

# **EXHIBIT B**

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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

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2 **Exhibits:**

3 **Exhibit 1: Listing of Parties Against Which a Default Judgment Has Been Entered.**

4 **Exhibit 2: Map of Area Adjudicated in This Action.**

5 **Exhibit 3 Amended: Non-Overlying Production Rights.**

6 **Exhibit 4 Amended: Overlying Production Rights**

7 **Exhibit 5: Phase 3 Trial Decision.**

8 **Exhibit 6: Map of boundaries of Edwards Air Force Base.**

9 **Exhibit 7: Map of boundaries of Air Force Plant 42.**

10 **Exhibit 8 Amended: Rights to Produce Imported Water Return Flows.**

11 **Exhibit 9: Map of the Watershed of the Basin.**

12 **Exhibit 10: Map of Subareas.**

13 **Appendices:**

14 ~~Appendix A: Non-Pumper Class Judgment.~~

15 ~~Appendix B: Non-Pumper Class Stipulation of Settlement.~~

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1 ~~A number of Parties have agreed and stipulated to entry of a Judgment consistent with the terms~~  
2 ~~of this Judgment and Physical Solution (hereafter “this Judgment”). The stipulations of the~~  
3 ~~Parties are conditioned upon further proceedings that will result in a Judgment binding all Parties~~  
4 ~~to the Action.~~

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

12 **I. DESCRIPTION OF LITIGATION**

13 **1. PROCEDURAL HISTORY**

14 **1.1 Initiation of Litigation.**

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

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

24 On January 25, 2001, Wm. Bolthouse Farms, Inc. (“Bolthouse”) filed a complaint

25  
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 in the same Court against the same entities, as well as Littlerock Creek Irrigation District and Los  
2 Angeles Waterworks Districts Nos. 37 and 40 (Case No. RIC 353840).

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

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

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

### 15 **1.2 General Adjudication Commenced.**

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

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

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



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

### 12 **1.3 Other Actions**

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

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

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

1 Class Counsel had secured the right to pump groundwater and maintained property values for the  
2 Willis Class.

3 On June 2, 2008, Richard A. Wood filed a class action complaint for himself and  
4 on behalf of a class of small property owners in this action (“Small Pumper Class”), *Wood v. Los*  
5 *Angeles Co. Waterworks Dist. 40, et al.*, (Case No.: BC 391869) through which he sought  
6 declaratory relief and money damages from various public entities. The Small Pumper Class  
7 was certified on September 2, 2008.

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

13 **1.4 McCarran Amendment Issues**

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

22 **1.5 Phased Trials**

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

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

28 Through the Phase 2 trial, the Court determined that all areas within the Basin are  
hydrologically connected and a single aquifer, and that there is sufficient hydraulic connection

1 between the disputed areas and the rest of the Basin such that the Court must include the disputed  
2 areas within the adjudication area. The Court further determined that it would be premature to  
3 make any determinations regarding, *inter alia*, claims that portions of the Basin should be treated  
4 as a separate area for management purposes. On November 6, 2008, the Court entered its Order  
5 after Phase Two Trial on Hydrologic Nature of Antelope Valley.

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

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

#### 14 **1.6 Defaults**

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

#### 23 **2. GENERAL ADJUDICATION DOES NOT APPLY TO SURFACE WATER.**

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

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 Court  
5 has jurisdiction over the subject matter and Parties herein to enter a Judgment declaring and  
6 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 Class  
11 and Small Pumper Class members and other Persons having or making claims have been or will  
12 be included as Parties to the Action. All named Parties who have not been dismissed have  
13 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 members  
16 of the Non-Pumper Class and the members of the Small Pumper Class. The Basin’s entire  
17 Groundwater supply and Groundwater rights, extending over approximately 1390 square miles,  
18 have been brought to issue. The numerous Groundwater rights at issue in the case include,  
19 without limitation, overlying, appropriative, prescriptive, and federal reserved water rights to  
20 Groundwater, rights to return flows from Imported Water, rights to recycled water, rights to  
21 stored Imported Water subject to the Watermaster rules and regulations, and rights to utilize the  
22 storage space within the Basin. After several months of trial, the Court made findings regarding  
23 Basin characteristics and determined the Basin’s Safe Yield. The Court’s rulings and judgments  
24 in this case, including the Safe Yield determination, form the basis for this Judgment.

25                   **3.4     Need for a Declaration of Rights and Obligations for a Physical**  
26 **Solution.**     A Physical Solution for the Basin, based on a declaration of water rights and a formula  
27 for allocation of rights and obligations, is necessary to implement the mandate of Article X,  
28 section 2 of the California Constitution and to protect the Basin and the Parties’ rights to the

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

16 **3.5** **Definitions.** As used in this Judgment, the following terms shall  
17 have the meanings set forth herein:

18 **3.5.1** **Action.** The coordinated and consolidated actions included in the  
19 Antelope Valley Groundwater Cases, Judicial Council Coordination Proceeding No. 4408, Santa  
20 Clara Superior Court Case No. 1-05-CV-049053.

21 **3.5.2** **Adjusted Native Safe Yield.** The Native Safe Yield minus (1)  
22 the Production Right allocated to the Small Pumper Class under Paragraph 5.1.3, (2) the Federal  
23 Reserved Water Right under Paragraph 5.1.4, and (3) the State of California Production Right  
24 under Paragraph 5.1.5. The Adjusted Native Safe Yield as of the date of entry of this Judgment  
25 is 70,686.6 acre-feet per year.

26 **3.5.3** **Administrative Assessment.** The amount charged by the  
27 Watermaster for the costs incurred by the Watermaster to administer this Judgment.

28 **3.5.4** **Annual Period.** The calendar Year.



1                   **3.5.9 Carry Over.** The right to Produce an unproduced portion of an  
2 annual Production Right or a Right to Imported Water Return Flows in a Year subsequent to the  
3 Year in which the Production Right or Right to Imported Water Return Flows was originally  
4 available.

5                   **3.5.10 Conjunctive Use.** A method of operation of a groundwater basin  
6 under which Imported Water is used or stored in the Basin in Years when it is available; allowing  
7 the Basin to refill, and more Groundwater is Produced in Years when Imported Water is less  
8 available.

9                   **3.5.11 Defaulting Party.** A Party who failed to file a responsive pleading  
10 and against which a default judgment has been entered. A list of Defaulting Parties is attached  
11 as Exhibit 1.

12                   **3.5.12 Drought Program.** The water management program in effect only  
13 during the Rampdown period affecting the operations and Replacement Water Assessments of  
14 the participating Public Water Suppliers.

15                   **3.5.13 Judgment.** A judgment, consistent with Cal.C.C.P. §§ 577 and  
16 1908(a)(1) and 43 U.S.C. § 666, determining all rights to Groundwater in the Basin, establishing  
17 a Physical Solution, and resolving all claims in the Action.

18                   **3.5.14 Groundwater.** Water beneath the surface of the ground and  
19 within the zone of saturation, excluding water flowing through known and definite channels.

20                   **3.5.15 Imported Water.** Water brought into the Basin from outside the  
21 watershed of the Basin as shown in Exhibit 9.

22                   **3.5.16 Imported Water Return Flows.** Imported Water that net  
23 augments the Basin Groundwater supply after use.

24                   **3.5.17 In Lieu Production.** The amount of Imported Water used by a  
25 Producer in a Year instead of Producing an equal amount of that Producer's Production Right.

26                   **3.5.18 Material Injury.** Material Injury means impacts to the Basin  
27 caused by pumping or storage of Groundwater that:  
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**3.5.18.1** Causes material physical harm to the Basin, any Subarea, or any Producer, Party or Production Right, including, but not limited to, Overdraft, degradation of water quality by introduction of contaminants to the aquifer by a Party and/or transmission of those introduced contaminants through the aquifer, liquefaction, land subsidence and other material physical injury caused by elevated or lowered Groundwater levels. Material physical harm does not include "economic injury" that results from other than direct physical causes, including any adverse effect on water rates, lease rates, or demand for water.

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

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

**3.5.20 New Production.** Any Production of Groundwater from the Basin ~~that has not of right under this Judgment, been exercised~~ as of the date of this Judgment.

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

**3.5.22 Non-Pumper Class.** All private (i.e., non-governmental) Persons and entities that own real property within the Basin, as adjudicated, that are not presently pumping water on their property and ~~did have~~ not ~~do done~~ so at any prior time ~~during the five Years preceding January 18, 2006.~~ The Non-Pumper Class includes the successors-in-interest by way of purchase, gift, inheritance, or otherwise of such Non-Pumper Class members' land within the Basin. The Non-Pumper Class excludes (1) all Persons to the extent their properties are connected to a municipal water system, public utility, or mutual water company from which they receive water service, (2) all properties that are listed as "improved" by the Los Angeles County or Kern County Assessor's offices, unless the owners of such properties declare under penalty of perjury that they do not pump and have never pumped water on those properties, ~~and (3) all~~ Persons to the extent they own properties within the Basin on which they have pumped water at any time; and (4) those who opted out of the Non-Pumper Class. The Non-Pumper Class does



1 not include landowners who have been individually named under the Public Water Suppliers'  
2 cross-complaint, unless such a landowner has opted into such class.

3 **3.5.23 Non-Pumper Class Judgment.** The ~~amended final~~Amended  
4 Final Judgment that settled the Non-Pumper Class claims against the Public Water Suppliers  
5 approved by the Court on September 22, 2011.

6 ~~3.5.24 Non-Stipulating Party. Any Party who had not executed a~~  
7 ~~Stipulation for Entry of this Judgment prior to the date of approval of this Judgment by the Court.~~

8 3.5.24 Non-Pumper Class Members. Individual members of the Non-  
9 Pumper Class who meet the Non-Pumper Class definition, and for purposes of this Judgment and  
10 any terms pertaining to water rights, where two or more Non-Pumper Class Members own a  
11 parcel in the Basin, they shall be treated as a single Non-Pumper Class Member for purposes of  
12 determining water rights.

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

17 **3.5.26 Overlying Production Rights.** The rights held by the Parties  
18 identified in Exhibit 4 (Amended), attached hereto and incorporated herein by reference, as well  
19 of the rights of the Non-Pumper Class.

20 **3.5.27 Party (Parties).** Any Person(s) that has (have) been named and  
21 served or otherwise properly joined, or has (have) become subject to this Judgment and any prior  
22 judgments of this Court in this Action and all their respective heirs, successors-in-interest and  
23 assigns. For purposes of this Judgment, a "Person" includes any natural person, firm, association,  
24 organization, joint venture, partnership, business, trust, corporation, ~~or~~ public entity. ~~\_\_\_\_\_~~,  
25 Small Class Pumper Member, and Non-Pumper Class Member.

26 **3.5.28 Pre-Rampdown Production.** The reasonable and beneficial use  
27 of Groundwater, excluding Imported Water Return Flows, at a time prior to this Judgment, or the  
28 Production Right, whichever is greater.

1                   **3.5.29 Produce(d).** To pump Groundwater for existing and future  
2 reasonable beneficial uses.

3                   **3.5.30 Producer(s).** A Party who Produces Groundwater.

4                   **3.5.31 Production.** Annual amount of Groundwater Produced, stated in  
5 acre-feet of water.

6                   **3.5.32 Production Right.** The amount of Native Safe Yield that may be  
7 Produced each Year free of any Replacement Water Assessment and Replacement Obligation.  
8 The total of the Production Rights decreed in this Judgment equals the Native Safe Yield-, but  
9 the amount of Production Right for any Party listed on Exhibit 4 (Amended) is not permanent.  
10 As Non-Pumper Class Members exercise their rights to a correlative share in the Native Safe  
11 Yield, the Production Rights listed on Exhibit 4 (Amended) will be reduced pro rata in accordance  
12 with Paragraph 5.1.2.4. A Production Right does not include any right to Imported Water Return  
13 Flows pursuant to Paragraph 5.2.

