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9 **WAGAS LAND COMPANY LLC**

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
**COUNTY OF LOS ANGELES**

**ANTELOPE VALLEY**  
**GROUNDWATER CASES**

**Included Actions:**

Los Angeles County Waterworks District No. 40 v. Diamond Farming Co., Superior Court of California, County of Los Angeles Case No. BC325201; Los Angeles County Waterworks District No. 40 v. Diamond Farming Co., Superior Court of California, County of Kern Case No. S-1500-CV254348; 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. RIC353840, RIC344436, RIC344668.

**Judicial Council Coordination Proceeding**  
**No. 4408**

For filing purposes only:  
**Santa Clara Case No. 1-05-CV-049053**

Assigned to the Hon. Jack Komar

**CROSS-COMPLAINT OF WAGAS LAND**  
**COMPANY LLC**

**WAGAS LAND COMPANY LLC**

Cross-Complainant,

v.

Los Angeles County Waterworks District No. 40; Palmdale Water District; The City of Palmdale; City of Lancaster; Littlerock Creek Irrigation District; Palm Ranch Irrigation District; Quartz Hill Water District; California Water Service Company; Rosamond Community Services District; Antelope Valley East Kern Water District; County Sanitation Districts Nos. 14 and 20; DOES 1 through 100

Cross-Defendants.



1 boundaries of the Basin.

2 7. WAGAS is informed and believes and thereon alleges that Littlerock Creek  
3 Irrigation District is a public agency which provides water to customers located within the  
4 geographic boundaries of the Basin and which extracts water from the Basin.

5 8. WAGAS is informed and believes and thereon alleges that Palm Ranch Irrigation  
6 District is a public agency which provides water to customers located within the geographic  
7 boundaries of the Basin and which extracts water from the Basin.

8 9. WAGAS is informed and believes and thereon alleges that the Quartz Hill Water  
9 District is a public agency which provides water to customers located within the geographic  
10 boundaries of the Basin and which extracts water from the Basin.

11 10. WAGAS is informed and believes and thereon alleges that California Water  
12 Service Company is a California corporation which provides water to customers located within  
13 the geographic boundaries of the Basin and which extracts water from the Basin.

14 11. WAGAS is informed and believes and thereon alleges that Rosamond Community  
15 Services District is a public agency which provides water to customers located within the  
16 geographic boundaries of the Basin and which extracts water from the Basin.

17 12. WAGAS is informed and believes and thereon alleges that Antelope Valley East  
18 Kern Water District is a public agency which provides imported water to customers located  
19 within the geographic boundaries of the Basin.

20 13. WAGAS is informed and believes and thereon alleges that County Sanitation  
21 Districts Nos. 14 and 20 of Los Angeles County ("Sanitation Districts") are independent special  
22 districts that serve, among other things, the wastewater treatment and reclamation needs of  
23 Los Angeles County.

24 14. WAGAS is presently unaware of whether other parties in the adjudication assert  
25 claims adverse to the rights of WAGAS as overlying landowner or whether there are parties not  
26 involved in the adjudication who may assert claims adverse to WAGAS. Cross-Defendants  
27 Does 1 through 100 include any party, other than the Cross-Defendants specifically named herein,  
28 who assert claims adverse to the rights of WAGAS as overlying landowner. Since WAGAS is

1 unaware of the true names and identities of Does 1 through 100, WAGAS hereby sues them by  
2 such fictitious names and will seek leave to amend this Cross-Complaint to add their true names  
3 and capacities when they are ascertained.

#### 4 **FACTUAL ALLEGATIONS**

5 15. The Antelope Valley is a topographically closed watershed in the Western part of  
6 the Mojave Desert, about 50 miles northeast of Los Angeles. Dry lake beds have formed at the  
7 bottom of the Antelope Valley which are currently used as runways by Edwards Air Force Basin.  
8 Also contained in the Antelope Valley is a large alluvial groundwater basin ("Basin").

9 16. The Antelope Valley is situated at a cross-roads of major water supply  
10 infrastructure that serves the entire Los Angeles area: the east branch of the State Water Project  
11 runs along the entire southern side of the Antelope Valley and the Los Angeles aqueduct runs  
12 along the northeast side of the Antelope Valley.

13 17. The Basin contains a large amount of vacated underground space which can be  
14 used for the storage of water. WAGAS is informed and believe that there is as much as  
15 eight million acre-feet of available storage capacity in the Basin. Utilization of this storage  
16 capacity will be an essential component to the resolution of the water supply issues in the  
17 adjudication. This storage capacity, in combination with the ready access to water transportation  
18 infrastructure, also presents the risk that the resources of the Antelope Valley could be used to  
19 serve interests outside the Antelope Valley in a manner that does not contribute to a solution to  
20 the problems of the Antelope Valley.

#### 21 **CONTROVERSY**

22 18. WAGAS is informed and believes and thereon alleges that there are conflicting  
23 claims of rights to the water resources of the Antelope Valley, including the water storage  
24 capacity of the Basin.

