

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

Resolution TW 1-2011

A RESOLUTION OF THE BOARD OF DIRECTORS OF
TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
ACTING AS WATERMASTER PURSUANT TO THE
JUDGMENT ENTERED IN *TEHACHAPI-CUMMINGS COUNTY
WATER DISTRICT v. CITY OF TEHACHAPI, ET AL.*,
KERN COUNTY SUPERIOR COURT NO. 97210, AS AMENDED,
AMENDING AND RESTATING
RULES AND REGULATIONS FOR WATERMASTER OPERATIONS

A. Recitals.

(i) Paragraph 14 of the judgment heretofore entered in *Tehachapi-Cummings County Water District v. City of Tehachapi, et al.*, Kern County Superior Court No. 97210, as amended (the "judgment"), appointed this District as Watermaster to administer the judgment.

(ii) Paragraph 15(a) of the judgment authorized the Watermaster to adopt and amend from time to time such rules as may be reasonably necessary to carry out its duties, powers and responsibilities under the judgment, any such amendment to be effective 30 days after mailing to parties specified by the Watermaster.

(iii) By Resolution No. TW 1-73, this District, acting as Watermaster, pursuant to the judgment adopted a set of rule and regulations which were amended by Resolution Nos. TW 1-74, TW 1-88, TW 1-92, TW 1-94, TW 1-97, TW 1-2000 and TW1-2010.

(iv) Attached hereto, marked Exhibit "A" and incorporated herein by reference, is a restated set of rules and regulations, incorporating all the prior amendments to the rules and regulations as aforesaid and containing certain minor modifications and amendments which are necessary to enable the District to more effectively carry out its duties, powers and responsibilities as Watermaster pursuant to the judgment.

B. Resolution.

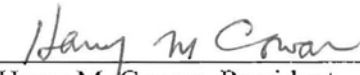
NOW, THEREFORE, be it found, determined, resolved as follows:

1. All the matters set forth in the recitals above are true and correct.
2. The rules and regulations attached hereto and marked Exhibit "A" hereby are adopted pursuant to Paragraph 15(a)(vi) of the judgment, to be effective 30 days after the mailing thereof to the parties to said action or their successors in interest.
3. The adoption of the revised and restated rules and regulations attached hereto as Exhibit "A" shall not excuse any violation of a rule or regulation of the Watermaster

which violation occurred prior to the effective date of the amended and restated rules and regulations attached hereto as Exhibit "A."

4. The Secretary of the District shall certify to the adoption of this Resolution.

ADOPTED AND APPROVED this 17th day of August, 2011.

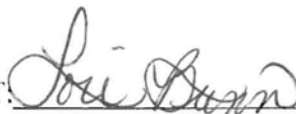

Harry M. Cowan, President

I, LORI BUNN, Secretary to the Board of Directors of the Tehachapi-Cummings County Water District, do hereby certify that the foregoing Resolution was introduced at a regular meeting of the Board of Directors of Tehachapi-Cummings county Water District held on the 17th day of August, 2011 and was adopted at such meeting by the following roll call vote:

AYES: Cowan, Hadley, Hall, Prel and Schultz

NOES: None

ABSENT: None

ATTEST: 
Lori Bunn
Secretary to the Board of Directors

**RULES AND REGULATIONS
OF
TEHACHAPI BASIN WATERMASTER**

1. Offices and Records.

The Watermaster's offices and records shall be maintained at 22901 Banducci Road, Post Office Box 326, Tehachapi, California, telephone number (661) 822-5504. Such records shall be available for inspection by any party or other member of the public during regular business hours of Tehachapi-Cummings County Water District. Copies of such records may be had by any party or member of the public upon payment of the duplication costs thereof.

2. Water Production Measuring Devices.

(a) Each party, subject to the exception stated below in Rule 2(e), shall, at his sole expense, and prior to extracting any ground water from Tehachapi Basin on or after January 1, 1974, install and maintain on each well so extracting a turbine or propeller meter for 1 ½" and larger, or with respect to wells having a discharge of less than 1 ½", a displacement meter. Each meter of less than 4" diameter shall have a totalizer recording in gallons. Each meter of 4" or larger shall have a totalizer recording in acre feet. The meter shall be of a make and model as the Watermaster shall approve in writing. The Watermaster hereby approves of the following makes and models of meters:

ALLOWED MAKES AND MODELS:

McCrometer – Propeller Model for 1 ½" and up only

Sensus – Model SR for 5/8" and 1" Series "W" Turbo for 1 ½" and up

The totalizer on each such meter shall be susceptible to correction only by changing mechanical gear equipment.

(b) Each such meter shall be accessible, shall be installed in a level position where there are at least ten (10) diameters of continuous straight pipe upstream and five diameters of continuous straight pipe downstream from said position, shall be installed so as to provide for a full flow of water for proper accuracy, and shall otherwise be installed according to good design practices. Watermaster personnel shall assist any party having any question as to installation requirements.

(c) No seal on any such well shall be broken without the prior written approval of Watermaster, except only for emergency repairs, in which event the Watermaster shall be immediately notified by telephone and in writing of the time and date on which broken.

(d) The Watermaster, either through its personnel or through an individual contractor or contractors, shall make inspections of required meters at such times and as often as

may be reasonable, and may require any party to provide such maintenance, repairs or replacements as are reasonably necessary to provide accurate water production measurement. The tolerance of each meter shall be the AWWA standard of +/-2%. Defective or inaccurate meters shall be repaired at the sole expense of the party in question within ten (10) days of the Watermaster mailing to that party a notice requiring him to make the repair.

(e) There is excepted from the provisions of Rules 2(a) through (d), inclusive, purely domestic party wells. Upon written application therefor, the Watermaster also may except from said provisions any well which in the judgment of the Watermaster will not collectively with any other wells (other than a separate purely domestic party well) cause to be produced by any one party on the same parcel or contiguous parcels, 25 acre-feet or more in a calendar year, provided that the above exception shall not apply to any party who requests the purchase of exchange pool water. The Watermaster shall provide mailed written notice of its decision on any such application for exception to the applicant as soon as is reasonably practicable after its receipt of an application. Any such exception granted may later be revoked by the Watermaster. Within thirty (30) days of the Watermaster's mailing written notice of any such revocation, the party in question shall install and maintain a meter in compliance with the provisions of Rules 2(a), (b), (c) and (d) hereof.