14                   **3.5.33 Pro-Rata Increase.** The proportionate increase in the amount of  
15 a Production Right, as provided in Paragraph 18.5.10, provided the total of all Production Rights  
16 does not exceed the Native Safe Yield.

17                   **3.5.34 Pro-Rata Reduction.** The proportionate reduction in the amount  
18 of a Production Right, as provided in ~~Paragraph~~Paragraphs 5.1.2.4 and 18.5.10, in order that the  
19 total of all Production Rights does not exceed the Native Safe Yield.

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

26                   **3.5.36 Purpose of Use.** The broad categories of type of water use  
27 including but not limited to domestic, municipal, irrigation, agricultural and industrial uses.  
28

1                   **3.5.37 Rampdown**. The period of time for Pre-Rampdown Production  
2 to be reduced to the Native Safe Yield in the manner described in this Judgment.

3                   **3.5.38 Recycled Water**. Water that, as a result of treatment of waste, is  
4 suitable for a direct beneficial use or a controlled use that would not otherwise occur and is  
5 therefore considered a valuable resource.

6                   **3.5.39 Replacement Obligation**. The obligation of a Producer to pay for  
7 Replacement Water for Production of Groundwater from the Basin in any Year in excess of the  
8 sum of such Producer's Production Right and Imported Water Return Flows.

9                   **3.5.40 Replacement Water**. Water purchased by the Watermaster or  
10 otherwise provided to satisfy a Replacement Obligation.

11                   **3.5.41 Replacement Water Assessment**. The amount charged by the  
12 Watermaster to pay for all costs incurred by the Watermaster related to Replacement Water.

13                   **3.5.42 Responsible Party**. The Person designated by a Party as the  
14 Person responsible for purposes of filing reports and receiving notices pursuant to the provisions  
15 of this Judgment.

16                   **3.5.43 Safe Yield**. The amount of annual extractions of water from the  
17 Basin over time equal to the amount of water needed to recharge the Groundwater aquifer and  
18 maintain it in equilibrium, plus any temporary surplus. [*City of Los Angeles v. City of San*  
19 *Fernando* (1975) 14 Cal. 3d 199, 278.]

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

1 Small Pumper Class.

2 **3.5.45 Small Pumper Class Members.** Individual members of the Small  
3 Pumper Class who meet the Small Pumper Class definition, and for purposes of this Judgment  
4 and any terms pertaining to water rights, where two or more Small Pumper Class Members reside  
5 in the same household, they shall be treated as a single Small Pumper Class Member for purposes  
6 of determining water rights.

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

14 **3.5.47 State Water Project.** Water storage and conveyance facilities  
15 operated by the State of California Department of Water Resources from which it delivers water  
16 diverted from the Feather River and the Sacramento-San Joaquin Delta via the California  
17 Aqueduct to public agencies it has contracted with.

18 ~~3.5.48 Stipulating Party. Any Party who has executed a Stipulation for~~  
19 ~~Entry of this Judgment prior to the date of approval of this Judgment by the Court.~~

20 ~~3.5.49 48 Stored Water.~~ Water held in storage in the Basin, as a result  
21 of direct spreading or other methods, for subsequent withdrawal and use pursuant to agreement  
22 with the Watermaster and as provided for in this Judgment. Stored Water does not include  
23 Imported Water Return Flows.

24 ~~3.5.5049 Subareas.~~ Portions of the Basin, as described in this document,  
25 divided for management purposes.

26 ~~3.5.5150 Total Safe Yield.~~ The amount of Groundwater that may be  
27 safely pumped from the Basin on a long-term basis. Total Safe Yield is the sum of the Native  
28 Safe Yield plus the Imported Water Return Flows.

1                    **3.5.5251 Watermaster.** The Person(s) appointed by the Court to  
2 administer the provisions of this Judgment.

3                    **3.5.5352 Watermaster Engineer.** The engineering or hydrology expert  
4 or firm retained by the Watermaster to perform engineering and technical analysis and water  
5 administration functions as provided for in this Judgment.

6                    **3.5.5453 District No. 40.** Los Angeles County Waterworks District No.  
7 40.                    **3.5.5554 Year.** Calendar year.

8                    **4.        SAFE YIELD AND OVERDRAFT**

9                    **4.1        Safe Yield:** The Native Safe Yield of the Basin is 82,300 acre-feet per  
10 Year. With the addition of Imported Water Return Flows, the Total Safe Yield is approximately  
11 110,000 acre-feet per Year, but will vary annually depending on the volume of Imported Water.

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

22                    **5.        PRODUCTION RIGHTS**

23                    **5.1        Allocation of Rights to Native Safe Yield.** Consistent with the goals of  
24 this Judgment and to maximize reasonable and beneficial use of the Groundwater of the Basin  
25 pursuant to Article X, section 2 of the California Constitution, all the ~~unexercised and exercised~~  
26 Production Rights established by this Judgment ~~are of equal priority, except the Federal Reserved~~  
27 ~~Water Right which is addressed shall be implemented in accordance with Paragraph 18.5.1.4, and~~  
28 ~~with the reservation of the Small Pumper Class Members' right to claim a priority under Water~~

1 Code section 10611 entitled Evaluation of Reasonable and Beneficial Use.

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

13                   **5.1.1.1** The Parties listed on Exhibit 4 (Amended) have the right  
14 to Produce Groundwater, on an annual basis, up to their Overlying Production Right set forth in  
15 Exhibit 4 (Amended) for each Party subject to Pro Rata Reduction for Non-Pumper Class  
16 Production pursuant to Paragraph 5.1.2.4 et. seq. and subject to Paragraph 18.5.11 regarding  
17 Evaluation of Reasonable and Beneficial Use. Each Party's Overlying Production Right is  
18 subject to the following conditions and limitations:

19                   **5.1.1.2** Pursuant to the terms of this Judgment, the Parties listed on  
20 Exhibit 4 (Amended) have the right to Produce their Overlying Production Right subject to Pro  
21 Rata Reduction for Non-Pumper Class Production pursuant to Paragraph 5.1.2.4 et. seq. and  
22 subject to Paragraph 18.5.11 regarding Evaluation of Reasonable and Beneficial Use for use on  
23 land they own or lease and without the need for Watermaster approval.

24                   **5.1.1.3** Overlying Production Rights may be transferred pursuant  
25 to the provisions of Paragraph 16 of this Judgment.

26                   **5.1.1.4** Overlying Production Rights are subject to Pro- Rata  
27 Reduction or Increase ~~only~~ pursuant to Paragraph 18.5.10, Pro Rata Reduction for Non-Pumper  
28 Class Production pursuant to Paragraph 5.1.2.4 et. seq., and subject to Paragraph 18.5.11  
regarding Evaluation of Reasonable and Beneficial Use.

1    **5.1.2 Non-Pumper Class Rights.** The Non-Pumper Class ~~members~~  
2 ~~claim the right to Produce Groundwater from~~ Members have a Production Right in the Native  
3 Safe Yield for reasonable and beneficial uses ~~on their overlying land as provided for~~ 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~~ Amended Final Judgment that  
6 settled the Non-Pumper Class’ claims against the Public Water Suppliers (“Non-Pumper Class  
7 Judgment”). ~~A copy of the Non-Pumper Class Judgment and the Non-Pumper Class Stipulation~~  
8 ~~of Settlement are attached for reference only as Appendices A and B.~~ This Judgment is consistent  
9 with the Non-Pumper Class ~~Stipulation of Settlement and Judgment.~~ Future Judgment. Defaults  
10 or default judgments entered against any Non-Pumper Class Member who did not opt out of the  
11 Non-Pumper Class are hereby deemed non-operative and vacated nunc pro tunc, but only with  
12 respect to their ownership of real property meeting the Non-Pumper Class definition. Production  
13 ~~by a member~~ Rights of Members of the Non-Pumper Class ~~is~~ are addressed ~~in the Physical~~  
14 ~~Solution~~ below.

15 \_\_\_\_\_ **5.1.2.1** ~~The Non Pumper Class members shall have no right to~~  
16 ~~transfer water pursuant to this Judgment.~~

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

24 \_\_\_\_\_ **5.1.2.2 Domestic Use.** Members of the Non-Pumper Class may  
25 pump from the Native Safe Yield up to 1.2 acre feet per Year\* for domestic use including other  
26 reasonable and beneficial use on the land overlying the well free of replacement assessment

1 (Domestic Use). Production Rights for Domestic Use shall be deemed reasonable and beneficial  
2 use and not subject to Paragraph 18.5.11.

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

8  
9 5.1.2.2.1 The Watermaster shall impose a Replacement Water  
10 Assessment on any Production in excess of 1.2 acre-feet per Year by a Non-Pumper Class  
11 Member who has been issued a permit for Domestic Use.

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

3 \*Alternative No. 1: Up to a cumulative permitted maximum amount of 5,160.5 acre-feet  
4 per Year. Once a collective maximum of 5,160.5 acre feet per Year been pumped by the  
5 Members of the Non-Pumper Class for Non Domestic Use, all subsequent Non Domestic  
6 Use pumping by the Member of the Non-Pumper Class shall be subject to the imposition  
7 of a Replacement Water Assessment.

8  
9 5.1.2.3.1 Any Production for Non Domestic Use that is in  
10 excess of one hundred fifty (150) acre-feet per Year by a Member of the Non-Pumper Class who  
11 is a 501(c) entity will be subject to the imposition of a Replacement Water Assessment.

12 5.1.2.3.2 Any Production for Non Domestic Use that is in  
13 excess of fifteen (15) acre-feet per Year by a Member of the Non-Pumper Class who is not a  
14 501(c) entity will be subject to the imposition of a Replacement Water Assessment.

15  
16 5.1.2.4 Effectuation of Pro Rata Reduction of Production Rights of  
17 Other Producers to Accommodate Non-Pumper Class Production. Any Production Right  
18 exercised by Non-Pumper Class Members from the Native Safe Yield in the amounts stated in  
19 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  
20 Producers\*\* except the Production Rights of the United States, the Production Rights of the State  
21 of California, the Production Rights of the Public Water Suppliers as set forth in Exhibit 3 only,  
22 the Production Rights of the Small Pumper Class of 3806.4 acre feet per Year, and the exercised  
23 Domestic Use Production Rights of the Nonpumper Class.

24  
25 \*Alternative No. 1: The maximum cumulative amount of Pro Rata Reduction created by  
26 reducing pro rata the Production Rights of all Producers except the Production Rights of  
27 the United States, the Production Rights of the State of California, the Production Rights  
28

1 of the Public Water Suppliers as set forth in Exhibit 3 only, the Production Rights of  
2 the Small Pumper Class of 3806.4 acre feet per Year, and the exercised Domestic Use  
3 Production Rights of the Nonpumper Class shall be 10,321 acre feet per Year.

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

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

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

23 **5.1.2.4.2** During any Year after the entry of this Judgment,  
24 any Production by a Non-Pumper Class Member pursuant to a well permit received by the  
25 Watermaster that would exceed the 1,000 acre feet per Year Reserve will not commence until the  
26 actual Pro Rata Reduction occurs on the following January 2.

28

1 5.1.2.5 Provisions Applicable to all Non-Pumper Class Post-  
2 Judgment Production. The following provisions shall be applicable to any Production by a  
3 Member of the Non-Pumper Class:

4 5.1.2.5.1 Each Non-Pumper Class Member who seeks to  
5 begin Post-Judgment Production must elect to be placed in either the Domestic Use category or  
6 Non Domestic Use category.

7 5.1.2.5.2 All Post Judgment Production by a Member of the  
8 Non-Pumper Class will be subject to the imposition of an Administrative Assessment pursuant to  
9 Paragraph 9.1 of this Judgment to the same extent as other Production.

10 5.1.2.5.3 If a parcel owned by a Non-Pumper Class  
11 Member on which Production is occurring is sold, the right to continue to Produce on that parcel  
12 shall transfer to the new owner of the parcel.

