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COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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> IN REPLY PLEASE REFER TO FILE

July 15, 2025

The Honorable Board of Supervisors County of Los Angeles 383 Kenneth Hahn Hall of Administration 500 West Temple Street Los Angeles, California 90012

Dear Supervisors:

WATER RESOURCES CORE SERVICE AREA LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40, ANTELOPE VALLEY APPROVAL OF WATER SUPPLY ASSESSMENT FOR THE FALCON GLEN PROJECT (SUPERVISORIAL DISTRICT 5) (3 VOTES)

SUBJECT

Public Works is seeking Board approval of the Water Supply Assessment for the proposed Falcon Glen Project in the City of Palmdale and to authorize the Director of Public Works or his designee to sign the Water Supply Assessment Senate Bill 610 California Water Code Section 10910 et seq., Notice of Determination for the proposed Falcon Glen Project.

IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40, ANTELOPE VALLEY:

1. Find that the recommended action set forth in this Board letter is not a project pursuant to the California Environmental Quality Act pursuant to Section 21065 of the California Public Resources Code and Section 15378(b) of the California Environmental Quality Act Guidelines and is exempt under Section 15061(b)(3).

2. Approve the Water Supply Assessment for the Falcon Glen Project in the City of Palmdale.

3. Authorize the Director of Public Works or his designee to sign the Water Supply Assessment Senate Bill 610 California Water Code Section 10910 et seq., Notice of Determination for the proposed Falcon Glen Project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to approve the Water Supply Assessment (WSA) (Enclosure A) for the proposed Falcon Glen Project in the City of Palmdale as required by California Water Code Section 10910 et seq., and Senate Bill 610, and sign the WSA, Notice of Determination (Enclosure B) showing Los Angeles County Waterworks District No. 40, Antelope Valley (District), has sufficient water supply to provide for the proposed development.

The 163-acre proposed development at Avenue S and the California Aqueduct in Palmdale consists of 708 residential single-family and medium-density residential lots, and approximately 37.7 acres of park space and open space. The project's estimated water demand is approximately 535.6 acre-feet per year.

Implementation of Strategic Plan Goals

These recommendations support the County Strategy Plan: North Star 2, Foster Vibrant and Resilient Communities, Focus Area Goal D, Sustainability, Strategy iii, Natural Resources, and Strategy iv, Environmental Justice. The recommended actions promote sound, prudent, and transparent policies and practices that help ensure the maintenance of critical high-priority County public services to protect and preserve our precious water resources while preserving the quality of life for County residents.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund.

Sufficient funds are included in the District's General Fund (N63 – Services and Supplies) Fiscal Year 2025-26 Budget to cover the minor costs of the document review and confirmation that it conforms to the District's Urban Water Management Plan.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

California Water Code Section 10910 et seq., also known as Senate Bill 610, requires the District to prepare WSAs for certain proposed projects within its service area or sphere of influence subject to the California Environmental Quality Act (CEQA). The WSA must include a discussion of whether the District's total projected water supplies is available during normal and single- and multiple-dry water years during a 20-year projection will meet the projected water demand associated with the project in addition to the District's existing and planned future water uses. Pursuant to California Water Code Section 10910(g)(1), the Board must approve the assessment at a regular or special meeting.

Based on the District's 2020 Urban Water Management Plan adopted by the Board on October 19, 2021, the assessment shows the District has sufficient supplies to meet the demands of the project in addition to existing and planned future uses.

Consistent with the provisions of Senate Bill 610, neither the WSA nor its approval shall be construed to create a right or entitlement to water service or any specific level of water service and shall not impose, expand, or limit any duty concerning the obligation of the District to provide certain service to its existing customers or any future potential customers.

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The WSA does not constitute a will-serve, plan of service, or agreement to provide water service to the project and does not entitle or approve any project, project applicant, or any other person or entity to any right, priority, or allocation in any supply, capacity, or facility.

To receive water service, the proposed project would be subject to an agreement with the District, together with all applicable fees, charges, plans and specifications, conditions, and other applicable District requirements in place and as amended from time to time. Nor does anything in the WSA prevent or otherwise interfere with the District's discretionary authority to declare a water shortage emergency in accordance with the California Water Code.

ENVIRONMENTAL DOCUMENTATION

The District is required to approve a WSA for the project and submit it to the City under California Water Code Section 10910(g)(1). This action does not constitute an approval of a project under Section 21065 of the California Public Resources Code and is excluded from the definition of a project pursuant to Section 15378(b)(5) of the CEQA Guidelines because it is an administrative activity of government that will not result in direct or indirect physical changes in the environment. Further, CEQA applies only to projects that have the potential to cause a significant effect on the environment. The proposed action includes an assessment of water supply. Pursuant to California Water Code Section 10911(b), the City, as the land-use authority responsible for approving the proposed project in question and the lead agency under CEQA for the proposed project, is required to include the WSA provided by the District in the Environmental Impact Report the City is preparing for the proposed project. Approval of the WSA does not approve or authorize any project under CEQA, including the proposed project. Prior to proceeding with any activity that would constitute a project, appropriate findings under CEQA and approval of the project activities would be necessary.

Upon the Board's approval of the recommended actions, Public Works will file a Notice of Exemption with the County Registrar-Recorder/County Clerk in accordance with Section 21152 of the California Public Resources Code and will post the Notice to its website in accordance with Section 21092.2.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no negative impact on current County services or projects during the performance of these actions.

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CONCLUSION

Please return one adopted copy of this Board letter to Public Works, Waterworks Division.

Respectfully submitted,

Schelle

MARK PESTRELLA, PE Director

MP:CTH:jc

Enclosures

c: Chief Executive Office (Chia-Ann Yen) County Counsel Executive Office, Board of Supervisors

SB610 Water Supply Assessment Falcon Glen Tentative Tract No. 54328

Prepared for 15TH West & Ave S, LLC

Prepared by Cannon 11900 West Olympic Blvd, Ste 530 Los Angeles, CA 90064 310.664.1166

Date January 9, 2025

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1. INTRODUCTION

This Water Supply Assessment (WSA) was prepared for the proposed Falcon Glen project for the Los Angeles County Waterworks District No. 40 (District 40), pursuant to the requirements of Section 10910 of the State Water Code, as amended by Senate Bill No. 610, Chapter 643 (2001). The Falcon Glen project is located within the service boundary of District 40. Although the Falcon Glen project was not identified in the District 40's 2020 Urban Water Management Plan (2020 UWMP), the projected water demand calculated in 2020 UWMP is based on gallons per capita per day (GPCD) and project population. This projection included in the 2020 UWMP accounted for anticipated development within the service areas, such as the Falcon Glen Project. The total water demand for Falcon Glen is 535.6 AF/year.

Consistent with the provisions of SB 610, neither this WSA nor its approval shall be construed to create a right or entitlement to water service or any specific level of water service, and shall not impose, expand, or limit any duty concerning the obligation of District 40 to provide certain service to its existing customers or to any future potential customers.

This WSA does not constitute a will-serve, plan of service, or agreement to provide water service to the Project, and does not entitle the Project, Project Applicant, or any other person or entity to any right, priority or allocation in any supply, capacity, or facility. To receive water service, the Project will be subject to an agreement with District 40, together with any and all applicable fees, charges, plans and specifications, conditions, and any and all other applicable District 40 requirements in place and as amended from time to time. Nor does anything in the WSA prevent or otherwise interfere with District 40's discretionary authority to declare a water shortage emergency in accordance with the California Water Code (CWC).

1.1 Background

Senate Bill No. 610, effective January 1, 2002, requires the water purveyor (District 40), or County, to determine that a "Project" (as defined in Water Code§ 10912) is subject to the California Environmental Quality Act (CEQA), to identify any public water system that may supply water for the project, and to request those public water systems to prepare a specified water supply assessment. The assessment is required to include an identification of existing water supply entitlements, water rights, or water service contracts relevant to the identified water supply for the proposed project and water received in prior years pursuant to those entitlements, rights, and contracts. The assessment must be approved by the governing body of the public water system supplying water to the project. If the projected water demand associated with the project was included as part of the most recently adopted urban water management plan, the public water system may incorporate the requested information from the urban water management plan in the water supply assessment. If the projected water demand associated with the project was not included as part of the most recently adopted urban water management plan, the water supply assessment shall include a discussion with regard to whether the public water system's total projected water supplies available during normal, single dry, and multiple dry water years during a 20-year projection will meet the projected water demand associated with the proposed project, in addition to the public water system's existing and planned future uses, including agricultural and manufacturing uses.

The bill requires the water purveyor or County, if it is not able to identify any public water system that may supply water for the project, to prepare the water supply assessment after a prescribed

consultation. If the public water system concludes that water supplies are, or will be, insufficient, plans for acquiring additional water supplies are required to be submitted to the water purveyor or county. The water purveyor or County must include the water supply assessment in any environmental document prepared for the project pursuant to the act. It also requires the water purveyor or County to determine whether project water supplies will be sufficient to satisfy the demands of the project, in addition to existing and planned future uses.

A "project" under Section 10912 includes the following:

- a. A proposed residential development of more than 500 dwelling units.
- b. A proposed shopping center or business establishment employing more than 1,000 persons or having more than 500,000 square feet of floor space.
- c. A proposed commercial office building employing more than 1,000 persons or having more than 250,000 square feet of floor space.
- d. A proposed hotel or motel, or both, having more than 500 rooms.
- e. A proposed industrial, manufacturing, or processing plant, or industrial park planned to house more than 1,000 persons, occupying more than 40 acres of land, or having more than 650,000 square feet of floor area.
- f. A mixed-use project that includes one or more of the projects specified in this subdivision.
- g. A project that would demand an amount of water equivalent to, or greater than, the amount of water required by a 500 dwelling unit project.

The Falcon Glen project includes over 500 dwelling units and several land use categories which meet the definition of a project under Section 10912.

1.2 **Project Location and Description**

The Falcon Glen project is a proposed development of approximately 163 acres located between Avenue "S", the California Aqueduct, and existing Tract No. 53888 in the City of Palmdale, California, see Figure 1-1 Falcon Glen Project Vicinity Map. The development project is located within the service boundary of District 40 and is anticipated to receive service from District 40. Falcon Glen will consist of 708 lots, parks, and recreation centers. The 708 lots are made up of single family and medium density residential lots.



Figure 1-1. Falcon Glen Project Vicinity Map

VICINITY MAP NOT TO SCALE

2. WATER SUPPLY

Water Code Section 10910(b) requires the identification of the public water system that may serve the project. Falcon Glen is located within the service boundary of District 40. District 40 serves water to eight regions, encompassing approximately 232 square miles within the Antelope Valley. The eight regions are the cities of Lancaster and Palmdale (Region 4 and 34), Pearblossom (Region 24), Littlerock (Region 27), Sun Village (Region 33), Rock Creek (Region 32), Northeast Los Angeles County (Region 35), and Lake Los Angeles (Region 38).

District 40 utilizes multiple water resources to meet its water supply needs. Currently, District 40 receives water from two main sources:

- Purchased Imported water and Groundwater Banked water from Antelope Valley East Kern Water Agency (AVEK), and
- Groundwater from the Antelope Valley Groundwater Basin.

2.1 Purchased Water Supply:

District 40 purchases water from AVEK. In the early 1960s, the Department of Water Resources (DWR) entered into individual State Water Project (SWP) Water Supply Contracts with urban and agricultural public water supply agencies located throughout northern, central, and southern

California for SWP water supplies. Since 1972, AVEK is one of 29 water agencies (commonly referred to as "contractors") that have an SWP Water Supply Contract with DWR. Each SWP contractor's SWP Water Supply contract contains a "Table A", which lists the maximum amount of contract water supply, or "Table A water," an agency may request each year throughout the life of the contract. Currently, AVEK's annual Table A Amount is 144,844 AFY.¹

AVEK developed the Westside Water Bank and has entered into various exchange programs with other SWP contractors to maximize the use of its SWP supplies. AVEK is also able to purchase additional SWP supplies from DWR (such as Article 21 and turnback pool water) when available.

AVEK distributes the imported water to municipalities, ranchers, and agricultural water users.

District 40 has also purchased excess imported water and banked it in the local groundwater basin to use for future dry years when supplies from the SWP and groundwater will not meet demands in the future. Water banking involves storing imported water when it is available for wet years or low-demand periods and recovering it during periods of drought or high demands.

2.2 Groundwater Supply:

Water Code Section 10910(f) states that: If a water supply for a proposed project includes groundwater, the following additional information shall be included in the water supply assessment:

- (1) A review of any information contained in the urban water management plan relevant to the identified water supply for the proposed project.
- (2) A description of any groundwater basin or basins from which the proposed project will be supplied for those basins for which a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), has the legal right to pump under the order or decree. For basins that have not been adjudicated, information as to whether the department has identified the basin or basins as over drafted or has projected that the basin will become over drafted if present management conditions continue, in the most current bulletin of the department that characterizes the condition of the groundwater basin, and a detailed description by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), of the efforts being undertaken in the basin or basins to eliminate the long-term overdrafted condition.
- (3) A detailed description and analysis of the amount and location of groundwater pumped by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), for the past five years from any groundwater basin from which the proposed project will be supplied. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

¹ District 40 2020 UWMP, Section 6

- (4) A detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), from any basin from which the proposed project will be supplied. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.
- (5) An analysis of the sufficiency of the groundwater from the basin or basins from which the proposed project will be supplied to meet the projected water demands associated with the proposed project. A water supply assessment shall not be required to include the information required by this paragraph if the public water system determines, as part of the review required by paragraph (1), that the sufficiency of groundwater necessary to meet the initial and projected water demand associated with the project was addressed in the description and analysis required by paragraph (4) of subdivision (b) of Section 10631.

District 40's groundwater supply is the Antelope Valley Groundwater Basin. The Antelope Valley Groundwater Basin is approximately 1,580 square miles² and made up of two main aquifers, a lower and upper aquifer. The basin is bounded by the Garlock and San Andreas Fault zones. The primary recharge of the basin is from the natural runoff of local mountains and hills by percolation through the head of the alluvial fan systems. The Big Rock and Little Rock Creeks make up approximately 80 percent of the runoff along the southern part of the basin. The availability of groundwater supply for District 40 does not vary throughout the course of a year. Even though District 40 has groundwater supplies allocated to it, additional groundwater extraction infrastructure is needed to extract all of the supply. In addition, the drinking water standards for Chromium-6 impacts District 40's existing groundwater extraction capacity.

District 40's historical total groundwater pumped from the Antelope Valley Groundwater Basin is shown in Table 2-1.

Groundwater Type	Location or Basin Name	2016	2017	2018	2019	2020
Alluvial basin	Antelope Valley Groundwater Basin	16,002	17,397	17,274	12,813	14,266
	Total	16,002	17,397	17,274	12,813	14,266

Table 2-1. Groundwater Volume Pumped (ac-ft/yr)

Source: 2020 Urban Water Management Plan for District 40, Table 6-1

The groundwater extraction from the Antelope Valley Groundwater Basin has resulted in overdraft of the aquifer. In December 2015, the Superior Court of California entered a judgement in the Antelope Valley Groundwater Cases (Appendix A). As of 2020, the groundwater adjudication judgment provides non-overlying production rights of 6,789 ac-ft, approximately 3,500 ac-ft of unused federal reserve rights, and return flows equivalent to 39% of the District 40's 5-year average of purchased SWP water supply (39 percent of 26,657 ac-ft or 10,400 ac-ft). District 40 also has the right to lease 2,600 ac-ft of groundwater rights from AVEK, for a grand total of 23,289 ac-ft.

² AVEK 2020 UWMP, Section 6

2.3 Transfers, Exchanges, and Groundwater Banking Programs:

District 40 can obtain water from AVEK to deliver for new developments seeking water supply to meet projected water demands. AVEK has developed robust groundwater banking program that they utilize to deliver water to the District.

District 40 has purchased banked groundwater to use for future dry years when supplies from the SWP and groundwater will not meet demands in the future.

2.4 Development of Brackish Water and/or Groundwater Desalination:

District 40 has no source of ocean water, brackish water, or groundwater that provide opportunities for development of desalinated water as a long-term supply. AVEK has considered the option of providing financial assistance to other SWP contractors to construct brackish desalination facilities in exchange for SWP supplies delivered via the East Branch of the Aqueduct.

2.5 Recycled Water:

District 40 does not currently use or have plans to use recycled water but recycled water is used and purchased by others within the service area. The Antelope Valley Backbone, which is still in construction, will be the distribution infrastructure that will convey recycled water to demands. Future phases of the Antelope Valley Backbone will distribute the recycled water from the Palmdale WRP and the Lancaster WRP in and around the service area.

2.6 Stormwater:

District 40 does not currently use or have plans to use stormwater as an urban water supply source.

3. URBAN WATER MANAGEMENT PLAN APPLICABILITY

Water Code Section 10910(c)(1) requires a determination of whether or not the project was included in District 40's most recently adopted 2020UWMP, adopted in October 2021. The 2020 UWMP provides a description of the District 40's service area, demographics, multi-source water supply, water quality, and water demand management. The 2020 UWMP also includes historical and future water demand to serve the buildout of the District.

