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13 Attorneys for LITTLE ROCK SAND AND GRAVEL, INC.

14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
15 **COUNTY OF LOS ANGELES, CENTRAL DISTRICT**

16 **ANTELOPE VALLEY GROUNDWATER**  
17 **CASES**

18 **INCLUDED ACTIONS:**

19 Los Angeles County Waterworks District No.  
20 40 v. Diamond Farming Co., Superior Court of  
21 California, County of Los Angeles, Case No.  
22 BC325201;

23 Los Angeles County Waterworks District No.  
24 40 v. Diamond Farming Co., Superior Court of  
25 California, County of Kern, Case No. S-1500-  
26 CV-254348;

27 Wm. Bolthouse Farms, Inc. v. City of  
28 Lancaster, Diamond Farming Co. v. Lancaster,  
Diamond Farming Co. v. Palmdale Water  
Dist., Superior Court of California, County of  
Riverside, Case Nos. RIC 353840, RIC  
344436, RIC 344668;

Rebecca Lee Willis v. Los Angeles County  
Waterworks District No. 40  
Superior Court of California, County of Los  
Angeles, Case No. BC364553;

Wood v. A.V. Materials, Inc., et al. v. Superior  
Court of California, County of Los Angeles,  
Case No. BC 509546; and

Little Rock Sand and Gravel, Inc. v. Granite  
Construction Co., Superior Court of  
California, County of Los Angeles, Case No.  
MC026932

Judicial Counsel Coordination No. 4408

Santa Clara Case No. 1-05-CV-049053

Assigned to Honorable Jack Komar

**REQUEST FOR JUDICIAL NOTICE IN  
SUPPORT OF OPENING BRIEF OF  
LITTLE ROCK SAND AND GRAVEL,  
INC. RE TITLE TO GROUNDWATER  
ALLOCATION ARISING FROM LITTLE  
ROCK SAND AND GRAVEL'S LAND  
AND GRANTED UNDER JUDGMENT  
AND PHYSICAL SOLUTION**

DATE: June 20, 2018

TIME: 9:00

DEPT: To be determined

1           **TO THE HONORABLE COURT, ALL PARTIES, AND THEIR ATTORNEYS OF**  
2 **RECORD:**

3           In support of its Opening Brief regarding Title to Groundwater Allocation Arising from  
4 Little Rock Sand and Gravel, Inc.'s Land and Granted Under Judgment and Physical Solution  
5 ("Opening Brief") and pursuant to California *Evidence Code* sections 451 and 452, Little Rock  
6 Sand and Gravel, Inc. ("Little Rock"), by and through its attorneys of record, hereby requests that  
7 the Court take judicial notice of the following documents and official records :

8 **I. Documents Recorded in the Official Records Recorder's Office, Los Angeles County**

9           1.       Joint Tenancy Deed dated December 7, 1951, and recorded in the Official Records  
10 Recorder's Office, Los Angeles County on January 9, 1952 as Document No. 783, a true and  
11 correct copy of which is attached hereto as Exhibit 1;

12           2.       Grant Deed dated August 10, 1954, and recorded in the Official Records  
13 Recorder's Office, Los Angeles County on September 20, 1954 as Document No. 3708, a true and  
14 correct copy of which is attached hereto as Exhibit 2;

15           3.       Grant Deed dated May 27, 1964, and recorded in the Official Records Recorder's  
16 Office, Los Angeles County on July 12, 1964 as Document No. 569, a true and correct copy of  
17 which is attached hereto as Exhibit 3;

18           4.       Grant Deed dated March 1, 1965, and recorded in the Official Records Recorder's  
19 Office, Los Angeles County on April 14, 1965 as Document No. 4643, a true and correct copy of  
20 which is attached hereto as Exhibit 4;

21           5.       Individual Grant Deed dated June 14, 1988, and recorded in the Official Records  
22 Recorder's Office, Los Angeles County on June 27, 1988 as Document No. 88 1011153, a true  
23 and correct copy of which is attached hereto as Exhibit 5;

24           6.       Quitclaim Deed dated April 15, 1993, and recorded in the Official Records  
25 Recorder's Office, Los Angeles County on July 9, 1993 as Document No. 93 1312104, a true and  
26 correct copy of which is attached hereto as Exhibit 6;

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1           7.       Quitclaim Deed dated November 5, 2009, and recorded in the Official Records  
2 Recorder's Office, Los Angeles County on November 5, 2009 as Document No. 20091671816, a  
3 true and correct copy of which is attached hereto as Exhibit 7;

4           8.       Quitclaim Deed dated February 6, 2015, and recorded in the Official Records  
5 Recorder's Office, Los Angeles County on April 23, 2015 as Document No. 20150460794, a true  
6 and correct copy of which is attached hereto as Exhibit 8;

7           9.       Quitclaim Deed dated September 8, 2015, and recorded in the Official Records  
8 Recorder's Office, Los Angeles County on September 9, 2015 as Document No. 20151112119, a  
9 true and correct copy of which is attached hereto as Exhibit 9;

10          10.       Grant Deed dated April 15, 1970, and recorded in the Official Records Recorder's  
11 Office, Los Angeles County on December 15, 1970 as Document No. 615, a true and correct copy  
12 of which is attached hereto as Exhibit 10;

13          11.       Grant Deed dated June 23, 1993, and recorded in the Official Records Recorder's  
14 Office, Los Angeles County on July 9, 1993 as Document No. 93 1312102, a true and correct copy  
15 of which is attached hereto as Exhibit 11;

16          12.       Grant Deed dated April 24, 2001, and recorded in the Official Records Recorder's  
17 Office, Los Angeles County on September 12, 2001 as Document No. 01 1716720, a true and  
18 correct copy of which is attached hereto as Exhibit 12.

19           Under California *Evidence Code* section 452, the Court may take judicial notice of a fact  
20 contained in a recorded document that cannot be reasonably controverted even if the fact negates  
21 an express allegation in a pleading. *Jenkins v. JP Morgan Chase Bank, N.A.* (2013) 216  
22 Cal.App.4th 497, 536; *Fontenot v. Wells Fargo Bank, N.A.* (2011) 198 Cal.App.4th 256, 264-266.  
23 Similarly, the Court may take judicial notice of the ownership of land. *Bethman v. City of Ukiah*  
24 (1989) 216 Cal.App.3d 1395, 1399. Accordingly, the Court should take judicial notice of the  
25 contents of the documents attached hereto as Exhibits "A" through "N," as they are recorded  
26 documents that, among other things, contain information regarding ownership of the parcels of  
27 real property referenced therein.

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1 **II. Documents on File with the California Secretary of State Regarding Corporations**  
2 **Wholly Owned and Operated by the Lane Family**

3 13. State of California Secretary of State Statement of Information regarding Little  
4 Rock Sand and Gravel, Inc., found at the California Secretary of State's webpage  
5 (<https://businesssearch.sos.ca.gov/>), dated and filed February 13, 2017, a true and correct copy of  
6 which is attached hereto as Exhibit 13;

7 14. State of California Secretary of State Statement of Information regarding Little  
8 Rock Sand and Gravel, Inc., found at the California Secretary of State's webpage  
9 (<https://businesssearch.sos.ca.gov/>), dated and filed January 12, 2018, a true and correct copy of  
10 which is attached hereto as Exhibit 14;

11 15. State of California Secretary of State Statement of Information regarding Monte  
12 Vista Building Sites Inc., found at the California Secretary of State's webpage  
13 (<https://businesssearch.sos.ca.gov/>), dated and filed February 25, 2015, a true and correct copy of  
14 which is attached hereto as Exhibit 15; and

15 16. State of California Secretary of State Statement of Information regarding Monte  
16 Vista Building Sites Inc., found at the California Secretary of State's webpage  
17 (<https://businesssearch.sos.ca.gov/>), dated and filed January 12, 2018, a true and correct copy of  
18 which is attached hereto as Exhibit 16.