13 5.1.2.5.4 Prior to any Member of the Non-Pumper Class  
14 commencing Post-Judgment Production, such member shall install a water meter on the  
15 producing well as provided by Paragraph 18.5.5 of this Judgment.

16 5.1.2.5.5 Each Member of the Non-Pumping Class who  
17 Produces shall submit Production Reports as required by Paragraph 18.5.12 of this Judgment.

18 5.1.2.5.6 The Non-Pumper Class Members shall have the  
19 Right to Produce Imported Water Return Flows from Replacement Water Assessments paid by  
20 Non-Pumper Class Members.

21 5.1.2.5.7 The Watermaster Engineer may curtail the  
22 exercise of a Non-Pumper's Production Right under this Judgment if it is determined necessary  
23 to avoid or mitigate a Material Injury to the Basin and provided that the Watermaster provides  
24 an equivalent quantity of water to such Non-Pumper as a substitute water supply, with such water  
25 paid for from the Balance Assessment proceeds.



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

6 \_\_\_\_\_ **5.1.3.3** inspect the water meters and review any related reports.

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

16 **5.1.3.43** Defaults or default judgments entered against any Small  
17 Pumper Class Member who did not opt out of the Small Pumper Class are hereby deemed non-  
18 operative and vacated *nunc pro tunc*, but only with respect to their ownership of real property  
19 meeting the Small Pumper Class definition.

20 **5.1.3.54** The Small Pumper Class shall be permanently closed to  
21 new membership upon issuance by the Court of its order granting final approval of the Small  
22 Pumper Class Settlement (the "Class Closure Date"), after the provision of notice to the Class of  
23 the Class Closure Date. Any Person or entity that does not meet the Small Pumper Class  
24 definition prior to the Class Closure Date is not a Member of the Small Pumper Class. Similarly,  
25 any additional household constructed on a Small Pumper Class Member parcel after the Class  
26 Closure Date is not entitled to a Production Right as set forth in Paragraphs 5.1.3 and 5.1.3.1.

27 **5.1.3.65** Unknown Small Pumper Class Members are defined as:  
28 (1) those Persons or entities that are not identified on the list of known Small Pumper Class  
Members maintained by class counsel and supervised and controlled by the Court as of the Class

1 Closure Date; and (2) any unidentified households existing on a Small Pumper Class Member  
2 parcel prior to the Class Closure Date. Within ten (10) Court days of the Class Closure Date,  
3 class counsel for the Small Pumper Class shall publish to the Court website and file with the  
4 Court a list of the known Small Pumper Class Members.

5 **5.1.3.76** Given the limited number of additions to the Small  
6 Pumper Class during the more than five Years since the initial notice was provided to the Class,  
7 the Court finds that the number of potentially unknown Small Pumper Class Members and their  
8 associated water use is likely very low, and any Production by unknown Small Pumper Class  
9 Members is hereby deemed to be *de minimis* in the context of this Physical Solution and shall  
10 not alter the Production Rights decreed in this Judgment. However, whenever the identity of any  
11 unknown Small Pumper Class Member becomes known, that Small Pumper Class Member shall  
12 be bound by all provisions of this Judgment, including without limitation, the assessment  
13 obligations applicable to Small Pumper Class Members.

14 ~~5.1.3.8 In recognition of his service as class representative,~~  
15 ~~Richard Wood has a Production Right of up to five 5 acre feet per Year for reasonable and~~  
16 ~~beneficial use on his parcel free of Replacement Water Assessment. This Production Right shall~~  
17 ~~not be transferable and is otherwise subject to the provisions of this Judgment.~~

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

1 7,600 acre-feet in any given Year, the unused amount in any Year will be allocated in the  
2 following Year to the ~~Non~~-Overlying Production Rights holders, ~~except for Boron Community~~  
3 ~~Services District and West Valley County Water District, in the following Year,~~ in proportion to  
4 Production Rights ~~set forth in Exhibit 3-existence in that given Year.\*\*~~ This Production of  
5 unused Federal Reserved Water Right Production ~~does not increase any Non-Overlying~~  
6 ~~Production Right holder's decreed Non-Overlying Production Right amount or percentage, and~~  
7 does not affect the United States' ability to fully Produce its Federal Reserved Water Right as  
8 provided in Paragraph 5.1.4 in any subsequent Year. Upon entry of a judgment confirming its  
9 Federal Reserved Water Rights consistent with this Judgment, the United States waives any rights  
10 under State law to a correlative share of the Groundwater in the Basin underlying Edwards Air  
11 Force Base and Air Force Plant 42.

12 \*\*Alternative No. 2: In the event the United States does not Produce its entire

13 7,600 acre-feet in any given Year, the unused amount in any Year will be allocated

14 to the Non-Pumper Class Pool in the following Year. Pro Rata Reduction in the

15 Production Rights of Other Producers may not be necessary if the Unused Federal

16 Reserve Right is allocated in its entirety to a Non-Pumper Class Pool each Year.

17 Any groundwater in the Non-Pumper Class Pool each Year that is not Produced by

18 the Non-Pumper Members shall remain in the Basin for the benefit of the Basin.

20  
21 **5.1.4.2** The United States is not precluded from acquiring State  
22 law based Production Rights in excess of its Federal Reserved Water Right through the  
23 acquisition of Production Rights in the Basin.

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

1 All Production by the State of California shall also be subject to the Administrative Assessment  
2 and the Balance Assessment except in emergency situations as provided in Paragraph 5.1.5.4.3  
3 below. Any Production of Native Safe Yield pursuant to Paragraphs 5.1.5.3 and 5.1.5.4 below  
4 shall not reduce any other Party's Production Rights pursuant to this Judgment.

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

17 **5.1.5.2** The Production Rights are allocated as follows and may  
18 be exercised by the following nine (9) State agencies:

19 **5.1.5.2.1** The California Department of Water  
20 Resources-104 acre- feet per Year.

21 **5.1.5.2.2** The California Department of Parks and  
22 Recreation-9 acre-feet per Year.

23 **5.1.5.2.3** The California Department of  
24 Transportation -47 acre-feet per Year.

25 **5.1.5.2.4** The California State Lands Commission-3  
26 acre-feet per Year.

27 **5.1.5.2.5** The California Department of Corrections  
28 and Rehabilitation-3 acre-feet per Year.

**5.1.5.2.6** The 50th District Agricultural Association-



1 32 acre-feet per Year.

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

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

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

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

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

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

21 **5.1.5.4.2** California Department of Water Resources  
22 (DWR). In addition to its Production pursuant to Paragraphs 5.1.5.2.1 and 5.1.5.3 above, DWR  
23 may also pump Native Safe Yield from the area adjacent to and beneath the California Aqueduct  
24 and related facilities at a time and in an amount it determines is reasonably necessary to protect  
25 the physical integrity of the California Aqueduct and related facilities from high Groundwater.  
26 Further, notwithstanding provisions of this Judgment prohibiting the export of Native Safe Yield  
27 from the Basin, DWR may place the Native Safe Yield that it pumps for the protection of the  
28 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

1 into an agreement allowing AVEK to recapture the Native Safe Yield DWR puts into the  
2 California Aqueduct and return it to the Basin.

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

9 **5.1.5.4.4** ~~————~~The California Department of Veterans  
10 Affairs. 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 of  
12 California by and on behalf of the California Department of Veterans Affairs. The California  
13 Department of Veterans Affairs fully expects that it will be able to purchase up to an additional  
14 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 acre-  
25 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  
28

1 contributing to the cost of, any infrastructure necessary to deliver Recycled Water to the National  
2 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 Valley  
6 Joint Union High School District (“AVJUHSD”) and pursuant to Exhibit 4, AVJUHSD can  
7 additionally produce up to 29 acre-feet of Groundwater for reasonable and beneficial uses on its  
8 athletic fields and other public spaces. When recycled water becomes available to Quartz Hill  
9 High School (located at 6040 West Avenue L, Quartz Hill, CA 93535) which is a site that is part  
10 of AVJUHSD, at a price equal to or less than the lowest cost of any of the following: Replacement  
11 Obligation, Replacement Water, or other water that is delivered to AVJUHSD at Quartz Hill  
12 High School, AVJUHSD will stop producing the 29 acre-feet of Groundwater allocated to it and  
13 use recycled water as a replacement to its 29 acre-feet production. AVJUHSD retains its  
14 production rights and allocation pursuant to Exhibit 4 of this Judgment.

15 **5.1.9 Construction of Solar Power Facilities.** Any  
16 Party may Produce Groundwater in excess of its Production Right allocated to it in Exhibit 4 for  
17 the purpose of constructing a facility located on land overlying the Basin that will generate,  
18 distribute or store solar power through and including December 31, 2016 and shall not be charged  
19 a Replacement Water Assessment or incur a Replacement Obligation for such Production in  
20 excess of its Production Rights. Any amount of such production in excess of the Production  
21 Right through and including December 31, 2016 shall be reasonable to accomplish such  
22 construction but shall not exceed 500 acre-feet per Year for all Parties using such water.

23 **5.1.10 Production Rights Claimed by ~~Non-Stipulating~~**  
24 **Parties: Not Yet Identified at Entry of Judgment.** Any claim to a right to Produce  
25 Groundwater from the Basin by a ~~Non-Stipulating~~ Party Not Yet Identified at Entry of Judgment  
26 shall be subject to procedural or legal objection by any ~~Stipulating~~ Party. Should the Court,  
27 after taking evidence, rule that a ~~Non-Stipulating~~ Party Not Yet Identified at Entry of Judgment  
28 has a Production Right, the ~~Non-Stipulating~~ Party Not Yet Identified at Entry of Judgment shall

1 be subject to all provisions of this Judgment, including reduction in Production necessary to  
2 implement the Physical Solution and the requirements to pay assessments, ~~but shall not be~~  
3 ~~entitled to benefits provided by Stipulation, including but not limited to Carry Over pursuant to~~  
4 ~~Paragraph 15 and Transfers pursuant to Paragraph 16. If the total Production by Non-Stipulating~~  
5 ~~Parties is less than seven percent (7%) of the Native Safe Yield, such Production will be~~  
6 ~~addressed when Native Safe Yield is reviewed pursuant to Paragraph 18.5.9. If the total~~  
7 ~~Production by Non-Stipulating Parties is greater than seven percent (7%) of the Native Safe~~  
8 ~~Yield, the Watermaster shall determine whether Production by Non-Stipulating Parties would~~  
9 ~~cause Material Injury, in which case the Watermaster shall take action to mitigate the Material.~~  
10 ~~Any Production Rights granted by the Court pursuant to this paragraph shall reduce pro rata the~~  
11 ~~Production Rights of all Producers except the Production Rights of the United States, the~~  
12 ~~Production Rights of the State of California, the Production Rights of the Public Water Suppliers~~  
13 ~~as set forth in Exhibit 3 only, the Production Rights of the Small Pumper Class of 3806.4 acre~~  
14 ~~feet per Year, and the exercised Domestic Use Production Rights of the Nonpumper Class.~~  
15 ~~Injury, including, but not limited to, imposing a Balance Assessment, provided however, that the~~  
16 ~~Watermaster shall not recommend any changes to the allocations under Exhibits 3 and 4 prior to~~  
17 ~~the redetermination of Native Safe Yield pursuant to Paragraph 18.5.9. In all cases, however,~~  
18 ~~whenever the Watermaster re-determines the Native Safe Yield pursuant to Paragraph 18.5.9, the~~  
19 ~~Watermaster shall take action to prevent Native Safe Yield Production from exceeding the Native~~  
20 ~~Safe Yield on a long-term basis.~~

21 **5.2 Rights to Imported Water Return Flows.**

22 **5.2.1 Rights to Imported Water Return Flows.** Return Flows from  
23 Imported Water used within the Basin which net augment the Basin Groundwater supply are not  
24 a part of the Native Safe Yield. Subject to review pursuant to Paragraph 18.5.11, Imported Water  
25 Return Flows from Agricultural Imported Water use are 34% and Imported Water Return Flows  
26 from Municipal and Industrial Imported Water use are 39% of the amount of Imported Water  
27 used.  
28



1 other than AVEK shall notify the Watermaster each Year quantifying the amount and uses of the  
2 Imported Water in the prior Year. The Party bringing such Imported Water into the Basin shall  
3 have a right to Produce an amount of Imported Water Return Flows in any Year equal to the  
4 applicable percentage set forth above multiplied by either the average annual amount of Imported  
5 Water used by that Party within the Basin in the preceding five Year period (not including  
6 Imported Stored Water in the Basin); or the amount of Imported Water used by the Non-Pumper  
7 Class Member in the preceding Year.