The 2020 UWMP is limited in forecasting growing uncertainty and length of periods of drought. Current scenarios explore up to a 5-year drought scenario, however, in the last 10 years, there have been 1 or 2 normal water years, with the remainder being extreme drought years. Considering more severe drought scenarios in the future could potentially reveal a supply deficit, which is not currently anticipated by the 2020 UWMP. District 40 will move forward to explore a more extreme scenario to better account for prolonged drought. The 2020 UWMP was used as guidance for future demands for this WSA of Falcon Glen Project. The projected water demand calculated in 2020 UWMP is based on gallons per capita per day (GPCD) and projected population. This projection included in the 2020 UWMP accounted for anticipated development within the service areas, such as the Falcon Glen Project.

4. WATER USAGE

District 40 currently serves approximately 58,607 active connections, which include single-family residential, multi-family residential, commercial, industrial, institutional (CII)/government and other accounts. In 2020, water usage was based on District 40's water sales and production records as shown in Table 4-1. District 40 is fully metered.

	2020 Actual					
Use Type	Additional Description	Level of Treatment when Delivered	Volume ac-ft/yr			
Single Family		Drinking water	29,191			
Multi-Family		Drinking water	3,866			
Commercial		Drinking water	7,167			
Industrial		Drinking water	82			
Institutional/Governmental	Includes large landscapes	Drinking water	2,544			
Other Potable	Includes construction meters	Drinking water	266			
Others	Includes other authorized consumption such as firefighting, flushing of water mains, and fire flow test.	Drinking water	539			
Losses ^a			2,163			
		Total	45,818			

 Table 4-1. Demands for Potable and Non-Potable Water-Actual

a. 2020 water loss data is pending validation during the preparation of UWMP 2020. Source: 2020 Urban Water Management Plan for District 40, Table 4-1

Development is anticipated in urban areas that are anticipated to be supplied by District 40. District 40's projected water demands are based on the anticipated increase in population in the target per capita water use for the District.

The complete breakdown by land use type of District 40's projected water deliveries can be found in Table 4-2 below.

Use Type		Projected Water Use, ac-ft/yr						
Use Type	2025	2030	2035	2040	2045			
Single Family	40,919	43,706	46,599	49,601	52,116			
Multi-Family	2,212	2,364	2,518	2,683	2,819			
Commercial ^a	3,112	2,617	2,178	1,780	1,870			
Industrial	3,315	3,546	3,777	4,022	4,226			
Institutional/Governmental ^a	1,035	870	726	595	625			
Losses ^b	3,808	3,998	4,202	4,419	4,643			
Total	54,400	57,100	60,000	63,100	66,300			

 Table 4-2. Use for Potable and Non-Potable Water - Projected

a. The 2025-2040 projected water demand is based on GPCD times the projected population.

b. Losses are assumed to be seven percent of projected water demand.

Source: 2020 Urban Water Management Plan for District 40, Table 4-2

One of the two major factors that affect water usage is weather. Historically, when the weather is hot and dry, water usage increases. The amount of increase varies according to the number of consecutive years of hot, dry weather and the conservation activities imposed. During cool and

wet years, water usage decreases because of less irrigation demand for external landscaping. The second major factor that affects water usage is water conservation.

4.1 Water Conservation:

In response to the continued drought conditions in California, Senate Bill X7-7 was passed requiring water agencies to reduce per capita water use by 20 percent by the year 2020. This statewide reduction target translated into a 2020 target of 225 gpcd for District 40. Table 4-3 shows a summary of the District 40's baseline periods and targets per the law as adopted in SB X7-7.

Table 4-3, Baselines and Targets Summar	y from SB X7-7 Verification Form- <i>Retail Agency</i>
Table 4 5. Baselines and Targets Guillina	y nom ob Kr i vermeation i orm Ketan Ageney

Baseline Period	Start Year	End Year	Average gpcd	Confirmed 2020 Target, gpcd
10- to 15-year	1996	2005	281	225
5-year	2003	2007	273	

Source: 2020 Urban Water Management Plan for District 40, Table 5-1

To meet this mandated water conservation goal, District 40 used creative ways to reach out to the public about water conservation. Public-education notifications were placed in local newspapers, on radio stations, geo-targeted mobile ads, and online. Water audits and device and turf removal rebates were also offered to District 40's customers to help educate and encourage conservation through the service area. District 40 achieved the targeted gpcd value for 2020. District 40's actual 2020 gpcd was 199 gpcd.³

District 40 is one of the signatories to the Memorandum of Understanding (MOU) Regarding Urban Water Conservation and has actively pursued the implementation of the water efficiency best management practices (BMPs) prescribed in the MOU. The MOU was a negotiated agreement between water purveyors statewide and environmental organizations on how best to utilize the State's water resources by incorporating conservation into their water management practices. The BMPs have been developed over the years by water purveyors, environmental groups, and industry stakeholders. They represent the best available water conservation practices based on research and experience and include:

- Water Waste Prevention Ordinances
- Metering
- Conservation Pricing
- Water Conservtion Public Education and Outreach
- Water Conservation Program Coordination and Staffing Support
- Programs to Assess and Manage Distribution System Real Loss
- Water Audits for All Customers
- Rebates⁴

District 40 also has the Water Shortage Contingency Plan (WSCP) to deal with water shortage conditions that occur due to drought, earthquake, infrastructure failure, or other emergency. The

³ District 40 2020 UWMP, Section 5

⁴ District 40's 2020 UWMP, Section 9

Plan uses the State's prescribed Water Shortage Levels. The Plan provides the foundation for a staged response to worsening water shortage conditions. For each level, varying methods of conservation will be required.

4.2 Falcon Glen Project Water Demands

The Falcon Glen site is proposed to be developed into single-family residential lots, medium density residential lots, parks, and recreation center. The Falcon Glen development is estimated to include a total of 708 units. There are also approximately 37.7 acres of park space/open space within the development that will utilize water for irrigation. A recreation center is also located within the project that includes several facilities that will use water. Appendix B shows the Falcon Glen lot layout.

4.2.1 <u>Water Use Calculations:</u>

The calculated water use for the Falcon Glen project is 535.6 AFY, as shown in Table 4-4. The water demand of 0.82 AFY/lot for low density residential was used for multi-unit housing. The water demand of the medium density residential is calculated using 3.6 person per unit and 81 GPCD. For the open space/park site land use, a calculation breakdown using Maximum Applied Water Allowance (MAWA)/Estimated Total Water Use (ETWU) was completed. The State's Water Budget Calculator was used to estimate the projects landscape water demands, see Appendix C.

As mentioned above in the Water Usage section, the 2020 UWMP based their projected water demands on future projected population and the GPCD of 225.

LAND USE DESCRIPTION	Land Use Type	Lots	Water Demand Factor	Person Per Unit	Demand (AFY)
Single Family Residential	Low Density Residential	386	0.82 AFY/Lot	N/A	316.5
Medium Density Residential	Medium Density Residential	322	81 gpcd	3.6 ^b	105.3
LAND USE DESCRIPTION	Land Use Type	Area (acres)	Yearly Demand (AFY/AC)		Demand (AFY)
Open Space/Park Sites	Public Areas	37.7	N/A		113.8ª
Avenue "S"	Streets	3.45	0		0
Total (acre-feet/year)		535.6			
Total (acre-feet/year)	abilitatod				

Table 4-4. Falc	on Glen Water	^r Demand – P	roject Specific
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a. Maximum Applied Water Allowance Calculations for New and Rehabilitated Residential Landscapes, Appendix C

b. United States Census Bureau

5. WATER SUPPLY RELIABILITY

District 40's supply reliability can be impacted by many factors, including changes in the availability of supplies due to climatic or infrastructure changes, legal limitations of water contracts, prolonged drought, as well as the efficient use of those supplies in both average and dry periods. These factors can result in acute impacts (facility failures), short term impacts (SWP limitations), or long-term impacts to the reliability of its supplies.

The 2020 UWMP assesses the reliability of the supplies available in a normal year, a single dry year, and during multiple dry years.

- A normal year (also called an average year) is the average supply over a range of years and represents the median water supply available.
- The single-dry year is the year that represents the lowest water supply available.
- The multiple-dry year period is the lowest average water supply available for three or more consecutive dry years.

Tables 4-1 through 4-3 summarizes the water supply and demand projections under normal, single and multiple-dry year scenarios. District 40 has adequate water supplies to meet projected demands in all types of water years. During the dry years, the use of banked water will provide the additional water to meet demands.

	2025	2030	2035	2040	2045
Supply Total ^a	83,086	81,724	80,324	79,024	79,024
	57,300	55,800	54,200	52,700	52,700
District's Groundwater Production Rights ^b	6,789	6,789	6,789	6,789	6,789
District's Unused Federal Reserve Right	3,500	3,500	3,500	3,500	3,500
District's Imported Water Return Flows	10,400	10,400	10,400	10,400	10,400
District/AVEK Lease	2,600	2,600	2,600	2,600	2,600
New Supply from AVEK ^c	1,733	1,733	1,733	1,733	1,733
Recycled Water ^{b,d}	764	902	1,102	1,302	1,302
Demand Totals ^e	55,164	58,002	61,102	64,402	67,602
Difference (Supply-Demand)	27,922	23,722	19,222	14,622	11,422

Table 5-1. Normal Year Water Supply Demand Comparison (ac-ft/yr)

a. Supply total from DWR Table 6-9 (There is a typo in Table 6-9 of the 2020 UWMP, which causes the total supply to be decreased by 11 throughout. The discrepancy originates from Table 6-1A of the 2020 UWMP, where the groundwater supply should be 23,289 AF, not 23,298 AF as listed. The typo in UWMP Table 6-9 has been corrected to reflect the numbers in this WSA.)

b. Supply from DWR Table 6-9

c. New Supply projections are based on anticipated new water supply that will be acquired by AVEK for developers. These projections are consistent with the developer demands (Projections provided by New Water Supply and Development Services for District 40).

d. Recycled water supply volumes are set equal to projected water demand.

e. Demand from the Project has been factored in the projected water demand calculation in the 2020 UWMP. Source: 2020 Urban Water Management Plan for District 40, Table 7-2

ruble of 2. onigie bry real mater capply and bemand comparison								
	2025	2030	2035	2040	2045			
Supply Totals	55,164	58,002	61,102	64,402	67,602			
AVEK SWP	5,000	5,000	5,000	5,000	5,000			
AVEK Groundwater from Banked Supplies	24,378	27,078	29,978	33,078	36,278			
District's Groundwater Production Rights	6,789	6,789	6,789	6,789	6,789			
District's Unused Federal Reserve Right	3,500	3,500	3,500	3,500	3,500			
District's Imported Water Return Flows	10,400	10,400	10,400	10,400	10,400			
District/AVEK Lease	2,600	2,600	2,600	2,600	2,600			
New Supply from AVEK ^a	1,733	1,733	1,733	1,733	1,733			
Recycled Water ^b	764	902	1,102	1,302	1,302			
Demand Totals ^c	55,164	58,002	61,102	64,402	67,602			
Difference (Supply-Demand)	0	0	0	0	0			

Table 5-2. Single Dry Year Water Supply and Demand Comparison

a. New Supply projections are based on anticipated new water supply that will be acquired by AVK for developers. These projections are consistent with the developer demands (Projections provided by New Water Supply and Development Services for District 40). Return flows from new supply are not included for clarity in interpreting Supply and Demand Assessment tables 7-2, 7-3, and 7-4.

b. Recycled water supply volumes are projected water use and not reasonably available volumes.

c. Demand from the Project has been factored in the projected water demand calculation in the 2020 UWMP.

Source: 2020 Urban Water Management Plan for District 40, Table 7-3

	Table 5-3. Multiple Dry Years Supply					
		2025	2030	2035	2040	2045
First	Supply Total	55,164	58,002	61,102	64,402	67,602
	AVEK SWP	12,500	12,500	12,500	12,500	12,500
	AVEK Groundwater from Banked Supplies	16,878	19,578	22,487	25,578	28,778
	District's Groundwater Production Rights	6,789	6,789	6,789	6,789	6,789
Year	District's Unused Federal Reserve Right	3,500	3,500	3,500	3,500	3,500
	District's Imported Water Return Flows	10,400	10,400	10,400	10,400	10,400
	District/AVEK Lease	2,600	2,600	2,600	2,600	2,600
	New Supply from AVEK ^a	1,733	1,733	1,733	1,733	1,733
	Recycled Water ^b	764	902	1,102	1,302	1,302
	Demand Totals ^c	55,164	58,002	61,102	64,402	67,602
	Difference (Supply-Demand)	0	0	0	0	0
	Supply Total	59,776	59,914	61,102	64,402	67,602
	AVEK SWP	32,700	32,700	32,700	32,700	32,700
	AVEK Groundwater from Banked Supplies	0	0	2,278	5,378	8,578
Second	District's Groundwater Production Rights	6,789	6,789	6,789	6,789	6,789
Year	District's Unused Federal Reserve Right	3,500	3,500	3,500	3,500	3,500
	District's Imported Water Return Flows	10,400	10,400	10,400	10,400	10,400
	District/AVEK Lease	2,600	2,600	2,600	2,600	2,600
	New Supply from AVEK ^a	1,733	1,733	1,733	1,733	1,733
	Recycled Water ^b	764	902	1,102	1,302	1,302
	Demands Totals ^c	55,164	58,002	61,102	64,402	67,602
	Difference (Supply-Demand)	4,612	1,912	0	0	0
	Supply Total	55,164	58,002	61,102	64,402	67,602
	AVEK SWP	13,500	13,500	13,500	13,500	13,500
	AVEK Groundwater from Banked Supplies	15,878	18,578	21,478	24,578	27,778
Third	District's Groundwater Production Rights	6,789	6,789	6,789	6,789	6,789
Year	District's Unused Federal Reserve Right	3,500	3,500	3,500	3,500	3,500
1001	District's Imported Water Return Flows	10,400	10,400	10,400	10,400	10,400
	District/AVEK Lease	2,600	2,600	2,600	2,600	2,600
	New Supply from AVEK ^a	1,733	1,733	1,733	1,733	1,733
	Recycled Water ^b	764	902	1,102	1,302	1,302
	Demand Totals ^c	55,164	58,002	61,102	64,402	67,602
	Difference (Supply Demand)	0	0	0	0	0

 Table 5-3. Multiple Dry Years Supply and Demand Comparison (ac-ft/yr)

	Table 5-3. Multiple Dry Years Supply and Demand Comparison (ac-ft/yr)					
		2025	2030	2035	2040	2045
	Supply Total	55,164	58,002	61,102	64,402	67,602
	AVEK SWP	25,900	25,900	25,900	25,900	25,900
	AVEK Groundwater from Banked Supplies	3,478	6,178	9,078	12,178	15,378
Fourth	District's Groundwater Production Rights	6,789	6,789	6,789	6,789	6,789
Year	District's Unused Federal Reserve Right	3,500	3,500	3,500	3,500	3,500
	District's Imported Water Return Flows	10,400	10,400	10,400	10,400	10,400
	District/AVEK Lease	2,600	2,600	2,600	2,600	2,600
	New Supply from AVEK ^a	1,733	1,733	1,733	1,733	1,733
	Recycled Water ^b	764	902	1,102	1,302	1,302
	Demands Totals ^c	55,164	58,002	61,102	64,402	67,602
	Difference (Supply-Demand)	0	0	0	0	0
	Supply Total	55,164	58,002	61,102	64,402	67,602
	AVEK SWP	18,200	18,200	18,200	18,200	18,200
	AVEK Groundwater from Banked Supplies	11,178	13,878	16,778	19,878	23,078
Fifth	District's Groundwater Production Rights	6,789	6,789	6,789	6,789	6,789
Year	District's Unused Federal Reserve Right	3,500	3,500	3,500	3,500	3,500
	District's Imported Water Return Flows	10,400	10,400	10,400	10,400	10,400
	District/AVEK Lease	2,600	2,600	2,600	2,600	2,600
	New Supply from AVEK ^a	1,733	1,733	1,733	1,733	1,733
	Recycled Water ^b	764	902	1,102	1,302	1,302
	Demand Totals ^c	55,164	58,002	61,102	64,402	67,602
	Difference (Supply Demand)	0	0	0	0	0

Table 5-3. Multiple Dry Years Supply and Demand Comparison (ac-ft/yr)

a. New supply projections are based on anticipated new water supply that will be acquired by AVEK for developers. These projections are consistent with the developer demands (Projections provided by New Water Supply and Development Services for District 40). Return flows from new supply are not included for clarity in interpreting Supply and Demand Assessment tables 7-2, 7-3, and 7-4.

b. Recycled water supply volumes are set equal to projected water demand.

c. Demand from the Project has been factored in the projected water demand calculation in the 2020 UWMP. Source: 2020 Urban Water Management Plan for District 40, Table 7-4

The availability of SWP supply varies and fluctuates from year to year depending on precipitation, regulatory restrictions, legislative restrictions, and operational conditions, and is particularly unreliable during dry years. The Antelope Valley region likely cannot meet expected demands without imported water, and the variable nature of the supply presents management challenges to ensure flexibility. AVEK is developing projects for storage and banking of SWP water during wet years for use in dry years to increase reliability of purchased water supplies. Groundwater supply is assumed to be available during all year types, but the annual sustainable yield determined by the adjudication process could vary in order to prevent overdraft. Drought, recharge variability, water quality, infrastructure, and extraction capacity are all factors in the amount of available water in any given year. For the additional supply for new development, it is assumed that reliability will be the same proportion as the reduction of the AVEK supply in single-dry years and multiple-dry years.