3. Water Production Reports to Watermaster.

(a) Each party, other than with respect to production from a purely domestic party well, or other wells excepted from metering pursuant to Rule 2(e) hereof, shall render to the Watermaster a monthly report of water produced by him from Tehachapi Basin on forms provided by the Watermaster. Notwithstanding the foregoing, the Watermaster may permit a lesser frequency of reporting as to any party, or as to any party during portions of a year, and adjust any forms accordingly. The Watermaster shall cause the forms to be mailed on or before the 20th day of the month or latest of the months for which the report thereon is to be made. Each party shall cause his report to be fully filled in, executed, verified and mailed to the Watermaster on or before the 10th day of the next succeeding month. A party's meter readings utilized to fill in such a form shall occur as near as is practicable to the last day of the month for which the report is made, or if the report is for more than one month, as near as is practicable to the last day of the latest of the months for which the report is made. Attached hereto, marked **Exhibit "A,"** incorporated herein by reference and hereby adopted, is the form of water production report to be utilized for monthly reports pursuant to this Rule 3. Variations thereof may be employed by the Watermaster for reports covering more than one (1) month, or to reflect other pertinent facts.

(b) Each party excepted from metering under Rule 2(e), other than with respect to a purely domestic party well, shall furnish to the Watermaster, bimonthly, or with such lesser frequency as the Watermaster may specify, copies of bills of energy consumption relating to the wells for which exception has been granted, and such other information as the Watermaster may request upon which computation of water production may be made. Upon request by the Watermaster each such party shall obtain pump efficiency tests from time to time. Each party applying for such exception under Rule 2(e) understands and agrees that for purposes of said judgment, as amended, including the Watermaster duties and responsibilities, the Watermaster

will employ the best information available to calculate water production with respect to such wells.

(c) If it appears that any meter reading may have been incorrect, the Watermaster may require other information upon which to compute water production and may adjust meter readings by any reasonable method.

4. Water Rights Transfers.

As used herein the word "transfer" includes any conveyance, lease, license or other type of transaction of whatever kind or nature, whereby another person becomes entitled to exercise, for whatever period, any water rights of a party.

(a) Procedures on Transfers.

Any transfer of water rights, other than a month-to-month lease of property to which a purely domestic party well water right is appurtenant, shall be in writing and shall:

- (i) Identify the transferor(s) (Seller or Lessor) and the transferee(s) (Buyer or Lessee).
- (ii) Contain the street address or addresses and mailing address or addresses of the transferee(s).
- (iii) Contain substantially the following provision:

"Pumping from the underground, surface diversions, and any water rights involved in this transaction, are subject to the provisions and limitations contained in the Judgment, as amended from time to time, in the case of 'Tehachapi-Cummings County Water District, etc., Plaintiff, v. City of Tehachapi, et al., Defendants', Kern County Superior Court No. 97210."
- (iv) Recite the quantity of Base Water Rights, in acre feet, transferred, together with substantially the following statement: "Said Base Water Right is subject to the Allowed Pumping Allocation permitted with respect thereto from time to time pursuant to the Judgment as amended from time to time in said cause."
- (v) Be acknowledged in form sufficient for recordation. In order to secure the protection of the California Recording Statutes, Civil Code sections 1213 and 1214, a transfer document should be recorded in Kern County Official Records.

The transferor(s) shall file a copy of the recorded transfer document or, if the transfer document is not recorded, a duplicate original or a copy reproducing signatures of the signatories thereto,

with the Watermaster within ten (10) days after the transfer becomes effective. If the transferor fails to file a copy of the transfer document within ten days, then the transferee shall file a copy within twenty (20) days of the effective date. A transfer becomes effective if the agreement is immediately effective, although the operative date of the transfer is in the future, e.g., a lease executed in July to be operative the following January. On the other hand, a transfer contingent on close of escrow is not effective until close of escrow.¹

(b) Certain Transfers Prohibited or Prohibited Without Prior Watermaster Approval.

The Judgment as amended contains certain restrictions on transfers of water rights:

- (i) No assignment, transfer, license or lease may result in the utilization of water extracted from Tehachapi Basin in any area outside the alluvial boundaries of Tehachapi Basin. Any document(s) purporting to effect or allow such an assignment, transfer, license or lease shall be deemed invalid and of no force and effect.
- (ii) Any document(s) purporting to effect the transfer of a water right apart from the land or a portion thereof on which that water right was theretofore exercised must be filed with Watermaster on or before March 1 of a calendar year to be effective for that year. In addition, said transfer shall not be effective until Watermaster has approved the extraction of water at said new location pursuant to Paragraph 18 of the Amended Judgment heretofore entered in this action and pursuant to Rule 7 hereof unless the transferred water right is to be exercised on land contiguous to the land on which the water right in question was originally developed.
- (iii) Insofar as the Judgment as amended specifically recognizes a right of export in Southern Pacific Transportation Company or Golden Hills Community Services District, the foregoing provisions of this subparagraph (b) are not intended to apply thereto.

(c) Conveyances of Adjudicated Rights as Part of Land Conveyance.

When an owner of water rights conveys land, he should specify in the deed what water rights, if any, are transferred. If an owner intends to convey permanently an adjudicated water right as part of a conveyance of real property overlying the Tehachapi Basin, the seller should state in the deed itself the specific quantity of water rights transferred. If the owner does not intend to transfer any water rights, the deed should so state. If a deed is silent as to whether any adjudicated rights are transferred, the Watermaster will presume that no water rights are

¹ Where a transfer is through escrow, the escrow instructions should instruct the escrow, upon close, to mail to Watermaster the required copy under this Rule 4(a).

transferred unless a separate duly executed transfer document is filed with the Watermaster as provided in this Rule 4.

(d) Rules of Interpretation in Connection With Transfers.

The following rules shall be applicable to transfers of water rights, and are based on the Judgment as amended. They can be either categorized as such or as conclusive presumptions, but in any event are applicable conclusively. More than one such rule may be applicable to one transaction.

- (i) The Allowed Pumping Allocation permitted with respect to any Base Water Right transferred shall be subject to subsequent upward or downward adjustment by the Court under its reserved jurisdiction, pursuant to the provisions of the judgment as heretofore or hereafter amended. In the event that the instrument of transfer is executed by the transferor prior to or on the date of any amendment to judgment executed by the Court, but the instrument is not effective until a later date, the transferee nonetheless takes subject to the benefits and burdens of such adjustment. All subsequent rules and examples are subject to this rule.²
- (ii) Every transfer of a Base Water Right is subject to prior pumping of the Allowed Pumping Allocation pertaining thereto during the calendar year of the transfer, and is subject to reduction of increases of said Allowed Pumping Allocation pursuant to the Judgment as amended on account of prior calendar year over-extractions or carry-overs or other matters. Where a part of a transferor's Base Water Right is transferred, this rule applies proportionately.