8 **5.3 Rights to Recycled Water.** The owner of a waste water treatment plant  
9 operated for the purpose of treating wastes from a sanitary sewer system shall hold the exclusive  
10 right to the Recycled Water as against anyone who has supplied the water discharged into the  
11 waste water collection and treatment system. At the time of this Judgment those Parties that  
12 produce Recycled Water are Los Angeles County Sanitation Districts No. 14 and No. 20,  
13 Rosamond Community Services District, and Edwards Air Force Base. Nothing in this Judgment  
14 affects or impairs this ownership or any existing or future agreements for the use of Recycled  
15 Water within the Basin.

16 **6. INJUNCTION**

17 **6.1 Injunction Against Unauthorized Production.** Each and every Party, its  
18 officers, directors, agents, employees, successors, and assigns, except for the United States, is  
19 ENJOINED AND RESTRAINED from Producing Groundwater from the Basin except pursuant  
20 to this Judgment. Without waiving or foreclosing any arguments or defenses it might have, the  
21 United States agrees that nothing herein prevents or precludes the Watermaster or any Party from  
22 seeking to enjoin the United States from Producing water in excess of its 7,600 acre-foot per  
23 Year Reserved Water Right if and to the extent the United States has not paid the Replacement  
24 Assessments for such excess Production or entered into written consent to the imposition of  
25 replacement Assessments as described in Paragraph 9.2.

26 **6.2 Injunction Re Change in Purpose of Use Without Notice to The**  
27 **Watermaster.** Each and every Party, its officers, directors, agents, employees, successors, and  
28 assigns, is ENJOINED AND RESTRAINED from changing its Purpose of Use of Groundwater

1 at any time without notifying the Watermaster.

2           **6.3 Injunction Against Unauthorized Capture of Stored Water.** Each and  
3 every Party, its officers, directors, agents, employees, successors and assigns, is ENJOINED  
4 AND RESTRAINED from claiming any right to Produce the Stored Water that has been  
5 recharged in the Basin, except pursuant to a Storage Agreement with the Watermaster, and as  
6 allowed by this Judgment, or pursuant to water banking operations in existence and operating at  
7 the time of this Judgment as identified in Paragraph 14. This Paragraph does not prohibit Parties  
8 from importing water into the Basin for direct use, or from Producing or using Imported Water  
9 Return Flows owned by such Parties pursuant to Paragraph 5.2.

10           **6.4 Injunction Against Transportation From Basin.** Except upon further order  
11 of the Court, each and every Party, its officers, agents, employees, successors and assigns, is  
12 ENJOINED AND RESTRAINED from transporting Groundwater hereafter Produced from the  
13 Basin to areas outside the Basin except as provided for by the following. The United States may  
14 transport water Produced pursuant to its Federal Reserved Water Right to any portion of Edwards  
15 Air Force Base, whether or not the location of use is within the Basin. This injunction does not  
16 prevent Saint Andrew's Abbey, Inc., U.S. Borax, and Tejon Ranchcorp/Tejon Ranch Company  
17 from conducting business operations on lands both inside and outside the Basin boundary, and  
18 transporting Groundwater Produced consistent with this Judgment for those operations and for  
19 use on those lands outside the Basin and within the watershed of the Basin as shown in Exhibit  
20 9. However, Saint Andrew's Abbey, Inc., U.S. Borax, and Tejon Ranchcorp/Tejon Ranch  
21 Company shall provide a comprehensive report to the Watermaster evidencing any and all  
22 policies and procedures enforced by each of these Parties to prevent the transportation of  
23 Groundwater Produced consistent with this Judgment outside the watershed of the Basin. Any  
24 Member of the Watermaster may challenge the sufficiency and/or efficacy of said policies and  
25 procedures by filing a Noticed Motion with Court. The Noticed Motion may seek appropriate  
26 remedies to ensure that Groundwater Produced from the Basin is not being transported outside  
27 the watershed by Saint Andrew's Abbey, Inc., U.S. Borax, and/or Tejon Ranchcorp/Tejon Ranch  
28 Company, up to and including a remedy of reducing the then-existing Production Right of Saint  
Andrew's Abbey, Inc., U.S. Borax, and/or Tejon Ranchcorp/Tejon Ranch Company. This

1 injunction also does not apply to any California Aqueduct protection dewatering Produced by the  
2 California Department of Water Resources. This injunction does not apply to the recovery and  
3 use of stored Imported Water by any Party that stores Imported Water in the Basin pursuant to  
4 Paragraph 14 of this Judgment.

5 **6.4.1 Export by ~~Boron and~~ Phelan Piñon Hills Community Services**  
6 **Districts.**

7 ~~6.4.1.1 — The injunction does not prevent Boron Community~~  
8 ~~Services District from transporting Groundwater Produced consistent with this Judgment for use~~  
9 ~~outside the Basin, provided such water is delivered within its service area.~~

10 ~~6.4.1.2 —~~ The injunction does not apply to any Groundwater  
11 Produced within the Basin by Phelan Piñon Hills Community Services District and delivered to  
12 its service areas, so long as the total Production does not exceed 1,200 acre-feet per Year, such  
13 water is available for Production without causing Material Injury, and the District pays a  
14 Replacement Water Assessment pursuant to Paragraph 9.2, together with any other costs deemed  
15 necessary to protect Production Rights decreed herein, on all water Produced and exported in this  
16 manner.

17 **6.5 Continuing Jurisdiction.** The Court retains and reserves full jurisdiction,  
18 power and authority for the purpose of enabling the Court, upon a motion of a Party or Parties  
19 noticed in accordance with the notice procedures of Paragraph 20.6 hereof, to make such further  
20 or supplemental order or directions as may be necessary or appropriate to interpret, modify,  
21 amend, enforce, administer or carry out this Judgment and to provide for such other matters as  
22 are not contemplated by this Judgment and which might occur in the future, and which if not  
23 provided for would defeat the purpose of this Judgment.

24 **III. PHYSICAL SOLUTION**

25 **7. GENERAL**

26 **7.1 Purpose and Objective.** The Court finds that the Physical Solution  
27 incorporated as part of this Judgment: (1) is a fair and equitable basis for satisfaction of all water  
28 rights in the Basin; (2) is in furtherance of the State Constitution mandate and the State water



1 policy; and (3) takes into account water rights priorities, applicable public trust interests and the  
2 Federal Reserved Water Right. The Court finds that the Physical Solution establishes a legal and  
3 practical means for making the maximum reasonable and beneficial use of the waters of the Basin  
4 by providing for the long-term Conjunctive Use of all available water in order to meet the  
5 reasonable and beneficial use requirements of water users in the Basin. Therefore, the Court  
6 adopts, and orders the Parties to comply with this Physical Solution.

7 **7.2 Need For Flexibility.** This Physical Solution must provide flexibility and  
8 adaptability to allow the Court to use existing and future technological, social, institutional, and  
9 economic options in order to maximize reasonable and beneficial water use in the Basin.

10 **7.3 General Pattern of Operations.** A fundamental premise of the Physical  
11 Solution is that all Parties may Produce sufficient water to meet their reasonable and beneficial  
12 use requirements in accordance with the terms of this Judgment. To the extent that Production  
13 by a Producer exceeds such Producer's right to Produce a portion of the Total Safe Yield as  
14 provided in this Judgment, the Producer will pay a Replacement Water Assessment to the  
15 Watermaster and the Watermaster will provide Replacement Water to replace such excess  
16 production according to the methods set forth in this Judgment.

17 **7.4 Water Rights.** A Physical Solution for the Basin based upon a declaration  
18 of water rights and a formula for allocation of rights and obligations is necessary to implement  
19 the mandate of Article X, section 2 of the California Constitution. The Physical Solution requires  
20 quantifying the Producers' rights within the Basin in a manner which will reasonably allocate the  
21 Native Safe Yield and Imported Water Return Flows and which will provide for sharing Imported  
22 Water costs-, all subject to Pro Rata Reduction of certain Producers' Production Rights as set forth  
23 in this Judgment to accommodate the correlative rights of the Non-Pumper Class and subject to  
24 the periodic Evaluation of Reasonable and Beneficial Use pursuant to Paragraph 18.5.11.  
25 Imported Water sources are or will be available in amounts which, when combined with water  
26 conservation, water reclamation, water transfers, and improved conveyance and distribution  
27 methods within the Basin, will be sufficient in quantity and quality to assure implementation of  
28 the Physical Solution. Sufficient information and data exists to allocate existing water supplies,

1 taking into account water rights priorities, within the Basin and as among the ~~water users~~ Parties.  
2 The Physical Solution provides for delivery and equitable distribution of Imported Water to the  
3 Basin.

4 **8. RAMPDOWN**

5 **8.1 Installation of Meters.** Within two (2) Years from the entry of this  
6 Judgment all Parties ~~other than the Small Pumper Class~~ shall install meters on their wells for  
7 monitoring Production. Each Party shall bear the cost of installing its meter(s). ~~Monitoring or~~  
8 ~~metering of Production by the Small Pumper Class shall be at the discretion of the Watermaster,~~  
9 ~~subject to the provisions of Paragraph 5.1.3.2.~~

10 **8.2 Rampdown Period.** The “Rampdown Period” is seven Years beginning  
11 on the January 1 following entry of this Judgment and continuing for the following seven (7)  
12 Years.

13 **8.3 Reduction of Production During Rampdown.** During the first two  
14 Years of the Rampdown Period no Producer will be subject to a Replacement Water Assessment.  
15 During Years three through seven of the Rampdown Period, the amount that each Party may  
16 Produce from the Native Safe Yield will be progressively reduced, as necessary, in equal annual  
17 increments, from its Pre-Rampdown Production to its Production Right. Except as is determined  
18 to be exempt during the Rampdown period pursuant to the Drought Program provided for in  
19 Paragraph 8.4, any amount Produced over the required reduction shall be subject to Replacement  
20 Water Assessment. The Federal Reserved Water Right is not subject to Rampdown.

21 **8.4 Drought Program During Rampdown for Participating Public Water**  
22 **Suppliers.** During the Rampdown period a drought water management program (“Drought  
23 Program”) will be implemented by District No. 40, Quartz Hill Water District, Littlerock Creek  
24 Irrigation District, California Water Service Company, Desert Lake Community Services  
25 District, North Edwards Water District, City of Palmdale, and Palm Ranch Irrigation District,  
26 (collectively, “Drought Program Participants”), as follows:

27 **8.4.1** During the Rampdown period, District No. 40 agrees to purchase  
28 from AVEK each Year at an amount equal to 70 percent of District No. 40's total annual demand

1 if that amount is available from AVEK at no more than the then current AVEK treated water rate.  
2 If that amount is not available from AVEK, District No. 40 will purchase as much water as AVEK  
3 makes available to District No. 40 at no more than the then current AVEK treated water rate.  
4 Under no circumstances will District No. 40 be obligated to purchase more than 50,000 acre-feet  
5 of water annually from AVEK. Nothing in this Paragraph affects AVEK's water allocation  
6 procedures as established by its Board of Directors and AVEK's Act.

