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6 Attorneys for Cross-Defendant
SERVICE ROCK PRODUCTS, L.P.
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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **IN AND FOR THE COUNTY OF LOS ANGELES**
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11 Coordination Proceeding)
Special Title (Rule 1550(b)))
12 ANTELOPE VALLEY GROUNDWATER)
13 CASES) Santa Clara Case No. 1-05-CV-049053
Assigned to the Honorable Jack Komar
14 Including Actions:) Department 17
15 Los Angeles County Waterworks District) **[PROPOSED, REVISED] STIPULATION**
No. 40 v. Diamond Farming Co.) **REGARDING THE DEPOSITION AND**
16 Superior Court of California, County of Los) **TRIAL TESTIMONY OF CROSS-**
Angeles, Case No. BC 325 201) **DEFENDANT SERVICE ROCK**
17) **PRODUCTS, L.P.**
18 Los Angeles County Waterworks District)
No. 40 v. Diamond Farming Co.)
19 Superior Court of California, County of Kern,)
Case No. S-1500-CV-254-348)
20 Wm. Bolthouse Farms, Inc. v. City of)
Lancaster)
21 Diamond Farming Co. v. City of Lancaster)
Diamond Farming Co. v. Palmdale Water)
22 Dist.)
23 Superior Court of California, County of)
Riverside, consolidated actions, Case Nos. RIC)
353 840, RIC 344 436, RIC 344 668)
24)
25 AND RELATED ACTIONS.)
26)
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28)

1 This *Stipulation regarding the Deposition and Trial Testimony of Cross-Defendant*
2 *SERVICE ROCK PRODUCTS, L.P.* (“Service Rock”) is submitted pursuant to Paragraph 2 of
3 the Court’s January 17, 2013 *First Amendment to Case Management Order for Phase Four Trial*
4 and in connection with the Phase 4 Trial which is currently scheduled to commence on Tuesday,
5 May 28, 2013, in the above-encaptioned matter.

6 Service Rock has provided its Discovery Responses, under penalty of perjury, containing
7 the facts, information and documents that were requested by the Court in the December 12, 2012
8 *Discovery Order for Phase 4 Trial* issued by the Honorable Jack Komar, Presiding Judge, by
9 posting the same on the Court’s website on December 21, 2012 and on January 15, 2013
10 including, but not limited to, the following:

11 1. Service Rock Products, L.P. is a California limited partnership, in good standing,
12 with an entity address of 200 S. Main St. Ste. 200, Corona, CA 92882. It was formed on
13 December 22, 2009. It is the successor-in-interest to Service Rock Products Corporation
14 (“Service Rock Corp.”), which was the successor-in-interest to Owl Properties, Inc, a California
15 corporation (“Owl Properties”), a member of the Owl Companies, Inc., a California corporation
16 (“Owl Companies”) family of companies.

17 Reference: *Cross-Defendant, Service Rock Products, L.P.’s* (verified)
18 *Information and Materials Responsive to December 12, 2012 Discovery Order for*
19 *Phase 4 Trial* (“*Discovery Responses*”), Paragraphs (“¶”) I.1.b., I.3.c.ii; California
20 Secretary of State Business Entity Detail, dated December 14, 2012.

21 2. Service Rock is the lessee of the hereafter-described assemblage of properties
22 upon which Service Rock conducts aggregates mining and processing, and ready mixed concrete
23 operations at the hereafter-described “Primary Quarry,” having succeeded to the leasehold
24 interests of its predecessor-in-interest, the Owl Companies pursuant to the *Lease Agreement* with
25 Healy Enterprises, Inc., an Illinois corporation qualified to do business in California (“Healy
26 Enterprises”). Service Rock has the right to extend the term of the *Lease Agreement* through
27 October 11, 2034, and a first right to acquire the Primary Quarry during the extended term of the
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1 *Lease Agreement*. Service Rock also has the sole right, as lessee, to develop and use as much
2 water from the Primary Quarry as it needs for quarrying, washing down gravel, wetting loads,
3 watering of access roads, and other mining, processing and distribution activities lawfully
4 conducted under the *Lease Agreement*. Service Rock and its predecessor-in-interest, Service
5 Rock Corp. operated the Primary Quarry during the Base Period years of 2000 to 2004 and
6 through 2012.