Example: A transferor owns 150 acre feet of Base Water Right. A transfer is effectuated on February 15 of a year of 75 acre feet of Base Water Right. In the previous year the transferor over-extracted by 10 acre feet, leaving an Allowed Pumping Allocation for the calendar year in question of 90 acre feet. Prior to the transfer, and in the calendar year thereof, transferor pumped 10 acre feet. While the transferee receives an Allowed Pumping Allocation of 50 acre feet his remaining Allowed Pumping Allocation for the calendar year of the transfer is 40 acre feet.³

²All of the ensuing examples are based upon the Allowed Pumping Allocations permitted under the Judgment as amended to the date of promulgation of these amended rules, whereunder the Allowed Pumping Allocation is 2/3rds of the Base Water Right.

³If the transferor and transferee wish to reach a different result for the year of transfer, there should be a lease for the year of so much of transferor's remaining Base Water Right as will accomplish the intended result.

- (iii) If the transfer mentions Allowed Pumping Allocation only, it shall be deemed to have transferred that quantity of Base Water Right which, had said Base Water Right been specified, would yield the specified Allowed Pumping Allocation under the Judgment as then amended to the date the document of transfer is executed by the transferor.

Example: Transfer document purports to transfer 100 acre feet of Allowed Pumping Allocation. The document, therefore, transfers 150 acre feet of Base Water Right. If the Allowed Pumping Allocation for that quantity of Base Water Right is later increased or decreased by the Court, the Allowed Pumping Allocation so transferred will be so adjusted.

- (iv) If the transfer mentions Base Water Rights only, it shall be deemed to carry with it the quantity of Allowed Pumping Allocation pertaining thereto under the Judgment as then amended (as of the date the document of transfer is executed by the transferor). This presumption is conclusive.

Example: Transfer document purports to transfer 150 acre feet of Base Water Right and does not mention Allowed Pumping Allocation. It will carry with it 100 acre feet of Allowed Pumping Allocation.

- (v) If there is a discrepancy in the document of transfer between the Base Water Right and the Allowed Pumping Allocation, the latter will be disregarded and the last preceding presumption shall conclusively apply.

Example: The transfer document purports to transfer 160 acre feet of Base Water Right and 100 acre feet of Allowed Pumping Allocation. There is a discrepancy. The document will be conclusively presumed to have transferred 106 ²/₃ acre feet of Allowed Pumping Allocation (subject, of course, to future adjustments).

(c) Forms of Transfer Documents.

Approved forms of transfer documents are attached hereto, marked and identified as follows:

| | | |
|--------------------|---|------------------------------------|
| Exhibit "B" | - | Permanent Transfer of Water Rights |
| Exhibit "C" | - | Lease of Water Rights. |

These forms are not intended to be exclusive, that is, parties to a transaction may use a traditional deed or lease forms to transfer adjudicated rights provided that forms contain the required

provisions set forth in Rule 4(a) above.

(f) Sanctions for Non-Compliance with Rule 4.

If a transferor or a transferee fails to timely file a copy of the transfer document as required above, or the parties to a transfer in any other respect fail to comply with the requirements set forth in this Rule 4, then such transferor and transferee, jointly and severally, shall be liable to the Watermaster for all costs and expenses incurred by the Watermaster, including attorneys fees and court filing fees, in (1) investigating such competing claims, holding public hearings and rendering a decision on such claims and (2) any subsequent legal proceedings, whether filed in Kern County Superior Court Case No. 92710 as an objection to the Watermaster's decision or in a separate legal proceeding.

5. Designees To Receive Future Notice.

(a) Attached hereto, marked **Exhibit "D,"** incorporated herein by reference and hereby adopted is a form by which each party shall designate the person to whom and the address at which all future notices, determinations, requests, demands, objections, reports and other papers and processes to be served upon or delivered to that party are to be so served or delivered pursuant to Paragraph 21 of the Amended Judgment heretofore entered in the subject action. Watermaster shall mail such a form on each party to the action as expeditiously as possible and, within thirty (30) days subsequent to said service, each party shall file a fully executed form with the Court, with proof of service of a copy thereof on Watermaster.

(b) Upon notification of any transfer of water rights, Watermaster shall mail to that transferee the form prescribed in Rule 5(a) hereof. Within thirty (30) days subsequent to said mailing said transferee shall file said form, fully executed, with the Court, with proof of service of a copy thereof on Watermaster.

6. Exchange Pool Reports, Requests and Notices, Forms Therefor.

(a) Attached hereto, marked **Exhibit "E,"** incorporated herein by reference and hereby adopted is a form to be utilized by each exchanger in estimating his agricultural water requirements for each calendar year and in specifying any claim he may have that his being designated an exchanger for the calendar year would result in undue hardship to him. On or before January 20th of each calendar year, Watermaster shall mail to each exchanger a copy of said form. Each exchanger shall return his form, fully filled in and executed, to Watermaster on or before February 20 of the calendar year in question.

(b) Attached hereto, marked **Exhibit "F,"** incorporated herein by reference and hereby adopted is a form to be utilized by parties in requesting purchases of exchange pool water for a calendar year. On or before January 20 of each calendar year, Watermaster shall mail to each party anticipated to be an Exchangee a copy of said form. It shall be the responsibility of the party to request the form from the Watermaster in writing prior to the particular January 20, but the Watermaster shall mail the same to any party who was an Exchangee in the prior calendar year and who is not disqualified in the then current calendar year from becoming an

Exchangee. Each party who wishes to purchase water from the exchange pool during the calendar year in question shall return his form, fully filled in and executed, to Watermaster on or before February 20 of the calendar year in question.

(c) Attached hereto, marked **Exhibit "G,"** incorporated herein by reference and hereby adopted is a form to be utilized by Watermaster in notifying the appropriate parties that they have been selected and designated as exchangors for a calendar year. Watermaster shall mail a fully filled in form to each designated party on or before March 1 of the calendar year in question and such mailing shall constitute the notices specified in Paragraph 16(f) and (g) of the Amended Judgment heretofore entered in the subject action.

(d) Attached hereto, marked **Exhibit "H,"** incorporated herein by reference and hereby adopted is a form to be utilized by Watermaster in notifying each exchangee of the quantity of exchange pool water it has purchased during a given calendar year and, where applicable, Watermaster's determination with respect to the price to be charged for the water so purchased pursuant to Paragraph 16(n) and (o) of the Amended Judgment heretofore entered in the subject action. Watermaster shall mail a fully filled in form to each such exchangee on or before March 1 of the calendar year in question and such mailing shall constitute the notices specified in Paragraph 16(g) of the Amended Judgment heretofore entered in the subject action.