7 **8.4.2** During the Rampdown period, the Drought Program Participants  
8 each agree that, in order to minimize the amount of excess Groundwater Production in the Basin,  
9 they will use all water made available by AVEK at no more than the then current AVEK treated  
10 water rate in any Year in which they Produce Groundwater in excess of their respective rights to  
11 Produce Groundwater under this Judgment. During the Rampdown period, no Production by a  
12 Drought Program Participant shall be considered excess Groundwater Production exempt from a  
13 Replacement Water Assessment under this Drought Program unless a Drought Program  
14 Participant has utilized all water supplies available to it including its Production Right to Native  
15 Safe Yield, Return Flow rights, unused Production allocation of the Federal Reserved Water  
16 Rights, Imported Water, and Production rights previously transferred from another party.  
17 Likewise, no Production by a Drought Program Participant will be considered excess  
18 Groundwater Production exempt from a Replacement Water Assessment under this Drought  
19 Program in any Year in which the Drought Program Participant has placed water from such  
20 sources described in this Paragraph 8.4.2 into storage or has transferred such water to another  
21 Person or entity.

22 ~~8.4.3 During the Rampdown period, the Drought Program Participants~~  
23 ~~will be exempt from the requirement to pay a Replacement Water Assessment for Groundwater~~  
24 ~~Production in excess of their respective rights to Produce Groundwater under this Judgment up~~  
25 ~~to a total of 40,000 acre feet over the Rampdown Period with a maximum of 20,000 acre feet in~~  
26 ~~any single Year for District No. 40 and a total of 5,000 acre feet over the Rampdown Period for~~  
27 ~~all other Drought Program Participants combined. During any Year that excess Groundwater is~~  
28 ~~produced under this Drought Program, all Groundwater Production by the Drought Program~~  
~~Participants will be for the purpose of a direct delivery to customers served within their respective~~

1 ~~service areas and will not be transferred to other users within the Basin.~~

2 ~~8.4.4~~ 8.4.3 Notwithstanding the foregoing, the Drought  
3 Program Participants remain subject to the Material Injury limitation as provided in this  
4 Judgment.

5 8.4.54 Notwithstanding the foregoing, the Drought Program Participants  
6 remain subject to a Balance Assessment as provided in Paragraph 9.3 of this Judgment.

7 **9. ASSESSMENTS.**

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

22 **9.2 Replacement Water Assessment.** In order to ensure that each Party may  
23 fully exercise its Production Right, there will be a Replacement Water Assessment. ~~Except as is~~  
24 ~~determined to be exempt during the Rampdown period pursuant to the Drought Program provided~~  
25 ~~for in Paragraph 8.4, the~~The Watermaster shall impose the Replacement Water Assessment on  
26 any Producer whose Production of Groundwater from the Basin in any Year is in excess of the  
27 sum of such Producer's Production Right and Imported Water Return Flow available in that Year,  
28 provided that no Replacement Water Assessment shall be imposed on the United States except

1 upon the United States' written consent to such imposition based on the appropriation by  
2 Congress, and the apportionment by the Office of Management and Budget, of funds that are  
3 available for the purpose of, and sufficient for, paying the United States' Replacement Water  
4 Assessment. The Replacement Water Assessment shall not be imposed on the Production of  
5 Stored Water, In-Lieu Production or Production of Imported Water Return Flows. The amount  
6 of the Replacement Water Assessment shall be the amount of such excess Production multiplied  
7 by the cost to the Watermaster of Replacement Water, including any Watermaster spreading  
8 costs. All Replacement Water Assessments collected by the Watermaster shall be used to acquire  
9 Imported Water from AVEK, Littlerock Creek Irrigation District, Palmdale Water District, or  
10 other entities. AVEK shall use its best efforts to acquire as much Imported Water as possible in  
11 a timely manner. If the Watermaster encounters delays in acquiring Imported Water which, due  
12 to cost increases, results in collected assessment proceeds being insufficient to purchase all  
13 Imported Water for which the Assessments were made, the Watermaster shall purchase as much  
14 water as the proceeds will allow when the water becomes available. If available Imported Water  
15 is insufficient to fully meet the Replacement Water obligations under contracts, the Watermaster  
16 shall allocate the Imported Water for delivery to areas on an equitable and practicable basis  
17 pursuant to the Watermaster rules and regulations.

18 ~~9.2.1 The Non-Pumper Class Stipulation of Settlement, executed by its~~  
19 ~~signatories and approved by the Court in the Non-Pumper Class Judgment, specifically provides~~  
20 ~~for imposition of a Replacement Water Assessment on Non-Pumper Class members. This~~  
21 ~~judgment is consistent with the Non-Pumper Class Stipulation of Settlement and Judgment. The~~  
22 ~~Non-Pumper Class members specifically agreed to pay a replacement assessment if that member~~  
23 ~~produced "more than its annual share" of the Native Safe Yield less the amount of the Federal~~  
24 ~~Reserved Right. (See Appendix B at paragraph V., section D. Replacement Water.) In approving~~  
25 ~~the Non-Pumper Class Stipulation of Settlement this Court specifically held in its Order after~~  
26 ~~Hearing dated November 18, 2010, that "the court determination of physical solution cannot be~~  
27 ~~limited by the Class Settlement." The Court also held that the Non-Pumper Class Stipulation of~~  
28 ~~Settlement "may not affect parties who are not parties to the settlement."~~

~~9.2.2 Evidence presented to the Court demonstrates that Production by~~

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

1                   **9.3 Balance Assessment.** In order to ensure that after Rampdown each Party  
2 may fully exercise its Production Right, there may be a Balance Assessment imposed by the  
3 Watermaster. The Balance Assessment shall be assessed on all Production Rights, excluding the  
4 United States' actual Production, but including that portion of the Federal Reserved Right  
5 Produced by other Parties, in an amount determined by the Watermaster. A Balance Assessment  
6 may not be imposed until after the end of the Rampdown. In determining whether to adopt a  
7 Balance Assessment, and in what amount, the Watermaster Engineer shall consider current Basin  
8 conditions as well as then-current pumping existing after Rampdown exclusive of any  
9 consideration of an effect on then-current Basin conditions relating to Production of Groundwater  
10 pursuant to the Drought Program which occurred during the Rampdown, and shall only assess a  
11 Balance Assessment or curtail a Party's Production under section 9.3.4 below, to avoid or  
12 mitigate Material Injury that is caused by Production after the completion of the Rampdown.

13                   **9.3.1** Any proceeds of the Balance Assessment will be used to purchase,  
14 deliver, produce in lieu, or arrange for alternative pumping sources of water in the Basin, but  
15 shall not include infrastructure costs.

16                   **9.3.2** The Watermaster Engineer shall determine and collect from any  
17 Party receiving direct benefit of the Balance Assessment proceeds an amount equal to that Party's  
18 avoided Production costs.

19                   **9.3.3** The Balance Assessment shall not be used to benefit the United  
20 States unless the United States participates in paying the Balance Assessment.

21                   **9.3.4** The Watermaster Engineer may curtail the exercise of a Party's  
22 Production Right under this Judgment, except the United States' Production, if it is determined  
23 necessary to avoid or mitigate a Material Injury to the Basin and provided that the Watermaster  
24 provides an equivalent quantity of water to such Party as a substitute water supply, with such  
25 water paid for from the Balance Assessment proceeds.

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

28                   **10.1 Central Antelope Valley Subarea.** The Central Antelope Valley  
Subarea is the largest of the five Subareas and underlies Rosamond, Quartz Hill, Lancaster,

1 Edwards AFB and much of Palmdale. This Subarea also contains the largest amount of  
2 remaining agricultural land use in the Basin. The distinctive geological features of the Central  
3 Antelope Valley Subarea are the presence of surficial playa and pluvial lake deposits; the  
4 widespread occurrence of thick, older pluvial lake bed deposits; and alluvial deposits from which  
5 Groundwater is produced above and below the lake bed deposits. The Central Antelope Valley  
6 Subarea is defined to be east of the largely buried ridge of older granitic and tertiary rocks  
7 exposed at Antelope Buttes and extending beyond Little Buttes and Tropic Hill. The Central  
8 Subarea is defined to be southwest and northeast of the extension of the Buttes Fault, and  
9 northwest of an unnamed fault historically identified from Groundwater level differences, as  
10 shown on Exhibit 10.

11 **10.2 West Antelope Valley Subarea.** The West Antelope Valley Subarea is  
12 the second largest subarea. The area is characterized by a lack of surficial lake bed deposits, and  
13 little evidence of widespread subsurface lake beds, and thick alluvial deposits. The Western  
14 Antelope Valley Subarea is defined to be south of the Willow Springs-Cottonwood Fault and  
15 west of a largely buried ridge of older granitic and tertiary rocks that are exposed at Antelope  
16 Buttes and Little Buttes, and continue to Tropic Hill, as shown on Exhibit 10.

17 **10.3 South East Subarea.** The South East Subarea is characterized by granitic  
18 buttes to the north, shallow granitic rocks in the southwest, and a lack of lake bed deposits. The  
19 South East Subarea is defined to encompass the remainder of the Basin from the unnamed fault  
20 between the Central and South East subareas, to the county-line boundary of the Basin. Notably,  
21 this area contains Littlerock and Big Rock creeks that emanate from the mountains to the south  
22 and discharge onto the valley floor.

23 **10.4 Willow Springs Subarea.** The Willow Springs Subarea is separated from  
24 the West Antelope Subarea primarily because the Willow Springs fault shows some signs of  
25 recent movement and there is substantial Groundwater hydraulic separation between the two  
26 adjacent areas, suggesting that the fault significantly impedes Groundwater flow from the Willow  
27 Springs to the lower West Antelope Subarea. Otherwise, the Willow Springs Subarea is  
28 comparable in land use to the West Antelope Subarea, with some limited agricultural land use



1 and no municipal development, as shown on Exhibit 10.

2           **10.5 Rogers Lake Subarea.** The Rogers Lake Subarea is characterized by  
3 surficial pluvial Lake Thompson and playa deposits, and a narrow, fault-bound, central trough  
4 filled with alluvial deposits. The area is divided into north and south subareas on opposite sides  
5 of a buried ridge of granite rock in the north lake, as shown on Exhibit 10.

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

7           **11.1 Notice of Increase of Production Under Federal Reserved Water**  
8 **Right.** After the date of entry of this Judgment, the United States shall provide the Watermaster  
9 with at least ninety (90) days advanced notice if Production by the United States is reasonably  
10 anticipated to increase more than 200 acre-feet per Year in a following 12 month period.

11           **11.2 Water Substitution to Reduce Production by United States.** The  
12 United States agrees that maximizing Imported Water is essential to improving the Basin's health  
13 and agrees that its increased demand can be met by either increasing its Production or by  
14 accepting deliveries of Imported Water of sufficient quality to meet the purpose of its Federal  
15 Reserved Water Right under the conditions provided for herein. Any Party may propose a water  
16 substitution or replacement to the United States to secure a reduction in Groundwater Production  
17 by the United States. Such an arrangement would be at the United States' sole discretion and  
18 subject to applicable federal law, regulations and other requirements. If such a substitution or  
19 replacement arrangement is agreed upon, the United States shall reduce Production by the amount  
20 of Replacement Water provided to it, and the Party providing such substitution or replacement  
21 of water to the United States may Produce a corresponding amount of Native Safe Yield free  
22 from Replacement Water Assessment in addition to their Production Right.

23           **12. MOVEMENT OF PUBLIC WATER SUPPLIERS PRODUCTION**  
24 **FACILITIES.**

25           **12.1 No Requirement to Move Public Water Suppliers' Production Wells.**  
26 One or more of the Public Water Suppliers intend to seek Federal or State legislation to pay for  
27 all costs related to moving the Public Water Suppliers Production wells to areas that will reduce  
28

1 the impact of Public Water Supplier Production on the United States' current Production wells.  
2 The Public Water Suppliers shall have no responsibility to move any Production wells until  
3 Federal or State legislation fully funding the costs of moving the wells is effective or until  
4 required to do so by order of this Court ~~which order shall not be considered or made by this Court~~  
5 ~~until the seventeenth (17th) Year after entry of this Judgment.~~ The Court may only make such  
6 an order if it finds that the Public Water Supplier Production from those wells is causing Material  
7 Injury. The Court shall not impose the cost of moving the Public Water Supplier Production  
8 Facilities on any non-Public Water Supplier Party to this Judgment.