19 **III. Records of and Court Documents on File in the Proceedings in the Antelope Valley**  
20 **Groundwater Cases, Santa Clara Case No. 1-05-CV-049053**

21 17. Court reporter's transcript of May 30, 2013 hearing during Phase 4 Trial of the  
22 Antelope Valley Groundwater Cases ("AVG Cases"), a true and correct copy of the portion of the  
23 transcript cited in Little Rock's Opening Brief and the cover pages and the Reporter's Certificate  
24 thereto are collectively attached hereto as Exhibit 17;

25 18. Declaration of William Taylor in Lieu of Deposition Testimony for Phase 4 Trial,  
26 filed in the AVG Cases by Granite Construction Company ("GCC") and dated January 31, 2013, a  
27 true and correct copy of which, excluding Exhibits B and C thereto, is attached hereto as Exhibit  
28 18;

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1           19.     Declaration of Steven McCracken in Lieu of Testimony at Phase IV Trial, filed in  
2 the AVG Cases and dated May 29, 2013, a true and correct copy of which is attached hereto as  
3 Exhibit 19;

4           20.     Amended Statement of Partial Decision for Phase IV Trial With Party Name  
5 Corrections, entered by the Court in the AVG Cases on June 29, 2013, a true and correct copy of  
6 which is attached hereto as Exhibit 20;

7           21.     Declaration of Steven McCracken in Lieu of Testimony at Phase 6 Trial, filed in  
8 the AVG Cases by GCC and dated September 28, 2015, a true and correct copy of which is  
9 attached hereto as Exhibit 21;

10          22.     Joinder in Case Management Conference Statement and Supplemental Case  
11 Management Conference Statement of the Lane Family, filed in the AVG Cases on December 31,  
12 2014, a true and correct copy of which is attached hereto as Exhibit 22;

13          23.     Minute Order issued by the Court in the AVG Cases on or about January 7, 2015, a  
14 true and correct copy of which is attached hereto as Exhibit 23;

15          24.     Supplemental Case Management Statement filed by Little Rock Sand and Gravel,  
16 Inc., The George and Charlene Lane Family Trust, The Frank and Yvonne Land 1993 Family  
17 Trust, Monte Vista Building Sites, Inc. and A.V. Materials, Inc. in AVG Cases on October 6,  
18 2015, a true and correct copy of which is attached hereto as Exhibit 24;

19          25.     Stipulation for Entry of Judgment and Physical Solution, filed in the AVG Cases on  
20 March 4, 2015, a true and correct copy of which, excluding the signatures of all parties other than  
21 Little Rock and GCC, is attached hereto as Exhibit 25;

22          26.     Judgment and Physical Solution, entered by the Court in the AVG Cases on  
23 December 23, 2015, a true and correct copy of the Judgment, Physical Solution (which is Exhibit  
24 A to the Judgment) and Exhibit 4 to the Physical Solution are collectively attached hereto as  
25 Exhibit 26;

26          27.     Statement of Decision issued by the Court in the AVG Cases on December 23,  
27 2015, a true and correct copy of which is attached hereto as Exhibit 27;

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1           28.     Motion for Post-Judgment Supplemental Order filed in AVG Cases by Little Rock  
2 Sand and Gravel, Inc., The George and Charlene Lane Family Trust, The Frank and Yvonne Lane  
3 1993 Family Trust, Monte Vista Building Sites Inc. and A.V. Materials, Inc. on or about January  
4 31, 2016, a true and correct copy of which is attached hereto as Exhibit 28;

5           29.     Declaration of William Taylor in Opposition to Lane Family's Motion for Post  
6 Judgment Supplemental Order re Granite Construction Company, filed in the AVG Cases by GCC  
7 and dated March 7, 2016, a true and correct copy of which is attached hereto as Exhibit 29;

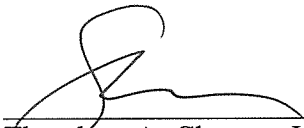
8           30.     Declaration of Robert G. Kuhs in Opposition to Lane Family's Motion for Post  
9 Judgment Supplemental Order re Granite Construction Company, filed in the AVG Cases by GCC  
10 and dated March 8, 2016, a true and correct copy of which is attached hereto as Exhibit 30; and

11          31.     Order After Hearing on March 21, 2016 re Motion by Lane for Post-Judgment  
12 Supplemental Order issued by the Court in AVG Cases on March 29, 2016, a true and correct  
13 copy of which is attached hereto as Exhibit 31.

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DATED: April 12, 2018

MUSICK, PEELER & GARRETT LLP

By:   
\_\_\_\_\_  
Theodore A. Chester, Jr.  
Stephen R. Isbell  
Attorneys for Plaintiff LITTLE ROCK SAND  
AND GRAVEL, INC.

**EXHIBIT “1”**

**EXHIBIT “1”**

LRSC-7

BOOK 38003 PAGE 344

# Joint Tenancy Deed

In consideration of TEN AND NO/ONE HUNDRETHS ----- Dollars, receipt of which is hereby acknowledged,

VERNA CASTAN IEN, A SINGLE WOMAN,

do Es hereby GRANT to

FRANK A. LANE AND YVONNE M. LANE, HUSBAND AND WIFE,

the real property in the State of California, described as:

, as Joint Tenants, County of Los Angeles,

THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER AND THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 11 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF THE SURVEY OF SAID LAND ON FILE IN THE BUREAU OF LAND MANAGEMENT.

EXCEPT THE INTEREST IN THAT PORTION OF THE WEST HALF OF SECTION 11, TOWNSHIP 5 NORTH, RANGE 11 WEST, SAN BERNARDINO BASE AND MERIDIAN, WITHIN A STRIP OF LAND 60 FEET WIDE, LYING 30 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTER LINE:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 11; THENCE SOUTH 25°15'35" EAST 2725.86 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHEAST, AND HAVING A RADIUS OF 300 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 340.73 FEET TO THE END OF SAME; THENCE NORTH 89°39'55" EAST ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 11 TO THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 11. THE ABOVE CURVE IS TANGENT TO THE STRAIGHT LINES WHICH IT JOINS.

TO BE KNOWN AS PALMDALE LLANO ROAD, WHICH WAS CONVEYED TO THE COUNTY OF LOS ANGELES FOR PUBLIC ROAD AND HIGHWAY PURPOSES BY DEED RECORDED IN BOOK 6985 AT PAGE 30 OF DEEDS.

EXCEPTING THEREFROM one half of the oil and oil rights, and gas, in, on, or under said land.

Dated DECEMBER 5, 1951

*Verna Castanien*

STATE OF CALIFORNIA, }  
COUNTY OF LOS ANGELES } ss.

On this 7th day of DECEMBER, 1951, before me, the undersigned, a Notary Public in and for said County and State, personally appeared

VERNA CASTAN IEN

known to me to be the person whose name is subscribed to the within instrument, and acknowledged that she executed same.

(NOTARIAL SEAL) Witness my hand and official seal.

*Marian Craig*  
Notary Public in and for said County and State  
Com. Exp. Oct. 16, 1953

Affix I.R.S. here

SPACE BELOW FOR RECORDER'S USE ONLY



783

DOCUMENT No. 783  
RECORDED AT REQUEST OF  
TITLE INSURANCE & TRUST CO.  
JAN 9 1952 AT 8 A.M.  
BOOK 38003 PAGE 344  
IN OFFICIAL RECORDS  
County of Los Angeles, California  
Fee \$ 1.80  
MAME B. BEATH, County Recorder  
By *M. B. Beath* Deputy

1/18/52



**EXHIBIT “2”**

**EXHIBIT “2”**

SPACE ABOVE THIS LINE FOR RECORDER'S USE



3050-022-014  
LRSG # 64

3050-022-010  
LRSG # 58

# Grant Deed

Affix I. R. S. \$ 426.50

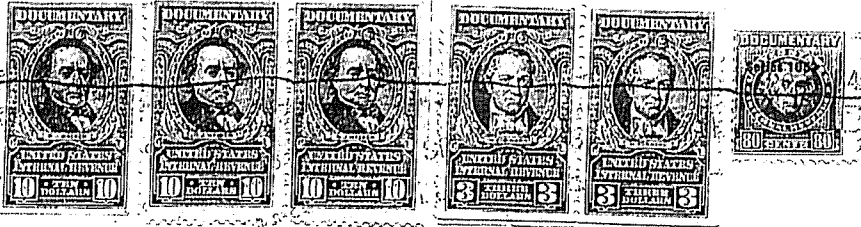
398 1-53

THIS FORM FURNISHED BY TITLE INSURANCE AND TRUST COMPANY

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **FRANK A. LANE and YVONNE M. LANE**

hereby GRANT(S) to **LITTLE ROCK SAND AND GRAVEL, INC., a corporation,**

the following described real property in the state of California, county of **Los Angeles:**



Dated: August 10, 1954

*Frank A. Lane*  
Frank A. Lane

*Yvonne M. Lane*  
Yvonne M. Lane

STATE OF CALIFORNIA  
COUNTY OF

SS.

Los Angeles

On August 10, 1954  
before me, the undersigned, a Notary Public in  
and for said County and State, personally appeared  
FRANK A. LANE and YVONNE M.  
LANE

known to me to be the person(s) whose name(s) are  
subscribed to the within instrument and acknowledged that  
they executed the same.

WITNESS my hand and official seal.

*Clara Wilson*  
(Seal) Notary Public in and for said County and State.

