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9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 COUNTY OF SANTA CRUZ
11

12
13 **PEOPLE OF THE STATE OF**
14 **CALIFORNIA ex rel. REGIONAL WATER**
15 **QUALITY CONTROL BOARD,**
16 **CENTRAL COAST REGION**

17 Plaintiff,

18 v.

19 **BIG BASIN WATER COMPANY, INC.,**
20 **THOMAS JAMES MOORE, SHIRLEY**
21 **JEAN MOORE, and DOES 1-50, inclusive,**

22 Defendants

23 and

24 **CENTRAL STATES WATER**
25 **RESOURCES, INC. AND CSWR-**
26 **CALIFORNIA UTILITY OPERATING**
27 **COMPANY, LLC, and DOES 51-100,**
28 **inclusive,**

Real Parties in Interest.

Case No. 23CV02508

**STIPULATION FOR ENTRY OF FINAL
CONSENT JUDGMENT AND
PERMANENT INJUNCTION AND FOR
ENTRY OF AN ORDER FOR
APPOINTMENT OF RECEIVER**

1 **STIPULATION FOR ENTRY OF FINAL CONSENT JUDGMENT AND PERMANENT**
2 **INJUNCTION AND ENTRY OF AN ORDER FOR APPOINTMENT OF RECEIVER**

3 A. This Stipulation for Entry of Final Consent Judgment and Permanent Injunction
4 and for Entry of an Order for Appointment of Receiver is entered by the People of the State of
5 California, *ex rel.* the California Regional Water Quality Control Board, Central Coast Region
6 (Central Coast Water Board or Plaintiff); Thomas James Moore and Shirley Jean Moore (the
7 Moores); and the entirety of Big Basin Water Company, Inc. not already subject to receivership,
8 including all aspects and assets of Big Basin Water Company, Inc., that are under the control of
9 the Moores, and therefore excluding those assets, property and other rights and obligations that
10 are subject to the October 6, 2023 System Receivership Order (the “Corporation”). The Moores
11 and the Corporation are collectively referenced herein as “Defendants.” This lawsuit arises from
12 violations of the Central Coast Water Board’s Cleanup and Abatement Oder No. R3-2022-0077,
13 and additional water quality and permitting violations at a wastewater treatment plant (Big Basin
14 Woods Subdivision WWTP or WWTP). The WWTP is owned by the Corporation and the
15 Moores, and located at Highway 236 and Fallen Leaf Drive, Boulder Creek, Santa Cruz County,
16 California, Assessor’s Parcel Numbers 083-293-01, 083-251-77, 083-251-41, and 083-251-21
17 (Site). For purposes of this Stipulation, the Plaintiff and Defendants shall be referred to herein
18 collectively as the “Parties.” On Tuesday, October 24, 2023, the Regional Water Quality Control
19 Board, Central Coast Region (Central Coast Water Board) filed a Complaint for Civil Penalties,
20 Injunctive Relief, and Other Equitable Relief. Also on October 24, 2023, the Central Coast Water
21 Board filed an Ex Parte Application for a Temporary Restraining Order and Order to Show Cause
22 re Preliminary Injunction (Ex Parte TRO and OSC Application). That Ex Parte TRO Application
23 came before the Court for hearing on October 25, 2023, and the Court issued an Order Granting
24 Central Coast Water Board’s Ex Parte Application for Temporary Restraining Order and Order to
25 Show Cause re Preliminary Injunction (“Order to Show Cause”). The Parties have agreed to settle
26 the above-captioned matter without further litigation, as set forth below.

27 B. This Stipulation provides for, echoes the terms of, and stipulates to a (1) a [Proposed]
28 Final Consent Judgment and Permanent Injunction (“Final Judgment”), and (2) a [Proposed]

1 Order of Appointment of Receiver (Receivership Order). The Final Judgment is attached as
2 Exhibit A to this Stipulation. The Receivership Order is attached as Exhibit B to this Stipulation.

3 C. The Parties entered into this Stipulation to settle this matter, to avoid prolonged and
4 complicated litigation, and to secure a path for continued and sustained operation of the WWTP.
5 The Parties stipulate to the contents of the Final Judgment and the Parties consent to entry by the
6 Court of the Final Judgment on the terms set forth below and as contained in Exhibit A. As set
7 forth in this Stipulation, the Parties request that the Court retain jurisdiction for the purpose of
8 enabling a Party to apply to the Court at any time for such further orders and directions as may be
9 necessary and appropriate for the enforcement of, or compliance with, the Final Judgment and
10 Receivership Order. The Court will maintain its jurisdiction over the receivership until the Final
11 Judgment is carried into effect.

12 D. The Central Coast Water Board brings this case against Defendants to enforce
13 Central Coast Water Board orders addressing separate but interrelated water quality, permitting,
14 and reporting violations at the Big Basin Woods Subdivision WWTP including: 1) Cleanup and
15 Abatement Order No. R3-2022-0077 (CAO); 2) Order No. 97-26, *Waste Discharge Requirement*
16 *for Big Basin Water Company, Inc. Big Basin Woods Subdivision, Santa Cruz County* (Permit), as
17 amended by Resolution No. R3-2013-0052 and Revised Standard Provisions and Reporting
18 Requirements (Revised Standard Provisions) and subject to all applicable Monitoring and
19 Reporting Programs (together, Permit, as Amended); and 3) Directive to Submit Report of Waste
20 Discharge pursuant to Water Code section 13260 (13260 Directive).

21 E. The allegations against Defendants are detailed in the Central Coast Water Board's
22 Complaint, paragraphs 14 through 148. In short, the Central Coast Water Board alleges that
23 Defendants allowed the WWTP to become a public nuisance after portions of the plant were
24 damaged in the CZU lightning complex wildfire in 2020. Since September 2021, violations
25 include unauthorized discharges of waste, including raw sewage, to areas not designated by the
26 Permit; failure to prevent the formation of habitat for mosquito breeding; failure to abate dense
27 mosquito larvae infestation; and failure to safely and properly operate and maintain the WWTP.
28 Violations dating from well before the CZU lightning complex fire include failure to submit

1 monitoring reports to the Central Coast Water Board with accurate information about WWTP
2 water quality data; failure to maintain the WWTP's safety and equipment redundancy status as
3 required by the Permit; and failure to have an appropriately certified operator operating the
4 WWTP. Between Spring 2022 and the present, the Central Coast Water Board issued multiple
5 enforcement orders – including the CAO, various Notices of Violation (NOVs) for violations of
6 the Permit, as Amended, and the 13260 Directive – for violations of the Porter-Cologne Water
7 Quality Control Act (Porter Cologne Act) at the Site.

8 F. The State Water Resources Control Board, Division of Drinking Water
9 (“Division”) brought Case No. 23CV01615 against the Defendants for appointment of a receiver
10 of the public drinking water system known as Big Basin Water Company (the “System”). Silver
11 & Wright LLP was appointed by this Court as a receiver for the System at a September 29, 2023
12 hearing. The final order governing the receivership was file stamped October 6, 2023 (System
13 Receivership Order).

14 G. The Central Coast Water Board seeks civil penalties, injunctive relief, and other
15 equitable relief for the Defendants’ alleged violations of the Central Coast Water Board’s
16 enforcement orders and directive. The Central Coast Water Board seeks a receiver to administer
17 all aspects and assets of the Corporation, including the WWTP, that are not subject to the System
18 Receivership Order. This Stipulation and Final Judgment provides for entry of a receiver order to
19 complement the System Receivership Order so that all aspects and assets of Big Basin Water
20 Company, Inc. are now subject to receivership orders of this Court.

21 H. Following an arm’s-length negotiation between the Parties, the Parties have
22 reached, and now enter into, an agreement through this Stipulation in a good faith effort to avoid
23 the uncertainty and expense of further litigation.

24 25 **STIPULATION FOR ENTRY OF FINAL JUDGMENT AND RECEIVERSHIP ORDER**

26 The Parties now stipulate to entry of the Final Judgment and Receivership Order as set
27 forth below and as attached as Exhibit A and Exhibit B to this Stipulation.

28 1. **Continuing Jurisdiction and Venue.** The Parties agree that the Superior Court of

1 California, County of Santa Cruz (Superior Court), has subject matter jurisdiction over the
2 matters alleged in this action and personal jurisdiction over the Parties to this Stipulation. The
3 Court is a proper venue for this action and any further action that may be necessary to enforce or
4 modify the terms of the Final Judgment or Receivership Order. The Parties agree that the Court in
5 this action has jurisdiction over the Parties to, and the subject matter of, this action, and shall
6 retain jurisdiction over the Final Judgment and Receivership Order pursuant to Code of Civil
7 Procedure section 664.6 for purposes of any further action that may be necessary to enforce the
8 terms of this Stipulation, the Final Judgment, and the Receivership Order.

9 2. **Resolution of Claims.** The Parties stipulate to final resolution pursuant to a
10 compromise and resolution of the claims set forth in the Complaint, filed concurrently with this
11 Stipulation, the Final Judgment, and the Receivership Order. The Defendants waived their right to
12 a hearing on any matter covered by the Complaint prior to the entry of the Final Judgment.

13 4. **Effective Date.** The Effective Date of the Final Judgment and the Receivership
14 Order will be the date that it is entered by the Superior Court as denoted by the file stamp date on
15 the conformed copy.

16 5. **Receivership for Corporation.** The Corporation admits that its actions as detailed
17 in the Complaint give rise to liability under the Porter-Cologne Water Quality Control Act, and
18 the Parties agree that the Corporation would be liable for substantial civil penalties. In order to
19 avoid future violations, mitigate the prospect of further nuisance from improper operation of the
20 WWTP, and promote public health, the Parties stipulate to the appointment of a receiver to
21 administer all aspects and assets of the Corporation, including the WWTP. The Parties stipulate
22 that Silver & Wright LLP (“Receiver”) possesses the necessary capacity and experience to serve
23 as a receiver of the Corporation, particularly in light of their administration of the System
24 Receivership Order. The Parties stipulate to the contents of the Receivership Order and that entry
25 of the Receivership Order is necessary in order to carry the judgment into effect pursuant to Code
26 of Civil Procedure section 564, subdivision (b)(3). The Parties further stipulate that entry of the
27 Receivership Order is appropriate to dispose of assets according to the Final Judgment as
28 permitted by Code of Civil Procedure section 564, subdivision (b)(4). The Parties further stipulate

1 that the Corporation is in danger of failing to function and that a receiver is necessary in order to
2 properly manage the WWTP, avoid the imminent danger of insolvency, and avoid a public health
3 crisis. (Code Civ. Proc., § 564, subd. (b)(6).) The parties stipulate to the “[Proposed] Order of
4 Appointment of Receiver” (attached hereto as Exhibit B), and it is the desire of the Parties for this
5 Receivership Order to be issued by the Court concurrently with the Final Judgment in this matter
6 to carry that judgment into effect. The Parties stipulate that the receiver is appointed for purposes
7 of stabilizing the WWTP, returning it to compliance with the Porter-Cologne Water Quality
8 Control Act, including waste discharge requirements, notices of violation, directive(s), cleanup
9 and abatement order, and technical reporting requirements issued pursuant thereof (the Act) and
10 implementing regulations, and transitioning the WWTP to the control of an individual or entity
11 that will operate the WWTP in compliance with the Act after the receiver is discharged. The
12 Parties stipulate that the Receivership, including Silver & Wright as Receiver, is not subject to
13 any liability or civil penalty obligation occurring prior to the appointment of the Receiver. The
14 Parties further stipulate that it is their intent that this Stipulation and the Final Judgment be
15 interpreted as necessary to avoid encumbering the Receivership with any liability that will impede
16 the goal of returning the WWTP to successful operation and sustained compliance under a future
17 owner.

18 **6. Monetary Payments by the Receiver** To the extent that the receiver receives
19 payments related to the sale or transfer of or assets held by the Moores at the time of the
20 appointment for Receiver and these funds are owed to the Moores as owners of the Big Basin
21 Water Company, Inc., the Parties agree that at the time of any distribution of proceeds to Thomas
22 James Moore and/or Shirley Jean Moore, the receiver is to make payments as specified in Section
23 8 directly to the Central Coast Water Board as set forth in Section 9 in this Stipulation. At the
24 time of any distribution of proceeds to the Moores and/or the Central Coast Water Board, the
25 receiver will provide accounting information and an explanation sufficient to substantiate the
26 basis for payments made pursuant to the Final Judgment and Receivership Order.

27 **7. Injunctive Relief Regarding the Moores.**

28 a. The Moores, and each of them, admit that their actions as detailed in the

1 Complaint give rise to liability under the Porter-Cologne Water Quality Control Act. The
2 Parties agree that the Moores are jointly and severally liable for substantial civil penalties.

3 b. The Moores, and each of them, are enjoined from performing any further
4 work for, or in connection with, ownership, operation, management, or oversight of
5 wastewater systems. This includes, but is not limited to, contracting others to conduct
6 activities relating to the collection, treatment, or disposal of wastewater. This injunction
7 does not limit the Moores' obligation pursuant to the Receivership Order to assist the
8 receiver in all manners specified therein, or the Moores' ownership of the WWTP for up
9 to one year in the event the receivership terminates prior to the sale or transfer of the
10 WWTP as set forth in Section 7.g. below.