(e) Pursuant to Paragraph 16(f) of the Amended Judgment heretofore entered in the subject action, a party already designated as an Exchangor for a calendar year may apply to Watermaster to have that designation rescinded on the ground that undue hardship has appeared. Said written application shall state in detail the facts upon which said claim of undue hardship is based. As soon as is reasonably practicable after receipt of such an application, Watermaster shall make its decision with respect thereto and shall provide the party in question written mailed notice of said decision and the basis or bases therefor.

(f) Pursuant to Paragraph 16(k) of the Amended Judgment heretofore entered in the subject action, any party may file with Watermaster a written request for an adjustment to exchange pool required subscriptions or purchases at any time subsequent to March 1 of a given calendar year. Said written request shall state in detail the facts upon which said request for adjustment is based. As soon as is reasonably practicable after receipt of such an application, Watermaster shall make its decision with respect to a request for adjustment and shall then provide written mailed notice to the party in question of that decision and the basis or bases therefor.

7. Application For Extraction of Water Under Water Rights At Different Location Than Where Developed.

Pursuant to Paragraph 18 of the Amended Judgment heretofore entered in the subject action, any party wishing to exercise a water right or portion thereof by extracting ground water other than on a parcel of land on which some or all of the right in question was originally developed or on land contiguous thereto shall make written application to Watermaster to do so prior to so doing. Watermaster shall act on any such application as expeditiously as is practicable in accordance with the provisions of said Paragraph 18.

8. Requests For Permission To Over-Extract.

Pursuant to Paragraph 13(a) of the Amended Judgment heretofore entered in the subject action, a party who desires to over-extract from Tehachapi Basin during a calendar year an amount exceeding either ten percent (10%) of that party's Allowed Pumping Allocation or 5 acre-feet, whichever is greater, may apply in writing to Watermaster for permission to do so. Any such application shall state the additional amount requested and the reasons for the request. As soon as is reasonably practicable after receiving such an application, Watermaster shall decide whether or not to approve the application and shall provide written mailed notice of said decision to the party in question, which notice shall include any conditions of approval imposed by Watermaster. Watermaster may approve a lesser amount of over-extraction than that amount requested by the party in question. In that regard, Watermaster's written notice shall specify the approved amount of over-extraction.

9. Requests To Prorate Reduction In Allowed Pumping Allocation.

Pursuant to Paragraph 13(b) of the Amended Judgment heretofore entered in the subject action, a party may apply in writing to Watermaster for permission to prorate required reductions in Allowed Pumping Allocation due to excessive over-extractions over the two (2) calendar years next succeeding the calendar year in which the excessive over-extractions occurred. Any such application shall state in detail facts indicating that the absence of such a proration will impose an unreasonable hardship on the party in question and shall be made not later than February 10 of the year next succeeding the calendar year in which such excessive pumping occurred. As soon as is practicable after receiving such an application, Watermaster shall decide whether to permit the proration and shall provide written mailed notice of said decision to the party in question.

10. Effect of Noncompliance by Watermaster With Time Provisions.

Failure of Watermaster to perform any duty or responsibility or to exercise any power set forth in these rules within a time limitation herein set forth shall not deprive Watermaster of authority to subsequently discharge such duty or responsibility or to subsequently exercise such power, except to the extent that any such failure by Watermaster may have rendered some otherwise required act by a party impossible.

11. Delegation of Watermaster Functions.

The performance of each and every duty and function of Watermaster set forth herein and in the Amended Judgment heretofore entered in the subject action other than making determinations in response to an objection to or appeal from a rule, determination, order or finding initially made by Watermaster hereby is delegated to the General Manager of Tehachapi-Cummings County Water District, or in his absence to the Assistant Manager.

12. Delegation of Billing Function to Tehachapi-Cummings County Water District.

There is hereby delegated to Tehachapi-Cummings County Water District the function of rendering those exchange pool billings prescribed in Paragraph 16(b) of the Amended Judgment heretofore entered in the subject action and collecting those sums paid pursuant to any such billings. Payments received by Tehachapi-Cummings County Water District from exchangers and exchangees shall be credited to Watermaster.

13. Use of Terms.

As used herein, all terms defined in the Amended Judgment heretofore entered in the subject action shall have the same meanings as therein set forth.

14. Continuation of Prior Rules and Regulations.

To the extent that these rules and regulations are continuous substantially of prior rules and regulations, they shall be deemed as continuous and effective as of the initial date of adoption of the rule or regulation involved.

15. Addition of New Pumpers.

Attached hereto and marked **Exhibit "I"** is a form to be used where a party desires to be added to the judgment as a new pumper under Paragraph 6 of the original judgment.

16. Intervention As A Successor In Interest.

Attached hereto and marked **Exhibit "J"** is a form of stipulation of substitution or partial substitution with respect to a successor in interest to the owner of water rights.

17. Annual Adjustment of Cost of Pumping.

To reflect any changes in groundwater elevations within the Tehachapi Basin as well as variable electrical energy costs, "Cost of Pumping" as such term is used in Paragraph 16 of the judgment shall mean the sum of \$15.00 times the average depth to water prevailing in the preceding December divided by 189.5, times the current rates for electrical energy effective January 1 of the current year (per KWH), divided by .01535, or, expressed as a formula:

$$\begin{array}{ccccccc} & & & & \text{December} & & \text{January 1} \\ & & & & \text{Average} & & \text{Cost of Power} \\ \text{Cost of Pumping} = \$15.00 & \times & \text{Depth to Water} & \times & \text{Per KWH} \\ & & 189.5 & & .01535 \end{array}$$

18. Artificial Replenishment.

(a) Introduction.

"Artificial replenishment" is the replenishment of the Tehachapi Basin achieved through the spreading of imported water, that is, water brought into the Tehachapi Basin area from a nontributary source by the District, such as State Water Project ("SWP") water. So long as there is sufficient storage space within the Tehachapi Basin for both natural and artificial replenishment and any particular artificial replenishment program does not unreasonably interfere with any other party's rights in the Tehachapi Basin, it is in the best interest of the owners of adjudicated Base Water Rights and the public in general for the Watermaster to encourage artificial replenishment, thereby raising water tables and avoiding the cost of surface reservoir and conveyance facilities. The District owns and operates spreading facilities overlying the Tehachapi Basin and artificially replenishes the Tehachapi Basin with SWP water to supply nonparty domestic well operators having water supply agreements under Rule 20, *supra*, and conjunctive use customers with Term M&I Agreements who take delivery of SWP water in the ground after it has been spread by the District. The Watermaster maintains accurate records of SWP water as it is banked for these customers and as it is extracted by these customers. These records are compiled annually as part of the Watermaster's Annual Report.

