

1 **LEWIS BRISBOIS BISGAARD & SMITH LLP**  
MALISSA HATHAWAY McKEITH, SB# 112917  
2 E-Mail: [mckeith@lbbslaw.com](mailto:mckeith@lbbslaw.com)  
3 JOSEPH A. SALAZAR, JR., SB# 169551  
E-Mail: [jsalazar@lbbslaw.com](mailto:jsalazar@lbbslaw.com)  
4 KIMBERLY A. HUANGFU, SB# 252241  
E-Mail: [huangfu@lbbslaw.com](mailto:huangfu@lbbslaw.com)  
5 221 North Figueroa Street, Suite 1200  
Los Angeles, California 90012  
6 Telephone: 213.250.1800  
7 Facsimile: 213.250.7900

8 Attorneys for Cross-Defendant Anaverde LLC  
9

10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
11 **COUNTY OF LOS ANGELES, CENTRAL DISTRICT**  
12

13 ANTELOPE VALLEY GROUNDWATER  
CASES

14 Included Actions:

15 Los Angeles County Waterworks District No.  
16 40 v. Diamond Farming Co.  
Superior Court of California  
17 County of Los Angeles, Case No. BC325201;

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-  
20 348;

21 Wm. Bolthouse Farms, Inc. v. City of  
Lancaster  
22 Diamond Farming Co. v. City of Lancaster  
Diamond Farming Co. v. Palmdale Water Dist.  
23 Superior Court of California  
County of Riverside, consolidated actions  
24 Case Nos. RIC 353840, RIC 344436,  
RIC 344668.

Judicial Council Coordination Proceeding No.  
4408

Santa Clara Case No. 1-05-CV-049053

Assigned to the Honorable Jack Komar  
Dept. 1

**ANAVERDE LLC'S CASE  
MANAGEMENT STATEMENT**

**Date: August 11, 2008**

**Time: 9:00 a.m.**

**Dept: 1**

Phase 2 Trial: October 6, 2008

1 Cross-Defendant Anaverde LLC (“Anaverde”)<sup>1</sup> hereby submits the following Case  
2 Management Statement as requested by this Court’s July 21, 2008 Minute Order. At the hearing,  
3 the Court requested input concerning the ordering of issues and other pre-trial matters leading up  
4 to the October 6, 2008 Phase 2 trial.

5 Anaverde owns and is developing approximately 1,500 acres of land located along the San  
6 Andres Fault in the City of Palmdale. Cross-complainant, Los Angeles County Waterworks No.  
7 40 (“LACWW”), did not serve Anaverde until May 2007. As set forth in Anaverde’s Ex Parte  
8 Application to Extend Time to Disclose Expert Witnesses dated June 24, 2008, Anaverde has been  
9 unable to actively participate in this case since that time due to a bankruptcy proceeding involving  
10 its managing agent. That matter was resolved in late June 2008, and Anaverde is now proceeding  
11 with all deliberativeness to obtain and to assess the available evidence and to develop its defense.

12 Anaverde’s position is simple. It asserts that cross-complainants<sup>2</sup> cannot establish their  
13 claims to prescription because the Anaverde Creek Watershed, upslope to the San Andres Fault, is  
14 a restrained aquifer separate from the waters that the the public water agencies and other  
15 landowners allegedly have been pumping. As the overlying land owner, Anaverde has and  
16 intends to utilize its water rights as part of its development.

17 Anaverde generally agrees with the City of Palmdale and others that this Court should  
18 address the sub-basin issues first since these issues directly bear upon ultimate decisions  
19 concerning the safe yield and overdraft of the Antelope Valley Groundwater Basin. Based upon  
20 \_\_\_\_\_

21  
22 <sup>1</sup> Anaverde has been erroneously identified on the court website as a Plaintiff. On May 9, 2007,  
23 Anaverde attempted to intervene in the case when the Los Angeles County Waterworks No. 40  
24 refused to serve it, despite its knowledge of Anaverde’s potential claim to and need for water.  
Anaverde was finally served on May 22, 2007, after the Court’s ruling on the parameters of the  
Adjudication Basin had already been adjudicated.

