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6 Attorneys for DIAMOND FARMING COMPANY,
7 a California corporation

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 IN AND FOR THE COUNTY OF LOS ANGELES

12 Coordination Proceeding Special Title
13 (Rule 1550 (b))

Judicial Council Coordination No. 4408

14 ANTELOPE VALLEY GROUNDWATER
15 CASES

Case No.: 1-05-CV-049053

15 Included actions:

DIAMOND FARMING COMPANY'S
CASE MANAGEMENT STATEMENT

16 Los Angeles County Waterworks District No.
17 40 vs. Diamond Farming Company
18 Los Angeles Superior Court
19 Case No. BC 325201

19 Los Angeles County Waterworks District No.
20 40 vs. Diamond Farming Company
21 Kern County Superior Court
22 Case No. S-1500-CV 254348 NFT

21 Diamond Farming Company vs. City of
22 Lancaster
23 Riverside County Superior Court
24 Lead Case No. RIC 344436 [Consolidated
25 w/Case Nos. 344668 & 353840]

DATE: July 20, 2007
TIME: 9:30 a.m.
DEPT: 1

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1 Diamond Farming Company makes the following case management observations:
2 Diamond Farming Company has reviewed the Case Management Statement of Tejon Ranchcorp.
3 Diamond Farming Company agrees that there should be a Court Order establishing a deadline for service
4 of process of the Public Water Suppliers' Cross-Complaint, and that the order should address and ensure
5 that the jurisdictional requirements of the McCarran Act are satisfied. Given the imminency of the
6 scheduled evidentiary hearing for Class Certification, presently scheduled for August 20, 2007, this
7 Court should further refine that order thereafter depending upon the outcome of the Public Water
8 Suppliers' Motion for Class Certification of a defendant class or subclasses as proposed and as pled in
9 the Amended Class Action Cross-Complaint.

10 Diamond Farming Company also agrees that a Phase 2 trial of the most controversy pled claim
11 by the Public Water Suppliers, prescription, be scheduled for early 2008. However, procedurally,
12 Diamond Farming Company believes that it would be more appropriate to schedule a Trial Setting
13 Conference and Pre-Trial Conference shortly after the conclusion of the evidentiary hearing on Class
14 Certification. If Class Certification is denied in whole or in part, as to all or some of the causes of action
15 asserted in the Class Action Cross-Complaint of the Public Water Suppliers, additional or modified
16 orders may be necessary in order to ensure that all necessary and indispensable parties are before the
17 Court (more precisely that all necessary and indispensable real property is subject to the Court's
18 jurisdiction), and thus, the setting of a Trial date prematurely may further complicate rather than expedite
19 a resolution of this litigation. At the conjoined Trial Setting Conference and Pre-Trial Conference when
20 scheduled, as recommended, all parties can then more thoroughly brief and argue the nuances and sub-
21 issues which should be litigated in the Phase 2 trial which would be focused upon the alleged
22 prescriptive rights claimed by each Public Water Supplier.

23 With reference to Tejon Ranchcorp's suggested Order Re Jurisdiction Over Transferees,
24 Diamond Farming Company respectively disagrees with the suggestion and the proposed order made.
25 It is imperative that this Court have jurisdiction over the *res*, the real property, and not be limited to
26 solely *in personam* jurisdiction over the current fee owner. A comprehensive adjudication, as required
27 by the McCarran Act necessary to jurisdiction over the Federal Government, will require that all water
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1 rights be subject to the Court's jurisdiction at the inception of the litigation, and also subject to the
2 Court's jurisdiction at the time of entry of judgment. Thus, interlitigation transfers through conveyance,
3 death, foreclosure, and all other myriad and manner of transferring title, become extremely problematic.
4 In the Memorandum submitted by the Tejon Ranchcorp, dated May 11, 2007, the legal efficacy of the
5 use of a lis pendens was acknowledged but discounted as being unduly burdensome or cumbersome.
6 The alternative proposed is fraught with the inherent risk that individuals will disregard or not comply
7 with the Court's order, and thereby heighten the risk that as this litigation proceeds, title to real property
8 and the water right incident thereto, will be transferred beyond the reach of this Court, thus risking
9 transfers to *bona fide* purchasers for value and thus jeopardizing jurisdiction over the Federal
10 Government.

11 It is respectfully submitted that once the issue of Class Certification either as to all causes of
12 action or some of the causes of action as pled by the Public Water Suppliers has been resolved, that this
13 Court will then be in a better position to fully address jurisdictional issues, service of process issues, as
14 well as the mechanics of proceeding with a Phase 2 trial.

15 Dated: July 19, 2007

LeBEAU • THELEN, LLP

16
17 By: 

18 BOB H. JOYCE
19 Attorneys for DIAMOND FARMING COMPANY,
20 a California corporation
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PROOF OF SERVICE

1 ANTELOPE VALLEY GROUNDWATER CASES
2 JUDICIAL COUNCIL 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
5 of 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 July 19, 2007, I served the within **DIAMOND**
7 **FARMING COMPANY'S CASE MANAGEMENT STATEMENT**

8 ■ (BY POSTING) I am "readily familiar" with the Court's Clarification Order.
9 Electronic service and electronic posting completed through www.scefiling.org ; All papers filed
10 in Los Angeles County Superior Court and copy sent to trial judge and Chair of Judicial Council.

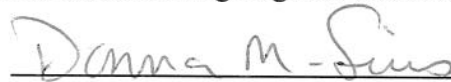
11 Los Angeles County Superior Court
12 111 North Hill Street
13 Los Angeles, CA 90012
14 Attn: **Department 1**
15 (213) 893-1014

Chair, Judicial Council of California
Administrative Office of the Courts
Attn: Appellate & Trial Court Judicial Services
(Civil Case Coordinator)
Carlotta Tillman
455 Golden Gate Avenue
San Francisco, CA 94102-3688
Fax (415) 865-4315

16 □ (BY MAIL) I am "readily familiar" with the firm's practice of collection and
17 processing correspondence for mailing. Under that practice it would be deposited with the U.S.
18 Postal Service on that same day with postage thereon fully prepaid at Bakersfield, California, in
19 the ordinary course of business.

20 □ (OVERNIGHT/EXPRESS MAIL) By enclosing a true copy thereof in a sealed
21 envelope designated by United States Postal Service (Overnight Mail)/Federal Express/United
22 Parcel Service ("UPS") addressed as shown on the above by placing said envelope(s) for ordinary
23 business practices from Kern County. I am readily familiar with this business' practice of
24 collecting and processing correspondence for overnight/express/UPS mailing. On the same day
25 that the correspondence is placed for collection and mailing, it is deposited in the ordinary course
26 of business with the United States Postal Service/Federal Express/UPS in a sealed envelope with
27 delivery fees paid/provided for at the facility regularly maintained by United States Postal Service
28 (Overnight Mail/Federal Express/United Postal Service [or by delivering the documents to an
authorized courier or driver authorized by United States Postal Service (Overnight Mail)/Federal
Express/United Postal Service to receive documents]).

26 ■ (STATE) I declare under penalty of perjury under the laws of the State of
27 California that the above is true and correct, and that the foregoing was executed on July 19,
2007, in Bakersfield, California.


DONNA M. LUIS