

# **EXHIBIT A**

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2  
3  
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11  
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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 CASE**

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 MODIFIED TO INCORPORATE  
WILLIS CLASS PUMPING

1  
2  
3  
4  
5  
6  
7  
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9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**I. DESCRIPTION OF LITIGATION.....1**

**1. PROCEDURAL HISTORY.....1**

**1.1 Initiation of Litigation.....1**

**1.2 General Adjudication Commenced.....2**

**1.3 Other Actions.....3**

**1.4 McCarran Amendment Issues.....4**

**1.5 Phased Trials.....4**

**1.6 Defaults.....5**

**2. GENERAL ADJUCIATION DOES NOT APPLY TO SURFACE WATER.....5**

**II. DECREE.....6**

**3. JURISDICTION. PARTIES. DEFINITIONS.....6**

**3.1 Jurisdiction.....6**

**3.2 Parties.....6**

**3.3 Factual and Legal Issues.....6**

**3.4 Need for a Declaration of Rights and Obligations for a Physical Solution.....6**

**3.5 Definitions.....7**

**3.5.1 Action.....7**

**3.5.2 Adjusted Native Safe Yield.....7**

**3.5.3 Administrative Assessment.....7**

**3.5.4 Annual Period.....8**

**3.5.5 Antelope Valley United Manuals Group.....8**

**3.5.6 AVEK.....8**

**3.5.7 Balance Assessment.....8**

**3.5.8 Basin.....8**

**3.5.9 Carry Over.....9**

**3.5.10 Conjunctive Use.....9**

**3.5.11 Defaulting Party.....9**

**3.5.12 Drought Program.....9**

**3.5.13 Judgment.....9**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**3.5.14 Groundwater.....9**

**3.5.15 Imported Water.....9**

**3.5.16 Imported Water Return Flows.....9**

**3.5.17 In Lieu Production.....9**

**3.5.18 Material Injury.....10**

**3.5.18.1.....10**

**3.5.18.2.....10**

**3.5.19 Native Safe Yield.....10**

**3.5.20 New Production.....10**

**3.5.21 Non-Overlying Production Rights.....10**

**3.5.22 Non-Pumper Class.....10**

**3.5.23 Non-Pumper Class Judgment.....11**

**3.5.24 Non-Pumper Class Members.....11**

**3.5.25 Overdraft.....11**

**3.5.26 Overlying Production Rights.....11**

**3.5.27 Party (Parties).....11**

**3.5.28 Pre-Rampdown Production.....12**

**3.5.29 Produce(d).....12**

**3.5.30 Producer(s).....12**

**3.5.31 Production.....12**

**3.5.32 Production Right.....12**

**3.5.33 Pro-Rata Increase.....12**

**3.5.34 Pro-Rata Reduction.....12**

**3.5.35 Public Water Suppliers.....12**

**3.5.36 Purpose of Use.....13**

**3.5.37 Rampdown.....13**

**3.5.38 Recycled Water.....13**

**3.5.39 Replacement Obligation.....13**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

- 3.5.40 Replacement Water.....13
- 3.5.41 Replacement Water Assessment.....13
- 3.5.42 Responsible Party.....13
- 3.5.43 Safe Yield.....13
- 3.5.44 Small Pumper Class.....13
- 3.5.45 Small Pumper Class Members.....14
- 3.5.46 State of California.....14
- 3.5.47 State Water Project.....14
- 3.5.48 Stored Water.....14
- 3.5.49 Subareas.....14
- 3.5.50 Total Safe Yield.....14
- 3.5.51 Watermaster.....15
- 3.5.52 Watermaster Engineer.....15
- 3.5.53 District No. 40.....15
- 3.5.54 Year.....15
- 4. SAFE YIELD AND OVERDRAFT.....15**
  - 4.1 Safe Yield.....15
  - 4.2 Overdraft.....15
- 5. PRODUCTION RIGHTS.....15**
  - 5.1 Allocation of Rights to Native Safe Yield.....15
    - 5.1.1 Overlying Production Rights.....16
      - 5.1.1.1.....16
      - 5.1.1.2.....16
      - 5.1.1.3.....16
      - 5.1.1.4.....16
    - 5.1.2 Non-Pumper Class Rights.....17
      - 5.1.2.1 Non-Pumper Class Permits.....17
      - 5.1.2.2 Domestic Use.....17

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

5.1.2.2.1 .....18

5.1.2.3. Non Domestic Use.....18

5.1.2.3.1.....19

5.1.2.3.2.....19

5.1.2.4 Effectuation of Pro Rata Reduction of Production Rights of  
Other Producers to Accommodate Non-Pumper Class  
Production .....19

5.1.2.4.1 .....20

5.1.2.4.2 .....20

5.1.2.5 Provisions Applicable to all Non-Pumper Class Post-Judgment  
Production.....20

5.1.2.5.1 .....20

5.1.2.5.2 .....21

5.1.2.5.3 .....21

5.1.2.5.4 .....21

5.1.2.5.5 .....21

5.1.2.5.6 .....21

5.1.2.5.7 .....21

5.1.3 Small Pumper Class Production Rights.....21

5.1.3.1.....22

5.1.3.2.....22

5.1.3.3.....22

5.1.3.4.....22

5.1.3.5.....23

5.1.3.6.....23

5.1.4 Federal Reserved Water Right.....23

5.1.4.1.....23

5.1.4.2.....24

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**5.1.5 State of California Production Rights.....24**  
    **5.1.5.1.....25**  
    **5.1.5.2.....25**  
        **5.1.5.2.1.....25**  
        **5.1.5.2.2.....25**  
        **5.1.5.2.3.....25**  
        **5.1.5.2.4.....25**  
        **5.1.5.2.5.....25**  
        **5.1.5.2.6.....25**  
        **5.1.5.2.7.....26**  
        **5.1.5.2.8.....26**  
        **5.1.5.2.9.....26**  
    **5.1.5.3.....26**  
    **5.1.5.4.....26**  
        **5.1.5.4.1.....26**  
        **5.1.5.4.2.....26**  
        **5.1.5.4.3.....27**  
        **5.1.5.4.4.....27**  
**5.1.6 Non-Overlying Production Rights.....27**  
**5.1.7 City of Lancaster.....27**  
**5.1.8 Antelope Valley Joint Union High School District.....28**  
**5.1.9 Construction of Solar Power Facilities.....28**  
**5.1.10 Production Rights Claimed by Parties Not Yet Identified at Entry  
of Judgment.....28**  
**5.2 Rights to Imported Water Return Flows.....29**  
    **5.2.1 Rights to Imported Water Return Flows.....29**  
    **5.2.2 Water Imported Through AVEK.....29**  
    **5.2.3 Water Not Imported Through AVEK.....30**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

5.3 Rights to Recycled Water.....30

6. INJUNCTION.....30

6.1 Injunction Against Unauthorized Production.....30

6.2 Injunction Re Change in Purpose of Use Without Notice to the  
Watermaster.....31

6.3 Injunction Against Unauthorized Caption of Stored Water.....31

6.4 Injunction Against Transportation From Basin.....31

6.4.1 Export by Phelan Piñon Hills Community Services  
District.....32

6.4.1.1.....32

6.5 Continuing Jurisdiction.....32

III. PHYSICAL SOLUTION.....33

7. GENERAL.....33

7.1 Purpose and Objection.....33

7.2 Need for Flexibility.....33

7.3 General Pattern of Operations.....33

7.4 Water Rights.....33

8. RAMPDOWN.....34

8.1 Installation of Meters.....34

8.2 Rampdown Period.....34

8.3 Reduction of Production During Rampdown.....34

8.4 Drought Program During Rampdown for Participating Public Water  
Suppliers.....35

8.4.1.....35

8.4.2.....35

8.4.3.....35

8.4.4.....35

9. ASSESSMENTS.....36



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**9.1 Administrative Assessment.....36**

**9.2 Replacement Water Assessment.....36**

**9.3 Balance Assessment.....37**

**9.3.1.....37**

**9.3.2.....37**

**9.3.3.....38**

**9.3.4.....38**

**10. SUBAREAS.....38**

**10.1 Central Antelope Valley Subarea.....38**

**10.2 West Antelope Valley Subarea.....38**

**10.3 South East Subarea.....39**

**10.4 Willow Springs Subarea.....39**

**10.5 Rogers Lake Subarea.....39**

**11. INCREASE IN PRODUCTION BY THE UNITED STATES.....39**

**11.1 Notice of Increase of Production Under Federal Reserved Water Right....39**

**11.2 Water Substitution to Reduce Production by United States.....39**

**12. MOVEMENT OF PUBLIC WATER SUPPLIERS PRODUCTION FACILITIES.....40**

**12.1 No Requirement to Move Public Water Suppliers’ Production Wells.....40**

**13. FEDERAL APPROVAL.....40**

**14. STORAGE.....41**

**15. CARRY OVER.....42**

**15.1 In Lieu Production Right Carry Over.....42**

**15.2 Imported Water Return Flow Carry Over.....42**

**15.3 Production Right Carry Over.....43**

**16. TRANSFERS.....43**

**16.1 When Transfers are Permitted.....43**

**16.2 Transfers to Non-Overlying Production Right Holders.....44**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**16.3 Limitation of Transfers of Water by Antelope Valley United Mutuals Group.....44**  
**16.3.1.....44**

**17. CHANGES IN POINT OF EXTRACTION AND NEW WELLS.....44**  
**17.1 Notice of New Well.....45**  
**17.2 Change in Point of Extraction by the United States.....45**

**18. WATERMASTER.....45**  
**18.1 Appointment of Initial Watermaster.....45**  
**18.1.1.....45**  
**18.1.2.....46**  
**18.1.2.1.....46**  
**18.1.2.2.....46**  
**18.1.2.3.....46**  
**18.1.2.4.....46**  
**18.1.3.....46**  
**18.1.4.....46**

**18.2 Standard of Performance.....47**  
**18.3 Removal of Watermaster.....47**  
**18.4 Powers and Duties of the Watermaster.....47**  
**18.4.1 Selection of the Watermaster Engineer.....47**  
**18.4.2 Adoption of Rules and Regulations.....47**  
**18.4.3 Employment of Experts and Agents.....48**  
**18.4.4 Notice List.....48**  
**18.4.5 Annual Administrative Budget.....48**  
**18.4.6 Investment of Funds.....48**  
**18.4.7 Borrowing.....48**  
**18.4.8 Transfers.....48**  
**18.4.9 Unauthorized Actions.....48**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

18.4.10 Meetings and Records.....49

18.4.11 Assessment Procedure.....49

18.5 Watermaster Engineer.....50

18.5.1. Monitoring of Safe Yield.....50

18.5.2 Reduction in Groundwater Production.....50

18.5.3 Determination of Replacement Obligations.....50

18.5.4 Balance Obligations.....50

18.5.5 Measuring Devices, Etc.....50

18.5.6 Hydrologic Data Collection.....50

18.5.7 Purchases of and Recharge with Replacement Water.....51

18.5.8 Water Quality.....51

18.5.9 Native Safe Yield.....51

18.5.10 Change in Production Rights in Response to Change in Native Safe  
Yield.....51

18.5.11 Evaluation of Reasonable and Beneficial Use.....52

18.5.12 Review of Calculation of Imported Water Return Flow  
Percentages.....52

18.5.13 Production Reports.....53

18.5.14 New Production Application Procedure.....53

18.5.15 Storage Agreements.....53

18.5.16 Diversion of Storm Flow.....53

18.5.17 Data, Estimates and Procedures.....54

18.5.18 Filing of Annual Report.....54

18.5.19 Annual Report to Court.....54

18.5.19.1.....54

18.5.19.2.....54

18.5.19.3.....55

18.5.19.4.....55

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

18.5.19.5.....55

18.5.19.6..... 55

18.5.19.7..... 55

18.5.19.8..... 55

18.5.18.9..... 55

18.5.18.10.....55

18.5.18.11.....55

18.5.18.12.....55

18.5.18.13.....55

18.5.18.14.....55

18.5.18.15.....55

18.5.18.16.....55

18.5.18.17.....55

18.5.18.18.....55

18.6 Recommendations of the Watermaster Engineer.....55

18.7 Interim Approvals by the Court.....55

19. ADVISORY COMMITTEE.....56

19.1 Authorization.....56

19.2 Compensation.....56

19.3 Powers and Functions.....56

19.4 Advisory Committee Meetings.....56

19.5 Subarea Advisory Management Committees.....56

19.5.1 Authorization.....56

19.5.2 Composition and Election.....56

19.5.3 Compensation.....57

19.5.4 Powers and Functions.....57

20. MISCELLANEOUS PROVISIONS.....57

20.1 Water Quality.....57

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**20.2 Actions Not Subject to CEOA Regulation.....57**

**20.3 Court Review of Watermaster Actions.....57**

**20.3.1 Effective Date of Watermaster Action.....58**

**20.3.2 Notice of Motion.....58**

**20.3.3 Time for Motion.....58**

**20.3.4 De Novo Nature of Proceeding.....58**

**20.3.5 Decision.....58**

**20.4 Multiple Production Rights.....58**

**20.5 Payment of Assessments.....59**

**20.6 Designation of Address for Notice and Service.....59**

**20.7 Service of Documents.....59**

**20.8 No Abandonment of Rights.....59**

**20.9 Intervention After Judgment .....60**

**20.10 Judgment Binding on Successors, Etc.....60**

**20.11 Costs.....60**

**20.12 Headings: Paragraph Reference.....60**

**20.13 No Third Party Beneficiaries.....60**

**20.14 Severability.....60**

**20.15 Cooperation: Further Acts.....60**

**20.16 Exhibits and Other Writings.....60**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
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27  
28

**INDEX OF EXHIBITS (See March 4, 2015 Filing of [Proposed] Judgment for Exhibits 1, 2, 5, 6, 7, 9, 10):**

**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 Amended: Non-Overlying Production Rights.**
- Exhibit 4 Amended: Overlying Production Rights**
- Exhibit 5: Phase 3 Trial Decision.**
- Exhibit 6: Map of boundaries of Edwards Air Force Base.**
- Exhibit 7: Map of boundaries of Air Force Plant 42.**
- Exhibit 8 Amended: Rights to Produce Imported Water Return Flows.**
- Exhibit 9: Map of the Watershed of the Basin.**
- Exhibit 10: Map of Subareas.**

1           The Court, having considered the pleadings, the stipulations of the Parties, and the  
2 evidence presented, and being fully informed in the matter, approves the Physical Solution<sup>1</sup>  
3 contained herein. This Judgment is entered as a Judgment binding on all Parties served or  
4 appearing in this Action, including without limitation, those Parties which have stipulated to  
5 this Judgment, are subject to prior settlement(s) and judgment(s) of this Court, have defaulted  
6 or hereafter stipulate to this Judgment.

7           **I.       DESCRIPTION OF LITIGATION**

8               **1.       PROCEDURAL HISTORY**

9                   **1.1   Initiation of Litigation.**

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

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

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

23           The Diamond Farming and Bolthouse complaints variously allege that  
24 unregulated pumping by these named public agencies (collectively the Public Water Suppliers)  
25

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26 <sup>1</sup> A “physical solution” describes an agreed upon or judicially imposed resolution of conflicting claims in a  
27 manner that advances the constitutional rule of reasonable and beneficial use of the state’s water supply. (*City of*  
28 *Santa Maria v. Adam* (2012) 211 Cal. App. 4th 266, 288.) It is defined as “an equitable remedy designed to alleviate  
overdrafts 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.)