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

27 **14. STORAGE.** All Parties shall have the right to store water in the Basin pursuant  
28 to a Storage Agreement with the Watermaster. If Littlerock Creek Irrigation District or Palmdale  
Water District stores Imported Water in the Basin it shall not export from its service area that

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

## 23 **15. CARRY OVER**

24 **15.1 In Lieu Production Right Carry Over.** Any Producer identified in  
25 Paragraph 5.1.1, 5.1.2, 5.1.5 and 5.1.6 can utilize In Lieu Production by purchasing Imported  
26 Water and foregoing Production of a corresponding amount of the annual Production of Native  
27 Safe Yield provided for in Paragraph 5 herein. In Lieu Production must result in a net reduction  
28 of annual Production from the Native Safe Yield in order to be entitled to the corresponding  
Carry Over benefits under this paragraph. In Lieu Production does not make additional water

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

14 **15.2 Imported Water Return Flow Carry Over.** If a Producer identified in  
15 Paragraph 5.1.1, 5.1.2, 5.1.5 and 5.1.6 fails to Produce its full amount of Imported Water Return  
16 Flows in the Year following the Year in which the Imported Water was brought into the Basin,  
17 the Producer may Carry Over its right to the unproduced portion of its Imported Water Return  
18 Flows for up to ten (10) Years. A Producer must Produce its full Production Right before any  
19 Carry Over water, or any other water, is Produced. Carry Over water will be Produced on a first-  
20 in, first-out basis. At the end of the Carry Over period, the Producer may enter into a Storage  
21 Agreement with the Watermaster to store unproduced portions, subject to terms and conditions  
22 in the Watermaster's discretion. Any such Storage Agreements shall expressly preclude  
23 operations, including the rate and amount of extraction, which will cause a Material Injury to  
24 another Producer or Party, any subarea or the Basin. If not converted to a Storage Agreement,  
25 Carry Over water not Produced by the end of the tenth Year reverts to the benefit of the Basin  
26 and the Producer no longer has a right to the Carry Over water. The Producer may transfer any  
27 Carry Over water or Carry Over water stored pursuant to a Storage Agreement.

28 **15.3 Production Right Carry Over.** If a Producer identified in Paragraph  
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

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

12 **16. TRANSFERS.**

13 **16.1 When Transfers are Permitted.** Pursuant to terms and conditions to be  
14 set forth in the Watermaster rules and regulations, and except as otherwise provided in this  
15 Judgment, Parties may transfer all or any portion of their Production Right to another Party so  
16 long as such transfer does not cause Material Injury. All transfers are subject to hydrologic  
17 review by the Watermaster Engineer. All transferees of water transfers are subject to Pro-Rata  
18 Reduction as provided in Paragraphs 5.1.2.4 et. seq., 18.5.10, and 18.5.11, but may be used  
19 anywhere in the transferee's service area.

20 **16.2 Transfers to Non-Overlying Production Right Holders.** Overlying  
21 Production Rights that are transferred to Non-Overlying Production Right holders shall remain  
22 on Exhibit 4 (Amended) and be subject to adjustment as provided in Paragraph Paragraphs 5.1.2.4  
23 et. seq., 18.5.10, and 18.5.11, but may be used anywhere in the transferee's service area.

24 **16.3 Limitation on Transfers of Water by Antelope Valley United Mutuals**  
25 **Group.** After the date of this Judgment, any Overlying Production Rights pursuant to Paragraph  
26 5.1.1, rights to Imported Water Return Flows pursuant to Paragraph 5.2, rights to Recycled Water  
27 pursuant to Paragraph 5.3 and Carry Over water pursuant to Paragraph 15 (including any water  
28 banked pursuant to a Storage Agreement with the Watermaster) that are at any time held by any  
member of the Antelope Valley United Mutuals Group may only be transferred to or amongst

1 other members of the Antelope Valley United Mutuals Group, except as provided in Paragraph  
2 16.3.1. Transfers amongst members of the Antelope Valley United Mutuals Group shall be  
3 separately reported in the Annual Report of the Watermaster pursuant to Paragraphs 18.4.8 and  
4 18.5.17. Transfers amongst members of the Antelope Valley United Mutuals Group shall not be  
5 deemed to constitute an abandonment of any member's non-transferred rights.

6 **16.3.1** Nothing in Paragraph 16.3 shall prevent Antelope Valley United  
7 Mutuals Group members from transferring Overlying Production Rights to Public Water  
8 Suppliers who assume service of an Antelope Valley United Mutuals Group member's  
9 shareholders.

10 ~~16.4 Notwithstanding section 16.1, the Production Right of Boron~~  
11 ~~Community Services District shall not be transferable. If and when Boron Community Services~~  
12 ~~District permanently ceases all Production of Groundwater from the Basin, its Production Right~~  
13 ~~shall be allocated to the other holders of Non-Overlying Production Rights, except for West~~  
14 ~~Valley County Water District, in proportion to those rights.~~

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

20 **17.1 Notice of New Well.** Any Party seeking to construct a new well in order  
21 to change the point of extraction for any Production Right to another point of extraction shall  
22 notify the Watermaster at least 90 days in advance of drilling any well of the location of the new  
23 point of extraction and the intended place of use of the water Produced.

24 **17.2 Change in Point of Extraction by the United States.** The point(s) of  
25 extraction for the Federal Reserved Water Right may be changed, at the sole discretion of the  
26 United States, and not subject to the preceding limitation on Material Injury, to any point or  
27 points within the boundaries of Edwards Air Force Base or Plant 42. The point(s) of extraction  
28 for the Federal Reserved Water Right may be changed to points outside the boundaries of

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

8 **18. WATERMASTER**

9 **18.1 Appointment of Initial Watermaster.**

10 **18.1.1 Appointment and Composition:** The Court hereby appoints a  
11 Watermaster. The Watermaster shall be a five (5) member board\*\*\* composed of one (1)  
12 representative each from AVEK and ~~District No. 40, a second~~one (1) Public Water Supplier  
13 representative selected by District No. 40, Palmdale Water District, Quartz Hill Water District,  
14 Littlerock Creek Irrigation District, California Water Service Company, Desert Lake Community  
15 Services District, North Edwards Water District, City of Palmdale, City of Lancaster, Palm Ranch  
16 Irrigation District, and Rosamond Community Services District, and ~~two (2)~~three (3) landowner  
17 Parties, ~~exclusive~~composed of ~~public agencies and members~~one (1) Member of the Non-Pumper  
18 ~~and Class, one (1) Member of the Small Pumper Classes, Class, and one (1) landowner~~ selected by  
19 majority vote of the landowners identified on Exhibit 4 (or their successors in interest) based on  
20 their proportionate share of the total Production Rights identified in Exhibit 4. The United States  
21 may also appoint a non-voting Department of Defense (DoD) Liaison to the Watermaster  
22 committee to represent DoD interests. Participation by the DoD Liaison shall be governed by  
23 Joint Ethics Regulation 3-201. The opinions or actions of the DoD liaison in participating in or  
24 contributing to Watermaster proceedings cannot bind DoD or any of its components.

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

27 **18.1.2 Voting Protocol for Watermaster Actions:**

28 **18.1.2.1** The Watermaster shall make decisions by unanimous

1 vote for the purpose of selecting or dismissing the Watermaster Engineer.

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

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

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

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

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

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

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

28                   **18.4 Powers and Duties of the Watermaster.** Subject to the continuing



1 supervision and control of the Court, the Watermaster shall have and may exercise the following  
2 express powers and duties, together with any specific powers and duties set forth elsewhere in  
3 this Judgment or ordered by the Court:

4 **18.4.1 Selection of the Watermaster Engineer.** The Watermaster shall  
5 select the Watermaster Engineer with the advice of the Advisory Committee described in  
6 Paragraph 19.

7 **18.4.2 Adoption of Rules and Regulations.** The Court may adopt  
8 appropriate rules and regulations prepared by the Watermaster Engineer and proposed by the  
9 Watermaster for conduct pursuant to this Judgment. Before proposing rules and regulations, the  
10 Watermaster shall hold a public hearing. Thirty (30) days prior to the date of the hearing, the  
11 Watermaster shall send to all Parties notice of the hearing and a copy of the proposed rules and  
12 regulations or amendments thereto. All Watermaster rules and regulations, and any amendments  
13 to the Watermaster rules and regulations, shall be consistent with this Judgment and are subject  
14 to approval by the Court, for cause shown, after consideration of the objections of any Party.

15 **18.4.3 Employment of Experts and Agents.** The Watermaster may  
16 employ such administrative personnel, engineering, legal, accounting, or other specialty services,  
17 and consulting assistants as appropriate in carrying out the terms of this Judgment.

18 **18.4.4 Notice List.** The Watermaster shall maintain a current list of  
19 Parties to receive notice. The Parties have an affirmative obligation to provide the Watermaster  
20 with their current contact information. For Non-Pumper and Small Pumper Class Members, the  
21 Watermaster shall initially use the contact information contained in the list of Non-Pumper and  
22 Small Pumper Class ~~members~~Members filed with the Court ~~by class counsel~~.

23 **18.4.5 Annual Administrative Budget.** The Watermaster shall prepare  
24 a proposed administrative budget for each Year. The Watermaster shall hold a public hearing  
25 regarding the proposed administrative budget and adopt an administrative budget. The  
26 administrative budget shall set forth budgeted items and Administrative Assessments in sufficient  
27 detail to show the allocation of the expense among the Producers. Following the adoption of the  
28 budget, the Watermaster may make expenditures within budgeted items in the exercise of powers  
herein granted, as a matter of course.

1                   **18.4.6 Investment of Funds.** The Watermaster may hold and invest any  
2 funds in investments authorized from time to time for public agencies in the State of California.  
3 All funds shall be held in separate accounts and not comingled with the Watermaster’s personal  
4 funds.

5                   **18.4.7 Borrowing.** The Watermaster may borrow in anticipation of  
6 receipt of proceeds from any assessments authorized in Paragraph 9 in an amount not to exceed  
7 the annual amount of assessments.

8                   **18.4.8 Transfers.** On an annual basis, the Watermaster shall prepare and  
9 maintain a report or record of any transfer of Production Rights among Parties. Upon reasonable  
10 request, the Watermaster shall make such report or record available for inspection by any Party.  
11 A report or records of transfer of Production Rights under this Paragraph shall be considered a  
12 ministerial act.

13 ~~\_\_\_\_\_ **18.4.9 New Production Applications.** The Watermaster shall consider  
14 and determine whether to approve applications for New Production after consideration of the  
15 recommendation of the Watermaster Engineer.~~

16 ~~\_\_\_\_\_ **18.4.10** \_\_\_\_\_ **18.4.9 Unauthorized Actions.**~~ The Watermaster shall  
17 bring such action or motion as is necessary to enjoin any conduct prohibited by this Judgment.

18                   **18.4.1110 Meetings and Records.** Watermaster shall provide notice of  
19 and conduct all meetings and hearings in a manner consistent with the standards and timetables  
20 set forth in the Ralph M. Brown Act, Government Code sections 54950, et seq. Watermaster  
21 shall make its files and records available to any Person consistent with the standards and  
22 timetables set forth in the Public Records Act, Government Code sections 6200, et seq.

