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10 Attorneys for Granite Construction Company

11 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

12 **COUNTY OF LOS ANGELES - CENTRAL DISTRICT**

13 ANTELOPE VALLEY GROUNDWATER
14 CASES

15 Included Actions:

16 Los Angeles County Waterworks District No. 40
17 v. Diamond Farming Co., Superior Court of
18 California, County of Los Angeles, Case No. BC
19 325201;

20 Los Angeles County Waterworks District No. 40
21 v. Diamond Farming Co., Superior Court of
22 California, County of Kern, Case No. S-1500-CV-
23 254-348; and

24 Wm. Bolthouse Farms, Inc. v. City of Lancaster,
25 Diamond Farming Co. v. Lancaster, Diamond
26 Farming Co. v. Palmdale Water Dist., Superior
27 Court of California, County of Riverside, Case
28 No. RIC 353 840, RIC 344 436, RIC 344 668.

Judicial Council Coordination No. 4408

Santa Clara Case No. 1-05-CV-049053
Assigned to Hon. Jack Komar

**DECLARATION OF WILLIAM
TAYLOR IN OPPOSITION TO
LANE FAMILY'S MOTION FOR
POST JUDGMENT
SUPPLEMENTAL ORDER RE
GRANITE CONSTRUCTION
COMPANY**

Date: March 21, 2016

Time: 1:30 p.m.

Dept.: TBA

Court: San Jose Superior Court
191 N. First Street
San Jose, CA 95113

I, William Taylor, declare:

1. I am employed by Granite Construction Company (**Granite**) as the Resource
Development Manager for the Central California Region. I have been employed by Granite

1 since 2008. I am over the age of eighteen and if I were called as a witness, I would and could
2 testify to the facts set forth herein.

3 2. I am one of the managers in charge of managing Granite's facilities, operations,
4 and related permits for the Central California Region. If called upon to testify as to the facts set
5 forth herein, I could and would competently testify to them, because they are personally known
6 to me to be true or I have ascertained them from business records maintained by Granite's
7 employees in the performance of their responsibilities in the ordinary course of Granite's
8 business.

9
10 3. I am familiar with the real property owned and leased by Granite that is located
11 within the Antelope Valley Area of Adjudication (AVAA). I am also familiar with the lease
12 dated April 8, 1987 as amended April 1, 2010 (**Lease**) between Granite and Little Rock Sand and
13 Gravel, Inc. (**LS&G**).

14
15 4. During the course of my employment with Granite, I have become familiar with
16 the methods and procedures of compiling and maintaining data and documents concerning
17 Granite's leases, land ownership, and permits. I am one of the custodians of the records and files
18 of Granite as those records and files pertain to land that is leased or owned by Granite.

19
20 5. The records and files of Granite as they pertain to Granite's real property leases
21 and land ownership are kept in the ordinary course of Granite's business. From my personal
22 experience and knowledge, I believe the records attached to this declaration to be accurate and
23 trustworthy.

24
25 **Property Ownership and Quarry Operations**

26 6. Granite owns about 217 acres of real property within the AVAA identified in
27 **Exhibit A** attached to Granite's Opposition to Lane's motion as Parcels 6, 7, 8, 9, 10, 11, 12, and
28 13. The approximate size of each parcel is listed on Exhibit A under the column "Acreage."

1 7. Granite owns and operates two separate rock, sand and gravel quarries within the
2 AVAA known as the Big Rock Quarry and Little Rock Quarry. The Big Rock Quarry consists
3 of about 145 acres of land owned by Granite in fee with an estimated water demand of about 230
4 acre feet per year. Mining at the Big Rock Quarry is limited by permit until mining at the Little
5 Rock Quarry is terminated.
6

7 8. In 1987, Granite leased approximately 236 gross acres of land (**Leased Property**)
8 from LS&G for establishment and operation of Granite's Little Rock Quarry located on the
9 alluvial fan of Little Rock Creek with the AVAA. Granite owns and operates three groundwater
10 production wells on site to support its quarry operations.
11

12 9. In 2008 Granite purchased about 56 acres of land in fee (**Granite Adjacent**
13 **Property**) immediately adjacent to the Leased Property and another 12.3 acre parcel due South
14 across Pear Blossom Highway (parcel 10.). Granite purchased the Granite Adjacent Property, in
15 part, because the commercially viable alluvial deposits on the Leased Property were nearing
16 depletion. In April of 2010, Granite and LS&G amended the Lease by extending the term to
17 April 30, 2021, with options to extend the Lease until April 30, 2041. A true and correct copy of
18 the Lease and the First Amendment to Lease, with financial terms redacted, is attached
19 collectively to Granite's Opposition as **Exhibit B**.
20

21 10. Also beginning 2010, Granite began the process of amended its Surface Mining
22 and Reclamation Plan to include Granite's Adjacent Property. The Amended Reclamation Plan
23 was approved and since January 2013 Granite has operated the Little Rock Quarry as an
24 integrated unit.
25

26 11. The commercial viable alluvial deposits on the Leased Property were substantially
27 depleted by year 2015. The Leased Property is located within the City of Palmdale and zoned
28

1 (QR) Quarry and Reclamation and the post-mining land use, or future land use, will be open
2 space wildlife habitat, recreational and/or flood control basin.

3 12. Granite is currently reconfiguring the Little Rock Quarry to begin mining
4 deposits on Granite's Adjacent Property and will continue to use its wells and water produced
5 therefrom to support quarry operations and dust control while mining Granite's Adjacent
6 Property into the foreseeable future.

7
8 13. For the past 29 years, Granite has produced and beneficially used substantially all
9 of the water produced from the three wells that Granite installed at the Littlerock Quarry for
10 Granite's quarry operations. From now, through the foreseeable future, and duration of the
11 Lease, Granite will use water produced from the wells to mine and process aggregates from
12 Granite's Adjacent Property at the Little Rock Quarry.

13
14 **Settlement Negotiations**

15 14. I participated on behalf of Granite in the settlement discussions leading to the
16 global settlement and Stipulation for Entry of Judgment and Physical Solution.

17
18 15. Granite has repeatedly advised Mr. Lane that Granite would stand by the
19 allocation reached between Granite and LS&G on March 31, 2014, allocating 100 acre feet of
20 water to Granite and 134 acre feet to LS&G for Granite's Little Rock Quarry.

21 16. Granite agreed to allocate the water for Little Rock Quarry 100/134 AF. Granite
22 did not and could not have agreed to a smaller allocation. To do so, would jeopardize the
23 financial viability of Granite's Little Rock Quarry, and also its Big Rock Quarry in the future.
24 Furthermore, if the allocation between Granite and LS&G is not enforced, Granite would be left
25 at a competitive disadvantage with respect to the other rock, sand and gravel producers within
26 the AVAA, who secured sufficient supplies to continue their quarry operations. Granite did not
27

28

1 and would not have agreed to an allocation that would financially impair Granite's AVAA quarry
2 operations.

3 I declare under penalty of perjury under the laws of the State of California that the
4 foregoing is true and correct.

5 Executed this 7th day of March 2016, at Reno, Nevada.

6
7 
8 _____
9 William Taylor

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