7 Service Rock is not making a duplicative claim to any claim that may be made by
8 Jane Healy or Healy Enterprises, Inc. to the overlying rights to produce groundwater from the
9 Primary Quarry. However, as the lawful occupant of the Primary Quarry and the lawful
10 producer of the groundwater from the Primary Quarry, Service Rock is the only entity with
11 sufficient knowledge of the water actually produced from and used at the Primary Quarry, for
12 which reason Service Rock submitted the data and responded to the Court's Discovery Order in
13 connection with the groundwater produced from and used at the Primary Quarry during the Base
14 Period years of 2000 to 2004 and through 2012. This statement is made solely for the Primary
15 Quarry.

16 The [Proposed, Revised] Stipulation is made in connection with the above-stated
17 rights of Service Rock to occupy the Primary Quarry under the *Lease Agreement* dated June 10,
18 1988, including the first right to acquire the Primary Quarry during the extended term of the
19 *Lease Agreement*, and to develop and use as much water from the Primary Quarry as it needs for
20 quarrying, washing down gravel, wetting loads, watering of access roads, and other mining,
21 processing and distribution activities lawfully conducted under the *Lease Agreement*; as well as
22 in connection with the Future Quarry.

23 Reference: *Discovery Responses* ¶¶ 1.1.a., 1.1.a.i., 1.1.a.i.1., 1.1.a.i.2., 1.1.a.i.3.,
24 1.1.a.i.4., 1.1.f., 1.1.h., 1.2.a., 1.2.b., 1.2.c., 1.2.d., 1.2.f., 1.3.b.i., 1.3.b., 1.3.b.ii.; *Lease*
25 *Agreement* between Owl Companies, Inc. and Healy Enterprises, Inc., dated June
26 10, 1988 ¶¶ 8 and 23; and Addendum to *Lease Agreement* dated October 27,
27 2004.

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1 3. Healy Enterprises is the owner/lessor and Service Rock is the lessee of the
2 hereafter described real properties upon which the Primary Quarry is situated, and which are
3 located in and adjacent to the Littlerock Creek Wash, between East Palmdale Boulevard on the
4 north and California State Highway 138 on the south, and to the southeast of the City of
5 Palmdale:

6 a. 80 acres located in the West ½ of the Northeast ¼ of Section 36,
7 Township 6 North, Range 11 West, San Bernardino Base and Meridian [AIN/APN: 3024 015
8 055];

9 b. 80 acres located in the West ½ of the Northwest ¼ of Section 1, Township
10 5 North, Range 11 West, San Bernardino Base and Meridian [AINs/APNs: 3051 008 004 and
11 3051 008 006];

12 c. 80 acres located in the West ½ of the Southeast ¼ of Section 36,
13 Township 6 North, Range 11 West, San Bernardino Base and Meridian [AIN/APN: 3024 016
14 001]; and

15 d. The West 80 acres of the aggregate of Lots 1 and 2 of the Northeast
16 Quarter of Section 2, Township 5 North, Range 11 West, San Bernardino Base and Meridian
17 [AIN/APN: 3051 008 002].

18 Reference: Discovery Responses ¶¶ I.1.a., I.1.a.i., I.1.a.i.1., I.1.a.i.2., I.1.a.i.3.,
19 I.1.a.i.4.; Lease Agreement between Owl Companies, Inc. and Healy Enterprises,
20 Inc., dated June 10, 1988, Exhibit “A”; *Cross-Defendant, Service Rock Products,*
21 *L.P.’s First Supplemental Response to December 12, 2012 Discovery Order for*
22 *Phase 4 Trial* (the “*Supplemental Responses*”) ¶ I.3.b., I.3.c.; Chicago Title
23 Insurance Company Property Profile Reports for AINs/APNs 3024 015 055, 3024
24 016 001, 3051 008 002, 3051 008 004, and 3051 008 006, dated January 9, 2013;
25 Section – Antelope Valley Adjudication Boundary Map identifying Primary and
26 Future Quarry locations, with supporting diagrams (total five (5) pages); Maps (7)
27 reflecting locations of both the Primary Quarry and Future Quarry.

