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9 10	Attorneys for Cross-Complainants and Cross-De and 20 of Los Angeles County	fendants County Sanitation Districts Nos. 14
11	SUPERIOR COURT	OF CALIFORNIA
12	COUNTY OF L	OS ANGELES
13		
14	Coordination Proceeding Special Title (Rule 1550(b))	Judicial Council Coordination Proceeding No. 4408
15	ANTELOPE VALLEY GROUNDWATER CASES	ASSIGNED FOR ALL PURPOSES TO: Judge: Honorable Jack Komar
16 17	Included Actions:	CROSS-COMPLAINT OF COUNTY SANITATION DISTRICTS NOS. 14 AND
	Los Angeles County Waterworks District No.	20 OF LOS ANGELES COUNTY
18 19	40 v. Diamond Farming Co. 1; Los Angeles County Waterworks District No. 40 v. Diamond Farming Co.; Wm. Bolthouse	General Civil Case Trial Date: Not Set
20	Farms, Inc. v. City of Lancaster; Diamond Farming Co. v. City of Lancaster; Diamond Farming Co. v. Palmdale Water Dist.	
21		
22	COUNTY SANITATION DISTRICTS NOS. 14 AND 20 OF LOS ANGELES COUNTY, public agencies,	
23	Cross-Complainants and Cross-	
24	Defendants	
25	I .	
25	vs.	
26	LOS ANGELES COUNTY WATERWORKS	

1 IRRIGATION DISTRICT; LITTLEROCK CREEK IRRIGATION DISTRICT; 2 CALIFORNIA WATER SERVICE COMPANY; CITY OF LANCASTER; CITY 3 OF PALMDALE, 4 Cross-Defendants and Cross-Complainants 5 And 6 DIAMOND FARMING COMPANY: 7 WM. BOLTHOUSE FARMS, INC.; **BOLTHOUSE PROPERTIES, INC.:** 8 CITY OF LOS ANGELES; ANTELOPE VALLEY EAST KERN WATER AGENCY; 9 TEJON RANCHCORP; And DOES 1 through 25,000 inclusive, 10 Cross-Defendants. 11 12

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Cross-Complainants and Cross-Defendants County Sanitation Districts Nos. 14 and 20 of Los Angeles County allege as follows:

I. THE PARTIES

1. The County Sanitation Districts of Los Angeles County are independent special districts that serve, among other things, the wastewater treatment and reclamation needs of Los Angeles County. The Districts were formed under the authority provided by the County Sanitation District Act of 1923, Cal. Health & Safety Code §§4700-4857. One of those Districts, Cross-Complainant and Cross-Defendant County Sanitation District No. 14 of Los Angeles County, formed on August 31, 1938, is and at all times mentioned was a local agency formed under the laws of the State of California. Cross-Complainant and Cross-Defendant, County Sanitation District No. 20 of Los Angeles County, formed August 7, 1951, is and at all times mentioned was a local agency formed under the laws of the State of California. Cross-Complainants and Cross-Defendants County Sanitation District Nos. 14 and 20 of Los Angeles County are hereafter collectively referred to as the "Districts." Under Health and Safety Code §

4738, the Districts have the power to bring this action in the name of the Districts.

- 2. The Districts operate wastewater treatment facilities in the Antelope Valley and on behalf of their rate paying customers seek to protect the Districts' rights to retain control over the disposition of their recycled water and to ensure protection of their rights to pump groundwater for use on their overlying property. The Districts currently contribute approximately 21 million gallons per day ("mgd") (23,000 acre-feet per year) to the water supply of the Basin, primarily through sale for direct reuse for irrigation purposes and for habitat maintenance. The Districts intend to pump a portion of the recycled water that has reached the Basin as part of a water quality remediation program pursuant to orders from the Regional Water Quality Control Board Lahontan Region ("RWQCB").
- 3. The Districts have funded and continue to fund costly capital improvements and treatment processes beyond those required by the regulations in order to increase capacity and make higher quality recycled water available to users in the arid Antelope Valley. The Districts expect to charge reasonable rates for the sale of this recycled water. The Districts have also funded initial groundwater extraction and treatment efforts, under orders from the RWQCB, to remediate problems from past recycled water management activities.
- 4. The Districts are informed and believe that the Plaintiff, Los Angeles County Waterworks District No. 40, is a public agency governed by the Los Angeles County Board of Supervisors and lawfully organized to provide water to the public in a large portion of the Antelope Valley.
- 5. The Districts are informed and believe that Diamond Farming Company is a California corporation doing business in Los Angeles County.
- 6. The Districts are informed and believe that Wm. Bolthouse Farms, Inc. is a Michigan corporation doing business in Los Angeles County.
- 7. The Districts are informed and believe that Bolthouse Properties, Inc. is a California Corporation doing business in Los Angeles County.
- 8. The Districts are informed and believe that California Water Service Company is a California corporation that provides water to customers within Los Angeles County.

