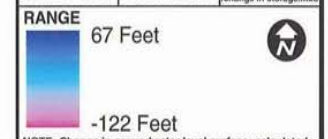


NCS 09
**Change in Groundwater Level
Surface from 1975 to 2000**

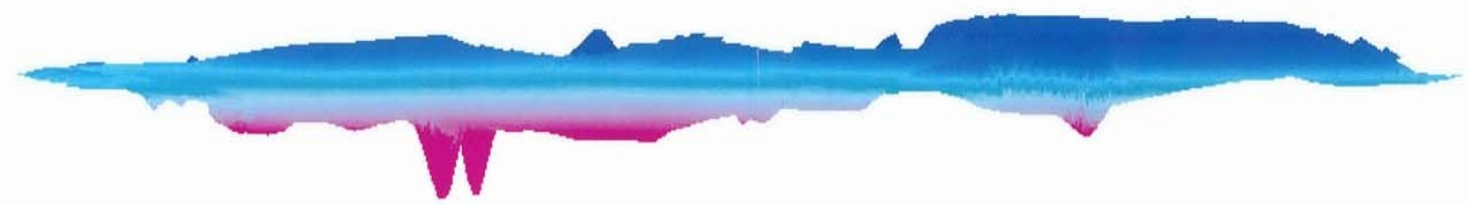
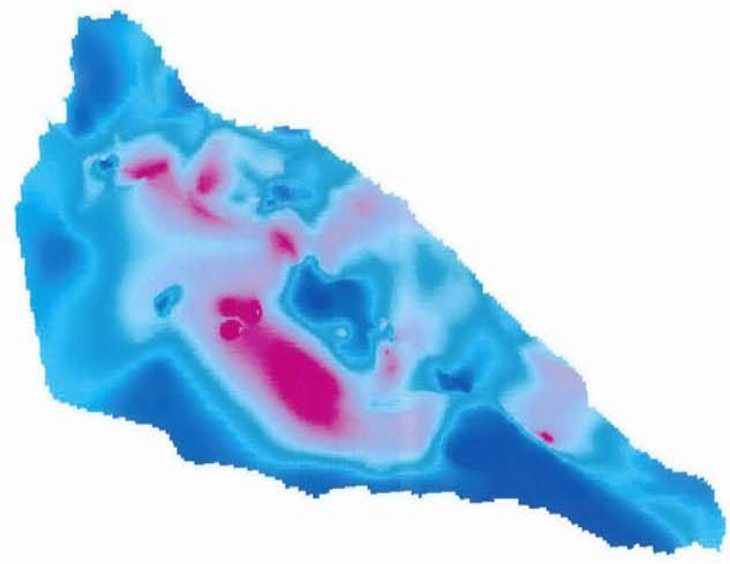
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change in storage.mxd



NOTE: Change in groundwater level surface; calculated by subtracting 1975 groundwater surface elevations from 2000 groundwater surface elevations