11 c. The Moores, and each of them, are enjoined from assuming a management
12 role or serving as an officer of Big Basin Water Company, Inc., the Corporation, and any
13 successor entity after the termination of the receivership arising from this Final Judgment.

14 d. The Moores, and each of them, are enjoined from engaging in conduct that
15 violates the California Water Code, directing others to engage in conduct that violates the
16 California Water Code, or financing conduct that violates the California Water Code.

17 e. The Moores, and each of them, shall comply with all information requests
18 made by the receiver or the Central Coast Water Board.

19 f. The Moores, and each of them, shall permit any duly authorized
20 representative of the Central Coast Water Board to inspect and copy the Moores' records
21 and documents, and to enter and inspect the Moores' properties to determine whether the
22 Moores are in compliance with the terms of the Final Judgment. Such documents include,
23 but are not limited to, the Moores' tax filings, loan documents, and bank account
24 statements. Nothing in this Paragraph is intended to require access to or production of any
25 documents that are protected from production or disclosure by the attorney-client
26 privilege, or attorney work product doctrine.

27 g. Should the Receivership Order terminate for any reason and should the
28 WWTP once more come under the control of the Corporation, Thomas James Moore,

1 and/or Shirley Jean Moore, the ownership of the WWTP must be transferred or sold
2 within one (1) year. The Parties stipulate that the failure to transfer ownership of the
3 WWTP within this time frame will subject Defendants to a \$1,000 per day stipulated
4 penalty, for which Defendants are joint and severally liable, for each additional day that
5 the WWTP remains under the ownership of the Moores.

6 **8. Monetary Payment by the Moores**

7 a. Upon entry of the Final Judgment, Thomas James Moore and Shirley Jean
8 Moore are liable, jointly and severally, for a total of \$750,000 in civil penalties to be paid
9 and/or suspended (the Principal Penalties Amount) as full satisfaction for their violations
10 of law through the Effective Date (excepting any further civil penalties that may be
11 imposed for any failure to comply with the Final Judgment as set forth below). The Parties
12 understand and agree that the Principal Penalties Amount is owed jointly and severally by
13 Thomas James Moore, and Shirley Jean Moore. The receiver is directed to make timely
14 payments to the Central Coast Water Board out of funds otherwise owed to Thomas James
15 Moore and/or Shirley James Moore. To the extent the receiver does not make those
16 payments, the Moores shall make timely payment of the Principal Penalties Amount.
17 Whoever makes such payments, whether the receiver or the Moores, shall make payments
18 regarding the Principal Penalties Amount to the Central Coast Water Board pursuant to
19 the payment provisions specified in Section 9 and as follows:

20 b. **\$50,000 Civil Penalty Payment within 5 years:** The Moores agree to pay
21 \$5,000.00 within one hundred and eighty (180) days of the Effective Date, and an
22 additional \$45,000.00 to be paid in nine (9) payments of \$5,000.00 each, made twice a
23 year. The first such payment of each year is to be made one year from the Effective Date
24 and for the next four (4) years thereafter, and the second payment of each year is to be
25 made one hundred and eighty (180) days after the Effective Date until all nine payments
26 are made for a total of ten payments in the amount of \$50,000.

27 i. Prepayment of this \$50,000 amount in whole or in part is
28 encouraged and the Moores may increase the amount of any payment due under

1 this provision without penalty. Such excess amounts will apply to reduce the total
2 balance due, however, such increased payments will not reduce the amounts of any
3 future payments due, and subsequent payments in the amounts identified in section
4 8.b. above will remain due, in the same amount, until the total balance of the civil
5 liability specified in section 8.b. has been paid in full.

6 **c. Suspended Civil Penalty Payments.**

7 i. Thomas James Moore and Shirley Jean Moore are jointly and
8 severally liable for suspended civil penalties, which shall become due and payable
9 in full on a lump-sum basis, at the earliest of either of the following occurrences:
10 (1) directly from the receiver at the time the receiver is scheduled to transmit any
11 proceeds to Thomas James Moore and/or Shirley Jean Moore from the sale of all
12 or part of Big Basin Water Company, Inc. assets; (2) within thirty (30) days of the
13 date Thomas James Moore and/or Shirley Jean Moore receive proceeds from the
14 sale or transfer of all or part of Big Basin Water Company, Inc. assets, if such
15 payments to the Central Coast Water Board have not already been made by the
16 receiver; (3) within one (1) year of the termination of the Receivership Order if
17 any non-cash assets are returned to the control of Thomas James Moore and/or
18 Shirley Jean Moore; or 4) as otherwise set forth below.

19 ii. **\$450,000 Suspended Civil Penalty Payment.** A civil penalty
20 amount of up to \$450,000 is due as set forth in Section 8.c.i upon the sale or
21 transfer of all or some of the assets of Big Basin Water Company, Inc. This
22 Suspended Civil Penalty Payment owed to the Central Coast Water Board will be
23 in the amounts as specified below:

24 a. An amount equal to five (5) percent of payments to Big
25 Basin Water Company Inc. up to \$1,000,000 (up to \$50,000 in penalties),
26 as calculated on a net basis considering total purchase payment amounts
27 from sale or transfer of Big Basin Water Company, Inc. assets; and

28 b. An amount equal to ten (10) percent of payments to Big

1 Basin Water Company, Inc. between \$1,000,000 and up to, and including,
2 \$2,500,000 (up to \$150,000 in penalties), as calculated on a net basis
3 considering total purchase payment amounts from sale or transfer of Big
4 Basin Water Company, Inc. assets.

5 c. An amount equal to fifty (50) percent of payments to Big
6 Basin Water Company, Inc. above \$2,500,000 (up to \$250,000), as
7 calculated on a net basis considering total purchase payment amounts from
8 sale or transfer of Big Basin Water Company, Inc. assets.

9 d. **\$250,000 Civil Penalty Payments within 5 years.**

10 i. The payment of the \$250,000 will be accelerated in the event that
11 Thomas James Moore and/or Shirley Jean Moore violate any term in Section 7. To
12 determine whether a violation occurred, the Central Coast Water Board may
13 proceed under the enforcement terms of Section 9. Upon the determination by the
14 Court that Thomas James Moore and/or Shirley Jean Moore did not fully comply
15 with Section 7, the Parties agree that payment of this additional suspended civil
16 penalty shall become due and payable in full, on a lump-sum basis, within one
17 hundred and eighty (180) days of notice of entry of any order determining that a
18 violation of any term in Section 7 occurred.

19 ii. In the event that Thomas James Moore and/or Shirley Jean Moore
20 sell their interests in APN 086-481-10 and APN 086-481-22 and the combined
21 total purchase payment amounts from sale or transfer of both parcels does not
22 exceed \$250,000 then the Central Coast Water Board may exercise its discretion,
23 after a full review of all documents related to those properties and their sale or
24 transfer, to accept all proceeds from the sale or transfer of both parcels in
25 satisfaction of this \$250,000 civil penalty payment. Any acceptance of an amount
26 less than \$250,000 will be done at the sole discretion of the Central Coast Water
27 Board.

28 9. **Total Payment of Penalties.** All payments are made in satisfaction of the Central Coast

1 Water Board's claimed civil penalties. Payment of the Principal Penalties Amount is not to
2 exceed a total of \$750,000. Stipulated civil penalties for late payments, interest, or for other
3 amounts in addition to the Principal Penalties Amount may cause the amount paid to exceed those
4 amounts. To simplify administration of total payment of penalties, ensure timely payment of
5 penalties, and avoid noncompliance, the receiver administering any aspect of Big Basin Water
6 Company, Inc. may make payments directly to the Central Coast Water Board from proceeds of
7 any sales of assets held by the Moores at the time of the appointment for Receiver whether those
8 assets are sold in part or in whole.

9 a. The Central Coast Water Board shall provide to Big Basin Water
10 Company, Inc. and the Moores a fully executed Acknowledgment of Satisfaction of
11 Judgment as to the Principal Penalties Amount within thirty (30) days of receipt of the
12 final payment.

13 b. Payments required by this Stipulation and Final Judgment shall be made by
14 certified check or cashier's check.

15 i. The payments pursuant to section 8.b and 8.d shall be made payable
16 to "Cleanup and Abatement Account," with a note in the check's memo line that
17 identifies the case number of the Final Judgment and mailed to:

18 State Water Resources Control Board
19 Division of Administrative Services
Accounting Office
20 1001 I Street, 18th Floor
21 Sacramento, CA 95814

22 ii. The payments pursuant to section 8.c, and any other provision other
23 than sections 8.b and 8.d, shall be made payable to "Waste Discharge Permit
24 Fund," with a note in the check's memo line that identifies the case number of the
25 Final Judgment and mailed to:

26 State Water Resources Control Board
27 Division of Administrative Services
Accounting Office
28 1001 I Street, 18th Floor

1 Sacramento, CA 95814

2 c. Photocopies of all payments required by this Stipulation and Final
3 Judgment shall be sent to all of the following:

4 California Department of Justice, Office of the Attorney General
5 Attn: Kate Fritz, Deputy Attorney General
6 455 Golden Gate Avenue, Suite 11000
7 San Francisco, CA 94102-7004
8 Kate.Fritz@doj.ca.gov

9 and

10 California Department of Justice, Office of the Attorney General
11 Attn: Bryant Cannon, Deputy Attorney General
12 1515 Clay Street, 20th Floor
13 P.O. Box 70550
14 Oakland, CA 94612-0550
15 Bryant.Cannon@doj.ca.gov

16 and

17 Regional Water Quality Control Board, Central Coast Region
18 Attn: Tamara Anderson
19 895 Aerovista Place, Suite 101
20 San Luis Obispo, CA 93401-7906
21 Tamara.Anderson@waterboards.ca.gov

22 d. In the event that the Moores fail to remit any payment (or portion thereof)
23 described above or below, on or before any date such payments are due, the respective
24 Defendant(s) shall be deemed to be in material violation of their obligations under this
25 Stipulation and Final Judgment. The Central Coast Water Board shall provide written
26 notice of the delinquent payment to the Moores pursuant to the process below.

27 i. If the Moores fail to deliver a delinquent payment (or fail to deliver
28 a portion thereof) that is part of their respective Principal Penalties Amount
within twenty (20) business days of the Central Coast Water Board's provision
of written notice of the delinquent payment (Cure Period), the entire unpaid
remainder of that Principal Penalties Amount shall become due and owing, and
shall accrue interest at the statutory judgment interest rate provided in Code of
Civil Procedure section 685.010, commencing on the first day after the
applicable date such payments are due, unless the Moores: (1) demonstrate to

1 the reasonable satisfaction of the Central Coast Water Board that the
2 delinquency was neither caused nor practicably preventable by them, by
3 providing documentation of the unexpected and unavoidable circumstances
4 making it impracticable for them to timely make payment, and providing a
5 sworn declaration attaching current statements of account for each bank account
6 owned or controlled by them, together or separately, and all corporate entities
7 in their control, and (2) make the delinquent payment within a time period
8 thereafter, as may be agreed to by the Central Coast Water Board. At any time
9 after the Cure Period, the Central Coast Water Board or its counsel, may make
10 an *ex parte* application to the Court, upon two (2) business days' notice and
11 without further notice to any Party, for an Order that the Moores pay their
12 respective Principal Penalties Amount (less credit for any payment(s) already
13 made), plus accrued interest, within sixty (60) calendar days following entry of
14 the Order. The Defendants agree that they will not oppose the *ex parte* nature
15 of the relief, although they retain the right to argue they did not breach the
16 Stipulation and Final Judgment.

17 ii. If Defendants fail to deliver a delinquent payment (or fail to deliver
18 a portion thereof) pursuant to Section 9.d. within the Cure Period, that
19 delinquent payment (or unpaid portion thereof) shall accrue interest at the
20 statutory judgment interest rate provided in Code of Civil Procedure section
21 685.010, commencing on the first day after the applicable date such payments
22 are due. At any time after the Cure Period, the Central Coast Water Board, or
23 its counsel, may make an *ex parte* application to the Court, upon two (2)
24 business days' notice and without further notice to any Party, for an Order that
25 Thomas James Moore and/or Shirley Jean Moore pay the delinquent payment
26 (or unpaid portion thereof), plus accrued interest, within sixty (60) calendar
27 days following entry of the Order.
28

1 e. The civil penalty payments and portions thereof described in Sections 6, 8, and
2 9 are made pursuant to Water Code sections 13350, 13261, and/or 13268, and Government
3 Code section 66641. Therefore, it is understood and agreed that these penalty payments,
4 and any interest accrued thereon, are non-dischargeable under the United States Code, title
5 11, section 523, subdivision (a)(7), which provides an exception from discharge for any
6 debt to the extent such debt is for a fine, penalty, or forfeiture payable to and for the benefit
7 of a governmental unit, and is not compensation for actual pecuniary loss, other than certain
8 types of tax penalties.