Quartz Hill Water District, and Rosamond Community Services District ("Municipal Water

Purveyors") are municipal water purveyors.

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- 21. The Districts do not know the capacities of the remaining named Cross-Defendants. The Districts will amend this Cross-Complaint to show the capacities of the remaining named Cross-Defendants when such capacities have been ascertained.
- 22. The Districts do not know the true names and capacities of Cross-Defendants Doe 1 through Doe 25,000, inclusive, and therefore sues said Cross-Defendants under fictitious names. Districts will amend this Cross-Complaint to show the true names and capacities of the Doe Cross-Defendants when such names and capacities have been ascertained.

II. FACTUAL BACKGROUND

A. Physical Setting

- 23. The Antelope Valley is located in Los Angeles and Kern Counties. The Antelope Valley is roughly triangular in shape and encompasses approximately 1,600 square miles in area. The Tehachapi Mountains, which rise to an altitude of approximately 8,000 feet above mean sea level, form the northwestern boundary of the valley. The San Gabriel Mountains, which rise to an altitude of more than 9,000 feet, form the southwestern boundary of the valley.
- 24. The Antelope Valley is a closed topographic basin with no outlet. Underlying the Antelope Valley is the Antelope Valley Groundwater Basin ("Basin"), with geographic boundaries that are smaller in area than the overlying valley, as recently established by this Court.
- 25. All water that enters Antelope Valley either infiltrates into the Basin, evaporates, or flows toward three playa lakes: Rosamond Dry Lake, Rogers Dry Lake, and Buckhorn Dry Lake. In general, groundwater flows in the direction of the playa lakes.
- 26. There is a dispute as to the quantity of water available for use from groundwater, recycled water, and surface water sources in the Antelope Valley.

B. Operations of the Districts

27. District No. 14 owns and operates the Lancaster Water Reclamation Plant ("Lancaster WRP") and also owns certain other property located in Los Angeles County and within the Antelope Valley.

- 28. In 2005, the Lancaster WRP collected and treated an average flow of 12.6 million gallons per day ("mgd") and made available for reuse an average of 12.3 mgd of industrial, commercial, and municipal wastewater from a population of approximately 120,000. The Lancaster WRP provides primary and secondary wastewater treatment; a small portion of the recycled water also receives tertiary treatment and disinfection. The Lancaster WRP is located just north of the City of Lancaster in Los Angeles County.
- 29. The Lancaster WRP produces recycled water that is either retained in storage reservoirs, conveyed to agricultural areas for irrigation use, or delivered to the Piute Ponds or the adjacent impoundment areas. Tertiary treated recycled water, approximately 0.2 mgd, is conveyed to Apollo Lakes Regional County Park.
- 30. District No. 14 is obligated to maintain Piute Ponds under a three-party Letter of Agreement with the California Department of Fish and Game and Edwards Air Force Base. This Letter of Agreement, dated May 6, 1981, requires District No. 14 to discharge effluent from the Lancaster WRP to Piute Ponds at a rate sufficient to maintain a minimum of 200 wetted acres of habitat. Neither the ponds nor their extensive marsh-type habitat would exist if it were not for the discharge of recycled water from the Lancaster WRP.
- 31. The Regional Water Quality Control Board ("RWQCB") issued Waste Discharge Requirements ("WDRs") for the Lancaster WRP on September 11, 2002 (RWQCB Order No. R6V-2002-053). The WDRs contain both water reclamation requirements and waste discharge requirements. The WDRs allow the Lancaster WRP to treat up to 16 mgd.
- 32. In May 2004, District No. 14 released its Final Lancaster Water Reclamation Plant 2020 Facilities Plan after public review and comment (the "2020 Plan"). The 2020 Plan addresses accommodating increasing wastewater flows and fluctuating seasonal demands by increasing wastewater treatment and storage capacity, purchasing additional agricultural land for recycled water reuse, and increasing demand for recycled water treated to tertiary standards.
- 33. District No. 20 owns and operates the Palmdale Water Reclamation Plant ("Palmdale WRP"), and also owns other certain property located in Los Angeles County and within the Antelope Valley.

