

RESOLUTION NO. 2019-01

A RESOLUTION OF THE BEAUMONT BASIN WATERMASTER TO AMEND THE JUDGMENT AT THE RIVERSIDE SUPERIOR COURT'S REQUEST TO CORRECT A CLERICAL ERROR—AN INCORRECT REFERENCE TO "8610 ACRE FEET" ON JUDGMENT, PAGE 7, LINE 26—CORRECTING SUCH TO "8650 ACRE FEET"

WHEREAS, the Stipulated Judgment establishing the Beaumont Basin Watermaster (Riverside Superior Court Case No. 389197) empowers the Beaumont Basin Watermaster to adopt appropriate rules and regulations for the conduct of Watermaster affairs; and

WHEREAS, the Stipulated Judgment grants to the Riverside Superior Court (the "Court") "[f]ull jurisdiction, power and authority is retained and reserved to the Court for purposes of enabling the Court...to make such further or supplemental order or directions as may be necessary or appropriate...[to include order] to modify, amend or amplify any of the provisions of this Judgment...", pursuant to Stipulated Judgment, IV CONTINUING JURISDICTION, page 12:27-13:8;

WHEREAS, the Court reviewed the Stipulated Judgment on September 17, 2018, noting the clerical error in terms of the reference to "8610 acre feet" as the alleged "Projected Maximum Production of water from Beaumont Basin pursuant to Overlying Water Rights...in Column 4 of Exhibit "B,"..." which is actually 8650 acre feet based on Exhibit "B," and appears to have been corrected by some unknown party, and confirmed on the Stipulated Judgment, page 7:26, and further issuing an Order for the amendment of the Stipulated Judgment to correct this "clerical error." See, the attached Tentative Opinion, attached to this Resolution as Exhibit "A,";

WHEREAS, BBW is proposing to file to the Court the attached "Amended Judgment Pursuant to Stipulation Adjudicating Groundwater Rights in the Beaumont Basin", attached as Exhibit "B," which merely corrects the clerical error on the Stipulated Judgment, page 7:26 to substitute "8610" for "8650."

WHEREAS, the Beaumont Basin Watermaster issued copies of the Amended Judgment Pursuant to Stipulation Adjudicating Groundwater Rights in the Beaumont Basin to members of its Watermaster Committee for review in advance of the December 5, 2018, Beaumont Basin Watermaster meeting; and,

WHEREAS, the Beaumont Basin Watermaster met on December 5, 2018 to take this matter up, finding that the foregoing is true and accurate, and;

NOW, THEREFORE, BE IT RESOLVED BY THE BEAUMONT BASIN WATERMASTER that it does hereby adopt the Amended Judgment Pursuant to Stipulation Adjudicating Groundwater Rights in the Beaumont Basin establishing the Beaumont Basin Watermaster (Riverside Superior Court Case No. 389197), the attached Exhibit "B."

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PASSED AND ADOPTED this 6th day of February 2019.

BEAUMONT BASIN WATERMASTER

By: _____

Art Vela, Chairman of the
Beaumont Basin Watermaster

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**EXEMPT FROM FILING FEES
GOVERNMENT CODE § 6103**

7 Attorneys for Defendant
Beaumont Basin Watermaster

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF RIVERSIDE**
10 **CENTRAL DISTRICT**

11 SAN TIMOTEO WATERSHED MANAGEMENT
12 AUTHORITY, a public agency

CASE NO.: RIC 389197

JUDGE: Craig G. Riemer
DEPT: 5

13 Plaintiff,

14 vs

**AMENDED JUDGMENT PURSUANT TO
STIPULATION ADJUDICATING
GROUNDWATER RIGHTS IN THE
BEAUMONT BASIN**

15 CITY OF BANNING, a municipal corporation;
16 BEAUMONT-CHERRY VALLEY WATER
DISTRICT, an irrigation district; YUCAIPA
17 VALLEY WATER DISTRICT, a county water
district; PLANTATION ON THE LAKE LLC, a
California limited liability company;
18 SHARONDALE MESA OWNERS
ASSOCIATION; an unincorporated association;
19 SOUTH MESA MUTUAL WATER COMPANY, a
mutual water company, CALIFORNIA OAK
20 VALLEY GOLF AND RESORT LLC, a California
limited liability company; OAK VALLEY
21 PARTNERS LP, a Texas limited partnership;
SOUTHERN CALIFORNIA SECTION OF THE
22 PROFESSIONAL GOLFERS ASSOCIATION OF
AMERICA, a California corporation; SUNNY-CAL
23 EGG AND POULTRY COMPANY, a California
corporation; MANHEIM. MANHEIM & BERMAN,
24 a California General Partnership; WALTER M.
BECKMAN, individually and as Trustee of the
25 BECKMAN FAMILY TRUST dated December 11,
1990; THE ROMAN CATHOLIC BISHOP OF SAN
26 BERNARDINO, a California

Corporation; MERLIN PROPERTIES, LLC;
LEONARD M. STEARNS AND DOROTHY D.
STEARNS, individually and as Trustees of the
LEONARD M. STEARNS FAMILY TRUST OF
1991; and DOES 1 through 500, inclusive,

Defendants.