23                   **18.4.1211 Assessment Procedure.** Each Party hereto is ordered to pay  
24 the assessments authorized in Paragraph 9 of this Judgment, which shall be levied and collected  
25 in accordance with the procedures and schedules determined by the Watermaster. Any  
26 assessment which becomes delinquent, as defined by rules and regulations promulgated by the  
27 Watermaster shall bear interest at the then current real property tax delinquency rate for the  
28 county in which the property of the delinquent Party is located. The United States shall not be  
subject to payment of interest absent congressional waiver of immunity for the imposition of such

1 interest. This interest rate shall apply to any said delinquent assessment from the due date thereof  
2 until paid. The delinquent assessment, together with interest thereon, costs of suit, attorneys fees  
3 and reasonable costs of collection, may be collected pursuant to (1) motion by the Watermaster  
4 giving notice to the delinquent Party only; (2) Order to Show Cause proceeding, or (3) such other  
5 lawful proceeding as may be instituted by the Watermaster or the Court. The United States shall  
6 not be subject to costs and fees absent congressional waiver of immunity for such costs and fees.  
7 The delinquent assessment shall constitute a lien on the property of the Party as of the same time  
8 and in the same manner as does the tax lien securing county property taxes. The property of the  
9 United States shall not be subject to any lien. The Watermaster shall annually certify a list of all  
10 such unpaid delinquent assessments. The Watermaster shall include the names of those Parties  
11 and the amounts of the liens in its list to the County Assessor's Office in the same manner and at  
12 the same time as it does its Administrative Assessments. Watermaster shall account for receipt  
13 of all collections of assessments collected pursuant to this Judgment, and shall pay such amounts  
14 collected pursuant to this Judgment to the Watermaster. The Watermaster shall also have the  
15 ability to seek to enjoin Production of those Parties, other than the United States, who do not pay  
16 assessments pursuant to this Judgment.

17 **18.5 Watermaster Engineer.** The Watermaster Engineer shall have the  
18 following duties:

19 **18.5.1 Monitoring of Safe Yield.** The Watermaster Engineer shall  
20 monitor all the Safe Yield components and include them in the annual report for Court approval.

21 The annual report shall include all relevant data for the Basin.

22 **18.5.2 Reduction in Groundwater Production.** The Watermaster  
23 Engineer shall ensure that reductions of Groundwater Production to the Native Safe Yield  
24 (Rampdown) and Pro Rata Reductions take place pursuant to the terms of this Judgment and any  
25 orders by the Court.

26 **18.5.3 Determination of Replacement Obligations.** The Watermaster  
27 Engineer shall determine Replacement Obligations for each Producer, pursuant to the terms of  
28 this Judgment.

1                                   **18.5.4 Balance Obligations.** The Watermaster Engineer shall determine  
2 Balance Assessment obligations for each Producer pursuant to the terms of this Judgment. In  
3 addition, the Watermaster Engineer shall determine the amount of water derived from the Balance  
4 Assessment that shall be allocated to any Producer to enable that Producer to fully exercise its  
5 Production Right.

6                                   **18.5.5 Measuring Devices, Etc.** The Watermaster Engineer shall  
7 propose, and the Watermaster shall adopt and maintain, rules and regulations regarding  
8 determination of Production amounts and installation of individual water meters. The rules and  
9 regulations shall set forth approved devices or methods to measure or estimate Production.  
10 Producers who meter Production on the date of entry of this Judgment shall continue to meter  
11 Production. The Watermaster rules and regulations shall require Producers who do not meter  
12 Production on the effective date of entry of this Judgment, ~~except the Small Pumper Class,~~ to  
13 install water meters within two Years.

14                                   **18.5.6 Hydrologic Data Collection.** The Watermaster Engineer shall (1)  
15 operate, and maintain such wells, measuring devices, and/or meters necessary to monitor stream  
16 flow, precipitation, Groundwater levels, and Basin Subareas, and (2) to obtain such other data as  
17 may be necessary to carry out this Judgment.

18                                   **18.5.7 Purchases of and Recharge with Replacement Water.** To the  
19 extent Imported Water is available, the Watermaster Engineer shall use Replacement Water  
20 Assessment proceeds to purchase Replacement Water, and deliver such water to the area deemed  
21 most appropriate as soon as practicable. The Watermaster Engineer may pre-purchase  
22 Replacement Water and apply subsequent assessments towards the costs of such pre-purchases.  
23 The Watermaster Engineer shall reasonably and equitably actively manage the Basin to protect  
24 and enhance the health of the Basin.

25                                   **18.5.8 Water Quality.** The Watermaster Engineer shall take all  
26 reasonable steps to assist and encourage appropriate regulatory agencies to enforce reasonable  
27 water quality regulations affecting the Basin, including regulation of solid and liquid waste  
28 disposal, and establishing Memorandums of Understanding with Kern and Los Angeles Counties  
regarding well drilling ordinances and reporting.

1                                   **18.5.9 Native Safe Yield.** ~~Ten (10) Five (5) Years following the entry~~  
2 of ~~the seven Year Rampdown period, in the seventeenth (17th) Year, or any time~~ this Judgment,  
3 and every fifth (5<sup>th</sup>) year thereafter, the Watermaster Engineer may recommend to the Court an  
4 increase or reduction of the Native Safe Yield. ~~The Watermaster Engineer shall initiate no~~  
5 ~~recommendation to change Native Safe Yield prior to the end of the seventeenth (17th) Year.~~ In  
6 the event the Watermaster Engineer recommends in its report to the Court that the Native Safe  
7 Yield be revised based on the best available science, the Court shall conduct a hearing regarding  
8 the recommendations and may order a change in Native Safe Yield. Watermaster shall give  
9 notice of the hearing pursuant to Paragraph 20.3.2. The most recent Native Safe Yield shall  
10 remain in effect until revised by Court order according to this paragraph. If the Court approves  
11 a reduction in the Native Safe Yield, it shall impose a Pro-Rata Reduction as set forth herein in  
12 Paragraph 18.5.10, such reduction to be implemented over a ~~seven (7) two (2) Year~~ period. If the  
13 Court approves an increase in the Native Safe Yield, it shall impose a Pro-Rata Increase as set  
14 forth herein, such increase to be implemented immediately. Only the Court can change the Native  
15 Safe Yield.

16                                   **18.5.10 Change in Production Rights in Response to Change in**  
17 **Native Safe Yield.** In the event the Court changes the Native Safe Yield pursuant to Paragraph  
18 18.5.9, the increase or decrease will be allocated among the existing Producers ~~in the agreed~~  
19 ~~percentages~~ listed ~~in Exhibits 3 and~~ on the Watermaster's most current Exhibit 4, (Amended),  
20 except that the Federal Reserved Water Right of the United States is not subject to any increase  
21 or decrease.

21                                   ~~18.5.11~~                                   **18.5.11 Evaluation of Reasonable and Beneficial Use.**  
22 Every Two (2) Years following the Entry of this Judgment, the Watermaster Engineer may  
23 recommend to the Court that it finds that a Producer is not using Produced water in a reasonable  
24 and beneficial manner. In the event the Watermaster Engineer recommends in a report to the  
25 Court that a Producer is not using the Produced water in a reasonable and beneficial manner, the  
26 Court shall conduct a hearing regarding the recommendation and may order the Producer to put  
27 the produced water to a reasonable and beneficial use. Watermaster shall give notice of the  
28

1 hearing pursuant to Paragraph 20.3.2. If the Court orders a Producer to change the manner of use  
2 of Produced water, the Producer shall implement the change in use within the time period  
3 specified by the Court. If the Producer does not implement the change in use within the time  
4 period specified by the Court, the Court may decree that the Production Right of the Producer be  
5 reduced by the amount of the use that is found to not be reasonable and beneficial. If the Court  
6 reduces a Production Right, it shall allocate the water in accordance with the provisions of  
7 Paragraph 18.5.10, such allocation to be implemented immediately. Only the Court can reduce a  
8 Production Right pursuant to this provision.

10 **18.5.12 Review of Calculation of Imported Water Return Flow**

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

24 **18.5.1213 Production Reports.** The Watermaster Engineer shall require  
25 each Producer, ~~other than unmetered Small Pumper Class Members,~~ to file an annual Production  
26 report with the Watermaster. Producers shall prepare the Production reports in a form prescribed  
27 by the rules and regulations. The Production reports shall state the total Production for the  
28 reporting Party, including Production per well, rounded off to the nearest tenth of an acre foot

1 for each reporting period. The Production reports shall include such additional information and  
2 supporting documentation as the rules and regulations may reasonably require.

3 **18.5.1314 New Production Application Procedure.** Any well to be  
4 used for New Production shall be subject to the applicable County Well Permit procedures then  
5 in effect in Kern County and in Los Angeles County. Any Party who obtains a permit to install  
6 a well to be used for New Production from Kern County or Los Angeles County shall provide a  
7 copy of the permit to the Watermaster Engineer within thirty (30) days of the issuance of the  
8 permit. The Watermaster Engineer may curtail the exercise of a Non-Pumper's Production Right  
9 under this Judgment if it is determined necessary to avoid or mitigate a Material Injury to the  
10 Basin and provided that the Watermaster provides an equivalent quantity of water to such Non-  
11 Pumper as a substitute water supply, with such water paid for from the Balance Assessment  
12 proceeds.

13 ~~The Watermaster Engineer shall determine whether a Party or Person seeking to commence New~~  
14 ~~Production has established the reasonableness of the New Production in the context of all other~~  
15 ~~uses of Groundwater in the Basin at the time of the application, including whether all of the~~  
16 ~~Native Safe Yield is then currently being used reasonably and beneficially. Considering~~  
17 ~~common law water rights and priorities, the mandate of certainty in Article X, section 2, and all~~  
18 ~~other relevant factors, the Watermaster Engineer has authority to recommend that the application~~  
19 ~~for New Production be denied, or approved on condition of payment of a Replacement Water~~  
20 ~~Assessment. The Watermaster Engineer shall consider, investigate and recommend to the~~  
21 ~~Watermaster whether an application to commence New Production of Groundwater may be~~  
22 ~~approved as follows:~~

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

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

1 ~~18.5.13.1.2~~ Written summary describing the proposed  
2 quantity, sources of supply, season of use, Purpose of Use, place of use, manner of delivery, and  
3 other pertinent information regarding the New Production;

4 ~~18.5.13.1.3~~ Maps identifying the location of the  
5 proposed New Production, including Basin Subarea;

6 ~~18.5.13.1.4~~ Copy of any water well permits,  
7 specifications and well log reports, pump specifications and testing results, and water meter  
8 specifications associated with the New Production;

9 ~~18.5.13.1.5~~ Written confirmation that the applicant has  
10 obtained all applicable Federal, State, County, and local land use entitlements and other permits  
11 necessary to commence the New Production;

12  
13 ~~18.5.13.1.6~~ Written confirmation that the applicant has  
14 eomplied with all applicable Federal, State, County, and local laws, rules and regulations,  
15 including but not limited to, the California Environmental Quality Act (Public Resources Code  
16 §§ 21000, et. seq.);

17 ~~18.5.13.1.7~~ Preparation of a water conservation plan,  
18 approved and stamped by a California licensed and registered professional civil engineer,  
19 demonstrating that the New Production will be designed, constructed and implemented consistent  
20 with California best water management practices.

21 ~~18.5.13.1.8~~ Preparation of an analysis of the economic  
22 impact of the New Production on the Basin and other Producers in the Subarea of the Basin;

23 ~~18.5.13.1.9~~ Preparation of an analysis of the physical  
24 impact of the New Production on the Basin and other Producers in the Subarea of the Basin;

25 ~~18.5.13.1.10~~ A written statement, signed by a California  
26 licensed and registered professional civil engineer, determining that the New Production will not  
27 cause Material Injury;

28 ~~18.5.13.1.11~~ Written confirmation that the applicant  
agrees to pay the applicable Replacement Water Assessment for any New Production.