1 has irreparably harmed Diamond Farming and Bolthouse's rights to produce Groundwater from  
2 the Antelope Valley Groundwater Basin, and interfered with their rights to put that  
3 Groundwater to reasonable and beneficial uses on property they own or lease. Diamond  
4 Farming and Bolthouse's complaints seek a determination of their water rights and to quiet title  
5 as to the same. In 2001, the Diamond Farming and Bolthouse actions were consolidated in the  
6 Riverside County Superior Court.

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

### 11 **1.2 General Adjudication Commenced.**

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

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

24 For procedural purposes, the Court requested that District No. 40 refile its  
25 complaint as a first amended cross-complaint in the now coordinated proceedings. Joined by  
26 the other Public Water Suppliers, District No. 40 filed a first amended cross-complaint seeking  
27 declaratory and injunctive relief and an adjudication of the rights to all Groundwater within the  
28 Antelope Valley Groundwater Basin. The Public Water Suppliers’ cross-complaint, as  
currently amended, requests an adjudication to protect the public’s water supply, prevent water



1 quality degradation, and stop land subsidence. Some of the Public Water Suppliers allege they  
2 have acquired prescriptive and equitable rights to the Groundwater in the Basin. They allege  
3 the Basin has been in overdraft for more than five consecutive Years and they have pumped  
4 water from the Basin for reasonable and beneficial purposes in an open, notorious, and  
5 continuous manner. They allege each non-public cross-defendant had actual or constructive  
6 notice of these activities, sufficient to establish prescriptive rights in their favor. In order to  
7 alleviate overdraft conditions and protect the Basin, the Public Water Suppliers also request a  
8 physical solution.

### 9 **1.3 Other Actions**

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

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

16 On January 11, 2007, Rebecca Lee Willis filed a class action complaint in the  
17 Los Angeles County Superior Court (Case No. BC 364553) for herself and on behalf of a class  
18 of non-pumping overlying property owners (“Non-Pumper Class”), through which she sought  
19 declaratory relief and money damages from various public entities. Following certification,  
20 the Non-Pumper Class entered into a settlement agreement with the Public Water Suppliers  
21 concerning the matters at issue in the class complaint. All claims of prescription have been  
22 released by the Public Water Suppliers against the Willis Class. On September 22, 2011, the  
23 Court approved the settlement through an Amended Final Judgment which stated that the  
24 Amended Final Judgment would be merged and incorporated into the physical solution adopted  
25 by the Court. In awarding attorneys’ fees, the Court stated that Willis Class Counsel had  
26 secured the right to pump groundwater and maintained property values for the Willis Class.

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

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

4 On February 24, 2010, following various orders of coordination, the Court  
5 granted the Public Water Suppliers' motion to transfer and consolidate all complaints and  
6 cross-complaints in this matter, with the exception of the complaint in Sheldon R. Blum, etc. v.  
7 Wm. Bolthouse Farms, Inc. (Santa Clara County Superior Court Case No. 1-05-CV-049053),  
8 which 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  
15 United States reserves all rights to object or otherwise challenge any interlocutory judgment  
16 and reserves all rights to appeal a Judgment that does not satisfy the requirements of the  
17 McCarran 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  
22 the area adjudicated in this Action which is defined as the Basin. On November 3, 2006, the  
23 Court entered an order determining that issue.

24 Through the Phase 2 trial, the Court determined that all areas within the Basin  
25 are hydrologically connected and a single aquifer, and that there is sufficient hydraulic  
26 connection between the disputed areas and the rest of the Basin such that the Court must  
27 include the disputed areas within the adjudication area. The Court further determined that it  
28 would be premature to make any determinations regarding, *inter alia*, claims that portions of  
the Basin should be treated as a separate area for management purposes. On November 6,

1 2008, the Court entered its Order after Phase Two Trial on Hydrologic Nature of Antelope  
2 Valley.

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

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

11 **1.6 Defaults**

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

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

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

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1       **II.    DECREE**

2               **3.   JURISDICTION, PARTIES, DEFINITIONS.**

3                   **3.1   Jurisdiction.**    This Action is an *inter se* adjudication of all claims to the  
4 rights to Produce Groundwater from the Basin alleged between and among all Parties. This  
5 Court has jurisdiction over the subject matter and Parties herein to enter a Judgment declaring  
6 and adjudicating the rights to reasonable and beneficial use of water by the Parties in the Action  
7 pursuant to Article X, section 2 of the California Constitution.

8                   **3.2   Parties.**    The Court required that all Persons having or claiming any right,  
9 title or interest to the Groundwater within the Basin be notified of the Action. Notice has been  
10 given pursuant to the Court’s order. All Public Water Suppliers, landowners, Non-Pumper  
11 Class and Small Pumper Class members and other Persons having or making claims have been  
12 or will be included as Parties to the Action. All named Parties who have not been dismissed  
13 have appeared or have been given adequate opportunity to appear.

14                   **3.3   Factual and Legal Issues.**    The complaints and cross-complaints in the  
15 Action frame many legal issues. The Action includes over 4,000 Parties, as well as the  
16 members of the Non-Pumper Class and the members of the Small Pumper Class. The Basin’s  
17 entire Groundwater supply and Groundwater rights, extending over approximately 1390 square  
18 miles, have been brought to issue. The numerous Groundwater rights at issue in the case  
19 include, without limitation, overlying, appropriative, prescriptive, and federal reserved water  
20 rights to Groundwater, rights to return flows from Imported Water, rights to recycled water,  
21 rights to stored Imported Water subject to the Watermaster rules and regulations, and rights to  
22 utilize the storage space within the Basin. After several months of trial, the Court made  
23 findings regarding Basin characteristics and determined the Basin’s Safe Yield. The Court’s  
24 rulings and judgments in this case, including the Safe Yield determination, form the basis for  
25 this Judgment.

26                   **3.4   Need for a Declaration of Rights and Obligations for a Physical**  
27 **Solution.**    A Physical Solution for the Basin, based on a declaration of water rights and a  
28 formula for allocation of rights and obligations, is necessary to implement the mandate of

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

18 **3.5 Definitions.** As used in this Judgment, the following terms  
19 shall have the meanings set forth herein:

20 **3.5.1 Action.** The coordinated and consolidated actions included in  
21 the Antelope Valley Groundwater Cases, Judicial Council Coordination Proceeding No. 4408,  
22 Santa Clara Superior Court Case No. 1-05-CV-049053.

23 **3.5.2 Adjusted Native Safe Yield.** The Native Safe Yield minus (1)  
24 the Production Right allocated to the Small Pumper Class under Paragraph 5.1.3, (2) the  
25 Federal Reserved Water Right under Paragraph 5.1.4, and (3) the State of California Production  
26 Right under Paragraph 5.1.5. The Adjusted Native Safe Yield as of the date of entry of this  
27 Judgment is 70,686.6 acre-feet per year.

28 **3.5.3 Administrative Assessment.** The amount charged by the  
Watermaster for the costs incurred by the Watermaster to administer this Judgment.

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

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

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

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

**3.5.8 Basin.** The area adjudicated in this Action as shown on Exhibit 2, attached hereto and incorporated herein by reference, which lies within the boundaries of the line labeled “Boundaries of the Adjudicated Area” and described therein. The Basin generally encompasses the Antelope Valley bordered on the West and South by the San Gabriel and Tehachapi Mountains, with the eastern boundary being the Los Angeles-San Bernardino

1 County line, as determined by the Court.

2                   **3.5.9 Carry Over.** The right to Produce an unproduced portion of an  
3 annual Production Right or a Right to Imported Water Return Flows in a Year subsequent to  
4 the Year in which the Production Right or Right to Imported Water Return Flows was  
5 originally available.

6                   **3.5.10 Conjunctive Use.** A method of operation of a groundwater basin  
7 under which Imported Water is used or stored in the Basin in Years when it is available;  
8 allowing the Basin to refill, and more Groundwater is Produced in Years when Imported Water  
9 is less available.

10                   **3.5.11 Defaulting Party.** A Party who failed to file a responsive  
11 pleading and against which a default judgment has been entered. A list of Defaulting Parties is  
12 attached as Exhibit 1.

13                   **3.5.12 Drought Program.** The water management program in effect  
14 only during the Rampdown period affecting the operations and Replacement Water  
15 Assessments of the participating Public Water Suppliers.

16                   **3.5.13 Judgment.** A judgment, consistent with Cal.C.C.P. §§ 577 and  
17 1908(a)(1) and 43 U.S.C. § 666, determining all rights to Groundwater in the Basin,  
18 establishing a Physical Solution, and resolving all claims in the Action.

19                   **3.5.14 Groundwater.** Water beneath the surface of the ground and  
20 within the zone of saturation, excluding water flowing through known and definite channels.

21                   **3.5.15 Imported Water.** Water brought into the Basin from outside the  
22 watershed of the Basin as shown in Exhibit 9.

23                   **3.5.16 Imported Water Return Flows.** Imported Water that net  
24 augments the Basin Groundwater supply after use.

25                   **3.5.17 In Lieu Production.** The amount of Imported Water used by a  
26 Producer in a Year instead of Producing an equal amount of that Producer's Production Right.  
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1                                   **3.5.18 Material Injury.** Material Injury means impacts to the Basin  
2 caused by pumping or storage of Groundwater that:

3                                   **3.5.18.1**           Causes material physical harm to the Basin, any  
4 Subarea, or any Producer, Party or Production Right, including, but not limited to, Overdraft,  
5 degradation of water quality by introduction of contaminants to the aquifer by a Party and/or  
6 transmission of those introduced contaminants through the aquifer, liquefaction, land  
7 subsidence and other material physical injury caused by elevated or lowered Groundwater  
8 levels. Material physical harm does not include "economic injury" that results from other than  
9 direct physical causes, including any adverse effect on water rates, lease rates, or demand for  
10 water.

11                                   **3.5.18.2**           If fully mitigated, Material Injury shall no longer  
12 be considered to be occurring.

13                                   **3.5.19 Native Safe Yield.** Naturally occurring Groundwater recharge to  
14 the Basin, including "return flows" from pumping naturally occurring recharge, on an average  
15 annual basis. Imported Water Return Flows are not included in Native Safe Yield.

16                                   **3.5.20 New Production.** Any Production of Groundwater from the  
17 Basin that has not been exercised as of the date of this Judgment.

18                                   **3.5.21 Non-Overlying Production Rights.** The rights held by the  
19 Parties identified in Exhibit 3, attached hereto and incorporated herein by reference.

20                                   **3.5.22 Non-Pumper Class.** All private (i.e., non-governmental)  
21 Persons and entities that own real property within the Basin, as adjudicated, that are not  
22 presently pumping water on their property and have not done so at any prior time. The Non-  
23 Pumper Class includes the successors-in-interest by way of purchase, gift, inheritance, or  
24 otherwise of such Non-Pumper Class members' land within the Basin. The Non-Pumper Class  
25 excludes (1) all Persons to the extent their properties are connected to a municipal water  
26 system, public utility, or mutual water company from which they receive water service, (2) all  
27 properties that are listed as "improved" by the Los Angeles County or Kern County Assessor's  
28 offices, unless the owners of such properties declare under penalty of perjury that they do not



1 pump and have never pumped water on those properties, (3) all Persons to the extent they own  
2 properties within the Basin on which they have pumped water at any time; and (4) those who  
3 opted out of the Non-Pumper Class. The Non-Pumper Class does not include landowners who  
4 have been individually named under the Public Water Suppliers' cross-complaint, unless such a  
5 landowner has opted into such class.

6 **3.5.23 Non-Pumper Class Judgment.** The Amended Final Judgment  
7 that settled the Non-Pumper Class claims against the Public Water Suppliers approved by the  
8 Court on September 22, 2011.

9 **3.5.24 Non-Pumper Class Members.** Individual members of the Non-  
10 Pumper Class who meet the Non-Pumper Class definition, and for purposes of this Judgment  
11 and any terms pertaining to water rights, where two or more Non-Pumper Class Members own  
12 a parcel in the Basin, they shall be treated as a single Non-Pumper Class Member for purposes  
13 of determining water rights.

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

18 **3.5.26 Overlying Production Rights.** The rights held by the Parties  
19 identified in Exhibit 4, attached hereto and incorporated herein by reference, as well of the  
20 rights of the Non-Pumper Class.

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

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1                                   **3.5.28 Pre-Rampdown Production.** The reasonable and beneficial use  
2 of Groundwater, excluding Imported Water Return Flows, at a time prior to this Judgment, or  
3 the Production Right, whichever is greater.

4                                   **3.5.29 Produced.** To pump Groundwater for existing and future  
5 reasonable beneficial uses.

6                                   **3.5.30 Producer(s).** A Party who Produces Groundwater.

7                                   **3.5.31 Production.** Annual amount of Groundwater Produced, stated in  
8 acre-feet of water.

9                                   **3.5.32 Production Right.** The amount of Native Safe Yield that may be  
10 Produced each Year free of any Replacement Water Assessment and Replacement Obligation.  
11 The total of the Production Rights decreed in this Judgment equals the Native Safe Yield, but  
12 the amount of Production Right for any Party listed on Exhibit 4 (Amended) is not permanent.  
13 As Non-Pumper Class Members exercise their rights to a correlative share in the Native Safe  
14 Yield, the Production Rights listed on Exhibit 4 (Amended) will be reduced pro rata in  
15 accordance with Paragraph 5.1.2.4. A Production Right does not include any right to Imported  
16 Water Return Flows pursuant to Paragraph 5.2.

17                                   **3.5.33 Pro-Rata Increase.** The proportionate increase in the amount of  
18 a Production Right, as provided in Paragraph 18.5.10, provided the total of all Production  
19 Rights does not exceed the Native Safe Yield.

20                                   **3.5.34 Pro-Rata Reduction.** The proportionate reduction in the amount  
21 of a Production Right, as provided in Paragraphs 5.1.2.4 and 18.5.10, in order that the total of  
22 all Production Rights does not exceed the Native Safe Yield.

23                                   **3.5.35 Public Water Suppliers.** The Public Water Suppliers are Los  
24 Angeles County Waterworks District No. 40, Palmdale Water District, Quartz Hill Water  
25 District, Littlerock Creek Irrigation District, California Water Service Company, Desert Lake  
26 Community Services District, North Edwards Water District, City of Palmdale, City of  
27 Lancaster, Palm Ranch Irrigation District, Rosamond Community Services District, and West  
28 Valley County Water District.

1                   **3.5.36 Purpose of Use.** The broad categories of type of water use  
2 including but not limited to domestic, municipal, irrigation, agricultural and industrial uses.

3                   **3.5.37 Rampdown.** The period of time for Pre-Rampdown Production  
4 to be reduced to the Native Safe Yield in the manner described in this Judgment.

5                   **3.5.38 Recycled Water.** Water that, as a result of treatment of waste, is  
6 suitable for a direct beneficial use or a controlled use that would not otherwise occur and is  
7 therefore considered a valuable resource.

