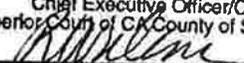


**FILED**

JAN 25 2008

KIRI TORRE  
Chief Executive Officer/Clerk  
Superior Court of CA County of Santa Clara  
BY  DEPUTY  
ROWENA A. WALKER

**SUPERIOR COURT OF CALIFORNIA  
COUNTY OF SANTA CLARA**

SANTA MARIA VALLEY WATER  
CONSERVATION DISTRICT,

Plaintiff,

vs.

CITY OF SANTA MARIA, ET AL.,

Defendants.

AND RELATED CROSS-ACTIONS AND  
ACTIONS CONSOLIDATED FOR ALL  
PURPOSES

**SANTA MARIA GROUNDWATER  
LITIGATION**  
Lead Case No. 1-97-CV-770214

(CONSOLIDATED FOR ALL  
PURPOSES)

[Consolidated With Case Numbers:  
CV 784900; CV 785509; CV 785522;  
CV 787150; CV 784921; CV 785511;  
CV 785936; CV 787151; CV 784926;  
CV 785515; CV 786791; CV 787152;  
1-05-CV-036410]

San Luis Obispo County Superior  
Court Case Nos. 990738 and 990739

**JUDGMENT AFTER TRIAL**

This matter came on for trial in five separate phases. Following the third phase of trial, a large number of parties entered into a written stipulation dated June 30, 2005 to resolve their differences and requested that the court approve the settlement and make its terms binding on them as a part of any final judgment entered in this case. Subsequent to the execution of the stipulation by the original settling parties, a number of additional parties have agreed to be bound by the stipulation – their signatures are included in the attachments to this judgment.

1 The June 30, 2005 Stipulation is attached as Exhibit "1;" and all exhibits to the  
2 Stipulation are separately attached as Exhibits "1A" through "1H". The Stipulating Parties are  
3 identified on Exhibit "1A." The court approves the Stipulation, orders the Stipulating Parties  
4 only to comply with each and every term thereof, and incorporates the same herein as though  
5 set forth in full. No non-stipulating party is bound in any way by the stipulation except as the  
6 court may otherwise independently adopt as its independent judgment a term or terms that are  
7 the same or similar to such term or provision of the stipulation.

8 As to all remaining parties, including those who failed to answer or otherwise appear,  
9 the court heard the testimony of witnesses, considered the evidence found to be admissible by  
10 the court, and heard the arguments of counsel. Good cause appearing, the court finds and  
11 orders judgment as follows.

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

13 Basin – The groundwater basin described in the Phase I and II orders of the court, as  
14 modified, with attachments and presented in Exhibit "1B".

15 Defaulting Parties – All persons or entities listed on Exhibit "3".

16 Imported Water – Water within the Basin received from the State Water Project,  
17 originating outside the Basin, that absent human intervention would not recharge or be used in  
18 the Basin.

19 LOG Parties – All persons or entities listed on Exhibit "2," listed under the subheading  
20 "LOG Parties".

21 Non-Stipulating Parties – All Parties who did not sign the Stipulation, including the  
22 Defaulting Parties and the LOG and Wineman Parties.

23 Parties – All parties to the above-referenced action, including Stipulating Parties, Non-  
24 Stipulating Parties, and Defaulting Parties.

25 Public Water Producers – City of Santa Maria, Golden State Water Company, Rural  
26 Water Company, the "Northern Cities" (collectively the Cities of Arroyo Grande, Pismo  
27 Beach, and Grover Beach, and Oceano Community Services District), and the Nipomo  
28 Community Services District.

1            Return Flows – All water which recharges the Basin after initial use, through the use of  
2 percolation ponds and others means, derived from the use and recharge of imported water  
3 delivered through State Water Project facilities.

4            Stipulating Parties – All Parties who are signatories to the Stipulation.

5            Stipulation – The Stipulation dated June 30, 2005 and incorporated herein as Exhibit  
6 “1,” with each of its Exhibits separately identified and incorporated herein as Exhibits “1A”  
7 through “1H”.

8            Storage Space – The portion of the Basin capable of holding water for subsequent  
9 reasonable and beneficial uses.

10           Wineman Parties – All persons or entities listed on Exhibit “2,” under the subheading  
11 “Wineman Parties”.

12           The following Exhibits are attached to this Judgment:

- 13           1.    Exhibit “1,” June 30, 2005 Stipulation and the following exhibits thereto:
  - 14           a.    Exhibit “1A,” list identifying the Stipulating Parties and the parcels of  
15 land bound by the Stipulation.
  - 16           b.    Exhibit “1B,” Phase I and II Orders, as modified, with attachments.
  - 17           c.    Exhibit “1C,” map of the Basin and boundaries of the three  
18 Management Areas.
  - 19           d.    Exhibit “1D,” map identifying those lands as of January 1, 2005: 1)  
20 within the boundaries of a municipality or its sphere of influence, or within the process of  
21 inclusion in its sphere of influence; or 2) within the certificated service area of a publicly  
22 regulated utility; and a list of selected parcels that are nearby these boundaries which are  
23 excluded from within these areas.
  - 24           e.    Exhibit “1E,” 2002 Settlement Agreement between the Northern Cities  
25 and Northern Landowners.
  - 26           f.    Exhibit “1F,” the agreement among Santa Maria, Golden State and  
27 Guadalupe regarding Twitchell Project and the Twitchell Management Authority.
  - 28           g.    Exhibit “1G,” the court’s Order Concerning Electronic Service of

1 Pleadings and Electronic Posting of Discovery Documents dated June 27, 2000.

2 h. *Exhibit "IH,"* the form of memorandum of agreement to be recorded.