I. INTRODUCTION

1. Pleadings, Parties and Jurisdiction

The complaint herein was filed on February 20, 2003, seeking an adjudication of water rights, injunctive relief and the imposition of a physical solution. The defaults of certain defendants have been entered, and certain other defendants dismissed. Other than defendants who have been dismissed or whose defaults have been entered, all defendants have appeared herein. This Court has jurisdiction of the subject matter of this action and of the parties herein.

2. Stipulation for Judgment

Stipulation for Entry of Judgment has been filed by and on behalf of all defendants who have appeared herein.

3. Definitions

As used in this Judgment, these terms shall have the following meanings:

A. Appropriator or Appropriator Parties: the pumpers identified in Exhibit "C" attached hereto.

B. Appropriator's Production Right: consists of an Appropriator's share of Operating Yield, plus (1) any water acquired by an Appropriator from an Overlying Producer or other Appropriator pursuant to this Judgment, (2) any water withdrawn from the Appropriator's storage account, (3) and New Yield created by the Appropriator.

C. Appropriative Water: the amount of Safe Yield remaining after satisfaction of Overlying Water Rights.

D. Appropriative Water Right: each Appropriator's share of Appropriative Water, such share expressed as a percentage as shown on Exhibit "C"

1 E. Beaumont Basin or Beaumont Storage Unit: the area situated within the boundaries
2 shown on Exhibit "A" attached hereto.

3 F. Conjunctive Use: the storage of water in a Groundwater Basin for use at a later time.

4 G. Groundwater: water beneath the surface of the ground within the zone below the
5 water table in which soil is saturated with water.

6 H. Groundwater Basin: an area underlain by one or more permeable formations capable
7 of furnishing a substantial water supply.

8 I. Groundwater Storage Agreement: a standard form of written agreement between the
9 Watermaster and any Person requesting the storage of Supplemental Water.

10 J. Groundwater Storage Capacity: the space available in a Groundwater Basin that is
11 not utilized for storage or regulation of Safe Yield and is reasonably available for Stored Water
12 and Conjunctive Use.

13 K. Minimal Producer: any Producer who pumps 10 or fewer acre feet of Groundwater
14 from the Beaumont Basin per year.

15 L. New Yield: increases in yield in quantities greater than historical amounts from
16 sources of supply including, but not limited to, capture of available storm flow, by means of
17 projects constructed after February 20, 2003, as determined by the Watermaster.

18 M. Operating Yield: the maximum quantity of water which can be produced annually
19 by the Appropriators from the Beaumont Basin, which quantity consists of Appropriative Water
20 plus Temporary Surplus.

21 N. Overdraft: a condition wherein the total annual production from a Groundwater
22 Basin exceeds the Safe Yield thereof.

23 O. Overlying Parties: the Persons listed on Exhibit "B", who are owners of land which
24 overlies the Beaumont Basin and have exercised Overlying Water Rights to pump therefrom.
25 Overlying Parties include successors in interest and assignees.

26 P. Overlying Water Rights: the quantities decreed to Overlying Parties in Column 4 of
27 Exhibit "B" to this Judgment.
28

1 Q. Overproduction: by an Appropriator, measured by an amount equal to the
2 Appropriator's actual annual production minus the Appropriator's Production Right. By a new
3 overlying producer, an amount equal to what the overlying producer pumped during the year.

4 R. Party (Parties): any Person(s) named in this action, or who has intervened, or has
5 become subject to this Judgment either through stipulation, trial or otherwise.

6 S. Person: any individual, partnership, association, corporation, governmental entity or
7 agency, or other organization.

8 T. Physical Solution: the physical solution set forth in Part V of this Judgment.
9 Produce, Producing, Production, Pump or Pumping: the extraction of groundwater.

10 U. Producer or Pumper: any Person who extracts groundwater.

11 V. Recycled Water: has the meaning provided in Water Code Section 13050(n) and
12 includes other nonpotable water for purposes of this Judgment.