1 4. Service Rock is also the fee owner of the hereafter-described assemblage of real
2 properties that are referred to as the “Future Quarry”, which are situated on the North Slope of
3 the San Gabriel Mountains to the south of the California Aqueduct, to the north of the Angeles
4 National Forest, and to the immediate south of California State Highway 138 and to the west of
5 the Los Angeles County/San Bernardino County line, upon which Service Rock is in the process
6 of permitting another aggregates quarry and processing facility (the Future Quarry):

7 a. 20 acres located in the South ½ of the Southeast ¼ of the Southeast ¼ of
8 Section 3, Township 4 North, Range 8 West, San Bernardino Base and Meridian [AIN/APN:
9 3064 003 031 05 000];

10 b. 116.92 acres, more or less, being exclusive of streets, the East ½ of the
11 Southwest ¼ and the East ½ of the East ½ of Lots 1 and 2 in the Northwest ¼ of Section 3,
12 Township 4 North, Range 8 West, San Bernardino Base and Meridian [AIN/APN: 3064 003 064
13 05 000];

14 c. 38.75 acres, more or less, being exclusive of streets, the West ½ of the
15 East ½ of Lots 1 and 2 in the Northwest ¼ of Section 3, Township 4 North, Range 8 West, San
16 Bernardino Base and Meridian [AIN/APN: 3064 003 065 05 000];

17 d. 40 acres, more or less, the Southwest ¼ of the Southeast ¼ of Section 3,
18 Township 4 North, Range 8 West, San Bernardino Base and Meridian [AIN/APN: 3064 003 066
19 05 000];

20 e. 39.09 acres, more or less, being exclusive of streets, the Northwest ¼ of
21 the Southeast ¼ of Section 3, Township 4 North, Range 8 West, San Bernardino Base and
22 Meridian [AIN/APN: 3064 003 067 05 000];

23 f. 36.7 acres, more or less, being exclusive of streets, the West ½ of the
24 West ½ of Lots 1 and 2 in the Northeast ¼ of Section 3, Township 4 North, Range 8 West, San
25 Bernardino Base and Meridian [AIN/APN: 3064 003 068 05 000]; and

26 g. 38.5 acres, more or less, being exclusive of streets, the East ½ of the
27 West ½ of Lots 1 and 2 in the Northeast ¼ of Section 3, Township 4 North, Range 8 West, San
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Bernardino Base and Meridian [AIN/APN: 3064 003 069 05 000].

Reference: *Discovery Responses* ¶¶ I.1.a., I.1.a.ii., I.1.a.ii.1., I.1.a.ii.2., I.1.a.ii.3., I.1.a.ii.4., I.1.a.ii.5., I.1.a.ii.6. and I.1.a.ii.7; *Supplemental Responses* ¶ I.3.b.; Grant Deed from Robert C. Attwater and Sally A. Attwater, Husband and Wife, as Joint Tenants to Owl Properties, Inc., a California Corporation, dated March 1, 1991; Trustee’s Deed Upon Sale from Ticor Title Insurance Company of California to Owl Properties, Inc., a California Corporation, dated December 6, 1985; Chicago Title Company Property Profile Reports for AINs/APNs 3064 003 031 05 000, 3064 003 064 05 000, 3064 003 065 05 000, 3064 003 066 05 000, 3064 003 067 05 000, 3064 003 068 05 000 and 3064 003 069 05 000, dated January 9, 2013; 1996 Thomas Bros. Maps annotated diagram of Service Rock Products, L.P. well and building locations; Section – Antelope Valley Adjudication Boundary Map identifying location of Primary and Future Quarries, with supporting diagrams (total five (5) pages).

5. Service Rock produces all of the water that it uses at the Primary Quarry (except for some purchased bottled water) from the wells on the Primary Quarry properties, as identified in Paragraph 6, below. This produced water is used for the quarrying, processing, distribution and sale of aggregates and ready mixed concrete, the washing down of such materials, the wetting of loads, the suppression of dust, shop and domestic uses, and other lawful mining and processing related activities.

Reference: *Discovery Responses* ¶¶ I.1.c., I.1.c.i., I.1.c.ii., I.1.c.iii. I.1.c.iv., I.1.f., I.1.g., I.2.e., I.2.f.

6. Water was produced to serve the Primary Quarry during the Base Period years of 2000 to 2004 and the recent years of 2011 to 2012, from four (4) groundwater wells situated on the Primary Quarry properties, more specifically identified as follows:

a. Service Rock Well No. 1 (“Well No. 1”) is situated in Section 36, Township 5 N, Range 11 W, San Bernardino Base Meridian, and bears State Well Number 05

1 N/11 W – 36 S, Recordation No. G190637. Well No. 1, also referred to by Service Rock as the
2 “Shop” well, uses a 20 horsepower pump and is metered.