8                   **3.5.39 Replacement Obligation.** The obligation of a Producer to pay  
9 for Replacement Water for Production of Groundwater from the Basin in any Year in excess of  
10 the sum of such Producer's Production Right and Imported Water Return Flows.

11                   **3.5.40 Replacement Water.** Water purchased by the Watermaster or  
12 otherwise provided to satisfy a Replacement Obligation.

13                   **3.5.41 Replacement Water Assessment.** The amount charged by the  
14 Watermaster to pay for all costs incurred by the Watermaster related to Replacement Water.

15                   **3.5.42 Responsible Party.** The Person designated by a Party as the  
16 Person responsible for purposes of filing reports and receiving notices pursuant to the  
17 provisions of this Judgment.

18                   **3.5.43 Safe Yield.** The amount of annual extractions of water from the  
19 Basin over time equal to the amount of water needed to recharge the Groundwater aquifer and  
20 maintain it in equilibrium, plus any temporary surplus. [*City of Los Angeles v. City of San*  
21 *Fernando* (1975) 14 Cal. 3d 199, 278.]

22                   **3.5.44 Small Pumper Class.** All private (i.e., non-governmental)  
23 Persons and entities that own real property within the Basin, as adjudicated, and that have been  
24 pumping less than 25 acre-feet per Year on their property during any Year from 1946 to the  
25 present. The Small Pumper Class excludes the defendants in *Wood v. Los Angeles Co.*  
26 *Waterworks Dist. 40, et al.*, any Person, firm, trust, corporation, or other entity in which any  
27 such defendants has a controlling interest or which is related to or affiliated with any such  
28 defendants, and the representatives, heirs, affiliates, successors-in-interest or assigns of any

1 such excluded party. The Small Pumper Class also excludes all Persons and entities that are  
2 shareholders in a mutual water company. The Small Pumper Class does not include those who  
3 opted out of the Small Pumper Class.

4 **3.5.45 Small Pumper Class Members.** Individual members of the  
5 Small Pumper Class who meet the Small Pumper Class definition, and for purposes of this  
6 Judgment and any terms pertaining to water rights, where two or more Small Pumper Class  
7 Members reside in the same household, they shall be treated as a single Small Pumper Class  
8 Member for purposes of determining water rights.

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

17 **3.5.47 State Water Project.** Water storage and conveyance facilities  
18 operated by the State of California Department of Water Resources from which it delivers  
19 water diverted from the Feather River and the Sacramento-San Joaquin Delta via the California  
20 Aqueduct to public agencies it has contracted with.

21 **3.5.48 Stored Water.** Water held in storage in the Basin, as a result of  
22 direct spreading or other methods, for subsequent withdrawal and use pursuant to agreement  
23 with the Watermaster and as provided for in this Judgment. Stored Water does not include  
24 Imported Water Return Flows.

25 **3.5.49 Subareas.** Portions of the Basin, as described in this document,  
26 divided for management purposes.

27 **3.5.50 Total Safe Yield.** The amount of Groundwater that may be  
28 safely pumped from the Basin on a long-term basis. Total Safe Yield is the sum of the Native

1 Safe Yield plus the Imported Water Return Flows.

2 **3.5.51 Watermaster.** The Person(s) appointed by the Court to  
3 administer the provisions of this Judgment.

4 **3.5.52 Watermaster Engineer.** The engineering or hydrology expert or  
5 firm retained by the Watermaster to perform engineering and technical analysis and water  
6 administration functions as provided for in this Judgment.

7 **3.5.53 District No. 40.** Los Angeles County Waterworks District No.  
8 40.

9 **3.5.54 Year.** Calendar year.

10 **4. SAFE YIELD AND OVERDRAFT**

11 **4.1 Safe Yield:** The Native Safe Yield of the Basin is 82,300 acre-feet per  
12 Year. With the addition of Imported Water Return Flows, the Total Safe Yield is  
13 approximately 110,000 acre-feet per Year, but will vary annually depending on the volume of  
14 Imported Water.

15 **4.2 Overdraft:** In its Phase 3 trial decision, the Court held that the Basin,  
16 defined by the Court's March 12, 2007 Revised Order After Hearing On Jurisdictional  
17 Boundaries, is in a state of overdraft based on estimate of extraction and recharge, corroborated  
18 by physical evidence of conditions in the Basin. Reliable estimates of the long-term  
19 extractions from the Basin have exceeded reliable estimates of the Basin's recharge by  
20 significant margins, and empirical evidence of overdraft in the Basin corroborates that  
21 conclusion. Portions of the aquifer have sustained a significant loss of Groundwater storage  
22 since 1951. The evidence is persuasive that current extractions exceed recharge and therefore  
23 that the Basin is in a state of overdraft. The Court's full Phase 3 trial decision is attached as  
24 Exhibit 5 and is incorporated herein by reference.

25 **5. PRODUCTION RIGHTS**

26 **5.1 Allocation of Rights to Native Safe Yield.** Consistent with the goals of  
27 this Judgment and to maximize reasonable and beneficial use of the Groundwater of the Basin  
28 pursuant to Article X, section 2 of the California Constitution, all the unexercised and exercised

1 Production Rights established by this Judgment shall be implemented in accordance with  
2 Paragraph 18.5.11 entitled Evaluation of Reasonable and Beneficial Use.

3 **5.1.1 Overlying Production Rights.** The Parties listed in Exhibit 4  
4 (Amended), attached hereto and incorporated herein by reference, have Overlying Production  
5 Rights subject to Pro Rata Reduction for Non-Pumper Class Production pursuant to Paragraph  
6 5.1.2.4 *et. seq.* and subject to Paragraph 18.5.11 regarding Evaluation of Reasonable and  
7 Beneficial Use. Exhibit 4 (Amended) sets forth the following for each Overlying Production  
8 Right: (1) the Pre-Rampdown Production; (2) the Production Right; and (3) the percentage of  
9 the Production from the Adjusted Native Safe Yield. Production Rights and percentage of the  
10 Production from the Adjusted Native Safe Yield set forth in Exhibit 4 (Amended) are not  
11 permanent. The Watermaster Engineer shall update Exhibit 4 (Amended) on January 2 of each  
12 Year to accurately reflect the current Production Right of each Party (including Non-Pumper  
13 Members) added to or already existing on Exhibit 4 (Amended).

14 **5.1.1.1** The Parties listed on Exhibit 4 (Amended) have the right  
15 to Produce Groundwater, on an annual basis, up to their Overlying Production Right set forth in  
16 Exhibit 4 (Amended) for each Party subject to Pro Rata Reduction for Non-Pumper Class  
17 Production pursuant to Paragraph 5.1.2.4 *et. seq.* and subject to Paragraph 18.5.11 regarding  
18 Evaluation of Reasonable and Beneficial Use. Each Party's Overlying Production Right is  
19 subject to the following conditions and limitations:

20 **5.1.1.2** Pursuant to the terms of this Judgment, the Parties listed  
21 on Exhibit 4 (Amended) have the right to Produce their Overlying Production Right subject to  
22 Pro Rata Reduction for Non-Pumper Class Production pursuant to Paragraph 5.1.2.4 *et. seq.* and  
23 subject to Paragraph 18.5.11 regarding Evaluation of Reasonable and Beneficial Use for use on  
24 land they own or lease and without the need for Watermaster approval.

25 **5.1.1.3** Overlying Production Rights may be transferred pursuant  
26 to the provisions of Paragraph 16 of this Judgment.

27 **5.1.1.4** Overlying Production Rights are subject to Pro Rata  
28 Reduction or Increase pursuant to Paragraph 18.5.10, Pro Rata Reduction for Non-Pumper  
Class Production pursuant to Paragraph 5.1.2.4 *et. seq.*, and subject to Paragraph 18.5.11

1 regarding Evaluation of Reasonable and Beneficial Use.

2                   **5.1.2 Non-Pumper Class Rights.** The Non-Pumper Class Members  
3 have a Production Right in the Native Safe Yield for reasonable and beneficial uses as set forth  
4 in this Judgment. On September 22, 2011, the Court approved the Non-Pumper Class  
5 Stipulation of Settlement through an Amended Final Judgment that settled the Non-Pumper  
6 Class' claims against the Public Water Suppliers ("Non-Pumper Class Judgment"). This  
7 Judgment is consistent with the Non-Pumper Class Judgment. Defaults or default judgments  
8 entered against any Non-Pumper Class Member who did not opt out of the Non-Pumper Class  
9 are hereby deemed non-operative and vacated *nunc pro tunc*, but only with respect to their  
10 ownership of real property meeting the Non-Pumper Class definition. Production Rights of  
11 Members of the Non-Pumper Class are addressed below.

12                   **5.1.2.1 Non-Pumper Class Permits.** Following the entry of this  
13 Judgment, any Production by a Member of the Non-Pumper Class (Post-Judgment Production)  
14 shall be subject to the applicable County Well Permit procedures then in effect in Kern County  
15 and in Los Angeles County. A Member of the Non-Pumper Class who obtains a permit to install  
16 a well from Kern County or Los Angeles County shall provide a copy of the permit to the  
17 Watermaster Engineer within thirty (30) days of the issuance of the permit.

18                   **5.1.2.2 Domestic Use.** Members of the Non-Pumper Class may  
19 pump from the Native Safe Yield up to 1.2 acre feet per Year\* for domestic use including other  
20 reasonable and beneficial use on the land overlying the well free of replacement assessment  
21 (Domestic Use). Production Rights for Domestic Use shall be deemed reasonable and beneficial  
22 use and not subject to Paragraph 18.5.11.

23                   **\*Alternative No. 1:** Up to a collective maximum of 5,160.5 acre feet per Year. Once a  
24 collective maximum of 5,160.5 afy has been pumped by the Members of the Non-Pumper  
25 Class for Domestic Use, all subsequent Domestic Use pumping by the Members of  
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1 the Non-Pumper Class shall be subject to the imposition of a Replacement Water  
2 Assessment.

3 **5.1.2.2.1** The Watermaster shall impose a Replacement Water  
4 Assessment on any Production in excess of 1.2 acre-feet per Year by a Non-Pumper Class  
5 Member who has been issued a permit for Domestic Use.

6  
7 **5.1.2.3 Non Domestic Use.** Prior to applying for a well permit from either  
8 Kern or Los Angeles County, Non-Pumper Class Members shall obtain a Finding from the  
9 Watermaster Engineer that the Proposed Non Domestic Use by the Non Pumper Class Member is  
10 reasonable and beneficial. A decision on the requested finding shall be issued by the  
11 Watermaster Engineer no more than thirty (30) days from the receipt by the Watermaster  
12 Engineer of Proposed Non Domestic Use Application from the Nonpumper Class Member. A  
13 finding by the Watermaster Engineer that a Proposed Non Domestic Use is reasonable and  
14 beneficial will be considered an Approval of the Non Domestic Use Application. A finding by  
15 the Watermaster Engineer that a Proposed Non Domestic Use is not reasonable and beneficial  
16 will be considered a Denial of the Non Domestic Use Application and shall be immediately  
17 appealable to the Court for de novo review. Following a finding that the proposed use is  
18 reasonable and beneficial by the Watermaster Engineer or by the Court, and after the issuance of  
19 a well permit by Kern County or Los Angeles County, the amount of production by a member of  
20 the non-pumping class found to be reasonable and beneficial shall be pumped from the Native  
21 Safe Yield free of replacement water assessment\* up to the following set amounts:

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24 **\*Alternative No. 1:** Up to a cumulative permitted maximum amount of 5,160.5 acre-feet  
25 per Year. Once a collective maximum of 5,160.5 acre feet per Year been pumped by the  
26 Members of the Non-Pumper Class for Non Domestic Use, all subsequent Non Domestic  
27



1 Use pumping by the Member of the Non-Pumper Class shall be subject to the imposition  
2 of a Replacement Water Assessment.

3 **5.1.2.3.1** Any Production for Non Domestic Use that is in  
4 excess of one hundred fifty (150) acre-feet per Year by a Member of the Non-Pumper Class who  
5 is a 501(c) entity will be subject to the imposition of a Replacement Water Assessment.

6 **5.1.2.3.2** Any Production for Non Domestic Use that is in  
7 excess of fifteen (15) acre-feet per Year by a Member of the Non-Pumper Class who is not a  
8 501(c) entity will be subject to the imposition of a Replacement Water Assessment.

9 **5.1.2.4 Effectuation of Pro Rata Reduction of Production Rights of**  
10 **Other Producers to Accommodate Non-Pumper Class Production.** Any Production Right  
11 exercised by Non-Pumper Class Members from the Native Safe Yield in the amounts stated in  
12 Paragraphs 5.1.2.2, 5.1.2.3.1, and 5.1.2.3.2\* shall reduce pro rata the Production Rights of all  
13 Producers\*\* except the Production Rights of the United States, the Production Rights of the State  
14 of California, the Production Rights of the Public Water Suppliers as set forth in Exhibit 3 only,  
15 the Production Rights of the Small Pumper Class of 3806.4 acre feet per Year, and the exercised  
16 Domestic Use Production Rights of the Nonpumper Class.

17 **\*Alternative No. 1:** The maximum cumulative amount of Pro Rata Reduction created by  
18 reducing pro rata the Production Rights of all Producers except the Production Rights of  
19 the United States, the Production Rights of the State of California, the Production Rights  
20 of the Public Water Suppliers as set forth in Exhibit 3 only, the Production Rights of  
21 the Small Pumper Class of 3806.4 acre feet per Year, and the exercised Domestic Use  
22 Production Rights of the Nonpumper Class shall be 10,321 acre feet per Year.

23 **\*\*Alternative No. 2:** Pro Rata Reduction in the Production Rights of Other Producers  
24 will not be necessary if the Unused Federal Reserve Right is allocated in its entirety to a  
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1 Non-Pumper Class Pool each Year. Any groundwater in the Non-Pumper Class Pool each  
2 Year that is not Produced by Non-Pumper Members shall remain in the Basin for the  
3 benefit of the Basin.

4 **5.1.2.4.1** A Reserve shall be established at the time of Entry  
5 of this Judgment for Non-Pumper Class Production in the amount of 1,000 acre feet per Year.\*\*  
6 The Reserve shall be created by reducing pro rata the Production Rights of all Producers except  
7 the Production Rights of the United States, the Production Rights of the State of California, the  
8 Production Rights of the Public Water Suppliers as set forth in Exhibit 3 only, and the Production  
9 Rights of the Small Pumper Class of 3806.4 acre feet per Year, and the exercised Domestic Use  
10 Production Rights of the Nonpumper Class. The Pro Rata Reduction will occur on the first  
11 January 2nd of the Annual Period after the entry of this Judgment and on each succeeding  
12 January 2nd as needed.

13 **\*\*Alternative No. 2:** Creation of a Reserve may not be necessary if the Unused Federal  
14 Reserve Right is allocated in its entirety to a Non-Pumper Class Pool each Year.

15 **5.1.2.4.2** During any Year after the entry of this Judgment,  
16 any Production by a Non-Pumper Class Member pursuant to a well permit received by the  
17 Watermaster that would exceed the 1,000 acre feet per Year Reserve will not commence until the  
18 actual Pro Rata Reduction occurs on the following January 2.