- 34. In 2005, the Palmdale WRP collected and treated an average flow of 8.4 mgd and made available for reuse all 8.4 mgd of industrial, commercial, and municipal wastewater from a population of approximately 100,000. All Palmdale WRP recycled water is provided primary and secondary treatment, followed by chlorination for disinfection. The Palmdale WRP is located at two sites in an unincorporated area of the County of Los Angeles adjacent to the City of Palmdale.
- 35. The Palmdale WRP currently produces recycled water that is used for irrigation of crops or recharges the groundwater Basin.
- 36. The City of Los Angeles World Airports ("LAWA") is the landowner of the effluent management site ("EMS") where the majority of the District No. 20's recycled water is applied to land.
- 37. The Regional Water Quality Control Board ("RWQCB") issued Waste Discharge Requirements ("WDRs") for the Palmdale WRP on June 14, 2000 (RWQCB Order No. 6-00-57). The waste discharge requirements contain both water reclamation requirements for various reuse projects and waste discharge requirements for the land application at the EMS. The WDRs allow the Palmdale WRP to treat up to 15 mgd.
- 38. Order No. 6-00-57 required District No. 20 to submit a corrective action plan, an effluent disposal plan, and a farm management plan to investigate and mitigate nitrate levels in the groundwater underlying the EMS. District No. 20 has submitted and is currently implementing these plans.
- 39. On November 12, 2003, the RWQCB issued Cleanup and Abatement Order No. R6V-2003-056 to further address levels of nitrate in groundwater. Order No. R6V-2003-056 requires District No. 20 to perform cleanup activities (via plume delineation, plume containment and plume remediation), and to propose and implement abatement actions to ultimately reduce the amount of nitrogen that may reach groundwater.
- 40. In October, 2004, the RWQCB issued Cease and Desist Order No. R6V-2004-039 which requires, among other things, that District No. 20 eliminate land application of recycled water by October 15, 2008.

- 41. In September 2005, District No. 20 adopted the Final Palmdale Water Reclamation Plant 2025 Facilities Plan and Environmental Impact Report ("2025 Plan"). The 2025 Plan addresses the three primary needs of providing wastewater management for an increasing population, increasing regulatory requirements, and increasing demand for recycled water. District No. 20 addressed the projected population increase by proposing to increase the treatment and effluent management capacity, and addressed the increasing regulatory requirements and recycled water demand by increasing the level of treatment and purchasing additional lands for storage reservoir and recycled water reuse. The recommended alternative proposed in the plan is to provide tertiary treatment for 22.4 mgd.
- 42. California Water Code section 1210 provides that the owner of a wastewater treatment plant holds the exclusive right to the recycled water as against anyone who has supplied the water discharged into the wastewater collection system, absent another agreement. The Districts own and operate the Lancaster WRP and the Palmdale WRP, the largest wastewater treatment plants in the Basin, for the exclusive purpose of treating wastewater. The Districts have made no agreements allowing any supplier of wastewater to their WRPs to retain the rights to this water.
- 43. The Districts have contracts to deliver more than 14 mgd (15,000 af) per year of recycled water from both Antelope Valley WRPs to users within the Basin.