In addition to District spreading operations, any person or entity having a water service agreement with the District for imported water may claim the right to later extract imported water purchased from the District and intentionally spread and stored in the Tehachapi Basin provided that such party complies with the following procedures set forth in this Rule 18.

(b) Application.

Any party seeking to spread imported water in its own recharge area and later extract imported water after it has been artificially replenished shall file with the District a Notice of Intent to Engage in Artificial Replenishment in the form attached hereto as **Exhibit "K,"** and shall serve copies of such application upon any party owning a well within one mile of the exterior perimeter of the proposed spreading and extraction locations. In its discretion, the Watermaster may additionally provide copies of such notice to any other interested party. The Watermaster shall set the application for hearing and permit the Applicant and any other interested party to present evidence at the hearing in support or in opposition to the application. Following close of the hearing at either the same or subsequent meeting of the Watermaster, the Watermaster shall render its decision to grant, grant with conditions, or deny the application. Before granting such an application, the Watermaster shall find and determine based upon the evidence submitted that:

- (i) The water proposed to be artificially replenished is imported water as such term is defined in the judgment, that is, imported water purchased from the District and obtained by the District from a source nontributary to the Tehachapi Basin area.

- (ii) The applicant's ultimate use of the water artificially replenished is consistent with the restrictions upon use set forth in the applicant's water service agreement with the District.
- (iii) Neither the applicant's proposed spreading nor extraction operations will unreasonably interfere with any other party's rights under the judgment as amended.
- (iv) The applicant has obtained all necessary permits from other governmental agency having jurisdiction over the applicant's proposed project.

(c) Monthly Meter Readings.

Any party engaged in an artificial replenishment program shall install a meter which complies with rule 2 above at its recharge facilities' connection with the District's water distribution system. The District shall read such meter monthly.

(d) Annual Report.

As part of the Watermaster's Annual Report, the Watermaster shall determine the net amount of imported water artificially replenished by such person or entity during the previous calendar year, after taking into account the gross amount of imported water delivered to such party's spreading works, less losses due to evaporation, phreatophyte consumption, spillage from the Tehachapi Basin attributable to such artificial replenishment, extractions of artificially replenished water and other relevant factors. The amount of net artificial replenishment in storage as determined in the Watermaster's report may be extracted by such party in such calendar year in addition to such party's allowed pumping allocation and water purchased from the Exchange Pool, if any. If such person or entity also owns an adjudicated right, artificially replenished water shall be deemed the last water pumped in order of water pumped in any year.

(e) Appeals.

The applicant or any other interested party may appeal any ruling or determination of the Watermaster made pursuant to this Paragraph 18 in the manner provided in subparagraph (c) of Paragraph 15 of the Amendment To Judgment.

19. Water Quality.

The District as Watermaster intends to protect and defend water quality of the Tehachapi Basin from degradation from nitrates and other pollutants so as to preserve the Tehachapi Basin as a source of potable water for its overlying inhabitants. The Watermaster intends to actively sample and monitor groundwater quality and pursue mitigation measures to prevent the spread of nitrates and other pollutants. Accordingly, any party or pumper shall allow the Watermaster to take samples from any wells in the Tehachapi Basin to monitor water quality and mitigate threatened contamination of groundwater in the Tehachapi Basin.

20. Non-Party Domestic Wells.

An owner of a parcel overlying the Tehachapi Basin, but outside of the service area of a public water system, as defined in section 116275 of the Health and Safety Code, who is not a party or a successor of a party in Case No. 97210, may nevertheless pump State Water Project ("SWP") water, intentionally spread by the District in the Tehachapi Basin for his account, for domestic use on such parcel provided such owner signs and submits to the District, and the District accepts, an "Application and Agreement for Water Supply (Delivered Through Non-Party Domestic Well - Tehachapi Basin)" substantially in the form attached hereto as **Exhibit "L."** During the first five years after pumping begins under the Agreement, the Applicant shall be required to establish, pay for and maintain throughout the balance of the term of the Agreement a reserve account of recharged SWP water in the Tehachapi Basin equal to the Applicant's actual usage, as metered, during the first five years after pumping begins under the Agreement. The District shall recharge into the Tehachapi Basin during such five years an amount of SWP water equal to twice the Applicant's metered pumping. Throughout the balance of the term of the Agreement, the District shall recharge sufficient SWP water in the Tehachapi Basin to offset the Applicant's pumping, as metered.

The new Exhibit "L," referred to in the above new Rule 20, is attached hereto.



P. O. Box 326
Tehachapi, CA 93581
Telephone: (661) 822-5504 or 325-3733
Fax: (661) 822-5122

MONTHLY PRODUCTION REPORT FOR _____

Name: _____

A. Allowed Pumping Allocation (APA) for _____:

- | | | |
|---|--|-------|
| 1 | Owned APA | _____ |
| 2 | APA leased in | _____ |
| 3 | APA leased out | _____ |
| 4 | Deduction for previous over-extraction | _____ |
| | Total owned/leased APA (pump first) * | _____ |

B. Carryover Into _____:

- | | | |
|---|---|-------|
| 1 | From _____ (pump second) | _____ |
| 2 | From _____ (pump third) | _____ |
| | Total carryover into _____ | _____ |
| | Allowable extractions (other than recharge water) | _____ |

C. Extractions:

- | | | |
|---|--|-------|
| 1 | Amount of water extracted prior to reporting month | _____ |
| 2 | Amount of water extracted during reporting month | _____ |
| | Total extractions through end of reporting month | _____ |

D. Extractions by source:

- | | | |
|---|--|-------|
| 1 | From owned/leased APA | _____ |
| 2 | From _____ carryover | _____ |
| 3 | From _____ carryover | _____ |
| 4 | Over-extractions | _____ |
| | Total extractions through end of reporting month | _____ |

E. Remaining allowed pumping allocation

(if negative number, must be made up with recharge water)

- | | | |
|---|--|-------|
| 1 | Portion from _____ carryover | _____ |
| 2 | Portion from _____ carryover (25% limit) | _____ |
| | Allowed carryover into _____ | _____ |

F. Artificial Replenishment Water:

- | | | |
|---|---------------------------------------|-------|
| 1 | In storage at beginning of _____ | _____ |
| 2 | Recharge water purchased during _____ | _____ |
| 3 | Recharge water extracted during _____ | _____ |
| | Remaining in storage at end of _____ | _____ |

* Amount subject to 25% carryover limit.

