Bob H. Joyce, (SBN 84607) 1 Dave R. Lampe (SBN 77100) 2 Andrew Sheffield (SBN 220735) LAW OFFICES OF 3 LeBeau • Thelen, LLP 5001 East Commercenter Drive, Suite 300 Post Office Box 12092 4 Bakersfield, California 93389-2092 5 (661) 325-8962; Fax (661) 325-1127 Attorneys for DIAMOND FARMING COMPANY, a California corporation 7 8 9 SUPERIOR COURT OF THE STATE OF CALIFORNIA IN AND FOR THE COUNTY OF LOS ANGELES 10 11 12 Coordination Proceeding Special Title Judicial Council Coordination No. 4408 (Rule 1550 (b)) 13 ANTELOPE VALLEY GROUNDWATER Case No.: 1-05-CV-049053 14 **CASES CROSS-COMPLAINT FOR** 15 Included actions: **EQUITABLE AND MONETARY** RELIEF AGAINST ROSAMOND 16 Los Angeles County Waterworks District No. COMMUNITY SERVICES DISTRICT, 40 vs. Diamond Farming Company LOS ANGELES COUNTY 17 WATERWORKS DISTRICT NO. 40, Los Angeles Superior Court Case No. BC 325201 PALMDALE WATER DISTRICT, AND 18 **QUARTZ HILL WATER DISTRICT** Los Angeles County Waterworks District No. 19 40 vs. Diamond Farming Company Kern County Superior Court 20 Case No. S-1500-CV 254348 NFT 21 Diamond Farming Company vs. City of Lancaster 22 **Riverside County Superior Court** Lead Case No. RIC 344436 [Consolidated 23 w/Case Nos. 344668 & 353840] 24 25 /// 26 /// 27 28 CROSS-COMPLAINT FOR EQUITABLE AND MONETARY RELIEF AGAINST ROSAMOND COMMUNITY SERVICES DISTRICT, LOS

ANGELES COUNTY WATERWORKS DISTRICT NO. 40, PALMDALE WATER DISTRICT, AND QUARTZ HILL WATER DISTRICT

## **General Allegations:**

- 1. Rosamond Community Services District (hereinafter "Rosamond") is a County Water District voted into being in 1966, and operating under Division 12 of the California Water Code to provide water for domestic, irrigation, and fire flow, collection and treatment of waste and storm water, maintenance of street lights, graffiti abatement and parks and recreation.
- 2. Los Angeles County Waterworks District 40 (hereinafter "District 40") is a public agency governed by the Los Angeles County board of Supervisors operating under Division 16 of the California Water Code. District 40 was established on November 4, 1993 to provide water service to the public within the Antelope Valley.
- 3. Palmdale Water District (hereinafter "Palmdale") was formed as a public irrigation district in 1918 and operates under Division 11 of the California Water Code and is producing water from the Antelope Valley Water Supply and selling it to its customers.
- 4. Quartz Hill Water District (hereinafter "Quartz Hill") is a county water district organized and operating under Division 12 of the California Water Code and is producing water from the Antelope Valley Water Supply and selling it to its customers.
- 5. Cross-Complainant Diamond Farming, Inc. (hereinafter "Diamond") is a California Corporation that owns and leases overlying land within the Antelope Valley. Diamond owns and operates water wells that draw water from beneath the land for use on the lands for irrigation. Diamond and its predecessors in interest, are currently, and have historically, pumped water from beneath the land for farming.
- 6. Cross-Complainant is ignorant of the true names and capacities of cross-defendants sued herein as ROES 1-200, inclusive, and therefore sue these cross-defendants by such fictitious names. Cross-Complainant will amend this Cross-Complaint to allege their true names and capacities when ascertained. Each reference in this Cross-Complaint to "Purveyors," "the Purveyors," or a specifically named cross-defendant, refers also to all cross-defendants sued under fictitious names.
- 7. Cross-Complainant, is informed and believes, and thereon alleges, that Rosamond, District 40, Palmdale and Quartz Hill (collectively "the Purveyors") began pumping appropriated surplus

water from the Antelope Valley to provide water for their municipal and industrial water customers. At the onset of pumping by the Purveyors, the same was lawful and did not immediately nor prospectively invade or impair any overlying right.

- 8. Over time, the urban areas within the Antelope Valley continued to expand and grow both in land area and population, and thus, over time the Purveyors increased, and today, continue to increase their demand for water. Cross-Complainant, is informed and believes, and thereon alleges, that at some as yet unidentified historical point, the aggregate extractions of groundwater from the Antelope Valley began to exceed the safe yield of the Valley. Despite the potential for damage to the water supply and the rights of owners of real property within the Valley, the Purveyors, with knowledge continued to extract groundwater from the common supply, and increased and continue to increase their extractions of groundwater over time. The Purveyors continued the act of pumping with the knowledge that the continued extractions were damaging, long term, the Antelope Valley and the rights of the property owners, including Diamond, whose land was overlying and within the Antelope Valley.
- 9. Cross-Complainant, is informed and believes, and thereon alleges, that the Purveyors pumped and continue to pump water in excess of the safe yield with the knowing intent and belief that they could take by claim of prescription, without compensation, the water rights of all landowners overlying the Antelope Valley. Despite the knowing intent to take the overlying property landowners' rights, no Purveyor took any steps calculated and intended to inform or otherwise notify any landowner of their adverse and hostile claim or that their pumping of groundwater was an invasion of the landowners' property rights.
- 10. During the material time that each Purveyor was pumping, none physically trespassed upon nor invaded any overlying property. No Purveyor stopped, restricted, interfered with or physically or by regulation reduced Diamond's or any overlying landowner's right and ability to pump groundwater from the Antelope Valley. No Purveyor ever took any affirmative action reasonably calculated to inform or notify any overlying landowner that the Purveyor intended to take by prescription the overlying water rights.