SPACE BELOW FOR RECORDER'S USE ONLY

3708

RECORDED AT REQUEST OF  
*Beckwith & Wilson*  
SEP 20 3 30 PM '54  
SEP 20 1954

MIN. PAST  
BOOK 45623 PAGE 394

OFFICIAL RECORDS  
County of Los Angeles, California

NAME B. BEATTY, County Recorder

Title Order No. 418100  
Escrow or Loan No. Accommodation

RECORD MAIL TO WHEN RECORDED MAIL TO

BECKWITH & WILSON  
H.O. 3 W. 8th St.  
LOS ANGELES, CALIFORNIA

3708

*310/18m*

Parcel #1

Beginning at a point in the West line of Section 12, T.5 N. R 11 W., SBBM, S.0° 07' 24" East 25 feet from the N.W. corner of said Section 12, thence N.89° 45' 55" E. along the South Line of Avenue "T" 1308.32 feet to the West Line of 80th Street East 25 feet West of centerline of 80th Street East, thence S.0° 09' 05" E. 636.50 feet to a point in the West Line of 80th Street East, 25 feet West of centerline of 80th Street East, thence S.89° 45' 55" W. 110 feet to a point, thence S.34° 13' 55" W. 340 feet to a point, thence S.30° 50' 51" W. 240.37 feet to a point on the East Bank of Little Rock Creek, thence S.45° 30' 15" W. 241.13 feet to a point on the East Bank of Little Rock Creek, thence S.9° 30' W. 90.38 feet to a point on the East Bank of Little Rock Creek and on the South Line of the N.W.1/4 of the N.W.1/4 of said Section 12, thence S.89° 46' 56" W. 610.59 feet to a point at the S.W. corner of the N.W.1/4 of the N.W.1/4 of said Section 12, thence N.0° 07' 24" W. 1297.15 feet to the true point of beginning.

Parcel #2

Beginning at a point at the S.W. corner of the N.W.1/4 of the N.W.1/4 of Section 12, T.5 N. R 11W., SBBM Los Angeles County, California, thence N.89° 46' 56" E. 610.59 feet to a point on the East Bank of Little Rock Creek and the South line of the N.W.1/4 of the N.W.1/4 of said Section 12, thence S.12° 08' 36" W. 47.93 feet to a point on the East Bank of Little Rock Creek, thence S.27° 19' 26" W. 67.54 feet to a point on the East Bank of Little Rock Creek, thence S.43° 24' 32" W. 101.86 feet to a point on the East Bank of Little Rock Creek, thence S.39° 26' 49" W. 102.30 feet to a point on the East Bank of Little Rock Creek, thence S. 28° 12' 20" W. 82.50 feet to a point on the East Bank of Little Rock Creek and on Property Line Fence, thence S.89° 44' 06" W. 32.00 feet to a point on the East Bank of Little Rock Creek and on Property Line Fence, thence S.70° 14' 32" W. 359.77 feet to a point on the East Bank of Little Rock Creek and on Property Line Fence, thence S.31° 25' 51" W. 70.47 feet to a point on the East Bank of Little Rock Creek and on Property Line Fence, thence S.89° 46' 56" W. 86.84 feet to a point on the West Line of said Section 12, thence N.0° 07' 24" W. 476.61 feet to the true point of beginning.

Parcel #3

BOOK 15623 PAGE 395

The east half of the northeast quarter of the northeast quarter of Section 11, Township 5 North, Range 11 West, and the northeast quarter of the southeast quarter of the northeast quarter of Section 11, Township 5 North, Range 11 West, San Bernardino Meridian, in the County of Los Angeles and State of California, according to the official plat of the survey of said land approved by the Surveyor General on March 19, 1856.

Parcel #4

The West half of the Northeast quarter of the Northeast quarter of Section 11, Township 5 North, Range 11 West, S. B. E. & M., in the County of Los Angeles, State of California.

395  
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Subject to:

Any covenants, conditions, restrictions, reservations, rights, rights of way and easements of record, or in deed to file.

Consisting of approximately 86.56 acres.

PARCEL #1A

The southeast quarter of the northwest quarter of Section 11, Township 5 North, Range 11 West and (the south half of the southwest quarter of the northwest quarter of Section 11, Township 5 North, Range 11 West, San Bernardino meridian, in the County of Los Angeles and State of California, according to the official plat of the survey of said land approved by the Surveyor General March 19, 1856.

EXCEPT the interest in that portion of the west half of Section 11, Township 5 North, Range 11 West, San Bernardino Meridian, within a strip of land 60 feet wide, lying 30 feet each side of the following described center line:

Beginning at the northwest corner of said Section 11; thence South  $25^{\circ} 15' 35''$  East 2725.86 feet to the beginning of a curve concave to the northeast, and having a radius of 300 feet; thence southeasterly along said curve 340.73 feet to the end of same; thence North  $89^{\circ} 39' 55''$  East along the north line of the southwest quarter of said Section 11 to the northeast corner of the southwest quarter of said Section 11, the above curve is tangent to the straight lines which it joins, to be known as Palmdale Llano Road, which was conveyed to the County of Los Angeles for public road and highway purposes, by deed recorded in book 6985 page 30 of Deeds.

PARCEL #2 B

The northwest quarter of the northwest quarter, and the north half of the southwest quarter of the northwest quarter of Section 11, Township 5 North, Range 11 West, San Bernardino Meridian, according to the official plan of the survey of said land on file in the office of the Bureau of Land Management. 10 2  
3  
20

EXCEPT the interest in that portion of the west half of Section 11, Township 5 North, Range 11 West, San Bernardino Meridian, within a strip of land 60 feet wide, lying 30 feet each side of the following described center line:

Beginning at the northwest corner of said Section 11; thence south  $25^{\circ} 15' 35''$  east 2725.86 feet to the beginning of a curve concave to the northeast, and having a radius of 300 feet; thence southeasterly along said curve 340.73 feet to the end of same; thence north  $89^{\circ} 39' 55''$  east along the north line of the southwest quarter of said Section 11 to the northeast corner of the southwest quarter of said Section 11. The above curve is tangent to the straight lines which it joins. To be known as Palmdale Llano Road; which was conveyed to the county of Los Angeles for public road and highway purposes, by deed recorded in book 6985 page 30 of Deeds.

1. The right to extend any pipes, culverts, bulkheads, passes or wing walls that may be necessary in the proper construction and drainage of said Palmdale Llane Road, and to extend the slopes of cut or fill of the road beyond the limits of said roadway whenever it may be necessary to do so, provided, however, that the road proper does not, at any place, extend beyond the limits of the right of way hereby granted. The grantor grants to said County all rights to supervise or control the planting, maintaining, trimming or removing of any trees, shrubs, flowers, grass, or other plants within said roadway, and waives all right to the maintaining of any improvements or obstructions within said roadway, and in the acceptance of this deed by the County nothing herein contained shall be construed as an acceptance of any improvements made in or upon said roadway, as granted to the County of Los Angeles, in deed recorded in book 6985 page 30 of Deeds.

2. An easement over the northerly 25 feet of said land for public road and highway purposes, as granted to County of Los Angeles, in deed recorded in book 1448 page 84 of Official Records.

3. An easement over the southerly 10 feet of the northerly 44 feet of the easterly 40 feet of the northwest quarter of the northwest quarter of Section 11, for pole lines and incidental purposes, as granted to Southern California Edison Company, a corporation, by deed recorded June 27, 1951 in book 36628 page 17 of Official Records.

4. An easement over the southerly 10 feet of the northerly 44 feet of the northwest quarter of the northwest quarter of Section 11, for poles and incidental purposes, as granted to Southern California Edison Company, a corporation, by deed recorded October 19, 1951 as Instrument No. 2100.

Consisting of approximately 120 acres.

**EXHIBIT “3”**

**EXHIBIT “3”**

#627941A

RECORDING REQUESTED BY:  
Mail tax bill to same:  
44835 N. 10th St. West  
Lancaster, California

569

RECORDED IN OFFICIAL RECORDS  
OF LOS ANGELES COUNTY, CALIF.  
FOR TITLE INSURANCE & TRUST CO.

JUN 12 1964 AT 8 A.M.

RAY E. LEE, County Recorder

FEE  
\$2  
R

AFTER RECORDING MAIL TO:  
Mr. & Mrs. Frank A. Lane  
44835 N. 10th St. West  
Lancaster, California

ABOVE SPACE FOR RECORDER'S USE

# GRANT DEED

Affix I.R.S. \$.....4.40.....

LUCILLE A. GIBBONS, a married woman who acquired title as,  
LUCILLE A. McDANIEL, a single woman

FOR A VALUABLE CONSIDERATION, HEREBY GRANTS TO FRANK A. LANE and YVONNE M. LANE,  
husband and wife, as their community property

the real property in the County of Los Angeles, State of California, described as:  
The east half of the northwest quarter of the southwest quarter of Section 11, Township 5  
North, Range 11 West, San Bernardino Meridian, in the county of Los Angeles, state of Califor-  
nia, according to the official plat of said land approved by the Surveyor General on  
March 19, 1856.

EXCEPT the interest in that portion of the West half of Section 11, Township 5 North, Range  
11 West, San Bernardino Meridian, within a strip of land 60 feet wide, lying 30 feet each  
side of the following described center line:  
Beginning at the northwest corner of said Section 11; thence South 25° 15' 35" East 2725.86  
feet to the beginning of a curve concave to the northeast, and having a radius of 300 feet;  
thence Southeasterly along said curve 340.73 feet to the end of same; thence North 89° 39'  
55" East along the north line of the southwest quarter of said Section 11 to the northeast  
corner of the southwest quarter of said Section 11. The above curve is tangent to the straight  
lines which it joins. To be known as Palmdale Llano Road; which was conveyed to the county  
of Los Angeles for public road and highway purposes, by deed recorded in book 6985 page 30,  
of Deeds.