Although District 40's 2020 UWMP does not specifically identify the Project, the projected water demand calculated in 2020 UWMP is based on gallons per capita per day (GPCD) and projected population. This projection included in 2020 UWMP accounted for anticipated development within the service areas, such as the Falcon Glen Project. District 40's water supplies available during normal, single dry, and multiple dry water years, will meet the water demands associated with this project. Under the multi-year drought scenarios, the available supplies are very near to the limit of what District 40 is able to accommodate. From the data presented from the UWMP, the single and multiple year dry scenarios rely heavily on AVEK to make up the difference. Due to uncertainties in climate change and possible extreme drought scenarios with less frequent rainy season, the 5-year drought plan may not be enough. The District 40's Water Supply Contingency Plan will likely be needed for the region to meet its water supply needs.

6. CONCLUSION

Based on the information provided herein, the development project is located within the service boundary of District 40 and assumed to be served by District 40. Although District 40's 2020 UWMP does not specifically identify the Project, the projected water demand calculated in 2020 UWMP is based on gallons per capita per day (GPCD) and project population. This projection in the UWMP accounted for anticipated development within the service areas, such as the Falcon Glen Project. A new agreement will need to be executed between the developer and District 40 to secure water supply through District 40. District 40's total projected water supplies during normal, single dry, and multiple dry water years during a 20 year projection are available and will meet the project's water demand. The total water demand for Falcon Glen is 535.6 AF/year.

Consistent with the provisions of SB 610, neither this WSA nor its approval shall be construed to create a right or entitlement to water service or any specific level of water service, and shall not impose, expand, or limit any duty concerning the obligation of District 40 to provide certain service to its existing customers or to any future potential customers.

This WSA does not constitute a will-serve, plan of service, or agreement to provide water service to the Project, and does not entitle the Project, Project Applicant, or any other person or entity to any right, priority or allocation in any supply, capacity, or facility. To receive water service, the Project will be subject to an agreement with District 40, together with any and all applicable fees, charges, plans and specifications, conditions, and any and all other applicable District 40 requirements in place and as amended from time to time. Nor does anything in the WSA prevent or otherwise interfere with District 40's discretionary authority to declare a water shortage emergency in accordance with the CWC.

REFERENCES

2020 Urban Water Management Plan for Los Angeles County Waterworks District No. 40, Adopted October 2021

2020 Urban Water Management Plan for Antelope Valley Eastern Kern Water Agency, Adopted May 2021

Memorandum of Understanding Regarding Urban Water Conservation in California; Adopted September 1991; Amended January 4, 2016; California Urban Water Conservation Council.

TECHNICAL APPENDICES

The following technical appendices are included:

- Appendix A: Groundwater Basin Judgment/Adjudication
- Appendix B: Falcon Glen Lot Layout
- Appendix C: Maximum Applied Water Allowance Calculations for New and Rehabilitated Residential Landscapes

APPENDIX A: GROUNDWATER BASIN JUDGMENT/ADJUDICATION

		Enclosure A
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28		E STATE OF CALIFORNIA ES – CENTRAL DISTRICT Judicial Council Coordination Proceeding No. 4408 CLASS ACTION Santa Clara Case No. 1-05-CV-049053 Assigned to the Honorable Jack Komar (FROPOSED) JUDGMENT
	DDODOSED	HIDGMENT
	PROPOSED	JUDGMENT

.

The matter came on for trial in multiple phases. A large number of parties representing the majority of groundwater production in the Antelope Valley Area of Adjudication ("Basin") entered into a written stipulation to resolve their claims and requested that the Court enter their [Proposed] Judgment and Physical Solution as part of the final judgment. As to all remaining parties, including those who failed to answer or otherwise appear, the Court heard the testimony of witnesses, considered the evidence, and heard the arguments of counsel. Good cause appearing, the Court finds and orders judgment as follows:

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 The Second Amended Stipulation For Entry of Judgment and Physical Solution among the stated stipulating parties is accepted and approved by the Court.

Consistent with the December 23 2015 Statement of Decision ("Decision"), the Court adopts the Proposed Judgment and Physical Solution attached hereto as Exhibit A and incorporated herein by reference, as the Court's own physical solution ("Physical Solution"). The Physical Solution is binding upon all parties.
 In addition to the terms and provisions of the Physical Solution the Court finds as follows:

Each of the Stipulating Parties to the Physical Solution has the right to pump groundwater from the Antelope Valley Adjudication Area as stated in the Decision and Physical Solution.

b. The following entities are awarded prescriptive rights from the native safe yield against the Tapia Parties, defaulted parties identified in Exhibit 1 to the Physical Solution, and parties who did not appear at trial identified in Exhibit B attached hereto, in the following amounts:

Los Angeles County Waterworks District No. 40	17,659.07 AFY
Palmdale Water District	8,297.91 AFY
Littlerock Creek Irrigation District	1,760 AFY
Quartz Hill Water District	1,413 AFY
Rosamond Community Services District	1,461.7 AFY
Palm Ranch Irrigation District	960 AFY
- 1 -	

PROPOSED JUDGMENT

1		Deser	t Lake Community Services District	318 AFY
2		Califo	ornia Water Service Company	655 AFY
3		North	Edwards Water District	111.67 AFY
4		No ot	her parties are subject to these prescriptive rights.	
5	c.	Each	of the parties referred to in the Decision as Supporting I	Landowner
6		Partie	s has the right to pump groundwater from the Antelope	Valley
7		Adjuc	lication Area as stated in the Decision and in Paragraph	5.1.10 of the
8		Physic	cal Solution in the following amounts:	
9		i.	Desert Breeze MHP, LLC	18.1 AFY
10		ii.	Milana VII, LLC dba Rosamond Mobile Home Park	21.7 AFY
11		iii.	Reesdale Mutual Water Company	23 AFY
12		iv.	Juanita Eyherabide, Eyherabide Land Co., LLC	
13			and Eyherabide Sheep Company, collectively	12 AFY
14		v.	Clan Keith Real Estate Investments, LLC.,	
15			dba Leisure Lake Mobile Estates	64 AFY
16		vi.	White Fence Farms Mutual Water Co. No. 3	4 AFY
17		vii.	LV Ritter Ranch LLC	0 AFY
18	d.	Each r	Robar Enterprises, Inc., Hi-Grade Materials Co., member of the Small Pumper Class can exercise an over	rlying right
19		pursua	ant to the Physical Solution. The Judgment Approving	Small Pumper
20		Class	Action Settlements is attached as Exhibit C ("Small Pur	
21		Judgm	nent") and is incorporated herein by reference.	
22	e.	Cross	-defendant Charles Tapia, as an individual and as Truste	e of Nellie
23		Tapia	Family Trust (collectively, "The Tapia Parties") has no	right to pump
24		groun	dwater from the Antelope Valley Adjudication Area exc	cept under the
25		terms	of the Physical Solution.	
26	f.	Phelar	n Piñon Hills Community Services District ("Phelan") h	as no right to
27		pump	groundwater from the Antelope Valley Adjudication An	rea except
28	under the terms of the Physical Solution.			
			- 2 - PROPOSED JUDGMENT	

g. The Willis Class members have an overlying right that is to be exercised in accordance with the Physical Solution.

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- All defendants or cross-defendants who failed to appear in any of these coordinated and consolidated cases are bound by the Physical Solution and their overlying rights, if any, are subject to the prescriptive rights of the Public Water Suppliers. A list of the parties who failed to appear is attached hereto as Exhibit D.
- i. Robar Enterprises, Inc., Hi-Grade Materials Co., and CJR, a general partnership (collectively, "Robar") are

4. Each party shall designate the name, address and email address, to be used for all subsequent notices and service of process by a designation to be filed within thirty days after entry of this Judgment. The list attached as Exhibit A to the Small Pumper Class Judgment shall be used for notice purposes initially, until updated by the Class members and/or Watermaster. The designation may be changed from time to time by filing a written notice with the Court. Any party desiring to be relieved of receiving notice may file a waiver of notice to be approved by the Court. The Court will maintain a list of parties and their respective addresses to whom notice or service of process is to be sent. If no designation is made as required herein, a party's designee shall be deemed to be the attorney of record or, in the absence of an attorney of record, the party at its specified address. All real property owned by the parties within the Basin is subject to this Judgment. 5. It is binding upon all parties, their officers, agents, employees, successors and assigns. Any party, or executor of a deceased party, who transfers real property

that is subject to this Judgment shall notify any transferee thereof of this Judgment.

PROPOSED JUDGMENT

This Judgment shall not bind the parties that cease to own real property within the
Basin, and cease to use groundwater, except to the extent required by the terms of
an instrument, contract, or other agreement.

The Clerk shall enter this Judgment.

Dated: Dec 23, , 2015

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JUDGE OF THE SUPERIOR COURT

EXHIBIT A

		Enclosure A
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5	SUPERIOR COURT OF	THE STATE OF CALIFORNIA
6		GELES - CENTRAL DISTRICT
7		
8	Coordination Proceeding Special Title	Judicial Council Coordination Proceeding No.
9	(Rule 1550(b))	4408
10	ANTELOPE VALLEY GROUNDWATER CASES	Santa Clara Case No.: 1-05-CV-049053
11		Judge: The Honorable Jack Komar, Dept. 17
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1	A number of Parties have agreed and stipulated to entry of a Judgment consistent with the
2	terms of this Judgment and Physical Solution (hereafter "this Judgment"). The stipulations of the
3	Parties are conditioned upon further proceedings that will result in a Judgment binding all Parties
4	to the Action. The Court, having considered the pleadings, the stipulations of the Parties, and the
5	evidence presented, and being fully informed in the matter, approves the Physical Solution ¹
6	contained herein. This Judgment is entered as a Judgment binding on all Parties served or
7	appearing in this Action, including without limitation, those Parties which have stipulated to this
8	Judgment, are subject to prior settlement(s) and judgment(s) of this Court, have defaulted or
9	hereafter stipulate to this Judgment.
10	I. DESCRIPTION OF LITIGATION
11	1. <u>PROCEDURAL HISTORY</u>
12	1.1 <u>Initiation of Litigation.</u>
13	On October 29, 1999, Diamond Farming Company ("Diamond Farming") filed in
14	the Riverside County Superior Court (Case No. RIC 344436) the first complaint in what would
15	become these consolidated complex proceedings known as the Antelope Valley Groundwater
16	Cases. Diamond Farming's complaint names as defendants the City of Lancaster, Palmdale
17	Water District, Antelope Valley Water Company, Palm Ranch Irrigation District, Quartz Hill
18	Water District, Rosamond Community Services District, and Mojave Public Utility District.
19	On February 22, 2000, Diamond Farming filed another complaint in the Riverside
20	County Superior Court (Case No. RIC 344468). The two Diamond Farming actions were
21	subsequently consolidated.
22	On January 25, 2001, Wm. Bolthouse Farms, Inc. ("Bolthouse") filed a complaint
23	in the same Court against the same entities, as well as Littlerock Creek Irrigation District and Los
24	Angeles Waterworks Districts Nos. 37 and 40 (Case No. RIC 353840).
25	¹ A "physical solution" describes an agreed upon or judicially imposed resolution of conflicting claims in a manner
26	that advances the constitutional rule of reasonable and beneficial use of the state's water supply. (<i>City of Santa Maria v. Adam</i> (2012) 211 Cal. App. 4th 266, 288.) It is defined as "an equitable remedy designed to alleviate overdrafts
27	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."
28	(<i>California American Water v. City of Seaside</i> (2010) 183 Cal. App. 4th 471, 480.) - 1 -
	[PROPOSED] JUDGMENT

1	The Diamond Farming and Bolthouse complaints variously allege that unregulated
2	pumping by these named public agencies (collectively the Public Water Suppliers) has irreparably
3	harmed Diamond Farming and Bolthouse's rights to produce Groundwater from the Antelope
4	Valley Groundwater Basin, and interfered with their rights to put that Groundwater to reasonable
5	and beneficial uses on property they own or lease. Diamond Farming and Bolthouse's complaints
6	seek a determination of their water rights and to quiet title as to the same.
7	In 2001, the Diamond Farming and Bolthouse actions were consolidated in the
8	Riverside County Superior Court.
9	In August 2002, a Phase 1 trial commenced in the Riverside County Superior
10	Court in the consolidated Diamond Farming/Bolthouse proceedings for the purpose of
11	determining the geographic boundary of the area to be adjudicated. That Phase 1 trial was not
12	concluded and the Court did not determine any issues or make any factual findings at that time.
13	1.2 <u>General Adjudication Commenced.</u>
14	In 2004, Los Angeles County Waterworks District No. 40 ("District No. 40")
15	initiated a general Groundwater adjudication for the Antelope Valley Ground Water Basin by
16	filing identical complaints for declaratory and injunctive relief in the Los Angeles and Kern
17	County Superior Courts (Los Angeles County Superior Court Case No. BC 325201 and Kern
18	County Superior Court Case No. S-1500-CV 254348). District No. 40's complaints sought a
19	judicial determination of the respective rights of the Parties to produce Groundwater from the
20	Antelope Valley Groundwater Basin.
21	On December 30, 2004, District No. 40 petitioned the Judicial Council of
22	California for coordination of the above-referenced actions. On June 17, 2005, the Judicial
23	Council of California granted the petition and assigned the "Antelope Valley Groundwater Cases"
24	(Judicial Council Coordination Proceeding No. 4408) to this Court (Santa Clara County Superior
25	Court Case No. 1-05-CV-049053 (Hon. Jack Komar)).
26	For procedural purposes, the Court requested that District No. 40 refile its
27	complaint as a first amended cross-complaint in the now coordinated proceedings. Joined by the
28	- 2 -
	[PROPOSED] JUDGMENT

1	other Public Water Suppliers, District No. 40 filed a first amended cross-complaint seeking
2	declaratory and injunctive relief and an adjudication of the rights to all Groundwater within the
3	Antelope Valley Groundwater Basin. The Public Water Suppliers' cross-complaint, as currently
4	amended, requests an adjudication to protect the public's water supply, prevent water quality
5	degradation, and stop land subsidence. Some of the Public Water Suppliers allege they have
6	acquired prescriptive and equitable rights to the Groundwater in the Basin. They allege the Basin
7	has been in overdraft for more than five consecutive Years and they have pumped water from the
8	Basin for reasonable and beneficial purposes in an open, notorious, and continuous manner. They
9	allege each non-public cross-defendant had actual or constructive notice of these activities,
10	sufficient to establish prescriptive rights in their favor. In order to alleviate overdraft conditions
11	and protect the Basin, the Public Water Suppliers also request a physical solution.
12	1.3 <u>Other Actions</u>
13	In response to the Public Water Suppliers first amended cross-complaint,
14	numerous Parties filed cross-complaints seeking various forms of relief.
15	On August 30, 2006, Antelope Valley-East Kern Water Agency ("AVEK") filed a
16	cross-complaint seeking declaratory and injunctive relief and claiming overlying rights and rights
17	to pump the supplemental yield attributable to return flows from State Water Project water
18	imported to the Basin.
19	On January 11, 2007, Rebecca Lee Willis filed a class action complaint in the Los
20	Angeles County Superior Court (Case No. BC 364553) for herself and on behalf of a class of
21	non-pumping overlying property owners ("Non-Pumper Class"), through which she sought
22	declaratory relief and money damages from various public entities. Following certification, the
23	Non-Pumper Class entered into a settlement agreement with the Public Water Suppliers
24	concerning the matters at issue in the class complaint. On September 22, 2011, the Court
25	approved the settlement through an amended final judgment.
26	On June 2, 2008, Richard A. Wood filed a class action complaint for himself and
27	on behalf of a class of small property owners in this action ("Small Pumper Class"), Wood v. Los
28	- 3 -
	[PROPOSED] JUDGMENT

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

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

9

1.4 <u>McCarran Amendment Issues</u>

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

18

1.5 <u>Phased Trials</u>

19 The Court has divided the trial in this matter into multiple phases, four of which20 have been tried.

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

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
between the disputed areas and the rest of the Basin such that the Court must include the disputed
areas within the adjudication area. The Court further determined that it would be premature to make

1 any determinations regarding, *inter alia*, claims that portions of the Basin should be treated as a 2 separate area for management purposes. On November 6, 2008, the Court entered its Order after 3 Phase Two Trial on Hydrologic Nature of Antelope Valley. 4 Through the Phase 3 trial, the Court determined the Basin is in a current state of 5 overdraft and the safe yield is 110,000 acre-feet per Year. The Court found the preponderance of the evidence presented established that setting the safe yield at 110,000 acre-feet per Year will 6 7 permit management of the Basin in such a way as to preserve the rights of the Parties in 8 accordance with the California Constitution and California law. On July 13, 2011, the Court filed 9 its Statement of Decision. 10 Through the Phase 4 trial, the Court determined the overall Production occurring 11 in the Basin in calendar Years 2011 and 2012. 12 1.6 **Defaults** 13 Numerous Parties have failed to respond timely, or at all, to the Public Water 14 Suppliers' cross-complaint, as amended, and their defaults have been entered. The Court has 15 given the defaulted Parties notice of this Judgment and Physical Solution, together with the 16 opportunity to be heard regarding this Judgment, and hereby enters default judgments against all 17 such Parties and incorporates those default judgments into this Judgment. Pursuant to such 18 default judgments a defaulted Party has no right to Produce Groundwater from the Basin. All 19 Parties against which a default judgment has been entered are identified on Exhibit 1, attached 20 hereto and incorporated herein by reference. 21 2. GENERAL ADJUDICATION DOES NOT APPLY TO SURFACE WATER. 22 Pursuant to California law, surface water use since 1914 has been governed by the Water 23 Code. This Judgment does not apply to surface water as defined in the Water Code and is not 24 intended to interfere with any State permitted or licensed surface water rights or pre-1914 surface 25 water right. The impact of any surface water diversion should be considered as part of the State 26 Water Resources Control Board permitting and licensing process and not as part of this Judgment. 27 28 - 5 -

II. DECREE

3.