25 <sup>2</sup> At this time, it remains unclear whether the public water agencies are the only parties asserting  
26 claims adverse to Anaverde’s interests. As such, this statement is not limited to only the cross-  
27 complainants and public water agencies, and potentially includes all parties claiming a right to the  
water underlying Anaverde’s property.

1 statements made at the July 21, 2008 hearing, it appears that Anaverde and Tejon Ranchcorp  
2 (“Tejon”) may be the only two parties to assert a sub-basin (or separate basin) issue.

3 After the July 21, 2008 hearing, Anaverde immediately signed the Protective Order and  
4 received access to the Technical Committee Report on July 22, 2008. It then made arrangements  
5 for and ultimately received from Los Angeles County Waterworks’ counsel a copy of the backup  
6 technical data (amounting to 16 giga bites of data) on July 30, 2008. Though this informal  
7 discovery has been helpful, it appears to be incomplete (i.e., there are no groundwater elevations  
8 of the wells), and Anaverde has had insufficient time to thoroughly review the information or meet  
9 and confer with any of the public water agencies to supplement it. (See August 6, 2008 Letter to  
10 Jeffrey Dunn requesting supplemental information, Exhibit A hereto.) Anaverde has now served  
11 discovery and, as of this hearing, will have served supplemental discovery in the form of Special  
12 Interrogatories, Requests for Admissions, and Person Most Qualified deposition notices on at least  
13 the cross-complaining water agencies.

14 Despite the short time frame, Anaverde will attempt to meet the dates proposed in the  
15 City of Palmdale’s proposed Case Management Order. As a practical matter, it may have to seek  
16 more time depending upon how matters proceed over the next 45-days and/or request that Tejon’s  
17 separate evidentiary issues be heard first to provide Anaverde slightly more preparation time.  
18 Unlike Anaverde, Tejon has been in the case since 2005, and Anaverde believes that Tejon has  
19 had the opportunity to participate more actively in the Technical Committee proceedings and the  
20 litigation as a whole.<sup>3</sup>

21

22

23 <sup>3</sup> Tejon’s participation in the Technical Committee proceedings is another issue that remains  
24 unclear given the massive amounts of information that Anaverde has had to digest in a short  
25 amount of time. The Technical Committee Report, Appendix A provides the names of sixteen  
26 technical consultants. Appendix A does not, however, provide the names of the individual parties  
27 that hired these sixteen consultants. With regard to the level of involvement, the appendix  
28 provides that “some members joined the Committee later than others.” (Antelope Valley  
Technical Committee – Problem Statement Report, Appendix A, Exhibit B hereto) The list of  
participant members was compiled “without regard to the longevity, continuity, or level of  
(footnote continued)

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Anaverde has no objection with the case proceeding in the Santa Clara Superior Court.

DATED: August 6, 2008

Respectfully submitted,

By: Kimberly A. Huangfu  
Kimberly A. Huangfu  
Attorney for Anaverde LLC

LEWIS BRISBOIS BISGAARD & SMITH LLP  
221 NORTH FIGUEROA STREET, SUITE 1200  
LOS ANGELES, CALIFORNIA 90012  
TELEPHONE 213.250.1800

\_\_\_\_\_  
participation.” (*Id.*)

**PROOF OF SERVICE**

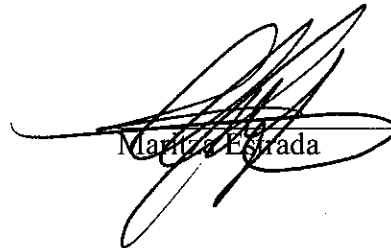
1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

I declare that:

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen years and not a party to the within action. My business address is 221 North Figueroa Street, Suite 1200, Los Angeles, California 90012.

On August 6, 2008, I served **ANAVERDE LLC'S CASE MANAGEMENT STATEMENT** by posting the document(s) listed above to the Santa Clara Superior Court website in regard to the Antelope Valley Groundwater matter.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct, executed on August 6, 2008.

  
Maritza Esrada