1 ~~18.5.13.1.12 Other pertinent information which the~~  
2 ~~Watermaster Engineer may require.~~

3 ~~18.5.13.2 Finding of No Material Injury. The Watermaster~~  
4 ~~Engineer shall not make recommendation for approval of an application to commence New~~  
5 ~~Production of Groundwater unless the Watermaster Engineer finds, after considering all the facts~~  
6 ~~and circumstances including any requirement that the applicant pay a Replacement Water~~  
7 ~~Assessment required by this Judgment or determined by the Watermaster Engineer to be required~~  
8 ~~under the circumstances, that such New Production will not cause Material Injury. If the New~~  
9 ~~Production is limited to domestic use for one single family household, the Watermaster Engineer~~  
10 ~~has the authority to determine the New Production to be *de minimis* and waive payment of a~~  
11 ~~Replacement Water Assessment; provided, the right to Produce such *de minimis* Groundwater is~~  
12 ~~not transferable, and shall not alter the Production Rights decreed in this Judgment.~~

13 ~~18.5.13.3 New Production. No Party or~~  
14 ~~Person shall commence New Production of Groundwater from the Basin absent recommendation~~  
15 ~~by the Watermaster Engineer and approval by the Watermaster~~

16 ~~18.5.13.4 Court Review. Court review of a Watermaster~~  
17 ~~decision on a New Production application shall be pursuant to Paragraph 20.3.~~

18 ~~18.5.14~~ 18.5.15 **Storage Agreements.** The Watermaster shall  
19 adopt uniformly applicable rules for Storage Agreements. The Watermaster Engineer shall  
20 calculate additions, extractions and losses of water stored under Storage Agreements and  
21 maintain an Annual account of all such water. Accounting done by the Watermaster Engineer  
22 under this Paragraph shall be considered ministerial.

23 ~~18.5.1516~~ **Diversion of Storm Flow.** No Party may undertake or cause  
24 the construction of any project within the Watershed of the Basin that will reduce the amount of  
25 storm flows that would otherwise enter the Basin and contribute to the Native Safe Yield, without  
26 prior notification to the Watermaster Engineer. The Watermaster Engineer may seek an  
27 injunction or to otherwise impose restrictions or limitations on such project in order to prevent  
28 reduction to Native Safe Yield. The Party sought to be enjoined or otherwise restricted or limited  
is entitled to notice and an opportunity for the Party to respond prior to the imposition of any

1 restriction or limitation. Any Person may take emergency action as may be necessary to protect  
2 the physical safety of its residents and personnel and its structures from flooding. Any such  
3 action shall be done in a manner that will minimize any reduction in the quantity of Storm Flows.

4 **18.5.1617** **Data, Estimates and Procedures.** The Watermaster  
5 Engineer shall rely on and use the best available science, records and data to support the  
6 implementation of this Judgment. Where actual records of data are not available, the  
7 Watermaster Engineer shall rely on and use sound scientific and engineering estimates. The  
8 Watermaster Engineer may use preliminary records of measurements, and, if revisions are  
9 subsequently made, may reflect such revisions in subsequent accounting.

10 **18.5.1718** **Filing of Annual Report.** The Watermaster Engineer shall  
11 prepare an Annual Report for filing with the Court not later than April 1 of each Year, beginning  
12 April 1 following the first full Year after entry of this Judgment. Prior to filing the Annual Report  
13 with the Court, Watermaster shall notify all Parties that a draft of the Annual Report is available  
14 for review by the Parties. Watermaster shall provide notice to all Parties of a public hearing to  
15 receive comments and recommendations for changes in the Annual Report. The public hearing  
16 shall be conducted pursuant to rules and regulations promulgated by the Watermaster. The notice  
17 of public hearing may include such summary of the draft Annual Report as Watermaster may  
18 deem appropriate. Watermaster shall distribute the Annual Report to any Parties requesting  
19 copies.

20 **18.5.1819** **Annual Report to Court.** The Annual Report shall include  
21 an Annual fiscal report of the preceding Year's operation; details regarding the operation of each  
22 of the Subareas; an audit of all Assessments and expenditures; and a review of Watermaster  
23 activities. The Annual Report shall include a compilation of at least the following:

- 24 **18.5.1819.1** Replacement Obligations;
- 25 **18.5.1819.2** Hydrologic Data Collection;
- 26 **18.5.1819.3** Purchase and Recharge of Imported Water;
- 27 **18.5.1819.4** Notice List;
- 28 **18.5.1819.5** New Production Applications
- 18.5.1819.6** Rules and Regulations;

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~~18.5.1819.7~~ Measuring Devices, etc;

~~18.5.1819.8~~ Storage Agreements;

~~18.5.1819.9~~ Annual Administrative Budget;

~~18.5.1819.10~~ Transfers;

~~18.5.1819.11~~ Production Reports;

~~18.5.1819.12~~ Prior Year Report;

~~18.5.19.13~~ ~~18.5.18.13~~ Amount of Stored  
Water owned by each Party;

18.5.19.14 Amount of Stored Imported Water  
owned by each Party.

~~18.5.1819.15~~ Amount of unused Imported Water Return Flows  
owned by each Party.

~~18.5.1819.16~~ Amount of Carry Over Water owned by each Party.

~~18.5.1819.17~~ 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.

**19. ADVISORY COMMITTEE**

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

1                   **19.2 Compensation.** The Advisory Committee members shall serve without  
2 compensation.

3                   **19.3 Powers and Functions.** The Advisory Committee shall act in an advisory  
4 capacity only and shall have the duty to study, review, and make recommendations on all  
5 discretionary determinations by Watermaster. Parties shall only provide input to the Watermaster  
6 through the Advisory Committee.

7                   **19.4 Advisory Committee Meetings.** The Advisory Committee shall 1) meet  
8 on a regular basis; 2) review Watermaster's activities pursuant to this Judgment on at least a  
9 semi-annual basis; and 3) receive and make advisory recommendations to Watermaster.  
10 Advisory Committee Meetings shall be open to all members of the public. Edwards Air Force  
11 Base and the State of California shall be ex officio members of the committee. The United States  
12 may also appoint a DoD Liaison to the Watermaster pursuant to Joint Ethics Regulation 3-201.

13                   **19.5 Subarea Advisory Management Committees.** Subarea Advisory  
14 Management Committees will meet on a regular basis and at least semi-annually with the  
15 Watermaster Engineer to review Watermaster activities pursuant to this Judgment and to submit  
16 advisory recommendations.

17                   **19.5.1 Authorization.** The ~~Producers~~Parties in each of the five  
18 Management Subareas are hereby authorized and directed to cause committees of ~~Producer~~Party  
19 representatives to be organized and to act as Subarea Management Advisory Committees.

20                   **19.5.2 Composition and Election.** Each Management Subarea  
21 Management Advisory Committee shall consist of five (5) Persons who shall be called  
22 Management Advisors. In the election of Management Advisors, every Party shall be entitled to  
23 one vote ~~for every acre-foot of Production Right for that Party in that particular subarea. Parties~~  
24 ~~may cumulate their votes and give one candidate a number of votes equal to the number of~~  
25 ~~advisors to be elected, multiplied by the number of votes to which the Party is normally entitled,~~  
26 ~~or distribute the Party's votes on the same principle among as many candidates as the Party thinks~~  
27 ~~fit.~~ In any election of advisors, the candidates receiving the highest number of affirmative votes  
28 of the Parties are elected. Elections shall be held upon entry of this Judgment and thereafter  
every third Year. In the event a vacancy arises, a temporary advisor shall be appointed by

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

5 **19.5.3 Compensation.** The Subarea Management Advisory Committee  
6 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 made  
10 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 relieving  
13 any Party of its responsibilities to comply with State or Federal laws for the protection of water  
14 quality or the provisions of any permits, standards, requirements, or orders promulgated  
15 thereunder.

16 **20.2 Actions Not Subject to CEQA Regulation.** Nothing in this Judgment or  
17 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 Co.*  
21 (2011) 205 Cal.App.4th 534. Neither the Watermaster, the Watermaster Engineer, the Advisory  
22 Committee, any Subarea Management Committee, nor any other Board or committee formed  
23 pursuant to the Physical Solution and under the authority of this Judgment shall be deemed a  
24 "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:

1                                   **20.3.1 Effective Date of Watermaster Action.** Any order, decision or  
2 action of Watermaster or Watermaster Engineer pursuant to this Judgment on noticed specific  
3 agenda items shall be deemed to have occurred on the date of the order, decision or action.

4                                   **20.3.2 Notice of Motion.** Any Party may move the Court for review of  
5 an action or decision pursuant to this Judgment by way of a noticed motion. The motion shall be  
6 served pursuant to Paragraph 20.7 of this Judgment. The moving Party shall ensure that the  
7 Watermaster is served with the motion under that Paragraph 20.7 or, if electronic service of the  
8 Watermaster is not possible, by overnight mail with prepaid next-day delivery. Unless ordered  
9 by the Court, any such petition shall not operate to stay the effect of any action or decision which  
10 is challenged.

11                                   **20.3.3 Time for Motion.** A Party shall file a motion to review any action  
12 or decision within ninety (90) days after such action or decision, except that motions to review  
13 assessments hereunder shall be filed within thirty (30) days of Watermaster mailing notice of the  
14 assessment.

15                                   **20.3.4 De Novo Nature of Proceeding.** Upon filing of a motion to  
16 review a decision or action, the Watermaster shall notify the Parties of a date for a hearing at  
17 which time the Court shall take evidence and hear argument. The Court's review shall be *de*  
18 *novo* and the Watermaster's decision or action shall have no evidentiary weight in such  
19 proceeding.

20                                   **20.3.5 Decision.** The decision of the Court in such proceeding shall be  
21 an appealable supplemental order in this case. When the Court's decision is final, it shall be  
22 binding upon Watermaster and the Parties.

23                                   **20.4 Multiple Production Rights.** A Party simultaneously may be a member  
24 of the Small Pumper Class and hold an Overlying Production Right by virtue of owning land  
25 other than the parcel(s) meeting the Small Pumper Class definition. The Small Pumper Class  
26 definition shall be construed in accordance with Paragraph 3.5.44 and 3.5.45. A Party  
27 simultaneously may be a member of the Non-Pumper Class and hold an Overlying Production  
28 Right by virtue of owning land other than the parcel(s) meeting the Non-Pumper Class definition.

1 The Non-Pumper Class definition shall be construed in accordance with Paragraph 3.5.22 and  
2 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 or  
6 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 herein,  
9 either by its endorsement on this Judgment or by a separate designation to be filed within thirty  
10 (30) days after judgment has been entered. A Party may change its designation by filing a written  
11 notice of such change with Watermaster. A Party that desires to be relieved of receiving notices  
12 of Watermaster activity may file a waiver of notice in a form to be provided by Watermaster. At  
13 all times, Watermaster shall maintain a current list of Parties to whom notices are to be sent and  
14 their addresses for purpose of service. Watermaster shall also maintain a full current list of said  
15 names and addresses of all Parties or their successors, as filed herein. Watermaster shall make  
16 copies of such lists available to any requesting Person. If no designation is made, a Party's  
17 designee shall be deemed to be, in order of priority: (1) the Party's attorney of record; (2) if the  
18 Party does not have an attorney of record, the Party itself at the address on the Watermaster list;  
19 (3) for Non-Pumper and Small Pumper Class Members, after this Judgment is final, the  
20 individual Non-Pumper and Small Pumper Class Members at the service address maintained by  
21 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 in  
5 the Basin, to acquire a Production Right or to otherwise take actions that may affect the Basin's  
6 Groundwater is required to seek to become a Party subject to this Judgment through a noticed  
7 motion to intervene in this Judgment prior to commencing Production. Prior to filing such a  
8 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 consult  
10 with the Watermaster Engineer may be grounds for denying the intervention motion. Thereafter,  
11 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 attorneysattorneys'  
17 fees 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 be  
20 deemed to define or limit the scope or substance of the provisions they introduce, nor shall they  
21 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.** ~~Except as specifically provided herein, the~~The provisions  
25 of this Judgment are ~~not~~ severable.

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



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

Dated: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
JUDGE OF THE SUPERIOR COURT