19 **5.1.2.5 Provisions Applicable to all Non-Pumper Class Post-**  
20 **Judgment Production.** The following provisions shall be applicable to any Production by a  
21 Member of the Non-Pumper Class:

22 **5.1.2.5.1** Each Non-Pumper Class Member who seeks to  
23 begin Post-Judgment Production must elect to be placed in either the Domestic Use category or  
24 Non Domestic Use category.

1    **5.1.2.5.2** All Post Judgment Production by a Member of the  
2 Non-Pumper Class will be subject to the imposition of an Administrative Assessment pursuant to  
3 Paragraph 9.1 of this Judgment to the same extent as other Production.

4    **5.1.2.5.3** If a parcel owned by a Non-Pumper Class  
5 Member on which Production is occurring is sold, the right to continue to Produce on that parcel  
6 shall transfer to the new owner of the parcel.

7    **5.1.2.5.4** Prior to any Member of the Non-Pumper Class  
8 commencing Post-Judgment Production, such member shall install a water meter on the  
9 producing well as provided by Paragraph 18.5.5 of this Judgment.

10     **5.1.2.5.5** Each Member of the Non-Pumping Class who  
11 Produces shall submit Production Reports as required by Paragraph 18.5.12 of this Judgment.

12     **5.1.2.5.6** The Non-Pumper Class Members shall have the  
13 Right to Produce Imported Water Return Flows from Replacement Water Assessments paid by  
14 Non-Pumper Class Members.

15     **5.1.2.5.7** The Watermaster Engineer may curtail the  
16 exercise of a Non-Pumper's Production Right under this Judgment if it is determined necessary  
17 to avoid or mitigate a Material Injury to the Basin and provided that the Watermaster provides  
18 an equivalent quantity of water to such Non-Pumper as a substitute water supply, with such  
19 water paid for from the Balance Assessment proceeds.

20     **5.1.3 Small Pumper Class Production Rights.** Subject only to the  
21 closure of the Small Pumper Class membership, the Small Pumper Class's aggregate  
22 Production Right is 3806.4 acre-feet per Year. Allocation of water to the Small Pumper Class  
23 is set at an average Small Pumper Class Member amount of 1.2 acre-feet per 3172 known  
24 Small Pumper Class Members. Production by any Small Pumper Class Member above 1.2  
25 acre-feet per Year per household or parcel will be subject to Replacement Water Assessment,  
26 as set forth in this Judgment. Administrative Assessments for unmetered Production by Small  
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1 Pumper Class Members shall be set based upon the allocation of 1.2 acre-feet per Year per  
2 household or parcel, whichever is the case; metered Production shall be assessed in accord with  
3 the actual Production. A Small Pumper Class Member who is lawfully, by permit, operating a  
4 shared well with an adjoining Small Pumper Class Member, shall have all of the same rights  
5 and obligations under this Judgment without regard to the location of the shared well, and such  
6 shared use is not considered a prohibited transfer of a pumping right under Paragraph 5.1.3.3.

7 **5.1.3.1** The Small Pumper Class Members shall install water  
8 meters to monitor their water use. All Small Pumper Class Members agree to permit the  
9 Watermaster to inspect the water meters and review any related reports.

10 **5.1.3.2** The pumping rights of Small Pumper Class Members are  
11 not transferable separately from the parcel of property on which the water is pumped, provided  
12 however a Small Pumper Class Member may move their water right to another parcel owned  
13 by that Small Pumper Class Member with approval of the Court. If a Small Pumper Class  
14 Member parcel is sold, absent a written contract stating otherwise and subject to the provisions  
15 of this Judgment, the water right for that Small Pumper Class Member parcel shall transfer to  
16 the new owners of that Small Pumper Class Member parcel. The pumping rights of Small  
17 Pumper Class Members may not be aggregated for use by a purchaser of more than one Small  
18 Pumper Class Member's property.

19 **5.1.3.3** Defaults or default judgments entered against any Small  
20 Pumper Class Member who did not opt out of the Small Pumper Class are hereby deemed non-  
21 operative and vacated *nunc pro tunc*, but only with respect to their ownership of real property  
22 meeting the Small Pumper Class definition.

23 **5.1.3.4** The Small Pumper Class shall be permanently closed to  
24 new membership upon issuance by the Court of its order granting final approval of the Small  
25 Pumper Class Settlement (the "Class Closure Date"), after the provision of notice to the Class  
26 of the Class Closure Date. Any Person or entity that does not meet the Small Pumper Class  
27 definition prior to the Class Closure Date is not a Member of the Small Pumper Class.  
28 Similarly, any additional household constructed on a Small Pumper Class Member parcel after  
the Class Closure Date is not entitled to a Production Right as set forth in Paragraphs 5.1.3 and

1 5.1.3.1.

2 **5.1.3.5** Unknown Small Pumper Class Members are defined as:  
3 (1) those Persons or entities that are not identified on the list of known Small Pumper Class  
4 Members maintained by class counsel and supervised and controlled by the Court as of the  
5 Class Closure Date; and (2) any unidentified households existing on a Small Pumper Class  
6 Member parcel prior to the Class Closure Date. Within ten (10) Court days of the Class  
7 Closure Date, class counsel for the Small Pumper Class shall publish to the Court website and  
8 file with the Court a list of the known Small Pumper Class Members.

9 **5.1.3.6** Given the limited number of additions to the Small  
10 Pumper Class during the more than five Years since the initial notice was provided to the Class,  
11 the Court finds that the number of potentially unknown Small Pumper Class Members and their  
12 associated water use is likely very low, and any Production by unknown Small Pumper Class  
13 Members is hereby deemed to be *de minimis* in the context of this Physical Solution and shall  
14 not alter the Production Rights decreed in this Judgment. However, whenever the identity of  
15 any unknown Small Pumper Class Member becomes known, that Small Pumper Class Member  
16 shall be bound by all provisions of this Judgment, including without limitation, the assessment  
17 obligations applicable to Small Pumper Class Members.

18 **5.1.4 Federal Reserved Water Right.** The United States has a right  
19 to Produce 7,600 acre-feet per Year from the Native Safe Yield as a Federal Reserved Water  
20 Right for use for military purposes at Edwards Air Force Base and Air Force Plant 42. *See*  
21 *Cappaert v. United States*, 426 U.S. 128, 138 (1976); *United States v. New Mexico*, 438 U.S.  
22 696, 700 (1978). Maps of the boundaries of Edwards Air Force Base and Plant 42 are attached  
23 hereto as Exhibits 6 and 7. The United States may Produce any or all of this water at any time  
24 for uses consistent with the purposes of its Federal Reserved Water Right. Water uses at  
25 Edwards Air Force Base and Plant 42 as of the date of this Judgment are consistent with the  
26 military purposes of the facilities. The Federal Reserved Water Right to Produce 7,600 acre-  
27 feet per Year is not subject to Rampdown or any reduction including Pro-Rata Reduction due to  
28 Overdraft and determinations of reasonable and beneficial use pursuant to section 18.5.11.

**5.1.4.1** In the event the United States does not Produce its

1 entire 7,600 acre-feet in any given Year, the unused amount in any Year will be allocated in the  
2 following Year to the Overlying Production Rights holders in proportion to Production Rights  
3 in existence in that given Year.\*\* This Production of unused Federal Reserved Water Right  
4 Production does not affect the United States' ability to fully Produce its Federal Reserved  
5 Water Right as provided in Paragraph 5.1.4 in any subsequent Year. Upon entry of a judgment  
6 confirming its Federal Reserved Water Rights consistent with this Judgment, the United States  
7 waives any rights under State law to a correlative share of the Groundwater in the Basin  
8 underlying Edwards Air Force Base and Air Force Plant 42.

9 **\*\*Alternative No. 2:** In the event the United States does not Produce its entire  
10 7,600 acre-feet in any given Year, the unused amount in any Year will be allocated  
11 to the Non-Pumper Class Pool in the following Year. Pro Rata Reduction in the  
12 Production Rights of Other Producers will not be necessary if the Unused Federal  
13 Reserve Right is allocated in its entirety to a Non-Pumper Class Pool each Year.  
14 Any groundwater in the Non-Pumper Class Pool each Year that is not Produced by  
15 the Non-Pumper Members shall remain in the Basin for the benefit of the Basin.  
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18 **5.1.4.2** The United States is not precluded from acquiring State  
19 law based Production Rights in excess of its Federal Reserved Water Right through the  
20 acquisition of Production Rights in the Basin.

21 **5.1.5 State of California Production Rights.** The State of California  
22 shall have a Production Right of 207 acre-feet per Year from the Native Safe Yield and shall  
23 have the additional right to Produce Native Safe Yield as set forth in Paragraphs 5.1.5.3 and  
24 5.1.5.4 below. This Production of Native Safe Yield shall not be subject to Pro-Rata  
25 Reduction. Any Production by the State of California above 207 acre-feet per Year that is not  
26 Produced pursuant to Paragraphs 5.1.5.3 and 5.1.5.4 below shall be subject to Replacement  
27 Assessments. All Production by the State of California shall also be subject to the  
28 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

1 Paragraphs 5.1.5.3 and 5.1.5.4 below shall not reduce any other Party's Production Rights  
2 pursuant to this Judgment.

3 **5.1.5.1** The State of California's Production Right in the  
4 amount of 207 acre-feet per Year is allocated separately to each of the State agencies,  
5 departments, and associations as listed below in Paragraph 5.1.5.2. Notwithstanding the  
6 separate allocations, any Production Right, or portion thereof, of one of the State agencies,  
7 departments, and associations may be transferred or used by the other State agencies,  
8 departments, and associations on parcels within the Basin. This transfer shall be done by  
9 agreement between the State agencies, departments, or associations without a Replacement  
10 Water Assessment and without the need for Watermaster approval. Prior to the transfer of  
11 another State agency, department, or association's Production Right, the State agency,  
12 department, or association receiving the ability to use the Production Right shall obtain written  
13 consent from the transferor. Further, the State agency, department, or association receiving the  
14 Production Right shall notify the Watermaster of the transfer.

15 **5.1.5.2** The Production Rights are allocated as follows and  
16 may be exercised by the following nine (9) State agencies:

17 **5.1.5.2.1** The California Department of Water  
18 Resources-104 acre- feet per Year.

19 **5.1.5.2.2** The California Department of Parks and  
20 Recreation-9 acre-feet per Year.

21 **5.1.5.2.3** The California Department of  
22 Transportation -47 acre-feet per Year.

23 **5.1.5.2.4** The California State Lands Commission-3  
24 acre-feet per Year.

25 **5.1.5.2.5** The California Department of Corrections  
26 and Rehabilitation-3 acre-feet per Year.

27 **5.1.5.2.6** The 50th District Agricultural Association-  
28 32 acre-feet per Year.

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

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

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

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

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

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

**5.1.5.4.2**            California Department of Water Resources  
(DWR). In addition to its Production pursuant to Paragraphs 5.1.5.2.1 and 5.1.5.3 above, DWR  
may also pump Native Safe Yield from the area adjacent to and beneath the California  
Aqueduct and related facilities at a time and in an amount it determines is reasonably necessary  
to protect the physical integrity of the California Aqueduct and related facilities from high  
Groundwater. Further, notwithstanding provisions of this Judgment prohibiting the export of  
Native Safe Yield from the Basin, DWR may place the Native Safe Yield that it pumps for the  
protection of the California Aqueduct into the California Aqueduct, whether or not such Native  
Safe Yield is 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



1 puts into the California Aqueduct and return it to the Basin.

2 **5.1.5.4.3** Department of Military. The Department  
3 of Military may Produce additional Groundwater in an amount necessary to protect and  
4 promote public health and safety during an event deemed to be an emergency by the  
5 Department of Military pursuant to California Government Code sections 8567 and 8571, and  
6 California Military and Veterans Code sections 143 and 146. Such Production shall be free  
7 from any assessment, including any Administrative, Balance, or Replacement Water  
8 Assessment.

9 **5.1.5.4.4** The California Department of Veterans Affairs.  
10 The California Department of Veteran Affairs has begun the expansion and increased  
11 occupancy project of the Veterans Home of California – Lancaster facility owned by the State  
12 of California by and on behalf of the California Department of Veterans Affairs. The  
13 California Department of Veterans Affairs fully expects that it will be able to purchase up to an  
14 additional 40 acre-feet per Year for use at this facility from District No. 40.

15 **5.1.6 Non-Overlying Production Rights.** The Parties listed in Exhibit  
16 3 have Production Rights in the amounts listed in Exhibit 3. Exhibit 3 is attached hereto, and  
17 incorporated herein by reference. Non-Overlying Production Rights are subject to Pro-Rata  
18 Reduction or Increase only pursuant to Paragraph 18.5.10.

19 **5.1.7 City of Lancaster.** The City of Lancaster ("Lancaster") can  
20 Produce up to 500 acre-feet of Groundwater for reasonable and beneficial uses at its National  
21 Soccer Complex. Such production shall only be subject to Administrative Assessment and no  
22 other assessments. Lancaster will stop Producing Groundwater and will use Recycled Water  
23 supplied from District No. 40, when it becomes available, to meet the reasonable and beneficial  
24 water uses of the National Soccer Complex. Lancaster may continue to Produce up to 500  
25 acre- feet of Groundwater until Recycled Water becomes available to serve the reasonable and  
26 Beneficial water uses of the National Soccer Complex. Nothing in this paragraph shall be  
27 construed as requiring Lancaster to have any responsibility for constructing, or in any way  
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1 contributing to the cost of, any infrastructure necessary to deliver Recycled Water to the  
2 National Soccer Complex.

3 **5.1.8 Antelope Valley Joint Union High School District.** Antelope  
4 Valley Joint Union High School District is a public school entity duly organized and existing  
5 under the laws of the State of California. In addition to the amounts allocated to Antelope  
6 Valley Joint Union High School District (“AVJUHSD”) and pursuant to Exhibit 4, AVJUHSD  
7 can additionally produce up to 29 acre-feet of Groundwater for reasonable and beneficial uses  
8 on its athletic fields and other public spaces. When recycled water becomes available to  
9 Quartz Hill High School (located at 6040 West Avenue L, Quartz Hill, CA 93535) which is a  
10 site that is part of AVJUHSD, at a price equal to or less than the lowest cost of any of the  
11 following: Replacement Obligation, Replacement Water, or other water that is delivered to  
12 AVJUHSD at Quartz Hill High School, AVJUHSD will stop producing the 29 acre-feet of  
13 Groundwater allocated to it and use recycled water as a replacement to its 29 acre-feet  
14 production. AVJUHSD retains its production rights and allocation pursuant to Exhibit 4 of this  
15 Judgment.

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

24 **5.1.10 Production Rights Claimed by Parties Not Yet Identified at**  
25 **Entry of Judgment.** Any claim to a right to Produce Groundwater from the Basin by a Party  
26 Not Yet Identified at Entry of Judgment shall be subject to procedural or legal objection by any  
27 Party. Should the Court, after taking evidence, rule that a Party Not Yet Identified at Entry of  
28 Judgment has a Production Right, the Party Not Yet Identified at Entry of Judgment shall be

1 subject to all provisions of this Judgment, including reduction in Production necessary to  
2 implement the Physical Solution and the requirements to pay assessments. Any Production  
3 Rights granted by the Court pursuant to this paragraph shall reduce pro rata the Production  
4 Rights of all Producers except the Production Rights of the United States, the Production  
5 Rights of the State of California, the Production Rights of the Public Water Suppliers as set  
6 forth in Exhibit 3 only, the Production Rights of the Small Pumper Class of 3806.4 acre feet  
7 per Year, and the exercised Domestic Use Production Rights of the Nonpumper Class.