G. Beginning Meter Readings (As Shown on Last Report):

| |
|---|
| (To Be Supplied By Water Producer) End of Month Readings |
|---|

| | Date Read / Meter Reading |
|----|---------------------------|
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| 11 | |
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Signature

Exhibit A

| Date Read / Meter Reading | |
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Date

PERMANENT TRANSFER OF WATER RIGHTS

For a valuable consideration, receipt of which is hereby acknowledged, _____
_____ (Seller) does hereby assign and transfer in perpetuity
to _____ (Buyer) the quantity of _____
acre feet of Base Water Right adjudicated to Seller or his predecessor, in the judgment, as
amended, in the case of *Tehachapi-Cummings County Water District v. City of Tehachapi, et
al.*, Kern County Superior Court No. 97210, with all the attendant rights, powers and privileges
pertaining thereto. Said Base Water Right is subject to the Allowed Pumping Allocation
permitted with respect thereto from time to time pursuant to the judgment as amended from time
to time in said case.

Pumping from the underground, surface diversions, and any water rights involved in this
transaction are subject to the provisions and limitations contained in the judgment, as amended
from time to time in the above referenced case.

DATED: _____

SELLER

BUYER

(Attach notary public acknowledgments of
all signatures)

Buyer's street address (and mailing address,
if different from street address):

Street: _____

Mailing: _____

A duplicate original or a true copy hereof showing signatures must be filed with the
Watermaster, P. O. Box 326, Tehachapi, CA 93581, 22901 Banducci Road, Tehachapi, CA
93561 within ten (10) days of the effective date of the transfer.

EXHIBIT B

TEMPORARY ASSIGNMENT OR LEASE OF WATER RIGHTS

For a valuable consideration, receipt of which is hereby acknowledged _____, ("Assignor"), does hereby assign and transfer to _____, ("Assignee"), for a period of _____ months commencing on _____, and terminating on _____, the quantity of _____ acre feet of base water rights and _____ acre feet of allowed pumping allocation adjudicated to Assignor or his predecessor in the judgment in the case of *Tehachapi-Cummings County Water District v. City of Tehachapi, et al.*, Kern County Superior Court No. 97210.

Said assignment is made upon the following conditions:

- (1) Pumping from the underground, surface divisions, and any water rights involved in this transaction are subject to the provisions and limitations contained in the judgment as amended from time to time in the above-referenced case.
- (2) Assignee shall put all waters utilized pursuant to said transfer to reasonable beneficial use; and
- (3) Assignee shall pay all Watermaster charges and assessments on account of the water production hereby assigned or leased.

Date: _____

ASSIGNOR

ASSIGNEE

(ATTACH ACKNOWLEDGMENT)

A true copy hereof must be filed with Watermaster within 15 days of execution.

EXHIBIT C

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6 SUPERIOR COURT OF THE STATE OF CALIFORNIA
7 FOR THE COUNTY OF KERN
8

9 TEHACHAPI-CUMMINGS COUNTY
10 WATER DISTRICT,

11 Plaintiff,

12 vs.

13 CITY OF TEHACHAPI, et al.,

14 Defendants.
15
16

Case No. 97210

DESIGNATION BY
OF PERSON AND ADDRESS FOR
DELIVERY OF PAPERS AND
PROCESSES

17 PLEASE TAKE NOTICE that pursuant to the Judgment heretofore entered in the
18 above-entitled action as amended, defendant _____ hereby
19 makes the following designation of the person to whom and the address at which all future
20 notices, determinations, requests, demands, objections, reports and other papers and processes to
21 be served upon said defendant or delivered to said defendant are to be so served or delivered:
22

23 PERSON

ADDRESS

24
25 The above-named defendant is the successor in interest, whether mediate or
26 immediate, in whole or in part, to _____, an named party in
27

1 the above-entitled action.

2
3 Dated: _____
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11 F:\376.00 - TCCWD - General Rules & Regs\Exhibit D - Designation for Future Notices.doc
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TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

Exchangor's Estimate of Agricultural
Water Requirements for 20

Pursuant to Paragraph 16(e) of the Amended Judgment in *Tehachapi-Cummings County Water District v. City of Tehachapi*, Kern County Superior Court No. 97210, _____ hereby estimates that his/her agricultural water requirements related to the property shown on Appendix "6" to said Judgment by reason of which he/she is an Exchangor is _____ acre feet.

[The following is to be filled in only if applicable.]

_____ claims that his/her being designated as Exchangor for the calendar year 20____ would result in undue hardship to him based on the following facts: [Attach additional sheets if more space is required.]

Exchangor's Signature

Date

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

Request to Purchase Exchange Pool Water During 20

Pursuant to Paragraph 16(e) of the Amended Judgment in *Tehachapi-Cummings County Water District v. City of Tehachapi*, Kern County Superior Court No. 97210, _____ hereby requests that he/she be allowed to purchase _____ acre feet of exchange pool water during the calendar year 20____.

It is estimated that _____ will require during 20____ acre feet of water in excess of allowed pumping allocation for that year.

Any exchange pool water purchased pursuant to this request shall be utilized as follows:

| <u>Use</u> | <u>Location</u> | <u>Amount</u> (in acre feet) |
|--------------------------|-----------------|---------------------------------|
| Agricultural | | |
| Municipal and Industrial | | |

_____ hereby offers to pay to the Tehachapi Basin Watermaster the Exchange Pool price for each acre foot requested hereby as computed in accordance with the provisions of the Amended Judgment in the above-referenced case. Upon notification from the Watermaster pursuant to Paragraph 16(g) of said Judgment this offer shall constitute an agreement to so pay.

(Provide the following information only if applicable.)

The lands upon which the water hereby requested is to be used for agricultural purposes is in such proximity to the imported water pipeline of Tehachapi-Cummings

County Water District that a connection economically may be obtained thereto. However, an undue hardship would result if this requesting party were required to take all needed water for said lands over and above allowed pumping allocation for 20__ directly from said pipeline as is shown by the following facts: (Attach supplemental sheets if required)

_____ is an exchanger and this request is applicable only in the event that _____ is not designated an exchanger for the calendar year 20__.

Signature

Date

F:\376.00 - TCCWD - General Rules & Regs\Exhibit F - Request to Exchange Pool.doc

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

Notice of Designation as Exchangor
for the Calendar Year 20__

TO: _____

Please take notice that pursuant to the provisions of Paragraph 16(f) of the amended Judgment in *Tehachapi-Cummings County Water District v. City of Tehachapi, et al.*, Kern County Superior Court No. 97210, you have been selected as and designated an exchangor for the calendar year 20__.