SUBJECT TO:  
All general and special taxes for the fiscal year 1964-65 not yet a lien.  
Covenants, conditions, restrictions, easements, rights and rights of way of record.

Dated: May 27, 1964

*Lucille A. Gibbons*  
Lucille A. Gibbons

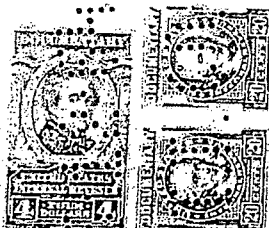
STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES, ss. *Orange*  
On *May 28 - 1964* before me, the undersigned, a Notary Public in and for said County and State,  
personally appeared *Lucille A. Gibbons*  
known to me to be the person whose name (s) *is* subscribed to the within instrument and acknow-  
ledged that *she* executed the same. WITNESS my hand and official seal.

BETH W. HILTON  
NOTARY PUBLIC-CALIFORNIA  
PRINCIPAL OFFICE IN  
ORANGE COUNTY PLAZA

(Seal) *Beth W. Hilton*  
Notary Public in and for said County and State.  
BETH W. HILTON

My Commission Expires March 28, 1965

INTERNAL REVENUE STAMPS IN THIS SPACE



AMERICAN TITLE COMPANY



**EXHIBIT “4”**

**EXHIBIT “4”**

RECORDING REQUESTED BY

4643

AND WHEN RECORDED MAIL TO:

Name: Little Rock Sand & Gravel, Inc.  
Street Address: 44835 N. 10th Street West  
City & State: Lancaster, California

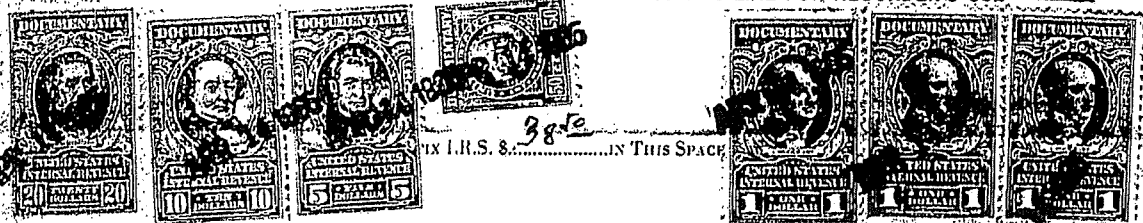
RECORDED IN OFFICIAL RECORDS  
OF LOS ANGELES COUNTY, CALIF.

10 Min. Past 4 P.M. APR 14 1965

RAY E. LEE, County Recorder

FEE \$2 P

PLACE ABOVE THIS LINE FOR RECORDER'S USE



### Grant Deed

THIS FORM FURNISHED BY TITLE INSURANCE AND TRUST COMPANY

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

FRANK A. LANE and YVONNE M. LANE

hereby GRANT(S) to

LITTLE ROCK SAND AND GRAVEL, INC.

the following described real property in the  
county of Los Angeles, state of California:

The East half of the Northwest quarter of the Southwest  
quarter, Section 11, Township 5 North, Range 11 West,  
San Bernardino Base and Meridian in the County of  
Los Angeles, State of California

Dated: March 1, 1965

*Frank A. Lane*  
FRANK A. LANE

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES } SS.  
On March 1, 1965 before me, the under-  
signed, a Notary Public in and for said County and State, personally  
appeared Frank A. Lane and Yvonne M.  
Lane

*Yvonne M. Lane*  
YVONNE M. LANE

known to me  
to be the person(s) whose names are subscribed to the within  
instrument and acknowledged that they executed the same.  
WITNESS my hand and official seal.

(Seal)  
Signature: *Ralph Wilson*  
Name (Typed or Printed): Ralph Wilson

Notary Public in and for said County and State  
If executed by a Corporation the Corporation Form of  
Acknowledgment must be used.

Title Order No. \_\_\_\_\_  
Escrow No. \_\_\_\_\_

**EXHIBIT “5”**

**EXHIBIT “5”**

RECORDING REQUESTED BY

Beaudet and Orr

AND WHEN RECORDED MAIL TO

Name Beaudet and Orr  
Street Address Attorneys at Law  
Post Office Box 2099  
City & State Lancaster, CA 93539

MAIL TAX STATEMENTS TO

Name Frank A. Lane and  
Street Address Yvonne M. Lane  
44909 N. 10th Street West  
City & State Lancaster, CA 93534

88 1011153


RECORDED IN OFFICIAL RECORDS  
RECORDER'S OFFICE  
LOS ANGELES COUNTY  
CALIFORNIA  
31 MIN. 9 A.M. JUN 27 1988  
PAST.

RECEIVED  
\$5  
N

SPACE ABOVE THIS LINE FOR RECORDER'S USE

CAT. NO. NN03581  
TO 1923 CA (2-83)

Individual Grant Deed FEE \$10. COD# 09

ALL PTN.	The undersigned grantor(s) declare(s): Conveyance changes manner in which title Documentary transfer tax is \$ <u>None</u> is held. R & T \$11911 ( ) computed on full value of property conveyed, or ( ) computed on full value less value of liens and encumbrances remaining at time of sale. ( X ) Unincorporated area: ( ) City of _____, and
16	FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Frank A. Lane and Yvonne M. Lane, husband and wife, hereby GRANT(S) to Frank A. Lane and Yvonne M. Lane, husband and wife, as community property, the following described real property in the unincorporated area of County of Los Angeles State of California:
11	PARCEL A. East one-half of the Southwest quarter of the Southwest quarter of Section 11, Township 5 North, Range 11 West, S.B.B.M.
150	PARCEL B. Southwest quarter of the Southwest quarter of the Southwest quarter of Section 11, Township 5 North, Range 11 West, S.B.B.M.
	The parties hereto agree, each in consideration of the agreement of the other, that said property shall henceforth be vested of record as it actually has always been in fact, as community property of the parties, and that the respective interests of said parties in said property are and shall be present, existing and equal, each with the other.
	Dated: June 14, 1988 <i>Frank A. Lane</i> Frank A. Lane
	STATE OF CALIFORNIA COUNTY OF LOS ANGELES } ss. On June 21, 1988 before me, the undersigned, a Notary Public in and for said State, personally appeared <u>Frank A. Lane and</u> <u>Yvonne M. Lane</u> personally known to me or proved to me on the basis of sat- isfactory evidence to be the person whose names are subscribed to the within instrument and acknowledged that they executed the same. WITNESS my hand and official seal.
	<i>Mildred M. Searly</i> Signature 
	(This area for official notarial seal)
	Title Order No. _____ Escrow or Loan No. _____

MAIL TAX STATEMENTS AS DIRECTED ABOVE

**EXHIBIT “6”**

**EXHIBIT “6”**

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:

KESTLER & WALSH (WW)  
P O BOX 4379  
LANCASTER CA 93539-4379

MAIL TAX STATEMENTS TO:

FRANK A. LANE  
44909 10TH STREET WEST  
LANCASTER CA 93534

93 1312104

RECORDED/FILED IN OFFICIAL RECORDS  
RECORDER'S OFFICE  
LOS ANGELES COUNTY  
CALIFORNIA  
4 MIN 8 A.M. JUL 9 1993  
PAS?

FEE \$8 0

APN: 3056-10-16

**QUITCLAIM DEED**

The undersigned quitclaimors declare: Documentary transfer tax is NONE.

No consideration given - Change in formal title only - see Note #1 below.

FOR NO CONSIDERATION, FRANK A. LANE and YVONNE M. LANE, husband and wife, as community property, do hereby REMISE, RELEASE AND FOREVER QUITCLAIM to FRANK A. LANE and YVONNE M. LANE, as trustees of the FRANK AND YVONNE LANE 1993 FAMILY TRUST, initially created on March 5, 1993, all of their right, title and interest in and to the following-described real property in the County of Los Angeles, State of California:

PARCEL A: East one-half of the Southwest quarter of the Southwest quarter of Section 11, Township 5 North, Range 11 West, S.B.B.M.

PARCEL B: Southwest quarter of the Southwest quarter of the Southwest quarter of Section 11, Township 5 North, Range 11 West, S.B.B.M.

NOTE #1: Conveyance transferring quitclaimors' interest into a revocable living trust. This conveyance transfers the quitclaimors' interest into their revocable living trust, which is not pursuant to a sale and is exempt pursuant to Revenue & Taxation Code §11911 and Los Angeles County Ordinance 9443.

NOTE #2: Quitclaimor, FRANK A. LANE, is the same person as trustee FRANK A. LANE and quitclaimor, YVONNE M. LANE, is the same person as trustee YVONNE M. LANE. This conveyance is to a revocable trust and, pursuant to Revenue & Taxation Code §62(d)(2), does not constitute a change in ownership and does not subject the property to reassessment.