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- 11. Between 1960 and 1980, the Antelope Valley East Kern Water Agency (hereinafter "AVEK") was created to import water from northern California to southern California. As part of its operations, AVEK, in addition to other water importers, have brought and now brings imported water to the Antelope Valley. This imported water was at all material times available for purchase by the Purveyors. Based upon information and belief, it is alleged that the Purveyors consciously chose to not purchase all of the available higher priced imported water to meet their water needs and instead chose to continue to pump and to increase their extractions of groundwater from the Antelope Valley, because, despite the damage to the Valley, groundwater was cheaper than the imported water.
- 12. In late 2004, the Los Angeles County Board of Supervisors unanimously voted to authorize District 40 to file and prosecute the present legal actions which seek a judicial declaration that District 40 has obtained, without compensation and without due process notice, the overlying landowner's appurtenant water rights through the common law doctrine of prescription. Based on this authorization, District 40 filed these actions.
- 13. For the five years immediately preceding the filing of its Quiet Title actions, Diamond Farming did not have actual knowledge that any Purveyor's pumping of groundwater was adverse to or hostile to its present and/or future priority rights.
- 14. For the five years immediately preceding the filing of Diamond's Quiet Title actions, no landowner had actual knowledge that any Purveyor's pumping of groundwater was adverse to or hostile to its present and/or future priority rights.
- 15. In January 2006, the Purveyors identified herein jointly filed the present Cross-Complaint in place of the original Complaint seeking to obtain a judicial declaration that they had obtained the overlying landowner's water rights, without compensation, within the Antelope Valley through the common law doctrine of prescription.
- 16. None of the purveyors have invoked the power of eminent domain nor paid any compensation to Diamond or any other overlying owner of land located within Antelope Valley for the property rights they have allegedly and knowingly taken.

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(Declaratory Relief Against Los Angeles County Waterworks District 40 to Determine Validity and Applicability of Statute)

- 17. Cross-Complainant refers to and incorporates, as though fully set forth herein, paragraphs 1 through 16, inclusive, of this Cross-Complaint.
- 18. In or about 1951, the Legislature of the State of California enacted Sections 55000 et seq. of the Water Code, known as the County Waterworks District Law, hereinafter referred to as the "Waterworks Statutes." In 1953, the legislature added section 55370. This section, since its adoption has been, and now is, in full force and effect. This statute provides as follows:

"A district may acquire property by purchase, gift, devise, exchange, descent, and eminent domain. The title to all property which may have been acquired for a district shall be vested in the district."

- 19 District 40 contends that section 55370 of the Water Code does not apply to, or limit in any manner, its acquisition of any overlying landowner's water rights within the Antelope Valley and that, despite its status as a public entity, Article 1, Section 19 of the California Constitution, and the 5th Amendment to the Federal Constitution, it is nonetheless empowered to acquire private property for public use through the common law doctrine of prescription, without due process and without compensation.
- 20. Diamond contends that the statute is constitutional, and when conjoined with the California state and Federal Constitutions, limits the method, manner and mode by which District 40 may acquire private property for a public use and the rights appurtenant thereto. By virtue of the actions of District 40 and the Board of Supervisors as set forth above, an actual controversy has arisen and now exists between District 40 and Diamond concerning their respective rights, duties, and responsibilities under that statute and both Constitutions.
- 21. Diamond desires a declaration of its rights with respect to the constitutionality and application or nonapplication of the statute and asks the court to make a declaration of such rights, duties, and responsibilities, and to make a declaration as to the validity and constitutionality of the statute. Diamond seeks a declaration that the effort of the district is, without compensation, ultra vires

and unconstitutional. Such a declaration is necessary and appropriate at this time in order that Diamond's property rights be protected and to ensure that District 40 proceeds according to the law and Constitution of the state and the Federal Constitution. There are no administrative remedies available to Diamond.

- 22. A timely declaration by this court is urgent for the following reasons: by way of this action District 40 is seeking to adjudicate, enjoin and take the property rights of Diamond and thousands of other parties who own property overlying the Antelope Valley, absent a timely declaration by this court prior to or at the time District 40 seeks an adjudication, an injustice will result from the improper awarding of property rights to District 40 should this statute be later found to apply to District 40.
- 23. Diamond and numerous other private parties will suffer irreparable and lasting injury unless declaratory relief is granted.

### **Second Cause of Action**

(Declaratory Relief Against Palmdale Water District to Determine Validity of Statute)

- 24. Cross-Complainant refers to and incorporates, as though fully set forth herein, paragraphs 1 through 16, inclusive, of this Cross-Complaint.
- 25. In or about 1943, the Legislature of the State of California enacted Sections 20500 et seq. of the Water Code, known as the Irrigation District Law, hereinafter referred to as the "Irrigation Statutes." In 1943, the legislature added section 22456. This section, since its adoption has been, and now is, in full force and effect. This statute provides as follows:

"The district may exercise the right of eminent domain to take any property necessary to carry out its purposes."

26. Palmdale contends that section 22456 of the Water Code does not act to limit, in any manner, the mode or method of acquiring an overlying landowner's water rights within the Antelope Valley and that, despite its status as a public entity, Article 1, Section 19 of the California Constitution, and the 5th Amendment to the Federal Constitution, it is nonetheless empowered to acquire private property for public use through the common law doctrine of prescription, without due process and without compensation.

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- 27. Diamond contends that the statute is constitutional, and when conjoined with the California state and Federal Constitutions, limits the method, manner and mode by which Palmdale may acquire private property for a public use and the rights appurtenant thereto by declaring that the only legal right of the district to take possession of land without consent of the owners is under its power of eminent domain. By virtue of Palmdale's actions as set forth above, an actual controversy has arisen and now exists between Palmdale and Diamond concerning their respective rights, duties, and responsibilities under that statute and both Constitutions.
- 28. Diamond desires a declaration of its rights with respect to the constitutionality and application or nonapplication of the statute and asks the court to make a declaration of such rights, duties, and responsibilities, and to make a declaration as to the validity and constitutionality of the statute. Diamond seeks a declaration that the effort of the district is, without compensation, ultra vires and unconstitutional. Such a declaration is necessary and appropriate at this time in order that Diamond's property rights be protected and to ensure that Palmdale proceeds according to the law and Constitution of the state and the Federal Constitution. There are no administrative remedies available to Diamond.
- 29. A timely declaration by this court is urgent for the following reasons: by way of this action Palmdale is seeking to adjudicate, enjoin and take the property rights of Diamond and thousands of other parties who own property overlying the Antelope Valley, absent a timely declaration by this court prior to or at the time Palmdale seeks an adjudication, injustice will result from the improper awarding of property rights to Palmdale should this statute be later found to limit the method by which Palmdale may forcibly acquire property rights.
- 30. Diamond and numerous other private parties will suffer irreparable and lasting injury unless declaratory relief is granted.