8 **5.2 Rights to Imported Water Return Flows.**

9 **5.2.1 Rights to Imported Water Return Flows.** Return Flows from  
10 Imported Water used within the Basin which net augment the Basin Groundwater supply are  
11 not a part of the Native Safe Yield. Subject to review pursuant to Paragraph 18.5.11, Imported  
12 Water Return Flows from Agricultural Imported Water use are 34% and Imported Water  
13 Return Flows from Municipal and Industrial Imported Water use are 39% of the amount of  
14 Imported Water used.

15 **5.2.2 Water Imported Through AVEK.** The right to Produce  
16 Imported Water Return Flows from water imported through AVEK belongs to the Parties  
17 identified on Exhibit 8 (Amended), including Non-Pumper Class Members, who pay a  
18 Replacement Water Assessment. Each Party, other than Non-Pumper Class Members, shown on  
19 Exhibit 8 (Amended) shall have a right to Produce an amount of Imported Water Return Flows  
20 in any Year equal to the applicable percentage multiplied by the average amount of Imported  
21 Water used by that Party within the Basin in the preceding five Year period (not including  
22 Imported Stored Water in the Basin). Non-Pumper Class Members shall have a right to  
23 Produce an amount of Imported Water Return Flows in any Year equal to the applicable  
24 percentage multiplied by the amount of Imported Water used by the Non-Pumper Class  
25 Member in the preceding Year. Any Party that uses Imported Water on lands outside the Basin  
26 but within the watershed of the Basin shall be entitled to Produce Imported Water Return Flows  
27 to the extent such Party establishes to the satisfaction of the Watermaster the amount that its  
28 Imported Water Return Flows augment the Basin Groundwater supply. This right shall be in

1 addition to that Party's Overlying or Non-Overlying Production Right. Production of Imported  
2 Water Return Flows is not subject to the Replacement Water Assessment. All Imported Water  
3 Return Flows from water imported through AVEK and not allocated to Parties identified in  
4 Exhibit 8 (Amended), including Non-Pumper Class Members, who pay a Replacement Water  
5 Assessment belong exclusively to AVEK, unless otherwise agreed by AVEK.

6 **5.2.3 Water Not Imported Through AVEK.** After entry of this  
7 Judgment, a Party other than AVEK that brings Imported Water into the Basin from a source  
8 other than AVEK shall notify the Watermaster each Year quantifying the amount and uses of  
9 the Imported Water in the prior Year. The Party bringing such Imported Water into the Basin  
10 shall have a right to Produce an amount of Imported Water Return Flows in any Year equal to  
11 the applicable percentage set forth above multiplied by either the average annual amount of  
12 Imported Water used by that Party within the Basin in the preceding five Year period (not  
13 including Imported Stored Water in the Basin) or the amount of Imported Water used by the  
14 Non-Pumper Class Member in the preceding Year.

15 **5.3 Rights to Recycled Water.** The owner of a waste water treatment plant  
16 operated for the purpose of treating wastes from a sanitary sewer system shall hold the  
17 exclusive right to the Recycled Water as against anyone who has supplied the water discharged  
18 into the waste water collection and treatment system. At the time of this Judgment those  
19 Parties that produce Recycled Water are Los Angeles County Sanitation Districts No. 14 and  
20 No. 20, Rosamond Community Services District, and Edwards Air Force Base. Nothing in this  
21 Judgment affects or impairs this ownership or any existing or future agreements for the use of  
22 Recycled Water within the Basin.

23 **6. INJUNCTION**

24 **6.1 Injunction Against Unauthorized Production.** Each and every Party, its  
25 officers, directors, agents, employees, successors, and assigns, except for the United States, is  
26 ENJOINED AND RESTRAINED from Producing Groundwater from the Basin except  
27 pursuant to this Judgment. Without waiving or foreclosing any arguments or defenses it might  
28 have, the United States agrees that nothing herein prevents or precludes the Watermaster or any

1 Party from seeking to enjoin the United States from Producing water in excess of its 7,600 acre-  
2 foot per Year Reserved Water Right if and to the extent the United States has not paid the  
3 Replacement Assessments for such excess Production or entered into written consent to the  
4 imposition of replacement Assessments as described in Paragraph 9.2.

5 **6.2 Injunction Re Change in Purpose of Use Without Notice to The**  
6 **Watermaster.** Each and every Party, its officers, directors, agents, employees, successors, and  
7 assigns, is ENJOINED AND RESTRAINED from changing its Purpose of Use of Groundwater  
8 at any time without notifying the Watermaster.

9 **6.3 Injunction Against Unauthorized Capture of Stored Water.** Each and  
10 every Party, its officers, directors, agents, employees, successors and assigns, is ENJOINED  
11 AND RESTRAINED from claiming any right to Produce the Stored Water that has been  
12 recharged in the Basin, except pursuant to a Storage Agreement with the Watermaster, and as  
13 allowed by this Judgment, or pursuant to water banking operations in existence and operating at  
14 the time of this Judgment as identified in Paragraph 14. This Paragraph does not prohibit  
15 Parties from importing water into the Basin for direct use, or from Producing or using Imported  
16 Water Return Flows owned by such Parties pursuant to Paragraph 5.2.

17 **6.4 Injunction Against Transportation From Basin.** Except upon further  
18 order of the Court, each and every Party, its officers, agents, employees, successors and assigns,  
19 is ENJOINED AND RESTRAINED from transporting Groundwater hereafter Produced from  
20 the Basin to areas outside the Basin except as provided for by the following. The United States  
21 may transport water Produced pursuant to its Federal Reserved Water Right to any portion of  
22 Edwards Air Force Base, whether or not the location of use is within the Basin. This injunction  
23 does not prevent Saint Andrew's Abbey, Inc., U.S. Borax, and Tejon Ranchcorp/Tejon Ranch  
24 Company from conducting business operations on lands both inside and outside the Basin  
25 boundary, and transporting Groundwater Produced consistent with this Judgment for those  
26 operations and for use on those lands outside the Basin and within the watershed of the Basin as  
27 shown in Exhibit 9. However, Saint Andrew's Abbey, Inc., U.S. Borax, and Tejon  
28 Ranchcorp/Tejon Ranch Company shall provide a comprehensive report to the Watermaster  
evidencing any and all policies enforced by each of these Parties to prevent the transportation of

1 Groundwater Produced consistent with this Judgment outside the watershed of the Basin. Any  
2 Member of the Watermaster may challenge the sufficiency and/or efficacy of said policies and  
3 procedures by filing a Noticed Motion with Court. The Noticed Motion may seek appropriate  
4 remedies to ensure that Groundwater Produced from the Basin is not being transported outside  
5 the watershed by Saint Andrew's Abbey, Inc., U.S. Borax, and/or Tejon Ranchcorp/Tejon  
6 Ranch Company, up to and including a remedy of reducing the then-existing Production Right  
7 of Saint Andrew's Abbey, Inc., U.S. Borax, and/or Tejon Ranchcorp/Tejon Ranch Company.  
8 This injunction also does not apply to any California Aqueduct protection dewatering Produced  
9 by the California Department of Water Resources. This injunction does not apply to the  
10 recovery and use of stored Imported Water by any Party that stores Imported Water in the  
11 Basin pursuant to Paragraph 14 of this Judgment.

12 **6.4.1 Export by Phelan Piñon Hills Community Services Districts.**

13 **6.4.1.1** The injunction does not apply to any Groundwater  
14 Produced within the Basin by Phelan Piñon Hills Community Services District and delivered to  
15 its service areas, so long as the total Production does not exceed 1,200 acre-feet per Year, such  
16 water is available for Production without causing Material Injury, and the District pays a  
17 Replacement Water Assessment pursuant to Paragraph 9.2, together with any other costs  
18 deemed necessary to protect Production Rights decreed herein, on all water Produced and  
19 exported in this manner.

20 **6.5 Continuing Jurisdiction.** The Court retains and reserves full  
21 jurisdiction, power and authority for the purpose of enabling the Court, upon a motion of a  
22 Party or Parties noticed in accordance with the notice procedures of Paragraph 20.6 hereof, to  
23 make such further or supplemental order or directions as may be necessary or appropriate to  
24 interpret, modify, amend, enforce, administer or carry out this Judgment and to provide for  
25 such other matters as are not contemplated by this Judgment and which might occur in the  
26 future, and which if not provided for would defeat the purpose of this Judgment.

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1           **III.           PHYSICAL SOLUTION**

2                   **7.   GENERAL**

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

12                   **7.2 Need For Flexibility.** This Physical Solution must provide flexibility and  
13 adaptability to allow the Court to use existing and future technological, social, institutional, and  
14 economic options in order to maximize reasonable and beneficial water use in the Basin.

15                   **7.3 General Pattern of Operations.** A fundamental premise of the Physical  
16 Solution is that all Parties may Produce sufficient water to meet their reasonable and beneficial  
17 use requirements in accordance with the terms of this Judgment. To the extent that Production  
18 by a Producer exceeds such Producer's right to Produce a portion of the Total Safe Yield as  
19 provided in this Judgment, the Producer will pay a Replacement Water Assessment to the  
20 Watermaster and the Watermaster will provide Replacement Water to replace such excess  
21 production according to the methods set forth in this Judgment.

22                   **7.4 Water Rights.** A Physical Solution for the Basin based upon a  
23 declaration of water rights and a formula for allocation of rights and obligations is necessary to  
24 implement the mandate of Article X, section 2 of the California Constitution. The Physical  
25 Solution requires quantifying the Producers' rights within the Basin in a manner which will  
26 reasonably allocate the Native Safe Yield and Imported Water Return Flows and which will  
27 provide for sharing Imported Water costs, all subject to Pro Rata Reduction of certain  
28 Producers' Production Rights as set forth in this Judgment to accommodate the correlative rights

1 of the Non-Pumper Class and subject to the periodic Evaluation of Reasonable and Beneficial  
2 Use pursuant to Paragraph 18.5.11. Imported Water sources are or will be available in amounts  
3 which, when combined with water conservation, water reclamation, water transfers, and  
4 improved conveyance and distribution methods within the Basin, will be sufficient in quantity  
5 and quality to assure implementation of the Physical Solution. Sufficient information and data  
6 exists to allocate existing water supplies, taking into account water rights priorities, within the  
7 Basin and as among the Parties. The Physical Solution provides for delivery and equitable  
8 distribution of Imported Water to the Basin.

9 **8. RAMPDOWN**

10 **8.1 Installation of Meters.** Within two (2) Years from the entry of this  
11 Judgment all Parties shall install meters on their wells for monitoring Production. Each Party  
12 shall bear the cost of installing its meter(s).

13 **8.2 Rampdown Period.** The “Rampdown Period” is seven Years beginning  
14 on the January 1 following entry of this Judgment and continuing for the following seven (7)  
15 Years.

16 **8.3 Reduction of Production During Rampdown.** During the first two  
17 Years of the Rampdown Period no Producer will be subject to a Replacement Water  
18 Assessment. During Years three through seven of the Rampdown Period, the amount that each  
19 Party may Produce from the Native Safe Yield will be progressively reduced, as necessary, in  
20 equal annual increments, from its Pre-Rampdown Production to its Production Right. Except as  
21 is determined to be exempt during the Rampdown period pursuant to the Drought Program  
22 provided for in Paragraph 8.4, any amount Produced over the required reduction shall be  
23 subject to Replacement Water Assessment. The Federal Reserved Water Right is not subject to  
24 Rampdown.

25 **8.4 Drought Program During Rampdown for Participating Public**  
26 **Water Suppliers.** During the Rampdown period a drought water management program  
27 (“Drought Program”) will be implemented by District No. 40, Quartz Hill Water District,  
28 Littlerock Creek Irrigation District, California Water Service Company, Desert Lake



1 Community Services District, North Edwards Water District, City of Palmdale, and Palm  
2 Ranch Irrigation District, (collectively, "Drought Program Participants"), as follows:

3 **8.4.1** During the Rampdown period, District No. 40 agrees to purchase  
4 from AVEK each Year at an amount equal to 70 percent of District No. 40's total annual  
5 demand if that amount is available from AVEK at no more than the then current AVEK treated  
6 water rate. If that amount is not available from AVEK, District No. 40 will purchase as much  
7 water as AVEK makes available to District No. 40 at no more than the then current AVEK  
8 treated water rate. Under no circumstances will District No. 40 be obligated to purchase more  
9 than 50,000 acre-feet of water annually from AVEK. Nothing in this Paragraph affects  
10 AVEK's water allocation procedures as established by its Board of Directors and AVEK's Act.

11 **8.4.2** During the Rampdown period, the Drought Program Participants  
12 each agree that, in order to minimize the amount of excess Groundwater Production in the  
13 Basin, they will use all water made available by AVEK at no more than the then current AVEK  
14 treated water rate in any Year in which they Produce Groundwater in excess of their respective  
15 rights to Produce Groundwater under this Judgment. During the Rampdown period, no  
16 Production by a Drought Program Participant shall be considered excess Groundwater  
17 Production exempt from a Replacement Water Assessment under this Drought Program unless  
18 a Drought Program Participant has utilized all water supplies available to it including its  
19 Production Right to Native Safe Yield, Return Flow rights, unused Production allocation of the  
20 Federal Reserved Water Rights, Imported Water, and Production rights previously transferred  
21 from another party. Likewise, no Production by a Drought Program Participant will be  
22 considered excess Groundwater Production exempt from a Replacement Water Assessment  
23 under this Drought Program in any Year in which the Drought Program Participant has placed  
24 water from such sources described in this Paragraph 8.4.2 into storage or has transferred such  
25 water to another Person or entity.

26 **8.4.3** Notwithstanding the foregoing, the Drought Program Participants  
27 remain subject to the Material Injury limitation as provided in this Judgment.

28 **8.4.4** Notwithstanding the foregoing, the Drought Program Participants

1 remain subject to a Balance Assessment as provided in Paragraph 9.3 of this Judgment.

2 **9. ASSESSMENTS.**

3 **9.1 Administrative Assessment.** Administrative Assessments to fund the  
4 Administrative Budget adopted by the Watermaster shall be levied uniformly on an annual  
5 basis against (1) each acre foot of a Party's Production Right as described in Paragraph 5.1, (2)  
6 each acre foot of a Party's right to Produce Imported Water Return Flows as determined  
7 pursuant to paragraph 5.2, (3) each acre foot of a Party's Production for which a Replacement  
8 Water Assessment has been imposed pursuant to Paragraph 9.2, and (4) during the Rampdown,  
9 each acre foot of a Party's Production in excess of (1)-(3), above, excluding Production from  
10 Stored Water and/or Carry Over water, except that the United States shall be subject to the  
11 Administrative Assessment only on the actual Production of the United States. During the  
12 Rampdown the Administrative Assessment shall be no more than five (5) dollars per acre foot,  
13 or as ordered by the Court upon petition of the Watermaster. Overlying Production Rights  
14 holders using the unused Production allocation of the Federal Reserved Water Right shall be  
15 subject to Administrative Assessments on water the Overlying Production Rights holders  
16 Produce pursuant to Paragraph 5.1.4.1.