DATED: April 15, 1993

Frank A. Lane  
FRANK A. LANE

Yvonne M. Lane  
YVONNE M. LANE

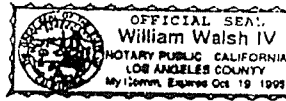
CERTIFICATE OF ACKNOWLEDGMENT OF NOTARY PUBLIC

STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES )

On April 15, 1993, before me, William Walsh IV, personally appeared FRANK A. LANE and YVONNE M. LANE personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature William Walsh IV (Seal)



93 1312104

**EXHIBIT “7”**

**EXHIBIT “7”**



This page is part of your document - DO NOT DISCARD



20091671816



Pages:  
0006

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

11/05/09 AT 02:38PM

FEEs	25 00
TAXES	0 00
OTHER	0 00
PAID	25.00



LEADSHEET



200911050670033

00001458201



002389993

SEQ:  
02

DAR - Counter (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

J

RECORDING REQUESTED BY:

YVONNE M LANE



When Recorded Mail Document  
and Tax Statement to:

Yvonne M. Lane  
42220 10th Street West  
Suite 101  
Lancaster, CA 93534

**QUITCLAIM DEED**

The undersigned grantor declares:

Documentary transfer tax is \$ None City tax \$ None

This conveyance transfers an interest into or out of a Living Trust,  
R & T § 11930.

- Computed on full value of property conveyed, or
- computed on full value less value of liens or encumbrances remaining  
at time of said,
- Unincorporated Area                      City of

**FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,  
YVONNE M. LANE, Trustee of THE FRANK AND YVONNE LANE 1993 FAMILY TRUST,  
DATED MARCH 5, 1993, AS RESTATED JULY 20, 2000**

hereby remises, releases and quitclaims to:

An undivided one-half interest to YVONNE LANE, Trustee of THE FRANK LANE  
MARITAL TRUST created pursuant to the provisions of THE FRANK AND YVONNE  
LANE 1993 FAMILY TRUST, RESTATED JULY 20, 2000, and an undivided one-half  
interest to YVONNE LANE, Trustee of THE YVONNE LANE SURVIVOR'S TRUST,  
created pursuant to the provisions of THE FRANK AND YVONNE LANE 1993  
FAMILY TRUST, RESTATED JULY 20, 2000

the following described real properties in the County of Los Angeles,  
State of California more particularly described as follows:

1. Real property located at 60<sup>th</sup> St West & Avenue L-4, Quartz Hill, Los  
Angeles County, California legally described as:  
  
The South 50 feet of the North 1,540 feet of the East 50 feet of the  
West 240 feet of the Northwest Quarter of Section 35, Township 7

North, Range 13 West, San Bernardino Meridian in the County of Los Angeles, State of California according to the official plat of said land.

APN: 3102-27-40

2. Real property (Holiday Rock), legally described as:

160 acres of the Southeast Quarter of Section 1, Township 5 North, Range 11 West.

EXCEPT the following described property:

East one-half of the Southeast Quarter and the Southwest Quarter of the Southeast Quarter and the South one-half of the Northwest Quarter of the Southeast Quarter and the Northeast Quarter of the Northwest Quarter of the Southeast Quarter of Section 1, Township 5 North, Range 11 West.

APN: 3051-04-06

3. Real property (Ecology), legally described as:

The North half of the West half of the East half of the Northwest Quarter of the Northeast Quarter of Section 11, Township 5 North, Range 11 West, S.B.M. in the City of Palmdale, County of Los Angeles, State of California, according to the official plat of said land.

APN: 3050-11-28

4. Real property (Ecology), legally described as:

The East half of the East half of the Northwest Quarter of the Northeast Quarter of Section 11, Township 5 North, Range 11 West, S.B.M., in the City of Palmdale, County of Los Angeles, State of California, according to the official plat of said land.

APN: 3050-11-27

5. Real property (Ecology), legally described as:

The South half of the West half of the East half of the Northwest Quarter of the Northeast Quarter of Section 11, Township 5 North, Range 11 West, S B M , in the City of Palmdale, County of Los Angeles, State of California, according to the official plat of said land approved by the surveyor general, March 19, 1856.

APN: 3050-011-08

6. Real property (Granite Construction), legally described as:

PARCEL A: East one-half of the Southwest quarter of the Southwest quarter of Section 11, Township 5 North, Range 11 West, S.B.B.M.

PARCEL B: Southwest quarter of the Southwest quarter of the Southwest quarter of Section 11, Township 5 North, Range 11 West, S.B.B.M.

APN. 3050-010-016

7 Real property (Holiday Rock), legally described as:

South one-half of Lot 1 of the Southwest quarter of Section 31, Township 6 North, Range 10 West, S.B.B. & M., in said county and state.

APN. 3042-023-002

8 Real property located at 866 West Avenue I, and 45124 10<sup>th</sup> Street West, Lancaster, Los Angeles County, California, legally described as:

THE NORTH 622 FEET, MEASURED ALONG THE WEST LINE OF THE WEST 350 FEET, MEASURED ALONG THE NORTH LINE, OF BLOCK 29, TOWN OF LANCASTER, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 5, PAGES 470 AND 471 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, CALIFORNIA.

APN: 3133-001-031  
3133-001-032

9. Real property located at 43755 Division Street, Lancaster, Los Angeles County, California, legally described as:

ALL THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 22, TOWNSHIP 7 NORTH, RANGE 12 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID SECTION; THENCE NORTH ALONG THE EAST LINE OF SAID SECTION, 1320 FEET TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION; THENCE WEST AND ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION, 776 FEET, OR LESS, TO A POINT 100 FEET EAST OF THE CENTER OF THE SOUTHERN PACIFIC RAILROAD TRACKS; THENCE SOUTHEASTERLY IN A DIRECT LINE TO A POINT IN THE SOUTH LINE OF SAID SECTION, DISTANT THEREON 613 FEET WEST OF THE POINT OF BEGINNING AND 100 FEET EAST OF THE SAID CENTER OF SAID RAILROAD TRACKS; AND THENCE EAST AND ALONG SAID SECTIONAL LINE 613 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THE SOUTH 30 FEET CONVEYED TO THE COUNTY OF LOS ANGELES FOR ROAD PURPOSES.

FURTHER EXCEPTING THEREFROM LOTS 1 THROUGH 9 OF PARCEL MAP NO. 21588 RECORDED DECEMBER 1, 1994 AS INSTRUMENT NO. 94-2150902 IN BOOK 266 AT PAGE 5 OF PARCEL MAPS, LOS ANGELES COUNTY, CALIFORNIA.

APN: 3130-31-15/3130-31-20

- 10 Unimproved property in Los Angeles County, California, legally described as

Lots 5, 6, 7, 8 and 9 of Parcel Map No. 21588 recorded in Book 266, Pages 5-6 of Parcel Maps, Los Angeles County, California.

APN: 3130-31-26; 3130-31-27; 3130-31-28; 3130-31-29, 3130-31-30

- 11. Real property located at 5746 West Avenue L, 60<sup>th</sup> Street West and Avenue L-4, 60<sup>th</sup> Street West and Avenue L-8, Quartz Hill, Los Angeles County, California, legally described as:

PARCEL 1: The Northwest quarter of the Northwest quarter of Section 35, Township 7 North, Range 13 West, San Bernardino Base and Meridian, according to the official plat of said land.

PARCEL 2: All that certain real property being a portion of the Southwest quarter of the Northwest quarter of Section 35, Township 7 North, Range 13 West, San Bernardino Meridian, in the City of Lancaster, County of Los Angeles, State of California, said property being more particularly described as follows:

Parcel 1 of Parcel Map 22935 as shown on map filed in Book 2564, Pages 20 through 22 of Parcel Maps in the Office of the County Recorder of said County.

APN 3102-37-34, 3102-37-41; 3102-37-42; 3102-37-43

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12 Real property located at 44965-44969 10<sup>th</sup> Street West, Lancaster, Los Angeles County, California, legally described as.

The North 20 feet of Lot 23 and all of Lot 24 of Tract 14609 as per map recorded in Book 316, Page 19 of Maps in the office of the County Recorder of Los Angeles County.

APN: 3121-002-039

Dated: *November 5, 2009*

THE FRANK AND YVONNE LANE 1993  
FAMILY TRUST, DATED MARCH 5, 1993,  
AS RESTATED JULY 20, 2000

By *Yvonne M. Lane*  
YVONNE M. LANE, Trustee

STATE OF CALIFORNIA   )  
   )  
COUNTY OF LOS ANGELES   )         SS.

On *November 5*, 2009, before me, KATHLEEN A. SEEKINS, a Notary Public in and for said State, personally appeared YVONNE M. LANE, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

*Kathleen A. Seekins*  
KATHLEEN A. SEEKINS



**EXHIBIT “8”**

**EXHIBIT “8”**

This page is part of your document - DO NOT DISCARD



20150460794



Pages:  
0004

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

04/23/15 AT 03:40PM

FEES:	31.00
TAXES:	0.00
OTHER:	0.00
PAID:	31.00



LEADSHEET



201504230670029

00010472952



006784364

SEQ:  
08

DAR - Courier (Upfront Scan)



THIS FORM IS NOT TO BE DUPLICATED



Recording Requested by and  
When Recorded Mail to:

**NOLEN P. MILBURN, JR.**  
**MILBURN & ASHTON**  
1125 West Avenue M-14, Suite A  
Palmdale, CA 93551-1404

**MAIL TAX STATEMENTS TO:**

George M. Lane  
42220 10<sup>th</sup> Street West  
Suite 101  
Lancaster, CA 93534

\* \* \* \* \*  
*APN: 3050-010-016*      *this conveyance transfers an interest into trust out of a living trust. R+T 11930*  
\* \* \* \* \*      **QUITCLAIM DEED**

Documentary Transfer Tax is None

The undersigned hereby declares that:

This transfer is made without consideration and is therefore exempt from Documentary Transfer Tax (California Revenue and Taxation Code § 11911).