### **Third Cause of Action**

(Declaratory Relief Against Rosamond and Quartz Hill to Determine Validity of Statute)

31. Cross-Complainant refers to and incorporates, as though fully set forth herein, paragraphs 1 through 16, inclusive, of this Cross-Complaint.

32. In or about 1949, the Legislature of the State of California enacted Sections 30000 et seq. of the Water Code, known as the County Water District Law, hereinafter referred to as the "County Water Statutes." In 1975, the legislature amended section 31040. This amended statute became operative on July 1, 1976 and since then, has been, and now is, in full force and effect. This section provides as follows:

"A district may take any property necessary to carry out the business of the district by grant, purchase, gift, devise, condemnation, or lease with or without the privilege of purchase."

- 33. Rosamond and Quartz Hill contend that section 31040 of the Water Code does not act to limit, in any manner, the mode or method by which they may acquire an overlying landowner's water rights within the Antelope Valley and that, despite their status as public entities, Article 1, Section 19 of the California Constitution, and the 5th Amendment to the Federal Constitution, they are nonetheless empowered to take private property for public use through the common law doctrine of prescription, without due process and without compensation.
- 34. Diamond contends that the statute is constitutional, and when conjoined with the California state and Federal Constitutions, limits the method, manner and mode by which Rosamond and Quartz Hill may acquire private property for a public use and the rights appurtenant thereto by declaring that the only legal right of the districts to take possession of property without consent of the owners is under its power of eminent domain. By virtue of Rosamond's and Quartz Hill's actions as set forth above, an actual controversy has arisen and now exists between Rosamond, Quartz Hill and Diamond concerning their respective rights, duties, and responsibilities under that statute and both Constitutions.
- 35. Diamond desires a declaration of its rights with respect to the constitutionality and application or nonapplication of the statute and asks the court to make a declaration of such rights, duties, and responsibilities, and to make a declaration as to the validity and constitutionality of the statute. Diamond seeks a declaration that the effort of the district is, without compensation, ultra vires and unconstitutional. Such a declaration is necessary and appropriate at this time in order that Diamond's property rights be protected and to ensure that Rosamond and Quartz Hill proceed according to the law

and Constitution of the state and the Federal Constitution. There are no administrative remedies available to Diamond.

- 36. A timely declaration by this court is urgent for the following reasons: by way of this action Rosamond and Quartz Hill are seeking to adjudicate, enjoin and take the property rights of Diamond and thousands of other parties who own property overlying the Antelope Valley, absent a timely declaration by this court prior to or at the time Rosamond and Quartz Hill seek an adjudication, injustice will result from the improper awarding of property rights to Rosamond and/or Quartz Hill should this statute be later found to apply.
- 37. Diamond and numerous other private parties will suffer irreparable and lasting injury unless declaratory relief is granted.

#### **Fourth Cause of Action**

(Declaratory Relief Against District 40, Palmdale, Rosamond and Quartz Hill to Determine

Applicability of California Constitution.)

- 38. Cross-Complainant refers to and incorporates, as though fully set forth herein, paragraphs 1 through 37, inclusive, of this Cross-Complaint.
  - 39. Article 1 Section 19 of the California Constitution provides as follows:

"Private property may be taken or damaged for public use only when just compensation, ascertained by a jury unless waived, has first been paid to, or into court for, the owner. The Legislature may provide for possession by the condemnor following commencement of eminent domain proceedings upon deposit in court and prompt release to the owner of money determined by the court to be the probable amount of just compensation."

- 40. The purveyors contend that, even though they are political subdivisions who are vested with the power of eminent domain, they are nonetheless legally permitted to take private property for public use without first paying just compensation.
- 41. Diamond contends that the use of the word "only" within Article 1 Section 19 is a clear temporal limitation on the Purveyor's lawful ability to take private property for the public benefit to only those instances where just compensation has first been paid. By virtue of the purveyor's actions as set forth above, an actual controversy has arisen and now exists between the purveyors and Diamond concerning their respective rights, duties, and responsibilities.

- 42. Diamond desires a declaration of its rights with respect to the application or nonapplication of Article 1 Section 19 to the purveyors and asks the court to make a declaration of such rights, duties, and responsibilities. Such a declaration is necessary and appropriate at this time in order that Diamond's property rights may be protected and to insure that the municipal purveyors proceed according to the California Constitution. There are no administrative remedies available to Diamond.
- 43. A timely declaration by this court is urgent for the following reasons: by way of this action the purveyors are seeking to adjudicate, enjoin and take the property rights of Diamond and thousands of other parties who own property overlying the water supply without first paying just compensation therefor, absent a timely declaration by this court, injustice will result from the improper taking of the Diamond's property rights should Article 1 section 19 of the California Constitution be found to apply.
- 44. Diamond and numerous other private parties will suffer irreparable and lasting injury unless declaratory relief is granted.

#### Fifth Cause of Action

(Declaratory Relief Against District 40, Palmdale, Rosamond and Quartz Hill to Determine Applicability of Constitutional Article.)

- 45. Cross-Complainant refers to and incorporates, as though fully set forth herein, paragraphs 1 through 44, inclusive, of this Cross-Complaint.
  - 46. Article 1 Section 19 of the California Constitution provides as follows:

"Private property may be taken or damaged for public use only when just compensation, ascertained by a jury unless waived, has first been paid to, or into court for, the owner. The Legislature may provide for possession by the condemnor following commencement of eminent domain proceedings upon deposit in court and prompt release to the owner of money determined by the court to be the probable amount of just compensation."