17 **9.2 Replacement Water Assessment.** In order to ensure that each Party may  
18 fully exercise its Production Right, there will be a Replacement Water Assessment. The  
19 Watermaster shall impose the Replacement Water Assessment on any Producer whose  
20 Production of Groundwater from the Basin in any Year is in excess of the sum of such  
21 Producer's Production Right and Imported Water Return Flow available in that Year, provided  
22 that no Replacement Water Assessment shall be imposed on the United States except upon the  
23 United States' written consent to such imposition based on the appropriation by Congress, and  
24 the apportionment by the Office of Management and Budget, of funds that are available for the  
25 purpose of, and sufficient for, paying the United States' Replacement Water Assessment. The  
26 Replacement Water Assessment shall not be imposed on the Production of Stored Water, In-  
27 Lieu Production or Production of Imported Water Return Flows. The amount of the  
28 Replacement Water Assessment shall be the amount of such excess Production multiplied by

1 the cost to the Watermaster of Replacement Water, including any Watermaster spreading costs.  
2 All Replacement Water Assessments collected by the Watermaster shall be used to acquire  
3 Imported Water from AVEK, Littlerock Creek Irrigation District, Palmdale Water District, or  
4 other entities. AVEK shall use its best efforts to acquire as much Imported Water as possible  
5 in a timely manner. If the Watermaster encounters delays in acquiring Imported Water which,  
6 due to cost increases, results in collected assessment proceeds being insufficient to purchase all  
7 Imported Water for which the Assessments were made, the Watermaster shall purchase as  
8 much water as the proceeds will allow when the water becomes available. If available  
9 Imported Water is insufficient to fully meet the Replacement Water obligations under contracts,  
10 the Watermaster shall allocate the Imported Water for delivery to areas on an equitable and  
11 practicable basis pursuant to the Watermaster rules and regulations.

12 **9.3 Balance Assessment.** In order to ensure that after Rampdown each Party  
13 may fully exercise its Production Right, there may be a Balance Assessment imposed by the  
14 Watermaster. The Balance Assessment shall be assessed on all Production Rights, excluding  
15 the United States' actual Production, but including that portion of the Federal Reserved Right  
16 Produced by other Parties, in an amount determined by the Watermaster. A Balance  
17 Assessment may not be imposed until after the end of the Rampdown. In determining whether  
18 to adopt a Balance Assessment, and in what amount, the Watermaster Engineer shall consider  
19 current Basin conditions as well as then-current pumping existing after Rampdown exclusive of  
20 any consideration of an effect on then-current Basin conditions relating to Production of  
21 Groundwater pursuant to the Drought Program which occurred during the Rampdown, and  
22 shall only assess a Balance Assessment or curtail a Party's Production under section 9.3.4  
23 below, to avoid or mitigate Material Injury that is caused by Production after the completion of  
24 the Rampdown.

25 **9.3.1** Any proceeds of the Balance Assessment will be used to  
26 purchase, deliver, produce in lieu, or arrange for alternative pumping sources of water in the  
27 Basin, but shall not include infrastructure costs.

28 **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

1 Party's avoided Production costs.

2                   **9.3.3** The Balance Assessment shall not be used to benefit the United  
3 States unless the United States participates in paying the Balance Assessment.

4                   **9.3.4** The Watermaster Engineer may curtail the exercise of a Party's  
5 Production Right under this Judgment, except the United States' Production, if it is determined  
6 necessary to avoid or mitigate a Material Injury to the Basin and provided that the Watermaster  
7 provides an equivalent quantity of water to such Party as a substitute water supply, with such  
8 water paid for from the Balance Assessment proceeds.

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

11                   **10.1 Central Antelope Valley Subarea.** The Central Antelope Valley  
12 Subarea is the largest of the five Subareas and underlies Rosamond, Quartz Hill, Lancaster,  
13 Edwards AFB and much of Palmdale. This Subarea also contains the largest amount of  
14 remaining agricultural land use in the Basin. The distinctive geological features of the Central  
15 Antelope Valley Subarea are the presence of surficial playa and pluvial lake deposits; the  
16 widespread occurrence of thick, older pluvial lake bed deposits; and alluvial deposits from  
17 which Groundwater is produced above and below the lake bed deposits. The Central Antelope  
18 Valley Subarea is defined to be east of the largely buried ridge of older granitic and tertiary  
19 rocks exposed at Antelope Buttes and extending beyond Little Buttes and Tropic Hill. The  
20 Central Subarea is defined to be southwest and northeast of the extension of the Buttes Fault,  
21 and northwest of an unnamed fault historically identified from Groundwater level differences,  
22 as shown on Exhibit 10.

23                   **10.2 West Antelope Valley Subarea.** The West Antelope Valley Subarea is  
24 the second largest subarea. The area is characterized by a lack of surficial lake bed deposits,  
25 and little evidence of widespread subsurface lake beds, and thick alluvial deposits. The  
26 Western Antelope Valley Subarea is defined to be south of the Willow Springs-Cottonwood  
27 Fault and west of a largely buried ridge of older granitic and tertiary rocks that are exposed at  
28 Antelope Buttes and Little Buttes, and continue to Tropic Hill, as shown on Exhibit 10.

1                   **10.3 South East Subarea.** The South East Subarea is characterized by  
2 granitic buttes to the north, shallow granitic rocks in the southwest, and a lack of lake bed  
3 deposits. The South East Subarea is defined to encompass the remainder of the Basin from the  
4 unnamed fault between the Central and South East subareas, to the county-line boundary of the  
5 Basin. Notably, this area contains Littlerock and Big Rock creeks that emanate from the  
6 mountains to the south and discharge onto the valley floor.

7                   **10.4 Willow Springs Subarea.** The Willow Springs Subarea is separated  
8 from the West Antelope Subarea primarily because the Willow Springs fault shows some signs  
9 of recent movement and there is substantial Groundwater hydraulic separation between the two  
10 adjacent areas, suggesting that the fault significantly impedes Groundwater flow from the  
11 Willow Springs to the lower West Antelope Subarea. Otherwise, the Willow Springs Subarea  
12 is comparable in land use to the West Antelope Subarea, with some limited agricultural land  
13 use and no municipal development, as shown on Exhibit 10.

14                   **10.5 Rogers Lake Subarea.** The Rogers Lake Subarea is characterized by  
15 surficial pluvial Lake Thompson and playa deposits, and a narrow, fault-bound, central trough  
16 filled with alluvial deposits. The area is divided into north and south subareas on opposite  
17 sides of a buried ridge of granite rock in the north lake, as shown on Exhibit 10.

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

19                   **11.1 Notice of Increase of Production Under Federal Reserved Water**  
20 **Right.** After the date of entry of this Judgment, the United States shall provide the  
21 Watermaster with at least ninety (90) days advanced notice if Production by the United States  
22 is reasonably anticipated to increase more than 200 acre-feet per Year in a following 12 month  
23 period.

24                   **11.2 Water Substitution to Reduce Production by United States.** The  
25 United States agrees that maximizing Imported Water is essential to improving the Basin's  
26 health and agrees that its increased demand can be met by either increasing its Production or by  
27 accepting deliveries of Imported Water of sufficient quality to meet the purpose of its Federal  
28 Reserved Water Right under the conditions provided for herein. Any Party may propose a

1 water substitution or replacement to the United States to secure a reduction in Groundwater  
2 Production by the United States. Such an arrangement would be at the United States' sole  
3 discretion and subject to applicable federal law, regulations and other requirements. If such a  
4 substitution or replacement arrangement is agreed upon, the United States shall reduce  
5 Production by the amount of Replacement Water provided to it, and the Party providing such  
6 substitution or replacement of water to the United States may Produce a corresponding amount  
7 of Native Safe Yield free from Replacement Water Assessment in addition to their Production  
8 Right.

9  
10 **12. MOVEMENT OF PUBLIC WATER SUPPLIERS PRODUCTION**

11 **FACILITIES.**

12 **12.1 No Requirement to Move Public Water Suppliers' Production Wells.**

13 One or more of the Public Water Suppliers intend to seek Federal or State legislation to pay for  
14 all costs related to moving the Public Water Suppliers Production wells to areas that will reduce  
15 the impact of Public Water Supplier Production on the United States' current Production wells.  
16 The Public Water Suppliers shall have no responsibility to move any Production wells until  
17 Federal or State legislation fully funding the costs of moving the wells is effective or until  
18 required to do so by order of this Court. The Court may only make such an order if it finds that  
19 the Public Water Supplier Production from those wells is causing Material Injury. The Court  
20 shall not impose the cost of moving the Public Water Supplier Production Facilities on any  
21 non-Public Water Supplier Party to this Judgment.

22 **13. FEDERAL APPROVAL.**

23 Nothing in this Judgment shall be interpreted or  
24 construed as a commitment or requirement that the United States obligate or pay funds in  
25 contravention of the Anti-Deficiency Act, 31 U.S.C. § 1341, or any other applicable provision  
26 of law. Nothing in this Judgment, specifically including Paragraphs 9.1, 9.2 and 9.3, shall be  
27 construed to deprive any federal official of the authority to revise, amend, or promulgate  
28 regulations. Nothing in this Judgment shall be deemed to limit the authority of the executive  
branch to make recommendations to Congress on any particular piece of legislation. Nothing in  
this Judgment shall be construed to commit a federal official to expend federal funds not

1 appropriated by Congress. To the extent that the expenditure or advance of any money or the  
2 performance of any obligation of the United States under this Judgment is to be funded by  
3 appropriation of funds by Congress, the expenditure, advance, or performance shall be  
4 contingent upon the appropriation of funds by Congress that are available for this purpose and  
5 the apportionment of such funds by the Office of Management and Budget and certification by  
6 the appropriate Air Force official that funding is available for this purpose, and an affirmative  
7 obligation of the funds for payment made by the appropriate Air Force official. No breach of  
8 this Judgment shall result and no liability shall accrue to the United States in the event such  
9 funds are not appropriated or apportioned.

10 **14. STORAGE.** All Parties shall have the right to store water in the Basin  
11 pursuant to a Storage Agreement with the Watermaster. If Littlerock Creek Irrigation District  
12 or Palmdale Water District stores Imported Water in the Basin it shall not export from its  
13 service area that Stored Water. AVEK, Littlerock Creek Irrigation District or Palmdale Water  
14 District may enter into exchanges of their State Water Project “Table A” Amounts. Nothing in  
15 this Judgment limits or modifies operation of preexisting banking projects (including AVEK,  
16 District No. 40, Antelope Valley Water Storage LLC, Tejon Ranchcorp and Tejon Ranch  
17 Company, Sheep Creek Water Co., Rosamond Community Services District and Palmdale  
18 Water District) or performance of preexisting exchange agreements of the Parties. The  
19 Watermaster shall promptly enter into Storage Agreements with the Parties at their request.  
20 The Watermaster shall not enter into Storage Agreements with non-Parties unless such non-  
21 Parties become expressly subject to the provisions of this Judgment and the jurisdiction of the  
22 Court. Storage Agreements shall expressly preclude operations which will cause a Material  
23 Injury on any Producer. If, pursuant to a Storage Agreement, a Party has provided for pre-  
24 delivery or post-delivery of Replacement Water for the Party’s use, the Watermaster shall  
25 credit such water to the Party’s Replacement Water Obligation at the Party’s request. Any  
26 Stored Water that originated as State Water Project water imported by AVEK, Palmdale Water  
27 District or Littlerock Creek Irrigation District may be exported from the Basin for use in a  
28 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

1 includes land outside the Basin. AVEK may export any of its Stored State Project Water to any  
2 area outside its jurisdictional boundaries and the Basin provided that all water demands within  
3 AVEK's jurisdictional boundaries are met. Any Stored Water that originated as other Imported  
4 Water may be exported from the Basin, subject to a requirement that the Watermaster make a  
5 technical determination of the percentage of the Stored Water that is unrecoverable and that  
6 such unrecoverable Stored Water is dedicated to the Basin.

7 **15. CARRY OVER**

8 **15.1 In Lieu Production Right Carry Over.** Any Producer identified in  
9 Paragraph 5.1.1, 5.1.2, 5.1.5 and 5.1.6 can utilize In Lieu Production by purchasing Imported  
10 Water and foregoing Production of a corresponding amount of the annual Production of Native  
11 Safe Yield provided for in Paragraph 5 herein. In Lieu Production must result in a net  
12 reduction of annual Production from the Native Safe Yield in order to be entitled to the  
13 corresponding Carry Over benefits under this paragraph. In Lieu Production does not make  
14 additional water from the Native Safe Yield available to any other Producer. If a Producer  
15 foregoes pumping and uses Imported Water In Lieu of Production, the Producer may Carry  
16 Over its right to the unproduced portion of its Production Right for up to ten (10) Years. A  
17 Producer must Produce its full current Year's Production Right before any Carry Over water is  
18 Produced. Carry Over water will be Produced on a first-in, first-out basis. At the end of the  
19 Carry Over period, the Producer may enter into a Storage Agreement with the Watermaster to  
20 store unproduced portions, subject to terms and conditions in the Watermaster's discretion.  
21 Any such Storage Agreements shall expressly preclude operations, including the rate and  
22 amount of extraction, which will cause a Material Injury to another Producer or Party, any  
23 subarea or the Basin. If not converted to a Storage Agreement, Carry Over water not Produced  
24 by the end of the tenth Year reverts to the benefit of the Basin and the Producer no longer has a  
25 right to the Carry Over water. The Producer may transfer any Carry Over water or Carry Over  
26 water stored pursuant to a Storage Agreement.

27 **15.2 Imported Water Return Flow Carry Over.** If a Producer identified in  
28 Paragraph 5.1.1, 5.1.2, 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



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

13 **15.3 Production Right Carry Over.** If a Producer identified in Paragraph  
14 5.1.1, 5.1.2, 5.1.5 and 5.1.6 fails to Produce its full Production Right in any Year, the Producer  
15 may Carry Over its right to the unproduced portion of its Production Right for up to ten (10)  
16 Years. A Producer must Produce its full Production Right before any Carry Over water, or any  
17 other water, is Produced. Carry Over water will be Produced on a first-in, first-out basis. At  
18 the end of the Carry Over period, the Producer may enter into a Storage Agreement with the  
19 Watermaster to store unproduced portions, subject to terms and conditions in the Watermaster's  
20 discretion. Any such Storage Agreements shall expressly preclude operations, including the  
21 rate and amount of extraction, which will cause a Material Injury to another Producer or Party,  
22 any subarea or the Basin. If not converted to a Storage Agreement, Carry Over water not  
23 Produced by the end of the tenth Year reverts to the benefit of the Basin and the Producer no  
24 longer has a right to the Carry Over water. The Producer may transfer any Carry Over water or  
25 Carry Over water stored pursuant to a Storage Agreement.

