 Management as necessary and appropriate to achieve Sustainable Groundwater Management.

15 Implementation of the Judgment will achieve Sustainable Groundwater Management by
16 2040 in accordance with SGMA, subject to the following:

17 4.9.1.1. The initial Operating Yield will be 40,000 AFY through at
18 least Water Year 2024.

19 4.9.1.2. To the extent that it is feasible and cost-effective,
20 Watermaster shall seek to augment the Basin Optimization Yield, and ultimately the Sustainable
21 Yield, to be no less than 40,000 AFY.

22 4.9.1.3. Beginning in Water Year 2025, following the first Basin
23 Optimization Yield Study, Rampdown of the Operating Yield will commence in annual steps, if
24 necessary, so that the Operating Yield in Water Year 2040 is equal to both the Sustainable Yield
25 and the Basin Optimization Yield, and as a result Sustainable Groundwater Management is
26 achieved by 2040. The rate of Rampdown of the Operating Yield after Water Year 2024 will be
27 established through each Basin Optimization Yield Study pursuant to Section 4.10.

28 4.9.1.4. The Basin Optimization Yield Study shall occur at least

every five years in coordination with the GSP Updates (Wat. Code, § 10728.2), or at Watermaster's discretion in response to material changing or changed Basin conditions.

4.10 **Five-Year Basin Optimization Yield Study and Rampdown.**

4.10.1. 2025 Basin Optimization Yield Study. Watermaster shall, with Committee Consultation, undertake a Basin Optimization Yield Study to be finalized in 2025 through the following process:

4.10.1.1. Within six months after the Effective Date, Watermaster shall, following Committee Consultation and on or before December 8, 2023, approve a scope of work and budget for a technical study to assess and establish the Basin Optimization Yield. The scope of work and budget may be informed by, and coordinated with, the work and budget developed in conjunction with the GSP Updates. Watermaster shall complete a draft of the technical study and refer it for Committee Consultation by August 30, 2024. Watermaster may, following Committee Consultation, file a noticed motion with the Court to amend the schedule set forth in this paragraph, if necessary, which shall be granted upon a showing of good cause.

4.10.1.2. Watermaster will adopt a schedule, following Committee Consultation, for deadlines for parties to submit Groundwater Use reports that will allow PAC/TAC and Watermaster adequate time to meet the deadlines provided herein.

4.10.1.3. By February 1, 2025, Watermaster will, following Committee Consultation, set the Basin Optimization Yield, which will in turn establish the Operating Yield in each Water Year for the period from Water Year 2025 through Water Year 2029.

4.10.1.4. The 2025 Basin Optimization Yield will establish the Rampdown Rate for the period from Water Year 2025 through Water Year 2039 (subject to modification as a result of the subsequent Basin Optimization Yield Study to be performed in 2030 and again in 2035). The amount of annual Rampdown will be calculated by dividing the amount of any deficit between the then-effective Operating Yield (*e.g.*, 40,000 AFY) and the Basin Optimization Yield by fifteen (*i.e.*, fifteen annual increments). The Operating Yield during each Water Year will be reduced by the annual increment of necessary Rampdown.

1 4.10.2. 2030 and 2035 Basin Optimization Yield Study. Watermaster will
2 perform, following Committee Consultation, a similar process so that Watermaster can reassess
3 the Basin Optimization Yield on or before February 1, 2030, to establish the Rampdown Rate for
4 the period from Water Years 2030 through 2034 (estimated annual overdraft divided into ten
5 increments) and again on or before February 1, 2035, for the period from Water Years 2035
6 through 2039 (estimated annual overdraft divided into five increments). This process shall
7 achieve Sustainable Groundwater Management by 2040.

8 4.10.3. Localized Restrictions on Extractions. Watermaster may order Water
9 Right Holders within a Management Area or other localized area of the Basin in which
10 Undesirable Results is occurring to reduce or cease Extractions in the Management Area or other
11 localized area of the Basin in which Watermaster has determined, following Committee
12 Consultation, that Undesirable Results are occurring or are likely to develop absent reductions in
13 Extractions (“Restriction Area”) and all of the following requirements are satisfied:

14 4.10.3.1. Following Committee Consultation, Watermaster has made
15 the following findings:

16 4.10.3.1.1. Any planned reductions in the Operating Yield
17 resulting from Section 4.10 are or will be insufficient to timely avoid or mitigate the Undesirable
18 Results;

19 4.10.3.1.2. Reasonably foreseeable implementation of Basin
20 Optimization Projects is or will be insufficient to timely avoid or mitigate the Undesirable
21 Results;

22 4.10.3.1.3. In Lieu Water pursuant to Section 5.6 is not available
23 in sufficient quantity or practical to timely avoid mitigate the Undesirable Results; or in the
24 alternative, it is neither feasible nor cost effective to plumb the Water Right Holders in the area of
25 concern with facilities sufficient to deliver them In Lieu Water pursuant to Section 5.6; and

26 4.10.3.1.4. Watermaster has determined that it is unreasonable to
27 avoid or mitigate the Undesirable Results through the voluntary acquisition of Allocation
28 pursuant to Section 5.5.

1 4.10.3.2. The Water Right Holder is not ordered to reduce or cease
2 Extractions in excess of other Water Right Holders within the Restriction Area.

3 4.10.3.3. The Water Right Holder ordered to reduce or cease
4 Extractions may: (i) Extract its Annual Allocation in an area of the Basin that it outside of the
5 Restriction Area and any other Restriction Area within the Basin; or (ii) Transfer its Allocation
6 Basis pursuant to provisions of Section 4.12, so long as the Water Right Holder abides by all
7 restrictions on Extractions within the Restriction Area.

8 4.10.4. Interim Increase to Rampdown Rate. Notwithstanding the provisions
9 above, if, following Committee Consultation, Watermaster determines that further adjustment
10 to the Rampdown Rate is necessary and appropriate before the next five-year adjustment due to
11 unique circumstances (*e.g.*, to prevent imminent Undesirable Results), Watermaster may file a
12 motion to request that the Court order an increase to the Rampdown Rate in an amount
13 necessary.

14 4.11 **Carryover.**

15 4.11.1. Carryover Terms and Conditions. If a Water Right Holder of
16 Agricultural Allocation, Commercial Allocation, or Mutual Water Company Allocation Uses less
17 Groundwater than their Annual Allocation, such Water Right Holder shall accrue Carryover.
18 Each such Water Right Holder may accrue a limit of Carryover up to 150 percent of the
19 Allocation Basis held by that Water Right Holder. Carryover must be Used within five Water
20 Years from the Water Year in which it accrued. The Transfer of Carryover does not extend the
21 five-year term during which it must be Used, and Carryover may only be Transferred once. Any
22 Carryover not Used within five Water Years from the Water Year in which it accrued will be
23 deemed to have been forfeited for the benefit of the Basin. In any Water Year in which a Water
24 Right Holder that owns Carryover Uses water from the Basin, that Water Right Holder will be
25 deemed to have first Used the Carryover. Carryover may be Transferred subject to the terms set
26 forth below.

27 4.11.2. Adjustment of Carryover Parameters. If Watermaster determines,
28 following Committee Consultation, that it is necessary to adjust the maximum amount of

1 individual Carryover or the duration that Carryover may be held within the Basin to prevent
2 Undesirable Results, Watermaster shall so advise the Court through a noticed motion for a
3 subsequent order amending the Judgment's terms concerning Carryover.

4 4.11.3. Carryover by Mutual Hybrid Shareholders. Any under-Use of a
5 Mutual Hybrid Shareholder's Annual Allocation shall result in Carryover assigned to the Mutual
6 Hybrid Shareholder and not the Mutual Water Company to which the Mutual Hybrid Shareholder
7 has a service connection, and which may have provided the water service.

8 4.11.4. Carryover by Mutual Exclusive Shareholders. Any underuse of the
9 aggregated Allocation managed by a Mutual Water Company on behalf of its Mutual Exclusive
10 Shareholders shall result in an equal amount of Carryover to be managed by such Mutual Water
11 Company subject to the terms governing Carryover in the Judgment. Unless the Mutual Water
12 Company and a Mutual Exclusive Shareholder have agreed to the separate reporting of said
13 Mutual Exclusive Shareholder's total applied Groundwater Use pursuant to Section 4.7.1, no
14 Carryover shall accrue to any individual Mutual Exclusive Shareholder. Such Mutual Water
15 Company may apply any portion of the Carryover to offset future Use of Groundwater managed
16 by the Mutual Water Company on behalf of its Mutual Exclusive Shareholders, or it may Transfer
17 any portion of the Carryover subject to the terms governing the Transfer of Carryover in the
18 Judgment. This Judgment does not affect any internal allocation of Carryover by a Mutual Water
19 Company among its Mutual Exclusive Shareholders pursuant to the internal governance of the
20 Mutual Water Company.

21 4.11.5. Established Carryover Not Subject to Subsequently Enacted Rules.
22 Carryover that has been established is subject to the rules in existence at the time it is accrued and
23 is not subject to any subsequently enacted rules. Likewise, Carryover is not subject to reduction
24 pursuant to Section 4.10. Accordingly, any Basin-wide or Management-Area need to reduce the
25 Use of Allocated Groundwater must be achieved through additional Rampdown of Annual
26 Allocation rather than reduction of a Water Right Holder's existing Carryover.

27 4.12 **Transfers.**

28 4.12.1. Authorization for Transfers. To efficiently manage the Basin and

1 maximize the reasonable and beneficial Use of Allocated Groundwater, and subject to this
2 Section and Watermaster approval pursuant to Section 4.12.4, a Water Right Holder with an
3 Agricultural Allocation or Commercial Allocation may seek approval of a Transfer. The seller or
4 lessor to the proposed Transfer shall file a complete Transfer Request Form with Watermaster to
5 initiate Watermaster's review of a proposed Transfer. If the transferee does not have a WMID, or
6 if a new WMID is required, the transferee must also submit an Application for a WMID on a
7 form made available by Watermaster.

8 4.12.2. Restrictions on Transfers Outside of the Basin. Allocation Basis and
9 Carryover water may not be Transferred for Use outside of the Basin except for a Transfer to a
10 Water Right Holder holding both an Allocation and owning parcels outside of Basin boundary but
11 within the Basin's watershed that are identified in the Groundwater Allocation Schedule.