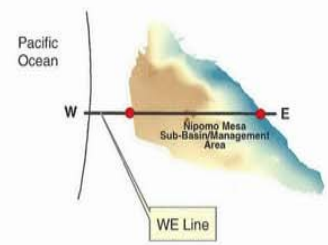
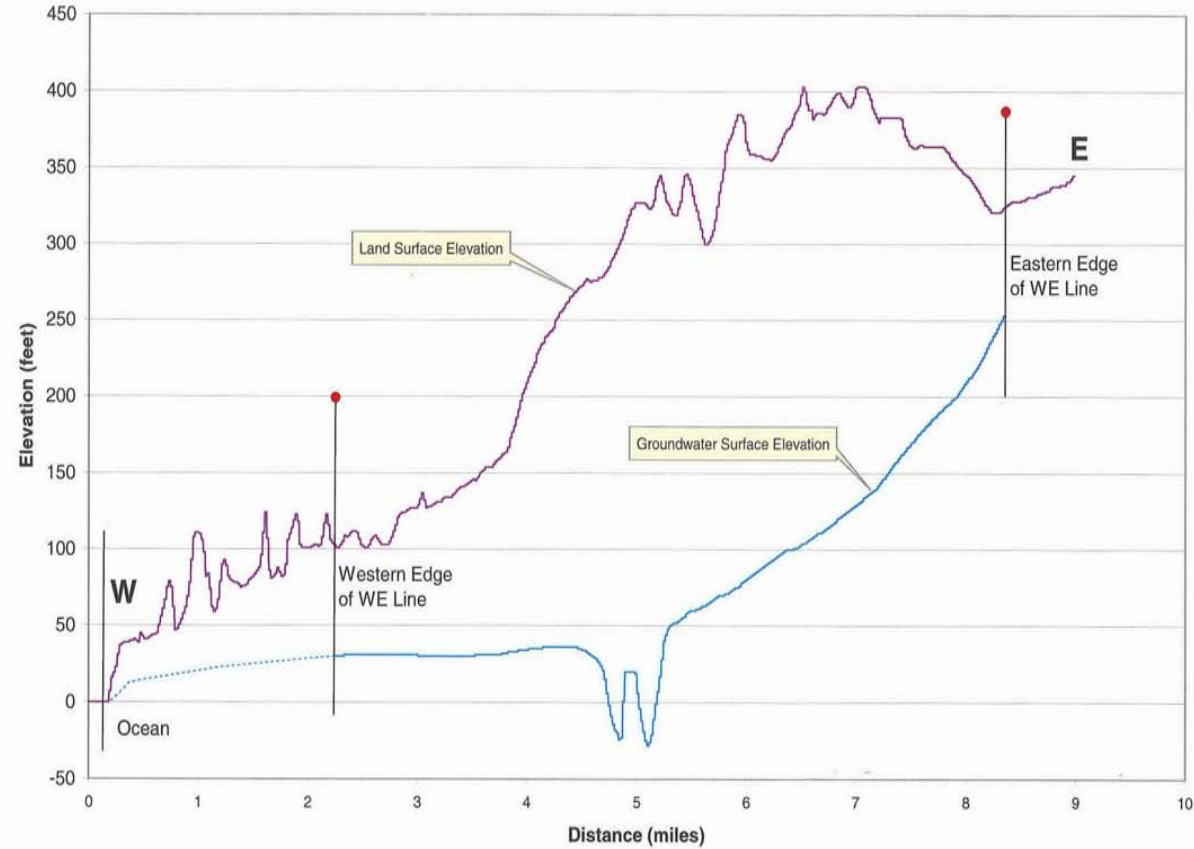


↑
Angle of view for
lower figure



Cross Section of Nipomo Mesa Sub-Basin/Management Area with Spring 2000 Main Groundwater Surface

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FILED

JAN 25 2008

KIRI TORRE
Chief Executive Officer/Clerk
Superior Court of CA, County of Santa Clara

BY *Howena A. Walker* DEPUTY
HOWENA 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.

**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

AND RELATED CROSS-ACTIONS AND
ACTIONS CONSOLIDATED FOR ALL
PURPOSES

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.

BASIC DECLARATIONS CONTAINED IN THE JUDGMENT

Paragraph 2: The City of Santa Maria and Golden State Water Company are awarded prescriptive rights against the non-stipulation parties (LOG and the Wineman Group)

Paragraph 4: The Northern Cities are awarded a prior and paramount right to produce 7,300 acre feet of groundwater from the Northern Cities area of the Basin and the non-stipulating parties have no rights to produce groundwater from that area.

Paragraph 5: The groundwater monitoring provisions contained in the Settlement Stipulation are independently adopted by the Court as necessary to Basin management and apply to all parties, including the non-stipulating parties who are required to monitor and maintain records of their water production and make that data available to the Court or its designee.

Paragraph 6: No party possesses any pre-stipulation right to any portion of groundwater derived from the operation of the Twitchell Reservoir.

Paragraph 7: Based on the likelihood of drought or overdraft occurring in the Basin, the Court retains continuing jurisdiction to make orders enforcing the parties' rights in accordance with the terms of the Judgment.