III. FIRST CAUSE OF ACTION

(For Declaratory Relief – Statutory Rights to Recycled Water – Against All Parties)

- 44. The Districts allege and incorporate by reference herein allegations in paragraphs 1 through 43, inclusive.
- 45. An actual controversy has arisen and now exists between Districts and Cross-Defendants, to the extent any or all of them claim any right to the Districts' treated effluent or demand specific disposition of the effluent, as follows:
 - a. Cross-Defendants import water into the Basin, and a portion of that water is water that, after use, goes to the Districts' WRPs. Cross-Defendants claim the exclusive right to recapture water that reaches the Basin after the Districts have treated the

- water at their WRPs, sold the water for non-potable (primarily irrigation) uses, and a portion of that water has recharged the Basin.
- b. The Districts are informed and on that basis allege that Cross-Defendants have taken the position that the Districts' recycled water must be fully recharged to the Basin for pumping by Cross-Defendants without compensation to the Districts.
- 46. The Districts contend that, in accordance with California Water Code section 1210, the Districts' rights to the recycled water are paramount to that of any other entity, until that water is either sold or abandoned.
- 47. The Districts desire a judicial declaration that the Districts' rights to their recycled water are paramount to any other entity until that water is either sold or abandoned.

VII. SECOND CAUSE OF ACTION

(For Declaratory Relief – Storage and Recapture of Water in the Basin – Against All Parties)

- 48. The Districts allege and incorporate by reference herein allegations in paragraphs 1 through 47, inclusive.
- 49. An actual controversy has arisen and now exists between the Districts and Cross-Defendants, as follows:
 - a. The Districts contend that their rights to the recycled water are paramount to that of any other entity, until that water is either sold or abandoned.
 - b. The Districts contend that they have a right to store recycled water in the Basin.
 - c. The Districts are informed and believe and on that basis allege that there is available space in the Basin in which to store its treated effluent.
 - d. The Districts' recycled water has reached the Basin through various means including percolation of return flows, and may seek to store recycled water in the future through the use of recharge basins or other facilities.
 - e. Municipal Water Purveyors and AVEK import water into the Basin, and a portion of that water is water that, after use, goes to the Districts' WRPs. Municipal Water Purveyors and AVEK claim the sole right to recapture imported water that

reaches the Basin after the Districts have treated the water at their WRPs, sold the water for non-potable (primarily irrigation) uses, and a portion of that water has recharged the Basin.

50. The Districts desire a judicial declaration that the Districts have a right to store their recycled water in the Basin, a paramount right to credit for their recycled water which recharged the Basin, and a paramount right to recapture that water.

VIII. THIRD CAUSE OF ACTION

(For Declaratory Relief – Recycled Water for Nonpotable Uses – Against All Parties)

- 51. The Districts allege and incorporate by reference herein allegations in paragraphs 1 through 50, inclusive.
- 52. In California Water Code section 13550 *et seq.*, the California Legislature finds and declares that the use of potable domestic water for non-potable uses, including industrial and irrigation uses, is a waste or an unreasonable use of water if recycled water of adequate quality and at a reasonable price is available, and meets all statutory conditions as determined by the State Water Resources Control Board.
- 53. The Districts contend that they are now and will in the future make substantial quantities of recycled water of adequate quality and reasonable price available for non-potable uses in the Antelope Valley.
- 54. The Districts are informed and believe and on that basis allege that the availability and use of recycled water directly and significantly affects the Basin and must be fully taken into account in the adjudication of all rights to water in the Antelope Valley Groundwater Basin.
- 55. The Districts desire a judicial declaration that the use of recycled water must be an integral element in any physical solution.

PRAYER FOR RELIEF

WHEREFORE, the Districts pray for Judgment as follows:

1. For a declaration that the Districts' rights to the recycled water are paramount to any other entity, until that water is either sold or abandoned;

PROOF OF SERVICE I declare that: I am employed in the County of Sacramento, State of California. I am over the age of eighteen years and am not a party to the within action. My business address is ELLISON, SCHNEIDER & HARRIS, L.L.P.; 2015 H Street; Sacramento, California 95814-3109; telephone (916) 447-2166. On December 27, 2006, I served the County Sanitation Districts' Cross-Complaint of County Sanitation Districts Nos. 14 and 20 of Los Angeles County by electronic posting to the Santa Clara Superior Court E-Filing website, http://www.scefiling.org/cases/casehome.jsp?caseId=19 with electronic mail to the parties' email addresses shown below. I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on December 27, 2006, at Sacramento, California. Patty Slomski

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13	& Kyle Ranch, Inc., and John Calandri on	221 N. Figueroa Street, Suite 1200
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