12 4.12.3. Good Standing and Intervention Requirements. A Transfer shall not
13 become effective until and unless all Parties to the Transfer are in Good Standing, as determined
14 by Watermaster. If Watermaster determines that a Party to a proposed Transfer is not in Good
15 Standing, Watermaster will provide written notice of such to the Party. Watermaster shall
16 condition approval of all Transfers on the full payment of any delinquent Basin Assessments,
17 Overuse Assessments, and any associated fees is made to Watermaster prior to the effectiveness
18 of the Transfer.

19 4.12.4. Watermaster Approval.

20 4.12.4.1. No Transfer shall be effective until Watermaster: (i) finds
21 that the Parties have complied with all applicable provisions of this Section 4.12; (ii) finds that
22 the Transfer will not cause Material Injury or Undesirable Results; (iii) confirms that all parties to
23 the Transfer are in Good Standing; and (iv) confirms that the parties to the Transfer have
24 executed and recorded an instrument as required by Watermaster to give successors-in-interest
25 constructive notice of the Transfer. To protect the Basin and protect against Undesirable Results,
26 Watermaster, in consultation with TAC, may restrict Transfers to specific areas of the Basin
27 based on reasonable evidence that the Transfer will cause or exacerbate Undesirable Results.
28 Watermaster shall consider requests to approve a Transfer as expeditiously as possible under the

1 circumstances. Watermaster may only restrict or condition a Transfer to enforce the provisions of
2 this Section or as is reasonably necessary to protect against Material Injury or Undesirable
3 Results. Watermaster may require further procedures, documents, and information as is
4 reasonably necessary for Watermaster to perform its responsibilities in reviewing Transfers.

5 4.12.4.2. Watermaster shall make a decision to approve the following
6 types of Transfers within 45 days of the request, otherwise the request is deemed approved: (i) the
7 Transfer of a Water Right Holder's Allocation Basis or Carryover to a WMID that includes one
8 or more parcels owned by that Water Right Holder or its affiliates that are adjacent to, and within
9 the same management area as, one or more of the parcels within the WMID from which the
10 Allocation Basis or Carryover is Transferred; or (ii) a Transfer from a Mutual Exclusive
11 Shareholder to its Mutual Water Company. For all other Transfers, Watermaster shall make a
12 decision to approve such a Transfer no later than 120 days of the request, otherwise the request is
13 deemed to be denied.

14 4.12.5. Mutual Water Company Transfers of Carryover. A Mutual Water
15 Company may Transfer Carryover that the Mutual Water Company manages as an agent of its
16 Mutual Exclusive Shareholders or the Mutual Water Company Allocation subject to the Mutual
17 Water Company's governing documents. Except for a Transfer of Carryover as permitted under
18 this Section 4.12.5, Mutual Water Companies shall not Transfer the Allocation Basis that the
19 Mutual Water Company manages as an agent of its Mutual Exclusive Shareholders or the Mutual
20 Water Company Allocation.

21 4.12.6. Transfer Terms and Conditions.

22 4.12.6.1. Liability for Assessments and Fees Upon a Lease. In the
23 case of a Lease, the lessor shall remain responsible for all payments of Basin Assessments and
24 related fees resulting from the leased Allocation Basis during each Water Year in which the Lease
25 is in effect. The parties to the Lease may contract regarding: (i) direct payment by the lessee of
26 Basin Assessments; or (ii) reimbursement of payment of Basin Assessments between the lessee
27 and the lessor.

28 4.12.6.2. Liability for Assessments and Fees Upon Permanent

1 Transfer. For any Permanent Transfer, the transferee shall be liable for any Basin Assessments
2 resulting from the Transferred Allocation Basis during the Water Year commencing after or
3 simultaneously with the effective date of the Permanent Transfer and each Water Year thereafter.
4 Notwithstanding any term set forth herein, for a Permanent Transfer in which a Party Transfers a
5 portion of the Allocation Basis assigned to a WMID together with a fee interest in a portion of the
6 Parcels associated with a WMID and elects for the effective date to be the date of Watermaster
7 approval of the Transfer rather than the first day of the Water Year pursuant to Section 4.12.6.4(i)
8 or the ensuing Water Year following the approval of the Transfer by Watermaster pursuant to
9 Section 4.12.6.4(ii), during the Water Year that the Permanent Transfer becomes effective: (a) the
10 Use by the transferor and the transferee shall be reported under the transferor's WMID; and (b)
11 both the transferor and the transferee shall be jointly and severally liable for any Basin
12 Assessment, Overuse Assessment, or any related fee arising from Use of Annual Allocation
13 derived from the Transferred Allocation Basis attributable to the transferor's WMID.

14 4.12.6.3. Transfer of Carryover. The effect of a Transfer of
15 Carryover is to add the amount of Carryover to the Annual Allocation of the transferee and
16 remove the Carryover from the Annual Allocation of the transferor. A transferee's Use of
17 Carryover is subject to the terms of Section 4.11.1.

18 4.12.6.4. Effective Date of Transfer. At the election of the parties to
19 the Transfer, the effective date of a Transfer will be either: (i) the commencement of a Water
20 Year in which Watermaster approves the Transfer provided that the Transfer Request Form for
21 the Transfer is submitted to Watermaster in sufficient time for Watermaster to review and decide
22 whether to approve the Transfer during the Water Year pursuant to procedures set forth in the
23 Judgment; or (ii) the ensuing Water Year following the approval of the Transfer by Watermaster.
24 Notwithstanding any term set forth herein, for a Permanent Transfer in which a Party Transfers a
25 portion of the Allocation Basis assigned to a WMID together with a fee interest in a portion of the
26 Parcels associated with a WMID, and elects for the effective date to be the date of Watermaster
27 approval of the Transfer rather than the first day of a Water Year pursuant to this Section
28 4.12.6.4, the effective date of the Transfer will be the date Watermaster approves the Transfer.

1 4.12.7. Transfer Costs. All costs of Transfers will be borne by the Parties to
2 the Transfer. Watermaster shall develop a reasonable schedule of fees for processing Transfers.

3 4.12.8. Annual Accounting. Watermaster shall account for all effects of
4 Transferred Allocation Basis in its Annual Allocations Accounting issued with the publication of
5 Watermaster's Annual Report.

6 4.12.9. Change of WMID Ownership. Where a Change of WMID Ownership
7 occurs, the grantee (new owner) shall be responsible for providing Watermaster: (i) a copy of the
8 purchase and sale agreement; and (ii) a copy of the recorded deed conveying the Parcel to the
9 grantee (new owner). Watermaster shall not change the identified owner of Allocation Basis in
10 the Groundwater Allocation Schedule until the grantee has complied with this Section 4.12.9.
11 Upon the effective date of a Change of WMID Ownership, the grantee assumes all liability for all
12 Basin Assessments, Overuse Assessments, or any related fees attributable to the WMID.

13 4.13 **Change of Point of Extraction**. A Party may change the point of Extraction of
14 Groundwater Used within a WMID from the well(s) identified for the WMID in the Groundwater
15 Allocation Schedule ("Change of Point of Extraction") provided that the Change of Point of
16 Extraction does not cause Material Injury or Undesirable Results. Any Party seeking a Change of
17 Point of Extraction shall notify Watermaster and any owner of a well within one mile of the
18 intended new point of Extraction at least 120 days before implementing a Change of Point of
19 Extraction. The proposed Change of Point of Extraction shall be reviewed by Watermaster, and
20 no Groundwater Extraction from the proposed new point of extraction shall begin until the
21 Change of Point of Extraction is approved by Watermaster. If any well owner receiving notice
22 submits a written protest to Watermaster regarding the proposed Change of Point of Extraction
23 within 60 days of receiving notice, or Watermaster believes that the Change of Point of
24 Extraction will cause Material Injury or an Undesirable Result, Watermaster will conduct at least
25 one public hearing on the issue, and any objecting Party and Watermaster may present oral and
26 documentary evidence. At least 10 days prior to the hearing, written notice thereof shall be: (i)
27 posted at Watermaster's office, (ii) mailed to the proponent and any objecting parties, and (iii)
28 published once in the manner provided in Government Code section 6061.

1 4.14 **New or Replacement Well.** A Party may construct a new well provided that such
2 new well does not cause a Material Injury or an Undesirable Result. A replacement well for an
3 existing point of Extraction which is located within 300 feet of the existing well to be replaced
4 shall not be considered a Change of Point of Extraction. However, if a Party desires to construct
5 a new well or to construct a replacement well greater than 300 feet from the well to be replaced,
6 the Party proposing to construct the new well or replacement well shall notify the Watermaster
7 and any owner of a well within one mile of such proposed new well of the intent to construct a
8 new well at least 120 days before commencing the drilling of the new well. The requested
9 proposed new or replacement well shall be reviewed by Watermaster, and no Groundwater
10 Extraction from the proposed new or replacement well shall begin until the new or replacement
11 well is approved by Watermaster. If any well owner receiving such notice provides a written
12 protest to Watermaster regarding the proposed new or replacement well within 60 days of
13 receiving notice, or Watermaster believes that the proposed new or replacement well will cause a
14 Material Injury or an Undesirable Result, Watermaster will conduct at least one public hearing on
15 the issue, and any objecting Party and Watermaster may present oral and documentary evidence.
16 At least 10 days prior to the hearing, written notice thereof shall be: (i) posted at Watermaster's
17 office; (ii) mailed to the proponent and any opponent(s) of the new or replacement well; and (iii)
18 published once in the manner provided in Government Code section 6061. Unless the well being
19 replaced is maintained by the Landowner as a monitoring well for Watermaster, the well being
20 replaced must be made non-functional within one year of the use of the replacement well;
21 otherwise, penalties may be assessed by the Watermaster. To the extent any of the provisions of
22 this Section directly conflict with Article VIII of this Judgment or the Calleguas ASR Project
23 Operations Plan, as adopted pursuant Article VIII of this Judgment, the terms of Article VIII and
24 the Calleguas ASR Project Operations Plan shall control.

25 4.15 **Overuse.**

26 4.15.1. **Occurrence of Overuse.** Overuse is a Use in excess of that allowed
27 under the Judgment. More specifically, Overuse occurs where:

28 4.15.1.1. Use of Groundwater by a Party other than Calleguas that is

1 not a Mutual Exclusive Shareholder (unless that Mutual Shareholder and its Mutual Water
2 Company have agreed to the separate reporting of said Mutual Exclusive Shareholder's
3 Groundwater Use pursuant to Section 4.7.1) that either has no Annual Allocation or exceeds such
4 Party's Annual Allocation (inclusive of Annual Allocation derived from Transferred Allocation
5 Basis or Carryover), any Carryover, and any Groundwater to which such Party is entitled
6 pursuant to a Subscription Project;

7 4.15.1.2. The aggregate Use of Allocated Groundwater by a Mutual
8 Water Company's Mutual Exclusive Shareholders (excluding those Mutual Exclusive
9 Shareholders who have agreed with their Mutual Water Company to separately report their
10 Groundwater Use pursuant to section 4.7.1) exceeds the Aggregate Mutual Supply.