ALLOCATION AND DENIAL OF RIGHTS

Paragraph 7a: The City of Santa Maria is awarded 5,100 acre feet per year of prescriptive rights and Golden State Water Company is awarded 1,900 acre feet per year of prescriptive rights, but those rights will be measured so as to be proportionate to those of all Basin overlying producers and will apply only against LOG and Wineman parties.

Paragraph 7b. The City of Santa Maria and Golden State Water Company are awarded the right to produce groundwater equivalent to the return flow derived from their importation of State Project Water which is shown to augment Basin supplies. Santa Maria's return flow is equal to 65% of its imported water and Golden State's return flow is equal to 45% of its importations.

Paragraph 7c: The rights of parties in the Northern Cities area is governed by their previous agreement which affords the Northern Cities a priority to 7,300 acre feet of groundwater annually.

Paragraph 8: Because LOG and the Wineman Parties failed to sustain their burden of proof as to the quantity of groundwater they produced as overlying owners, their action to quiet title to production rights fails and judgment thereon is entered in favor of the Public Water Producers.

INJUNCTIONS ISSUED BY THE COURT

Paragraph 9: Parties are enjoined from exercising their rights and obligations provided in the Judgment in a manner inconsistent with the Judgment.

Paragraph 10: Except upon further Court order, the Parties are enjoined from transporting groundwater outside the Basin except for uses already in existence and except when the wastewater generated from exportation is returned to the Basin.

Paragraph 17: All real property owned by the Parties within the Basin is subject to the Judgment. The Judgment binds successors in interest and any party who transfers property subject to the Judgment shall insure that recorded notice of the Judgment is provided.

SETTLEMENT STIPULATION IS INCORPORATED IN THE JUDGMENT

Paragraph 11: Jurisdiction, power and authority over the Stipulating Parties as between one another are governed exclusively by the Stipulation.

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SANTA CLARA

SANTA MARIA VALLEY WATER) SANTA MARIA GROUNDWATER
CONSERVATION DISTRICT,) LITIGATION
Plaintiff,) Lead Case No. CV 770214
) (CONSOLIDATED FOR ALL PURPOSES)
v.)
) [Consolidated With Case Numbers:
CITY OF SANTA MARIA, et al.,) CV 784900; CV 785509; CV 785522;
) CV 787150; CV 784921; CV 785511;
Defendants.) CV 785936; CV 787151; CV 784926;
) CV 785515; CV 786791; CV 787152;
) CV 036410]
AND RELATED CROSS-ACTIONS AND)
ACTIONS CONSOLIDATED FOR ALL) San Luis Obispo County Superior Court Case
PURPOSES) Nos. 990738 and 990739
)
) [Assigned to Judge Jack Komar for All
) Purposes]

STIPULATION (JUNE 30, 2005 VERSION)

RECOGNITION AND PROTECTION OF RIGHTS OF STIPULATING PARTIES

IIIA. All Overlying Owners (other than those in the Northern Cities) have a prior and paramount overlying right, whether or not yet exercised.

IIIB. As to the Stipulating Parties, no prescriptive rights exist and none may be gained through future use of groundwater by the Public Water Producers.

IIIC. The Public Water Producers may exercise appropriative rights to reasonable and beneficial use of Native Groundwater surplus to such uses of Overlying Stipulating Parties.

IIID. The Stipulating Parties have the right to use Developed Water (Lopez, Twitchell and State Project Water) consistent with provisions governing separate management areas and all occurring groundwater is considered commingled water.

IIIE. Court reserves jurisdiction over storage space. Santa Maria and Golden State may use it to store return flows from State Project Water, such space may be used to store developed water and any party may apply to the Court for approval of a project requiring the use of storage space.

GROUNDWATER MONITORING (IV D.)