13 W. Safe Yield: the maximum quantity of water which can be produced annually from a
14 Groundwater Basin under a given set of conditions without causing a gradual lowering of the
15 groundwater level leading eventually to depletion of the supply in storage. The Safe Yield of the
16 Beaumont Basin is 8650 acre feet per year in each of the ten (10) years following entry of this
17 Judgment.

18 X. San Timoteo Watershed Management Authority: a joint powers public agency
19 whose members are the Beaumont-Cherry Valley Water District, the City of Beaumont, the South
20 Mesa Mutual Water Company and the Yucaipa Valley Water District.

21 Y. Stored Water: Supplemental Water stored in the Beaumont Basin pursuant to
22 Groundwater Storage Agreement with the Watermaster.

23 Z. Supplemental Water: water imported into the Beaumont Basin from outside the
24 Beaumont Basin including, without limitation, water diverted from creeks upstream and tributary
25 to Beaumont Basin and water which is recycled and useable within the Beaumont Basin.

26 AA. Temporary Surplus: the amount of groundwater that can be pumped
27 annually in excess of Safe Yield from a Groundwater Basin necessary to create enough
28 additional storage capacity to prevent the waste of water.

BB. Watermaster: the Person appointed by the Court to administer and enforce the Physical Solution.

4. List of Exhibits

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

Exhibit "A" - - "Location Map of Beaumont Basin"

Exhibit "B" - - "Overlying Owners and Their Water Rights"

Exhibit "C" - - "Appropriators and Their Water Rights"

Exhibit "D" - - "Legal Description of Lands of the Overlying Parties"

Exhibit "E" - - "Location of Overlying Producer Parcels" and Boundary of the Beaumont Basin"

II. INJUNCTIONS

1. Injunction Against Unauthorized Production of Beaumont Basin Water

Each party herein is enjoined, as follows:

A. Overlying Parties: Each defendant who is an Overlying Party, and its officers, agents, employees, successors and assigns, is hereby enjoined and restrained from producing groundwater from the Beaumont Basin in any five-year period hereafter in excess of five times the share of the Safe Yield assigned to the Overlying Parties as set forth in Column 4 of Exhibit "B", as more fully described in the Physical Solution.

B. Appropriator Parties: Each defendant who is an Appropriator Party, and its officers, agents, employees, successors and assigns, is hereby enjoined and restrained from producing groundwater from the Beaumont Basin in any year hereafter in excess of such party's Appropriator's Production Right, except as additional annual Production may be authorized by the provisions of the Physical Solution.

2. Injunction Against Unauthorized Storage or Withdrawal of Stored Water.

Each and every Party, and its officers, agents, employees, successors and assigns, is hereby enjoined and restrained from storing Supplemental Water in the Beaumont Basin for withdrawal, or causing withdrawal of water stored by that Party, except pursuant to the terms of a written Groundwater Storage Agreement with the Watermaster and in accordance with Watermaster Rules and Regulations. Any Supplemental Water stored in the Beaumont Basin, except pursuant to a Groundwater Storage Agreement, shall be deemed abandoned and not classified as Stored Water.

1 **III. DECLARATION AND ADJUSTMENT OF RIGHTS**

2 1. **Overlying Rights**

3 The Overlying Parties are currently exercising overlying Water Rights in the Beaumont Basin.
4 As shown on Exhibit "B", the aggregate Projected Maximum Production of water from the Beaumont
5 Basin pursuant to Overlying Water Rights is 8650 acre feet and the Overlying Water Rights are
6 individually decreed, in Column 4 of Exhibit "B", for each Overlying Party. The Overlying Parties shall
7 continue to have the right to exercise their respective Overlying Water Right as set forth in Column 4 of
8 Exhibit "B" except to the extent their respective properties receive water service from an Appropriator
9 Party, as contemplated by Paragraph III.3 of this Judgment.

10 2. **Appropriator's Share of Operating Yield**

11 Each Appropriator Party's share of Operating Yield is shown on Exhibit "C". Notwithstanding
12 any other provision of this Judgment, each Appropriator Party may use its Appropriator's Production
13 Right anywhere within its service area.

14 3. **Adjustment of Rights**

15 A. The Overlying Parties shall have the right to exercise their respective Overlying
16 Water Rights except as provided in this Paragraph 3.