3 2. *Exhibit "2,"* List of Non-Stipulating LOG and Wineman Parties and recorded  
4 deed numbers of property they owned at the time of trial.

5 3. *Exhibit "3,"* List of Defaulting parties.

6 **A declaratory judgment and physical solution are hereby adjudged and decreed**  
7 **as follows:**

8 1. As of the time of trial, LOG and Wineman Parties owned the real property,  
9 listed by assessor's parcel numbers, as presented in Exhibit 2.

10 2. The City of Santa Maria and Golden State Water Company are awarded  
11 prescriptive rights to ground water against the non-stipulating parties, which rights shall be  
12 measured and enforced as described below.

13 3. The City of Santa Maria and Golden State Water Company have a right to use  
14 the Basin for temporary storage and subsequent recapture of the Return Flows generated from  
15 their importation of State Water Project water, to the extent that such water adds to the supply  
16 of water in the aquifer and if there is storage space in the aquifer for such return flows,  
17 including all other native sources of water in the aquifer. The City of Santa Maria's Return  
18 Flows represent 65 percent of the amount of imported water used by the City. Golden State  
19 Water Company's Return Flows represent 45 percent of the amount of imported water used by  
20 Golden State in the basin.

21 4. (a) The Northern Cities have a prior and paramount right to produce 7,300 acre-  
22 feet of water per year from the Northern Cities Area of the Basin; and (b) the Non-Stipulating  
23 Parties have no overlying, appropriative, or other right to produce any water supplies in the  
24 Northern Cities Area of the Basin.

25 5. The Groundwater Monitoring Provisions and Management Area Monitoring  
26 Programs contained in the Stipulation, including Sections IV(D) (All Management Areas);  
27 V(B) (Santa Maria Management Area), VI(C) (Nipomo Mesa Management Area), and VII (1)  
28 (Northern Cities Management Area), inclusive, are independently adopted by the court as

1 necessary to manage water production in the basin and are incorporated herein and made terms  
2 of this Judgment. The Non-Stipulating Parties shall participate in, and be bound by, the  
3 applicable Management Area Monitoring Program. Each Non-Stipulating Party also shall  
4 monitor their water production, maintain records thereof, and make the data available to the  
5 court or its designee as may be required by subsequent order of the court.

6 6. No Party established a pre-Stipulation priority right to any portion of that  
7 increment of augmented groundwater supply within the Basin that derives from the Twitchell  
8 Project's operation.

9 7. The court determines that there is a reasonable likelihood that drought and  
10 overdraft conditions will occur in the Basin in the foreseeable future that will require the  
11 exercise of the court's equity powers. The court therefore retains jurisdiction to make orders  
12 enforcing the rights of the parties hereto in accordance with the terms of this judgment.

13 a. Groundwater

14 i. The overlying rights of the LOG and Wineman Parties shall be  
15 adjusted by amounts lost to the City of Santa Maria and Golden State Water Company by  
16 prescription. The prescriptive rights of the City of Santa Maria and Golden State Water  
17 Company must be measured against the rights of all overlying water producers pumping in the  
18 aquifer as a whole and not just against the LOG and Wineman Parties because adverse  
19 pumping by the said water producers was from the aquifer as a whole and not just against the  
20 non-stipulating parties. The City of Santa Maria established total adverse appropriation of  
21 5100 acre feet per year and Golden State Water Company established adverse appropriation of  
22 1900 acre feet a year, measured against all usufructuary rights within the Santa Maria Basin.  
23 The City of Santa Maria and Golden State Water Company having waived the right to seek  
24 prescription against the other stipulating parties, may only assert such rights against the non  
25 stipulating parties in a proportionate quantity. To demonstrate the limited right acquired by  
26 the City of Santa Maria and Golden State Water Company, by way of example, if the  
27 cumulative usufructuary rights of the LOG and Wineman Parties were 1,000 acre-feet and the  
28 cumulative usufructuary rights of all other overlying groundwater right holders within the

1 Basin were 100,000 acre-feet, the City of Santa Maria and Golden State Water Company  
2 would each be entitled to enforce 1% of their total prescriptive right against the LOG and  
3 Wineman Parties. That is, Golden State Water Company could assert a prescriptive right of  
4 19 annual acre-feet, and the City of Santa Maria 51 annual acre-feet, cumulatively against the  
5 LOG and Wineman Parties, each on a proportionate basis as to each LOG and Wineman  
6 Party's individual use.

7 ii. The Defaulting Parties failed to appear at trial and prove any  
8 usufructuary water rights. The rights of the Defaulting Parties, if any, are subject to the  
9 prescriptive rights of the City of Santa Maria and Golden State Water Company, as well as the  
10 other rights of said parties as established herein.