- 47. The purveyors contend that, even though they are political subdivisions who are vested with the power of eminent domain, they are nonetheless legally allowed to take private property for public use through prescription or adverse possession and without compensation.
- 48. Diamond contends that the use of the word "only" within Article 1 Section 19 is a clear limitation on the Purveyor's authority and the manner in which they may take private property for the

public benefit. That this limitation forecloses the ability of any governmental entity to take or acquire private property for a public use under a theory of prescription or adverse possession. By virtue of the purveyor's actions as set forth above, an actual controversy has arisen and now exists between the purveyors and Diamond concerning their respective rights, duties, and responsibilities.

- 49. Diamond desires a declaration of its rights with respect to the application or nonapplication of Article 1 Section 19 to the purveyors' prescription claims and asks the court to make a declaration of such rights, duties, and responsibilities. Such a declaration is necessary and appropriate at this time in order that Diamond's property rights may be protected and to insure that the municipal purveyors may proceed according to the California Constitution. There are no administrative remedies available to Diamond.
- 50. A timely declaration by this court is urgent for the following reasons: by way of this action the purveyors are seeking to adjudicate and enjoin the property rights of Diamond and thousands of other parties by avoiding the due process protections provided to these landowners under Code of Civil Procedure sections 1230.010 through 1237.040. Absent a timely declaration by this court, injustice will result from the improper use and adjudication of the cross-defendants' property rights should Article 1 section 19 of the California Constitution be found to apply.
- 51. Diamond and numerous other private parties will suffer irreparable and lasting injury unless declaratory relief is granted.

## **Sixth Cause of Action**

(Declaratory Relief Against District 40, Palmdale, Rosamond and Quartz Hill to Determine

Applicability of Constitution.)

- 52. Cross-Complainant refers to and incorporates, as though fully set forth herein, paragraphs 1 through 51, inclusive, of this Cross-Complaint.
  - 53. Article I Section 7 of the California Constitution provides in pertinent part as follows: "A person may not be deprived of life, liberty, or property without due process of law or denied equal protection of the laws; . . ."

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The  $5^{th}$  Amendment to the Constitution as applied by the  $14^{th}$  Amendment in relevant part provides:

"No person shall . . . be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation."

- 54. The purveyors contend that, even though they are political subdivisions who are uniquely invested with the power of eminent domain, they are allowed to surreptitiously take private property for public use by prescription or adverse possession without providing substantive or procedural due process of law to each overlying landowner. The Purveyors contend that prescription commences with "overdraft," and that presumed or constructive notice is sufficient.
- Amendment as applied by the 14<sup>th</sup> Amendment of the Federal Constitution, mandates that governmental entities must provide substantive and procedural due process of law when taking private property for a public use. Diamond contends that the prescriptive period cannot commence until the governmental entity takes affirmative action designed and intended to give notice and inform the overlying landowners of the governmental entity's adverse and hostile claim. Diamond further contends that this limitation forecloses the ability of any governmental agency to take or acquire private property for a public use when constitutionally sufficient due process notice has not been provided to the land owner. By virtue of the purveyor's actions as set forth above, an actual controversy has arisen and now exists between the purveyors and Diamond concerning their respective rights, duties, and responsibilities.
- 56. Diamond desires a declaration of its rights with respect to the application or nonapplication of Article I Section 7 and the 5<sup>th</sup> Amendment to the U.S. Constitution to the purveyors' prescription claims and asks the court to make a declaration of such rights, duties, and responsibilities. Such a declaration is necessary and appropriate at this time in order that Diamond's property rights may be protected and to insure that the municipal purveyors may proceed according to the California Constitution. There are no administrative remedies available to Diamond.
- 57. A timely declaration by this court is urgent for the following reasons: by way of this action the purveyors are seeking to adjudicate and enjoin the property rights of Diamond and thousands of other parties by avoiding the due process protections provided to these landowners under Article I

Section 7, the 5<sup>th</sup> and 14<sup>th</sup> Amendments and Code of Civil Procedure sections 1230.010 through 1237.040. Absent a timely declaration by this court, injustice will result from the improper use and adjudication of Diamond's property rights should the foregoing constraints and statutory mandate be found applicable.

58. Diamond and numerous other private parties will suffer irreparable and lasting injury unless declaratory relief is granted.

#### **Seventh Cause of Action**

(Declaratory Relief Against District 40, Palmdale, Rosamond and Quartz Hill.)

- 59. Cross-Complainant refers to and incorporates, as though fully set forth herein, paragraphs 1 through 16, inclusive, of this Cross-Complaint.
- 60. Diamond Farming, Inc. is the owner and/or lessee of real property located in both Kern County and Los Angeles County. Diamond's properties overly the Antelope Valley. Located on Diamond's property are water wells which produce water from the Supply. Diamond and or its predecessors in interest, have continually produced water from these wells without restriction and in quantities as were needed to perform its farming and irrigation operations from year to year.
- 61. Based on information and belief, it is alleged that Purveyors all pump groundwater from the Antelope Valley and then sell it to other individuals and entities who reside within Kern County and Los Angeles Counties.
- 62. An actual controversy has arisen and now exists between Diamond and the Purveyors concerning their respective rights and duties in that the Purveyors contend that they have been pumping water during a continuous 5 year period during which the common supply has been in a state of overdraft; that this pumping has resulted in a reversal of the common law legal priority granted to overlying land owners pursuant to the common law doctrine of prescription. Whereas, Diamond disputes this contention and contends that by continuing to pump groundwater from the wells on its land, and by continuing to thus meet all of the water needs to perform its farming operations, Diamond has preserved and maintained its priority rights to the use of groundwater.

- 63. Diamond desires a judicial determination of each party's rights and duties, and a declaration as to the status of each party's priority rights to the water in the Valley whether they be overlying, appropriative or prescriptive.
- 64. A judicial declaration is necessary and appropriate at this time under the circumstances in order that Diamond may ascertain its rights and duties relating to production of water from the Antelope Valley.