2

1

JURISDICTION, PARTIES, DEFINITIONS.

Jurisdiction. This Action is an *inter se* adjudication of all claims to the 3.1 3 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 adjudicating the rights to reasonable and beneficial use of water by the Parties in the Action 6 7 pursuant to Article X, section 2 of the California Constitution.

8 3.2 The Court required that all Persons having or claiming any Parties. 9 right, title or interest to the Groundwater within the Basin be notified of the Action. Notice has 10 been given pursuant to the Court's order. All Public Water Suppliers, landowners, Non-Pumper 11 Class and Small Pumper Class members and other Persons having or making claims have been or 12 will 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

Need for a Declaration of Rights and Obligations for a Physical 3.4

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,

Enclosure A

1 section 2 of the California Constitution and to protect the Basin and the Parties' rights to the 2 Basin's water resources. The Physical Solution governs Groundwater, Imported Water and Basin 3 storage space, and is intended to ensure that the Basin can continue to support existing and future 4 reasonable and beneficial uses. A Physical Solution requires determining individual Groundwater 5 rights for the Public Water Suppliers, landowners, Non-Pumper Class and Small Pumper Class members, and other Parties within the Basin. The Physical Solution set forth in this Judgment: 6 7 (1) is a fair and reasonable allocation of Groundwater rights in the Basin after giving due 8 consideration to water rights priorities and the mandate of Article X, section 2 of the California 9 Constitution; (2) provides for a reasonable sharing of Imported Water costs; (3) furthers the 10 mandates of the State Constitution and State water policy; and (4) is a remedy that gives due 11 consideration to applicable common law rights and priorities to use Basin water and storage space 12 without substantially impairing such rights. Combined with water conservation, water 13 reclamation, water transfers, water banking, and improved conveyance and distribution methods 14 within the Basin, present and future Imported Water sources are sufficient both in quantity and 15 quality to assure implementation of a Physical Solution. This Judgment will facilitate water 16 resource planning and development by the Public Water Suppliers and individual water users. 3.5 **Definitions**. As used in this Judgment, the following terms shall have the 17 18 meanings set forth herein: 19 3.5.1 Action. The coordinated and consolidated actions included in the 20 Antelope Valley Groundwater Cases, Judicial Council Coordination Proceeding No. 4408, Santa 21 Clara Superior Court Case No. 1-05-CV-049053. 22 **3.5.2** Adjusted Native Safe Yield. The Native Safe Yield minus (1) the 23 Production Right allocated to the Small Pumper Class under Paragraph 5.1.3, (2) the Federal 24 Reserved Water Right under Paragraph 5.1.4, and (3) the State of California Production Right 25 under Paragraph 5.1.5. The Adjusted Native Safe Yield as of the date of entry of this Judgment is 26 70,686.6 acre-feet per year. 27 28 - 7 -

1	3.5.3 <u>Administrative Assessment</u> . The amount charged by the
2	Watermaster for the costs incurred by the Watermaster to administer this Judgment.
3	3.5.4 <u>Annual Period</u> . The calendar Year.
4	3.5.5 <u>Antelope Valley United Mutuals Group</u> . The members of the
5	Antelope Valley United Mutuals Group are Antelope Park Mutual Water Company, Aqua-J
6	Mutual Water Company, Averydale Mutual Water Company, Baxter Mutual Water Company,
7	Bleich Flat Mutual Water Company, Colorado Mutual Water Co., El Dorado Mutual Water
8	Company, Evergreen Mutual Water Company, Land Projects Mutual Water Co., Landale Mutual
9	Water Co., Shadow Acres Mutual Water Company, Sundale Mutual Water Company, Sunnyside
10	Farms Mutual Water Company, Inc., Tierra Bonita Mutual Water Company, West Side Park
11	Mutual Water Co. and White Fence Farms Mutual Water Co., together with the successor(s)-in-
12	interest to any member thereof. Each of the members of the Antelope Valley United Mutuals
13	Group was formed when the owner(s) of the lands that were being developed incorporated the
14	mutual water company and transferred their water rights to the mutual water company in
15	exchange for shares of common stock. The mutual water company owns, operates and maintains
16	the infrastructure for the production, storage, distribution and delivery of water solely to its
17	shareholders. The shareholders of each of these mutual water companies, who are the owners of
18	the real property that is situated within the mutual water company's service area, have the right to
19	have water delivered to their properties, a right appurtenant to their land. [See, Erwin v. Gage
20	Canal Company (1964) 226 Cal.App.2d 189].
21	3.5.6 <u>AVEK</u> . The Antelope Valley–East Kern Water Agency.
22	3.5.7 <u>Balance Assessment.</u> The amount of money charged by the
23	Watermaster on all Production Rights, excluding the United States' actual Production, to pay for
24	the costs, not including infrastructure, to purchase, deliver, produce in lieu, or arrange for
25	alternative pumping sources in the Basin.
26	3.5.8 <u>Basin</u>. The area adjudicated in this Action as shown on Exhibit 2,
27	attached hereto and incorporated herein by reference, which lies within the boundaries of the line
28	- 8 -
	[PROPOSED] JUDGMENT

1 labeled "Boundaries of the Adjudicated Area" and described therein. The Basin generally 2 encompasses the Antelope Valley bordered on the West and South by the San Gabriel and 3 Tehachapi Mountains, with the eastern boundary being the Los Angeles-San Bernardino County 4 line, as determined by the Court. 5 **3.5.9** Carry Over. The right to Produce an unproduced portion of an annual Production Right or a Right to Imported Water Return Flows in a Year subsequent to the 6 7 Year in which the Production Right or Right to Imported Water Return Flows was originally 8 available. 9 **3.5.10** <u>Conjunctive Use</u>. A method of operation of a groundwater basin 10 under which Imported Water is used or stored in the Basin in Years when it is available; allowing 11 the Basin to refill, and more Groundwater is Produced in Years when Imported Water is less 12 available. 13 **3.5.11 Defaulting Party.** A Party who failed to file a responsive pleading 14 and against which a default judgment has been entered. A list of Defaulting Parties is attached as 15 Exhibit 1. 16 **3.5.12 Drought Program.** The water management program in effect only during the Rampdown period affecting the operations and Replacement Water Assessments of the 17 18 participating Public Water Suppliers. 19 **3.5.13** Judgment. A judgment, consistent with Cal.C.C.P. §§ 577 and 20 1908(a)(1) and 43 U.S.C. § 666, determining all rights to Groundwater in the Basin, establishing 21 a Physical Solution, and resolving all claims in the Action. 22 **3.5.14** <u>Groundwater</u>. Water beneath the surface of the ground and within 23 the zone of saturation, excluding water flowing through known and definite channels. 24 **3.5.15 Imported Water.** Water brought into the Basin from outside the watershed of the Basin as shown in Exhibit 9. 25 26 3.5.16 Imported Water Return Flows. Imported Water that net 27 augments the Basin Groundwater supply after use. 28 -9-[PROPOSED] JUDGMENT

1	3.5.17 In Lieu Production. The amount of Imported Water used by a
2	Producer in a Year instead of Producing an equal amount of that Producer's Production Right.
3	3.5.18 Material Injury. Material Injury means impacts to the Basin caused
4	by pumping or storage of Groundwater that:
5	3.5.18.1 Causes material physical harm to the Basin, any
6	Subarea, or any Producer, Party or Production Right, including, but not limited to, Overdraft,
7	degradation of water quality by introduction of contaminants to the aquifer by a Party and/or
8	transmission of those introduced contaminants through the aquifer, liquefaction, land subsidence and
9	other material physical injury caused by elevated or lowered Groundwater levels. Material physical
10	harm does not include "economic injury" that results from other than direct physical causes, including
11	any adverse effect on water rates, lease rates, or demand for water.
12	3.5.18.2 If fully mitigated, Material Injury shall no longer be
13	considered to be occurring.
14	3.5.19 <u>Native Safe Yield</u> . Naturally occurring Groundwater recharge to
15	the Basin, including "return flows" from pumping naturally occurring recharge, on an average
16	annual basis. Imported Water Return Flows are not included in Native Safe Yield.
17	3.5.20 <u>New Production</u> . Any Production of Groundwater from the Basin
18	not of right under this Judgment, as of the date of this Judgment.
19	3.5.21 Non-Overlying Production Rights. The rights held by the Parties
20	identified in Exhibit 3, attached hereto and incorporated herein by reference.
21	3.5.22 Non-Pumper Class. All private (i.e., non-governmental) Persons
22	and entities that own real property within the Basin, as adjudicated, that are not presently
23	pumping water on their property and did not do so at any time during the five Years preceding
24	January 18, 2006. The Non-Pumper Class includes the successors-in-interest by way of purchase,
25	gift, inheritance, or otherwise of such Non-Pumper Class members' land within the Basin. The
26	Non-Pumper Class excludes (1) all Persons to the extent their properties are connected to a
27	municipal water system, public utility, or mutual water company from which they receive water
28	- 10 -
	[PROPOSED] JUDGMENT

service, (2) all properties that are listed as "improved" by the Los Angeles County or Kern 1 2 County Assessor's offices, unless the owners of such properties declare under penalty of perjury 3 that they do not pump and have never pumped water on those properties, and (3) those who opted 4 out of the Non-Pumper Class. The Non-Pumper Class does not include landowners who have 5 been individually named under the Public Water Suppliers' cross-complaint, unless such a landowner has opted into such class. 6 7 3.5.23 Non-Pumper Class Judgment. The amended final Judgment that 8 settled the Non-Pumper Class claims against the Public Water Suppliers approved by the Court 9 on September 22, 2011. **3.5.24 Non-Stipulating Party.** Any Party who had not executed a 10 11 Stipulation for Entry of this Judgment prior to the date of approval of this Judgment by the Court. 12 3.5.25 **Overdraft.** Extractions in excess of the Safe Yield of water from 13 an aquifer, which over time will lead to a depletion of the water supply within a groundwater 14 basin as well as other detrimental effects, if the imbalance between pumping and extraction 15 continues. 16 **3.5.26** Overlying Production Rights. The rights held by the Parties identified in Exhibit 4, attached hereto and incorporated herein by reference. 17 18 **3.5.27** Party (Parties). Any Person(s) that has (have) been named and 19 served or otherwise properly joined, or has (have) become subject to this Judgment and any prior 20 judgments of this Court in this Action and all their respective heirs, successors-in-interest and 21 assigns. For purposes of this Judgment, a "Person" includes any natural person, firm, association, 22 organization, joint venture, partnership, business, trust, corporation, or public entity. 23 3.5.28 <u>Pre-Rampdown Production</u>. The reasonable and beneficial use of 24 Groundwater, excluding Imported Water Return Flows, at a time prior to this Judgment, or the 25 Production Right, whichever is greater. 26 **3.5.29** <u>Produce(d)</u>. To pump Groundwater for existing and future 27 reasonable beneficial uses. 28 - 11 -[PROPOSED] JUDGMENT

1	3.5.30 <u>Producer(s)</u> . A Party who Produces Groundwater.
2	3.5.31 <u>Production</u> . Annual amount of Groundwater Produced, stated in
3	acre-feet of water.
4	3.5.32 <u>Production Right</u>. The amount of Native Safe Yield that may be
5	Produced each Year free of any Replacement Water Assessment and Replacement Obligation.
6	The total of the Production Rights decreed in this Judgment equals the Native Safe Yield. A
7	Production Right does not include any right to Imported Water Return Flows pursuant to
8	Paragraph 5.2.
9	3.5.33 <u>Pro-Rata Increase.</u> The proportionate increase in the amount of a
10	Production Right, as provided in Paragraph 18.5.10, provided the total of all Production Rights
11	does not exceed the Native Safe Yield.
12	3.5.34 <u>Pro-Rata Reduction</u> . The proportionate reduction in the amount
13	of a Production Right, as provided in Paragraph 18.5.10, in order that the total of all Production
14	Rights does not exceed the Native Safe Yield.
15	3.5.35 <u>Public Water Suppliers</u>. The Public Water Suppliers are Los
16	Angeles County Waterworks District No. 40, Palmdale Water District, Quartz Hill Water District,
17	Littlerock Creek Irrigation District, California Water Service Company, Desert Lake Community
18	Services District, North Edwards Water District, City of Palmdale, City of Lancaster, Palm Ranch
19	Irrigation District, Rosamond Community Services District, and West Valley County Water
20	District.
21	3.5.36 <u>Purpose of Use.</u> The broad categories of type of water use
22	including but not limited to municipal, irrigation, agricultural and industrial uses.
23	3.5.37 <u>Rampdown</u> . The period of time for Pre-Rampdown Production to
24	be reduced to the Native Safe Yield in the manner described in this Judgment.
25	3.5.38 <u>Recycled Water</u> . Water that, as a result of treatment of waste, is
26	suitable for a direct beneficial use or a controlled use that would not otherwise occur and is
27	therefore considered a valuable resource.
28	- 12 -
	[PROPOSED] JUDGMENT

3.5.39 <u>Replacement Obligation</u> . The obligation of a Producer to pay for
Replacement Water for Production of Groundwater from the Basin in any Year in excess of the
sum of such Producer's Production Right and Imported Water Return Flows.
3.5.40 <u>Replacement Water</u> . Water purchased by the Watermaster or
otherwise provided to satisfy a Replacement Obligation.
3.5.41 <u>Replacement Water Assessment</u> . The amount charged by the
Watermaster to pay for all costs incurred by the Watermaster related to Replacement Water.
3.5.42 <u>Responsible Party</u> . The Person designated by a Party as the
Person responsible for purposes of filing reports and receiving notices pursuant to the provisions
of this Judgment.
3.5.43 Safe Yield. The amount of annual extractions of water from the
Basin over time equal to the amount of water needed to recharge the Groundwater aquifer and
maintain it in equilibrium, plus any temporary surplus. [City of Los Angeles v. City of San
Fernando (1975) 14 Cal. 3d 199, 278.]
3.5.44 <u>Small Pumper Class</u> . All private (i.e., non-governmental)
Persons and entities that own real property within the Basin, as adjudicated, and that have been
pumping less than 25 acre-feet per Year on their property during any Year from 1946 to the
present. The Small Pumper Class excludes the defendants in Wood v. Los Angeles Co.
Waterworks Dist. 40, et al., any Person, firm, trust, corporation, or other entity in which any such
defendants has a controlling interest or which is related to or affiliated with any such defendants,
and the representatives, heirs, affiliates, successors-in-interest or assigns of any such excluded
party. The Small Pumper Class also excludes all Persons and entities that are shareholders in a
mutual water company. The Small Pumper Class does not include those who opted out of the
Small Pumper Class.
3.5.45 Small Pumper Class Members. Individual members of the Small
Pumper Class who meet the Small Pumper Class definition, and for purposes of this Judgment
and any terms pertaining to water rights, where two or more Small Pumper Class Members reside
- 13 -
[PROPOSED] JUDGMENT

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

3	3.5.46 State of California. As used herein, State of California shall mean
4	the State of California acting by and through the following State agencies, departments and
5	associations: (1) The California Department of Water Resources; (2) The California Department
6	of Parks and Recreation; (3) The California Department of Transportation; (4) The California
7	State Lands Commission; (5) The California Department of Corrections and Rehabilitation; (6)
8	The 50th District Agricultural Association; (7) The California Department of Veteran Affairs; (8)
9	The California Highway Patrol; and, (9) The California Department of Military.
10	3.5.47 State Water Project. Water storage and conveyance facilities
11	operated by the State of California Department of Water Resources from which it delivers water
12	diverted from the Feather River and the Sacramento-San Joaquin Delta via the California
13	Aqueduct to public agencies it has contracted with.
14	3.5.48 Stipulating Party. Any Party who has executed a Stipulation for
15	Entry of this Judgment prior to the date of approval of this Judgment by the Court.
16	3.5.49 Stored Water. Water held in storage in the Basin, as a result of
17	direct spreading or other methods, for subsequent withdrawal and use pursuant to agreement with
18	the Watermaster and as provided for in this Judgment. Stored Water does not include Imported
19	Water Return Flows.
20	3.5.50 Subareas. Portions of the Basin, as described in this document,
21	divided for management purposes.
22	3.5.51 Total Safe Yield. The amount of Groundwater that may be safely
23	pumped from the Basin on a long-term basis. Total Safe Yield is the sum of the Native Safe
24	Yield plus the Imported Water Return Flows.
25	3.5.52 <u>Watermaster</u> . The Person(s) appointed by the Court to administer
26	the provisions of this Judgment.
27	
28	- 14 -
	[PROPOSED] JUDGMENT