**NOW, THEREFORE, GEORGE M. LANE, Successor Trustee of THE FRANK LANE MARITAL TRUST, created pursuant to the provisions of THE FRANK AND YVONNE LANE 1993 FAMILY TRUST, DATED MARCH 5, 1993, RESTATED JULY 20, 2000, and GEORGE M. LANE, Successor Trustee of THE YVONNE LANE SURVIVOR'S TRUST, created pursuant to the provisions of THE FRANK AND YVONNE LANE 1993 FAMILY TRUST DATED MARCH 5, 1993, RESTATED JULY 20, 2000, hereby remises, releases and quitclaims to GEORGE M. LANE, a married man as his separate property, a 25.60% interest in that certain real property situated in the State of California, County of Los Angeles, and described as follows:**

PARCEL A: East one-half of the Southwest quarter of the Southwest quarter of Section 11, Township 5 North, Range 11 West, S.B.B.M.

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////  
////  
////

PARCEL B: Southwest quarter of the Southwest quarter of the Southwest quarter of Section 11, Township 5 North, Range 11 West, S.B.B.M.

APN: 3050-010-016

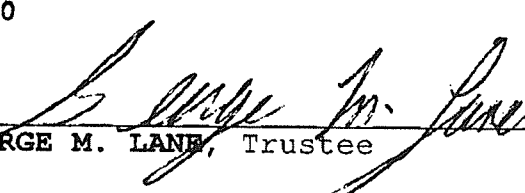
Dated: 02/06/2015

FRANK LANE MARITAL TRUST, created pursuant to the provisions of THE FRANK AND YVONNE LANE 1993 FAMILY TRUST DATED MARCH 5, 1993, AS RESTATED ON JULY 20, 2000

By   
GEORGE M. LANE, Trustee

Dated: 02/06/2015

YVONNE LANE SURVIVOR'S TRUST, created pursuant to the provisions of THE FRANK AND YVONNE LANE 1993 FAMILY TRUST DATED MARCH 5, 1993, AS RESTATED ON JULY 20, 2000

By   
GEORGE M. LANE, Trustee

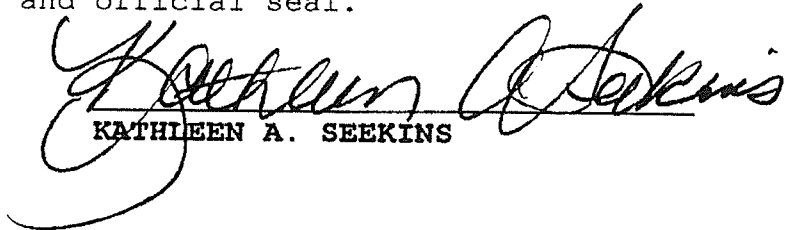
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 )  
COUNTY OF LOS ANGELES ) ss.

On February 6, 2015, before me, **KATHLEEN A. SEEKINS**, a Notary Public in and for said State, personally appeared **GEORGE M. LANE**, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under **PENALTY OF PERJURY** under the laws of the State of California that the foregoing paragraph is true and correct.

**WITNESS** my hand and official seal.

  
KATHLEEN A. SEEKINS



**EXHIBIT “9”**

**EXHIBIT “9”**

This page is part of your document - DO NOT DISCARD



2015112119



Pages:  
0003

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

09/09/15 AT 03:47PM

FEES:	28.00
TAXES:	0.00
OTHER:	0.00
PAID:	28.00



LEADSHEET



201509090670044

00011109515



007070194

SEQ:  
08

DAR - Courier (Upfront Scan)



THIS FORM IS NOT TO BE DUPLICATED

Recording Requested by and  
When Recorded Mail to:

**NOLEN P. MILBURN, JR.**  
**MILBURN & ASHTON**  
1125 West Avenue M-14, Suite A  
Palmdale, CA 93551-1404

**MAIL TAX STATEMENTS TO:**

George M. Lane  
42220 10<sup>th</sup> Street West  
Suite 101  
Lancaster, CA 93534

\* \* \* \* \*

**QUITCLAIM DEED**

APN: 3050-010-016

Documentary Transfer Tax is None

The undersigned hereby declares that:

*This conveyance transfers an interest into or out of a living trust, R&T § 11930.*

**NOW, THEREFORE, GEORGE M. LANE**, a married man as his separate property, hereby remises, releases and quitclaims to **GEORGE M. LANE** and **CHARLENE K. LANE**, Trustees of **THE GEORGE AND CHARLENE LANE FAMILY TRUST, DATED DECEMBER 19, 2007**, a 25.60% interest in that certain real property situated in the State of California, County of Los Angeles, and described as follows:

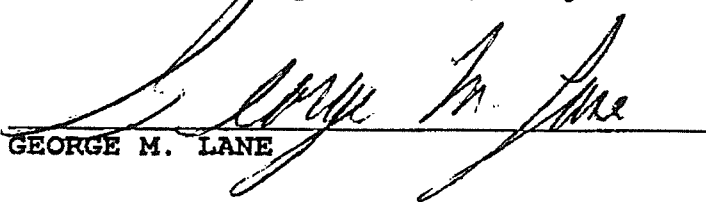
PARCEL A: East one-half of the Southwest quarter of the Southwest quarter of Section 11, Township 5 North, Range 11 West, S.B.B.M.

PARCEL B: Southwest quarter of the Southwest quarter of the Southwest quarter of Section 11, Township 5 North, Range 11 West, S.B.B.M.

Dated:

09/08/2015

GEORGE M. LANE



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 )  
COUNTY OF LOS ANGELES ) ss.

On September 8, 2015, before me, **KATHLEEN A. SEEKINS**, a Notary Public in and for said State, personally appeared **GEORGE M. LANE**, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under **PENALTY OF PERJURY** under the laws of the State of California that the foregoing paragraph is true and correct.

**WITNESS** my hand and official seal.

*Kathleen A. Seekins*  
KATHLEEN A. SEEKINS



**EXHIBIT “10”**

**EXHIBIT “10”**



DEC 15 1970

RECORDING REQUESTED BY

615

WHEN RECORDED MAIL TO

Mr. and Mrs. Frank A. Lane  
44835 N. 10th St. West  
Lancaster, Calif.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DOCUMENTARY TRANSFER TAX \$ 193.60  
 COMPUTED ON FULL VALUE OF PROPERTY CONVEYED, OR  
 COMPUTED ON FULL VALUE LESS LIENS & ENCUMBRANCES  
REMAINING THEREON AT TIME OF SALE

Signature of declarant or agent determining tax *James White*  
Firm Name *James White*

Unincorporated Area  City of

ESCROW NO. 5 11146 N  
T.O. NO.

### Grant Deed

For a valuable consideration receipt of which is hereby acknowledged,  
James White and Jessie White, his wife; Alexander White and Esther White, his wife;  
Henry Woods and Marie Woods, his wife.

hereby GRANT(S) to Frank A. Lane and Yvonne M. Lane, husband and wife as Community  
Property.

the following described real property in the unincorporated area  
County of Los Angeles, State of California:

The North half of the Northwest quarter of Section 14, Township 5 North, Range 11  
West, SBB&M., in the county of Los Angeles, state of California, according to the  
official plat thereof.

Dated April 15, 1970

STATE OF CALIFORNIA  
COUNTY OF *Stanislaus* } SS

On April 27, 1970 before me,  
the undersigned, a Notary Public in and for said County  
and State, personally appeared James White and  
Jessie White; Alexander White and Esther  
White; Henry Woods and Marie Woods

known to me to be the person(s) whose name(s) is/are  
subscribed to the within instrument, and acknowledged to  
me that he/she/they executed the same.

WITNESS my hand and official seal.

*Maguel C. Fiddling*

*James White* *Jessie White*  
James White Jessie White  
*Alexander White* *Esther White*  
Alexander White Esther White  
*Henry Woods* *Marie Woods*  
Henry Woods Marie Woods

Mail Tax Statement To: See Above

Name

Street Address

City, State & Zip

I. I. REC  
DEC 15 1970

615  
Fh

**EXHIBIT “11”**

**EXHIBIT “11”**

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:

KESTLER & WALSH (WW)  
P O BOX 4379  
LANCASTER CA 93539-4379

MAIL TAX STATEMENTS TO:

FRANK A. LANE  
44909 10TH STREET WEST  
LANCASTER CA 93534

93 1312102

RECORDED/FILED IN OFFICIAL RECORDS	
RECORDER'S OFFICE	
LOS ANGELES COUNTY	
CALIFORNIA	
4 MIN	8 PM JUL 9 1993
PAST	
FEE \$8	
2	

APN: 3050-28-08

**QUITCLAIM DEED**

The undersigned quitclaimors declare: Documentary transfer tax is NONE.