26 **16. TRANSFERS.**

27 **16.1 When Transfers are Permitted.** Pursuant to terms and conditions to be  
28 set forth in the Watermaster rules and regulations, and except as otherwise provided in this  
Judgment, Parties may transfer all or any portion of their Production Right to another Party so

1 long as such transfer does not cause Material Injury. All transfers are subject to hydrologic  
2 review by the Watermaster Engineer. All transferees of water of transfers are subject to pro-rata  
3 reduction.

4 **16.2 Transfers to Non-Overlying Production Right Holders.** Overlying  
5 Production Rights that are transferred to Non-Overlying Production Right holders shall remain  
6 on Exhibit 4 (Amended) and be subject to adjustment as provided in Paragraphs 5.1.2.4 *et. seq.*,  
7 18.5.10, and 18.5.11, but may be used anywhere in the transferee's service area.

8 **16.3 Limitation on Transfers of Water by Antelope Valley United**  
9 **Mutuals Group.** After the date of this Judgment, any Overlying Production Rights pursuant  
10 to Paragraph 5.1.1, rights to Imported Water Return Flows pursuant to Paragraph 5.2, rights to  
11 Recycled Water pursuant to Paragraph 5.3 and Carry Over water pursuant to Paragraph 15  
12 (including any water banked pursuant to a Storage Agreement with the Watermaster) that are at  
13 any time held by any member of the Antelope Valley United Mutuals Group may only be  
14 transferred to or amongst other members of the Antelope Valley United Mutuals Group, except  
15 as provided in Paragraph 16.3.1. Transfers amongst members of the Antelope Valley United  
16 Mutuals Group shall be separately reported in the Annual Report of the Watermaster pursuant  
17 to Paragraphs 18.4.8 and 18.5.17. Transfers amongst members of the Antelope Valley United  
18 Mutuals Group shall not be deemed to constitute an abandonment of any member's non-  
19 transferred rights.

20 **16.3.1** Nothing in Paragraph 16.3 shall prevent Antelope Valley United  
21 Mutuals Group members from transferring Overlying Production Rights to Public Water  
22 Suppliers who assume service of an Antelope Valley United Mutuals Group member's  
23 shareholders.

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

1                   **17.1 Notice of New Well.** Any Party seeking to construct a new well in order  
2 to change the point of extraction for any Production Right to another point of extraction shall  
3 notify the Watermaster at least 90 days in advance of drilling any well of the location of the  
4 new point of extraction and the intended place of use of the water Produced.

5                   **17.2 Change in Point of Extraction by the United States.** The point(s) of  
6 extraction for the Federal Reserved Water Right may be changed, at the sole discretion of the  
7 United States, and not subject to the preceding limitation on Material Injury, to any point or  
8 points within the boundaries of Edwards Air Force Base or Plant 42. The point(s) of extraction  
9 for the Federal Reserved Water Right may be changed to points outside the boundaries of  
10 Edwards Air Force Base or Plant 42, provided such change in the point of extraction does not  
11 cause Material Injury. In exercising its discretion under this Paragraph 17.2, the United States  
12 shall consider information in its possession regarding the effect of Production from the intended  
13 new point of extraction on the Basin, and on other Producers. Any such change in point(s) of  
14 extraction shall be at the expense of the United States. Nothing in this Paragraph is intended to  
15 waive any monetary claim(s) another Party may have against the United States in federal court  
16 based upon any change in point of extraction by the United States.

17                   **18. WATERMASTER**

18                   **18.1 Appointment of Initial Watermaster.**

19                   **18.1.1 Appointment and Composition:** The Court hereby appoints a  
20 Watermaster. The Watermaster shall be a five (5) member board\*\*\* composed of one (1)  
21 representative each from AVEK and one (1) Public Water Supplier representative selected by  
22 District No. 40, Palmdale Water District, Quartz Hill Water District, Littlerock Creek Irrigation  
23 District, California Water Service Company, Desert Lake Community Services District, North  
24 Edwards Water District, City of Palmdale, City of Lancaster, Palm Ranch Irrigation District,  
25 and Rosamond Community Services District, and three (3) landowner Parties, composed of one  
26 (1) Member of the Non-Pumper Class, one (1) Member of the Small Pumper Class, and one (1)  
27 landowner selected by majority vote of the landowners identified on Exhibit 4 (or their  
28 successors in interest) based on their proportionate share of the total Production Rights

1 identified in Exhibit 4. The United States may also appoint a non-voting Department of  
2 Defense (DoD) Liaison to the Watermaster committee to represent DoD interests. Participation  
3 by the DoD Liaison shall be governed by Joint Ethics Regulation 3-201. The opinions or  
4 actions of the DoD liaison in participating in or contributing to Watermaster proceedings  
5 cannot bind DoD or any of its components.

6 **\*\*\*Alternative No. 3:** The Watermaster shall be independent and not a  
7 Party to this Judgment.

8 **18.1.2 Voting Protocol for Watermaster Actions:**

9 **18.1.2.1** The Watermaster shall make decisions by unanimous  
10 vote for the purpose of selecting or dismissing the Watermaster Engineer.

11 **18.1.2.2** The Watermaster shall determine by unanimous vote,  
12 after consultation with the Watermaster Engineer, the types of decisions that shall require  
13 unanimous vote and those that shall require only a simple majority vote.

14 **18.1.2.3** All decisions of the Watermaster, other than those  
15 specifically designated as being subject to a simple majority vote, shall be by a unanimous  
16 vote.

17 **18.1.2.4** All board members must be present to make any  
18 decision requiring a unanimous vote.

19 **18.1.3** In carrying out this appointment, the Watermaster shall  
20 segregate and separately exercise in all respects the Watermaster powers delegated by the Court  
21 under this Judgment. All funds received, held, and disbursed by the Watermaster shall be by  
22 way of separate Watermaster accounts, subject to separate accounting and auditing. Meetings  
23 and hearings held by the Watermaster shall be noticed and conducted separately.

24 **18.1.4** Pursuant to duly adopted Watermaster rules, Watermaster staff  
25 and administrative functions may be accomplished by AVEK, subject to strict time and cost  
26 accounting principles so that this Judgment does not subsidize, and is not subsidized by AVEK.

1                   **18.2 Standard of Performance.** The Watermaster shall carry out its duties,  
2 powers and responsibilities in an impartial manner without favor or prejudice to any Subarea,  
3 Producer, Party, or Purpose of Use.

4                   **18.3 Removal of Watermaster.** The Court retains and reserves full  
5 jurisdiction, power, and authority to remove any Watermaster for good cause and substitute a  
6 new Watermaster in its place, upon its own motion or upon motion of any Party in accordance  
7 with the notice and hearing procedures set forth in Paragraph 20.6. The Court shall find good  
8 cause for the removal of a Watermaster upon a showing that the Watermaster has: (1) failed to  
9 exercise its powers or perform its duties; (2) performed its powers in a biased manner; or (3)  
10 otherwise failed to act in the manner consistent with the provisions set forth in this Judgment or  
11 subsequent order of the Court.

12                   **18.4 Powers and Duties of the Watermaster.** Subject to the continuing  
13 supervision and control of the Court, the Watermaster shall have and may exercise the  
14 following express powers and duties, together with any specific powers and duties set forth  
15 elsewhere in this Judgment or ordered by the Court:

16                   **18.4.1 Selection of the Watermaster Engineer.** The Watermaster shall  
17 select the Watermaster Engineer with the advice of the Advisory Committee described in  
18 Paragraph 19.

19                   **18.4.2 Adoption of Rules and Regulations.** The Court may adopt  
20 appropriate rules and regulations prepared by the Watermaster Engineer and proposed by the  
21 Watermaster for conduct pursuant to this Judgment. Before proposing rules and regulations,  
22 the Watermaster shall hold a public hearing. Thirty (30) days prior to the date of the hearing,  
23 the Watermaster shall send to all Parties notice of the hearing and a copy of the proposed rules  
24 and regulations or amendments thereto. All Watermaster rules and regulations, and any  
25 amendments to the Watermaster rules and regulations, shall be consistent with this Judgment  
26 and are subject to approval by the Court, for cause shown, after consideration of the objections  
27 of any Party.  
28

1                   **18.4.3 Employment of Experts and Agents.** The Watermaster may  
2 employ such administrative personnel, engineering, legal, accounting, or other specialty  
3 services, and consulting assistants as appropriate in carrying out the terms of this Judgment.

4                   **18.4.4 Notice List.** The Watermaster shall maintain a current list of  
5 Producers to receive notice. The Producers have an affirmative obligation to provide the  
6 Watermaster with their current contact information. For Non-Pumper and Small Pumper Class  
7 Members, the Watermaster shall initially use the contact information contained in the list of  
8 Non-Pumper and Small Pumper Class Members filed with the Court.

9                   **18.4.5 Annual Administrative Budget.** The Watermaster shall prepare  
10 a proposed administrative budget for each Year. The Watermaster shall hold a public hearing  
11 regarding the proposed administrative budget and adopt an administrative budget. The  
12 administrative budget shall set forth budgeted items and Administrative Assessments in  
13 sufficient detail to show the allocation of the expense among the Producers. Following the  
14 adoption of the budget, the Watermaster may make expenditures within budgeted items in the  
15 exercise of powers herein granted, as a matter of course.

16                   **18.4.6 Investment of Funds.** The Watermaster may hold and invest  
17 any funds in investments authorized from time to time for public agencies in the State of  
18 California. All funds shall be held in separate accounts and not comingled with the  
19 Watermaster's personal funds.

20                   **18.4.7 Borrowing.** The Watermaster may borrow in anticipation of  
21 receipt of proceeds from any assessments authorized in Paragraph 9 in an amount not to exceed  
22 the annual amount of assessments.

23                   **18.4.8 Transfers.** On an annual basis, the Watermaster shall prepare  
24 and maintain a report or record of any transfer of Production Rights among Parties or  
25 Producers. Upon reasonable request, the Watermaster shall make such report or record  
26 available for inspection by any Party or Producer. A report or records of transfer of Production  
27 Rights under this Paragraph shall be considered a ministerial act.

28                   **18.4.9 Unauthorized Actions.** The Watermaster shall bring such  
action or motion as is necessary to enjoin any conduct prohibited by this Judgment.

1                                   **18.4.10 Meetings and Records.** Watermaster shall provide notice of  
2 and conduct all meetings and hearings in a manner consistent with the standards and timetables  
3 set forth in the Ralph M. Brown Act, Government Code sections 54950, et seq. Watermaster  
4 shall make its files and records available to any Person consistent with the standards and  
5 timetables set forth in the Public Records Act, Government Code sections 6200, et seq.

6                                   **18.4.11 Assessment Procedure.** Each Party and Producer hereto is  
7 ordered to pay the assessments authorized in Paragraph 9 of this Judgment, which shall be  
8 levied and collected in accordance with the procedures and schedules determined by the  
9 Watermaster. Any assessment which becomes delinquent, as defined by rules and regulations  
10 promulgated by the Watermaster shall bear interest at the then current real property tax  
11 delinquency rate for the county in which the property of the delinquent Party or Producer is  
12 located. The United States shall not be subject to payment of interest absent congressional  
13 waiver of immunity for the imposition of such interest. This interest rate shall apply to any  
14 said delinquent assessment from the due date thereof until paid. The delinquent assessment,  
15 together with interest thereon, costs of suit, attorneys fees and reasonable costs of collection,  
16 may be collected pursuant to (1) motion by the Watermaster giving notice to the delinquent  
17 Party or Producer only; (2) Order to Show Cause proceeding, or (3) such other lawful  
18 proceeding as may be instituted by the Watermaster or the Court. The United States shall not  
19 be subject to costs and fees absent congressional waiver of immunity for such costs and fees.  
20 The delinquent assessment shall constitute a lien on the property of the Party as of the same  
21 time and in the same manner as does the tax lien securing county property taxes. The property  
22 of the United States shall not be subject to any lien. The Watermaster shall annually certify a  
23 list of all such unpaid delinquent assessments. The Watermaster shall include the names of  
24 those Parties and Producers and the amounts of the liens in its list to the County Assessor's  
25 Office in the same manner and at the same time as it does its Administrative Assessments.  
26 Watermaster shall account for receipt of all collections of assessments collected pursuant to this  
27 Judgment, and shall pay such amounts collected pursuant to this Judgment to the Watermaster.  
28 The Watermaster shall also have the ability to seek to enjoin Production of those Parties or  
Producers, other than the United States, who do not pay assessments pursuant to this Judgment.

1                   **18.5 Watermaster Engineer.** The Watermaster Engineer shall have the  
2 following duties:

3                   **18.5.1 Monitoring of Safe Yield.** The Watermaster Engineer shall  
4 monitor all the Safe Yield components and include them in the annual report for Court  
5 approval. The annual report shall include all relevant data for the Basin.

6                   **18.5.2 Reduction in Groundwater Production.** The Watermaster  
7 Engineer shall ensure that reductions of Groundwater Production to the Native Safe Yield  
8 (Rampdown) and Pro Rata Reductions take place pursuant to the terms of this Judgment and  
9 any orders by the Court.

10                   **18.5.3 Determination of Replacement Obligations.** The Watermaster  
11 Engineer shall determine Replacement Obligations for each Producer, pursuant to the terms of  
12 this Judgment.

13                   **18.5.4 Balance Obligations.** The Watermaster Engineer shall  
14 determine Balance Assessment obligations for each Producer pursuant to the terms of this  
15 Judgment. In addition, the Watermaster Engineer shall determine the amount of water derived  
16 from the Balance Assessment that shall be allocated to any Producer to enable that Producer to  
17 fully exercise its Production Right.

18                   **18.5.5 Measuring Devices, Etc.** The Watermaster Engineer shall  
19 propose, and the Watermaster shall adopt and maintain, rules and regulations regarding  
20 determination of Production amounts and installation of individual water meters. The rules and  
21 regulations shall set forth approved devices or methods to measure or estimate Production.  
22 Producers who meter Production on the date of entry of this Judgment shall continue to meter  
23 Production. The Watermaster rules and regulations shall require Producers who do not meter  
24 Production on the effective date of entry of this Judgment to install water meters within two  
25 Years.

26                   **18.5.6 Hydrologic Data Collection.** The Watermaster Engineer shall  
27 (1) operate, and maintain such wells, measuring devices, and/or meters necessary to monitor  
28 stream flow, precipitation, Groundwater levels, and Basin Subareas, and (2) to obtain such  
other data as may be necessary to carry out this Judgment.



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

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

13                                   **18.5.9 Native Safe Yield.** Five (5) Years following the entry of this  
14 Judgment, and every fifth (5<sup>th</sup>) year thereafter, the Watermaster Engineer may recommend to  
15 the Court an increase or reduction of the Native Safe Yield. In the event the Watermaster  
16 Engineer recommends in its report to the Court that the Native Safe Yield be revised based on  
17 the best available science, the Court shall conduct a hearing regarding the recommendations and  
18 may order a change in Native Safe Yield. Watermaster shall give notice of the hearing  
19 pursuant to Paragraph 20.3.2. The most recent Native Safe Yield shall remain in effect until  
20 revised by Court order according to this paragraph. If the Court approves a reduction in the  
21 Native Safe Yield, it shall impose a Pro-Rata Reduction as set forth in Paragraph 18.5.10, such  
22 reduction to be implemented over a two (2) Year period. If the Court approves an increase in  
23 the Native Safe Yield, it shall impose a Pro-Rata Increase as set forth herein, such increase to  
24 be implemented immediately. Only the Court can change the Native Safe Yield.