1	3.5.53 Watermaster Engineer. The engineering or hydrology expert or
2	firm retained by the Watermaster to perform engineering and technical analysis and water
3	administration functions as provided for in this Judgment.
4	3.5.54 District No. 40. Los Angeles County Waterworks District No. 40.
5	3.5.55 <u>Year</u> . Calendar year.
6	4. SAFE YIELD AND OVERDRAFT
7	4.1 <u>Safe Yield</u> : The Native Safe Yield of the Basin is 82,300 acre-feet per
8	Year. With the addition of Imported Water Return Flows, the Total Safe Yield is approximately
9	110,000 acre-feet per Year, but will vary annually depending on the volume of Imported Water.
10	4.2 <u>Overdraft</u> : In its Phase 3 trial decision, the Court held that the Basin,
11	defined by the Court's March 12, 2007 Revised Order After Hearing On Jurisdictional
12	Boundaries, is in a state of overdraft based on estimate of extraction and recharge, corroborated
13	by physical evidence of conditions in the Basin. Reliable estimates of the long-term extractions
14	from the Basin have exceeded reliable estimates of the Basin's recharge by significant margins,
15	and empirical evidence of overdraft in the Basin corroborates that conclusion. Portions of the
16	aquifer have sustained a significant loss of Groundwater storage since 1951. The evidence is
17	persuasive that current extractions exceed recharge and therefore that the Basin is in a state of
18	overdraft. The Court's full Phase 3 trial decision is attached as Exhibit 5 and is incorporated
19	herein by reference.
20	5. PRODUCTION RIGHTS

21

5.1 Allocation of Rights to Native Safe Yield. Consistent with the goals of 22 this Judgment and to maximize reasonable and beneficial use of the Groundwater of the Basin pursuant to Article X, section 2 of the California Constitution, all the Production Rights 23 24 established by this Judgment are of equal priority, except the Federal Reserved Water Right 25 which is addressed in Paragraph 5.1.4, and with the reservation of the Small Pumper Class Members' right to claim a priority under Water Code section 106. 26

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1	5.1.1 Overlying Production Rights . The Parties listed in Exhibit 4,
2	attached hereto and incorporated herein by reference, have Overlying Production Rights. Exhibit
3	4 sets forth the following for each Overlying Production Right: (1) the Pre-Rampdown
4	Production; (2) the Production Right; and (3) the percentage of the Production from the Adjusted
5	Native Safe Yield.
6	5.1.1.1 The Parties listed on Exhibit 4 have the right to Produce
7	Groundwater, on an annual basis, up to their Overlying Production Right set forth in Exhibit 4 for
8	each Party. Each Party's Overlying Production Right is subject to the following conditions and
9	limitations:
10	5.1.1.2 Pursuant to the terms of this Judgment, the Parties listed on
11	Exhibit 4 have the right to Produce their Overlying Production Right for use on land they own or
12	lease and without the need for Watermaster approval.
13	5.1.1.3 Overlying Production Rights may be transferred pursuant to
14	the provisions of Paragraph 16 of this Judgment.
15	5.1.1.4 Overlying Production Rights are subject to Pro-Rata
16	Reduction or Increase only pursuant to Paragraph 18.5.10.
17	5.1.2 Non-Pumper Class Rights. The Non-Pumper Class members
18	claim the right to Produce Groundwater from the Native Safe Yield for reasonable and beneficial
19	uses on their overlying land as provided for in this Judgment. On September 22, 2011, the Court
20	approved the Non-Pumper Class Stipulation of Settlement through an amended final judgment
21	that settled the Non-Pumper Class' claims against the Public Water Suppliers ("Non-Pumper
22	Class Judgment"). A copy of the Non-Pumper Class Judgment and the Non-Pumper Class
23	Stipulation of Settlement are attached for reference only as Appendices A and B. This Judgment
24	is consistent with the Non-Pumper Class Stipulation of Settlement and Judgment. Future
25	Production by a member of the Non-Pumper Class is addressed in the Physical Solution.
26	5.1.2.1 The Non-Pumper Class members shall have no right to
27	transfer water pursuant to this Judgment.
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existing household for reasonable and beneficial use on their overlying land, and such Production will not be subject to Replacement Water Assessment. Production by any Small Pumper Class Member above 3 acre-feet per Year per household or parcel will be subject to Replacement Water Assessment, as set forth in this Judgment. Administrative Assessments for unmetered Production by Small Pumper Class Members shall be set based upon the allocation of 1.2 acre-feet per Year per household or parcel, whichever is the case; metered Production shall be assessed in accord with the actual Production. A Small Pumper Class Member who is lawfully, by permit, operating a shared well with an adjoining Small Pumper Class Member, shall have all of the same rights and obligations under this Judgment without regard to the location of the shared well, and such shared use is not considered a prohibited transfer of a pumping right under Paragraph 5.1.3.3. 5.1.3.1 The Production of Small Pumper Class Members of up to 3 acre-feet per Year of Groundwater per household or per parcel for reasonable and beneficial use shall only be subject to reduction if: (1) the reduction is based upon a statistically credible study and analysis of the Small Pumper Class' actual Native Safe Yield Production, as well as the nature of the use of such Native Safe Yield, over at least a three Year period; and (2) the reduction is mandated by Court order after notice to the Small Pumper Class Members affording a reasonable opportunity for the Court to hear any Small Pumper Class Member objections to such

closure of the Small Pumper Class membership, the Small Pumper Class's aggregate Production

Right is 3806.4 acre-feet per Year. Allocation of water to the Small Pumper Class is set at an

average Small Pumper Class Member amount of 1.2 acre-feet per existing household or parcel

based upon the 3172 known Small Pumper Class Member parcels at the time of this Judgment.

Any Small Pumper Class Member may Produce up to and including 3 acre-feet per Year per

Small Pumper Class Production Rights. Subject only to the

reduction, including a determination that Water Code section 106 may apply so as to prevent areduction.

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

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

Member's well at the Small Pumper Class Member's expense.
5.1.3.3 The pumping rights of Small Pumper Class Members are
not transferable separately from the parcel of property on which the water is pumped, provided
however a Small Pumper Class Member may move their water right to another parcel owned by
that Small Pumper Class Member with approval of the Court. If a Small Pumper Class Member
parcel is sold, absent a written contract stating otherwise and subject to the provisions of this

Judgment, the water right for that Small Pumper Class Member parcel shall transfer to the new
owners of that Small Pumper Class Member parcel. The pumping rights of Small Pumper Class
Members may not be aggregated for use by a purchaser of more than one Small Pumper Class
Member's property.

- 5.1.3.4 Defaults or default judgments entered against any Small
 Pumper Class Member who did not opt out of the Small Pumper Class are hereby deemed nonoperative and vacated *nunc pro tunc*, but only with respect to their ownership of real property
 meeting the Small Pumper Class definition.
- 5.1.3.5 The Small Pumper Class shall be permanently closed to new
 membership upon issuance by the Court of its order granting final approval of the Small Pumper
 Class Settlement (the "Class Closure Date"), after the provision of notice to the Class of the Class
 Closure Date. Any Person or entity that does not meet the Small Pumper Class definition prior to
 the Class Closure Date is not a Member of the Small Pumper Class. Similarly, any additional
 household constructed on a Small Pumper Class Member parcel after the Class Closure Date is
 not entitled to a Production Right as set forth in Paragraphs 5.1.3 and 5.1.3.1.
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1	5.1.3.6 Unknown Small Pumper Class Members are defined as: (1)
2	those Persons or entities that are not identified on the list of known Small Pumper Class Members
3	maintained by class counsel and supervised and controlled by the Court as of the Class Closure
4	Date; and (2) any unidentified households existing on a Small Pumper Class Member parcel prior
5	to the Class Closure Date. Within ten (10) Court days of the Class Closure Date, class counsel
6	for the Small Pumper Class shall publish to the Court website and file with the Court a list of the
7	known Small Pumper Class Members.
8	5.1.3.7 Given the limited number of additions to the Small Pumper
9	Class during the more than five Years since the initial notice was provided to the Class, the Court
10	finds that the number of potentially unknown Small Pumper Class Members and their associated
11	water use is likely very low, and any Production by unknown Small Pumper Class Members is
12	hereby deemed to be <i>de minimis</i> in the context of this Physical Solution and shall not alter the
13	Production Rights decreed in this Judgment. However, whenever the identity of any unknown
14	Small Pumper Class Member becomes known, that Small Pumper Class Member shall be bound
15	by all provisions of this Judgment, including without limitation, the assessment obligations
16	applicable to Small Pumper Class Members.
17	5.1.3.8 In recognition of his service as class representative, Richard
18	Wood has a Production Right of up to five 5 acre-feet per Year for reasonable and beneficial use
19	on his parcel free of Replacement Water Assessment. This Production Right shall not be
20	transferable and is otherwise subject to the provisions of this Judgment.
21	5.1.4 Federal Reserved Water Right. The United States has a right to
22	Produce 7,600 acre-feet per Year from the Native Safe Yield as a Federal Reserved Water Right
23	for use for military purposes at Edwards Air Force Base and Air Force Plant 42. See Cappaert v.
24	United States, 426 U.S. 128, 138 (1976); United States v. New Mexico, 438 U.S. 696, 700 (1978).
25	Maps of the boundaries of Edwards Air Force Base and Plant 42 are attached hereto as Exhibits 6
26	and 7. The United States may Produce any or all of this water at any time for uses consistent with
27	the purposes of its Federal Reserved Water Right. Water uses at Edwards Air Force Base and
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Plant 42 as of the date of this Judgment are consistent with the military purposes of the facilities.
 The Federal Reserved Water Right to Produce 7,600 acre-feet per Year is not subject to
 Rampdown or any reduction including Pro-Rata Reduction due to Overdraft.

4 5.1.4.1 In the event the United States does not Produce its 5 entire 7,600 acre-feet in any given Year, the unused amount in any Year will be allocated to the 6 Non-Overlying Production Rights holders, except for Boron Community Services District and 7 West Valley County Water District, in the following Year, in proportion to Production Rights set 8 forth in Exhibit 3. This Production of unused Federal Reserved Water Right Production does not 9 increase any Non-Overlying Production Right holder's decreed Non-Overlying Production Right 10 amount or percentage, and does not affect the United States' ability to fully Produce its Federal 11 Reserved Water Right as provided in Paragraph 5.1.4 in any subsequent Year. Upon entry of a 12 judgment confirming its Federal Reserved Water Rights consistent with this Judgment, the United 13 States waives any rights under State law to a correlative share of the Groundwater in the Basin 14 underlying Edwards Air Force Base and Air Force Plant 42.

155.1.4.2The United States is not precluded from acquiring State law16based Production Rights in excess of its Federal Reserved Water Right through the acquisition of17Production Rights in the Basin.

18 5.1.5 State of California Production Rights. The State of California 19 shall have a Production Right of 207 acre-feet per Year from the Native Safe Yield and shall have 20 the additional right to Produce Native Safe Yield as set forth in Paragraphs 5.1.5.3 and 5.1.5.4 21 below. This Production of Native Safe Yield shall not be subject to Pro-Rata Reduction. Any 22 Production by the State of California above 207 acre-feet per Year that is not Produced pursuant 23 to Paragraphs 5.1.5.3 and 5.1.5.4 below shall be subject to Replacement Assessments. All 24 Production by the State of California shall also be subject to the Administrative Assessment and 25 the Balance Assessment except in emergency situations as provided in Paragraph 5.1.5.4.3 below. 26 Any Production of Native Safe Yield pursuant to Paragraphs 5.1.5.3 and 5.1.5.4 below shall not 27 reduce any other Party's Production Rights pursuant to this Judgment.

1	5.1.5.1 The State of California's Production Right in the amount of
2	207 acre-feet per Year is allocated separately to each of the State agencies, departments, and
3	associations as listed below in Paragraph 5.1.5.2. Notwithstanding the separate allocations, any
4	Production Right, or portion thereof, of one of the State agencies, departments, and associations
5	may be transferred or used by the other State agencies, departments, and associations on parcels
6	within the Basin. This transfer shall be done by agreement between the State agencies,
7	departments, or associations without a Replacement Water Assessment and without the need for
8	Watermaster approval. Prior to the transfer of another State agency, department, or association's
9	Production Right, the State agency, department, or association receiving the ability to use the
10	Production Right shall obtain written consent from the transferor. Further, the State agency,
11	department, or association receiving the Production Right shall notify the Watermaster of the
12	transfer.
13	5.1.5.2 The Production Rights are allocated as follows and may be
14	exercised by the following nine (9) State agencies:
15	5.1.5.2.1 The California Department of Water Resources-104
16	acre- feet per Year.
17	5.1.5.2.2 The California Department of Parks and Recreation-
18	9 acre-feet per Year.
19	5.1.5.2.3 The California Department of Transportation -47
20	acre-feet per Year.
21	5.1.5.2.4 The California State Lands Commission-3 acre-feet
22	per Year
23	5.1.5.2.5 The California Department of Corrections and
24	Rehabilitation-3 acre-feet per Year.
25	5.1.5.2.6 The 50th District Agricultural Association-32 acre-
26	feet per Year.
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1	5.1.5.2.7 The California Department of Veteran Affairs-3
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2	acre-feet per Year.
3	5.1.5.2.8 The California Highway Patrol -3 acre- feet per
4	Year.
5	5.1.5.2.9 The California Department of Military-3 acre-feet
6	per Year.
7	5.1.5.3 If at any time, the amount of water supplied to the State of
8	California by District No. 40, AVEK, or Rosamond Community Service District is no longer
9	available or no longer available at reasonable rates to the State of California, the State of
10	California shall have the additional right to Produce Native Safe Yield to meet its reasonable and
11	beneficial needs up to 787 acre-feet per Year, the amount provided by District No. 40, AVEK and
12	Rosamond Community Services District to the State of California in the Year 2013.
13	5.1.5.4 The following provisions will also apply to each specific
14	agency listed below:
15	5.1.5.4.1 California Department of Corrections &
16	Rehabilitation (CDCR). In addition to its Production Right pursuant to Paragraphs 5.1.5.2.5 and
17	5.1.5.3, CDCR may also pump Groundwater: (1) to the extent necessary to conduct periodic
18	maintenance of its well pumping equipment; and (2) as a supplementary source of drinking water
19	or as an emergency back-up supply as set forth in Water Code section 55338.
20	5.1.5.4.2 California Department of Water Resources (DWR).
21	In addition to its Production pursuant to Paragraphs 5.1.5.2.1 and 5.1.5.3 above, DWR may also
22	pump Native Safe Yield from the area adjacent to and beneath the California Aqueduct and
23	related facilities at a time and in an amount it determines is reasonably necessary to protect the
24	physical integrity of the California Aqueduct and related facilities from high Groundwater.
25	Further, notwithstanding provisions of this Judgment prohibiting the export of Native Safe Yield
26	from the Basin, DWR may place the Native Safe Yield that it pumps for the protection of the
27	California Aqueduct into the California Aqueduct, whether or not such Native Safe Yield is
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1 ultimately returned to the Basin. However, DWR and AVEK shall use their best efforts to enter 2 into an agreement allowing AVEK to recapture the Native Safe Yield DWR puts into the 3 California Aqueduct and return it to the Basin. 4 5.1.5.4.3 Department of Military. The Department of Military 5 may Produce additional Groundwater in an amount necessary to protect and promote public 6 health and safety during an event deemed to be an emergency by the Department of Military 7 pursuant to California Government Code sections 8567 and 8571, and California Military and 8 Veterans Code sections 143 and 146. Such Production shall be free from any assessment, 9 including any Administrative, Balance, or Replacement Water Assessment. 5.1.5.4.4 10 The California Department of Veterans Affairs. The California Department of Veteran Affairs has begun the expansion and increased occupancy 11 12 project of the Veterans Home of California – Lancaster facility owned by the State of California 13 by and on behalf of the California Department of Veterans Affairs. The California Department of 14 Veterans Affairs fully expects that it will be able to purchase up to an additional 40 acre-feet per 15 Year for use at this facility from District No. 40. 16 5.1.6 Non-Overlying Production Rights. The Parties listed in Exhibit 3 17 have Production Rights in the amounts listed in Exhibit 3. Exhibit 3 is attached hereto, and 18 incorporated herein by reference. Non-Overlying Production Rights are subject to Pro-Rata 19 Reduction or Increase only pursuant to Paragraph 18.5.10. 20 5.1.7 City of Lancaster. The City of Lancaster ("Lancaster") can 21 Produce up to 500 acre-feet of Groundwater for reasonable and beneficial uses at its National 22 Soccer Complex. Such production shall only be subject to Administrative Assessment and no 23 other assessments. Lancaster will stop Producing Groundwater and will use Recycled Water 24 supplied from District No. 40, when it becomes available, to meet the reasonable and beneficial 25 water uses of the National Soccer Complex. Lancaster may continue to Produce up to 500 acre-26 feet of Groundwater until Recycled Water becomes available to serve the reasonable and 27 beneficial water uses of the National Soccer Complex. Nothing in this paragraph shall be 28 - 23 -

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

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

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

- 245.1.10Production Rights Claimed by Non-Stipulating Parties. Any25claim to a right to Produce Groundwater from the Basin by a Non-Stipulating Party shall be26subject to procedural or legal objection by any Stipulating Party. Should the Court, after taking27evidence, rule that a Non-Stipulating Party has a Production Right, the Non-Stipulating Party
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Enclosure A

1 shall 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 addressed when Native Safe Yield is reviewed pursuant to Paragraph 18.5.9. If the total 6 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 Injury, including, but not limited to, imposing a Balance Assessment, provided however, that the 11 Watermaster shall not recommend any changes to the allocations under Exhibits 3 and 4 prior to 12 the redetermination of Native Safe Yield pursuant to Paragraph 18.5.9. In all cases, however, 13 whenever the Watermaster re-determines the Native Safe Yield pursuant to Paragraph 18.5.9, the 14 Watermaster shall take action to prevent Native Safe Yield Production from exceeding the Native 15 Safe Yield on a long-term basis.