#### 25 **FIRST CAUSE OF ACTION**

##### 26 **(Declaratory Relief – Water Rights – Against All Cross-Defendants)**

27 19. WAGAS re-alleges and incorporates by reference each and all of the preceding  
28 paragraphs as though fully set forth herein.



1 **THIRD CAUSE OF ACTION**

2 **(Damages – 42 U.S.C. § 1983/Taking – Against All Cross-Defendants**

3 **Except Sanitation Districts and City of Palmdale)**

4 27. WAGAS re-alleges and incorporates by reference each and all of the preceding  
5 paragraphs as though fully set forth herein.

6 28. On information and belief, WAGAS alleges that each Cross-Defendant produces  
7 or threatens to produce more water from the Basin than it has a right to produce. Cross-  
8 Defendants allege that this production forms the basis for claims of prescriptive rights. To the  
9 extent Cross-Defendants fail to prove any element of their claim for prescriptive rights, this  
10 alleged production of water constitutes an invasion of WAGAS's property interests and is  
11 therefore a taking in violation of the Fifth Amendment to the United States Constitution and in  
12 violation of Article I, Section 19 of the California Constitution.

13 29. Every person who, under color of any custom or usage, subjects or causes to be  
14 subjected any citizen of the United States to the deprivation of any rights or privileges secured by  
15 the Constitution and laws, shall be liable to the party injured in an action at law. (42 U.S.C.  
16 § 1983.)

17 30. On information and belief, WAGAS believes that Cross-Defendants dispute these  
18 contentions.

19 31. WAGAS requests the Court to award monetary damages, including attorney's  
20 fees, to compensate for any past injury that may have occurred to WAGAS by Cross-Defendants'  
21 taking in an amount to be determined at trial.

22 **FOURTH CAUSE OF ACTION**

23 **(Injunctive Relief – Water Rights – Against All Cross-Defendants**

24 **Except Sanitation Districts and City of Palmdale)**

25 32. WAGAS re-alleges and incorporates by reference each and all of the preceding  
26 paragraphs as though fully set forth herein.

27 33. On information and belief, WAGAS alleges that each Cross-Defendant produces  
28 or threatens to produce more water from the Basin than it has a right to produce. If allowed to

1 continue, this production in excess of rights will interfere with the right of WAGAS to produce  
2 groundwater and will cause injury to WAGAS.

3 34. WAGAS has no adequate remedy at law.

4 35. On information and belief, WAGAS believes that Cross-Defendants dispute these  
5 contentions.

6 36. Unless the Court orders that Cross-Defendants cease production of water in excess  
7 of their rights, WAGAS will suffer irreparable harm in that the supply of groundwater will  
8 become depleted and other undesirable effects will occur.

9 **FIFTH CAUSE OF ACTION**

10 **(Declaratory Relief – Imported Water – Against All Defendants Except Sanitation Districts)**

11 37. WAGAS re-alleges and incorporates by reference each and all of the preceding  
12 paragraphs as though fully set forth herein.

13 38. An actual controversy has arisen between WAGAS and each of the Cross-  
14 Defendants as to the priority of each party's right to receive imported water. Agriculture,  
15 including wildlife habitat preservation, have a long history of water resources use in the Antelope  
16 Valley, and the economy of the Antelope Valley is intimately tied to and dependent upon  
17 agriculture, including wildlife habitat preservation. It has only been with the relatively recent  
18 increase in municipal demand that the water resources problems of the Antelope Valley have  
19 resulted in litigation.

20 39. The use of imported water will be a necessity to alleviate the stress on the  
21 groundwater Basin. The Court has broad equitable powers under Article X, Section 2 of the  
22 California Constitution, to fashion a physical solution for the Antelope Valley that ameliorates  
23 impacts associated with the loss of common law water right priorities. If the Court finds that an  
24 overlying landowner has lost any portion of its water rights, then one element of the physical  
25 solution should be to recognize a priority right of those parties to receive and purchase imported  
26 water.

27 40. Based on information and belief, WAGAS believes that Cross-Defendants dispute  
28 these contentions.





1 that such wastes will be produced.

2 49. Based on information and belief, to the extent that wastewater services are  
3 provided by entities other than the water service providers, officials from these water service  
4 providers compose the governing bodies of the waste disposal entities.

5 50. Disposal of this waste into the Basin has resulted in degradation of groundwater  
6 quality and threatens to impair the ability to use portions of the Basin for water supply and  
7 storage purposes. Based on information and belief, WAGAS believes that the waste disposal  
8 entities allege that there is no other way to handle the wastes from Cross-Defendants except  
9 disposal into the Basin.

10 51. Based on information and belief, WAGAS believes that Cross-Defendants dispute  
11 these contentions.

12 52. WAGAS seeks a judicial determination that Cross-Defendants use of water results  
13 in an unavoidable degradation of the Basin, which, if allowed to continue, will one day render the  
14 Basin unusable and that therefore this use constitutes a continuing nuisance and waste in violation  
15 of Article X, Section 2 of the California Constitution.