9 f. For the Principal Penalties Amount, the Moores are jointly and severally
10 responsible for all civil penalty payments (whenever accrued or due for payment) required
11 by the terms of this Stipulation and the Final Judgment. The Principal Penalties Amount is
12 hereby secured against the Moores' real properties located in Santa Cruz County referred to
13 as APNs 083-251-76; 086-481-22; 086-481-10 and any and all other properties held by one
14 or both of the Moores or through a trust controlled by the Moores. However, no such
15 security interest will exist against any property identified by the receiver in its inventory as
16 an asset of the System or the Corporation. An abstract of judgment will be recorded to
17 further establish the Central Coast Water Board's interest. In the event final payment of the
18 Principal Penalties Amount has not been made and is otherwise due and owing, the Central
19 Coast Water Board may foreclose on these properties, and may otherwise proceed with all
20 available tools, including those available pursuant to the Enforcements of Judgment Law, to
21 levy these real properties to the extent necessary to cover the amount(s) of the monetary
22 payment(s) ordered by the Court pursuant to Section 9.d. The Central Coast Water Board
23 shall not unreasonably withhold their consent to the Moores selling or mortgaging any of
24 these real properties, and will cooperate in such efforts, to the extent that the Moores
25 provide financial assurances that the Central Coast Water Board reasonably determines to
26 be sufficient alternative security. If any mortgages are secured with any properties on or
27 after the Effective Date, those mortgages shall be junior in interest to the interests
28 established by this Stipulation and Final Judgment. Within thirty (30) days of a request by

1 the Defendants, but only after all monetary payments required by this Stipulation and Final
2 Judgment have been completed, the Central Coast Water Board shall release any liens and
3 record acknowledgements of satisfaction of judgment as to each of the real properties.

4 **10. Enforcement of Terms.** The Central Coast Water Board may move this Court to
5 enjoin the Defendants from any violation of any provisions of the Final Judgment and to award
6 other appropriate relief, including penalties and costs, by serving and filing a regularly noticed
7 motion in accordance with Code of Civil Procedure section 1005 (Enforcement Motion). The
8 Defendants may file an opposition, and the Central Coast Water Board may file a reply. At least
9 ten (10) days before filing an Enforcement Motion, the Central Coast Water Board will meet and
10 confer in good faith with the Defendants to attempt to resolve the matter without judicial
11 intervention. Notwithstanding any other provisions in this Stipulation or the Final Judgment, the
12 Central Coast Water Board may take immediate action as authorized by law in order to respond to
13 an immediate threat to human health or the environment.

14 a. The Court has the authority to enjoin any violation of the Final Judgment. On
15 the Central Coast Water Board's Enforcement Motion, the payment amounts as provided in
16 those Paragraphs shall be binding on Defendants until the entire suspended penalty amounts
17 are exhausted. The Court retains, in addition, its power to enforce the Final Judgment
18 through contempt. Except as to matters covered by this Stipulation and Final Judgment
19 between the Central Coast Water Board and Defendants, nothing in the Final Judgment or
20 this Stipulation shall restrict the authority of any state or local agency to seek criminal or
21 civil penalties and injunctive relief as provided by law.

22 **11. Notices.** Notwithstanding any other provision, notices required by this Stipulation
23 and Final Judgment shall be provided in writing by both email and physical mail, as follows. Any
24 required time periods under this Stipulation and Final Judgment shall run from the date of the first
25 notification received.

26 a. For the Central Coast Water Board:

27 California Department of Justice, Office of the Attorney General
28 Attn: Kate Fritz, Deputy Attorney General

1 455 Golden Gate Avenue, Suite 11000
2 San Francisco, CA 94102-7004
3 Kate.Fritz@doj.ca.gov

4 and

5 California Department of Justice, Office of the Attorney General
6 Attn: Bryant Cannon, Deputy Attorney General
7 1515 Clay Street, 20th Floor
8 P.O. Box 70550
9 Oakland, CA 94612-0550
10 Bryant.Cannon@doj.ca.gov

11 and

12 Regional Water Quality Control Board, Central Coast Region
13 Attn: Tamara Anderson
14 895 Aerovista Place, Suite 101
15 San Luis Obispo, CA 93401-7906
16 Tamara.Anderson@waterboards.ca.gov

17 b. For Thomas James Moore and Shirley Jean Moore:

18 16595 Jamison Creek Road
19 Boulder Creek, CA 95006
20 sjm16595@gmail.com

21 c. For Big Basin Water Company, Inc:

22 c/o Silver & Wright LLP as receiver for
23 Big Basin Water Company, Inc.
24 3 Corporate Park, Suite 100
25 Irvine, CA 92606
26 njaber@silverwrightlaw.com
27 cwright@silverwrightlaw.com

28 d. Any Party may change the individual or address for purpose of notices to that
Party required by this Stipulation and Final Judgment by written notice by both email and
physical mail specifying the new individual(s) and/or address(es).

e. The Parties shall each provide written notification to the Central Coast Water
Board within ten (10) business days of any change in the contact information to the names
and addresses set forth in Sections 11.b. and 11.c., above. If the Defendants fail to timely
provide the Central Coast Water Board with such written notification, then any notice by

1 the Central Coast Water Board to the Defendants required pursuant to any section of this
2 Stipulation and Final Judgment shall constitute sufficient notice if sent to the individual(s)
3 and/or address(es) specified for the Defendants in Sections 11.b. and 11.c., above.

4 12. **Release.** In consideration of the civil penalty payments by the Moores in Section 8
5 and so long as no other violations of this Stipulation and Final Judgment have occurred, the
6 People of the State of California *ex rel.* the Central Coast Water Board will release Big Basin
7 Water Company, Inc., the Corporation and/or the Moores from any and all claims, demands,
8 actions, or causes of action pertaining to any violations alleged in the Central Coast Water
9 Board's Complaint, through the Effective Date. However, nothing herein is intended or shall be
10 construed as a waiver of the Central Coast Water Board's right to file a motion or to institute an
11 action to compel compliance with the Final Judgment, or to take any separate enforcement action
12 regarding any violation(s) of law by the Defendants beyond those alleged in the Central Coast
13 Water Board's Complaint in this case or any violations of law occurring or continuing after the
14 Effective Date.

15 13. **Attorneys' Fees and Costs.** Each Party shall otherwise bear its own costs and
16 attorneys' fees incurred in this matter. However, notwithstanding the foregoing, should any
17 motion or application be filed to enforce any provision of this Stipulation and Final Judgment, the
18 prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, in addition to
19 all of the relief to which that party may be entitled by law.

20 14. **Scope of Stipulation.** This Stipulation is made and entered into by and on behalf of
21 the People of the State of California *ex rel.* the Central Coast Water Board only. Except as
22 expressly provided in this Stipulation and Final Judgment, nothing in this Stipulation and Final
23 Judgment is intended or shall be construed to preclude any state, local, or federal agency, board,
24 department, office, commission, or entity from exercising its authority under any law, statute,
25 regulation, or ordinance.

26 15. **Reservation of Rights.** Except as expressly set forth herein, nothing in this
27 Stipulation and Final Judgment shall prejudice, waive, or impair any right, remedy, argument,
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1 claim, or defense any Party may have in any current or future administrative or judicial
2 enforcement action or other legal proceeding beyond the violations alleged in the Complaint.

3 16. **Interpretation.** This Stipulation shall be deemed to have been drafted equally by the
4 Parties and shall not be interpreted for or against any Party on the ground that any such Party
5 drafted it. This Stipulation and Final Judgment shall be governed, interpreted, and construed in
6 accordance with the laws of the State of California.

7 17. **Integration.** This Stipulation and exhibits thereto contain all of the terms and
8 conditions agreed upon by the Parties and supersedes any and all prior and contemporaneous
9 agreements, negotiations, correspondence, understandings, and communications of the Parties,
10 whether oral or written, respecting the matters covered by this Stipulation, the Final Judgment,
11 and the Receivership Order.

12 18. **Modification.** The Final Judgment and the Receivership Order may be amended or
13 modified only by subsequent order by the Court.

14 19. **Knowing, Voluntary Agreement.** Each Party has reviewed all of the terms and
15 conditions of this Stipulation, including exhibits. Each Party is fully informed of the terms and
16 effect of this Stipulation, the Final Judgment, and the Receivership Order, and has not relied in
17 any way on any inducement, representation, or advice of any other Party in deciding to enter into
18 this Stipulation.

19 20. **Authority to Execute.** Each Party to this Stipulation represents and warrants that the
20 person who has signed this Stipulation on its behalf is duly authorized to enter into this
21 Stipulation, and to bind that Party to the terms and conditions of this Stipulation, the Final
22 Judgment, and the Receivership Order.

23 21. **Severability.** If any term or provision of this Stipulation, the Final Judgment, or the
24 Receivership Order, or the application thereof to any person or circumstance shall, to any extent,
25 be held invalid or unenforceable, in whole or in part, by a court of competent jurisdiction, then
26 the remainder of this Stipulation, the Final Judgment, or the Receivership Order other than those
27 provisions held to be invalid or unenforceable, shall not be affected thereby and each such
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1 remaining term and provision of this Stipulation, Final Judgment, or Receivership Order shall be
2 valid and enforceable to the fullest extent permitted by law.

3 **22. Successors and Assigns.** This Stipulation, Final Judgment, and Receivership Order
4 also shall bind and benefit each of the Parties' employees, supervisors, managers, directors,
5 members, divisions, departments, subsidiaries, partners, consultants, contractors, representatives,
6 agents, attorneys, heirs, assigns, successors, delegates, and representatives.

7 **23. Counterparts.** This Stipulation may be executed by the Parties in counterpart
8 originals with the same force and effect as if fully and simultaneously executed as a single,
9 original document. Each Party agrees that all genuine copies of his, her, or its signature on this
10 Stipulation, including photocopies and scanned or portable document format (PDF) copies, shall
11 have the same force and effect as original signatures.

12 **24. No Third-Party Benefits.** This Stipulation is made for the sole benefit of the Parties,
13 and no other person or entity shall have any rights or remedies under or by reason of this
14 Stipulation, Final Judgment, or Receivership Order, unless otherwise expressly provided for in
15 this Stipulation, Final Judgment, or Receivership Order.

16 **25. Computation of Time.** If the last day for the performance of any act provided or
17 required by this Stipulation, Final Judgment, or Receivership Order falls on a weekend or holiday,
18 then that time period is extended to the close of business the next business day. "Holiday" means
19 all holidays specified in Code of Civil Procedure section 135, and all days that by terms of Code
20 of Civil Procedure section 12b are required to be considered holidays.

21 **26. Headings of No Effect.** The paragraph headings contained in this Stipulation are
22 included solely for convenience of reference and shall not in any way affect the meaning or
23 interpretation of any of the provisions of this Stipulation, Final Judgment, or Receivership Order.

24 **27. No Waiver of Right to Enforce.** The failure of the Central Coast Water Board to
25 enforce any provision of the Final Judgment or the Receivership Order shall neither be deemed a
26 waiver of such provision nor in any way affect the validity of the Final Judgment or the
27 Receivership Order. The failure of the Central Coast Water Board to enforce any such provision
28 shall not preclude it from later enforcing the same or any other provision of the Final Judgment or

1 the Receivership Order. Except as expressly provided in the Final Judgment or the Receivership
2 Order, Defendants retain all defenses allowed by law to any such later enforcement. No oral
3 advice, guidance, suggestions or comments by employees or representatives of any Party
4 regarding matters covered in the Final Judgment or the Receivership Order shall be construed to
5 relieve any Party of its obligations under the Final Judgment or the Receivership Order.
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1 **IT IS SO STIPULATED.** In witness whereof, the Parties have executed this
2 **Stipulation as provided below:**

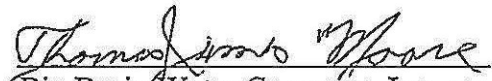
3
4 Dated: November 6, 2023

Ryan E. Lodge

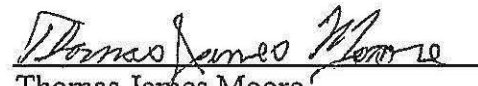
Digitally signed by Ryan E.
Lodge
Date: 2023.11.06 16:50:54
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Ryan E. Lodge
Executive Officer
For the Regional Water Quality Control Board,
Central Coast Region


5
6
7
8 Dated: November 06, 2023


Big Basin Water Company, Inc., pursuant to all
corporate authority not otherwise subject to the
System Receivership Order

9
10
11 Dated: November 06, 2023


Thomas James Moore

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13
14 Dated: November 06, 2023


Shirley Jean Moore

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16
17 **APPROVED AS TO FORM:**

18 Dated: November 6, 2023



Bryant B. Cannon
Attorney for the Regional Water Quality Control
Board, Central Coast Region

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EXHIBIT A

[PROPOSED] FINAL CONSENT JUDGMENT AND PERMANENT INJUNCTION

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SANTA CRUZ

**PEOPLE OF THE STATE OF
CALIFORNIA ex rel. REGIONAL WATER
QUALITY CONTROL BOARD,
CENTRAL COAST REGION**

Plaintiff,

v.

**BIG BASIN WATER COMPANY, INC.,
THOMAS JAMES MOORE, SHIRLEY
JEAN MOORE, and DOES 1-50, inclusive,**

Defendants

and

**CENTRAL STATES WATER
RESOURCES, INC. AND CSWR-
CALIFORNIA UTILITY OPERATING
COMPANY, LLC, and DOES 51-100,
inclusive,**

Real Parties in Interest.