11 4.15.2. Cure of Overuse. Overuse may be cured in the Water Year following
12 the Water Year in which the Overuse occurred as follows:

13 4.15.2.1. In the case of Overuse by a Party that reports its own
14 Groundwater Use, the Party may cure its Overuse by Using less Allocated Groundwater than its
15 Annual Allocation (inclusive of Annual Allocation derived from a Transfer) in a quantity equal to
16 or greater than the Overuse from the prior Water Year. If a Party's Overuse is not so cured within
17 the one-year cure period, the Party will be assessed an Overuse Assessment, and subject to
18 injunctive relief if necessary to prevent further Overuse.

19 4.15.2.2. In the case of Overuse by a Mutual Water Company's
20 Mutual Exclusive Shareholders, the Overuse may be cured by the Mutual Exclusive Shareholders
21 (excluding those Mutual Exclusive Shareholders who have agreed with their Mutual Water
22 Company to separately report their Groundwater Use pursuant to Section 4.7.1) Using less
23 Allocated Groundwater than the Aggregate Mutual Supply in a quantity equal to or greater than
24 the Overuse from the prior Water Year. If the Overuse is not so cured within the one-year cure
25 period, the Mutual Water Company will be assessed an Overuse Assessment, and subject to
26 injunctive relief if necessary to prevent further Overuse.

27 4.15.2.3. In the case of Overuse by a Mutual Water Company's
28 Mutual Shareholders without an Annual Allocation, the Overuse may be cured by: (i) acquisition

1 of an Annual Allocation by Transfer; or (ii) the Mutual Water Company and the Mutual
2 Shareholder agreeing to account for the Mutual Shareholder's use from the Mutual Water
3 Company's Aggregate Mutual Supply.

4 4.15.3. Overuse Assessment. Watermaster shall establish, following
5 Committee Consultation, the amount of the Overuse Assessment. All Overuse Assessments will
6 be used by Watermaster to: (i) obtain Replenishment to offset the Overuse; or (ii) add to or
7 supplement the funds available through the Basin Assessment. Failure to pay the Overuse
8 Assessments will incur interest on the amount owed and further enforcement terms, as permitted
9 by law, including the right of Watermaster to seek injunctive relief and the right to lien the
10 associated real property for unpaid Overuse Assessments. The Party or Mutual Water Company
11 assessed the Overuse Assessment is responsible the payment of the Overuse Assessment. This
12 Judgment does not affect any internal allocation of an Overuse Assessment by a Mutual Water
13 Company among its Mutual Exclusive Shareholders pursuant to the internal governance of the
14 Mutual Water Company.

15 **V. BASIN ADMINISTRATION**

16 5.1 Watermaster. To assist the Court in the administration of this Judgment, the
17 Court appoints the FCGMA in its role as GSA (Wat. Code, § 10723(c)(1)(D)) and as the special
18 act water agency created to manage and conserve Basin groundwater resources (Wat. Code App.,
19 §§ 121-102, 121-201) as Watermaster. Watermaster shall administer this Judgment consistent
20 with the Judgment's terms and the Watermaster Rules, subject to the Court's continuing
21 jurisdiction and oversight. Consistent with Code of Civil Procedure section 845, when acting in
22 its role as Watermaster, including in its administration of the Basin Assessment imposed by this
23 Judgment, the FCGMA will serve as the Court's special master. Watermaster shall, in carrying
24 out its duties, powers and responsibilities herein, act in an impartial manner without favor or
25 prejudice to any Party. In making any decision concerning Basin management, Watermaster will
26 consider the goals of Sustainable Groundwater Management and the requirements of applicable
27 law including SGMA, together with the rights and obligations granted in the Judgment.
28

1 5.2 **Watermaster Powers and Responsibilities.**

2 5.2.1. Powers and Duties. Watermaster has the duty and authority to
3 perform the tasks assigned to it by this Judgment consistent with the terms herein.

4 5.2.2. Watermaster Contracting. Watermaster may enter into contracts and
5 agreements as necessary, appropriate, and in furtherance of the Physical Solution, provided that
6 Watermaster maintains full oversight of the exercise of such powers. Watermaster shall have the
7 discretion and authority to employ or contract with such administrative personnel, engineering,
8 legal, accounting, or other specialty services and consulting assistants as may be deemed
9 appropriate in carrying out the terms of the Judgment, including to employ or contract for its
10 general manager, general counsel, or staff. Further, nothing in this Agreement modifies or
11 amends existing authority for the FCGMA to contract for services it considers appropriate for
12 Groundwater management, including under SGMA and/or deriving from the FCGMA's enabling
13 legislation.

14 5.2.3. Annual Report. The FCGMA shall prepare a draft of the Annual
15 Report and refer it for Committee Consultation as provided in the Watermaster Rules. The
16 Annual Report shall include the information set forth in Water Code section 10728, California
17 Code of Regulations title 23, section 356.2, and all additional information required by the
18 Watermaster Rules. The FCGMA shall, after considering any Recommendation Report issued by
19 the PAC or TAC and issuing a Response Report, submit the Annual Report to DWR and file it
20 with the Court no later than April 1 of each Water Year.

21 5.2.4. Watermaster Records Keeping. Watermaster shall annually prepare
22 and publish on its website and in the Annual Report the following:

23 5.2.4.1. An updated Groundwater Allocation Schedule, which will
24 include and present all necessary information to properly account for Permanent Transfers of
25 Allocation Basis;

26 5.2.4.2. The Annual Allocations Calculation, which will accurately
27 describe the amount of Allocated Groundwater each Water Right Holder is authorized to Use
28 during the ensuing Water Year inclusive of all bases of Use (e.g., Annual Allocation, Leased

Annual Allocation, and Carryover subtracting any cure for Overuse during the prior Water Year);
and

5.2.4.3. The Annual Allocations Accounting which will accurately describe for each Water Right Holder the amount of Allocated Groundwater the Water Rights Holder was authorized to Use during the preceding Water Year, the amount of Allocated Groundwater the Water Rights Holder Used, and whether the Water Right Holder established Carryover as a result of under-Use (and the amount thereof) or incurred Overuse (and the amount thereof).

5.2.5. Basin Boundary Modification. If Watermaster determines that a modification of the boundaries of the Basin as defined by DWR's Bulletin 118 is appropriate to further Sustainable Management of the Basin, then consistent with Code of Civil Procedure section 841, Watermaster shall file a motion for an order from the Court pursuant to the Court's continuing jurisdiction under Section 9.1 directing the Watermaster to submit a request to DWR pursuant to Water Code section 10722.2 to revise the Basin's boundaries.

5.2.6. Enforcement. Watermaster will have the authority to enforce the terms of the Judgment, which authority will include at a minimum, the investigation and enforcement authority granted to a GSA under Water Code section 10732 and authorities granted to the FCGMA under its enabling legislation. This includes but is not limited to the ability to enforce timely reporting of Extractions and Use and enforcement of penalties for failure to report or Overuse, and the ability to conduct site inspections to confirm compliance with metering requirements. Watermaster may petition the Court to issue enforcement orders, upon a motion and hearing, as necessary to remedy any non-compliance with the Judgment terms, including: (i) to seek a judgment lien from the Court pursuant to Code of Civil Procedure section 697.310 *et seq.*; or (ii) to foreclose an Allocation to be Transferred to Watermaster to either be retired or Transferred to another Party to satisfy any delinquent Basin Assessments, Overuse Assessments, or any associated fees related to the Allocation, as is necessary and equitable under the circumstances. Any Party may also petition the Court to issue enforcement orders, upon a motion and hearing, as necessary upon Watermaster's failure or refusal to enforce the terms of the

Judgment. The Watermaster may seek injunctive and monetary relief against any Party or Person violating the Judgment.

5.2.7. Emergency and Injunctive Relief. Watermaster may petition the Court for emergency or injunctive relief to prevent imminent harm to the Basin.

5.2.8. Deadlines for Exigent Circumstances. Watermaster may shorten or extend any deadline set forth in this Judgment where appropriate for exigent circumstances.

5.2.9. Watermaster Rules. Watermaster shall implement the Judgment consistent with the Watermaster Rules attached to this Judgment as **Exhibit A**. Watermaster may, following Committee Consultation, file a noticed motion with the Court to amend Watermaster Rules, which shall be granted upon a showing of good cause.

5.3 **Basin Optimization Plan and Projects**.

5.3.1. Development of Basin Optimization Plan. Consistent with Section 4.10, Watermaster shall, following Committee Consultation, develop and maintain a Basin Optimization Plan.

5.3.2. Elements. The Basin Optimization Plan must contain the following elements:

5.3.2.1. The criteria for determining the priority and feasibility of each Basin Optimization Project. Such criteria shall include, but not be limited to, the estimated amount of yield augmentation, cost effectiveness, cost feasibility, technical/engineering feasibility, project implementation timing, benefits relative to the achievement of Sustainable Groundwater Management, and whether the collaboration, cooperation, or participation of the FCGMA, Calleguas, WWDs, United Water Conservation District, or the Water Right Holders is necessary or desirable for implementation of the Basin Optimization Project. Using the approved project criteria following Committee Consultation, Watermaster shall select Basin Optimization Projects for consideration in the Basin Optimization Plan;

5.3.2.2. A description of Basin Optimization Projects that are likely to be practical, reasonable, and cost-effective to implement prior to 2040 to maintain the Operating Yield at 40,000 AFY or as close thereto as achievable. Any additional projects to be

1 included in the Basin Optimization Plan, or any amendment thereto, must satisfy the criteria
2 established under Section 5.3.2.1 as determined in Watermaster's discretion, subject to
3 Committee Consultation;

4 5.3.2.3. An analysis of whether any of the Basin Optimization
5 Projects (i) are consistent with SGMA and the achievement of Sustainable Groundwater
6 Management, and (ii) will prevent or alleviate, or cause or exacerbate, Undesirable Results or
7 Material Injury;

8 5.3.2.4. A prioritization schedule of the Basin Optimization Projects
9 to be implemented;

10 5.3.2.5. A schedule for the Basin Optimization Projects which are to
11 be implemented to be evaluated, scoped, designed, financed, and developed. If the collaboration,
12 cooperation, or participation of the FCGMA, Calleguas, WWDs, United Water Conservation
13 District, or the Water Right Holders is necessary or desirable for any evaluation, scoping, design,
14 financing, and development of any Basin Optimization Project, the schedule shall so consider the
15 time necessary for such collaboration or cooperation; and

16 5.3.2.6. A five-year budget for the costs of capital improvements,
17 and the operation and maintenance, of the Basin Optimization Projects. The five-year budget
18 shall include a determination of the annual costs of Basin Optimization Projects implemented or
19 in the process of being implemented.