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

5.2.1 17 **Rights to Imported Water Return Flows.** Return Flows from 18 Imported Water used within the Basin which net augment the Basin Groundwater supply are not a 19 part of the Native Safe Yield. Subject to review pursuant to Paragraph 18.5.11, Imported Water 20 Return Flows from Agricultural Imported Water use are 34% and Imported Water Return Flows 21 from Municipal and Industrial Imported Water use are 39% of the amount of Imported Water 22 used.

23 5.2.2 Water Imported Through AVEK. The right to Produce Imported 24 Water Return Flows from water imported through AVEK belongs exclusively to the Parties 25 identified on Exhibit 8, attached hereto, and incorporated herein by reference. Each Party shown 26 on Exhibit 8 shall have a right to Produce an amount of Imported Water Return Flows in any 27 Year equal to the applicable percentage multiplied by the average amount of Imported Water used

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

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

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

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6.

INJUNCTION

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

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6.2 Injunction Re Change in Purpose of Use Without Notice to The

16 Watermaster. Each and every Party, its officers, directors, agents, employees, successors, and
 17 assigns, is ENJOINED AND RESTRAINED from changing its Purpose of Use of Groundwater at
 18 any time without notifying the Watermaster.

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

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1	6.4 <u>Injunction Against Transportation From Basin</u> . Except upon further
2	order of the Court, each and every Party, its officers, agents, employees, successors and assigns,
3	is ENJOINED AND RESTRAINED from transporting Groundwater hereafter Produced from the
4	Basin to areas outside the Basin except as provided for by the following. The United States may
5	transport water Produced pursuant to its Federal Reserved Water Right to any portion of Edwards
6	Air Force Base, whether or not the location of use is within the Basin. This injunction does not
7	prevent Saint Andrew's Abbey, Inc., U.S. Borax and Tejon Ranchcorp/Tejon Ranch Company
8	from conducting business operations on lands both inside and outside the Basin boundary, and
9	transporting Groundwater Produced consistent with this Judgment for those operations and for
10	use on those lands outside the Basin and within the watershed of the Basin as shown in Exhibit 9.
11	This injunction also does not apply to any California Aqueduct protection dewatering Produced
12	by the California Department of Water Resources. This injunction does not apply to the recovery
13	and use of stored Imported Water by any Party that stores Imported Water in the Basin pursuant
14	to Paragraph 14 of this Judgment.
15	6.4.1 <u>Export by Boron and Phelan Piñon Hills Community Services</u>
16	<u>Districts.</u>
17	6.4.1.1 The injunction does not prevent Boron Community Services
18	District from transporting Groundwater Produced consistent with this Judgment for use outside
19	the Basin, provided such water is delivered within its service area.
20	6.4.1.2 The injunction does not apply to any Groundwater Produced
21	within the Basin by Phelan Piñon Hills Community Services District and delivered to its service
22	areas, so long as the total Production does not exceed 1,200 acre-feet per Year, such water is
23	available for Production without causing Material Injury, and the District pays a Replacement
24	Water Assessment pursuant to Paragraph 9.2, together with any other costs deemed necessary to
25	protect Production Rights decreed herein, on all water Produced and exported in this manner.
26	6.5 <u>Continuing Jurisdiction</u> . The Court retains and reserves full jurisdiction,
27	power and authority for the purpose of enabling the Court, upon a motion of a Party or Parties
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noticed in accordance with the notice procedures of Paragraph 20.6 hereof, to make such further
 or supplemental order or directions as may be necessary or appropriate to interpret, enforce,
 administer or carry out this Judgment and to provide for such other matters as are not
 contemplated by this Judgment and which might occur in the future, and which if not provided for
 would defeat the purpose of this Judgment.

III. PHYSICAL SOLUTION

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GENERAL

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

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

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

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

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8.

RAMPDOWN

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

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

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

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

8.4 <u>Drought Program During Rampdown for Participating Public Water</u>
<u>Suppliers.</u> During the Rampdown period a drought water management program ("Drought
Program") will be implemented by District No. 40, Quartz Hill Water District, Littlerock Creek
Irrigation District, California Water Service Company, Desert Lake Community Services District,
North Edwards Water District, City of Palmdale, and Palm Ranch Irrigation District,

8 (collectively, "Drought Program Participants"), as follows:

9 8.4.1 During the Rampdown period, District No. 40 agrees to purchase 10 from AVEK each Year at an amount equal to 70 percent of District No. 40's total annual demand 11 if that amount is available from AVEK at no more than the then current AVEK treated water rate. 12 If that amount is not available from AVEK, District No. 40 will purchase as much water as 13 AVEK makes available to District No. 40 at no more than the then current AVEK treated water 14 rate. Under no circumstances will District No. 40 be obligated to purchase more than 50,000 15 acre-feet of water annually from AVEK. Nothing in this Paragraph affects AVEK's water 16 allocation procedures as established by its Board of Directors and AVEK's Act.

8.4.2 17 During the Rampdown period, the Drought Program Participants 18 each agree that, in order to minimize the amount of excess Groundwater Production in the Basin, 19 they will use all water made available by AVEK at no more than the then current AVEK treated 20 water rate in any Year in which they Produce Groundwater in excess of their respective rights to 21 Produce Groundwater under this Judgment. During the Rampdown period, no Production by a 22 Drought Program Participant shall be considered excess Groundwater Production exempt from a 23 Replacement Water Assessment under this Drought Program unless a Drought Program 24 Participant has utilized all water supplies available to it including its Production Right to Native 25 Safe Yield, Return Flow rights, unused Production allocation of the Federal Reserved Water 26 Rights, Imported Water, and Production rights previously transferred from another party. 27 Likewise, no Production by a Drought Program Participant will be considered excess

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

8.4.3 5 During the Rampdown period, the Drought Program Participants will be exempt from the requirement to pay a Replacement Water Assessment for Groundwater 6 7 Production in excess of their respective rights to Produce Groundwater under this Judgment up to 8 a total of 40,000 acre-feet over the Rampdown Period with a maximum of 20,000 acre-feet in any 9 single Year for District No. 40 and a total of 5,000 acre-feet over the Rampdown Period for all 10 other Drought Program Participants combined. During any Year that excess Groundwater is 11 produced under this Drought Program, all Groundwater Production by the Drought Program 12 Participants will be for the purpose of a direct delivery to customers served within their respective 13 service areas and will not be transferred to other users within the Basin.

14 8.4.4 Notwithstanding the foregoing, the Drought Program Participants
15 remain subject to the Material Injury limitation as provided in this Judgment.

16 8.4.5 Notwithstanding the foregoing, the Drought Program Participants
17 remain subject to a Balance Assessment as provided in Paragraph 9.3 of this Judgment.

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9.

ASSESSMENTS.

9.1 19 Administrative Assessment. Administrative Assessments to fund the 20 Administrative Budget adopted by the Watermaster shall be levied uniformly on an annual basis 21 against (1) each acre foot of a Party's Production Right as described in Paragraph 5.1, (2) each 22 acre foot of a Party's right to Produce Imported Water Return Flows as determined pursuant to 23 Paragraph 5.2, (3) each acre foot of a Party's Production for which a Replacement Water 24 Assessment has been imposed pursuant to Paragraph 9.2, and (4) during the Rampdown, each 25 acre foot of a Party's Production in excess of (1)-(3), above, excluding Production from Stored 26 Water and/or Carry Over water, except that the United States shall be subject to the 27 Administrative Assessment only on the actual Production of the United States. During the 28

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

9.2 **Replacement Water Assessment.** In order to ensure that each Party may 6 7 fully exercise its Production Right, there will be a Replacement Water Assessment. Except as is determined to be exempt during the Rampdown period pursuant to the Drought Program provided 8 9 for in Paragraph 8.4, the Watermaster shall impose the Replacement Water Assessment on any 10 Producer whose Production of Groundwater from the Basin in any Year is in excess of the sum of 11 such Producer's Production Right and Imported Water Return Flow available in that Year, 12 provided that no Replacement Water Assessment shall be imposed on the United States except 13 upon the United States' written consent to such imposition based on the appropriation by 14 Congress, and the apportionment by the Office of Management and Budget, of funds that are 15 available for the purpose of, and sufficient for, paying the United States' Replacement Water 16 Assessment. The Replacement Water Assessment shall not be imposed on the Production of 17 Stored Water, In-Lieu Production or Production of Imported Water Return Flows. The amount of 18 the Replacement Water Assessment shall be the amount of such excess Production multiplied by 19 the cost to the Watermaster of Replacement Water, including any Watermaster spreading costs. 20 All Replacement Water Assessments collected by the Watermaster shall be used to acquire 21 Imported Water from AVEK, Littlerock Creek Irrigation District, Palmdale Water District, or 22 other entities. AVEK shall use its best efforts to acquire as much Imported Water as possible in a 23 timely manner. If the Watermaster encounters delays in acquiring Imported Water which, due to 24 cost increases, results in collected assessment proceeds being insufficient to purchase all Imported 25 Water for which the Assessments were made, the Watermaster shall purchase as much water as 26 the proceeds will allow when the water becomes available. If available Imported Water is 27 insufficient to fully meet the Replacement Water obligations under contracts, the Watermaster

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

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

14 9.2.2 Evidence presented to the Court demonstrates that Production by 15 one or more Public Water Suppliers satisfies the elements of prescription and that Production by 16 overlying landowners during portion(s) of the prescriptive period exceeded the Native Safe Yield. 17 At the time of this Judgment the entire Native Safe Yield is being applied to reasonable and 18 beneficial uses in the Basin. Members of the Non-Pumper Class do not and have never Produced 19 Groundwater for reasonable beneficial use as of the date of this Judgment. Pursuant to Pasadena 20 v. Alhambra (1949) 33 Cal 2d 908, 931-32 and other applicable law, the failure of the Non-21 Pumper Class members to Produce any Groundwater under the facts here modifies their rights to 22 Produce Groundwater except as provided in this Judgment. Because this is a comprehensive 23 adjudication pursuant to the McCarran Amendment, consistent with the California Supreme Court 24 decisions, including In Re Waters of Long Valley Creek Stream System (1979) 25 Cal. 3d 339, 25 this Court makes the following findings: (1) certainty fosters reasonable and beneficial use of 26 water and is called for by the mandate of Article X, section 2; (2) because of this mandate for 27 certainty and in furtherance of the Physical Solution, any New Production, including that by a

1 member of the Non-Pumper Class must comply with the New Production Application Procedure 2 specified in Paragraph 18.5.13; (3) as of this Judgment no member of the Non-Pumper Class has 3 established a Production Right to the reasonable and beneficial use of Groundwater based on their 4 unexercised claim of right to Produce Groundwater; (4) if in the future a member of the Non-5 Pumper Class proposes to Produce Groundwater for reasonable and beneficial use, the 6 Watermaster as part of the New Production Application Procedure, has the authority to determine 7 whether such a member has established that the proposed New Production is a reasonable and 8 beneficial use in the context of other existing uses of Groundwater and then-current Basin 9 conditions; and (5) the Watermaster's determinations as to the approval, scope, nature and priority 10 of any New Production is reasonably necessary to the promotion of the State's interest in fostering 11 the most reasonable and beneficial use of its scarce water resources. All provisions of this 12 Judgment regarding the administration, use and enforcement of the Replacement Water 13 Assessment shall apply to each Non-Pumper Class member that Produces Groundwater. Prior to 14 the commencement of Production, each Producing Non-Pumper Class member shall install a 15 meter and report Production to the Watermaster. The Court finds that this Judgment is consistent 16 with the Non-Pumper Stipulation of Settlement and Judgment.

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

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1 Balance Assessment or curtail a Party's Production under section 9.3.4 below, to avoid or 2 mitigate Material Injury that is caused by Production after the completion of the Rampdown. 9.3.1 3 Any proceeds of the Balance Assessment will be used to purchase, 4 deliver, produce in lieu, or arrange for alternative pumping sources of water in the Basin, but shall 5 not include infrastructure costs. 9.3.2 The Watermaster Engineer shall determine and collect from any 6 7 Party receiving direct benefit of the Balance Assessment proceeds an amount equal to that Party's 8 avoided Production costs. 9 9.3.3 The Balance Assessment shall not be used to benefit the United 10 States unless the United States participates in paying the Balance Assessment. 9.3.4 11 The Watermaster Engineer may curtail the exercise of a Party's 12 Production Right under this Judgment, except the United States' Production, if it is determined 13 necessary to avoid or mitigate a Material Injury to the Basin and provided that the Watermaster 14 provides an equivalent quantity of water to such Party as a substitute water supply, with such 15 water paid for from the Balance Assessment proceeds. 16 10. **SUBAREAS.** Subject to modification by the Watermaster the following Subareas are recognized: 17 10.1 18 Central Antelope Valley Subarea. The Central Antelope Valley Subarea 19 is the largest of the five Subareas and underlies Rosamond, Quartz Hill, Lancaster, Edwards AFB 20 and much of Palmdale. This Subarea also contains the largest amount of remaining agricultural 21 land use in the Basin. The distinctive geological features of the Central Antelope Valley Subarea 22 are the presence of surficial playa and pluvial lake deposits; the widespread occurrence of thick, 23 older pluvial lake bed deposits; and alluvial deposits from which Groundwater is produced above 24 and below the lake bed deposits. The Central Antelope Valley Subarea is defined to be east of the 25 largely buried ridge of older granitic and tertiary rocks exposed at Antelope Buttes and extending 26 beyond Little Buttes and Tropico Hill. The Central Subarea is defined to be southwest and 27 28 - 36 -

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

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

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

1510.4Willow Springs Subarea.The Willow Springs Subarea is separated from16the West Antelope Subarea primarily because the Willow Springs fault shows some signs of17recent movement and there is substantial Groundwater hydraulic separation between the two18adjacent areas, suggesting that the fault significantly impedes Groundwater flow from the Willow19Springs to the lower West Antelope Subarea. Otherwise, the Willow Springs Subarea is20comparable in land use to the West Antelope Subarea, with some limited agricultural land use and21no municipal development, as shown on Exhibit 10.

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

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11. INCREASE IN PRODUCTION BY THE UNITED STATES.

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111.1Notice of Increase of Production Under Federal Reserved Water2Right. After the date of entry of this Judgment, the United States shall provide the Watermaster3with at least ninety (90) days advanced notice if Production by the United States is reasonably4anticipated to increase more than 200 acre-feet per Year in a following 12 month period.

- 5
- **11.2** <u>Water Substitution to Reduce Production by United States</u>. The United

States agrees that maximizing Imported Water is essential to improving the Basin's health and 6 7 agrees that its increased demand can be met by either increasing its Production or by accepting 8 deliveries of Imported Water of sufficient quality to meet the purpose of its Federal Reserved 9 Water Right under the conditions provided for herein. Any Party may propose a water 10 substitution or replacement to the United States to secure a reduction in Groundwater Production 11 by the United States. Such an arrangement would be at the United States' sole discretion and 12 subject to applicable federal law, regulations and other requirements. If such a substitution or 13 replacement arrangement is agreed upon, the United States shall reduce Production by the amount 14 of Replacement Water provided to it, and the Party providing such substitution or replacement of 15 water to the United States may Produce a corresponding amount of Native Safe Yield free from 16 Replacement Water Assessment in addition to their Production Right.

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12. MOVEMENT OF PUBLIC WATER SUPPLIERS PRODUCTION FACILITIES.