You also are hereby notified that if such facilities do not now exist, upon your application to Tehachapi-Cummings County Water District for water service, said District will install at its expense a connection which will enable you to take imported water at a location on your property as will enable you to effectively distribute that water through any existing distribution system.

You hereby are further notified that you are required to reduce your pumping below your otherwise allowed pumping allocation for 20__ by _____ acre feet.

Finally, please take notice that your payments with respect to your required subscription as an exchangor for the calendar year 20__ shall be at the rate of _____ for each acre foot of imported water taken. Said rate has been computed in accordance with the provisions of Paragraph 16(h) of the above-referenced Judgment as amended. Payments shall be made directly to Tehachapi-Cummings County Water District within the time prescribed by and in accordance with said District's effective rules and regulations.

TEHACHAPI BASIN WATERMASTER

By _____

Date _____

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

Notice of Honoring Request to Purchase Exchange Pool Water

TO: _____

Please take notice that your request to purchase exchange pool water during the calendar year 20__ hereby is honored as to the following amounts, and for the following uses at the following locations:

| <u>Amount</u> | <u>Uses</u> | <u>Locations</u> |
|---------------|-------------|------------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

The honoring of your request is contingent upon and subject to the following conditions:

You hereby are further notified that the price which you are to pay for exchange pool water during the calendar year 20__ as computed in accordance with Paragraph 16(h) of the amended Judgment in *Tehachapi-Cummings County Water District v. City of Tehachapi, et al.*, Kern County Superior Court No. 97210, is as follows:

| <u>Agricultural</u> | <u>Municipal & Industrial</u> | <u>Term M & I</u> |
|----------------------|-----------------------------------|-----------------------|
| Price per Acre Foot: | Price per Acre Foot: | Price per Acre Foot: |
| Total Amount: | Total Amount: | Total Amount: |

You are to remit payments of the aggregate of the total amounts stated above in six (6) equal monthly installments of \$_____ directly to Tehachapi-Cummings County

Water District on or before the last day of April 20__ and on or before the last day of each five (5) succeeding calendar months to and inclusive of September 20__.

TEHACHAPI BASIN WATERMASTER

By _____

Date _____

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4 Attorneys for Plaintiff
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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF KERN**
10

11 TEHACHAPI-CUMMINGS COUNTY
12 WATER DISTRICT,

13 Plaintiff,

14 vs.

15 CITY OF TEHACHAPI, et al.,

16 Defendants.
17

Case No. 97210

STIPULATION RE INTERVENTION
AFTER JUDGMENT

OF _____,
as a Party Defendant

18 IT IS HEREBY STIPULATED by and between the Tehachapi Basin Watermaster
19 and _____, the proposed Intervenor herein, that said
20 proposed Intervenor may intervene in the instant action.

21 Unless specifically provided under the "Special Provisions" below, the
22 intervention by Intervenor is on the basis that said Intervenor has a "zero" Base Water Right and
23 a "zero" Allowed Pumping Allocation, and that accordingly said Intervenor is enjoined from
24 pumping or otherwise extracting any ground water from Tehachapi Basin other than as an
25 Exchangee in compliance with the "Amendment to Judgment" filed in the above entitled case on
26 November 20, 1974, or pursuant to a valid transfer of water rights, and is further enjoined from
27

1 making any diversions of surface waters from within Tehachapi Basin Watershed.

2 Special provisions applying to Intervenor are:

- 3 1. _____
- 4 _____
- 5 2. _____
- 6 _____
- 7 3. _____
- 8 _____
- 9 4. _____
- 10 _____

11 The Court will consider the proposed Order confirming said Intervention at
12 _____ o'clock ____ M. on _____, 20____, in Department ____ located at
13 _____
14 _____

15 Dated: _____ TEHACHAPI-CUMMINGS COUNTY WATER
16 DISTRICT

17 By _____
18 Watermaster

19 Dated: _____ INTERVENOR

20 By _____
21 By _____

22 (Each Order will be specially drafted)

23 F:\376.00 - TCCWD - General\Rules&Regs\Exhibit I - Stipulation Re Intervention After Judgment.doc

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4 Attorneys for Plaintiff
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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF KERN**

10
11 TEHACHAPI-CUMMINGS COUNTY
12 WATER DISTRICT,

13 Plaintiff,

14 vs.

15 CITY OF TEHACHAPI, et al.,

16 Defendants.
17

Case No. 97210

STIPULATION OF PARTIAL
SUBSTITUTION

18 IT IS HEREBY STIPULATED by and between _____ A _____, a party
19 defendant in the above-entitled action, and _____ B _____, as follows:

20 1. A has heretofore transferred to B fifty (50) acre feet of A's 100 acre feet of
21 Base Water Rights adjudicated to A in the Judgment in the above-entitled case, subject to all the
22 provisions thereof and to the Watermaster rules pertaining to transfers.

23 2. To the extent of said transfer, and only to said extent, B is hereby partially
24 substituted for A in said action and appears in pro per. B's address and telephone number of
25 record for purposes of the above-entitled action are as follows:¹
26
27

28 _____
¹List both street address and any post office box.

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Street address and post office box, if any

City, State and Zip Code

Telephone number (including area code)

3. Pursuant to Paragraph 21 of the Amendment to Judgment filed November 20, 1973, all matters set forth in said Paragraph 21 shall be mailed to B (or otherwise delivered or served at the address in Paragraph 2.

4. Plaintiff joins in this stipulation.

Dated:

(To be executed on behalf of the transferor, the transferee and the plaintiff. If any party has an attorney of record, it must be executed by that attorney. The form can be modified for a total substitution but normally plaintiff will want to retain Court jurisdiction over the transferor if he remains on or owns land in the Tehachapi area.)

F:\376.00 - TCCWD - General\Rules&Regs\Exhibit J - Stipulation Re Partial Substitution.doc

TEHACHAPI BASIN

NOTICE OF INTENT TO ENGAGE IN ARTIFICIAL REPLENISHMENT OF IMPORTED WATER

TO WATERMASTER
TEHACHAPI BASIN AND INTERESTED PARTIES

PLEASE TAKE NOTICE that the undersigned intends to engage in the artificial replenishment of imported water in the Tehachapi Basin, as follows:

1. Source of Replenishment Water.

The undersigned proposes to spread imported water, as defined in the Judgment, purchased by the undersigned from Tehachapi-Cummings County Water District (the "District") pursuant to the Term M&I [Agricultural] Agreement dated _____, 20__, and delivered by the District to the undersigned at Turnout [insert number of district turnout] or a new turnout to be constructed at [insert description of location].

2. Spreading Works.

The undersigned intends to spread imported water in [describe recharge basins, natural channel or other spreading works]. A map of location and plans and profiles of the spreading works are collectively attached as **Exhibit 1**.