25                                   **18.5.10 Change in Production Rights in Response to Change in**  
26 **Native Safe Yield.** In the event the Court changes the Native Safe Yield pursuant to Paragraph  
27 18.5.9, the increase or decrease will be allocated among the existing Producers listed on the  
28 Watermaster's most current Exhibit 4 (Amended), except that the Federal Reserved Water Right  
of the United States is not subject to any increase or decrease.

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**18.5.11 Evaluation of Reasonable and Beneficial Use.** Every Two (2)

Years following the Entry of this Judgment, the Watermaster Engineer may recommend to the Court that it finds that a Producer is not using Produced water in a reasonable and beneficial manner. In the event the Watermaster Engineer recommends in a report to the Court that a Producer is not using the Produced water in a reasonable and beneficial manner, the Court shall conduct a hearing regarding the recommendation and may order the Producer to put the produced water to a reasonable and beneficial use. Watermaster shall give notice of the hearing pursuant to Paragraph 20.3.2. If the Court orders a Producer to change the manner of use of Produced water, the Producer shall implement the change in use within the time period specified by the Court. If the Producer does not implement the change in use within the time period specified by the Court, the Court may decree that the Production Right of the Producer be reduced by the amount of the use that is found to not be reasonable and beneficial. If the Court reduces a Production Right, it shall allocate the water in accordance with the provisions of Paragraph 18.5.10, such allocation to be implemented immediately. Only the Court can reduce a Production Right pursuant to this provision.

**18.5.12 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

1 Court order according to this Paragraph. If the Court approves a reduction in the Imported  
2 Water Return Flow percentages, such reduction shall be implemented over a seven (7) Year  
3 period. Only the Court can change the Imported Water Return Flow percentages.

4 **18.5.13 Production Reports.** The Watermaster Engineer shall require  
5 each Producer to file an annual Production report with the Watermaster. Producers shall  
6 prepare the Production reports in a form prescribed by the rules and regulations. The  
7 Production reports shall state the total Production for the reporting Producer, including  
8 Production per well, rounded off to the nearest tenth of an acre foot for each reporting period.  
9 The Production reports shall include such additional information and supporting documentation  
10 as the rules and regulations may reasonably require.

11 **18.5.14 New Production Application Procedure.** Any well to be used  
12 for New Production shall be subject to the applicable County Well Permit procedures then in  
13 effect in Kern County and in Los Angeles County. Any Party who obtains a permit to install a  
14 well to be used for New Production from Kern County or Los Angeles County shall provide a  
15 copy of the permit to the Watermaster Engineer within thirty (30) days of the issuance of the  
16 permit. The Watermaster Engineer may curtail the exercise of a Non-Pumper's Production  
17 Right under this Judgment if it is determined necessary to avoid or mitigate a Material Injury to  
18 the Basin and provided that the Watermaster provides an equivalent quantity of water to such  
19 Non-Pumper as a substitute water supply, with such water paid for from the Balance  
20 Assessment proceeds.

21 **18.5.15 Storage Agreements.** The Watermaster shall adopt  
22 uniformly applicable rules for Storage Agreements. The Watermaster Engineer shall calculate  
23 additions, extractions and losses of water stored under Storage Agreements and maintain an  
24 Annual account of all such water. Accounting done by the Watermaster Engineer under this  
25 Paragraph shall be considered ministerial.

26 **18.5.16 Diversion of Storm Flow.** No Party may undertake or cause  
27 the construction of any project within the Watershed of the Basin that will reduce the amount  
28 of storm flows that would otherwise enter the Basin and contribute to the Native Safe Yield,  
without prior notification to the Watermaster Engineer. The Watermaster Engineer may seek

1 an injunction or to otherwise impose restrictions or limitations on such project in order to  
2 prevent reduction to Native Safe Yield. The Party sought to be enjoined or otherwise restricted  
3 or limited is entitled to notice and an opportunity for the Party to respond prior to the  
4 imposition of any restriction or limitation. Any Person may take emergency action as may be  
5 necessary to protect the physical safety of its residents and personnel and its structures from  
6 flooding. Any such action shall be done in a manner that will minimize any reduction in the  
7 quantity of Storm Flows.

8 **18.5.17 Data, Estimates and Procedures.** The Watermaster  
9 Engineer shall rely on and use the best available science, records and data to support the  
10 implementation of this Judgment. Where actual records of data are not available, the  
11 Watermaster Engineer shall rely on and use sound scientific and engineering estimates. The  
12 Watermaster Engineer may use preliminary records of measurements, and, if revisions are  
13 subsequently made, may reflect such revisions in subsequent accounting.

14 **18.5.18 Filing of Annual Report.** The Watermaster Engineer shall  
15 prepare an Annual Report for filing with the Court not later than April 1 of each Year,  
16 beginning April 1 following the first full Year after entry of this Judgment. Prior to filing the  
17 Annual Report with the Court, Watermaster shall notify all Parties that a draft of the Annual  
18 Report is available for review by the Parties. Watermaster shall provide notice to all Parties of  
19 a public hearing to receive comments and recommendations for changes in the Annual Report.  
20 The public hearing shall be conducted pursuant to rules and regulations promulgated by the  
21 Watermaster. The notice of public hearing may include such summary of the draft Annual  
22 Report as Watermaster may deem appropriate. Watermaster shall distribute the Annual Report  
23 to any Parties requesting copies.

24 **18.5.19 Annual Report to Court.** The Annual Report shall include an  
25 Annual fiscal report of the preceding Year's operation; details regarding the operation of each  
26 of the Subareas; an audit of all Assessments and expenditures; and a review of Watermaster  
27 activities. The Annual Report shall include a compilation of at least the following:

28 **18.5.19.1** Replacement Obligations;

**18.5.19.2** Hydrologic Data Collection;

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- 18.5.19.3 Purchase and Recharge of Imported Water;
- 18.5.19.4 Notice List;
- 18.5.19.5 New Production Applications
- 18.5.19.6 Rules and Regulations;
- 18.5.19.7 Measuring Devices, etc;
- 18.5.19.8 Storage Agreements;
- 18.5.19.9 Annual Administrative Budget;
- 18.5.19.10 Transfers;
- 18.5.19.11 Production Reports;
- 18.5.19.12 Prior Year Report;
- 18.5.19.13 Amount of Stored Water owned by each Producer;
- 18.5.19.14 Amount of Stored Imported Water owned by each  
Producer;
- 18.5.19.15 Amount of unused Imported Water Return Flows  
owned by each Producer;
- 18.5.19.16 Amount of Carry Over Water owned by each  
Producer;
- 18.5.19.17 All changes in use;
- 18.5.19.18 Updated Exhibit 4 (Amended)

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

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

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1                                   **19. ADVISORY COMMITTEE**

2                                   **19.1 Authorization.** The Parties are authorized and directed to cause a  
3 committee of Party representatives to be organized and to act as an Advisory Committee.

4                                   **19.2 Compensation.** The Advisory Committee members shall serve without  
5 compensation.

6                                   **19.3 Powers and Functions.** The Advisory Committee shall act in an  
7 advisory capacity only and shall have the duty to study, review, and make recommendations on  
8 all discretionary determinations by Watermaster. Parties shall only provide input to the  
9 Watermaster through the Advisory Committee.

10                                   **19.4 Advisory Committee Meetings.** The Advisory Committee shall 1) meet  
11 on a regular basis; 2) review Watermaster’s activities pursuant to this Judgment on at least a  
12 semi-annual basis; and 3) receive and make advisory recommendations to Watermaster.  
13 Advisory Committee Meetings shall be open to all members of the public. Edwards Air Force  
14 Base and the State of California shall be ex officio members of the committee. The United  
15 States may also appoint a DoD Liaison to the Watermaster pursuant to Joint Ethics Regulation  
16 3-201.

17                                   **19.5 Subarea Advisory Management Committees.** Subarea Advisory  
18 Management Committees will meet on a regular basis and at least semi-annually with the  
19 Watermaster Engineer to review Watermaster activities pursuant to this Judgment and to submit  
20 advisory recommendations.

21                                   **19.5.1 Authorization.** The Parties in each of the five Management  
22 Subareas are hereby authorized and directed to cause committees of Party representatives to be  
23 organized and to act as Subarea Management Advisory Committees.

24                                   **19.5.2 Composition and Election.** Each Management Subarea  
25 Management Advisory Committee shall consist of five (5) Persons who shall be called  
26 Management Advisors. In the election of Management Advisors, every Party shall be entitled  
27 to one vote. In any election of advisors, the candidates receiving the highest number of  
28 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

1 appointed by unanimous decision of the other four advisors to continue in office until the next  
2 scheduled election. Rules and regulations regarding organization, meetings and other activities  
3 shall be at the discretion of the individual Subarea Advisory Committees, except that all  
4 meetings of the committees shall be open to the public.

5 **19.5.3 Compensation.** The Subarea Management Advisory  
6 Committee shall serve without compensation.

7 **19.5.4 Powers and Functions.** The Subarea Management Advisory  
8 Committee for each subarea shall act in an advisory capacity only and shall have the duty to  
9 study, review and make recommendations on all discretionary determinations made or to be  
10 made hereunder by Watermaster Engineer which may affect that subarea.

11 **20. MISCELLANEOUS PROVISIONS.**

12 **20.1 Water Quality.** Nothing in this Judgment shall be interpreted as  
13 relieving any Producer of its responsibilities to comply with State or Federal laws for the  
14 protection of water quality or the provisions of any permits, standards, requirements, or orders  
15 promulgated thereunder.

16 **20.2 Actions Not Subject to CEQA Regulation.** Nothing in this Judgment  
17 or the Physical Solution, or in the implementation thereof, or the decisions of the Watermaster  
18 acting under the authority of this Judgment shall be deemed a "project" subject to the California  
19 Environmental Quality Act (CEQA). See e.g., *California American Water v. City of Seaside*  
20 (2010) 183 Cal.App.4th 471, and *Hillside Memorial Park & Mortuary v. Golden State Water*  
21 *Co.* (2011) 205 Cal.App.4th 534. Neither the Watermaster, the Watermaster Engineer, the  
22 Advisory Committee, any Subarea Management Committee, nor any other Board or committee  
23 formed pursuant to the Physical Solution and under the authority of this Judgment shall be  
24 deemed a "public agency" subject to CEQA. (See Public Resources Code section 21063.)

25 **20.3 Court Review of Watermaster Actions.** Any action, decision, rule,  
26 regulation, or procedure of Watermaster or the Watermaster Engineer pursuant to this Judgment  
27 shall be subject to review by the Court on its own motion or on timely motion by any Party as  
28 follows:

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**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 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. A Party simultaneously may be a member of the Non-Pumper Class and hold an Overlying Production Right by virtue of owning land other than the parcel(s) meeting the Non-Pumper Class



1 definition. The Non-Pumper Class definition shall be construed in accordance with Paragraph  
2 3.5.22 and 3.5.24.

3           **20.5 Payment of Assessments.** Payment of assessments levied by  
4 Watermaster hereunder shall be made pursuant to the time schedule developed by the  
5 Watermaster, notwithstanding any motion for review of Watermaster actions, decisions, rules  
6 or procedures, including review of assessments implemented by the Watermaster.

7           **20.6 Designation of Address for Notice and Service.** Each Party shall  
8 designate a name and address to be used for purposes of all subsequent notices and service  
9 herein, either by its endorsement on this Judgment or by a separate designation to be filed  
10 within thirty (30) days after judgment has been entered. A Party may change its designation by  
11 filing a written notice of such change with Watermaster. A Party that desires to be relieved of  
12 receiving notices of Watermaster activity may file a waiver of notice in a form to be provided  
13 by Watermaster. At all times, Watermaster shall maintain a current list of Parties to whom  
14 notices are to be sent and their addresses for purpose of service. Watermaster shall also  
15 maintain a full current list of said names and addresses of all Parties or their successors, as filed  
16 herein. Watermaster shall make copies of such lists available to any requesting Person. If no  
17 designation is made, a Party's designee shall be deemed to be, in order of priority: (1) the  
18 Party's attorney of record; (2) if the Party does not have an attorney of record, the Party itself at  
19 the address on the Watermaster list; (3) for Non-Pumper and Small Pumper Class Members,  
20 after this Judgment is final, the individual Non-Pumper and Small Pumper Class Members at  
21 the service address maintained by the Watermaster.

22           **20.7 Service of Documents.** Unless otherwise ordered by the Court, delivery  
23 to or service to any Party by the Court or any Party of any document required to be served upon  
24 or delivered to a Party pursuant to this Judgment shall be deemed made if made by e-filing on  
25 the Court's website at [www.scefiling.org](http://www.scefiling.org). All Parties agree to waive service by mail if they  
26 receive notifications via electronic filing at the above identified website.

27           **20.8 No Abandonment of Rights.** In the interest of the Basin and its water  
28 supply, and the principle of reasonable and beneficial use, no Party shall be encouraged to  
Produce and use more water in any Year than is reasonably required. Failure to Produce all of

1 the Groundwater to which a Party is entitled shall not, in and of itself, be deemed or constitute  
2 an abandonment of such Party's right, in whole or in part, except as specified in Paragraph 15.

3           **20.9 Intervention After Judgment.** Any Person who is not a Party or  
4 successor to a Party and who proposes to Produce Groundwater from the Basin, to store water  
5 in the Basin, to acquire a Production Right or to otherwise take actions that may affect the  
6 Basin's Groundwater is required to seek to become a Party subject to this Judgment through a  
7 noticed motion to intervene in this Judgment prior to commencing Production. Prior to filing  
8 such a motion, a proposed intervenor shall consult with the Watermaster Engineer and seek the  
9 Watermaster's stipulation to the proposed intervention. A proposed intervenor's failure to  
10 consult with the Watermaster Engineer may be grounds for denying the intervention motion.  
11 Thereafter, if approved by the Court, such intervenor shall be a Party bound by this Judgment.

12           **20.10 Judgment Binding on Successors, etc.** Subject to specific provisions  
13 hereinbefore contained, this Judgment applies to and is binding upon, and inures to the benefit  
14 of the Parties to this Action and all their respective heirs, successors-in-interest and assigns.

15           **20.11 Costs.** Except subject to any existing court orders, each Party other than  
16 the Small Pumper Class and the Non-Pumper Class shall bear its own costs and attorneys' fees  
17 arising from the Action.

18           **20.12 Headings; Paragraph References.** Captions and headings appearing  
19 in this Judgment are inserted solely as reference aids for ease and convenience; they shall not  
20 be deemed to define or limit the scope or substance of the provisions they introduce, nor shall  
21 they be used in construing the intent or effect of such provisions.

22           **20.13 No Third Party Beneficiaries.** There are no intended third party  
23 beneficiaries of any right or obligation of the Parties.

24           **20.14 Severability.** The provisions of this Judgment are severable.

25           **20.15 Cooperation; Further Acts.** The Parties shall fully cooperate with one  
26 another, and shall take any additional acts or sign any additional documents as may be  
27 necessary, appropriate or convenient to attain the purposes of this Judgment.

28           **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

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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:

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JUDGE OF THE SUPERIOR COURT