EXEMPT FROM FILING FEES UNDER

1

Eric L. Garner, Bar No. 130665

The Judgment does not authorize the Watermaster to file a motion to resolve a dispute between the Parties. The Watermaster is authorized to carry forth its various duties and obligations under Section 18.4 of the Judgment and Physical Solution ("Judgment" or "Physical Solution").<sup>1</sup>

Here, Los Angeles County Waterworks District No. 40 ("District No. 40"), Palmdale Water District, Rosamond Community Services District, Quartz Hill Water District, Littlerock Creek Irrigation District, and Palm Ranch Irrigation District ("Water Suppliers") filed their motion on December 29, 2017, concerning the interpretation of the Court's Physical Solution. Thus, there was no need for or authorization by the Judgment for the Watermaster to file its motion seeking the relief already sought by the Water Suppliers in their motion.

Allowing the Watermaster motion could cause confusion amongst the parties and negatively impact the parties and the Court's resources.

When a dispute arises between the Parties<sup>2</sup>, they are in the best position to articulate their respective legal positions. For that reason the Parties, not the Watermaster, are permitted to file motions challenging the specific areas of disagreement between the Parties. A group of Parties, the Water Suppliers, have already filed a motion authorized by the Judgment to obtain the Court's guidance. The subsequent Watermaster motion was not necessary or authorized by the Judgment.

#### I. THE WATERMASTER IS NOT A PARTY TO THE JUDGMENT

The Watermaster contends it can bring this motion because it is a "Party" to the Judgment "with standing to bring this motion." (Watermaster's Motion at 2:13-16.) Implicit in

<sup>&</sup>lt;sup>1</sup> The Physical Solution was attached as Exhibit A to the Judgment and approved by the Court on December 23, 2015.

<sup>&</sup>lt;sup>2</sup> Undefined capitalized terms used herein shall have the same meaning as the terms are defined in the Physical Solution.

<sup>&</sup>lt;sup>3</sup> Section 3.5.27 of the Physical Solution defines a Party as "Any Person(s) that has (have) been named and served or otherwise properly joined, or <u>has (have) become subject to this Judgment and any prior judgments of this Court in this Action</u> and all their respective heirs, successors-in-interest and assigns. For purposes of this Judgment, a "Person" includes any natural person, firm, association, organization, joint venture, partnership, business, trust, corporation, or public entity." (Emphasis added.)

Parties to the Judgment.<sup>4</sup> (Physical Solution, §6.5 ["The Court retains and reserves full jurisdiction, power and authority for the purpose of enabling the Court, upon a motion of a Party or Parties noticed in accordance with the notice procedures of Paragraph 20.6 hereof, to make such further or supplemental order or directions as may be necessary or appropriate to interpret, enforce, administer or carry out this Judgment and to provide for such other matters as are not contemplated by this Judgment and which might occur in the future, and which if not provided for would defeat the purpose of this Judgment."] [emphasis added].)

The Watermaster is not a "Party" under the Judgment. It is undisputed that "[t]he watermaster serves as an arm of the court." (*Water Replenishment Dist. of Southern Cal. v. City of Cerritos* (2012) 202 Cal.App.4th 1063, 1072.) A watermaster is an extension of the judicial branch and not a party to the lawsuit. To deem otherwise would make this Court a "Party" to these coordinated actions as well.

Also, as "an arm of the court," the Watermaster is not a "Person" as defined by the Judgment that can become a Party. (Physical Solution, § 3.5.27 ["a 'Person' includes any natural person, firm, association, organization, joint venture, partnership, business, trust, corporation, or public entity."].) The Watermaster is composed of five individual Parties. (*Id.*, §§ 3.5.52 [defining the Watermaster as "[t]he Person(s) appointed by the Court to administer the provisions of this Judgment," & 18.1.1 [also defining the Watermaster as "a five (5) member board)"].) Thus, while the individual members of the Watermaster board are "Persons" and "Parties," the Watermaster itself is not a "Person" eligible to be a "Party" under the Judgment.