No consideration given - Change in formal title only - see Note #1 below.

FOR NO CONSIDERATION, FRANK A. LANE, and YVONNE M. LANE, husband and wife, as community property, do hereby **REHISE, RELEASE AND FOREVER QUITCLAIM** to FRANK A. LANE and YVONNE M. LANE, as trustees of the FRANK AND YVONNE LANE 1993 FAMILY TRUST, initially created on March 5, 1993, all of their right, title and interest in and to the following-described real property in the County of Los Angeles, State of California:

The North half of the Northwest quarter of Section 14, Township 5 North, Range 11 West, S.B.B. & M., in the County of Los Angeles, State of California, according to the official plat thereof.

**NOTE #1:** Conveyance transferring quitclaimors' interest into a revocable living trust. This conveyance transfers the quitclaimors' interest into their revocable living trust, which is not pursuant to a sale and is exempt pursuant to Revenue & Taxation Code §11911 and Los Angeles County Ordinance 9443.

**NOTE #2:** Quitclaimor, FRANK A. LANE, is the same person as trustee FRANK A. LANE and quitclaimor, YVONNE M. LANE, is the same person as trustee YVONNE M. LANE. This conveyance is to a revocable trust and, pursuant to Revenue & Taxation Code §62(d)(2), does not constitute a change in ownership and does not subject the property to reassessment.

DATED: June 23, 1993

Frank A. Lane  
FRANK A. LANE

Yvonne M. Lane  
YVONNE M. LANE

CERTIFICATE OF ACKNOWLEDGMENT OF NOTARY PUBLIC

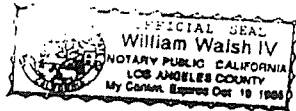
STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES )

On June 23, 1993, before me, William Walsh IV, personally appeared FRANK A. LANE and YVONNE M. LANE personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature William Walsh IV

(Seal)



93 1312102

**EXHIBIT “12”**

**EXHIBIT “12”**



01 1716720

RECORDED/FILED IN OFFICIAL RECORDS  
RECORDER'S OFFICE  
LOS ANGELES COUNTY  
CALIFORNIA  
2:01 PM SEP 12 2001

SPACE ABOVE THIS LINE FOR RECORDERS USE

TITLE(S)

DEED

FEE

FEE  
\$7  
A

D.T.T. 80  
\$43.45

CODE  
20

CODE 19 NCPF Code 19 \$ 3.00

CODE 9 SURVEY, MONUMENT FEE \$10. CODE 99

NOTIFICATION SENT \$4

Assessor's Identification Number (AIN)  
To Be Completed By Examiner OR Title Company In Black Ink

Number of Parcels Shown

3050 028 015

001

THIS FORM IS NOT TO BE DUPLICATED

RECORDED MAIL THIS DEED TO:

NAME Monte Vista Building Sites  
STREET ADDRESS 44909 N. 10th Street West  
CITY, STATE ZIP Lancaster, CA 93534

01 1716720

2

MAIL TAX STATEMENTS TO:

NAME Monte Vista Building Sites  
STREET ADDRESS 44909 N. 10th Street West  
CITY, STATE ZIP Lancaster, CA 93534

SPACE ABOVE THIS LINE FOR RECORDER'S USE

3060	028	015	ALL
			PTN

Title Order No. \_\_\_\_\_

Escrow or Loan No. \_\_\_\_\_

### GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S)

DOCUMENTARY TRANSFER TAX is \$43.25 <sup>45</sup> <sup>80</sup>

CITY TAX \$ \_\_\_\_\_

- computed on full value of property conveyed, or
- computed on full value less value of liens or encumbrances remaining at time of sale.
- Unincorporated area:  City of Lancaster, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

FRANK A. LANE and YVONNE M. LANE, as Trustees of the FRANK AND YVONNE LANE 1993 FAMILY TRUST (created by a revocable trust dated March 5, 1993),

hereby GRANT to MONTE VISTA BUILDING SITES, INC, a corporation,

the following-described real property in the County of Los Angeles, State of California:

The North half of the Northwest quarter of Section 14, Township 5 North, Range 11 West, SBBM in the County of Los Angeles, State of California, except that portion used for roadway purposes.

EXCEPT THEREFROM that portion lying Southwesterly of Highway 138.

Subject to: Covenants, conditions, restrictions, reservations, rights, rights of way, and easements of record.

This Deed is given in full satisfaction of an agreement to convey between the Grantors and the Grantee made on October 3, 1985.

Dated: April 24, 2001

*Frank A. Lane*  
FRANK A. LANE, Trustee

*Yvonne M. Lane*  
YVONNE M. LANE, Trustee

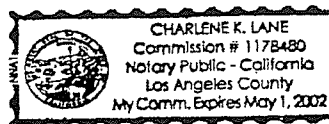
STATE OF CALIFORNIA ) ss  
COUNTY OF LOS ANGELES )

On April 24, 2001, before me, *Charlene K. Lane*, a Notary Public in and for said State, personally appeared FRANK A. LANE and YVONNE M. LANE, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument, and acknowledged that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

Witness my hand and official seal.

Signature *Charlene K. Lane*

(This area for official notarial seal)



MAIL TAX STATEMENTS TO RETURN ADDRESS SHOWN ABOVE

**EXHIBIT “13”**

**EXHIBIT “13”**



17-013322



Secretary of State  
Statement of Information  
(California Stock, Agricultural  
Cooperative and Foreign Corporations)

75

SI-550

FILED  
Secretary of State  
State of California  
FEB 13 2017

IMPORTANT — Read instructions before completing this form.

Fees (Filing plus Disclosure) – \$25.00;

Copy Fees – First page \$1.00; each attachment page \$0.50;  
Certification Fee - \$5.00 plus copy fees

1. Corporation Name (Enter the exact name of the corporation as it is recorded with the California Secretary of State. Note: If you registered in California using an assumed name, see instructions.)

LITTLE ROCK SAND AND GRAVEL, INC.

NF  
This Space For Office Use Only

2. 7-Digit Secretary of State File Number

C0283333

3. Business Addresses

a. Street Address of Principal Executive Office - Do not list a P.O. Box 42220 10TH ST. WEST, SUITE 101	City (no abbreviations) LANCASTER	State CA	Zip Code 93534
b. Mailing Address of Corporation, if different than Item 3a	City (no abbreviations)	State	Zip Code
c. Street Address of Principal California Office, if any and if different than Item 3a - Do not list a P.O. Box 42220 10TH ST. WEST, SUITE 101	City (no abbreviations) LANCASTER	State CA	Zip Code 93534

4. Officers

The Corporation is required to list all three of the officers set forth below. An additional title for the Chief Executive Officer and Chief Financial Officer may be added; however, the preprinted titles on this form must not be altered.

a. Chief Executive Officer/ PRESIDENT	First Name GEORGE	Middle Name M	Last Name LANE	Suffix
Address 42220 10TH ST. WEST, SUITE 101			City (no abbreviations) LANCASTER	State CA Zip Code 93534
b. Secretary	First Name CHARLENE	Middle Name K	Last Name LANE	Suffix
Address 42220 10TH ST. WEST, SUITE 101			City (no abbreviations) LANCASTER	State CA Zip Code 93534
c. Chief Financial Officer/	First Name GEORGE	Middle Name M	Last Name LANE	Suffix
Address 42220 10TH ST. WEST, SUITE 101			City (no abbreviations) LANCASTER	State CA Zip Code 93534

5. Director(s)

California Stock and Agricultural Cooperative Corporations ONLY: Item 5a: At least one name and address must be listed. If the Corporation has additional directors, enter the name(s) and addresses on Form SI-550A (see instructions).

a. First Name JUSTIN	Middle Name G	Last Name LANE	Suffix
Address 42220 10TH ST. WEST, SUITE 101		City (no abbreviations) LANCASTER	State CA Zip Code 93534
b. Number of Vacancies on the Board of Directors, if any			

6. Service of Process (Must provide either Individual OR Corporation.)

INDIVIDUAL – Complete Items 6a and 6b only. Must include agent's full name and California street address.

a. California Agent's First Name (if agent is not a corporation) GEORGE	Middle Name M	Last Name LANE	Suffix
b. Street Address (if agent is not a corporation) - Do not enter a P.O. Box 42220 10TH ST. WEST, SUITE 101		City (no abbreviations) LANCASTER	State CA Zip Code 93534

CORPORATION – Complete Item 6c only. Only include the name of the registered agent Corporation.

c. California Registered Corporate Agent's Name (if agent is a corporation) – Do not complete Item 6a or 6b
---

7. Type of Business

Describe the type of business or services of the Corporation  
QUARRY/LAND

8. The Information contained herein, including in any attachments, is true and correct.

2/8/17  
Date

GEORGE M. LANE  
Type or Print Name of Person Completing the Form

PRESIDENT  
Title

**EXHIBIT “14”**

**EXHIBIT “14”**



**State of California  
Secretary of State**

**S**

**Statement of Information**

(Domestic Stock and Agricultural Cooperative Corporations)

**FEEs (Filing and Disclosure): \$25.00.**

If this is an amendment, see instructions.