20 5.3.3. Time for Adoption of Initial Basin Optimization Plan. Watermaster
21 shall adopt the initial Basin Optimization Plan no later than June 26, 2024.

22 5.3.4. Review of Basin Optimization Plan. At least every five years
23 concurrently with the reassessment of the Basin Optimization Yield and the GSP Updates,
24 Watermaster shall, following Committee Consultation, update and publish the Basin Optimization
25 Plan, including the five-year budget for the costs of capital improvements, and the operation and
26 maintenance, of the Basin Optimization Projects. On a regular basis, Watermaster shall,
27 following Committee Consultation, review the five-year budget and make any necessary interim
28 adjustments to the budget.

1 5.3.5. Implementation of Basin Optimization Plan. Following the adoption
2 of the Basin Optimization Plan in accordance with procedures set forth herein, and following
3 Committee Consultation, Watermaster shall approve Basin Optimization Projects for
4 development and implementation, and implement the Basin Optimization Plan in accordance with
5 established priorities and procedures set forth herein.

6 5.3.6. Reporting on Progress of the Basin Optimization Plan and Basin
7 Optimization Projects. Progress on the Basin Optimization Plan, and the Basin Optimization
8 Projects set forth therein, shall be reported in the Annual Report. The report on Basin
9 Optimization Plan progress shall include, but not be limited to, project cost and budget
10 information, contract status with any contractors, consultants, or vendors, project development
11 and completion status, and any existing or potential challenges to project completion.

12 5.4 Basin Optimization Projects for Consideration in the Basin Optimization
13 Plan. Watermaster shall consider the following potential Basin Optimization Projects, among
14 any other Basin Optimization Projects determined appropriate by Watermaster, in the initial Basin
15 Optimization Plan and the initial update to the GSP:

16 5.4.1. Removing, and periodic removal maintenance of Arundo donax from
17 the Las Posas Valley watershed in an environmentally safe manner.

18 5.4.2. Importing of surplus water.

19 5.4.3. Arroyo Las Posas storm water capture and recharge.

20 5.4.4. Constructing desalter(s) to address water quality issues in the Arroyo
21 Simi Creek.

22 5.4.5. Formalizing an agreement with the City of Simi Valley (“City”) to
23 maintain up-stream wastewater treatment plant discharges, or treated effluent, into the Arroyo
24 Simi Creek, which shall include cooperation with and support of the City, as necessary, in its
25 interactions with the Los Angeles Regional Water Quality Control Board (“LA Waterboard”) on
26 this issue of treated effluent discharge into the Arroyo Simi Creek.

27 5.4.6. Formalizing an agreement with the City for recycled water deliveries
28 to Las Posas Valley users via pipeline, which shall include cooperation with and support of the

1 City, as necessary, in its interactions with the LA Waterboard on this issue of recycled water.

2 5.4.7. Designing and constructing new or modified infrastructure in order to
3 deliver In Lieu Water to water deficit areas for Use in lieu of Extracted Groundwater and to
4 increase water conveyance within the Basin.

5 5.4.8. Developing a program for the least cost acquisition of Allocation
6 Basis or Annual Allocations, or Carryover as an alternative to Replenishment.

7 5.4.9. Using Calleguas facilities for Replenishment.

8 5.5 **Watermaster Purchase or Sale of Allocation or Carryover.** Watermaster,
9 following Committee Consultation, may develop a program to purchase and permanently retire
10 Allocation Basis or Carryover as part of implementing the Physical Solution, including to achieve
11 Sustainable Groundwater Management. Watermaster, following Committee Consultation also
12 may sell Allocation Basis or Carryover as necessary in furtherance of the Physical Solution.

13 5.6 **In Lieu Water Delivery to Facilitate the Physical Solution.** As a component of
14 a Basin Optimization Project and to further Sustainable Groundwater Management under the
15 Physical Solution, Watermaster may compel a Water Right Holder to take delivery of In Lieu
16 Water as a substitute for the Use of the Water Right Holder's Annual Allocation: (i) if
17 Watermaster determines, following Committee Consultation, that the Use of In Lieu Water will
18 facilitate the Physical Solution and Sustainable Groundwater Management; (ii) use of In Lieu
19 Water in lieu of the Water Right Holder's Annual Allocation must result in a net reduction of
20 annual Allocated Groundwater pumping; and (iii) provided that Watermaster may not compel a
21 Water Right Holder to Use In Lieu Water as a substitute for the Use of the Water Right Holder's
22 Annual Allocation unless Watermaster affirmatively demonstrates that such substitution will not
23 adversely and materially affect the quality of the Party's water supply or their cost of operation,
24 unless such adverse effects are mitigated, or the Party otherwise agrees to such adverse effects.
25 Upon request, a Landowner shall provide Watermaster with information sufficient for
26 Watermaster to assess the Landowner's operational costs affected by receipt of an In Lieu Water
27 delivery. Watermaster may determine, following Committee Consultation, to mitigate such
28 adverse effects or provide payments or in-kind benefits to entice a Party to agree to such adverse

1 effects using Basin Assessment funds. For purpose of clarity, this provision does not apply to,
2 and shall not prohibit: (i) a Water Right Holder acquiring water delivered for Use in lieu of the
3 Water Right Holder's Use of its Annual Allocation, which will in turn cause the Water Right
4 Holder to accrue Carryover as a result of the forgone Use of its Annual Allocation; or (ii)
5 Calleguas ASR In Lieu, which is governed by Section 8.1.

6 5.7 **DWR Engagement.** The FCGMA will provide periodic updates to DWR
7 concerning the management of the Basin as required by, and consistent with, SGMA. DWR may
8 petition for enforcement of the Judgment or seek other relief to ensure that the Basin is managed
9 consistent with SGMA's requirements.

10 **VI. STAKEHOLDER PARTICIPATION**

11 6.1 **Creation of Standing Advisory Committees.** There will be a Policy Advisory
12 Committee (PAC) and Technical Advisory Committee (TAC), in addition to any other
13 committees created by Watermaster. The PAC and the TAC (each, a Committee and collectively,
14 Committees) will each be a standing committee of Watermaster. Pursuant to this Judgment,
15 Watermaster, PAC, and TAC shall conduct their meetings in a manner consistent with
16 Government Code sections 54950 *et seq.* (otherwise known as the "Brown Act"), except that a
17 Committee meeting may be held by video conference without a quorum being physically present.
18 A request to adopt any other procedure that is inconsistent with Brown Act requirements must be
19 submitted to the Court through a noticed motion subject to the ongoing requirements that all
20 Watermaster, PAC, and TAC meetings shall be open public meetings with advance notice to the
21 Parties and the community at large, and serial communications under the Brown Act are
22 prohibited.

23 6.2 **Purpose and Objectives.** The purpose of the Committees is to establish a specific
24 and formal process to obtain policy and technical recommendations from stakeholders on matters
25 related to Basin management and to ensure that decisions by Watermaster are made following full
26 consideration of diverse policy and technical views. The FCGMA shall consult with PAC and
27 TAC on matters of Basin management consistent with the Judgment and Watermaster Rules.
28 More specific purposes and objectives of the PAC and TAC are set forth in Sections 6.10 and

1 6.11.

2 6.3 **Assignment from Watermaster and Watermaster Action.** Watermaster will
3 assign those Basin Management Actions specified in this Judgment for Committee Consultation,
4 and may also assign other tasks to a Committee as Watermaster deems appropriate. In issuing
5 such assignments, Watermaster will include the timeline for completion of the assignment, and a
6 summary of the resources (including staff or consultant support) available to the Committee in
7 performing the assignment. Watermaster shall devote reasonable and sufficient resources for the
8 Committees to perform such assignments. Before taking action on any Basin Management
9 Action or other matter assigned to a Committee or which the Committee is considering pursuant
10 to Section 6.4, Watermaster shall consider any timely Recommendation Report. A Committee
11 may not prevent Watermaster from acting within a reasonable amount of time by withholding a
12 recommendation. If Watermaster takes an action different from a Recommendation Report, it
13 shall respond in a Response Report to the Committee's Recommendation Report in detail giving
14 reasons why specific Committee recommendations, comments, or suggestions set forth in the
15 Committee's Recommendation Report were not accepted. There must be good faith, reasoned
16 analysis in Watermaster's Response Report. The level of detail in the Response Report, however,
17 may correspond to the level of detail provided in the Recommendation Report. If the
18 Watermaster's decision on the Basin Management Action is consistent with each Committee's
19 recommendation, then no Response Report is required. Watermaster's Response Report will
20 become part of the Watermaster record maintained on the FCGMA's website.

21 6.4 **Action Independent of Watermaster Direction.** Independent of any tasks
22 assigned by Watermaster to either Committee, upon a vote of a majority of all PAC members, the
23 PAC may do any of the following: (i) issue a policy recommendation and Recommendation
24 Report to Watermaster, as specified in Section 6.8; or (ii) request that the Watermaster assign a
25 matter involving a technical question to TAC for review and the issuance of a Recommendation
26 Report to Watermaster. If the presiding officer of Watermaster agrees to refer a technical matter
27 to TAC at the request of the PAC, the presiding officer of Watermaster shall also modify the
28 timeline as is reasonable and necessary for completion of the Committee Consultation, provided

1 that nothing in this paragraph shall preclude the FCGMA from timely complying with its
2 obligations under SGMA, and in no instance may a Committee prevent Watermaster from acting
3 within a reasonable amount of time.

4 **6.5 Committee Governance.** The Committee shall elect from its members a Chair
5 and a Vice Chair. The Chair will, and in his or her absence the Vice Chair will, (i) preside over
6 all Committee meetings and (ii) serve as the spokesperson for the Committee with Watermaster
7 when called upon to do so. The positions of Chair and Vice Chair will have terms of two years.