3 b. Service Rock Well No. 2 (“Well No. 2”) is situated in Section 1,
4 Township 5 N, Range 11 W, San Bernardino Base Meridian, and bears State Well Number 05
5 N/11 W – 01 S, Recordation No. G190638. Well No. 2 uses a 25 horsepower pump and is
6 metered.

7 c. Service Rock Well No. 3 (“Well No. 3”) is situated in Section 1,
8 Township 5 N, Range 11 W, San Bernardino Base Meridian, and also bears State Well Number
9 05 N/11 W – 01 S, Recordation No. G190639. Well No. 3, also referred to by Service Rock as
10 the “Rock Plant” well, uses a 75 horsepower pump and is metered.

11 d. Service Rock Well No. 4 (“Well No. 4”) is situated in Section 36,
12 Township 6 N, Range 11 W, San Bernardino Base Meridian, and is identified according to State
13 of California Well Completion Report No. 539660. Well No. 4, also referred to by Service Rock
14 as the “Batch Plant” well, uses a 60 horsepower pump and is metered.

15 Reference: *Discovery Responses* ¶¶ I.1.c., I.1.c.i., I.1.c.ii., I.1.c.iii. I.1.c.iv.,
16 I.1.d., I.1.f., I.2.e. and I.2.f; Well #3 75HP Water Well Drillers Report (No.
17 269835) for well deepening (May 23, 1989); Rottman Drilling Co. January 18,
18 2007 letter to Service Rock identifying all four groundwater wells; Rottman
19 Drilling Co. September 18, 2007 letter to Service Rock re: Water Levels for each
20 of the four groundwater wells; Well #4 60HP Well Completion Report No.
21 539660, dated December 31, 1999; 25HP Well Water Drillers Report No. 15600,
22 dated February 1, 1956; *Supplemental Responses* ¶ I.3.b.; November 30, 2006
23 email providing information about each of Service Rock’s groundwater wells;
24 Model 5THC 240 GPM efficiency curves graph; 1996 Thomas Bros. Maps
25 annotated diagram of Service Rock Products, L.P. well and building locations;

26 7. Service Rock (and its predecessors-in-interest to the Primary Quarry) produced
27 groundwater from Well Nos. 1-3 situated at the Primary Quarry since 1995. Service Rock (and
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1 its predecessors-in-interest to the Primary Quarry) also produced groundwater from a now
2 abandoned well, known as the "Old Well," until 1999 when Well No. 4 was completed and
3 placed in operation in place of the Old Well. Service Rock (and its predecessors-in-interest to
4 the Primary Quarry) operated the four groundwater wells described above, during the Base
5 Period years of 2000 to 2004 and the recent years of 2011 to 2012, to produce groundwater in the
6 following amounts:

- 7 i. 2000: 466 acre feet;
- 8 ii. 2001: 359 acre feet;
- 9 iii. 2002: 445 acre feet;
- 10 iv. 2003: 436 acre feet;
- 11 v. 2004: 542 acre feet;
- 12 vi. 2005: 429 acre feet;
- 13 vii. 2006: 439 acre feet;
- 14 viii. 2007: 705 acre feet;
- 15 ix. 2008: 470 acre feet;
- 16 x. 2009: 463 acre feet;
- 17 xi. 2010: 482 acre feet;
- 18 xii. 2011: 561 acre feet; and
- 19 xiii. 2012: 445 acre feet.

20 Reference: *Discovery Responses* ¶¶ I.1.d., I.1.e., I.1.f., I.1.j., I.1.k., I.1.l.,
21 I.3.a.; Pump Check – Pumping Systems Analysts Hydraulic Test Reports for
22 Wells 1 – 4, dated February 14, 2007; Pump Check – Pumping Systems Analysts
23 Hydraulic Test Report Certificates of Accuracy for Wells 1 – 4, dated February
24 14, 1, 1 and 14, 2007, respectively; 60 hp Billing Usage Summary Report, dated
25 March 1, 2007; Electricity distribution diagrams (two (2) pages); *Supplemental*
26 *Responses* ¶ I.3.a.; Service Rock groundwater production spreadsheet analysis
27 with supporting data for 1995 – 2006 (5 pages total); Service Rock Products Fuel

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and Water Meter Reading Monthly Reports, February – December 2007; 2007 groundwater projection spreadsheet; Service Rock Products Fuel and Water Meter Reading Monthly Reports, January – July 2008

8. Service Rock did not lease or sublease any portion of the properties described herein to anyone during the Base Period years of 2000 to 2004 or the recent years of 2011 to 2012.