3. Extraction Wells.

The undersigned intends to extract imported water artificially replenished by means of [specify number] of wells, identified by District identification numbers as Well Nos. [insert numbers] or to be drilled by the undersigned at the locations and according to the specifications set forth in **Exhibit 2**.

4. Anticipated Rates of Net Recharge and Proposed Extraction Rates.

Anticipated losses through evaporation, phreatophyte consumption, faulting, spillage and other factors, net annual recharge and anticipated extraction for the next five years are set forth in **Exhibit 3** hereto. Any percolation or other tests to support such calculations are also attached as part of Exhibit 3.

5. Intended Uses of Extracted Water.

The undersigned intends to use artificially replenished imported water following extraction for the following purposes:

[insert purposes].

6. Permits.

The names, addresses and contact persons for other governmental agencies having jurisdiction over the proposed project are:

| <u>Name of Agency</u> | <u>Address</u> | <u>Contact Person</u> | <u>Telephone #</u> |
|-----------------------|----------------|---------------------------|--------------------|
|-----------------------|----------------|---------------------------|--------------------|

Copies of any permits issued by such agencies are collectively attached hereto as **Exhibit 4**.

Dated: _____, 20__

[Name of Applicant]

By _____
[Name of Authorized Officer or Agent]

VERIFICATION

The undersigned declares that he is the [insert title] of [insert name of applicant] and is authorized to execute the above notice pursuant to a minute order or resolution of the Board of Directors of [insert name of applicant] duly adopted on [insert date], that he has read the foregoing Notice of Intent and declares under penalty of perjury under the laws of the State of California that all of the foregoing is true and correct.

Executed at _____, California on _____, 20__.

EXHIBIT K
Page 2 of 2

RECORDING REQUESTED BY,
OFFICIAL BUSINESS OF AND
FOLLOWING RECORDATION
RETURN TO:

Tehachapi-Cummings County Water District
P.O. Box 326
Tehachapi, CA 93581

APPLICATION AND AGREEMENT FOR WATER SUPPLY
(Delivered Through Non-Party Domestic Well - Tehachapi Basin)

APN: _____
Street Address: _____
Tehachapi, CA 93561
Mailing Address
(If Different): _____

The undersigned ("Applicant") hereby requests the Tehachapi-Cummings County Water District (the "District") to provide and sell to Applicant water for domestic purposes on the above-described parcel (copy of Applicant's Deed is attached hereto as **Exhibit A** (hereafter "the Parcel")), according to the following terms and provisions:

1. Applicant acknowledges that all groundwater rights in the Tehachapi-Basin had been fully adjudicated in Kern County Superior Court Case No. 97210 and that the Applicant and the Parcel have no right to pump any of the native yield of the Tehachapi Basin.

2. Applicant hereby requests the District to spread in the Tehachapi Basin sufficient State Water Project ("SWP") water to meet applicant's reasonable requirements for domestic water use on the Parcel, and, in addition thereto, a reserve account equal to the Applicant's actual pumping during the first five years after pumping begins under this Agreement. During the first five years after pumping begins under this Agreement, the District shall recharge into the Tehachapi Basin an amount of SWP water equal to twice the Applicant's metered usage in order to establish the Applicant's reserve account. If SWP shortages occur and the District draws upon such reserve to meet Applicant's requirements, Applicant will pay the District to restore such account in full as soon as SWP supplies allow, which payment shall be in addition to the payment for water pumped through Applicant's well.

3. Applicant upon completion of his well on the Parcel shall provide the District with the well log certified by the driller. The District at Applicant's expense shall install a ____ inch meter manufactured by _____, model no. _____.

4. Applicant shall pay the District for all water spread and pumped hereunder at the Term M&I Rate, plus the spreading surcharge for the Tehachapi Basin, as such rate and surcharge are set from time to time by the District's Board of Directors. Concurrently herewith, Applicant has tendered to the District \$ _____, the amount required to purchase and install the meter.

5. The District will read Applicant's meter monthly and bill Applicant on or before the tenth day of the following month. Such statement shall be immediately due and payable and shall become delinquent if not paid by the 28th day of the month. Applicant acknowledges receipt of a copy of District's Rules and Regulations for the Sale, Use and Distribution of Water which are incorporated herein by reference. Applicant's attention is especially invited to Parts F, G and H thereof governing billing, payment and Applicant's responsibility for treatment. Water sold hereunder is untreated and the District disclaims any warranty or representation of its potability and its suitability for any use. Further, the District makes no representations or warranties as to whether a water well can be drilled on the Parcel and successfully completed or as to the quality and quantity of water which may be pumped from Applicant's well.

6. Applicant grants the District an irrevocable license for the term of this Agreement to enter the Parcel to install and read the meter and, in the event of non-payment or other breach hereof, remove the meter and render Applicant's well inoperative.

7. The term of this Agreement shall commence upon the date this Application is accepted by the District and shall terminate (a) when the parcel can be connected to a public water system, as such term is defined in section 116275 of the Health and Safety Code, in which event Applicant shall connect to such system and shall abandon the well in accordance with law, or (b) upon Applicant's purchase of adjudicated groundwater rights in the Tehachapi Basin sufficient to meet Applicant's reasonable requirements, whichever (a) or (b) occurs first.

8. Upon proof satisfactory to the District that the Parcel is connected to a public water system and Applicant's well has been properly abandoned, the District shall refund to the owner of the Parcel the amount paid by the Applicant to establish the reserve account. If this Agreement terminates because the Applicant or his successor in ownership of the Parcel has acquired sufficient adjudicated groundwater rights to meet the Parcel's reasonable requirements for water, then the District, as Watermaster of the Tehachapi Basin, shall add one-fifth of the reserve account to the Parcel's Allowed Pumping Allocation for five successive calendar years, beginning with the calendar year in which such adjudicated rights are acquired, provided, however, the Applicant shall be deemed to have pumped first his Allowed Pumping Allocation before such one-fifth share of the reserve account and further provided, however, there shall be no carry-over of un-pumped reserve account water from year to year.

9. This Agreement shall bind Applicant's successors and assigns in ownership of the Parcel and shall "run" with the Parcel. The District may record this Agreement in the Official Records of Kern County.

Dated: _____

Print Applicant's Name:

Attachment: Copy of Applicant's Deed is
Exhibit A

Print Applicant's Name:

ACCEPTANCE

The above Application is accepted.

Dated: _____

TEHACHAPI-CUMMINGS COUNTY
WATER DISTRICT

By _____
General Manager

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 20__, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

[Notary Seal]

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 20__, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

[Notary Seal]