17 B. To the extent any Overlying Party requests, and uses its Exhibit "B", Column 4
18 water to obtain water service from an Appropriator Party, an equivalent volume of potable
19 groundwater shall be earmarked by the Appropriator Party which will serve the Overlying
20 Party, up to the volume of the Overlying Water Right as reflected in Column 4 of Exhibit "B"
21 attached hereto, for the purpose of serving the Overlying Party. The intent of this provision is
22 to ensure that the Overlying Party is given credit towards satisfying the water availability
23 assessment provisions of Government Code, Section 66473.7 et seq. and Water Code, Section
24 10910 et seq. or other similar provisions of law, equal to the amount of groundwater
25 earmarked hereunder.

26 C. When an overlying Party receives water service as provided for in subparagraph
27 III.3.B the Overlying Party shall forebear the use of that volume of the Overlying Water
28 Right earmarked by the Appropriator Party. The Appropriator Party providing such service

1 shall have the right to produce the volume of water foregone by the Overlying Party, in
2 addition to other rights otherwise allocated to the Appropriator Party.

3 D. Should the volume of the Overlying Water Right equal or exceed the volume of
4 potable groundwater earmarked as provided in subparagraph 3.B, the Appropriator Party
5 which will serve the Overlying Party shall (i) impose potable water charges and assessments
6 upon the Overlying Party and its successors in interest at the rates charged to the then-
7 existing regular customers of the Appropriator Party, and (ii) not collect from such Overlying
8 Party any development charge that may be related to the importation of water into the
9 Beaumont Basin. The Appropriator Party which will serve the Overlying Party pursuant to
10 Subparagraph 111.3.5 shall also consider, and negotiate in good faith regarding, the provision
11 of a meaningful credit for any pipelines, pump stations, wells or other facilities that may exist
12 on the property to be served.

13 E. In the event an Overlying Party receives Recycled Water from an Appropriator
14 Party to serve an overlying use served with groundwater, the Overlying Water Right of the
15 Overlying Party shall not be diminished by the receipt and use of such Recycled Water.
16 Recycled Water provided by an Appropriator Party to an Overlying Party shall satisfy the
17 criteria set forth in the California Water Code including, without limitation, the criteria set
18 forth in Water Code Sections 13550 and 13551. The Appropriator Party which will serve the
19 Recycled Water shall have the right to use that portion of the Overlying Water Right of the
20 Overlying Party offset by the provision of Recycled Water service pursuant to the terms of
21 this subparagraph; provided, however, that such right of use by the Appropriator Party shall
22 no longer be valid if the Recycled Water, provided by the Appropriator Party to the
23 Overlying Party, does not satisfy the requirements of Sections 13550 and 13551 and the
24 Overlying Party ceases taking delivery of such Recycled Water.

25 F. Nothing in this Judgment is intended to impair or adversely affect the ability of an
26 Overlying Party to enter into annexation or development agreements with any Appropriator
27 Party.
28

1 G. Oak Valley Partners LP ("Oak Valley") is developing its property pursuant to
2 Specific Plans 216 and 216A adopted by the County of Riverside ("County") in May 1990,
3 and Specific Plan 318 adopted by the County in August, 2001, (Specific Plans 216, 216A and
4 318 are collectively referred to as the "Specific Plans"). The future water supply needs at
5 build-out of the Specific Plans will greatly exceed Oak Valley's Projected Maximum
6 Production, as reflected in Exhibit "B" to the Judgment, and may be as much as 12,811 acre
7 feet per year. Oak Valley has annexed the portion of its property now within the City of
8 Beaumont into the Beaumont-Cherry Valley Water District ("BCVWD"), and is in the
9 process of annexing the remainder portion of its property into the Yucaipa Valley Water
10 District ("YVWD"), in order to obtain retail water service for the development of the Oak
11 Valley Property pursuant to the Specific Plans (for purposes of this subparagraph BCVWD
12 and YVWD are collectively referred to as the "Water Districts", and individually as a "Water
13 District"). YVWD covenants to use its best efforts to finalize the annexation of the Oak
14 Valley property within the Calimesa City limits. Oak Valley, for itself and its successors and
15 assigns, hereby agrees, by this stipulation and upon final annexation of its property by
16 YVWD, to forbear from claiming any future, unexercised, overlying rights in excess of the
17 Projected Maximum Production of Exhibit "B" of 1806 acre feet per year. As consideration
18 for the forbearance, the Water Districts agree to amend their respective Urban Water
19 Management Plans ("UWMP") in 2005 as follows: BCVWD agrees that 2,400 acre feet per
20 year of projected water demand shall be included for the portion of Oak Valley to be served
21 by BCVWD in its UWMP, and YVWD agrees to include 8,000 acre feet per year of
22 projected water demand as a projected demand for the portion of Oak Valley to be served by
23 YVWD in its UWMP by 2025. The Water Districts agree to use their best judgment to
24 accurately revise this estimate to reflect the projected water demands for the UWMP
25 prepared in 2010. Furthermore, the Water Districts further agree that, in providing water
26 availability assessments prior to 2010, as required by Water Code §10910 and water supply
27 verifications as required by Government Code §§66455.3 and 66473.7, or any similar statute,
28 and in maintaining their respective UWMP, each shall consider the foregoing respective