## II. THE WATERMASTER DID NOT NEED TO BRING ANOTHER MOTION TO SETTLE PARTY DISAGREEMENT

The Watermaster's powers and duties are set forth in Section 18.4 of the Physical

<sup>&</sup>lt;sup>4</sup> The Physical Solution provides limited exceptions to this general rule. (I.e., Physical Solution, §§18.4.10 (Watermaster may bring a motion "as is necessary to enjoin any conduct prohibited by this Judgment"), 18.4.12 [motion to collect assessment], and 18.7 [motion to approve rules and regulations].) None of these exceptions are applicable here.

<sup>- 2 -</sup>

Solution: "Subject to the continuing supervision and control of the Court, the Watermaster shall have and <u>may exercise the following express powers and duties, together with any specific powers and duties set forth elsewhere in this Judgment or ordered by the Court . . . ." (Emphasis added.) In other words, unless the Judgment or the Court specifically authorizes the Watermaster to perform a duty, the Watermaster is not authorized to do so.</u>

After the Water Suppliers filed their motion, neither the Judgment nor the Court authorized the Watermaster to bring forth an additional motion to resolve disputes amongst the Parties. Under the Physical Solution, the Watermaster board votes on matters within its authority, such as whether the Replacement Water Assessment applies to certain pumping. (E.g., Physical Solution, §18.1.2 [Watermaster voting protocol].) Any Party disagreeing with the Watermaster's decision can then bring forth a motion to challenge such decision. (*Id.*, §§ 20.3 [court review of "action, decision, rule, regulation, or procedure of Watermaster or the Watermaster Engineer"], & 20.3.2 ["Any Party may move the Court for review of an action or decision"].)

Here, the Watermaster's Motion indicates that a "unanimous consent of the Board is not possible" concerning the Rampdown and the Carry Over issues. (Watermaster's Motion at 7:22-23.) As a result, the Water Suppliers filed a motion seeking the Court's direction to interpret the Physical Solution on those two issues. (Physical Solution, §6.5.)

By filing its additional motion, the Watermaster will have Parties respond to both its motion as well as the Water Suppliers' previously filed motion. Having to file multiple briefs harms judicial efficiency and increases litigation costs. Moreover, as described below, as the Watermaster is a third party to the disputes between the Parties, it may have misunderstood the nature of the dispute amongst the Parties and have summarized the issues differently from the Water Suppliers. Having duplicative motions that present the issues slightly differently may cause confusion with the Parties and the Court as to the issues in dispute.

#### III. <u>ISSUES IN DISPUTE</u>

As the Water Suppliers have filed their own motion and do not wish to burden the Court and other Parties with repetitive arguments here, they hereby incorporate by reference their motion, dated December 29, 2017, and clarify a few issues that the Watermaster may have

misunderstood.

### A. Rampdown Is A Bargained-For Equitable Solution To An Overdraft Basin. There Are No Pre-Rampdown "Production Rights."

Section 8 of the Physical Solution permits Parties, including the Public Water Suppliers, to gradually reduce their pumping to a certain amount above their Production Rights without paying a Replacement Water Assessment during the Rampdown Period. (Physical Solution, § 8.3.) Contrary to the Watermaster's contention, there is no "Pre-Rampdown Production Right." (Emphasis added). The Judgment does not provide for such a right and California law does not recognize such rights, which is why the Physical Solution does not define Rampdown Production as a "right." Calling the assessment-free Rampdown production a "right" confuses the issues, which may be why the Watermaster finds there is a dispute as to whether the Carry Over provisions, which apply only to Production Rights, 5 also apply to Pre-Rampdown Production.

Rather than a right recognized by law, the Rampdown provisions are a bargained-for, negotiated element of the Physical Solution, by which all Stipulated Parties are bound. (Cf. City of Santa Maria v. Adam (2012) 211 Cal.App.4th 266, 287-288 [physical solution is "an agreed upon or judicially imposed resolution of conflicting claims"]; City of Barstow v. Mojave Water Agency (2000) 23 Cal.4th 1224, 1250 & 1256, fn. 17 ["the physical solution establishes a system of water regulation for the stipulating parties that is independent of their water rights, if any, under traditional application of riparian, overlying or appropriative priorities"; however, a physical solution may not adversely affect non-stipulating parties' water rights] [citation and quotation marks omitted].)