Case No. 23CV02508

**FINAL CONSENT JUDGMENT AND
PERMANENT INJUNCTION**

1 People of the State of California, *ex rel.* the California Regional Water Quality Control
2 Board, Central Coast Region (Central Coast Water Board or Plaintiff); Thomas James Moore and
3 Shirley Jean Moore (the Moores); and the entirety of Big Basin Water Company, Inc. not already
4 subject to receivership, including all aspects and assets of Big Basin Water Company, Inc. that
5 are under the control of the Moores, and therefore excluding those assets, property and other
6 rights and obligations that are subject to the October 6, 2023 System Receivership Order (the
7 “Corporation”). The Moores and the Corporation are collectively referenced herein as
8 “Defendants.” This lawsuit arises from violations of the Central Coast Water Board’s Cleanup
9 and Abatement Order No. R3-2022-0077, and additional water quality and permitting violations at
10 a wastewater treatment plant (Big Basin Woods Subdivision WWTP or WWTP). The WWTP is
11 owned by the Corporation and the Moores, and located at Highway 236 and Fallen Leaf Drive,
12 Boulder Creek, Santa Cruz County, California, Assessor’s Parcel Numbers 083-293-01, 083-251-
13 77, 083-251-41, and 083-251-21 (Site). The Plaintiff and Defendants shall be referred to herein
14 collectively as the “Parties.” On Tuesday, October 24, 2023, the Regional Water Quality Control
15 Board, Central Coast Region (Central Coast Water Board) filed a Complaint for Civil Penalties,
16 Injunctive Relief, and Other Equitable Relief. Also on October 24, 2023, the Central Coast Water
17 Board filed an Ex Parte Application for a Temporary Restraining Order and Order to Show Cause
18 re Preliminary Injunction (Ex Parte TRO and OSC Application). That Ex Parte TRO Application
19 came before the Court for hearing on October 25, 2023, and the Court issued an Order Granting
20 Central Coast Water Board’s Ex Parte Application for Temporary Restraining Order and Order to
21 Show Cause re Preliminary Injunction (“Order to Show Cause”). The Parties, having stipulated
22 and consented to the entry of this Final Consent Judgment and Injunction (“Final Judgment”) in
23 their Stipulation for Entry of Final Consent Judgment and Permanent Injunction and for Entry of
24 Order for Appointment of Receiver (“Stipulation”); and the Court having considered the
25 pleadings, which include, without limitation, the Complaint, the parties’ Stipulation, the proposed
26 Final Judgment, and the proposed Receivership Order;

27 IT IS HEREBY ORDERED, ADJUDICATED, AND DECREED as follows:
28 .

1 A. Concurrent with the filing of the Stipulation, the Central Coast Water Board filed a
2 Complaint and a [Proposed] Order of Appointment of Receiver (Receivership Order).

3 B. The Parties entered into a Stipulation to settle this matter, to avoid prolonged and
4 complicated litigation, and to secure a path for continued and sustained operation of the WWTP.
5 The Parties have stipulated to the contents of this Final Judgment and the Parties consented to
6 entry by the Court of this Final Judgment on the terms set forth below. As set forth in the
7 Stipulation, the Parties requested, and the Court has approved, that the Court retain jurisdiction
8 for the purpose of enabling a Party to apply to the Court at any time for such further orders and
9 directions as may be necessary and appropriate for the enforcement of, or compliance with, this
10 Final Judgment and Receivership Order. The Court will maintain its jurisdiction over the
11 receivership until this Final Judgment is carried into effect.

12 C. The Central Coast Water Board brings this case against Defendants to enforce
13 Central Coast Water Board orders addressing separate but interrelated water quality, permitting,
14 and reporting violations at the Big Basin Woods Subdivision WWTP including: 1) Cleanup and
15 Abatement Order No. R3-2022-0077 (CAO); 2) Order No. 97-26, *Waste Discharge Requirement*
16 *for Big Basin Water Company, Inc. Big Basin Woods Subdivision, Santa Cruz County* (Permit), as
17 amended by Resolution No. R3-2013-0052 and Revised Standard Provisions and Reporting
18 Requirements (Revised Standard Provisions) and subject to all applicable Monitoring and
19 Reporting Programs (together, Permit, as Amended); and 3) Directive to Submit Report of Waste
20 Discharge pursuant to Water Code section 13260 (13260 Directive).

21 D. The allegations against Defendants are detailed in the Central Coast Water Board's
22 Complaint, paragraphs 14 through 148. In short, the Central Coast Water Board alleges that
23 Defendants allowed the WWTP to become a public nuisance after portions of the plant were
24 damaged in the CZU lightning complex wildfire in 2020. Since September 2021, violations
25 include unauthorized discharges of waste, including raw sewage, to areas not designated by the
26 Permit; failure to prevent the formation of habitat for mosquito breeding; failure to abate dense
27 mosquito larvae infestation; and failure to safely and properly operate and maintain the WWTP.
28 Violations dating from well before the CZU lightning complex fire include failure to submit

1 monitoring reports to the Central Coast Water Board with accurate information about WWTP
2 water quality data; failure to maintain the WWTP's safety and equipment redundancy status as
3 required by the Permit; and failure to have an appropriately certified operator operating the
4 WWTP. Between Spring 2022 and the present, the Central Coast Water Board issued multiple
5 enforcement orders – including the CAO, various Notices of Violation (NOVs) for violations of
6 the Permit, as Amended, and the 13260 Directive – for violations of the Porter-Cologne Water
7 Quality Control Act (Porter Cologne Act) at the Site.

8 E. The State Water Resources Control Board, Division of Drinking Water
9 (“Division”) brought Case No. 23CV01615 against the Defendants for appointment of a receiver
10 of the public drinking water system known as Big Basin Water Company (the “System”). Silver
11 & Wright LLP was appointed by this Court as a receiver for the System at a September 29, 2023
12 hearing. The final order governing the receivership was file stamped October 6, 2023 (System
13 Receivership Order).

14 F. The Central Coast Water Board seeks civil penalties, injunctive relief, and other
15 equitable relief for the Defendants’ alleged violations of the Central Coast Water Board’s
16 enforcement orders and directive. The Central Coast Water Board seeks a receiver to administer
17 all aspects and assets of the Corporation, including the WWTP, that are not subject to the System
18 Receivership Order. The Stipulation and Final Judgment provides for entry of a receiver order to
19 complement the System Receivership Order so that all aspects and assets of Big Basin Water
20 Company, Inc. are now subject to receivership orders of this Court.

21 G. Following an arm’s-length negotiation between the Parties, the Parties have
22 reached, and now enter into, an agreement through the Stipulation in a good faith effort to avoid
23 the uncertainty and expense of further litigation.

24 25 **FINAL JUDGMENT AND RECEIVERSHIP ORDER**

26 The Parties have stipulated to entry of this Final Judgment and Receivership Order as set
27 forth below and as attached as Exhibit A and Exhibit B to the Stipulation.

28 1. **Continuing Jurisdiction and Venue.** The Parties agree, and the Court hereby

orders, that the Superior Court of California, County of Santa Cruz (Superior Court), has subject matter jurisdiction over the matters alleged in this action and personal jurisdiction over the Parties to the Stipulation and this Final Judgment. The Court is a proper venue for this action and any further action that may be necessary to enforce or modify the terms of this Final Judgment or Receivership Order. The Parties agree that the Court in this action has jurisdiction over the Parties to, and the subject matter of, this action, and shall retain jurisdiction over this Final Judgment and Receivership Order pursuant to Code of Civil Procedure section 664.6 for purposes of any further action that may be necessary to enforce the terms of the Stipulation, this Final Judgment, and the Receivership Order.

2. **Resolution of Claims.** The Parties stipulated to final resolution pursuant to a compromise and resolution of the claims set forth in the Complaint, filed concurrently with the Stipulation, this Final Judgment, and the Receivership Order. The Defendants waived their right to a hearing on any matter covered by the Complaint prior to the entry of this Final Judgment.

4. **Effective Date.** The Effective Date of this Final Judgment and the Receivership Order will be the date that it is entered by the Superior Court as denoted by the file stamp date on the conformed copy.

5. **Receivership for Corporation.** The Corporation admits that its actions as detailed in the Complaint give rise to liability under the Porter-Cologne Water Quality Control Act, and the Parties agree that the Corporation is liable for substantial civil penalties. In order to avoid future violations, mitigate the prospect of further nuisance from improper operation of the WWTP, and promote public health, the Parties stipulated to the appointment of a receiver to administer all aspects and assets of the Corporation, including the WWTP. The Parties stipulated that Silver & Wright LLP (“Receiver”) possesses the necessary capacity and experience to serve as a receiver of the Corporation, particularly in light of their administration of the System Receivership Order. The Parties stipulated to the contents of the Receivership Order and that entry of the Receivership Order is necessary in order to carry the judgment into effect pursuant to Code of Civil Procedure section 564, subdivision (b)(3). The Parties further stipulated that entry of the Receivership Order is appropriate to dispose of assets according to this Final Judgment as

1 permitted by Code of Civil Procedure section 564, subdivision (b)(4). The Parties further
2 stipulated that the Corporation is in danger of failing to function and that a receiver is necessary
3 in order to properly manage the WWTP, avoid the imminent danger of insolvency, and avoid a
4 public health crisis. (Code Civ. Proc., § 564, subd. (b)(6).) The parties stipulated to the
5 “[Proposed] Order of Appointment of Receiver” (attached hereto as Exhibit B), and it is the
6 desire of the Parties for this Receivership Order to be issued by the Court concurrently with this
7 Final Judgment in this matter to carry that judgment into effect. The Parties stipulated that the
8 receiver is appointed for purposes of stabilizing the WWTP, returning it to compliance with the
9 Porter-Cologne Water Quality Control Act, including waste discharge requirements, notices of
10 violation, directive(s), cleanup and abatement order, and technical reporting requirements issued
11 pursuant thereof (the Act) and implementing regulations, and transitioning the WWTP to the
12 control of an individual or entity that will operate the WWTP in compliance with the Act after the
13 receiver is discharged. The Parties stipulate and this Court finds that the Receivership, including
14 Silver & Wright as Receiver, is not subject to any liability or civil penalty obligation occurring
15 prior to the appointment of the Receiver. The Parties further stipulated that it is their intent that
16 the Stipulation and this Final Judgment be interpreted as necessary to avoid encumbering the
17 Receivership with any liability that will impede the goal of returning the WWTP to successful
18 operation and sustained compliance under a future owner.

19 **6. Monetary Payments by the Receiver** To the extent that the receiver receives
20 payments related to the sale or transfer of or assets held by the Moores at the time of the
21 appointment for Receiver and these funds are owed to the Moores as owners of the Big Basin
22 Water Company, Inc., the Parties agree that at the time of any distribution of proceeds to Thomas
23 James Moore and/or Shirley Jean Moore, the receiver is to make payments as specified in Section
24 8 directly to the Central Coast Water Board as set forth in Section 9 in the Stipulation and this
25 Final Judgment. At the time of any distribution of proceeds to the Moores and/or the Central
26 Coast Water Board, the receiver will provide accounting information and an explanation
27 sufficient to substantiate the basis for payments made pursuant to this Final Judgment and
28 Receivership Order.

1 **7. Injunctive Relief Regarding the Moores.**

2 a. The Moores, and each of them, admit that their actions as detailed in the
3 Complaint give rise to liability under the Porter-Cologne Water Quality Control Act. The
4 Parties agree that the Moores are jointly and severally liable for substantial civil penalties.

5 b. The Moores, and each of them, are enjoined from performing any further
6 work for, or in connection with, ownership, operation, management, or oversight of
7 wastewater systems. This includes, but is not limited to, contracting others to conduct
8 activities relating to the collection, treatment, or disposal of wastewater. This injunction
9 does not limit the Moores' obligation pursuant to the Receivership Order to assist the
10 receiver in all manners specified therein, or the Moores' ownership of the WWTP for up
11 to one year in the event the receivership terminates prior to the sale or transfer of the
12 WWTP as set forth in Section 7.g. below.

13 c. The Moores, and each of them, are enjoined from assuming a management
14 role or serving as an officer of Big Basin Water Company, Inc., the Corporation, and any
15 successor entity after the termination of the receivership arising from this Final Judgment.

16 d. The Moores, and each of them, are enjoined from engaging in conduct that
17 violates the California Water Code, directing others to engage in conduct that violates the
18 California Water Code, or financing conduct that violates the California Water Code.

19 e. The Moores, and each of them, shall comply with all information requests
20 made by the receiver or the Central Coast Water Board.

21 f. The Moores, and each of them, shall permit any duly authorized
22 representative of the Central Coast Water Board to inspect and copy the Moores' records
23 and documents, and to enter and inspect the Moores' properties to determine whether the
24 Moores are in compliance with the terms of this Final Judgment. Such documents include,
25 but are not limited to, the Moores' tax filings, loan documents, and bank account
26 statements. Nothing in this Paragraph is intended to require access to or production of any
27 documents that are protected from production or disclosure by the attorney-client
28 privilege, or attorney work product doctrine.