Reference: *Discovery Responses* ¶ 1.2.a; *Supplemental Responses* ¶ 1.2.a.

9. Service Rock did not import or acquire any imported water from the Antelope Valley – East Kern Water Agency, Palmdale Water District, Littlerock Creek Irrigation District or any other entity having rights to State Water Project Water, during the Base Period years of 2000 to 2004 or the recent years of 2011 to 2012.

Reference: *Discovery Responses* ¶ III.1.d.

10. The groundwater claimed by Service Rock is an overlying water right, which right will vest in Service Rock upon its acquisition of the Primary Quarry properties. Service Rock claims no other rights that are the subject of this Adjudication for purposes of the Phase 4 Trial, including return flows.

Reference: *Discovery Responses* ¶¶ I.1.j., I.1.i.i.

STIPULATION

The parties hereto stipulate and agree that the facts, information and documents referenced herein and provided in Service Rock’s verified *Discovery Responses* that were posted on the Court’s website on December 21, 2012, and in Service Rock’s verified *Supplemental Responses* that were posted on the Court’s website on January 15, 2013, will not be contested, and are therefore deemed accepted, for purposes of the Phase 4 Trial which is currently scheduled for Tuesday, May 28, 2013; and that the Notice of Taking the Deposition of Service Rock, which was posted by Quartz Hill Water District on the behalf of the Public Water Suppliers on January 7, 2013, has been since withdrawn.

1 The parties hereto further stipulate and agree that neither deposition testimony nor trial
2 testimony will be required of Service Rock or any of its designated witnesses, including any
3 designated experts, for purposes of the Phase 4 Trial.

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5 IT IS SO STIPULATED.

6 Dated: March 15, 2013.

GRESHAM SAVAGE NOLAN & TILDEN, PC

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8 By: 

Michael Duane Davis
Marilyn L. Allen-Hammarlund
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12 Dated: ^{May} March 12, 2013.

CHARLTON WEEKS LLP

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14 By: 

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17 Dated: March __, 2013.

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Dated: ^{May 2} March __, 2013.

MURPHY & EVERTZ

By: *Douglas J. Evertz*
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Dated: March __, 2013.

CALIFORNIA WATER SERVICE COMPANY

By: _____
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Dated: March __, 2013.

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Dated: ^{May 2} March __, 2013.

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1 Dated: March __, 2013.

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6 *May 7*
7 Dated: ~~March~~ __, 2013.

CALIFORNIA WATER SERVICE COMPANY

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12 Dated: March __, 2013.

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17 *May 2*
18 Dated: ~~March~~ __, 2013.

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1 Dated: March 7, 2013.

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7 Dated: March __, 2013.

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12 Dated: March 14, 2013.

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18 Dated: March 2, 2013.

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PROOF OF SERVICE
STATE OF CALIFORNIA, COUNTY OF RIVERSIDE

Re: *ANTELOPE VALLEY GROUNDWATER CASES*
Los Angeles County Superior Court Judicial Council Coordinated
Proceedings No. 4408; Santa Clara County Superior Court Case No. 1-05-CV-049053


I am employed in the County of Riverside, State of California. I am over the age of 18 years and not a party to the within action; my business address is: 3750 University Avenue, Suite 250, Riverside, CA 92501-3335.

On May 15, 2013, I served the foregoing document(s) described **REVISED AND EXECUTED STIPULATION REGARDING THE DEPOSITION AND TRIAL TESTIMONY OF CROSS-DEFENDANT SERVICE ROCK PRODUCTS, L.P.** on the interested parties in this action in the following manner:

(X) **BY ELECTRONIC SERVICE** – I posted the document(s) listed above to the Santa Clara County Superior Court website, <http://www.scefiling.org>, in the action of the Antelope Valley Groundwater Cases,

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on May 15, 2013 at Riverside, California.



DINA M. SNIDER