12.1 19 No Requirement to Move Public Water Suppliers' Production Wells. One or more of the Public Water Suppliers intend to seek Federal or State legislation to pay for 20 21 all costs related to moving the Public Water Suppliers Production wells to areas that will reduce 22 the impact of Public Water Supplier Production on the United States' current Production wells. 23 The Public Water Suppliers shall have no responsibility to move any Production wells until 24 Federal or State legislation fully funding the costs of moving the wells is effective or until 25 required to do so by order of this Court which order shall not be considered or made by this Court 26 until the seventeenth (17th) Year after entry of this Judgment. The Court may only make such an 27 order if it finds that the Public Water Supplier Production from those wells is causing Material

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

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

14. <u>STORAGE</u>. All Parties shall have the right to store water in the Basin pursuant 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
 Stored Water. AVEK, Littlerock Creek Irrigation District or Palmdale Water District may enter
 into exchanges of their State Water Project "Table A" Amounts. Nothing in this Judgment limits
 or modifies operation of preexisting banking projects (including AVEK, District No. 40, Antelope
 Valley Water Storage LLC, Tejon Ranchcorp and Tejon Ranch Company, Sheep Creek Water

1 Co., Rosamond Community Services District and Palmdale Water District) or performance of 2 preexisting exchange agreements of the Parties. The Watermaster shall promptly enter into 3 Storage Agreements with the Parties at their request. The Watermaster shall not enter into 4 Storage Agreements with non-Parties unless such non-Parties become expressly subject to the 5 provisions of this Judgment and the jurisdiction of the Court. Storage Agreements shall expressly preclude operations which will cause a Material Injury on any Producer. If, pursuant to a Storage 6 7 Agreement, a Party has provided for pre-delivery or post-delivery of Replacement Water for the 8 Party's use, the Watermaster shall credit such water to the Party's Replacement Water Obligation 9 at the Party's request. Any Stored Water that originated as State Water Project water imported by 10 AVEK, Palmdale Water District or Littlerock Creek Irrigation District may be exported from the 11 Basin for use in a portion of the service area of any city or public agency, including State Water 12 Project Contractors, that are Parties to this action at the time of this Judgment and whose service 13 area includes land outside the Basin. AVEK may export any of its Stored State Project Water to 14 any area outside its jurisdictional boundaries and the Basin provided that all water demands 15 within AVEK's jurisdictional boundaries are met. Any Stored Water that originated as other 16 Imported Water may be exported from the Basin, subject to a requirement that the Watermaster 17 make a technical determination of the percentage of the Stored Water that is unrecoverable and that such unrecoverable Stored Water is dedicated to the Basin. 18

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15.

CARRY OVER

20 15.1 In Lieu Production Right Carry Over. Any Producer identified in 21 Paragraph 5.1.1, 5.1.5 and 5.1.6 can utilize In Lieu Production by purchasing Imported Water and 22 foregoing Production of a corresponding amount of the annual Production of Native Safe Yield 23 provided for in Paragraph 5 herein. In Lieu Production must result in a net reduction of annual 24 Production from the Native Safe Yield in order to be entitled to the corresponding Carry Over 25 benefits under this paragraph. In Lieu Production does not make additional water from the Native 26 Safe Yield available to any other Producer. If a Producer foregoes pumping and uses Imported 27 Water In Lieu of Production, the Producer may Carry Over its right to the unproduced portion of

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

11 15.2 Imported Water Return Flow Carry Over. If a Producer identified in 12 Paragraph 5.1.1, 5.1.5 and 5.1.6 fails to Produce its full amount of Imported Water Return Flows 13 in the Year following the Year in which the Imported Water was brought into the Basin, the 14 Producer may Carry Over its right to the unproduced portion of its Imported Water Return Flows 15 for up to ten (10) Years. A Producer must Produce its full Production Right before any Carry 16 Over water, or any other water, is Produced. Carry Over water will be Produced on a first-in, 17 first-out basis. At the end of the Carry Over period, the Producer may enter into a Storage 18 Agreement with the Watermaster to store unproduced portions, subject to terms and conditions in 19 the Watermaster's discretion. Any such Storage Agreements shall expressly preclude operations, 20 including the rate and amount of extraction, which will cause a Material Injury to another 21 Producer or Party, any subarea or the Basin. If not converted to a Storage Agreement, Carry Over 22 water not Produced by the end of the tenth Year reverts to the benefit of the Basin and the 23 Producer no longer has a right to the Carry Over water. The Producer may transfer any Carry 24 Over water or Carry Over water stored pursuant to a Storage Agreement.

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

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

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16.

TRANSFERS.

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

17

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

16.3 21 Limitation on Transfers of Water by Antelope Valley United Mutuals 22 **Group.** After the date of this Judgment, any Overlying Production Rights pursuant to Paragraph 23 5.1.1, rights to Imported Water Return Flows pursuant to Paragraph 5.2, rights to Recycled Water 24 pursuant to Paragraph 5.3 and Carry Over water pursuant to Paragraph 15 (including any water 25 banked pursuant to a Storage Agreement with the Watermaster) that are at any time held by any 26 member of the Antelope Valley United Mutuals Group may only be transferred to or amongst 27 other members of the Antelope Valley United Mutuals Group, except as provided in Paragraph

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

16.3.1 5 Nothing in Paragraph 16.3 shall prevent Antelope Valley United Mutuals Group members from transferring Overlying Production Rights to Public Water 6 7 Suppliers who assume service of an Antelope Valley United Mutuals Group member's 8 shareholders.

9 16.4 Notwithstanding section 16.1, the Production Right of Boron Community 10 Services District shall not be transferable. If and when Boron Community Services District 11 permanently ceases all Production of Groundwater from the Basin, its Production Right shall be 12 allocated to the other holders of Non-Overlying Production Rights, except for West Valley 13 County Water District, in proportion to those rights.

14

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

17.1 19 Notice of New Well. Any Party seeking to construct a new well in order to 20 change the point of extraction for any Production Right to another point of extraction shall notify 21 the Watermaster at least 90 days in advance of drilling any well of the location of the new point 22 of extraction and the intended place of use of the water Produced.

23 17.2 Change in Point of Extraction by the United States. The point(s) of 24 extraction for the Federal Reserved Water Right may be changed, at the sole discretion of the 25 United States, and not subject to the preceding limitation on Material Injury, to any point or 26 points within the boundaries of Edwards Air Force Base or Plant 42. The point(s) of extraction 27 for the Federal Reserved Water Right may be changed to points outside the boundaries of

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

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18.

WATERMASTER

18.1 <u>Appointment of Initial Watermaster</u>.

18.1.1 10 Appointment and Composition: The Court hereby appoints a 11 Watermaster. The Watermaster shall be a five (5) member board composed of one representative 12 each from AVEK and District No. 40, a second Public Water Supplier representative selected by 13 District No. 40, Palmdale Water District, Quartz Hill Water District, Littlerock Creek Irrigation 14 District, California Water Service Company, Desert Lake Community Services District, North 15 Edwards Water District, City of Palmdale, City of Lancaster, Palm Ranch Irrigation District, and 16 Rosamond Community Services District, and two (2) landowner Parties, exclusive of public 17 agencies and members of the Non-Pumper and Small Pumper Classes, selected by majority vote 18 of the landowners identified on Exhibit 4 (or their successors in interest) based on their 19 proportionate share of the total Production Rights identified in Exhibit 4. The United States may 20 also appoint a non-voting Department of Defense (DoD) Liaison to the Watermaster committee to 21 represent DoD interests. Participation by the DoD Liaison shall be governed by Joint Ethics 22 Regulation 3-201. The opinions or actions of the DoD liaison in participating in or contributing 23 to Watermaster proceedings cannot bind DoD or any of its components. 24 18.1.2 Voting Protocol for Watermaster Actions: 18.1.2.1 25 The Watermaster shall make decisions by unanimous vote 26 for the purpose of selecting or dismissing the Watermaster Engineer. 27 28 - 44 -

1	18.1.2.2 The Watermaster shall determine by unanimous vote, after				
2	consultation with the Watermaster Engineer, the types of decisions that shall require unanimous				
3	vote and those that shall require only a simple majority vote.				
4	18.1.2.3 All decisions of the Watermaster, other than those				
5	specifically designated as being subject to a simple majority vote, shall be by a unanimous vote.				
6	18.1.2.4 All board members must be present to make any decision				
7	requiring a unanimous vote.				
8	18.1.3 In carrying out this appointment, the Watermaster shall segregate				
9	and separately exercise in all respects the Watermaster powers delegated by the Court under this				
10	Judgment. All funds received, held, and disbursed by the Watermaster shall be by way of				
11	separate Watermaster accounts, subject to separate accounting and auditing. Meetings and				
12	hearings held by the Watermaster shall be noticed and conducted separately.				
13	18.1.4 Pursuant to duly adopted Watermaster rules, Watermaster staff and				
14	administrative functions may be accomplished by AVEK, subject to strict time and cost				
15	accounting principles so that this Judgment does not subsidize, and is not subsidized by AVEK.				
16	18.2 Standard of Performance. The Watermaster shall carry out its duties,				
17	powers and responsibilities in an impartial manner without favor or prejudice to any Subarea,				
18	Producer, Party, or Purpose of Use.				
19	18.3 <u>Removal of Watermaster</u> . The Court retains and reserves full				
20	jurisdiction, power, and authority to remove any Watermaster for good cause and substitute a new				
21	Watermaster in its place, upon its own motion or upon motion of any Party in accordance with the				
22	notice and hearing procedures set forth in Paragraph 20.6. The Court shall find good cause for				
23	the removal of a Watermaster upon a showing that the Watermaster has: (1) failed to exercise its				
24	powers or perform its duties; (2) performed its powers in a biased manner; or (3) otherwise failed				
25	to act in the manner consistent with the provisions set forth in this Judgment or subsequent order				
26	of the Court.				
27					
28	- 45 -				
	[PROPOSED] JUDGMENT				

1**18.4Powers and Duties of the Watermaster.** Subject to the continuing2supervision and control of the Court, the Watermaster shall have and may exercise the following3express powers and duties, together with any specific powers and duties set forth elsewhere in4this Judgment or ordered by the Court:

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

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

16**18.4.3Employment of Experts and Agents.** The Watermaster may17employ such administrative personnel, engineering, legal, accounting, or other specialty services,18and consulting assistants as appropriate in carrying out the terms of this Judgment.

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

24**18.4.5Annual Administrative Budget.** The Watermaster shall prepare a25proposed administrative budget for each Year. The Watermaster shall hold a public hearing26regarding the proposed administrative budget and adopt an administrative budget. The27administrative budget shall set forth budgeted items and Administrative Assessments in sufficient

detail to show the allocation of the expense among the Producers. Following the adoption of the
 budget, the Watermaster may make expenditures within budgeted items in the exercise of powers
 herein granted, as a matter of course.

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

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

11**18.4.8Transfers.** On an annual basis, the Watermaster shall prepare and12maintain a report or record of any transfer of Production Rights among Parties. Upon reasonable13request, the Watermaster shall make such report or record available for inspection by any Party.14A report or records of transfer of Production Rights under this Paragraph shall be considered a15ministerial act.

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

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

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

26**18.4.12Assessment Procedure**. Each Party hereto is ordered to pay the27assessments authorized in Paragraph 9 of this Judgment, which shall be levied and collected in

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1 accordance with the procedures and schedules determined by the Watermaster. Any assessment 2 which becomes delinquent, as defined by rules and regulations promulgated by the Watermaster 3 shall bear interest at the then current real property tax delinquency rate for the county in which 4 the property of the delinquent Party is located. The United States shall not be subject to payment 5 of interest absent congressional waiver of immunity for the imposition of such interest. This interest rate shall apply to any said delinquent assessment from the due date thereof until paid. 6 7 The delinquent assessment, together with interest thereon, costs of suit, attorneys fees and 8 reasonable costs of collection, may be collected pursuant to (1) motion by the Watermaster giving 9 notice to the delinquent Party only; (2) Order to Show Cause proceeding, or (3) such other lawful 10 proceeding as may be instituted by the Watermaster or the Court. The United States shall not be 11 subject to costs and fees absent congressional waiver of immunity for such costs and fees. The 12 delinquent assessment shall constitute a lien on the property of the Party as of the same time and 13 in the same manner as does the tax lien securing county property taxes. The property of the 14 United States shall not be subject to any lien. The Watermaster shall annually certify a list of all 15 such unpaid delinquent assessments. The Watermaster shall include the names of those Parties 16 and the amounts of the liens in its list to the County Assessor's Office in the same manner and at the same time as it does its Administrative Assessments. Watermaster shall account for receipt of 17 18 all collections of assessments collected pursuant to this Judgment, and shall pay such amounts 19 collected pursuant to this Judgment to the Watermaster. The Watermaster shall also have the 20 ability to seek to enjoin Production of those Parties, other than the United States, who do not pay 21 assessments pursuant to this Judgment. 22 18.5 Watermaster Engineer. The Watermaster Engineer shall have the

following duties:

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

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1**18.5.2Reduction in Groundwater Production.** The Watermaster2Engineer shall ensure that reductions of Groundwater Production to the Native Safe Yield3(Rampdown) take place pursuant to the terms of this Judgment and any orders by the Court.

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

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

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

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

18.5.7 Purchases of and Recharge with Replacement Water. To the
 extent Imported Water is available, the Watermaster Engineer shall use Replacement Water
 Assessment proceeds to purchase Replacement Water, and deliver such water to the area deemed
 most appropriate as soon as practicable. The Watermaster Engineer may pre-purchase

Replacement Water and apply subsequent assessments towards the costs of such pre-purchases.
 The Watermaster Engineer shall reasonably and equitably actively manage the Basin to protect
 and enhance the health of the Basin.

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

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

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

1	18.5.11 Review of Calculation of Imported Water Return Flow	
2	Percentages. Ten (10) Years following the end of the Rampdown, in the seventeenth (17th)	
3	Year, or any time thereafter, the Watermaster Engineer may recommend to the Court an increase	
4	or decrease of Imported Water Return Flow percentages. The Watermaster Engineer shall initiate	
5	no recommendation to change Imported Water Return Flow percentages prior to end of the	
6	seventeenth (17th) Year. In the event the Watermaster Engineer recommends in its report to the	
7	Court that Imported Water Return Flow percentages for the Basin may need to be revised based	
8	on the best available science, the Court shall conduct a hearing regarding the recommendations	
9	and may order a change in Imported Water Return Flow percentages. Watermaster shall give	
10	notice of the hearing pursuant to Paragraph 20.6. The Imported Water Return Flow percentages	
11	set forth in Paragraph 5.2 shall remain in effect unless revised by Court order according to this	
12	Paragraph. If the Court approves a reduction in the Imported Water Return Flow percentages,	
13	such reduction shall be implemented over a seven (7) Year period. Only the Court can change the	
14	Imported Water Return Flow percentages.	
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15**18.5.12Production Reports.** The Watermaster Engineer shall require each16Producer, other than unmetered Small Pumper Class Members, to file an annual Production report17with the Watermaster. Producers shall prepare the Production reports in a form prescribed by the18rules and regulations. The Production reports shall state the total Production for the reporting19Party, including Production per well, rounded off to the nearest tenth of an acre foot for each20reporting period. The Production reports shall include such additional information and supporting21documentation as the rules and regulations may reasonably require.

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

1 factors, the Watermaster Engineer has authority to recommend that the application for New 2 Production be denied, or approved on condition of payment of a Replacement Water Assessment. 3 The Watermaster Engineer shall consider, investigate and recommend to the Watermaster 4 whether an application to commence New Production of Groundwater may be approved as 5 follows: 18.5.13.1 All Parties or Person(s) seeking approval from the 6 7 Watermaster to commence New Production of Groundwater shall submit a written application to 8 the Watermaster Engineer which shall include the following: 9 18.5.13.1.1 Payment of an application fee sufficient to recover 10 all costs of application review, field investigation, reporting, and hearing, and other associated 11 costs, incurred by the Watermaster and Watermaster Engineer in processing the application for 12 New Production; 13 18.5.13.1.2 Written summary describing the proposed quantity, sources of supply, season of use, Purpose of Use, place of use, manner of delivery, and other 14 15 pertinent information regarding the New Production; 16 18.5.13.1.3 Maps identifying the location of the proposed New Production, including Basin Subarea; 17 18.5.13.1.4 18 Copy of any water well permits, specifications and 19 well-log reports, pump specifications and testing results, and water meter specifications 20 associated with the New Production; 21 18.5.13.1.5 Written confirmation that the applicant has obtained 22 all applicable Federal, State, County, and local land use entitlements and other permits necessary 23 to commence the New Production; 24 18.5.13.1.6 Written confirmation that the applicant has complied with all applicable Federal, State, County, and local laws, rules and regulations, including but not 25 26 limited to, the California Environmental Quality Act (Public Resources Code §§ 21000, et. seq.); 27 28 - 52 -[PROPOSED] JUDGMENT