8 **6.5.1. Meetings.** Each Committee shall establish a time and place for its
9 regular meetings. The presiding officer of the Committee may call a special meeting of that
10 Committee. A majority of a Committee may ask Watermaster's presiding officer to call a special
11 meeting of the Committee. Each committee will hold meetings at such occurrence as is necessary
12 for the Committee to timely perform its consultation responsibilities and issue recommendations
13 and Recommendation Reports to Watermaster as provided in the Judgement and Watermaster
14 Rules. All Committee meetings must occur remotely using an electronic format that allows for
15 public participation unless an in-person meeting is requested by a majority of members. In the
16 event that an in-person meeting is requested by a majority of the Committee's members, the
17 Committee must always provide an option for remote appearance. Each Committee shall take
18 and maintain meeting minutes and, upon approval of each set of minutes, they shall be distributed
19 to Watermaster for informational purposes at the next regular Watermaster meeting and shall be
20 maintained as a part of Watermaster records. Committee meetings shall generally follow
21 Robert's Rules of Order.

22 **6.6 Attendance and Participation.** Members of the Committee must regularly attend
23 all Committee meetings. Any Committee member who fails to attend at least 75 percent of
24 regular Committee meetings in a calendar year shall be removed by action of Watermaster.
25 Committee members must:

26 **6.6.1.1.** Arrive at each Committee meeting fully prepared to discuss
27 the issues on the agenda, where such preparation includes reviewing meeting minutes, policy
28 information, and draft documents distributed in advance of the meeting;

1 6.6.1.2. Develop a problem-solving approach in which he or she
2 considers the interests and viewpoints of all stakeholders in the Basin;

3 6.6.1.3. For PAC members, present and represent the views of his or
4 her Constituency Group on the issues being discussed and be willing to engage in respectful,
5 constructive dialogue with the other members of the Committee; and

6 6.6.1.4. For PAC members, keep his or her constituent group
7 informed about ongoing issues and actively seek their input.

8 6.7 **Quorum and Voting.** A majority of the members of a Committee constitutes a
9 quorum of the Committee. No meeting of a Committee may occur without a quorum of its
10 members being present. The affirmative vote of a majority of the members present at a
11 Committee meeting is necessary for any motion to pass, except as otherwise provided. Voting on
12 all matters, including minute orders, resolutions, and Recommendation Reports, must be reported
13 in the minutes and described in a manner explaining the action taken as well as the vote or
14 abstention of each member present for the action.

15 6.8 **Recommendations from Committee.** Recommendations by a Committee must
16 be reported to Watermaster within a written report (“Recommendation Report”), which will state
17 the policy or technical rationale, as applicable, for the recommendation together with a summary
18 of the factual support for the recommendation. The Recommendation Report shall also state
19 whether the recommendation is supported unanimously or supported with a split vote, together
20 with a tally of the votes of members with a report of the bases for the votes (i.e., majority and
21 minority positions). Members will have a reasonable opportunity to review and edit the summary
22 of the basis of their vote and submit accompanying documents. Watermaster shall maintain
23 Committee records, including meeting minutes, Recommendation Reports, and accompanying
24 reports and other documents. If requested to do so by the presiding officer of Watermaster, a
25 spokesperson from a Committee shall attend any Watermaster meeting where a Committee
26 Recommendation Report will be considered by Watermaster.

27 6.9 **Compensation.** Except as provided in Section 6.11.2, no Committee member is
28 entitled to compensation for participation in Committee activities or attendance at committee

meetings, except as otherwise agreed to by a Committee member and any entity employing, contracting for, or sponsoring that member's service on a Committee.

6.10 Policy Advisory Committee.

6.10.1. Purpose. The PAC is the primary advisory body to Watermaster on policy-related matters of a non-technical nature to be considered by Watermaster relating to Sustainable Groundwater Management in the Basin, including implementation and any modification of the Groundwater Sustainability Plan, and Physical Solution governing the Basin. The PAC reports directly to Watermaster. The objectives of the PAC are to:

6.10.1.1. Provide all Water Right Holders with a meaningful voice and representation on policy matters as specified in Section 6.10.1; and

6.10.1.2. Provide input and recommendations to Watermaster to assist Watermaster in fulfilling its duties.

6.10.2. Policy Advisory Committee Membership. The PAC will consist of up to eleven members, with one seat assigned to each of the following Constituency Groups:

Basin-wide representatives:

1. Zone Mutual Water Company
2. Ventura County Waterworks Districts Nos. 1 and 19
3. Calleguas
4. Commercial
5. Watermaster Representative (Non-Voting)

West Las Posas Management Area representatives:

6. Large Agricultural (More than 250 AFY Allocation Basis)
7. Small Agricultural
8. Mutual Water Company

East Las Posas Management Area representatives:

9. Large Agricultural (More than 250 AFY Allocation Basis)
10. Small Agricultural
11. Mutual Water Company

1 Each member of the PAC will serve until that member resigns or is replaced by the
2 member's appointing Constituency Group. A member of PAC also may be removed by
3 Watermaster, following consultation with PAC, for cause where a PAC member fails to comply
4 with requirements for Committee Attendance and Participation in Section 6.7 or otherwise is
5 preventing PAC or Watermaster from carrying out their respective duties and responsibilities
6 under the Judgment. Upon a vacancy, each Constituency Group shall nominate for appointment
7 by Watermaster one or more natural persons from the vacant constituency position as further
8 specified in Watermaster Rules. Except for Calleguas, Zone Mutual Water Company, and
9 Ventura County Waterworks Districts Nos. 1 and 19, any vote within a Constituency Group
10 concerning a nomination for an appointment to PAC shall be weighted by Allocation Basis.
11 Watermaster shall appoint or decline to appoint a nominee within 60 days of the nomination and
12 shall only decline to appoint a nominee for cause. If Watermaster declines within that time period
13 to appoint any of the nominees submitted by the PAC, then the presiding officer of Watermaster
14 and the Chair of the PAC shall promptly meet to determine eligible replacement nominees or a
15 process to do so. If no appointment is made within 90 days of the vacancy, then the appointment
16 will be decided by the Court on noticed motion.

17 6.10.3. PAC Administrator.

18 6.10.3.1. Appointment. The PAC shall appoint a PAC Administrator.
19 Watermaster must consent to the approval of the appointment of the PAC Administrator, which
20 consent shall not be withheld absent a demonstration of cause. During the first three Water Years
21 following the Effective Date, the PAC Administrator shall not be the same individual as the TAC
22 Administrator. Following the end of the 2024 Water Year, Watermaster shall determine,
23 following Committee Consultation, whether or not the restriction on the possibility of the same
24 individual serving as the PAC Administrator and the TAC Administrator is necessary and
25 appropriate and thus whether or not the restriction should continue to apply. The Watermaster
26 shall report its determination in the Annual Report issued on or before April 1, 2026. Any Party
27 that disagrees with the Watermaster's determination concerning the Watermaster's determination
28 may file a motion with the Court to review the Watermaster's determination, and that case, the

1 Court shall decide whether the restriction should continue or not.

2 6.10.3.2. PAC Administrator Duties and Responsibilities. The PAC
3 Administrator shall have primary responsibility for: organizing meetings of the PAC; preparing
4 agendas for the PAC; taking and producing minutes of PAC meetings; drafting PAC
5 Recommendation Reports; circulating those Recommendation Reports for comment within the
6 PAC; integrating comments and producing final Recommendation Reports to be provided to
7 Watermaster; and presenting Recommendation Reports to the Watermaster Board during
8 Watermaster meetings to extent instructed to do so by PAC; and any other responsibilities
9 assigned by the PAC or as contained within the Watermaster Rules.

10 6.10.3.3. Removal or Replacement. The PAC Administrator may
11 only be removed in the following circumstances: (i) by a majority vote of the PAC, and with the
12 consent of Watermaster, which shall not be withheld absent a demonstration of cause; and (ii) by
13 Watermaster for cause, following PAC Consultation. In the event the PAC Administrator resigns
14 or is removed, the successor PAC Administrator shall be appointed pursuant to Section 6.10.3.1.

15 6.11 **Technical Advisory Committee.**

16 6.11.1. Purpose. The TAC is the primary advisory body to Watermaster on
17 all matters requiring technical expertise to be considered by Watermaster relating to Groundwater
18 management and sustainability of the Basin, including implementation and any modification of
19 the Groundwater Sustainability Plan and Physical Solution governing the Basin. The TAC
20 reports directly to Watermaster. The objectives of the TAC are to:

21 6.11.1.1. Provide independent and unbiased technical review and
22 recommendations, based on best available science, on matters referred to it by Watermaster; and

23 6.11.1.2. Work collaboratively and in good faith for the benefit of the
24 Basin as a whole, rather than advocate exclusively for one constituency, to achieve consensus and
25 make unified technical recommendations to the extent possible on Basin water management and
26 Groundwater sustainability.

27 6.11.2. Technical Advisory Committee Membership. TAC shall have three
28 voting permanent members, which shall be: (i) the TAC Administrator; (ii) a technical

1 representative appointed by the Constituency Groups in the East Las Posas Management Area;
2 and (iii) a technical representative appointed by the Constituency Groups in the West Las Posas
3 Management Area. The three voting permanent members shall be professional consultants with
4 qualifications set forth in Section 6.11.2.1 and the consulting fees charged by these
5 professionals shall be paid from the funds raised from the Basin Assessment. The TAC shall
6 also have one non-voting Watermaster representative. In addition to the three permanent voting
7 members and Watermaster representative, each PAC member may also appoint a non-voting
8 member to the TAC at their discretion who will not be compensated from the Basin
9 Assessment. Each member of the TAC (whether permanent or not) shall meet the requirements
10 under Section 6.11.2.1 and shall, as part of their contract with Watermaster, annually submit a
11 statement of economic interests in a form approved by Watermaster.

12 6.11.2.1. All voting TAC members must: (i) receive consent to
13 appointment by Watermaster, which consent shall not be withheld absent a demonstration of
14 cause; (ii) have at least 10 years of relevant technical experience that will assist Watermaster with
15 Basin management; and (iii) be licensed as a professional geologist or registered civil engineer in
16 the State of California in accordance with the California Business and Professions Code.

17 6.11.2.2. To maintain institutional knowledge and enhance efficiency,
18 all TAC members shall serve for two-year terms and may serve for more than one term.