1 g. Should the Receivership Order terminate for any reason and should the
2 WWTP once more come under the control of the Corporation, Thomas James Moore,
3 and/or Shirley Jean Moore, the ownership of the WWTP must be transferred or sold
4 within one (1) year. The Parties stipulated that the failure to transfer ownership of the
5 WWTP within this time frame will subject Defendants to a \$1,000 per day stipulated
6 penalty, for which Defendants are joint and severally liable, for each additional day that
7 the WWTP remains under the ownership of the Moores.

8 8. **Monetary Payment by the Moores**

9 a. Upon entry of this Final Judgment, Thomas James Moore and Shirley Jean
10 Moore are liable, jointly and severally, for a total of \$750,000 in civil penalties to be paid
11 and/or suspended (the Principal Penalties Amount) as full satisfaction for their violations
12 of law through the Effective Date (excepting any further civil penalties that may be
13 imposed for any failure to comply with this Final Judgment as set forth below). The
14 Parties understand and agree that the Principal Penalties Amount is owed jointly and
15 severally by Thomas James Moore, and Shirley Jean Moore. The receiver is directed to
16 make timely payments to the Central Coast Water Board out of funds otherwise owed to
17 Thomas James Moore and/or Shirley James Moore. To the extent the receiver does not
18 make those payments, the Moores shall make timely payment of the Principal Penalties
19 Amount. Whoever makes such payments, whether the receiver or the Moores, shall make
20 payments regarding the Principal Penalties Amount to the Central Coast Water Board
21 pursuant to the payment provisions specified in Section 9 and as follows:

22 b. **\$50,000 Civil Penalty Payment within 5 years:** The Moores agree to pay
23 \$5,000.00 within one hundred and eighty (180) days of the Effective Date, and an
24 additional \$45,000.00 to be paid in nine (9) payments of \$5,000.00 each, made twice a
25 year. The first such payment of each year is to be made one year from the Effective Date
26 and for the next four (4) years thereafter, and the second payment of each year is to be
27 made one hundred and eighty (180) days after the Effective Date until all nine payments
28 are made for a total of ten payments in the amount of \$50,000.

i. Prepayment of this \$50,000 amount in whole or in part is encouraged and the Moores may increase the amount of any payment due under this provision without penalty. Such excess amounts will apply to reduce the total balance due, however, such increased payments will not reduce the amounts of any future payments due, and subsequent payments in the amounts identified in section 8.b. above will remain due, in the same amount, until the total balance of the civil liability specified in section 8.b. has been paid in full.

c. **Suspended Civil Penalty Payments.**

i. Thomas James Moore and Shirley Jean Moore are jointly and severally liable for suspended civil penalties, which shall become due and payable in full on a lump-sum basis, at the earliest of either of the following occurrences: (1) directly from the receiver at the time the receiver is scheduled to transmit any proceeds to Thomas James Moore and/or Shirley Jean Moore from the sale of all or part of Big Basin Water Company, Inc. assets; (2) within thirty (30) days of the date Thomas James Moore and/or Shirley Jean Moore receive proceeds from the sale or transfer of all or part of Big Basin Water Company, Inc. assets, if such payments to the Central Coast Water Board have not already been made by the receiver; (3) within one (1) year of the termination of the Receivership Order if any non-cash assets are returned to the control of Thomas James Moore and/or Shirley Jean Moore; or 4) as otherwise set forth below.

ii. **\$450,000 Suspended Civil Penalty Payment.** A civil penalty amount of up to \$450,000 is due as set forth in Section 8.c.i upon the sale or transfer of all or some of the assets of Big Basin Water Company, Inc. This Suspended Civil Penalty Payment owed to the Central Coast Water Board will be in the amounts as specified below:

a. An amount equal to five (5) percent of payments to Big Basin Water Company Inc. up to \$1,000,000 (up to \$50,000 in penalties), as calculated on a net basis considering total purchase payment amounts

1 from sale or transfer of Big Basin Water Company, Inc. assets; and

2 b. An amount equal to ten (10) percent of payments to Big
3 Basin Water Company, Inc. between \$1,000,000 and up to, and including,
4 \$2,500,000 (up to \$150,000 in penalties), as calculated on a net basis
5 considering total purchase payment amounts from sale or transfer of Big
6 Basin Water Company, Inc. assets.

7 c. An amount equal to fifty (50) percent of payments to Big
8 Basin Water Company, Inc. above \$2,500,000 (up to \$250,000), as
9 calculated on a net basis considering total purchase payment amounts from
10 sale or transfer of Big Basin Water Company, Inc. assets.

11 d. **\$250,000 Civil Penalty Payments within 5 years.**

12 i. The payment of the \$250,000 will be accelerated in the event that
13 Thomas James Moore and/or Shirley Jean Moore violate any term in Section 7. To
14 determine whether a violation occurred, the Central Coast Water Board may
15 proceed under the enforcement terms of Section 9. Upon the determination by the
16 Court that Thomas James Moore and/or Shirley Jean Moore did not fully comply
17 with Section 7, the Parties agree that payment of this additional suspended civil
18 penalty shall become due and payable in full, on a lump-sum basis, within one
19 hundred and eighty (180) days of notice of entry of any order determining that a
20 violation of any term in Section 7 occurred.

21 ii. In the event that Thomas James Moore and/or Shirley Jean Moore
22 sell their interests in APN 086-481-10 and APN 086-481-22 and the combined
23 total purchase payment amounts from sale or transfer of both parcels does not
24 exceed \$250,000 then the Central Coast Water Board may exercise its discretion,
25 after a full review of all documents related to those properties and their sale or
26 transfer, to accept all proceeds from the sale or transfer of both parcels in
27 satisfaction of this \$250,000 civil penalty payment. Any acceptance of an amount
28 less than \$250,000 will be done at the sole discretion of the Central Coast Water

Board.

9. **Total Payment of Penalties.** All payments are made in satisfaction of the Central Coast Water Board's claimed civil penalties. Payment of the Principal Penalties Amount is not to exceed a total of \$750,000. Stipulated civil penalties for late payments, interest, or for other amounts in addition to the Principal Penalties Amount may cause the amount paid to exceed those amounts. To simplify administration of total payment of penalties, ensure timely payment of penalties, and avoid noncompliance, the receiver administering any aspect of Big Basin Water Company, Inc. may make payments directly to the Central Coast Water Board from proceeds of any sales of assets held by the Moores at the time of the appointment for Receiver whether those assets are sold in part or in whole.

a. The Central Coast Water Board shall provide to Big Basin Water Company, Inc. and the Moores a fully executed Acknowledgment of Satisfaction of Judgment as to the Principal Penalties Amount within thirty (30) days of receipt of the final payment.

b. Payments required by the Stipulation and this Final Judgment shall be made by certified check or cashier's check.

i. The payments pursuant to section 8.b and 8.d shall be made payable to "Cleanup and Abatement Account," with a note in the check's memo line that identifies the case number of this Final Judgment and mailed to:

State Water Resources Control Board
Division of Administrative Services
Accounting Office
1001 I Street, 18th Floor
Sacramento, CA 95814

ii. The payments pursuant to section 8.c, and any other provision other than sections 8.b and 8.d, shall be made payable to "Waste Discharge Permit Fund," with a note in the check's memo line that identifies the case number of the Final Judgment and mailed to:

1 State Water Resources Control Board
2 Division of Administrative Services
3 Accounting Office
4 1001 I Street, 18th Floor
5 Sacramento, CA 95814

6 c. Photocopies of all payments required by the Stipulation and this Final
7 Judgment shall be sent to all of the following:

8 California Department of Justice, Office of the Attorney General
9 Attn: Kate Fritz, Deputy Attorney General
10 455 Golden Gate Avenue, Suite 11000
11 San Francisco, CA 94102-7004
12 Kate.Fritz@doj.ca.gov

13 and

14 California Department of Justice, Office of the Attorney General
15 Attn: Bryant Cannon, Deputy Attorney General
16 1515 Clay Street, 20th Floor
17 P.O. Box 70550
18 Oakland, CA 94612-0550
19 Bryant.Cannon@doj.ca.gov

20 and

21 Regional Water Quality Control Board, Central Coast Region
22 Attn: Tamara Anderson
23 895 Aerovista Place, Suite 101
24 San Luis Obispo, CA 93401-7906
25 Tamara.Anderson@waterboards.ca.gov

26 d. In the event that the Moores fail to remit any payment (or portion thereof)
27 described above or below, on or before any date such payments are due, the respective
28 Defendant(s) shall be deemed to be in material violation of their obligations under the
Stipulation and this Final Judgment. The Central Coast Water Board shall provide written
notice of the delinquent payment to the Moores pursuant to the process below.

i. If the Moores fail to deliver a delinquent payment (or fail to deliver
a portion thereof) that is part of their respective Principal Penalties Amount
within twenty (20) business days of the Central Coast Water Board's provision
of written notice of the delinquent payment (Cure Period), the entire unpaid
remainder of that Principal Penalties Amount shall become due and owing, and

1 shall accrue interest at the statutory judgment interest rate provided in Code of
2 Civil Procedure section 685.010, commencing on the first day after the
3 applicable date such payments are due, unless the Moores: (1) demonstrate to
4 the reasonable satisfaction of the Central Coast Water Board that the
5 delinquency was neither caused nor practicably preventable by them, by
6 providing documentation of the unexpected and unavoidable circumstances
7 making it impracticable for them to timely make payment, and providing a
8 sworn declaration attaching current statements of account for each bank account
9 owned or controlled by them, together or separately, and all corporate entities
10 in their control, and (2) make the delinquent payment within a time period
11 thereafter, as may be agreed to by the Central Coast Water Board. At any time
12 after the Cure Period, the Central Coast Water Board or its counsel, may make
13 an *ex parte* application to the Court, upon two (2) business days' notice and
14 without further notice to any Party, for an Order that the Moores pay their
15 respective Principal Penalties Amount (less credit for any payment(s) already
16 made), plus accrued interest, within sixty (60) calendar days following entry of
17 the Order. The Defendants agree that they will not oppose the *ex parte* nature
18 of the relief, although they retain the right to argue they did not breach the
19 Stipulation and Final Judgment.

20 ii. If Defendants fail to deliver a delinquent payment (or fail to deliver
21 a portion thereof) pursuant to Section 9.d. within the Cure Period, that
22 delinquent payment (or unpaid portion thereof) shall accrue interest at the
23 statutory judgment interest rate provided in Code of Civil Procedure section
24 685.010, commencing on the first day after the applicable date such payments
25 are due. At any time after the Cure Period, the Central Coast Water Board, or
26 its counsel, may make an *ex parte* application to the Court, upon two (2)
27 business days' notice and without further notice to any Party, for an Order that
28 Thomas James Moore and/or Shirley Jean Moore pay the delinquent payment

1 (or unpaid portion thereof), plus accrued interest, within sixty (60) calendar
2 days following entry of the Order.

3 e. The civil penalty payments and portions thereof described in Sections 6, 8, and
4 9 are made pursuant to Water Code sections 13350, 13261, and/or 13268, and Government
5 Code section 66641. Therefore, it is understood and agreed that these penalty payments,
6 and any interest accrued thereon, are non-dischargeable under the United States Code, title
7 11, section 523, subdivision (a)(7), which provides an exception from discharge for any
8 debt to the extent such debt is for a fine, penalty, or forfeiture payable to and for the benefit
9 of a governmental unit, and is not compensation for actual pecuniary loss, other than certain
10 types of tax penalties.

11 f. For the Principal Penalties Amount, the Moores are jointly and severally
12 responsible for all civil penalty payments (whenever accrued or due for payment) required
13 by the terms of the Stipulation and this Final Judgment. The Principal Penalties Amount is
14 hereby secured against the Moores' real properties located in Santa Cruz County referred to
15 as APNs 083-251-76; 086-481-22; 086-481-10 and any and all other properties held by one
16 or both of the Moores or through a trust controlled by the Moores. However, no such
17 security interest will exist against any property identified by the receiver in its inventory as
18 an asset of the System or the Corporation. An abstract of judgment will be recorded to
19 further establish the Central Coast Water Board's interest. In the event final payment of the
20 Principal Penalties Amount has not been made and is otherwise due and owing, the Central
21 Coast Water Board may foreclose on these properties, and may otherwise proceed with all
22 available tools, including those available pursuant to the Enforcements of Judgment Law, to
23 levy these real properties to the extent necessary to cover the amount(s) of the monetary
24 payment(s) ordered by the Court pursuant to Section 9.d. The Central Coast Water Board
25 shall not unreasonably withhold their consent to the Moores selling or mortgaging any of
26 these real properties, and will cooperate in such efforts, to the extent that the Moores
27 provide financial assurances that the Central Coast Water Board reasonably determines to
28 be sufficient alternative security. If any mortgages are secured with any properties on or

1 after the Effective Date, those mortgages shall be junior in interest to the interests
2 established by the Stipulation and this Final Judgment. Within thirty (30) days of a request
3 by the Defendants, but only after all monetary payments required by the Stipulation and this
4 Final Judgment have been completed, the Central Coast Water Board shall release any liens
5 and record acknowledgements of satisfaction of judgment as to each of the real properties.