1	18.5.13.1.7 Preparation of a water conservation plan, approved				
2	and stamped by a California licensed and registered professional civil engineer, demonstrating				
3	that the New Production will be designed, constructed and implemented consistent with				
4	California best water management practices.				
5	18.5.13.1.8 Preparation of an analysis of the economic impact of				
6	the New Production on the Basin and other Producers in the Subarea of the Basin;				
7	18.5.13.1.9 Preparation of an analysis of the physical impact of				
8	the New Production on the Basin and other Producers in the Subarea of the Basin;				
9	18.5.13.1.10 A written statement, signed by a California licensed				
10	and registered professional civil engineer, determining that the New Production will not cause				
11	Material Injury;				
12	18.5.13.1.11 Written confirmation that the applicant agrees to pay				
13	the applicable Replacement Water Assessment for any New Production.				
14	18.5.13.1.12 Other pertinent information which the Watermaster				
15	Engineer may require.				
16	18.5.13.2 Finding of No Material Injury. The Watermaster Engineer				
17	shall not make recommendation for approval of an application to commence New Production of				
18	Groundwater unless the Watermaster Engineer finds, after considering all the facts and				
19	circumstances including any requirement that the applicant pay a Replacement Water Assessment				
20	required by this Judgment or determined by the Watermaster Engineer to be required under the				
21	circumstances, that such New Production will not cause Material Injury. If the New Production is				
22	limited to domestic use for one single-family household, the Watermaster Engineer has the				
23	authority to determine the New Production to be <i>de minimis</i> and waive payment of a Replacement				
24	Water Assessment; provided, the right to Produce such de minimis Groundwater is not				
25	transferable, and shall not alter the Production Rights decreed in this Judgment.				
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27					
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1	18.5.13.3 New Production . No Party or Person shall commence New				
2	Production of Groundwater from the Basin absent recommendation by the Watermaster Engineer				
3	and approval by the Watermaster.				
4	18.5.13.4 Court Review. Court review of a Watermaster decision on				
5	a New Production application shall be pursuant to Paragraph 20.3.				
6	18.5.14 Storage Agreements. The Watermaster shall adopt uniformly				
7	applicable rules for Storage Agreements. The Watermaster Engineer shall calculate additions,				
8	extractions and losses of water stored under Storage Agreements and maintain an Annual account				
9	of all such water. Accounting done by the Watermaster Engineer under this Paragraph shall be				
10	considered ministerial.				
11	18.5.15 Diversion of Storm Flow . No Party may undertake or cause the				
12	construction of any project within the Watershed of the Basin that will reduce the amount of				
13	storm flows that would otherwise enter the Basin and contribute to the Native Safe Yield, without				
14	prior notification to the Watermaster Engineer. The Watermaster Engineer may seek an				
15	injunction or to otherwise impose restrictions or limitations on such project in order to prevent				
16	reduction to Native Safe Yield. The Party sought to be enjoined or otherwise restricted or limited				
17	is entitled to notice and an opportunity for the Party to respond prior to the imposition of any				
18	restriction or limitation. Any Person may take emergency action as may be necessary to protect				
19	the physical safety of its residents and personnel and its structures from flooding. Any such				
20	action shall be done in a manner that will minimize any reduction in the quantity of Storm Flows.				
21	18.5.16 Data, Estimates and Procedures . The Watermaster Engineer				
22	shall rely on and use the best available science, records and data to support the implementation of				
23	this Judgment. Where actual records of data are not available, the Watermaster Engineer shall				
24	rely on and use sound scientific and engineering estimates. The Watermaster Engineer may use				
25	preliminary records of measurements, and, if revisions are subsequently made, may reflect such				
26	revisions in subsequent accounting.				
27					
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1	18.5.17 Filing	g of Annual Report. The Watermaster Engineer shall prepare				
2	an Annual Report for filing with the	Court not later than April 1 of each Year, beginning April 1				
3	following the first full Year after entry of this Judgment. Prior to filing the Annual Report with					
4	the Court, Watermaster shall notify	all Parties that a draft of the Annual Report is available for				
5	review by the Parties. Watermaster	shall provide notice to all Parties of a public hearing to				
6	receive comments and recommenda	tions for changes in the Annual Report. The public hearing				
7	shall be conducted pursuant to rules	and regulations promulgated by the Watermaster. The notice				
8	of public hearing may include such	summary of the draft Annual Report as Watermaster may				
9	deem appropriate. Watermaster shal	ll distribute the Annual Report to any Parties requesting				
10	copies.					
11	18.5.18 Annu	al Report to Court. The Annual Report shall include an				
12	Annual fiscal report of the precedin	g Year's operation; details regarding the operation of each of				
13	the Subareas; an audit of all Assessi	ments and expenditures; and a review of Watermaster				
14	activities. The Annual Report shall	include a compilation of at least the following:				
15	18.5.18.1	Replacement Obligations;				
16	18.5.18.2	Hydrologic Data Collection;				
17	18.5.18.3	Purchase and Recharge of Imported Water;				
18	18.5.18.4	Notice List;				
19	18.5.18.5	New Production Applications				
20	18.5.18.6	Rules and Regulations;				
21	18.5.18.7	Measuring Devices, etc;				
22	18.5.18.8	Storage Agreements;				
23	18.5.18.9	Annual Administrative Budget;				
24	18.5.18.10	Transfers;				
25	18.5.18.11	Production Reports;				
26	18.5.18.12	Prior Year Report;				
27	18.5.18.13	Amount of Stored Water owned by each Party;				
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1	18.5.18.14 Amount of Stored Imported Water owned by each Party;			
2	18.5.18.15Amount of unused Imported Water Return Flows owned by			
3	each Party;			
4	18.5.18.16 Amount of Carry Over Water owned by each Party;			
5	18.5.18.17All changes in use.			
6	18.6 <u>Recommendations of the Watermaster Engineer</u>. Unless otherwise			
7	determined pursuant to Paragraph 18.1.2.2, all recommendations of the Watermaster Engineer			
8	must be approved by unanimous vote of all members of the Watermaster. If there is not			
9	unanimous vote among Watermaster members, Watermaster Engineer recommendations must be			
10	presented to the Court for action and implementation.			
11	18.7 Interim Approvals by the Court. Until the Court approves rules and			
12	regulations proposed by the Watermaster, the Court, upon noticed motion, may take or approve			
13	any actions that the Watermaster or the Watermaster Engineer otherwise would be authorized to			
14	take or approve under this Judgment.			
15	19. <u>ADVISORY COMMITTEE</u>			
16	19.1 <u>Authorization</u> . The Producers are authorized and directed to cause a			
17	committee of Producer representatives to be organized and to act as an Advisory Committee.			
18	19.2 <u>Compensation</u> . The Advisory Committee members shall serve without			
19	compensation.			
20	19.3 Powers and Functions. The Advisory Committee shall act in an advisory			
21	capacity only and shall have the duty to study, review, and make recommendations on all			
22	discretionary determinations by Watermaster. Parties shall only provide input to the Watermaster			
23	through the Advisory Committee.			
24	19.4 <u>Advisory Committee Meetings</u> . The Advisory Committee shall 1) meet			
25	on a regular basis; 2) review Watermaster's activities pursuant to this Judgment on at least a			
26	semi-annual basis; and 3) receive and make advisory recommendations to Watermaster.			
27	Advisory Committee Meetings shall be open to all members of the public. Edwards Air Force			
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Base and the State of California shall be ex officio members of the committee. The United States
 may also appoint a DoD Liaison to the Watermaster pursuant to Joint Ethics Regulation 3-201.

3 19.5 <u>Subarea Advisory Management Committees.</u> Subarea Advisory
4 Management Committees will meet on a regular basis and at least semi-annually with the
5 Watermaster Engineer to review Watermaster activities pursuant to this Judgment and to submit
6 advisory recommendations.

7 19.5.1 Authorization. The Producers in each of the five Management
8 Subareas are hereby authorized and directed to cause committees of Producer representatives to
9 be organized and to act as Subarea Management Advisory Committees.

19.5.2 10 **Composition and Election**. Each Management Subarea 11 Management Advisory Committee shall consist of five (5) Persons who shall be called 12 Management Advisors. In the election of Management Advisors, every Party shall be entitled to 13 one vote for every acre-foot of Production Right for that Party in that particular subarea. Parties 14 may cumulate their votes and give one candidate a number of votes equal to the number of 15 advisors to be elected, multiplied by the number of votes to which the Party is normally entitled, 16 or distribute the Party's votes on the same principle among as many candidates as the Party thinks 17 fit. In any election of advisors, the candidates receiving the highest number of affirmative votes 18 of the Parties are elected. Elections shall be held upon entry of this Judgment and thereafter 19 every third Year. In the event a vacancy arises, a temporary advisor shall be appointed by unanimous decision of the other four advisors to continue in office until the next scheduled 20 21 election. Rules and regulations regarding organization, meetings and other activities shall be at 22 the discretion of the individual Subarea Advisory Committees, except that all meetings of the 23 committees shall be open to the public.

2419.5.3Compensation.The Subarea Management Advisory25Committee shall serve without compensation.

2619.5.4Powers and Functions.The Subarea Management Advisory27Committee for each subarea shall act in an advisory capacity only and shall have the duty to

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

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MISCELLANEOUS PROVISIONS.

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

20.2 8 Actions Not Subject to CEQA Regulation. Nothing in this Judgment or 9 the Physical Solution, or in the implementation thereof, or the decisions of the Watermaster 10 acting under the authority of this Judgment shall be deemed a "project" subject to the California 11 Environmental Quality Act (CEQA). See e.g., California American Water v. City of Seaside 12 (2010) 183 Cal.App.4th 471, and Hillside Memorial Park & Mortuary v. Golden State Water Co. 13 (2011) 205 Cal.App.4th 534. Neither the Watermaster, the Watermaster Engineer, the Advisory 14 Committee, any Subarea Management Committee, nor any other Board or committee formed 15 pursuant to the Physical Solution and under the authority of this Judgment shall be deemed a 16 "public agency" subject to CEQA. (See Public Resources Code section 21063.)

17 20.3 <u>Court Review of Watermaster Actions.</u> Any action, decision, rule,
 18 regulation, or procedure of Watermaster or the Watermaster Engineer pursuant to this Judgment
 19 shall be subject to review by the Court on its own motion or on timely motion by any Party as
 20 follows:

21 20.3.1 Effective Date of Watermaster Action. Any order, decision or
22 action of Watermaster or Watermaster Engineer pursuant to this Judgment on noticed specific
23 agenda items shall be deemed to have occurred on the date of the order, decision or action.

24 20.3.2 Notice of Motion. Any Party may move the Court for review of an
action or decision pursuant to this Judgment by way of a noticed motion. The motion shall be
served pursuant to Paragraph 20.7 of this Judgment. The moving Party shall ensure that the
Watermaster is served with the motion under that Paragraph 20.7 or, if electronic service of the

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

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

8 **20.3.4 De Novo Nature of Proceeding**. Upon filing of a motion to review 9 a decision or action, the Watermaster shall notify the Parties of a date for a hearing at which time 10 the Court shall take evidence and hear argument. The Court's review shall be *de novo* and the 11 Watermaster's decision or action shall have no evidentiary weight in such proceeding.

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

15 20.4 <u>Multiple Production Rights</u>. A Party simultaneously may be a member
16 of the Small Pumper Class and hold an Overlying Production Right by virtue of owning land
17 other than the parcel(s) meeting the Small Pumper Class definition. The Small Pumper Class
18 definition shall be construed in accordance with Paragraph 3.5.44 and 3.5.45.

1920.5Payment of Assessments.Payment of assessments levied by Watermaster20hereunder shall be made pursuant to the time schedule developed by the Watermaster,

21 notwithstanding any motion for review of Watermaster actions, decisions, rules or procedures,

22 including review of assessments implemented by the Watermaster.

23 20.6 Designation of Address for Notice and Service. Each Party shall
24 designate a name and address to be used for purposes of all subsequent notices and service herein,
25 either by its endorsement on this Judgment or by a separate designation to be filed within thirty
26 (30) days after judgment has been entered. A Party may change its designation by filing a written
27 notice of such change with Watermaster. A Party that desires to be relieved of receiving notices

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

1020.7Service of Documents.Unless otherwise ordered by the Court, delivery to11or service to any Party by the Court or any Party of any document required to be served upon or12delivered to a Party pursuant to this Judgment shall be deemed made if made by e-filing on the13Court's website at www.scefiling.org.14notifications via electronic filing at the above identified website.

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

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

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1 with the Watermaster Engineer may be grounds for denying the intervention motion. Thereafter, 2 if approved by the Court, such intervenor shall be a Party bound by this Judgment. 20.10 3 Judgment Binding on Successors, etc. Subject to specific provisions 4 hereinbefore contained, this Judgment applies to and is binding upon, and inures to the benefit of 5 the Parties to this Action and all their respective heirs, successors-in-interest and assigns. 20.11 **Costs**. Except subject to any existing court orders, each Party shall bear its 6 7 own costs and attorneys fees arising from the Action. 8 20.12 Headings; Paragraph References. Captions and headings appearing in this Judgment are inserted solely as reference aids for ease and convenience; they shall not be 9 10 deemed to define or limit the scope or substance of the provisions they introduce, nor shall they 11 be used in construing the intent or effect of such provisions. 12 20.13 No Third Party Beneficiaries. There are no intended third party 13 beneficiaries of any right or obligation of the Parties. 14 20.14 **Severability**. Except as specifically provided herein, the provisions of this Judgment are not severable. 15 20.15 16 **Cooperation; Further Acts**. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, 17 18 appropriate or convenient to attain the purposes of this Judgment. 19 20.16 Exhibits and Other Writings. Any and all exhibits, documents, 20 instruments, certificates or other writings attached hereto or required or provided for by this 21 Judgment, if any, shall be part of this Judgment and shall be considered set forth in full at each 22 reference thereto in this Judgment. 23 24 Dated: JUDGE OF THE SUPERIOR COURT 25 26 27 28 - 61 -

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APPENDIX B: FALCON GLEN LOT LAYOUT



APPENDIX C: LANDSCAPING DEMAND CALCULATIONS MAXIMUM APPLIED WATER ALLOWANCE CALCULATIONS FOR NEW AND REHABILITATED RESIDENTIAL LANDSCAPES

Instructions	Maximum Applied Water Allowance Calculations for New and Rehabilitated Residential Landscapes			
Cells with pale blue background are for entering data	Enter value in Pale Blue Cells			
Results show in cells with tan background	Tan Cells Show Results			
Messages and warnings are displayed in cells with yellow background 1) Select city by clicking on blue cell and	Messages and Warnings			
choosing a city from the drop down menu ETo	Click on the blue cell on right to Pick City Name	Palmdale	Name of City	
appears in the tan cell below the name of the city \longrightarrow	$\mathrm{ET_o}$ of City from Appendix A	66.20	ET _o (inches/year)	
2) Enter square footage of overhead spray ir rigated landesape area		0	Overhead Landscape Area (ft ²)	
3) Enter square footage of drip irrigated landscape area		1642212	Drip Landscape Area (ft²)	
4) Enter square footage of Special Landscape Area (SLA)		0	SLA (ft ²)	
	Total Landscape Area	1,642,212.00		
5) MAWA results appear in the tan cells	(ET _o) x (0.62) x [(0.55 xLA) + (1.0 - 0.55) X SLA)]	37,068,009.26	Gallons	
		4,955,288.55	Cubic Feet	
		49,552.89	HCF	
		113.76	Acre-feet	
			Millions of Gallons	
	MAWA calculation incorporating Effective Precipitation (Opti <u>Precipitation (Optional)</u>	onal) 		
	ET _o of City from Appendix A	66.20	ET _o (inches/year)	
	Total Landscape Area	1,642,212.00	LA (ft ²)	
	Special Landscape Area	0.00	SLA (ft ²)	
6) If you are considering effective precipitation (Eppt), enter total annual precipitation.		0	Total annual precipitiation (inches/year)	
7) Eppt	Enter Effective Precipitation	0.00	Eppt (in/yr)(25% of total annual precipitation)	
8) For comparison, MAWA without effective precipitation is displayed below MAWA without Eppt (Gallons)	Results:			
37,071,622.13	MAWA = $[(ET_o - Eppt) \times (0.62)] \times [(0.55 \times LA) + ((1.0 - 0.55) \times SLA)]$	-	Gallons	
			Cubic Feet	
			HCF	
		-	Acre-feet	
		-	Millions of Gallons	

Enclosure B LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40

NOTICE OF DETERMINATION FOR REQUIRED WATER SUPPLY ASSESSMENT (WSA) (SB 610) Water Code §10910 et seq.

Lead Agency	Applicant's Name and Address
City of Palmdale	same
Economic & Community	
Development Planning Division	
38250 Sierra Hwy.	
Palmdale, CA 93550	

Project Information (Check all that apply)

Project Title: Falcon Glen Project

- Residential: No of dwelling units: _____708
 Shopping center or business: ______ employees and/or _____ ft² of floor space
- Commercial office: ______ employees and/or _____ft² of floor space
- Hotel or motel: No. of rooms
- □ Industrial, manufacturing, or processing: _____ acres, _____employees, and _____ ft² of floor space.
- □ Mixed use (check and complete all above that apply)
- ✓ Other: Park and Open Space (37.7 acres)
- Number of existing service connections

Is this a project as defined by Water Code § 10912? Yes

Water Supply Assessment (WSA) (see supporting documents)

Date when water supply assessment was approved by the County of Los Angeles Board of Supervisors

5/	06	6/2	202	2	5	
		1-1	-I /.			

mm/dd/yyyy

- The projected water demand for the project was included in Los Angeles County Waterworks District No. 40 most recently adopted Urban Water Management Plan.
- ✓ A sufficient water supply is available for the project. The total water supplies available to Los Angeles County Waterworks District No. 40 during normal, single-dry, and multiple-dry years with a 20-year projection will meet the projected water demand of the project in addition to the demand of existing and other planned future uses, including, but not limited to, agricultural and manufacturing uses.
- A portion of the required water supply will be provided by projected water supplies.
- A sufficient water supply is not available for the Project. [Plan for acquiring and developing] sufficient water supply attached. Water Code § 10911(a)]
- An independent supply of acre-feet of water will be acquired via contract for the Project.

The foregoing determination is based on the following Water Supply Assessment Information and supporting information in the records of Los Angeles County Waterworks District No. 40, Antelope Valley.

	Principal Engineer	/ /2025
Signature	Title	Date