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Coordination Proceeding Special Title (Rule 1550(b))

ANTELOPE VALLEY GROUNDWATER

Los Angeles County Waterworks District No. 40 v.

Los Angeles County Waterworks District No. 40 v.

Superior Court of California, County of Kern,

Wm. Bolthouse Farms, Inc. v. City of Lancaster Diamond Farming Co. v. City of Lancaster

Diamond Farming Co. v. Palmdale Water Dist. Superior Court of California, County of Riverside, consolidated actions, Case Nos. RIC 353 840, RIC

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**CASES** 

Included Actions:

Diamond Farming Co.

Diamond Farming Co.

Case No. S-1500-CV-254-348

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12 Superior Court of California, County of Los Angeles, Case No. BC 325 201

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SUPERIOR COURT OF CALIFORNIA

COUNTY OF LOS ANGELES

Judicial Council Coordination Proceeding No. 4408

OPPOSITION TO MOTION FOR PRELIMINARY APPROVAL OF PARTIAL WOOD CLASS SETTLEMENT

The United States opposes the Motion for Preliminary Approval of Partial Class

Settlement and the Motion for Final Approval of Settlement for the Wood Class Stipulation of

Settlement (the "Settlement Agreement"), filed by the California Water Service Company, City

of Lancaster, Palmdale Water District, Quartz Hill Water District, and Rosamond Community

Services District, and Richard Wood, on behalf of himself and the Class. The proposed Wood

Class Settlement Agreement does not comply with the requirements of the McCarran

Amendment which joins the United States as a defendant in a suit for the adjudication of rights to the use of water of a river system or other source. 43 U.S.C.S. § 666(a). The Class Settlement Agreement, while ostensibly defining Class members' rights to the use of water in the Antelope Valley Groundwater Basin, does not amount to a determination of the members' water rights. As a result, it does not further the McCarran goals of a comprehensive adjudication of all rights to water and, in fact, impedes a comprehensive resolution of all Basin water rights.

First, and foremost, the Settlement Agreement does not make or propose to make a determination of the reasonable and beneficial use of the Class members' use of water either individually or collectively. The reasonable and beneficial use of water is a fundamental requisite for all users of water under state law. California Constitution, art. X, § 2; *Tulare Irrigation Dist. v. Lindsay-Strathmore Irrigation Dist.* 3 Cal. 2d 489, 524-525 (1935)(instructing the trial court to make a determination of correlative water right holders reasonable and beneficial use of water). The Class, composed largely of pumpers of small amounts of water for domestic purposes, is expected to have modest demands for water. One estimate is that domestic use is on the order of 1.0 acre-foot per year per household. The proposed Settlement Agreement, however, grants each Class member a use of up to 3 acre-feet of water per year. In a Class of approximately 4,000 users, this settlement could potentially decree to the Class up to 12,000 acre-feet, when actual use may be a substantially smaller volume. Because the Settlement Agreement does not adequately define the reasonable and beneficial water use of the Class members it does not make a determination of the water rights of the Class as required by California law and the McCarran Amendment.

<sup>&</sup>lt;sup>1</sup> The Settlement Agreement "contends" that each Wood Class Member household is entitled to the reasonable and beneficial domestic use of up to 3 acre-feet per year on their overlying land without citing to a source of competent evidence. *See* Settlement Agreement at ¶ C.2.

<sup>&</sup>lt;sup>2</sup> According to the Water Education Foundation, the average California household uses between one-half and one acre-foot of water per year for indoor and outdoor uses. <a href="http://www.water-ed.org/watersources/subpage.asp?rid=9&page=19">http://www.water-ed.org/watersources/subpage.asp?rid=9&page=19</a>.

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<sup>3</sup> The Settlement Agreement requires the non-Class settling parties to present competent evidence and have that evidence incorporated in a Final Judgment, but there appears to be no such requirement for the Class. *See* Settlement Agreement at  $\P$  C.1.

The United States recognizes that this settlement does not bind the non-settling parties and is only effective against the signatories. But this does not mean the Settlement Agreement will have a benign effect on the non-settling parties and their attempt to reach a comprehensive resolution of all claims to water. The proposed Settlement Agreement is subject to "prove-up", or an evidentiary process where the Class must present evidence of its entitlement to the amount of water claimed.<sup>3</sup> In the prove-up phase, the Class's right to up to 12,000 acre-feet of water will be subject to challenge and will likely be opposed by non-settling parties. Consequently, the amount of water the Class may be able to prove it is reasonably and beneficially using could be substantially less than 3.0 acre-feet per Class member. This uncertainty creates a great impediment to a basin-wide settlement where the safe yield of the basin will be divided among all water users. Other parties will not be able to determine, based on the proposed Wood Settlement Agreement, the amount of available safe yield to which their correlative rights will apply. In an overdrafted basin where every acre-foot of water is hotly contested, the doubt over potentially several thousand acre-feet of water will make a full and comprehensive settlement and physical solution that much more difficult.

Should the Court approve a Wood Settlement Agreement at this time the United States respectfully asks that the Order notify the Class that a future phase of litigation will determine the Class members' actual and beneficial uses. Such a determination may limit the eventual decree of Class members' rights to an amount less than the 3.0 acre-feet set forth in the proposed Settlement Agreement. Given the expense and time to notify all Class members of the Settlement Agreement, however, it would be more efficient and less costly to stay consideration of this settlement until evidence is presented on reasonable and beneficial use of the Class members, or a more definite statement on the quantity of water beneficially used by the Class is included in an amended Settlement Agreement.

1	RESPECTFULLY SUBMITTED this 21 <sup>st</sup> day of October 2013.
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3	/s/ R. Lee Leininger
4	/s/ R. Lee Leininger R. LEE LEININGER JAMES J. DuBOIS
5	ATTORNEYS FOR THE UNITED
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