1 projected water demand figures for Oak Valley as proposed water demands. The intent of the
2 foregoing requirements is to ensure that Oak Valley is credited for the forbearance of its
3 overlying water rights and is fully accounted for in each Water District's UWMP and overall
4 water planning. The Water Districts' actions in performance of the foregoing planning
5 obligations shall not create any right or entitlement to, or priority or allocation in, any
6 particular water supply source, capacity or facility, or any right to receive water service other
7 than by satisfying the applicable Water District's reasonable requirements relating to
8 application for service. Nothing in this subparagraph G is intended to affect or impair the
9 provision of earmarked water to Overlying Parties who request and obtain water service from
10 Appropriator Parties, as set forth in subparagraph III.3.B, above.

11 H. Persons who would otherwise qualify as Overlying Producers based on, an
12 interest in land lying within the City of Banning's service area shall not have the rights
13 described in this Paragraph 111.3.

14 4. Exemption for Minimal Producers

15 Unless otherwise ordered by the Court, Minimal Producers are exempt from the provisions of
16 this Judgment.

17 **IV. CONTINUING JURISDICTION**

18 Full jurisdiction, power and authority is retained and reserved to the Court for purposes of
19 enabling the Court, upon application of any Party, by a motion noticed for at least a 30-day period (or
20 consistent with the review procedures of Paragraph VII.6 herein, if applicable), to make such further or
21 supplemental order or directions as may be necessary or appropriate for interim operation of the
22 Beaumont Basin before the Physical Solution is fully operative, or for interpretation, or enforcement or
23 carrying out of this Judgment, and to modify, amend or amplify any of the provisions of this Judgment or
24 to add to the provisions hereof consistent with the rights herein decreed; except that the Court's
25 jurisdiction does not extend to the redetermination of (a) Safe Yield during the first ten years of operation
26 of the Physical Solution, and (b) the fraction of the share of Appropriative Water of each Appropriator.

27 **V. THE PHYSICAL SOLUTION**

28 1. Purpose and Objective

1 In accordance with the mandate of Section 2 of Article X of the California Constitution, the
2 Court hereby adopts, and orders the parties to comply with, a Physical Solution. The purpose of the
3 Physical Solution is to establish a legal and practical means for making the maximum reasonable
4 beneficial use of the waters of Beaumont Basin, to facilitate conjunctive utilization of surface, ground
5 and Supplemental Waters, and to satisfy the requirements of water users having rights in, or who are
6 dependent upon, the Beaumont Basin. Such Physical Solution requires the definition of the individual
7 rights of all Parties within the Beaumont Basin in a manner which will fairly allocate the native water
8 supplies and which will provide for equitable sharing of costs of Supplemental water.

9 2. Need for Flexibility

10 The Physical Solution must provide maximum flexibility and adaptability in order that the
11 Watermaster and the Court may be free to use existing and future technological, social, institutional and
12 economic options. To that end, the Court's retained jurisdiction shall be utilized, where appropriate, to
13 supplement the discretion granted herein to the Watermaster.

14 3. Production and Storage in Accordance With Judgment

15 This Judgment, and the Physical Solution decreed herein, address all Production and Storage
16 within the Beaumont Basin. Because the Beaumont Basin is at or near a condition of Overdraft, any
17 Production outside the framework of this Judgment and Physical Solution will potentially damage the
18 Beaumont Basin, injure the rights of all Parties, result in the waste of water and interfere with the
19 Physical Solution. The Watermaster shall bring an action or a motion to enjoin any Production that is not
20 in accordance with the terms of this Judgment.

21 4. General Pattern of Operation

22 One fundamental premise of the adjudication is that all Producers shall be allowed to pump
23 sufficient water from the Beaumont Basin to meet their respective requirements. Another fundamental
24 premise of the adjudication is that Overlying Parties who pump no more than the amount of their
25 Overlying Water Right as shown on Column 4 of Exhibit "B" hereto, shall not be charged for the
26 replenishment of the Beaumont Basin. To the extent that pumping exceeds five (5) times the share of the
27 Safe Yield assigned to an Overlying Party (Column 4 of Exhibit "B") in any five (5) consecutive years,
28

1 or the share of Operating Yield Right of each Appropriator Party, each such Party shall provide funds to
2 enable the Watermaster to replace such Overproduction.