6 **10. Enforcement of Terms.** The Central Coast Water Board may move this Court to
7 enjoin the Defendants from any violation of any provisions of this Final Judgment and to award
8 other appropriate relief, including penalties and costs, by serving and filing a regularly noticed
9 motion in accordance with Code of Civil Procedure section 1005 (Enforcement Motion). The
10 Defendants may file an opposition, and the Central Coast Water Board may file a reply. At least
11 ten (10) days before filing an Enforcement Motion, the Central Coast Water Board will meet and
12 confer in good faith with the Defendants to attempt to resolve the matter without judicial
13 intervention. Notwithstanding any other provisions in the Stipulation or this Final Judgment, the
14 Central Coast Water Board may take immediate action as authorized by law in order to respond to
15 an immediate threat to human health or the environment.

16 a. The Court has the authority to enjoin any violation of this Final Judgment. On
17 the Central Coast Water Board's Enforcement Motion, the payment amounts as provided in
18 those Paragraphs shall be binding on Defendants until the entire suspended penalty amounts
19 are exhausted. The Court retains, in addition, its power to enforce this Final Judgment
20 through contempt. Except as to matters covered by the Stipulation and this Final Judgment
21 between the Central Coast Water Board and Defendants, nothing in this Final Judgment or
22 the Stipulation shall restrict the authority of any state or local agency to seek criminal or
23 civil penalties and injunctive relief as provided by law.

24 **11. Notices.** Notwithstanding any other provision, notices required by the Stipulation
25 and thus Final Judgment shall be provided in writing by both email and physical mail, as follows.
26 Any required time periods under the Stipulation and this Final Judgment shall run from the date
27 of the first notification received.

28 a. For the Central Coast Water Board:

1
2 California Department of Justice, Office of the Attorney General
3 Attn: Kate Fritz, Deputy Attorney General
4 455 Golden Gate Avenue, Suite 11000
5 San Francisco, CA 94102-7004
6 Kate.Fritz@doj.ca.gov

7 and

8 California Department of Justice, Office of the Attorney General
9 Attn: Bryant Cannon, Deputy Attorney General
10 1515 Clay Street, 20th Floor
11 P.O. Box 70550
12 Oakland, CA 94612-0550
13 Bryant.Cannon@doj.ca.gov

14 and

15 Regional Water Quality Control Board, Central Coast Region
16 Attn: Tamara Anderson
17 895 Aerovista Place, Suite 101
18 San Luis Obispo, CA 93401-7906
19 Tamara.Anderson@waterboards.ca.gov

20 b. For Thomas James Moore and Shirley Jean Moore:

21 16595 Jamison Creek Road
22 Boulder Creek, CA 95006
23 sjm16595@gmail.com

24 c. For Big Basin Water Company, Inc:

25 c/o Silver & Wright LLP as receiver for
26 Big Basin Water Company, Inc.
27 3 Corporate Park, Suite 100
28 Irvine, CA 92606
njaber@silverwrightlaw.com
cwright@silverwrightlaw.com

d. Any Party may change the individual or address for purpose of notices to that Party required by the Stipulation and this Final Judgment by written notice by both email and physical mail specifying the new individual(s) and/or address(es).

e. The Parties shall each provide written notification to the Central Coast Water Board within ten (10) business days of any change in the contact information to the names and addresses set forth in Sections 11.b. and 11.c., above. If the Defendants fail to timely

1 provide the Central Coast Water Board with such written notification, then any notice by
2 the Central Coast Water Board to the Defendants required pursuant to any section of the
3 Stipulation and this Final Judgment shall constitute sufficient notice if sent to the
4 individual(s) and/or address(es) specified for the Defendants in Sections 11.b. and 11.c.,
5 above.

6 12. **Release.** In consideration of the civil penalty payments by the Moores in Section 8
7 and so long as no other violations of the Stipulation and this Final Judgment have occurred, the
8 People of the State of California *ex rel.* the Central Coast Water Board will release Big Basin
9 Water Company, Inc., the Corporation and/or the Moores from any and all claims, demands,
10 actions, or causes of action pertaining to any violations alleged in the Central Coast Water
11 Board's Complaint, through the Effective Date. However, nothing herein is intended or shall be
12 construed as a waiver of the Central Coast Water Board's right to file a motion or to institute an
13 action to compel compliance with this Final Judgment, or to take any separate enforcement action
14 regarding any violation(s) of law by the Defendants beyond those alleged in the Central Coast
15 Water Board's Complaint in this case or any violations of law occurring or continuing after the
16 Effective Date.

17 13. **Attorneys' Fees and Costs.** Each Party shall otherwise bear its own costs and
18 attorneys' fees incurred in this matter. However, notwithstanding the foregoing, should any
19 motion or application be filed to enforce any provision of the Stipulation and this Final Judgment,
20 the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, in addition
21 to all of the relief to which that party may be entitled by law.

22 14. **Scope of Stipulation.** The Stipulation was made and entered into by and on behalf of
23 the People of the State of California *ex rel.* the Central Coast Water Board only. Except as
24 expressly provided in the Stipulation and this Final Judgment, nothing in the Stipulation and this
25 Final Judgment is intended or shall be construed to preclude any state, local, or federal agency,
26 board, department, office, commission, or entity from exercising its authority under any law,
27 statute, regulation, or ordinance.
28

1 15. **Reservation of Rights.** Except as expressly set forth herein, nothing in the
2 Stipulation and this Final Judgment shall prejudice, waive, or impair any right, remedy, argument,
3 claim, or defense any Party may have in any current or future administrative or judicial
4 enforcement action or other legal proceeding beyond the violations alleged in the Complaint.

5 16. **Interpretation.** The Stipulation shall be deemed to have been drafted equally by the
6 Parties and shall not be interpreted for or against any Party on the ground that any such Party
7 drafted it. The Stipulation and this Final Judgment shall be governed, interpreted, and construed
8 in accordance with the laws of the State of California.

9 17. **Integration.** The Stipulation and exhibits thereto contained all of the terms and
10 conditions agreed upon by the Parties and supersedes any and all prior and contemporaneous
11 agreements, negotiations, correspondence, understandings, and communications of the Parties,
12 whether oral or written, respecting the matters covered by the Stipulation, this Final Judgment,
13 and the Receivership Order.

14 18. **Modification.** This Final Judgment and the Receivership Order may be amended or
15 modified only by subsequent order by the Court.

16 19. **Knowing, Voluntary Agreement.** Each Party has reviewed all of the terms and
17 conditions of the Stipulation, including exhibits. Each Party is fully informed of the terms and
18 effect of the Stipulation, this Final Judgment, and the Receivership Order, and has not relied in
19 any way on any inducement, representation, or advice of any other Party in deciding to enter into
20 the Stipulation.

21 20. **Authority to Execute.** Each Party to the Stipulation represented and warranted that
22 the person who signed the Stipulation on its behalf was duly authorized to enter into the
23 Stipulation, and to bind that Party to the terms and conditions of the Stipulation, this Final
24 Judgment, and the Receivership Order.

25 21. **Severability.** If any term or provision of the Stipulation, this Final Judgment, or the
26 Receivership Order, or the application thereof to any person or circumstance shall, to any extent,
27 be held invalid or unenforceable, in whole or in part, by a court of competent jurisdiction, then
28 the remainder of the Stipulation, this Final Judgment, or the Receivership Order other than those

provisions held to be invalid or unenforceable, shall not be affected thereby and each such remaining term and provision of the Stipulation, this Final Judgment, or Receivership Order shall be valid and enforceable to the fullest extent permitted by law.

22. **Successors and Assigns.** The Stipulation, this Final Judgment, and Receivership Order also shall bind and benefit each of the Parties' employees, supervisors, managers, directors, members, divisions, departments, subsidiaries, partners, consultants, contractors, representatives, agents, attorneys, heirs, assigns, successors, delegates, and representatives.

23. **Counterparts.** The Stipulation may be executed by the Parties in counterpart originals with the same force and effect as if fully and simultaneously executed as a single, original document. Each Party agrees that all genuine copies of his, her, or its signature on the Stipulation, including photocopies and scanned or portable document format (PDF) copies, shall have the same force and effect as original signatures.

24. **No Third-Party Benefits.** The Stipulation is made for the sole benefit of the Parties, and no other person or entity shall have any rights or remedies under or by reason of the Stipulation, this Final Judgment, or Receivership Order, unless otherwise expressly provided for in the Stipulation, Final Judgment, or Receivership Order.

25. **Computation of Time.** If the last day for the performance of any act provided or required by the Stipulation, Final Judgment, or Receivership Order falls on a weekend or holiday, then that time period is extended to the close of business the next business day. "Holiday" means all holidays specified in Code of Civil Procedure section 135, and all days that by terms of Code of Civil Procedure section 12b are required to be considered holidays.

26. **Headings of No Effect.** The paragraph headings contained in the Stipulation are included solely for convenience of reference and shall not in any way affect the meaning or interpretation of any of the provisions of the Stipulation, this Final Judgment, or Receivership Order.

27. **No Waiver of Right to Enforce.** The failure of the Central Coast Water Board to enforce any provision of this Final Judgment or the Receivership Order shall neither be deemed a waiver of such provision nor in any way affect the validity of this Final Judgment or the

1 Receivership Order. The failure of the Central Coast Water Board to enforce any such provision
2 shall not preclude it from later enforcing the same or any other provision of this Final Judgment
3 or the Receivership Order. Except as expressly provided in this Final Judgment or the
4 Receivership Order, Defendants retain all defenses allowed by law to any such later enforcement.
5 No oral advice, guidance, suggestions or comments by employees or representatives of any Party
6 regarding matters covered in this Final Judgment or the Receivership Order shall be construed to
7 relieve any Party of its obligations under this Final Judgment or the Receivership Order.

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9 **IT IS SO ORDERED.**

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11 Date: _____

JUDGE OF THE SUPERIOR COURT

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EXHIBIT B
[PROPOSED] ORDER OF APPOINTMENT OF RECEIVER

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SANTA CRUZ

**PEOPLE OF THE STATE OF
CALIFORNIA ex rel. REGIONAL WATER
QUALITY CONTROL BOARD,
CENTRAL COAST REGION**

Plaintiff,

v.

**BIG BASIN WATER COMPANY, INC.,
THOMAS JAMES MOORE, SHIRLEY
JEAN MOORE, and DOES 1-50, inclusive,**

Defendants

and

**CENTRAL STATES WATER
RESOURCES, INC. AND CSWR-
CALIFORNIA UTILITY OPERATING
COMPANY, LLC, and DOES 51-100,
inclusive,**

Real Parties in Interest.

Case No. 23CV02508
**[PROPOSED] ORDER OF
APPOINTMENT OF RECEIVER**

1 The Court, having considered the complaint filed by Plaintiff, the People of the State of
2 California *ex rel.* California Regional Water Quality Control Board, Central Coast Region
3 (Central Coast Water Board) and the Stipulation for Entry of Final Consent Judgment and
4 Permanent Injunction and for Entry of Order for Appointment of Receiver (“Stipulation”), and in
5 light of the Court’s execution of the Final Judgment in this matter, and good cause appearing
6 therefore, makes the following findings and Order:

7 1. Defendants Big Basin Water Company, Inc., a California corporation, and its sole
8 shareholders Thomas James Moore and Shirley Jean Moore (the Moores or the “Owners”) own
9 two utilities with a principal office and place of business in Santa Cruz County: (1) a wastewater
10 treatment plant managed by the Owners that includes the collection, treatment, and disposal
11 systems for processing wastewater from a 28-home residential community and nearby fire station,
12 located approximately 2.5 miles north of Boulder Creek on Big Basin Way (Highway 236) in
13 Santa Cruz County (the “WWTP”) and (2) the public water system known as Big Basin Water
14 Company (the “System”).

15 2. On October 6, 2023, in the civil action entitled *California State Water Resources*
16 *Control Board, Division of Drinking Water v. Big Basin Water Company, Inc., Thomas James*
17 *Moore and Shirley Moore*, Santa Cruz County Superior Court Action No. 23CV01615, this Court
18 entered its Order of Appointment of Receiver for the Big Basin Water Company (“System
19 Receivership Order”). On October 6, 2023, the Court entered its Order Granting State Water
20 Resources Control Board’s Request for Appointment of Receiver for the Big Basin Water
21 Company The entirety of Big Basin Water Company, Inc. not already subject to the System
22 Receivership Order, including all aspects and assets of Big Basin Water Company, Inc. that are
23 under the control of the Moores, and therefore excluding those assets, property and other rights
24 and obligations that are subject to the System Receivership Order is hereinafter identified as the
25 “Corporation.”

26 3. Code of Civil Procedure section 564, subdivision (b)(3) authorizes this Court to
27 appoint a receiver to assume possession and control “after judgment, to carry the judgment into
28

1 effect,” section 564 subdivision (b)(4) authorizes this Court to appoint a receiver to assume
2 control ”after judgment, to dispose of the property according to the judgment,” and section 564,
3 subdivision (b)(6) authorizes a receiver “[w]here a corporation is insolvent, or in imminent
4 danger of insolvency, or has forfeited its corporate rights.”