## **Eighth Cause of Action**

(Declaratory Relief Against District 40, Palmdale, Rosamond and Quartz Hill.)

- 65. Cross-Complainant refers to and incorporates, as though fully set forth herein, paragraphs 1 through 16, inclusive, of this Cross-Complaint.
- 66. AVEK and others provide the Antelope Valley with water imported from northern California. This imported water was and is available for purchase by the Purveyors.
- 67. Despite having knowledge that the pumping of groundwater in excess of the safe yield caused damage, and despite the knowledge and belief that continued pumping would damage the rights of the landowners whose property overlies the water supply, the Purveyors have failed and refused to slow, stop or reduce their groundwater extractions from the supply and/or to supplement or replace their water needs from the available imported AVEK water.
  - 68. The California Constitution, Article X, section 2 provides, in pertinent part, as follows:

"It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare. The right to water or to the use or flow of water in or from any natural stream or water course in this State is and shall be limited to such water as shall be reasonably required for the beneficial use to be served, and such right does not and shall not extend to the waste or unreasonable use or unreasonable method of use or unreasonable method of diversion of water. . . ."

69. An actual controversy has arisen and now exists between Diamond and each Purveyor concerning their respective rights and duties in that Diamond contends that the Purveyor's continued dependance on, and use of, the groundwater, their continued and increased extractions of groundwater

from the common supply, with knowledge that the extractions exceed the safe yield, and their failure and/or refusal to take all of the available imported water, is unreasonable and constitutes a waste in violation of Article X, Section 2 of the California Constitution. The Purveyors dispute these contentions and contend that their dependance on groundwater, their continued and increasing extractions of groundwater from the Antelope Valley in excess of the safe yield and their failure and refusal to take all of the available imported water is reasonable and does not constitute waste of groundwater and/or available imported water under Article X, Section 2 of the California Constitution.

- 70. Diamond desires a declaration of its rights with respect to the constitutionality and application or nonapplication of Article X, Section 2 to the Purveyors' actions and asks the court to make a declaration of such rights, duties, and responsibilities, and to make a declaration as to the validity and constitutionality of the Article X, Section 2. Such a declaration is necessary and appropriate at this time in order that Diamond's property rights may be protected and to insure that the Purveyors may proceed under the law and cause no further damage to Diamond or property overlying the water supply. There are no administrative remedies available to Diamond.
- 71. A timely declaration by this court is urgent for the following reasons: by way of this action, the Purveyors are seeking to have the court ratify their method and choice of water usage and declare that they have the right to continue to extract groundwater from the Valley in excess of the safe yield and to continue to cause damage to the Valley itself as well as to the land overlying the water supply, absent a timely declaration by this court prior to or at the time the Purveyors seek adjudication, an injustice will result from the improper validation of the Purveyors' water usage should this constitutional provision be found to apply to the Purveyors.
- 72. Diamond and numerous other private parties will suffer irreparable and lasting injury unless declaratory relief is granted.

### **Ninth Cause of Action**

(Declaratory Relief Against District 40, Palmdale, Rosamond and Quartz Hill.)

73. Cross-Complainant refers to and incorporates, as though fully set forth herein, paragraphs 1 through 16, inclusive, of this Cross-Complaint.

74. On January 8, 2006, the Purveyors filed a Cross-Complaint in this matter seeking to implement policy objectives which were stated in paragraph 1 as follows:

"To promote the general public welfare in the Antelope Valley; protect the public water supplier's rights to pump groundwater and provide water to the public; protect the Antelope Valley from a loss of the public's water supply; prevent degradation of the quality of the public groundwater supply; stop land subsidence; and avoid higher water costs to the public."

- 75. In order to implement these policy objectives, the Purveyors have brought a cause of action against all owners of property overlying the Antelope Valley seeking the imposition of a "physical solution" that would manage the groundwater supply by augmenting the water supply, manage the pumping and storage of water and impose monetary assessments on water extraction from the supply.
- An actual controversy has arisen and now exists between Diamond and the Purveyors concerning their respective rights and duties in that Diamond contends that it is a violation of the Constitutional doctrine of the separation of powers for this Court to implement the Purveyors' policy objectives as they are by nature legislative actions, subject to the provisions of the California Environmental Quality Act (hereinafter "CEQA"; Public Resources Code sections 21000-21177.) That the requirements of CEQA are both procedural (requiring notice, disclosure and a review process) and substantive (by requiring public agencies to take affirmative measures to avoid environmental harm and to also protect the citizens and landowners of the State of California.)
- 77. The Purveyors contend that they may use the judicial system to circumvent CEQA and impose by judicial fiat what should be a legislative policy. In doing so, they seek to avoid providing the public with the required disclosures and evaluations, and thereby deny Diamond and the public their procedural and substantive protections required by CEQA.
- 78. Diamond desires a judicial determination of the Purveyors' rights and duties, and a declaration as to the application of Public Resources Code sections 21000-21177 to any proposed water management plan sought to be implemented by judicial decree by the Purveyors. That the legislative protections afforded to the public under CEQA cannot be ignored or subverted by resorting to the court to implement the Purveyor's plan, and that such a request of this Court induces a violation of the doctrine of the separation of powers.

79. A judicial declaration is necessary and appropriate at this time under the circumstances in order that Diamond may ascertain its rights and duties relating to production of water from the Antelope Valley.

#### **Tenth Cause of Action**

(Declaratory Relief Against District 40, Palmdale, Rosamond and Quartz Hill.)

- 80. Cross-Complainant refers to and incorporates, as though fully set forth herein, paragraphs 1 through 16, inclusive, of this Cross-Complaint.
- 81. On January 8, 2006, the Purveyors filed a Cross-Complaint in this matter seeking to implement policy objectives which were stated in paragraph 1 as follows:

"To promote the general public welfare in the Antelope Valley; protect the public water supplier's rights to pump groundwater and provide water to the public; protect the Antelope Valley from a loss of the public's water supply; prevent degradation of the quality of the public groundwater supply; stop land subsidence; and avoid higher water costs to the public."