Here, a Rampdown Period was a significant incentive to all Stipulating Parties, including the Public Water Suppliers, to agree to the terms of the Physical Solution during a time when

<sup>&</sup>lt;sup>5</sup> Production Rights are rights to produce a certain amount of Native Safe Yield without any Replacement Water Assessment and Replacement Obligations. (Physical Solution, §3.5.32.)

<sup>&</sup>lt;sup>6</sup> By definition, "Pre-Rampdown Production" is the greater of a Party's Production Right or its reasonable beneficial use of Groundwater at a time prior to the Judgment. (Physical Solution, §3.5.28.) In short, a Party's Pre-Rampdown Production may be higher than its Production Right or the Native Safe Yield. (Compare *id.* with Physical Solution, §3.5.32.)

California was going through one of the most severe droughts in recent history. The Rampdown provisions allow the Parties to gradually reduce their use of water to a sustainable level (e.g., Native Safe Yield). The Public Water Suppliers' Rampdown represents a more than 50 percent reduction in groundwater use by the Public Water Suppliers over a five year timeframe. (Water Suppliers' Motion at 7:14-16.) The Public Water Suppliers, who have an obligation to supply water to Antelope Valley residents and businesses, need the Rampdown as much or even more than other Parties.

### B. <u>Carry Over Provisions Apply To Native Safe Yield And Imported Water</u> Return Flows

Without identifying the nature of the dispute or the contention of the disputing parties, the Watermaster suggests that there is disagreement as to whether all Productions not subject to Replacement Water Assessment (e.g., certain Production during Rampdown Period) can be carried over under Section 15 of the Physical Solution. (Watermaster's Motion at 14:23-15:2 & fn. 10.) To Water Suppliers' knowledge, no such disagreement exists. The purpose of the Carry Over Provision is to avoid encouraging Parties to pump the maximum amount of water each year or risk losing their Production Rights (i.e., Native Safe Yield)<sup>7</sup> or their Rights to Imported Water Return Flows. The Carry Over provisions were never intended to permit groundwater production above the Native Safe Yield to be carried over. To do so would risk harming the Basin.

As the Water Suppliers have withdrawn without prejudice the portions of their Motion concerning the applicability the Carry Over provisions to the unused Federal Reserved Water Right, there does not appear to be any disagreement as to the interpretation of the Carry Over provisions.<sup>8</sup> As such, this portion of the Watermaster's Motion is now moot.

#### IV. CONCLUSION

For the foregoing reasons, the Water Suppliers oppose the Watermaster's Motion, and

<sup>&</sup>lt;sup>7</sup> See, Physical Solution, §3.5.22 ("The total of the Production Rights decreed in this Judgment equals the Native Safe Yield").

<sup>&</sup>lt;sup>8</sup> The Water Suppliers expressly reserve their right to bring forth subsequent motion on the interpretation of the Carry Over provisions.

respectfully request the Court grants Water Suppliers' Motion. BEST BEST & KRIEGER LLP Dated: January 18, 2018 By: JEFFREY V. DUNN WENDY Y. WANG Attorneys for Defendant LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40 

# LAW OFFICES OF BEST BEST & KRIEGER LLP 18101 VON KARMAN AVENUE, SUITE 1000 IRVINE, CALIFORNIA 92612

### PROOF OF SERVICE

I, Isabel Grubbs, declare:

I am a resident of the State of California and over the age of eighteen years, and not a party to the within action; my business address is Best Best & Krieger LLP,300 S. Grand Avenue, 25th Floor, Los Angeles, California 90071. On January 18, 2018, I served the following document(s):

### OPPOSITION TO WATERMASTER'S MOTION FOR ORDER INTERPRETING THE JUDGMENT REGARDING PRE-RAMPDOWN PRODUCTION AND CARRY OVER WATER RIGHTS

by posting the document(s) listed above to the Antelope Valley WaterMaster website with e-service to all parties listed on the websites Service List.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on January 18, 2018, at Los Angeles, California.

Isabel Grubbs

26345.00000\30457695.3