5 4. The Central Coast Water Board and the Owners, in their personal capacity and on
6 behalf of the Corporation, have filed a Stipulation for Entry of Final Consent Judgment and
7 Permanent Injunction and for Entry of Receivership (“Stipulation”). That Stipulation seeks the
8 entry of a Final Consent Judgment and Permanent Injunction (“Final Judgment”) and for entry of
9 this Order for Appointment of Receiver (“Receivership Order”) for the entirety of the
10 Corporation. As the Final Judgment prohibits Thomas James Moore and Shirley Jean Moore from
11 maintaining any control or oversight over the Corporation, including the WWTP, and requires that
12 the WWTP be transferred to new owners, this stipulated appointment of a receiver is necessary to
13 carry that Final Judgment into effect and is necessary to the transfer of the WWTP pursuant to the
14 Final Judgment.

15 5. The Court finds that an order appointing a receiver is required, as the appointment
16 of a receiver for the Corporation is required to carry the Final Judgment into effect. The Court
17 further finds that the Corporation is in danger of failing to function and that a receiver is
18 necessary in order to properly manage the WWTP, avoid the imminent danger of insolvency, and
19 avoid a public health crisis. The receiver shall take possession, custody, and control of the
20 Corporation for the purpose of carrying out the Stipulation and Final Judgment. The System
21 Receivership Order is not amended, modified, or altered in any way as a result of the entry of this
22 Order. The System Receivership Order remains in effect and is independent of this Receivership
23 Order. It is the intent of this Receivership Order to complement the System Receivership Order so
24 that the entirety of Big Basin Water Company, Inc. is now subject to a receivership order of this
25 Court.

26 6. The Court further finds that Silver & Wright LLP possesses the necessary capacity
27 and experience to serve as a receiver of the Corporation, and is willing and able to perform the
28 tasks of receiver.

1
2 **APPOINTMENT OF COURT RECEIVER**

3 **THEREFORE, IT IS HEREBY ORDERED** that a receiver be appointed over the
4 Corporation, with full powers granted under Code of Civil Procedure section 564, *et seq.*, subject
5 to further requirements of this Order and any further orders of this Court. The court receiver shall:
6 (1) execute and file a receiver's oath with this Court; and (2) disclose to all parties any financial
7 relationship between the court receiver and any person or entity hired to assist in the management
8 of the receivership property.

9 **A. Assumption of Jurisdiction and Appointment of Receiver**

10 7. The Court hereby assumes jurisdiction and custody over the Corporation. Until the
11 receiver is discharged and the receivership terminated, the Court retains jurisdiction over this
12 judicial proceeding for all purposes, including but not limited to: amending, supplementing, or
13 deleting any provision of this order; enforcing compliance with or punishing violations of this
14 order; and ordering any additional relief that may be reasonably necessary or appropriate.

15 8. Until further order of this Court, Silver & Wright LLP is hereby appointed to serve
16 without bond as receiver for the Corporation (the Receiver).

17 9. No individual, person, or entity shall take any of the following actions without
18 leave of the Court: sell any interest of the Corporation; encumber any asset of the Corporation,
19 institute any judicial proceeding against the Corporation; institute any judicial proceeding against
20 the Receiver relating to the Corporation or the Receiver's actions with respect to the Corporation;
21 create or enforce any lien on the Corporation; secure any indebtedness with the Corporation's
22 assets or property as collateral; institute any judicial proceeding against Big Basin Water
23 Company, Inc.; or cause to be issued, served, or levied upon Big Basin Water Company, Inc. any
24 judicial summons, subpoena, attachment, or writ of execution.

25 10. The Receiver or the Central Coast Water Board may at any time apply to this
26 Court for further instructions and orders for additional powers necessary to enable the Receiver to
27 properly perform the Receiver's duties, or to replace the Receiver if the purposes of the this
28 Receivership Order are not being served. Notice of any such application shall be provided to the

Receiver, the Central Coast Water Board, and the Owners. The Receiver is appointed for purposes of stabilizing the WWTP, returning it to compliance with California's Porter-Cologne Water Quality Control Act, including waste discharge requirements, notices of violation, directive(s), cleanup and abatement order, and technical reporting requirements issued pursuant thereof (the "Act") and implementing regulations, and transitioning the WWTP to the control of an individual or entity that will operate the WWTP in compliance with the Act after the receiver is discharged.

11. The Receiver shall not be held personally liable for any good faith, reasonable effort to assume possession of and operate the Corporation in compliance with this Order.

12. The Receiver is authorized, in the exercise of his discretion, and subject to the control of this Court and the laws regarding receivership, to do all acts necessary for the proper and lawful conduct of the receivership. Specifically, in addition to the full powers granted to court receivers under Code of Civil Procedure section 564, *et seq.*, the Receiver has the following authority and duties and is subject to the terms below that shall govern the receivership.

B. Power and Authority of the Receiver

13. The Receiver immediately shall assume full and complete possession and control of the Corporation in its entirety, including all property, real or personal, tangible or intangible, that is in any manner used in or for the Corporation's operations, or the treatment of wastewater, and all facilities, infrastructure, components, books, records, accounts, and other property of the Corporation. The Receiver's powers extend to all the Corporation's funds, properties, accounts, insurance policies, and assets of whatever kind and wherever situated. The Owners, and all agents of the Corporation, are ordered to inform the Receiver of all the assets of the Corporation—including but not limited to real property, financial, and banking assets—and to cooperate in the orderly transition of control of all Corporation assets and accounts to the Receiver. The Corporation's assets include but are not limited to all assets owned by Big Basin Water Company, Inc. that are not subject to the System Receivership Order. The Corporation's assets also include, but are not limited to, Santa Cruz County Assessor's Parcel Numbers 083-293-01, 083-251-77, 083-251-41, and 083-251-21 (Site). The receivership does not interfere or alter with the System

1 Receivership Order. In the event there is property that is used in the operation and/or maintenance
2 of both the System and the WWTP, the Receiver shall identify that property and comply with
3 paragraph 39, below. Assets of the Corporation that are not used in the operation and/or
4 maintenance of either the System or the WWTP are available for any use that furthers the goals of
5 this Receivership and/or the System Receivership.

6 14. The Receiver shall have all powers, authorities, rights, and privileges heretofore
7 possessed by the Owners in relation to the Corporation under applicable state and federal law, and
8 by the governing charters, by-laws, articles, and/or governing agreements, in addition to all
9 powers and authority of a receiver at equity, and all powers conferred upon a receiver by the
10 provisions of Code of Civil Procedure section 564, *et seq.*

11 15. The Receiver shall manage, maintain, preserve, care for, operate, and control the
12 Corporation. The Receiver may expend the Corporation's funds and revenues for operation and
13 maintenance of the WWTP and repairs and improvements to the WWTP and may accumulate a
14 reasonable reserve on behalf of the Corporation. The Receiver is authorized and directed to take,
15 hold, and maximize for the Corporation's use, all property and assets to which the Corporation
16 has possession or may be entitled. The Receiver shall have the sole power to contract on behalf of
17 the Corporation and on matters involving or relating to the Corporation. The Receiver is
18 authorized to rent, lease or contract in connection with any Corporation asset, liability, or other
19 property on such terms as the Receiver deems proper.

20 16. The Receiver may retain current employees, consultants, contractors, and vendors
21 for the Corporation, and engage new employees, consultants, contractors, and vendors for the
22 Corporation. The Receiver may pay employees, consultants, contractors and vendors a reasonable
23 amount for goods and services rendered, which shall be paid from the Corporation's revenue or
24 reserves at direct cost, without any markups or fees. The Receiver shall provide notice to the
25 Central Coast Water Board of intent to employ a consultant and shall, upon request, provide the
26 Central Coast Water Board with a copy of the consultant's contract. The Receiver shall disclose to
27 the Central Coast Water Board any personal or financial relationship between the Receiver and
28 the consultant.

1 17. The Receiver may, on behalf of the Corporation, seek, apply for, accept, and
2 administer any grant or loan funding that may be made available by the State of California or
3 other public or private sources for upgrading the existing WWTP, making repairs, consolidating
4 the WWTP with another wastewater treatment facility or system, facilitating the transfer of the
5 WWTP, and for related evaluation and planning activities, as the Receiver deems necessary and
6 appropriate.

7 18. The Receiver shall collect, from the Corporation's customers, payment for any
8 fees, surcharges, or other amounts the Corporation is or may be authorized to charge to the
9 customers in connection with the provision of wastewater and related services.

10 19. The Receiver may take any action necessary with the California Public Utilities
11 Commission, including seeking rate adjustments to pay the Corporation's expenses and fund
12 improvements to the WWTP or for changes to the Corporation's tariff.

13 20. The Receiver may purchase property insurance, liability insurance, and any other
14 form of insurance that is proper for the Corporation and liability insurance for the Receiver in
15 connection with his activities related to the Corporation.

16 21. The Receiver may institute ancillary judicial or administrative proceedings in this
17 State as necessary to assume possession of, operate, manage, control, preserve, or protect the
18 Corporation, including to obtain possession or control of any Corporation asset or enforce the
19 Corporation's rights against any party.

20 22. The Receiver may reject any contract presently in force that relates to or involves
21 the Corporation, on the giving of notice to the contracting parties as provided in their contract.

22 23. The Receiver must seek Court approval to hire outside legal counsel, if necessary
23 to assist with the duties that fall within the Receiver's powers and authority as described in this
24 Order.

25 24. The Receiver may, upon notice to the Owners, the Central Coast Water Board, and
26 any other interested party who has requested notice, and subject to confirmation by this Court,
27 sell or transfer any of the Corporation's real or personal property in the Receiver's possession, or
28 the Corporation as a whole. Confirmation will generally be granted upon a showing that the sale

1 or transfer is fair to the respective parties and is in the best interest of the Corporation's
2 customers.

3 25. The Receiver is authorized to access and control all components of the
4 Corporation necessary to operate the Corporation, including the WWTP, including real property
5 used in connection with the Corporation or to collect, treat, and properly dispose wastewater in
6 accordance with all waste discharge requirements.

7 26. The Receiver is authorized to immediately borrow up to \$1,000,000 on behalf of
8 the receivership estate, secured as a super-priority lien against the Corporation and the assets of
9 the Corporation, for purposes of complying with this order, the Stipulation, and the Final
10 Judgment and any other orders of this Court, securing the Corporation, inspecting it, insuring it,
11 operating it, and developing a viable plan in accordance with this Court's orders.

12 27. As approved by the Court, the Receiver may borrow funds as necessary to pay for
13 the operation and rehabilitation of the WWTP and to pay the costs and debts of the receivership
14 estate. All funds borrowed by the Receiver on behalf of the receivership estate shall be entitled to
15 become super-priority liens against the Corporation and the assets of the receivership estate
16 superseding all other interests. The Receiver may issue and record Court Receiver's Certificates
17 of Indebtedness ("Certificates") to evidence and secure the debts of the receivership estate. The
18 debt evidenced by the Certificates shall be due and payable upon completion of the Receiver's
19 duties hereunder. If the Certificates cannot be immediately satisfied when they become due, the
20 Receiver may apply to this Court to sell the assets of the Corporation and the receivership estate
21 free and clear of all subordinate liens and encumbrances pursuant to Code of Civil Procedure
22 section 568.5.

23 28. Should any lawful order issued by the Receiver, under the authority granted herein,
24 be refused, the Receiver is authorized to enlist the assistance of any duly authorized law
25 enforcement officials or Sheriff deputies and, further, that such law enforcement officials and
26 Sheriff deputies are authorized to employ all reasonably necessary measures to secure cooperation
27 and compliance with any lawful order issued by the Receiver, including but not limited to, the use
28

1 of forced entry into the WWTP or any real assets of the receivership estate should consent to enter
2 be refused.

3 29. The Receiver's liability in any action against the Corporation, the receivership
4 estate, or the Receiver in its capacity as this Court's receiver shall be limited to the assets of, and
5 shall be paid by, the receivership estate. The Receiver shall be defended and indemnified by the
6 receivership estate within the scope of the Receiver's duty pursuant to this appointment.

7 **C. Duties of the Receiver**

8 30. The Receiver shall: incur on behalf of the Corporation the risks and obligations
9 ordinarily and reasonably undertaken by an owner, manager, or operator of a similar business,
10 including compliance with all permits and legal requirements; pay reasonable business expenses;
11 and pay any taxes, assessments, or fees due during the period of the receivership. The Receiver's
12 liability is limited to the assets of this Receivership estate. Upon appointment, the Receiver is to
13 instruct the Central Coast Water Board where to deposit \$60,000 in funds that are to be provided
14 by the Central Coast Water Board for the benefit of the WWTP, including compensation to the
15 Receiver. Also upon appointment, the Receiver will coordinate with the Central Coast Water
16 Board to ensure prompt payments are made from Central Coast Water Board of Cleanup and
17 Abatement Account ("CAA"). Upon issuance of this Order, the Central Coast Water Board will
18 ensure that \$135,000 in pre-approved emergency Cleanup and Abatement Account ("CAA")
19 funds are paid to the receiver for costs to operate the WWTP. The Central Coast Water Board
20 understands that the Court Receiver is expressly relying on these CAA pre-approved funds and
21 the \$60,000 in funds as a condition of its appointment. To the extent practicable, the Receiver will
22 solicit input from the County of Santa Cruz when making decisions regarding the expenditure of
23 CAA funds so as to minimize any barriers to the County of Santa Cruz taking over WWTP
24 ownership and operations at a later date.