3 5. Use of Available Groundwater Storage Capacity

4 A. There exists in the Beaumont Basin a substantial amount of available
5 Groundwater Storage Capacity. Such Capacity can be reasonably used for Stored Water and
6 Conjunctive Use and may be used subject to Watermaster regulation to prevent injury to existing
7 Overlying and Appropriative water rights, to prevent the waste of water, and to protect the right
8 to the use of Supplemental Water in storage and Safe Yield of the Beaumont Basin.

9 B. There shall be reserved for Conjunctive Use a minimum of 200,000 acre feet of
10 Groundwater Storage Capacity in the Beaumont Basin provided that such amount may be
11 reduced as necessary to prevent injury to existing water rights or existing uses of water within the
12 Basin, and to prevent the waste of water. Any Person may make reasonable beneficial use of the
13 Groundwater Storage Capacity for storage of Supplemental Water; provided, however, that no
14 such use shall be made except pursuant to a written Groundwater Storage Agreement with the
15 Watermaster. The allocation and use of Groundwater Storage Capacity shall have priority and
16 preference for Producers within the Beaumont Basin over storage for export. The Watermaster
17 may, from time-to-time, redetermine the available Groundwater Storage Capacity.

18 **VI. ADMINISTRATION**

19 1. Administration and Enforcement by Watermaster

20 The Watermaster shall administer and enforce the provisions of this Judgment and any
21 subsequent order or instructions of the Court.

22 2. Watermaster Control

23 The Watermaster is hereby granted discretionary powers to develop and implement a
24 groundwater management plan and program for the Beaumont Basin, which plan shall be filed with and
25 shall be subject to review and approval by, the Court, and which may include water quantity and quality
26 considerations and shall reflect the provisions of this Judgment. Except for the exercise by Overlying
27 Parties of their respective Rights described in Column 4 of Exhibit "B" hereto in accordance with the
28 provisions of the Physical Solution, groundwater extractions and the replenishment thereof, and the

1 storage of Supplemental Water, shall be subject to procedures established and administered by the
2 Watermaster. Such procedures shall be subject to review by the Court upon motion by any Party.

3 3. Watermaster Standard of Performance

4 The Watermaster shall, in carrying out its duties and responsibilities herein, act in an impartial
5 manner without favor or prejudice to any Party or purpose of use.

6 4. Watermaster Appointment

7 The Watermaster shall consist of a committee composed of persons nominated by the City of
8 Banning, the City of Beaumont, the Beaumont-Cherry Valley Water District, the South Mesa Mutual
9 Water Company and the Yucaipa Valley Water District, each of which shall have the right to nominate
10 one representative to the Watermaster committee who shall be an employee of or consultant to the
11 nominating agency. Each such nomination shall be made in writing, served upon the other parties to this
12 Judgment and filed with the Court, which shall approve or reject such nomination. Each Watermaster
13 representative shall serve until a replacement nominee is approved by the Court. The nominating agency
14 shall have the right to nominate that representative's successor.

15 5. Powers and Duties of the Watermaster

16 Subject to the continuing supervision and control of the Court, the Watermaster shall have and
17 may exercise the following express powers, and shall perform the following duties, together with any
18 specific powers, authority, and duties granted or imposed elsewhere in this Judgment or hereafter ordered
19 or authorized by the Court in the exercise of its continuing jurisdiction:

20 A. Rules and Regulations: The adoption of appropriate rules and regulations for the
21 conduct of Watermaster affairs, copies of which shall be provided to all interested parties.

22 B. Wellhead Protection and Recharge: The identification and management of
23 wellhead protection areas and recharge areas.

24 C. Well Abandonment: The administration of a well abandonment and well
25 destruction program.

26 D. Well Construction: The development of minimum well construction
27 specifications and the permitting of new wells.

28 E. Mitigation of Overdraft: The mitigation of conditions of uncontrolled overdraft.

1 F. Replenishment: The acquisition and recharge of Supplemental Water.

2 G. Monitoring: The monitoring of groundwater levels, ground levels, storage, and
3 water quality.

4 H. Conjunctive Use: The development and management of conjunctive-use
5 programs.

6 I. Local Projects: The coordination of construction and operation, by local agencies,
7 of recharge, storage, conservation, water recycling, extraction projects and any water
8 resource management activity within or impacting the Beaumont Basin.

9 J. Land Use Plans: The review of land use plans and coordination with land use
10 planning agencies to mitigate or eliminate activities that create a reasonable risk of
11 groundwater contamination.