- 82. In order to implement these policy objectives, the Purveyors have brought a cause of action against all owners of property overlying the Antelope Valley seeking the imposition of a "physical solution" that would manage the groundwater supply by augmenting the water supply, manage the pumping and storage of water and impose monetary assessments on water extraction from the supply.
- An actual controversy has arisen and now exists between Diamond and the Purveyors concerning their respective rights and duties in that Diamond contends that it is a violation of the Constitutional doctrine of the separation of powers for this Court to implement the Purveyors' policy objectives as they are by nature legislative and executive actions that are within the power of the Purveyors to enact by following the statutory requirements set forth in Water Code sections 10700-10795.20. These sections of the Water Code provide the procedural method by which the Purveyors must implement a ground water management plan and also ensures constitutionally required process through the required public hearings, notice, and publication of the proposed management plan, and the opportunity for public discourse, input and objection.
- 84. The Purveyors contend that they may use the judicial system to impose by judicial fiat what would otherwise be done through legislative action. In doing so, they seek to avoid providing the

public with the required notice, hearing and disclosures and deny them their procedural and substantive protections provided by the Constitution and the Water Code sections 10700-10795.20..

- 85. Diamond desires a judicial determination of the Purveyors' rights and duties, and a declaration as to the application and propriety of Water Code sections 10700-10795.20 to the proposed water management project sought to be implemented by the Purveyors. That the legislative protections afforded to the public under the Water Code may not be ignored or subverted by the filing of a legal action by a public agency, and that such action requests this court to violate the doctrine of separation of powers.
- 86. A judicial declaration is necessary and appropriate at this time under the circumstances in order that Diamond may ascertain its rights and duties relating to its continued production of water from the Antelope Valley.

#### **Eleventh Cause of Action**

(Declaratory Relief Against District 40, Palmdale, Rosamond and Quartz Hill.)

- 87. Cross-Complainant refers to and incorporates, as though fully set forth herein, paragraphs 1 through 16, inclusive, of this Cross-Complaint.
- 88. Commencing with the filing of the original Answers to the action by Diamond against the named Purveyors, each Purveyor has claimed that the Antelope Valley was in a state of "overdraft" for more than five (5) years prior to the filing of that Complaint.
- 89. Based on information and belief, it is alleged that immediately prior to, during and after the same claimed five year period of "overdraft" claimed by the Purveyors, the purveyors have continued to approve the issuance of well permits to Diamond and others, approve large scale developments and have authorized others thus increasing demand for groundwater pumped by the Purveyors from the Antelope Valley. In performing their ministerial and discretionary functions, each purveyor has acknowledged that the additional well permits, hook ups and added residential, industrial and commercial developments, and the concomitant increased pumping of ground water caused thereby, would not, and did not, have under CEQA an adverse affect on the water supply available from the Antelope Valley.

90. An actual controversy has arisen and now exists between Diamond and each Purveyor concerning their respective rights and duties in that Diamond contends that the Purveyors are barred from claiming that the Antelope Valley is in a state of "overdraft" during the time that they have authorized, permitted and approved new and increased pumping from the supply pursuant to Evidence Code section 623. The purveyors deny Diamond's contentions and assert that they may assert overdraft as an element of their prescription claims. Section 623 provides as follows:

"Whenever a party has, by his own statement or conduct, intentionally and deliberately led another to believe a particular thing true and to act upon such belief, he is not, in any litigation arising out of such statement or conduct, permitted to contradict it."

- 91. Diamond desires a judicial determination of its rights and duties, and a declaration as to the application of the doctrine of equitable estoppel to the Purveyors' ability to claim that the Antelope Valley was in a state of overdraft when the same Purveyors were issuing well permits, will serve letters and adding new water customers and authorizing new large scale development projects under the assertion that there was an available, adequate and appropriate water supply in the Antelope Valley to sustain these permits and projects.
- 92. A judicial declaration is necessary and appropriate at this time under the circumstances in order that Diamond may ascertain its rights and duties relating to its real property that overlies the Antelope Valley.

## **Twelfth Cause of Action**

(Public and Private Nuisance Against District 40, Palmdale, Rosamond and Quartz Hill.)

- 93. Cross-Complainant refers to and incorporates, as though fully set forth herein, paragraphs 1 through 16, inclusive, of this Cross-Complaint.
- 94 Diamond is the owner of land overlying the Antelope Valley. Each of the Purveyors are users of water pumped from the Antelope Valley which underlies Diamond's land.
- 95. Initially, the Purveyors, and each of them, legally used, and maintained water wells that extracted water from the Antelope Valley for public distribution. Over time the increased urbanization and the Purveyors continued and increasing extractions exceeded their legal boundaries, such that the water extracted from the supply has exceeded the ability to naturally recharge the water supply. The

Purveyors have claimed to have knowledge that this continuous and increasing use caused a progressive and chronic decline in long term water supply and the available natural supply is being and has been chronically depleted. Based on the present trends, demand will continue to exceed supply which will cause damage to private rights and ownership of real property.

- 96. The aforementioned extractions of groundwater from the supply constitute a continuing progressive nuisance within the meaning of Section 3479 of the Civil Code, in that it the Purveyors have created a condition in the future supply that is injurious to Diamond's right, in the future, to freely use and exercise its overlying property rights to extract groundwater from the common supply in the customary manner. The Purveyors are attempting, through the combined efforts of their pumping groundwater and this present legal action, to take, and or alter, Diamond's overlying property rights to use and access the Antelope Valley supply.
- 97. In late 1999, Diamond filed an action to protect its free use and access to the Antelope Valley water supply. Despite this action, the Purveyors, and each of them, have continued to and actually have increased their pumping, despite the actual knowledge of the damage caused by that pumping. The Purveyors have refused, and continue to refuse, to stop or reduce their pumping regardless of the damage to Diamond's property rights.
- 98. This nuisance affects, at the same time, a substantial number of persons in that, the Purveyors claim that the continued pumping in excess of the supply's safe yield is, and will, eventually cause a chronic decline in water levels and the available natural supply will be chronically depleted, that, based on the present trends, demand will continue to exceed supply which will continue to cause a reduction in the long term supply. Additionally, the continued pumping by the Purveyors under these conditions will result in the unlawful obstruction of the overlying landowner's rights to use the water supply in the customary manner.
- 99. The Purveyors, and each of them, have threatened to and will, unless restrained by this court, continue to pump groundwater in increasing amounts, and each and every act has been, and will be, without the consent, against the will, and in violation of the rights of Diamond.