25 31. The Receiver shall establish an account in the name and for the benefit of the
26 Corporation at a financial institution where deposits are guaranteed or insured under federal law
27 and shall deposit funds received in connection with the receivership into this account. The
28

1 Receiver shall use its best efforts to place existing accounts used to conduct and maintain the
2 Corporation's business in the name of the Receiver.

3 32. The Receiver shall collect the accounts receivable and all other obligations owing
4 to the Corporation, shall bring an action or actions, if necessary in the bests interests of the
5 receivership estate, to collect obligations owed to the Corporation, and shall settle and
6 compromise any of the accounts receivable, debts, or obligations whenever the Receiver shall
7 deem it advisable to do so, on such terms and conditions as appear to the Receiver to be
8 justifiable.

9 33. The Receiver shall provide monthly reports to the Central Coast Water Board with
10 a copy to the Owners. These reports shall conform to the requirements of Cal. Rules of Court,
11 Rule 3.118, and any amendments thereto.

12 34. The Receiver shall ensure the WWTP complies with the Act and expeditiously
13 take all steps necessary to bring the WWTP into compliance with the Act and the Central Coast
14 Water Board's waste discharge requirements (including the applicable monitoring and reporting
15 program), notices of violation, directive(s), cleanup and abatement order, and technical reporting
16 requirements.

17 35. Within 14 days of obtaining a verified list of the WWTP's customers, the Receiver
18 shall file a report with the Central Coast Water Board confirming that the Receiver has notified
19 the WWTP 's customers of its contact information and any operational and emergency contact
20 changes.

21 36. Within 30 days of this Court's order, the Receiver shall file a report with the
22 Central Coast Water Board, with supporting documentation, confirming that the Receiver has: (a)
23 identified the individual or company that will be operating the WWTP on a day-to-day basis (the
24 "WWTP Operator"); (b) confirmed the WWTP Operator is properly certified and skilled at
25 performing the necessary tasks; and (c) entered an agreement with the WWTP Operator
26 specifying which activities the WWTP Operator will perform when on-site. The Receiver may
27 continue to employ the Corporation's current WWTP operator or retain a new operator, at the
28 Receiver's discretion.

1 37. Within 60 days of entering into the agreement with the WWTP Operator, the
2 Receiver shall file a report with the Central Coast Water Board, with supporting documentation,
3 confirming that the Receiver has: (a) developed emergency contingency plans for WWTP
4 failures; (b) developed contractor contact lists for performing emergency activities; (c) prepared
5 an operations plan and submitted it to the Central Coast Water Board for approval; and (d)
6 prepared a permit plan that includes a scope of work that will allow the WWTP to operate in
7 compliance with current and updated waste discharge requirements and submitted it to the Central
8 Coast Water Board for approval.

9 38. Within 120 days of entering into the agreement with the WWTP Operator, the
10 Receiver shall submit to the Central Coast Water Board for approval a plan for bringing the
11 WWTP into compliance with the Act and the Central Coast Water Board's waste discharge
12 requirements, notices of violation, directive(s), cleanup and abatement order, and technical
13 reporting requirements (the "Compliance Plan"). The Compliance Plan shall, at minimum, contain
14 the following elements with deadlines for completing each element: (a) plan to comply or remain
15 in compliance with the waste discharge requirements, orders, directives, and technical reporting
16 requirements issued by the Central Coast Water Board; (b) plan to conduct a WWTP collection
17 system status assessment report for addressing all infrastructure upstream of the WWTP relevant
18 for the transmission of wastewater to the WWTP (the "Collection System"), including those
19 factors that may cause significant inflow and infiltration during storm events; (c) timeline for plan
20 for addressing deficiencies in the Collection System and obtaining cost estimates for potential
21 alternatives; (d) timeline for selecting preferred alternative for obtaining waste discharge
22 requirements compliance and addressing Collection System issues; (e) complete plans and
23 specifications for preferred alternative; (f) secure funding for preferred alternative; (g) implement
24 preferred alternative; and (h) draft plan for Corporation's management, operation and
25 maintenance post-receivership. Upon the Central Coast Water Board's approval, the Receiver
26 shall lodge this Compliance Plan with the Court, with notice to the Owners. Following the
27 appointment of the Receiver, on or before March 1, June 1, September 1, and January 1 of each
28 calendar year, the Receiver shall submit a report to the Central Coast Water Board and Owners

1 that describes the steps taken in connection with the Compliance Plan, with supporting
2 documentation. If the Receiver determines that modifications to the Compliance Plan are
3 necessary, the Receiver shall submit proposed modifications to the Central Coast Water Board for
4 approval, and upon approval, lodge the modified Compliance Plan with the Court, with notice to
5 the Owners.

6 39. Within 90 days of entering into the agreement with the WWTP Operator, the
7 Receiver shall prepare an inventory of all property possessed by the Corporation under this order
8 and submit this inventory to the Court, with copies to the Central Coast Water Board and the
9 Owners. The Receiver is to include in the inventory an identification of property that is used in
10 common with the System and a plan for the ongoing use of that property, including if the property
11 is to continue to be used by the System and by the Corporation, on behalf of its WWTP
12 operations, or if the property is to be used solely by the System or solely by the Corporation on
13 behalf of its WWTP operations. Assets of the Corporation that are not used in the operation and/or
14 maintenance of either the System or the WWTP are available for any use that furthers the goals of
15 this Receivership and/or the System Receivership. The Receiver must promptly file a
16 supplemental inventory of any subsequently obtained property.

17 40. On or before January 1 of each calendar year, the Receiver shall submit a proposed
18 annual budget to the Court for approval, with notice to the Central Coast Water Board and the
19 Owners.

20 41. The Receiver's deadlines in this Order shall be interpreted as instructional
21 objectives, but the Receiver shall be granted extensions as is reasonably necessary based upon the
22 unknown circumstances of this case as they arise. Assuming control of the Corporation is a
23 massive undertaking with tremendous unknowns and unpredictable circumstances. The Receiver
24 is blind to the actual conditions of the WWTP, and it is unknown what level of cooperation the
25 Receiver will receive upon appointment and whether the Receiver will be afforded sufficient
26 resources to meet the demands of this appointment. The Receiver is not responsible for the
27 conditions of the WWTP it is accepting appointment to correct, and the Receiver shall be afforded
28 significant latitude as it endeavors to correct the conditions necessitating its appointment. To the

1 extent that the Receiver is able to more efficiently satisfy its duties under the System
2 Receivership Order and the Receivership Order by consolidating reports, analysis, or tasks, the
3 Receiver is encouraged to consolidate activities and notices to specified parties. The duties of the
4 receiver are to be interpreted so as to maximize the efficiency of the Receivership in its
5 implementation of the System Receivership Order and the Receivership Order.

6 **D. Compensation of Receiver**

7 42. The Receiver is permitted to charge up to \$385.00 per hour for services rendered
8 by it. This rate may be increased upon the Receiver's application to the Court, with notice to the
9 Central Coast Water Board and the Owners.

10 43. The Receiver may pay the Receiver's own fees and expenses by either: (a) serving
11 on the Central Coast Water Board and the Owners a notice of intent to pay to which no objection
12 is received by the Receiver within 20 calendar days of the notice; or (b) filing with the Court and
13 serving on the Central Coast Water Board and the Owners a request for interim payment, which
14 the Court then approves.

15 44. The Receiver shall be entitled to reimbursement of all expenses incurred directly
16 benefiting the receivership estate. The Receiver shall not be reimbursed for the Receiver's general
17 office administration expenses or overhead, such as office supplies, office rent, or other expenses
18 not exclusively related to the receivership.

19 **E. Discharge of the Receiver**

20 45. The receivership shall remain in place no longer than the conditions that justify it
21 make necessary. The Court will discharge the Receiver as soon as it is satisfied, in consultation
22 with the Receiver, that if the Receiver is discharged, the WWTP will be operated by an individual
23 or entity with the technical, managerial, and financial capacity necessary to ensure that the
24 WWTP is, and will remain, in compliance with the Act and Central Coast Water Board permitting
25 requirements. The Court expects that, as the receivership progresses, the Receiver will facilitate
26 the transition of the WWTP's control to the individual or entity that will operate the WWTP after
27 the Receiver is discharged. No non-cash assets of the Corporation are to be returned to the
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1 Owners. To the extent Corporation assets are not included as part of the transition of the WWTP
2 to an entity that will operate the WWTP, the Receiver shall propose a distribution plan for the
3 Court's ultimate approval, with notice to the Central Coast Water Board, the Division and the
4 Owners. Any cash proceeds owed to the Owners from the sale of assets will be disbursed pursuant
5 to the Final Judgment.

6 46. Discharge of the Receiver shall require a Court order upon noticed motion for
7 approval of the Receiver's final report and account. To initiate this discharge, the Receiver shall
8 file, serve, and obtain a hearing date on a motion for discharge and approval of the final report
9 and account. The motion to approve the final report and account and for discharge of the Receiver
10 shall contain the following: (a) a declaration or declarations stating what was done during the
11 receivership, certifying the accuracy of the final accounting, stating the basis for the termination
12 of the receivership (such as sale of the WWTP to a new owner or its consolidation with another
13 wastewater treatment facility or system), and stating the basis for an order for the distribution of
14 any receivership assets; and (b) a summary of the receivership accounting which shall include the
15 total revenues received, the total expenditures identified and enumerated by major categories, the
16 net amount of any surplus or deficit, and evidence of any necessary supporting facts.

17 To ensure the orderly operation of the receivership and maximize the value of the
18 Corporation, **IT IS HEREBY FURTHER ORDERED** that while the receivership is pending,
19 and until the further order of the Court, the COURT ORDERS the Owners and their employees,
20 agents, contractors and representatives to do the following:

21 47. Make all reasonable efforts to cooperate with the Receiver, not obstruct the
22 Receiver in the performance of his duties, and ensure that the Receiver can access, possess, and
23 control all Corporation property, including all property controlled by the Owners that is in any
24 manner used in the WWTP's operations or the treatment of wastewater or related services to the
25 WWTP's customers.

26 48. Immediately turn over possession of the Corporation's property to the Receiver,
27 including any prepaid fees or surcharges and other Corporation funds, whether such funds have
28 been deposited into the Corporation's accounts.

1 49. Immediately turn over to the Receiver all documents, books, accounts, bank
2 accounts, deposit accounts, records, deeds, casements, tax information, papers, payroll and
3 employee related information, current and past customer lists and contacts, access codes, keys,
4 passwords, access to social media and other websites for the Corporation, and any other
5 documents and data, whether in electronic or hardcopy form, and wherever located, that pertain to
6 the Corporation. To the extent that these items are not in their possession or control, the Owners
7 must immediately notify the Receiver of their existence and make reasonable efforts to obtain
8 them and turn them over to the Receiver. The Owners must cooperate with the Receiver to ensure
9 any unrecorded easements or deeds are promptly recorded, and to execute all documents that are
10 necessary for the Receiver to carry out the authorities and duties set forth in this order.

11 50. Immediately advise the Receiver in writing about the nature and extent of
12 insurance coverage of the Corporation's property and name the Receiver as an additional insured
13 on each insurance policy. The Owners may not cancel, reduce, or modify any insurance coverage,
14 and must notify the insurance company that the Receiver has exclusive authority to make changes
15 to the existing insurance coverage until the conclusion of the receivership.

16 51. Immediately advise the Receiver in writing about the nature and extent of any
17 ongoing and past negotiations pertaining to the potential sale, reorganization, or consolidation of
18 the WWTP.

19 52. Immediately advise the Receiver in writing about the nature and extent of any
20 ongoing and past WWTP failures, shutdowns, glitches, shortfalls, and malfunctions.

21 53. Immediately advise the Receiver in writing about the nature and extent of any
22 suspected potential future WWTP failures, shutdowns, glitches, shortfalls, or malfunctions.

23 54. Refrain from the following acts: (a) committing, encouraging, or allowing any
24 waste, or any act on the Corporation in violation of the law or this Court's order; (b) removing,
25 transferring, encumbering, disposing, or concealing any fixtures of the Corporation; (c)
26 demanding, collecting, or concealing any customer bill payments, surcharges, fees, or any other
27 charges or revenue in connection with the Corporation's provision of wastewater treatment
28 services, whether such services were provided before or after the date of this Order; (d)

1 interfering in any manner with the Receiver's duties or obligations under this order; or (e)
2 committing any act that would diminish or impair the preservation of the WWTP or the
3 Receiver's possessory right to the Corporation and its components and rights.

4 To promote judicial efficiency and ensure the orderly operation of the receivership, **IT IS**
5 **HEREBY FURTHER ORDERED** that all persons who receive actual or constructive notice of
6 this Order are ordered to do the following: (a) obtain this Court's approval to prosecute any new
7 judicial proceedings that involves the Receiver, Big Basin Water Company, Inc., or the
8 Corporation; (b) refrain from interfering with any property in the control of Receiver or that is
9 subject to this Order; and (c) turn over to the Receiver any Corporation asset within five (5)
10 business days of receipt of a copy of this Order.

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14 **IT IS SO ORDERED.**

15
16 Date: _____

JUDGE OF THE SUPERIOR COURT