19 6.11.2.3. Removal or Replacement. Voting TAC members, including
20 the TAC Administrator, may only be removed in the following circumstances: (i) by a majority
21 vote of the PAC, and with the consent of Watermaster, which shall not be withheld absent a
22 demonstration of cause; and (ii) by Watermaster for cause, following Committee Consultation. In
23 the event a voting TAC member resigns or is removed, the successor voting TAC member shall
24 be appointed pursuant to Section 6.11.2.1.

25 6.11.2.4. In addition to providing Recommendation Reports on topics
26 assigned by Watermaster or PAC, TAC may issue recommendations on any other topic requiring
27 technical expertise to PAC or Watermaster on a majority vote. Such recommendations may
28 include recommended technical studies or tests to be funded by the Basin Assessment.

1 6.11.3. TAC Administrator.

2 6.11.3.1. Appointment. The PAC shall appoint a TAC Administrator.
3 Consistent with Section 6.11.2.1, Watermaster must consent to the approval of the appointment of
4 the TAC Administrator, which consent shall not be withheld absent a demonstration of cause.

5 6.11.3.2. TAC Administrator Duties and Responsibilities. In addition
6 to its responsibilities as a voting member of the TAC, the TAC Administrator shall have primary
7 responsibility for: organizing meetings of the TAC; preparing agendas for the TAC; taking and
8 producing minutes of TAC meetings; drafting TAC Recommendation Reports; circulating those
9 Recommendation Reports for comment within the TAC; integrating comments and producing
10 final Recommendation Reports to be provided to Watermaster; and presenting Recommendation
11 Reports to the Watermaster Board during Watermaster meetings as instructed by TAC; and any
12 other responsibilities assigned by the TAC or as provided within the Watermaster Rules.

13 6.12 Watermaster Staff and Consultants. Nothing herein shall prevent Watermaster
14 from relying on technical staff and/or independent consultant(s) for the purpose of obtaining
15 technical advice, provided that Watermaster follows the procedures provided herein regarding
16 Committee Consultation. Watermaster consultant(s) and/or Watermaster staff may participate in
17 TAC meetings at Watermaster's discretion.

18 **VII. ASSESSMENTS AND FUNDING**

19 7.1 Authorized Assessments. Watermaster shall set, levy and collect Basin
20 Assessments and fees from the Water Right Holders as described herein.

21 7.2 Need for and Administration of Basin Assessment. Management of the Basin
22 will require funding through periodic assessments of the beneficiaries of the water delivered to
23 the Basin. Accordingly, Watermaster, following Committee Consultation and at all times acting
24 as an agent of the Court, shall assess all Water Right Holders a uniform Basin Assessment per
25 acre-foot of Annual Allocation held by the Water Right Holder. Notwithstanding any other term
26 of this Section 7.2, Watermaster need not engage in Committee Consultation for the initial Basin
27 Assessment levied in calendar year 2023. Watermaster's ability to impose such Basin
28 Assessment, acting as an agent of the Court and under its auspices and oversight, does not modify

1 or amend the FCGMA's separate, existing authority to adopt assessments or pursue funding
2 including under SGMA and/or deriving from the FCGMA's enabling legislation (collectively,
3 "FCGMA Assessments"), provided that the FCGMA shall implement changes to the FCGMA
4 Assessments to avoid inequitable, duplicative, or disproportionate financial burdens upon
5 Groundwater users in the Las Posas Basin after taking into account funds raised for
6 administration of the Basin through the Basin Assessment.

7 7.3 **Initial Assessment.** Any initial Basin Assessment that Watermaster makes
8 pursuant to this Judgment shall not exceed \$200 per acre-foot of Annual Allocation.
9 Watermaster, following Committee Consultation, and at all times acting as an agent of the Court,
10 may thereafter reduce or increase the Basin Assessment as necessary to fund the Watermaster
11 Budget. Watermaster may take any necessary actions to ensure the collection of any delinquent
12 assessments pursuant to Watermaster's enforcement powers set forth in Section 5.2.6.

13 7.4 **Processing Fees.** Watermaster shall develop, impose, and publish a schedule of
14 fees sufficient to offset the expenses borne by Watermaster in processing requests for approvals
15 as specified in this Judgment.

16 7.5 **Watermaster Budget.** Watermaster shall, pursuant to the process set forth in
17 Watermaster Rules and following Committee Consultation, annually determine and prepare a
18 Watermaster Budget which includes: (i) the estimated annual costs of administrative management
19 of the Basin, investigations, inspections, compliance with and enforcement of the Judgment,
20 personnel costs, infrastructure maintenance, utilities, general operation and maintenance, and
21 costs arising from services identified in Section 5.2.2; (ii) the estimated annual costs of the
22 construction, operation, maintenance, and administration of Groundwater enhancement or Basin
23 Optimization Projects and reference to the five-year budget included within the Basin
24 Optimization Plan as identified in Section 5.3.2.6; and (iii) any adjustments to the Basin
25 Assessment. The Watermaster Budget will be funded by the Basin Assessment.

26 7.6 **Administration.** Watermaster shall be responsible for administering the Basin
27 Assessment, and the receipt, holding, investment, and disbursement of all funds obtained from
28 Basin Assessment payments, as provided for in the Watermaster Rules.

1 7.7 **Audit.** The finances of Watermaster shall be subject to an annual audit by a
2 certified public auditing firm. A full certified audit shall be accomplished every three years. An
3 audit review shall be accomplished in the other two years. Copies of every audit shall be made
4 available upon request to every Person who is a beneficiary of the water rights in the Basin.

5 7.8 **Contracting with Parties for Basin Optimization Projects.** Watermaster may
6 contract with Parties to implement Basin Optimization Projects, including the extension of credits
7 against Basin Assessments as consideration under the contract.

8 7.9 **Adjustments to Basin Assessments for UWCD Assessments.** Water Right
9 Holders located in the western portion of the Basin within the UWCD's service area presently pay
10 assessments to UWCD, a portion of which is used to finance UWCD's ongoing activities that are
11 designed to replenish the Basin and neighboring basins. Watermaster may reduce the amount of
12 the Basin Assessments levied on Water Right Holders that pay an assessment to UWCD if
13 Watermaster determines, following Committee Consultation, that such a reduction is appropriate
14 as a matter of equity.

15 **VIII. CALLEGUAS AQUIFER STORAGE & RECOVERY PROJECT**

16 8.1 **Calleguas ASR Project Operations.** Subject to the No Injury Rule, Calleguas
17 may make reasonable use of the Basin's storage space to facilitate operation of the Calleguas
18 ASR Project consistent with Article X, section 2 of the California Constitution, the provisions
19 herein, and any further conditions that the Court deems equitable in any future proceeding under
20 the Court's continuing jurisdiction. The Calleguas ASR Project is intended as a water supply for
21 Calleguas's customers under the four scenarios described below in Section 8.3. The Calleguas
22 ASR Project includes two components: (i) the direct delivery of imported water into wells at the
23 Calleguas ASR Project site for subsurface storage and subsequent withdrawal for beneficial uses
24 within the Calleguas service area, and (ii) Calleguas ASR In Lieu. Both components of the
25 Calleguas ASR Project are currently operated pursuant to FCGMA approvals that set forth
26 various conditions on the operation of the Calleguas ASR Project. The Court finds that the
27 collaborative, technically focused process is the optimal approach to develop the operational
28 parameters for the Calleguas ASR Project consistent with Calleguas's right to reasonably use

1 available storage space while avoiding Material Injury. The Parties intend to develop the Project
2 Operations through a study performed by a cooperative expert group defined in Section 8.4 as the
3 Calleguas ASR Study Group. Once the Calleguas ASR Study Group's study is complete and
4 presented to the Court, the Court shall, pursuant to its continuing jurisdiction, consider the
5 recommendations from the Calleguas ASR Study Group and any objections thereto (including
6 any dissenting opinions among the members of the study group), together with any further written
7 or oral evidence and/or briefing of the Parties, subject only to dispute resolution provisions
8 provided for in Section 9.1, and thereafter, based on the totality of the evidence, issue the
9 Calleguas ASR Project Operations Plan, as defined in Section 8.4.3, which shall set forth the
10 parameters and terms of the Calleguas ASR Project Operations. The Calleguas ASR Project
11 Operations Plan shall be designed to allow the maximum beneficial use of the Basin storage space
12 subject to the No Injury Rule. Once approved by the Court, the Calleguas ASR Project
13 Operations Plan will be an integrated component of the Physical Solution.

14 8.2 **Interim Operations of Calleguas ASR Project.** Until the Court has approved
15 and integrated the Calleguas ASR Project Operations Plan into the Physical Solution, Calleguas
16 shall operate the Calleguas ASR Project consistent with current FCGMA approvals, and all
17 conditions set forth therein, and all Parties reserve all rights to contest such operations and defend
18 any contest thereto.

19 8.3 **Project Use Scenarios.** The Calleguas ASR Project is intended as a water source
20 for Calleguas customers under the four scenarios described below (collectively the "Calleguas
21 ASR Project Operations").

22 8.3.1. **Maintenance Outage.** On a regular basis there are maintenance
23 outages within Calleguas's water system and in the water systems from which Calleguas receives
24 water. During these times the Calleguas ASR Project may be relied on to Extract approximately
25 750 – 1,000 AF/month over a period of approximately two months in any year as further
26 described in the Calleguas ASR Project Operations Plan. In conjunction with these operations,
27 either before or after and as is reasonable and practicable, Calleguas will add to the Basin's
28 Groundwater through the Calleguas ASR Project sufficient water so that these operations do not

1 have a net impact on the Basin as provided in the Calleguas ASR Project Operations Plan.

2 8.3.2. Response to Six Standard Water Shortage Levels. Calleguas is
3 required by Water Code section 10632(a)(3)(A) to plan for shortages corresponding to
4 progressive ranges of up to 10, 20, 30, 40, and 50 percent shortages and greater than 50 percent
5 shortage. In response to these shortage conditions, consistent with Calleguas's 2020 Urban Water
6 Management Plan and as set forth in the Calleguas ASR Project Operations Plan, the Calleguas
7 ASR Project may be relied on to Extract approximately 1,000 AF/month over a period of
8 approximately six months in any year to supplement Calleguas's available imported water
9 supplies during the shortage period as further described in the Calleguas ASR Project Operations
10 Plan.