- 100. As a proximate result of the nuisance created by the Purveyors, and each of them, Diamond has been, and will be, damaged in a sum to be proven at trial.
- 101. Unless the Purveyors, and each of them, are restrained from increasing their pumping from the supply by order of this court, it will be necessary for plaintiff to commence many successive against each Purveyor, and each of them, to secure compensation for the continuing and repeated damages sustained, thus requiring a multiplicity of suits.
- 102. Should the Purveyors continue to increase their pumping without replenishing the Valley's water supply, Diamond will suffer irreparable injury in that the usefulness and economic value of Diamond's overlying property right will be substantially diminished and Diamond will be deprived of the comfortable, reasonable and beneficial use and enjoyment of its property.
- 103. In maintaining this nuisance, the Purveyors, and each of them, are, and have been, acting with full knowledge of the consequences and damage being caused to Diamond, and their conduct is willful, oppressive, malicious and designed to interfere with and take the Diamond's right to freely access the water supply in its customary manner. Accordingly, each Purveyor has intentionally dirtied hands and no right to involve equity in these actions.

#### **Thirteenth Cause of Action**

(42 U.S.C. A 1983 Against District 40, Palmdale, Rosamond and Quartz Hill.)

- 104. Cross-Complainant refers to and incorporates, as though fully set forth herein, paragraphs 1 through 16, inclusive, of this Cross-Complaint.
- 105. This cause of action is brought under 42 U.S.C. § 1983 to recover damages against the Purveyors for violation of Diamond's right under the 5th and Fourteenth Amendments of the United States Constitution through the Purveyors' taking of Diamond's private property for public use without paying just compensation and depriving Diamond of both substantive or procedural due process of law.
- 106. The Purveyors, and each of them are, and at all times mentioned in this cross-complaint were, governmental entities organized an operating in Los Angeles and/or Kern County in the State of California, organized and existing under the laws of the State of California, with the capacity to sue and be sued.

108. At an as yet unidentified historical point in time, the Purveyors began pumping water from the Antelope Valley as permissive appropriators. Over the course of time, it is believed and therefore alleged, that the aggregate amount of water being extracted from the Valley began to exceed the safe yield resulting in a condition called "overdraft." Diamond is informed and believes and based thereon alleges, that the Purveyors had knowledge of the "overdraft" condition and nonetheless continued pumping and increased their pumping with the specific intent to impair and take all superior overlying property rights to extract groundwater, including Diamonds. Each Purveyor continued to pump and increased its pumping of groundwater believing that given the intervention of the committed public use, that no injunction would issue to restrain and/or compel the Purveyor to reduce its dependence upon groundwater. Each Purveyor contends that despite its status as a governmental entity, it can nonetheless take private property for a public use under a theory of prescription and without compensation. Each Purveyor claims that presumed or constructive knowledge of the overdraft condition is sufficient to commence the running of the statutory prescriptive period. Each Purveyor did not undertake any affirmative action reasonably calculated and intended to provide notice and inform any affected landowner, including Diamond, of its adverse and hostile claim. Each Purveyor contends that it has taken the private property rights of Diamond and others, and committed them to a public use, without following the Constitutional constraints imposed by Article 1, Section 9, of the California Constitution, and the eminent domain law, Code of Civil Procedure Section 1230.010 et seq., and specifically, the substantive and procedural protections contemplated by Code of Civil Procedure Section 1245.230. The acts of the Purveyors were done under the color of state law with the intent of depriving Diamond of its property rights without substantive and procedural due process of law and to avoid payment of compensation to Diamond for the property rights taken in violation of the 5th and 14th Amendments to the United States Constitution.

109. Diamond is informed and believes and thereon alleges that it was subjected to a violation of its right to due process of law prior to the taking of its property and its right to receive just

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compensation when its property is taken for the public benefit. This violation was a direct result of the knowing customs, practices, and policies of the Purveyors.

- 110. The customs, practices, and policies of the Purveyors to prescript or adversely possess the property rights of property owners amounted to deliberate indifference to the rights of persons, such as Diamond, who stand to lose their rights to extract water from the Antelope Valley for use on their property through the surreptitious actions of the Purveyors.
- 111. As a direct and proximate result of the acts of the Purveyors, Diamond has suffered injury, loss, and damage, including a cloud upon its title to its real property, a reduction in value, and the loss of its right in the future to extract and use groundwater from the Valley.

### First Cause of Action

WHEREFORE, cross-complainant prays for a declaratory judgment as follows:

- 1. That the court declare the respective rights, duties, and responsibilities of District 40 and Diamond under the statute in question and that by its declaration and judgment the court declare that the statute applies to District 40 in this matter, and that the statutes is constitutional and valid;
- 2. That District 40 and all others acting in on its behalf, be enjoined from taking property or the rights attendant thereto in any manner not set forth in the provisions of Water Code section 55370;
  - 3. For costs of suit herein incurred; and
  - 4. For such other and further relief as the court deems proper.

#### **Second Cause of Action**

WHEREFORE, cross-complainant prays for a declaratory judgment as follows:

- 1. That the court declare the respective rights, duties, and responsibilities of Palmdale and Diamond under the statute in question and that by its declaration and judgment the court declare that the statute applies to Palmdale in this matter, and that the statutes is constitutional and valid;
- 2. That Palmdale and all others acting in on its behalf, be enjoined from taking property or the rights attendant thereto in any manner not set forth in the provisions of Water Code section 22456;
  - 3. For costs of suit herein incurred; and
  - 4. For such other and further relief as the court deems proper.