11 b. Imported Water

12 The City of Santa Maria and Golden State Water Company shall have rights to Return  
13 Flows in the amount provided above.

14 c. Northern Cities

15 The rights of all Parties in the Northern Cities Management Area shall be governed as  
16 described above on page 4, lines 21 to 24.

17 8. The LOG and Wineman Parties have failed to sustain the burden of proof in  
18 their action to quiet title to the quantity of their ground water rights as overlying owners. All  
19 other LOG and Wineman party causes of action having been dismissed, judgment is hereby  
20 entered in favor of the Public Water Producers as to the quiet title causes of action brought by  
21 the LOG and the Wineman Parties. Legal title to said real property is vested in the Log and  
22 Wineman Parties and was not in dispute in this action.

23 9. Each and every Party, their officers, agents, employees, successors and assigns,  
24 are enjoined and restrained from exercising the rights and obligations provided through this  
25 Judgment in a manner inconsistent with the express provisions of this Judgment.

26 10. Except upon further order of the court, each and every Party and its officers,  
27 agents, employees, successors and assigns, is enjoined and restrained from transporting  
28 groundwater to areas outside the Basin, except for those uses in existence as of the date of this

1 Judgment; provided, however, that groundwater may be delivered for use outside the Basin as  
2 long as the wastewater generated by that use of water is discharged within the Basin, or  
3 agricultural return flows resulting from that use return to the Basin.

4 11. Jurisdiction, power and authority over the Stipulating Parties as between one  
5 another are governed exclusively by the Stipulation. The court retains and reserves  
6 jurisdiction as set forth in this Paragraph over all parties hereto. The court shall make such  
7 further or supplemental orders as may be necessary or appropriate regarding interpretation and  
8 enforcement of all aspects of this Judgment, as well as clarifications or amendments to the  
9 Judgment consistent with the law.

10 12. Any party that seeks the court's exercise of reserved jurisdiction shall file a  
11 noticed motion with the court. Any noticed motion shall be made pursuant to the court's  
12 Order Concerning Electronic Service of Pleadings and Electronic Posting of Discovery  
13 Documents dated June 27, 2000.

14 13. The court shall exercise *de novo* review in all proceedings. The actions or  
15 decisions of any Party, the Monitoring Parties, the TMA, or the Management Area Engineer  
16 shall have no heightened evidentiary weight in any proceedings before the court.

17 14. As long as the court's electronic filing system remains available, all court  
18 filings shall be made pursuant to court's Order Concerning Electronic Service of Pleadings  
19 and Electronic Posting of Discovery Documents dated June 27, 2000, or any subsequent  
20 superseding order. If the court's electronic filing system is eliminated and not replaced, the  
21 Parties shall promptly establish a substitute electronic filing system and abide by the same  
22 rules as contained in the court's Order.

23 15. Nothing in this Judgment shall be interpreted as relieving any Party of its  
24 responsibilities to comply with state or federal laws for the protection of water quality or the  
25 provisions of any permits, standards, requirements, or order promulgated thereunder.

26 16. Each Party shall designate the name, address and e-mail address, if any, to be  
27 used for purposes of all subsequent notices and service by a designation to be filed within  
28 thirty days after entry of this Judgment. This designation may be changed from time to time

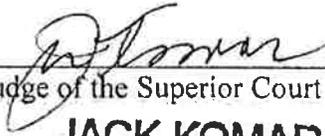
1 by filing a written notice with the court. Any Party desiring to be relieved of receiving notices  
2 may file a waiver of notice on a form approved by the court. The court shall maintain at all  
3 times a current list of Parties to whom notices are to be sent and their addresses for purposes  
4 of service. The court shall also maintain a full current list of names, addresses, and e-mail  
5 addresses of all Parties or their successors, as filed herein. Copies of such lists shall be  
6 available to any Person. If no designation is made, a Party's designee shall be deemed to be, in  
7 order of priority: i) the Party's attorney of record; ii) if the Party does not have an attorney of  
8 record, the Party itself at the address specified.

9 17. All real property owned by the Parties within the Basin is subject to this  
10 Judgment. The Judgment will be binding upon and inure to the benefit of each Party and their  
11 respective heirs, executors, administrators, trustees, successors, assigns, and agents. Any  
12 party, or executor of a deceased party, who transfers property that is subject to this judgment  
13 shall notify any transferee thereof of this judgment and shall ensure that the judgment is  
14 recorded in the line of title of said property. This Judgment shall not bind the Parties that  
15 cease to own property within the Basin, and cease to use groundwater. Within sixty days  
16 following entry of this Judgment, the City of Santa Maria, in cooperation with the San Luis  
17 Obispo entities and Golden State, shall record in the Office of the County Reporter in Santa  
18 Barbara and San Luis Obispo Counties, a notice of entry of Judgment.

19 The Clerk shall enter this Judgment.

20  
21 SO ORDERED, ADJUDGED, AND DECREED.

22  
23 Dated: January 25, 2008

  
\_\_\_\_\_  
Judge of the Superior Court  
**JACK KOMAR**