A groundwater monitoring program is established in all three Basin management areas which includes:

1. Collecting data which includes land and water uses, groundwater levels, groundwater quality and the amount and disposition of Developed Water supplies.
2. All Parties are required to make relevant information available.
3. Metering may be imposed on any Party upon the issuance of a Court order showing the data sought is necessary to monitor groundwater conditions and the Party (Overlying Owner) has failed to provide information comparable to that provided by other Overlying Owners.
4. Each Monitoring Party (the Nipomo Mesa Management Area Technical Group for the Mesa) shall produce and present to the Court the management area monitoring program within 180 days after entry of Judgment (Late July, 2008).
5. The Monitoring Parties must deliver an annual report to the Court showing changes in and any threat to groundwater supplies. Each report must tabulate water use in the management area.
6. The Monitoring Parties also are responsible for seeking court declarations of potentially severe and severe water conditions and suggesting means to cope with such situations.

THE NIPOMO MESA MANAGEMENT AREA PHYSICAL SOLUTION (Part VI)

1. Supplement Water in the amount of 2,500 acre feet per year is to be brought to the Mesa per the M.O.U. between NCSD and the City of Santa Maria.
2. The costs of the Supplemental Water are to be borne by NCSD (66.68%), Woodlands (16.66%), Golden State Water Company (8.33%) and Rural Water company (8.33%). all other Mesa water producers bear no costs for the supplemental water program.
3. The 2,500 acre feet per year requirement may be adjusted up or down by the NMMA Technical Group.
4. The potential enforcement of Part VI requirements are dependent upon the full implementation of the supplemental Water Project.
5. If a potentially severe or severe water shortage condition ensues before implementation of the Project, NCSD, Rural, Golden State, and Woodlands are required to develop a well management program acceptable to NMMA Technical Group which may include conservation measures, developing a different source of supplemental water or a moratorium on “will serve” letters.
6. Any Stipulating Party may move the Court to modify the Judgment based upon the fact that the Supplemental Water Program is not being implemented.

IMPACT ON MESA WATER PRODUCTION RIGHTS

1. The right to produce groundwater in the NMMA is not affected by the Judgment or the Stipulation unless the NMMA is declared by the NMMA Technical Group and the Court to be in a condition of severe water shortage (discussed later)

2. If there is a condition of severe water shortage, the following ensues:

a. All stipulating overlying producers (except Woodlands) are limited as a pooled group to producing no more than 110% of the highest amount produced by that pooled group in any prior year.

b. Any such stipulating overlying producer may choose to fallow during that period and be compensated for doing so. If such fallowing occurs, the total amount of allowed pooled production is decreased.

c. The NMMA Technical Group is required to design a plan for proportionately allocation overlying production rights to meet the 110% limitation.

d. Conoco Phillips is limited to producing no more than 110% of its highest amount produced in any prior year.

e. NCSD, Golden State, Rural and Woodlands are required to implement mandatory conservation measures prescribed by the NMMA Technical Group and approved by the Court.

f. Per Court order, the right may be afforded to overlying producers to temporarily transfer overlying production rights to appropriators.