16 **EIGHTH CAUSE OF ACTION**

17 **(Injunctive Relief – Waste – Against All Defendants)**

18 53. WAGAS re-alleges and incorporates by reference each and all of the preceding  
19 paragraphs as though fully set forth herein.

20 54. On information and belief, WAGAS alleges that each Cross-Defendant disposes or  
21 allows to be disposed wastewater which is a result of its water use to the detriment of the Basin.  
22 On information and belief, Cross-Defendants intend to increase the amount of wastewater that  
23 they dispose or allow to be disposed into the Basin. This disposal interferes with the right of  
24 WAGAS to produce groundwater.

25 55. WAGAS has no adequate remedy at law.

26 56. On information and belief, WAGAS believes that Cross-Defendants dispute these  
27 contentions.

28 57. Unless the Court orders that Cross-Defendants cease disposing of wastewater into

1 the Basin, WAGAS will suffer irreparable injury because its use of the Basin for water supply and  
2 for water storage purposes will be impaired.

3 **NINTH CAUSE OF ACTION**

4 **(Declaratory Relief – Waste – Against All Cross-Defendants Except Sanitation Districts)**

5 58. WAGAS re-alleges and incorporates by reference each and all of the preceding  
6 paragraphs as though fully set forth herein.

7 59. On information and belief, WAGAS alleges that the Cross-Defendants intend to  
8 pump and sell water primarily for domestic use. On information and belief, most of this water  
9 will be used for outside landscape irrigation. On information and belief, the landscape features  
10 irrigated with this water will be non-native plant species unsuited to the arid conditions of the  
11 Antelope Valley.

12 60. On information and belief, WAGAS believes that Cross-Defendants dispute these  
13 contentions.

14 61. WAGAS seeks a judicial determination that Cross-Defendants' use of water in this  
15 manner constitutes waste under Article X, Section 2 of the California Constitution.

16 **TENTH CAUSE OF ACTION**

17 **(Declaratory Relief – Physical Solution – Against All Cross-Defendants)**

18 62. WAGAS re-alleges and incorporates by reference each and all of the preceding  
19 paragraphs as though fully set forth herein.

20 63. In order to prevent irreparable injury to WAGAS and other parties, it is necessary  
21 and appropriate that the Court exercise and retain continuing jurisdiction to develop and enforce a  
22 physical solution that protects, manages and conserves the water resources of the Antelope  
23 Valley.

24 64. The physical solution for the Antelope Valley should include the appointment of a  
25 watermaster that is representative of all interests in the Antelope Valley, including landowners.

26 65. The physical solution should include the establishment of a water transfer program  
27 that will permit the transferability of Basin pumping rights between any Basin users.

28 66. If the physical solution involves groundwater banking, then the physical solution

1 must ensure that the benefits of such banking will be used for the benefit of the Antelope Valley  
2 and will be spread equitably amongst all interests in the Antelope Valley with proper recognition  
3 given to the priority rights of overlying landowners.

4 **PRAYER FOR RELIEF**

5 WHEREFORE, WAGAS prays for judgment as follows:

- 6 1. Judicial declarations consistent with WAGAS's contentions in the First, Fifth,  
7 Sixth, Seventh, Ninth, and Tenth Causes of Action in this Cross-Complaint.
- 8 2. Judicial award of damages, including punitive damages, consistent with  
9 WAGAS's contentions in the Second and Third Causes of Action in this Cross-Complaint.
- 10 3. For preliminary and permanent injunctions consistent with the Fourth and Eighth  
11 Causes of Action in this Cross-Complaint.
- 12 4. For prejudgment interest as permitted by law.
- 13 5. For attorney, appraisal, and expert witness fees and costs incurred in this action.
- 14 6. For such other relief as the Court deems just and proper.

15 Dated: June 29, 2007

HANNA AND MORTON LLP  
EDWARD S. RENWICK

16  
17  
18 By: 

Edward S. Renwick

19 Attorneys for Cross-Complainant  
20 WAGAS LAND COMPANY LLC

## PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

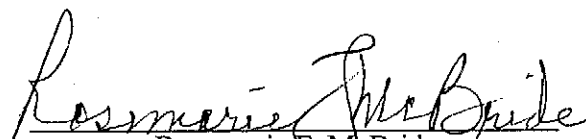
I am over the age of eighteen and not a party to the within action. I am employed by Hanna and Morton LLP in the County of Los Angeles, State of California. My business address is 444 South Flower Street, Suite 1500, Los Angeles, CA 90071-2916.

On July 3, 2007, I served the following document(s) in the *Antelope Valley Groundwater Adjudication* cases, JCCP No. 4408, described as: **CROSS-COMPLAINT OF WAGAS LAND COMPANY LLC**

on the interested parties in this action, by posting the document(s) listed above to the Santa Clara County Superior Court e-filing website (<http://www.scefilng.org>) under the Antelope Valley Groundwater matter pursuant to the Court's Order dated October 27, 2005.

Executed on July 3, 2007, at Los Angeles, California.

(STATE) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

  
Rosemarie F. McBride