11 8.3.3. Catastrophic System Outage. In response to a Calleguas, State Water
12 Project, or Metropolitan Water District physical pipeline outage, water system outage, a regional
13 power outage, an earthquake or other emergency event causing a material water system failure,
14 which impacts Calleguas's ability to (i) satisfy the water demands of its customers within its
15 service area or (ii) otherwise comply with its contractual obligations as described in Section 8.7,
16 the Calleguas ASR Project may be used to Extract approximately 20,000 AF over a six- to
17 twelve-month period while the system outage is resolved.

18 8.3.4. Calleguas ASR Well Operation and Maintenance. In order to ensure
19 that the ASR wells are in good operating condition, Calleguas must pump them regularly. On a
20 monthly basis, the Calleguas ASR Project can Extract approximately sixty AF for well
21 maintenance, testing or similar operations. In conjunction with these operations, either before or
22 after and as is reasonable and practicable, Calleguas will add to the Basin's Groundwater through
23 the Calleguas ASR Project sufficient water so that these operations do not have a net impact on
24 the Basin as provided in the Calleguas ASR Project Operations Plan.

25 8.4 Calleguas ASR Project Operations Study. The Calleguas ASR Study Group
26 will be assigned to develop recommendations for the Calleguas ASR Project Operations Plan
27 consistent with the following:

28 8.4.1. Participants. The Calleguas ASR Study Group shall consist of

1 representatives, who shall be either licensed engineers with relevant Groundwater experience or
2 certified hydrologists or similarly qualified, of the FCGMA, Calleguas, and the Landowners. It is
3 anticipated the representatives will include equal representation of the overlying landowners and
4 Calleguas, and a Watermaster representative.

5 8.4.2. Conduct. The Calleguas ASR Study Group shall conduct its
6 evaluations, decision-making, and ultimate written recommendations for the Calleguas ASR
7 Project Operations Plan by agreement to the extent practical. If the Calleguas ASR Study Group
8 is unable to achieve agreement on any item, the issue shall be resolved pursuant to the Court's
9 continuing jurisdiction set forth in Section 9.1.

10 8.4.3. Calleguas ASR Study Group Recommendations on Calleguas ASR
11 Project Operations Plan. The Calleguas ASR Study Group shall develop written
12 recommendations for the Calleguas ASR Project Operations Plan, including for the four intended
13 scenarios of Calleguas ASR Project Operations described above. The Calleguas ASR Study
14 Group shall seek to issue recommendations for each scenario on the following subjects:

15 8.4.3.1. Adaptive Management plans with triggers for action so that
16 ASR Extractions may be made without causing unreasonable Material Injury. These Adaptive
17 Management plans may include maximum ASR Extraction volumes on instantaneous, daily,
18 weekly, monthly or annual bases.

19 8.4.3.2. A monitoring plan, including private wells proximate to the
20 Calleguas ASR Project wells and Calleguas ASR Project wells, regarding which wells will be
21 monitored for periodic water level measurements and Calleguas ASR Project operational
22 reporting requirements.

23 8.4.3.3. A proposed mitigation plan to avoid Material Injury
24 resulting from Calleguas ASR Project Operations. The Calleguas ASR Study Group shall
25 identify the landowners and/or the wells that may experience Material Injury as result of
26 Calleguas ASR Project Operations under the Extraction scenarios and issue recommendations for:
27 (i) any appropriate and feasible mitigation that Calleguas may make to avoid the potential
28 Material Injury which shall include, but not be limited to, a surface water connection or

1 deepening of well(s); and (ii) any appropriate and feasible remedies if the Calleguas ASR Project
2 Operations are deemed to cause Material Injury.

3 8.4.3.4. Whether the Calleguas ASR In Lieu component of the
4 Calleguas ASR Project can be used more optimally to achieve Basin management objectives, as
5 well as provide alternative withdrawal locations that might help mitigate any impacts associated
6 with the Calleguas ASR Project Operations.

7 8.4.3.5. Whether it is appropriate and feasible to impose some form
8 of Calleguas ASR Project “leave behind” over periodic storage lengths on the water stored
9 through direct delivery of imported water into wells at the Calleguas ASR Project site, such that
10 Calleguas would not be able to Extract 100 percent of that stored water.

11 8.4.3.6. Whether and under what circumstances the Calleguas ASR
12 Project Operations may Extract from the Basin more water than has been previously stored and
13 the conditions of replacement of that water.

14 8.4.4. Factual Considerations. To support its recommendations, the
15 Calleguas ASR Study Group shall consider all data and factual evidence relevant to the Calleguas
16 ASR Project including the numerical Groundwater models pertaining to the Basin conditions and
17 projected response to Basin Extractions, storage, and management activities, as those models are
18 periodically updated.

19 8.4.5. Wells Proximate to the Calleguas ASR Project. In developing its
20 recommendations, the Calleguas ASR Study Group shall identify the wells, and their owners, that
21 may be unreasonably and materially impacted by Calleguas ASR Project Operations. Those well
22 owners shall provide well construction and other relevant data to the Calleguas ASR Study Group
23 to enable the evaluation of various proposed Calleguas ASR Project Operations Plan parameters.
24 These well owners shall afford and facilitate reasonable access by the Calleguas ASR Study
25 Group to monitor water levels and water quality consistent with the Calleguas ASR Study
26 Group’s objectives.

27 8.4.6. Access to Work Product. All Calleguas ASR Study Group members
28 shall have equal access to the Calleguas ASR Study Group work product.

1 8.4.7. Calleguas ASR Study Group Budget and Cost Sharing. The budget
2 for the Calleguas ASR Study Group work to be performed pursuant to the Judgment shall be
3 determined by unanimous agreement of all the members of the Calleguas ASR Study Group. The
4 costs of the Calleguas ASR Study Group work, which must be unanimously authorized by the
5 Calleguas ASR Study Group, shall be shared as follows: the FCGMA will pay 20% and
6 Calleguas will pay 80%. Parties shall bear their own costs for attendance at meetings and
7 analysis of completed work.

8 8.4.8. Timing. The Calleguas ASR Study Group shall endeavor to complete
9 its evaluation and report on their recommended Calleguas ASR Project Operations Plan within 18
10 months of the Court's order approving the Judgment and Physical Solution. If the TAC has been
11 formed and is functioning when the Calleguas ASR Project Operations Plan is submitted to the
12 Court, the TAC shall review and comment on it. Once the Court has issued its order regarding
13 the Calleguas ASR Project Operations Plan, the Calleguas ASR Study Group shall continue to
14 exist in an advisory capacity for two years after the Court's order approving the Calleguas ASR
15 Project Operations Plan and incorporating it into the Physical Solution. Calleguas shall provide
16 regular reporting to the TAC and Watermaster as required in the Calleguas ASR Project
17 Operations Plan approved by the Court.

18 8.5 Calleguas ASR Project Operations Consistent with Calleguas ASR Projects
19 Operations Plan. Once the Calleguas ASR Project Operations Plan is approved by the Court,
20 Calleguas may proceed to manage and implement the Calleguas ASR Project pursuant to the
21 Calleguas ASR Project Operations Plan.

22 8.6 Calleguas ASR Project Operations Not Covered by Calleguas ASR Project
23 Operations Plan. Calleguas may operate the Calleguas ASR Project in a manner not covered by
24 the Calleguas ASR Project Operations Plan to the extent necessary to supply water during a water
25 supply emergency, but Calleguas shall, as promptly as is reasonable under the circumstances, file
26 an *ex parte* motion with the Court for the Court to consider the circumstances and necessity for
27 Calleguas to operate the Calleguas ASR Project in a manner not covered by the Calleguas ASR
28 Project Operations Plan.

1 8.7 **General Limitations on All Calleguas ASR Project Operations.**

2 8.7.1. Place of Use. Water withdrawn by Calleguas must be used within
3 Calleguas's service area. This section does not prevent Calleguas from meeting its contractual
4 obligations to deliver its imported water supplies, not involving the Calleguas ASR Project, to its
5 retail water suppliers within the Calleguas service area, the City of San Buenaventura, Las
6 Virgenes Municipal Water District, or any other contractual obligations now or in the future as
7 described in the Calleguas ASR Project Operations Plan.

8 8.7.2. Percent of Stored Water That Calleguas Can Extract. Calleguas can
9 Extract all the water it stores pursuant to the Calleguas ASR Project Operations Plan or Section
10 8.6, unless a "leave behind" or other operational parameters are included in the Calleguas ASR
11 Project Operations Plan.

12 8.7.3. Comprehensive Accounting of Calleguas ASR Project Operations.
13 The volume of water Calleguas has in storage is subject to Watermaster monitoring, accounting,
14 administration and will be kept current and made available to all parties. It will also be included
15 in the Annual Report. The Calleguas ASR Study Group will establish the current volume of
16 water Calleguas has in storage (both physically and in lieu) and will document accounting
17 procedures.

18 8.7.4. No Claim to Imported Water Return Flow. Calleguas shall not have
19 any right or interest to Groundwater existing in the Basin as a result of Return Flows. This
20 provision does not apply to any specific rights Calleguas may have pursuant to Calleguas ASR In
21 Lieu, provided that Calleguas may not claim any right or interest to Groundwater existing in the
22 Basin as a result of Return Flows.

23 8.8 **Reservation of Rights.** Should any dispute regarding the content of the Calleguas
24 ASR Project Operations Plan be presented to the Court pursuant to Section 9.1, the Parties may
25 present to the Court any and all evidence and argument relevant to that dispute.

26 **IX. CONTINUING JURISDICTION**

27 9.1 **Jurisdiction Reserved.** Consistent with Code of Civil Procedure section 852, the
28 Court will retain full jurisdiction, power, and authority to oversee and address matters relating to

1 the implementation of the Judgment. This includes the authority to review Basin Management
2 Actions, and to make such further or supplemental orders or directives as may be necessary or
3 appropriate, upon the motion of any Party or Watermaster, or *sua sponte*, to address *inter se*
4 disputes concerning rights and obligations arising from the Judgment, and achieve Sustainable
5 Groundwater Management, including: (i) the operation of the Physical Solution established by the
6 Judgment; (ii) interpretation, enforcement, or carrying out of the Judgment; (iii) the modification
7 or amendment of the Judgment; and (iv) rights to utilize available storage in the Basin (other than
8 Carryover and the Calleguas ASR Project as provided herein). The Court shall construe its
9 authority to review Basin Management Actions broadly, consistent with its authority and duty to
10 impose and oversee a physical solution where necessary and consistent with Article X, section 2
11 of the California Constitution. The Court shall exercise its continuing jurisdiction in this action in
12 the manner it deems necessary and appropriate to ensure Adaptive Management to achieve
13 Sustainable Groundwater Management consistent with the law and the rights adjudicated herein.
14 The Court orders that this Judgment govern all aspects of the FCGMA's management of the
15 Basin, whether undertaken by the FCGMA in its role as a special act water management agency,
16 the GSA under SGMA, or as Watermaster. The Court may appoint such other independent
17 special masters or referees to advise the Court with respect to any dispute as the Court deems
18 necessary or advisable.