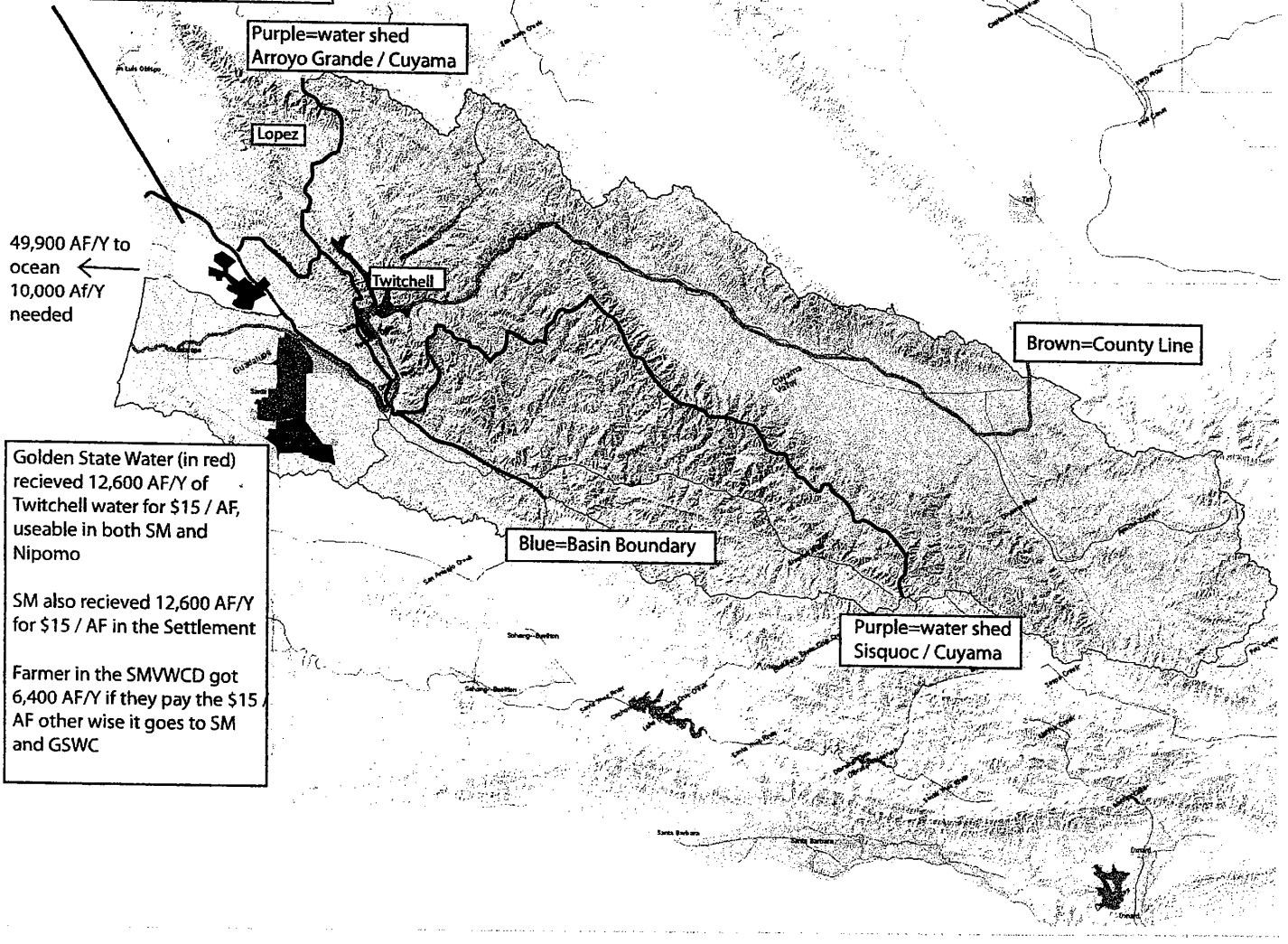
NIPOMO MESA MANAGEMENT AREA

TECHNICAL GROUP

1. The Technical Group consists of appointees of NCSD, Golden State Water Company, Conoco Phillips, Woodlands and one agricultural overlying producer.
2. The Technical Group is self funded by each participant. No assessment is levied on production of water, acreage or on any other basis to financially support the Technical Group and its functions.
3. All Technical Group decisions are subject to de novo Court review.
4. The functions of the Technical Group include developing a monitoring program, generating an annual report on groundwater conditions of the Mesa, and developing criteria for declaring a Potentially Severe Water Shortage Condition and a Severe Water Shortage Condition.
5. For potentially severe, water levels will have reached a point at which voluntary conversation is desirable.
6. For severe, which is a mandatory action trigger point, lowest historic water levels have to be reached or sea water intrusion must be detected.

Area of Use Vs Areas of Supply

Yellow=Area of rainfall that NCS D water use restrictions are to be based on.
Black=NCS D area of use



Purple=water shed
Arroyo Grande / Cuyama

Lopez

Twitchell

Brown=County Line

Blue=Basin Boundary

Purple=water shed
Sisquoc / Cuyama

49,900 AF/Y to ocean
10,000 Af/Y needed

Golden State Water (in red) recieved 12,600 AF/Y of Twitchell water for \$15 / AF, useable in both SM and Nipomo

SM also recieved 12,600 AF/Y for \$15 / AF in the Settlement

Farmer in the SMWCD got 6,400 AF/Y if they pay the \$15 / AF other wise it goes to SM and GSWC