12 K. Acquisition of Facilities: The purchase, lease and acquisition of all necessary real
13 and personal property, including facilities and equipment.

14 L. Employment of Experts and Agents: The employment or retention of such
15 technical, clerical, administrative, engineering, accounting, legal or other specialized
16 personnel and consultants as may be deemed appropriate. The Watermaster shall maintain
17 records allocating the cost of such services as well as all other expenses of Watermaster
18 administration.

19 M. Measuring Devices: Except as otherwise provided by agreement the Watermaster
20 shall install and maintain in good operating condition, at the cost of the Watermaster, such
21 necessary measuring devices or meters as Watermaster may deem appropriate. Such devices
22 shall be inspected and tested as deemed necessary by the Watermaster and the cost thereof
23 borne by the Watermaster. Meter repair and retesting will be a Producer expense.

24 N. Assessments: The Watermaster is empowered to levy and collect the following
25 assessments:

26 (1) Annual Replenishment Assessments

27 The Watermaster shall levy and collect assessments in each year, in amounts
28 sufficient to purchase replenishment water to replace Overproduction by any Party.

1 (2) Annual Administrative Assessments

2 a. Watermaster Expenses: The expenses of administration of the Physical
3 Solution shall be categorized as either "General Watermaster Administration Expenses", or
4 "Special Project Expenses".

5 i. General Watermaster Administration
6 Expenses: shall include office rent, labor, supplies, office equipment,
7 incidental expenses and general overhead. General Watermaster
8 Administration Expenses shall be assessed by the Watermaster equally
9 against the Appropriators who have appointed representatives to the
10 Watermaster.

11 ii. Special Project Expenses: shall include special
12 engineering, economic or other studies, litigation expenses, meter testing
13 or other major operating expenses. Each such project shall be assigned a
14 task order number and shall be separately budgeted and accounted for.
15 Special Project Expenses shall be allocated to the Appropriators, or
16 portion thereof, on the basis of benefit.

17 O. Investment of Funds; Borrowing: The Watermaster may hold and invest
18 Watermaster funds as authorized by law, and may borrow, from time-to-time, amounts not
19 exceeding annual receipts.

20 P. Contracts: The Watermaster may enter into contracts for the performance
21 of any of its powers.

22 Q. Cooperation With Other Agencies: The Watermaster may act jointly or
23 cooperate with other local, state and federal agencies.

24 R. Studies: The Watermaster may undertake relevant studies of hydrologic
25 conditions and operating aspects of the management program for the Beaumont Basin.

26 S. Groundwater Storage Agreements: The Watermaster shall adopt uniform
27 rules and a standard form of agreement for the storage of Supplemental Water,
28

1 provided that the activities undertaken pursuant to such agreements do not injure any
2 Party.

3 T. Administration of Groundwater Storage Capacity: Except for the exercise
4 by the Overlying Parties of their respective Overlying Water Rights described in Part
5 III, above, in accordance with the provisions of the Physical Solution, all Groundwater
6 Storage capacity in the Beaumont Basin shall be subject to the Watermaster's rules
7 and regulations, which regulations shall ensure that sufficient storage capacity shall be
8 reserved for local projects. Any Person or entity may apply to the Watermaster to store
9 water in the Beaumont Basin.

10 U. Accounting for Stored Water: The Watermaster shall calculate additions,
11 extractions and losses and maintain an annual account of all stored water in the
12 Beaumont Basin, and any losses of water supplies or Safe Yield resulting from such
13 stored water.

14 V. Accounting for New Yield: Recharge of the Beaumont Basin with New
15 Yield water shall be credited to the Party that creates the New Yield. The Watermaster
16 shall make an independent scientific assessment of the estimated New Yield created
17 by each proposed project. New Yield will be allocated on an annual basis, based upon
18 monitoring data and review by the Watermaster.

19 W. Accounting for Acquisitions of Water Rights: The Watermaster shall
20 maintain an accounting of acquisitions by Appropriators of water otherwise subject to
21 Overlying Water Rights as the result of the provision of water service thereto by an
22 Appropriator.

23 X. Annual Administrative Budget: The Watermaster shall prepare an annual
24 administrative budget for public review, and shall hold a public hearing on each such
25 budget prior to adoption. The budget shall be prepared in sufficient detail so as to
26 make a proper allocation of the expenses and receipts. Expenditures within budgeted
27 items may thereafter be made by the Watermaster as a matter of course.
28

Y. Redetermining the Safe Yield: The Safe Yield of the Beaumont Basin shall be redetermined at least every 10 years beginning 10 years after the date of entry of this Judgment.