### **Third Cause of Action**

WHEREFORE, cross-complainant prays for a declaratory judgment as follows:

- 1. That the court declare the respective rights, duties, and responsibilities of Rosamond and Quartz Hill under the statute in question and that by its declaration and judgment the court declare that Water Code section 31040 applies to Rosamond and Quartz Hill in this matter, and that the statute is constitutional and valid;
- 2. That Rosamond and Quartz Hill and all others acting in on their behalf, be enjoined from taking property or the rights attendant thereto in any manner not set forth in the provisions of Water Code section 31040;
  - 3. For costs of suit herein incurred; and
  - 4. For such other and further relief as the court deems proper.

#### **Fourth Cause of Action**

WHEREFORE, cross-complainant prays for a declaratory judgment as follows:

- 1. That the court declare the respective rights, duties, and responsibilities of the purveyors under Article 1 Section 19 of the California Constitution and that by its declaration and judgment the court declare that Article 1 Section 19 applies to the purveyors in this matter, and that just compensation is a prerequisite to any taking by governmental entities;
- 2. That the purveyors and all others acting in on their behalf, be enjoined from taking property or the rights attendant thereto in any manner not set forth in the provisions of Article 1 Section 19 of the California Constitution;
  - 3. For costs of suit herein incurred; and
  - 4. For such other and further relief as the court deems proper.

#### Fifth Cause of Action

- WHEREFORE, cross-complainant prays for a declaratory judgment as follows:
- 1. That the court declare the respective rights, duties, and responsibilities of the purveyors under Article 1 Section 19 of the California Constitution and that by its declaration and judgment the court declare that Article 1 Section 19 applies to the purveyors in this matter, and that Section 19

# **Eighth Cause of Action**

WHEREFORE, cross-complainant prays for a declaratory judgment as follows:

- 1. That the court declare the respective rights, duties, and responsibilities of the Purveyors and Diamond under the statute in question and that by its declaration and judgment the court declare that the Article X, Section 2 applies and that the Purveyors continued dependence on, and increased use of, groundwater in excess of the safe yield is unreasonable and constitutes waste;
- 2. That the Purveyors and all others acting in on their behalf, be enjoined from engaging in the continued unreasonable and wasteful use of the groundwater in violation of the provisions of Article X, Section 2 of the California Constitution;
  - 3. For costs of suit herein incurred; and
  - 4. For such other and further relief as the court deems proper.

#### **Ninth Cause of Action**

WHEREFORE, plaintiff prays judgment as follows:

- 1. For a declaration that the doctrine of separation of powers prohibits this court from imposing the objectives of he Purveyors upon the groundwater supply; that the implementation of the Purveyors' objectives requires compliance with the California Environmental Quality Act (Public Resources Code sections 21000-21177 to provide the required procedural and substantive protections to the citizens of the State of California.
  - 2. For costs of suit herein incurred; and
    - 3. For such other and further relief as the court may deem proper.

## **Tenth Cause of Action**

- WHEREFORE, plaintiff prays judgment as follows:
- 1. For a declaration that the doctrine of separation of powers prohibits this court from imposing the objectives of he Purveyors upon the groundwater supply; that the implementation of the Purveyors' objectives requires the Purveyors to act pursuant to the requirements of Water Code section 10700-10795.20;

ANGELES COUNTY WATERWORKS DISTRICT NO. 40, PALMDALE WATER DISTRICT, AND QUARTZ HILL WATER DISTRICT

1	3.	For costs of suit	incurred in this action; and
2	4. For such other and further relief as the Court deems proper.		
3	Dated: Janu	ary 2, 2007	LeBEAU • THELEN, LLP
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5			ORIGINAL SIGNED By:
6 7			BOB H. JOYCE Attorneys for DIAMOND FARMING COMPANY, a California corporation
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## 1 PROOF OF SERVICE ANTELOPE VALLEY GROUNDWATER CASES 2 JUDICIAL COUNSEL PROCEEDING NO. 4408 3 CASE NO.: 1-05-CV-049053 4 I am a citizen of the United States and a resident of the county aforesaid; I am over the age of 5 eighteen years and not a party to the within action; my business address is: 5001 E. Commercenter 6 Drive, Suite 300, Bakersfield, California 93309. On January 2, 2007, I served the within 7 CROSS-COMPLAINT FOR EQUITABLE AND MONETARY RELIEF AGAINST ROSAMOND 8 COMMUNITY SERVICES DISTRICT, LOS ANGELES COUNTY WATERWORKS DISTRICT 9 NO. 40, PALMDALE WATER DISTRICT, AND QUARTZ HILL WATER DISTRICT 10 (BY POSTING) I am "readily familiar" with the Court's Clarification Order. 11 Electronic service and electronic posting completed through www.scefiling.org; All papers filed in Los Angeles County Superior Court and copy sent to trial judge and Chair of Judicial Council. 12 13 (BY MAIL) I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. 14 Postal Service on that same day with postage thereon fully prepaid at Bakersfield, California, in the 15 ordinary course of business. 16 (BY FACSIMILE) I placed the above-described document in a facsimile machine 17 (pursuant to California Rules of Court, Rule 2008(e)(1)) with the fax number of (661) 325-1127, addressed as stated above. Upon facsimile transmission of the document, I obtained a report from 18 the transmitting facsimile machine stating that the facsimile transmission was complete and without error. A copy of the transmission report is attached to this Proof of Service pursuant to California 19 Rules of Court, Rule 2008(e)(4).

☐ (BY PERSONAL SERVICE) I caused such envelope to be delivered by hand to the offices of the addressee(s). Executed on \_\_\_\_\_, 2007, at Bakersfield, California.

(STATE) I declare under penalty of perjury under the laws of the State of California that the above is true and correct, and that the foregoing was executed on January 2, 2007, in Bakersfield, California.

ORIGINAL SIGNED

**DONNA M. LUIS** 

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