19 **9.2 Judicial Review of Watermaster Basin Management Actions.**

20 9.2.1. Any Party may seek judicial review of a Basin Management Action
21 upon motion, provided that:

22 9.2.1.1. Any Party seeking judicial review of a Basin Management
23 Action must have timely exhausted opportunities for relief through the submission of written
24 comment(s) to Watermaster, either individually or through a written report submitted by PAC or
25 TAC, concerning the Basin Management Action; and

26 9.2.1.2. Prior to seeking judicial review of a Basin Management
27 Action, Watermaster and the disputing Party(ies) shall first engage in mediation unless both
28 Watermaster and the disputing Party(ies) agree in writing to forego mediation. Watermaster may

1 waive the requirement to engage in mediation in which case a Party that has exhausted its
2 administrative remedies with Watermaster and may seek judicial review without having engaged
3 in mediation. A Party must request mediation within 60 days of Watermaster taking a Basin
4 Management Action. A Party must seek judicial review of a Basin Management Action within 30
5 days after the mediation is concluded, waived, or the mediator issues a notice of impasse.

6 9.2.2. Upon such motion the Court shall review the Basin Management
7 Actions as follows:

8 9.2.2.1. The standard of review shall be de novo.

9 9.2.2.2. Unless otherwise requested, sua sponte, by the Court, the
10 Court's review of any decision by Watermaster will be made exclusively on the Watermaster
11 record, which will include all Recommendation Reports and any other documents and reports
12 concerning the subject that are produced from the PAC or TAC, Watermaster's Response Report
13 responding to any Recommendation report issued by the PAC or TAC, all minutes and recordings
14 of the PAC, TAC, and Watermaster, and all staff reports of Watermaster.

15 9.2.2.3. The decision of the Court in such proceeding shall be an
16 appealable supplemental order in this case. When the same is final, it shall be binding.

17 9.2.3. If the dispute involves Watermaster and Watermaster prevails, the
18 Court will require the losing Party(s) to reimburse Watermaster for its reasonable fees and costs
19 arising from the motion if the Court determines that the motion is frivolous.

20 9.3 **Status Conferences.** For the first three years of the Judgment's operation, the
21 Court shall hold status conferences twice a year in April and in October or on such other periodic
22 basis as the Court may further order. Thereafter, the Court shall hold a status conference once a
23 year in April or on such other periodic basis as the Court may further order. The Court may set
24 status conferences and/or require other reports as appropriate to enforce its Judgment and orders
25 or address other aspects of the Physical Solution for the Basin.

26 9.4 **Modification or Amendment of Judgment.** Consistent with Code of Civil
27 Procedure sections 851 and 852, any Party, landowner, or other persons claiming the right to
28 Extract Groundwater from the Basin, whose claims have not been exempted and are covered by

1 the notice provided in the Comprehensive Adjudication, may file a motion to modify or amend
2 the Judgment in response to new information, changed circumstances, the interests of justice, or
3 to ensure that the criteria of Code of Civil Procedure section 850, subdivision (a), are met.
4 Absent a strong showing of good cause, the Court will not consider reopening this proceeding to
5 account for new claims. Code of Civil Procedure section 851 and 852 are summarized here for
6 the convenience of the Parties, and nothing in this Section is intended to modify, amend, or
7 expand Code of Civil Procedure sections 851 and 852.

8 **X. FINDINGS**

9 10.1 All Groundwater-rights claimants and all other Persons have had ample
10 opportunity to participate in these proceedings and due process is satisfied.

11 10.2 The Judgment is consistent with Article X, section 2 of the California Constitution,
12 requiring that the water resources of the State be put to beneficial use to the fullest extent
13 possible.

14 10.3 The Judgment is consistent with the water right priorities of all non-stipulating
15 Parties.

16 10.4 The Judgment treats all objecting Parties and any Persons who have claims that are
17 exempt equitably as compared to the Stipulating Parties.

18 10.5 Plaintiffs complied with the service and notice provisions of Code of Civil
19 Procedure sections 835 and 836, which compliance is deemed effective service of process of the
20 Complaint and notice on all interested parties of the Comprehensive Adjudication of the Basin for
21 purposes of establishing in rem jurisdiction and the comprehensive binding effect of the
22 Comprehensive Adjudication, consistent with Code of Civil Procedure sections 836(j) and 851.

23 10.6 Any and all rights to Extract and Use water in the Basin are comprehensively
24 determined herein consistent with Code of Civil Procedure sections 830(b)(7) and 834. Any and
25 all unexercised rights and future rights to Use water in the Basin are subordinated to all rights of
26 the Parties currently being exercised and rights authorized under this Judgment, consistent with
27 Code of Civil Procedure section 830(b)(7).

28 10.7 Watermaster, appointed pursuant to the Physical Solution and under the

Judgment’s authority, is not a “public agency” subject to California Environmental Quality Act (“CEQA”). (Pub. Resources Code, § 21063.) Accordingly, nothing in the Judgment or the Physical Solution, nor in the implementation thereof, nor the Wastewater’s planning conceptualization, design, or decisions in accordance with the authority of the Judgment shall be deemed a “project” subject to review under the CEQA (Pub. Resources Code, § 21000 *et seq.*) or the CEQA Guidelines (Calif. Code of Regs., tit. 14, § 15000 *et seq.*). (See, e.g., *California American Water v. City of Seaside* (2010) 183 Cal.App.4th 471; *Hillside Memorial Park & Mortuary v. Golden State Water Co.* (2011) 205 Cal.App.4th 534.)

10.8 The Court by reference hereby incorporates all findings, as appropriate, from Statements of Decision and other Orders issued in this action.

XI. COMPREHENSIVE RESOLUTION

11.1 **Binding on Parties.** The Judgment is binding on the Parties to the Comprehensive Adjudication and all their successors in interest, including, but not limited to, heirs, executors, administrators, assigns, lessees, licensees, the agents and employees of the Parties to the Comprehensive Adjudication and all their successors in interest, and all landowners or other Persons claiming rights to Use Groundwater from the Basin, consistent with Code of Civil Procedure section 851.

11.2 **Binding on Real Property.** The Judgment also is an *in rem* judgment binding on all real property overlying the Basin.

11.2.1. **Recordation of Judgment.** Watermaster may cause this Judgment to be recorded against any or all parcels overlying the Basin.

11.2.2. **Notification of Judgment.** The grantor of any real property subject to this Judgment shall notify the purchaser of the existence of the Judgment and its binding effect on the real property.

XII. MISCELLANEOUS PROVISIONS

12.1 **Construction.** Unless the context clearly requires otherwise:

12.1.1. Plural and singular forms include the other; “shall,” “will,” and “must” are each mandatory; “may” is permissive; “or” is not exclusive; and “includes” and

1 “including” are not limiting.

2 12.1.2. The masculine gender shall include the feminine and neutral genders
3 and vice versa.

4 12.1.3. Reference to any agreement, document, instrument, or report means
5 such agreement, document, instrument or report as amended or modified and in effect from time
6 to time in accordance with the terms thereof.

7 12.2 **Notice and Service of Documents.** All notices or service of documents pursuant
8 to this Judgment by Watermaster or any Party will be made by electronic mail. Each Party shall
9 file a written notice with Watermaster specifying one or more designees for receipt of notices and
10 service of documents pursuant to this Judgment together with a current electronic mail address for
11 each designated designee. A Party may change their designee(s) by filing a written notice of such
12 change with Watermaster. If no designation is made, a Party’s designee shall be deemed to be, in
13 order of priority: (i) the Party’s attorney of record; (ii) if the Party does not have an attorney of
14 record, the Party itself at the address specified on Watermaster’s service list. Watermaster shall
15 maintain and publish on its Website a current list of all Water Right Holders and the electronic
16 mail address for the designee(s) designated by each Party for receipt of notices and service of
17 documents pursuant to this Judgment and the name and electronic mail address of any other
18 Person requesting receipt of notices and service of document pursuant to this Judgment.
19 Watermaster shall serve all notices, determinations, requests, demands, objections, reports, and
20 other papers concerning the administration of the Judgment. In addition to email service as set
21 forth herein, Watermaster shall post such aforementioned documents to its website.

22 12.3 **No Abandonment of Rights.** In the interest of the Basin and its water supply, and
23 the principle of reasonable and beneficial use, no Party shall be encouraged to Use more water in
24 any Water Year than is reasonably required. Failure to Use all of the Allocated Groundwater to
25 which a Party is entitled will not be deemed or constitute a forfeiture or an abandonment of such
26 Party’s right, in whole or in part, except upon a written election by the Water Right Holder
27 holding the Allocation Basis or by order of the Court exercising continuing jurisdiction under
28 Section 9.1 upon noticed motion and after hearing.

1 12.4 **Costs.** Except subject to any existing Court orders and stipulations or separate
2 agreement of one or more Parties, each Party shall bear its own costs and attorneys' fees arising
3 from the Comprehensive Adjudication.

4 12.5 **Headings; Paragraph References.** Captions and headings appearing in this
5 Judgment are inserted solely as reference aids for ease and convenience; they shall not be deemed
6 to define or limit the scope or substance of the provisions they introduce, nor shall they be used in
7 construing the intent or effect of such provisions.

8 12.6 **No Admission or Estoppel.** This Judgment is not to be construed as an admission
9 whatsoever on the part of any Party, shall not collaterally estop or bind any Party in any other
10 litigation, nor shall it be admissible as evidence against any Party in any other litigation except to
11 enforce its terms. This Judgment is the result, and a part, of a compromise within the provisions
12 of Evidence Code sections 1152, and similar laws of other jurisdictions.

13 12.7 **Exhibits and Other Writings.** Any and all exhibits, documents, instruments,
14 certificates or other writings attached to this Judgment or required or provided for by this
15 Judgment will be deemed part of this Judgment and will be considered set forth in full at each
16 reference thereto in this Judgment.

17 ~~07/21/2023~~
18 July 10, 2023

19 
20 Thomas P. Anderle
21 Superior Court of the State
22 of California for the
23 County of Santa Barbara
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