6. Reports and Accounting

(a) Production Reports: Each Pumper shall periodically file, pursuant to Watermaster rules and regulations, a report showing the total production of such Pumper from each well during the preceding report period, and such additional information as the Watermaster may reasonably require.

(b) Watermaster Report and Accounting: The Watermaster shall prepare an annual report of the preceding year's operations, which shall include an audit of all assessments and Watermaster expenditures.

7. Replenishment

Supplemental Water may be obtained by the Watermaster from any source. The Watermaster shall seek the best available quality of Supplemental Water at the most reasonable cost for recharge in the Basin. Sources may include, but are not limited to:

- (a) Recycled Water;
- (b) State Water Project Water;
- (c) Other imported water.

Replenishment may be accomplished by any reasonable method including:

- (a) Spreading and percolation, or injection of water in existing or new facilities;
- and/or
- (b) In-lieu deliveries for direct surface use, in lieu of groundwater extraction.

VII. MISCELLANEOUS PROVISIONS

1. Designation of Address for Notice and Service

Each Party shall designate, in writing to the plaintiff, the name and address to be used for purposes of all subsequent notices and service herein, such designation to be delivered to the plaintiff within 30 days after the Judgment has been entered. The plaintiff shall, within 45 days after judgment has been entered, file the list of designees with the Court and serve the same on the Watermaster and all

Parties. Such designation may be changed from time-to-time by filing a written notice of such change with the Watermaster. Any Party desiring to be relieved of receiving notices of Watermaster activity may file a waiver of notice on a form to be provided by the Watermaster. The Watermaster shall maintain, at all times, a current list of Parties to whom notices are to be sent and their addresses for purposes of service. The Watermaster shall also maintain a full current list of names and addresses of all Parties or their successors, as filed herein. Copies of such lists shall be available to any Person. If no designation is made, a Party's designee shall be deemed to be, in order of priority: (i) the Party's attorney of record; or (ii) if the Party does not have an attorney of record, the Party itself at the address on the Watermaster list.

2. Intervention After Judgment

Any Person who is neither a Party to this Judgment nor a successor or assignee of a Party to this Judgment may seek to become a party to this Judgment by filing a petition in intervention.

3. Interference with Pumping

Nothing in this judgment shall be deemed to prevent any party from seeking judicial relief against any other party whose pumping activities constitute an unreasonable interference with the complaining party's ability to extract groundwater.

4. Successors and Assigns

This Judgment and all provisions herein shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

5. Severability

The provisions of this Judgment are severable. If any provision of this Judgment is held by the Court to be illegal, invalid or unenforceable, that provision shall be excised from the Judgment. The remainder of the terms of the Judgment shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such excision. This Judgment shall be reformed to add, in lieu of the excised provision, a provision as similar in terms to the excised provision as may be possible and be legal, valid and enforceable.

6. Review Procedures

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

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

4 B. Notice of Motion: Any Party may, by a regularly-noticed motion, petition the
5 Court for review of the Watermaster's action or decision pursuant to this Judgment. The
6 motion shall be deemed to be filed when a copy, conformed as filed with the Court, has been
7 delivered to the Watermaster, together with the service fee established by the Watermaster
8 sufficient to cover the cost to photocopy and mail the motion to each Party. The Watermaster
9 shall prepare copies and mail a copy of the motion to each Party or its designee according to
10 the official service list which shall be maintained by the Watermaster according to Part VII,
11 paragraph 1, above. A Party's obligation to serve the notice of a motion upon the Parties is
12 deemed to be satisfied by filing the motion as provided herein. Unless ordered by the Court,
13 any petition shall not operate to stay the effect of any Watermaster action or decision which is
14 challenged.

15 C. Time for Motion: A motion to review any Watermaster action or decision shall be
16 filed within 90 days after such Watermaster action or decision, except that motions to review
17 Watermaster assessments hereunder shall be filed within 30 days of mailing of notice of the
18 assessment.

19 D. De Novo Nature of Proceeding: Upon filing of a petition to review a Watermaster
20 action, the Watermaster shall notify the Parties of a date when the Court will take evidence
21 and hear argument. The Court's review shall be de novo and the Watermaster decision or
22 action shall have no evidentiary weight in such proceeding.

23 E. Decision: The decision of the Court in such proceedings shall be an appealable
24 Supplemental Order in this case. When the same is final, it shall be binding upon the
25 Watermaster and the Parties.

26 DATED: _____

27 By: _____
28 Judge of the Superior Court