**IMPORTANT – READ INSTRUCTIONS BEFORE COMPLETING THIS FORM**

**FT63692**

**FILED**

In the office of the Secretary of State  
of the State of California

**JAN-12 2018**

**1. CORPORATE NAME**

LITTLE ROCK SAND AND GRAVEL, INC.

**2. CALIFORNIA CORPORATE NUMBER**

C0283333

This Space for Filing Use Only

**No Change Statement** (Not applicable if agent address of record is a P.O. Box address. See instructions.)

3. If there have been any changes to the information contained in the last Statement of Information filed with the California Secretary of State, or no statement of information has been previously filed, this form must be completed in its entirety.

If there has been no change in any of the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed to Item 17.

**Complete Addresses for the Following** (Do not abbreviate the name of the city. Items 4 and 5 cannot be P.O. Boxes.)

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE CITY STATE ZIP CODE

5. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY CITY STATE ZIP CODE

6. MAILING ADDRESS OF CORPORATION, IF DIFFERENT THAN ITEM 4 CITY STATE ZIP CODE

**Names and Complete Addresses of the Following Officers** (The corporation must list these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)

7. CHIEF EXECUTIVE OFFICER/ ADDRESS CITY STATE ZIP CODE

8. SECRETARY ADDRESS CITY STATE ZIP CODE

9. CHIEF FINANCIAL OFFICER/ ADDRESS CITY STATE ZIP CODE

**Names and Complete Addresses of All Directors, Including Directors Who are Also Officers** (The corporation must have at least one director. Attach additional pages, if necessary.)

10. NAME ADDRESS CITY STATE ZIP CODE

11. NAME ADDRESS CITY STATE ZIP CODE

12. NAME ADDRESS CITY STATE ZIP CODE

13. NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY:

**Agent for Service of Process** If the agent is an individual, the agent must reside in California and Item 15 must be completed with a California street address, a P.O. Box address is not acceptable. If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 15 must be left blank.

14. NAME OF AGENT FOR SERVICE OF PROCESS

15. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL CITY STATE ZIP CODE

**Type of Business**

16. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION

17. BY SUBMITTING THIS STATEMENT OF INFORMATION TO THE CALIFORNIA SECRETARY OF STATE, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

01/12/2018 GEORGE M LANE PRESIDENT  
DATE TYPE/PRINT NAME OF PERSON COMPLETING FORM TITLE SIGNATURE

**EXHIBIT “15”**

**EXHIBIT “15”**



**State of California  
Secretary of State**

**S**

**Statement of Information**

(Domestic Stock and Agricultural Cooperative Corporations)

**FEES (Filing and Disclosure): \$25.00.**

If this is an amendment, see instructions.

**IMPORTANT – READ INSTRUCTIONS BEFORE COMPLETING THIS FORM**

**F438146**

**FILED**

In the office of the Secretary of State  
of the State of California

**FEB-25 2015**

**1. CORPORATE NAME**

MONTE VISTA BUILDING SITES INC.

**2. CALIFORNIA CORPORATE NUMBER**

C0271109

This Space for Filing Use Only

**No Change Statement** (Not applicable if agent address of record is a P.O. Box address. See instructions.)

3. If there have been any changes to the information contained in the last Statement of Information filed with the California Secretary of State, or no statement of information has been previously filed, this form must be completed in its entirety.

If there has been no change in any of the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed to Item 17.

**Complete Addresses for the Following** (Do not abbreviate the name of the city. Items 4 and 5 cannot be P.O. Boxes.)

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE CITY STATE ZIP CODE  
42220 10TH ST. WEST SUITE 101, LANCASTER, CA 93534

5. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY CITY STATE ZIP CODE  
42220 10TH ST. WEST SUITE 101, LANCASTER, CA 93534

6. MAILING ADDRESS OF CORPORATION, IF DIFFERENT THAN ITEM 4 CITY STATE ZIP CODE

**Names and Complete Addresses of the Following Officers** (The corporation must list these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)

7. CHIEF EXECUTIVE OFFICER/ ADDRESS CITY STATE ZIP CODE  
GEORGE M LANE 42220 10TH ST. WEST SUITE 101, LANCASTER, CA 93534

8. SECRETARY ADDRESS CITY STATE ZIP CODE  
CHARLENE K LANE 42220 10TH ST. WEST SUITE 101, LANCASTER, CA 93534

9. CHIEF FINANCIAL OFFICER/ ADDRESS CITY STATE ZIP CODE  
GEORGE M LANE 42220 10TH ST. WEST SUITE 101, LANCASTER, CA 93534

**Names and Complete Addresses of All Directors, Including Directors Who are Also Officers** (The corporation must have at least one director. Attach additional pages, if necessary.)

10. NAME ADDRESS CITY STATE ZIP CODE  
JUSTIN G LANE 42220 10TH ST. WEST SUITE 101, LANCASTER, CA 93534

11. NAME ADDRESS CITY STATE ZIP CODE

12. NAME ADDRESS CITY STATE ZIP CODE

13. NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY: 0

**Agent for Service of Process** If the agent is an individual, the agent must reside in California and Item 15 must be completed with a California street address, a P.O. Box address is not acceptable. If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 15 must be left blank.

14. NAME OF AGENT FOR SERVICE OF PROCESS

GEORGE M LANE

15. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL CITY STATE ZIP CODE  
42220 10TH ST. WEST SUITE 101, LANCASTER, CA 93534

**Type of Business**

16. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION  
COMMERCIAL BUILDING

17. BY SUBMITTING THIS STATEMENT OF INFORMATION TO THE CALIFORNIA SECRETARY OF STATE, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

02/25/2015 GEORGE M LANE PRESIDENT  
DATE TYPE/PRINT NAME OF PERSON COMPLETING FORM TITLE SIGNATURE

**EXHIBIT “16”**

**EXHIBIT “16”**



**State of California  
Secretary of State**

**S**

**Statement of Information**

(Domestic Stock and Agricultural Cooperative Corporations)

**FEES (Filing and Disclosure): \$25.00.**

If this is an amendment, see instructions.

**IMPORTANT – READ INSTRUCTIONS BEFORE COMPLETING THIS FORM**

**FT62884**

**FILED**

In the office of the Secretary of State  
of the State of California

**JAN-12 2018**

1. **CORPORATE NAME**  
MONTE VISTA BUILDING SITES INC.

2. **CALIFORNIA CORPORATE NUMBER**  
C0271109

This Space for Filing Use Only

**No Change Statement** (Not applicable if agent address of record is a P.O. Box address. See instructions.)

3. **If there have been any changes to the information contained in the last Statement of Information filed with the California Secretary of State, or no statement of information has been previously filed, this form must be completed in its entirety.**  
 If there has been no change in any of the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed to **Item 17.**

**Complete Addresses for the Following** (Do not abbreviate the name of the city. Items 4 and 5 cannot be P.O. Boxes.)

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE	CITY	STATE	ZIP CODE
5. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY	CITY	STATE	ZIP CODE
6. MAILING ADDRESS OF CORPORATION, IF DIFFERENT THAN ITEM 4	CITY	STATE	ZIP CODE

**Names and Complete Addresses of the Following Officers** (The corporation must list these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)

7. CHIEF EXECUTIVE OFFICER/	ADDRESS	CITY	STATE	ZIP CODE
8. SECRETARY	ADDRESS	CITY	STATE	ZIP CODE
9. CHIEF FINANCIAL OFFICER/	ADDRESS	CITY	STATE	ZIP CODE

**Names and Complete Addresses of All Directors, Including Directors Who are Also Officers** (The corporation must have at least one director. Attach additional pages, if necessary.)

10. NAME	ADDRESS	CITY	STATE	ZIP CODE
11. NAME	ADDRESS	CITY	STATE	ZIP CODE
12. NAME	ADDRESS	CITY	STATE	ZIP CODE

13. NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY:

**Agent for Service of Process** If the agent is an individual, the agent must reside in California and Item 15 must be completed with a California street address, a P.O. Box address is not acceptable. If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 15 must be left blank.

14. NAME OF AGENT FOR SERVICE OF PROCESS

15. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL CITY STATE ZIP CODE

**Type of Business**

16. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION

17. BY SUBMITTING THIS STATEMENT OF INFORMATION TO THE CALIFORNIA SECRETARY OF STATE, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

01/12/2018      GEORGE M LANE      PRESIDENT  
DATE      TYPE/PRINT NAME OF PERSON COMPLETING FORM      TITLE      SIGNATURE

**EXHIBIT “17”**

**EXHIBIT “17”**



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

DEPARTMENT 322

HON. JACK KOMAR, JUDGE

COORDINATION PROCEEDING )  
SPECIAL TITLE (RULE 1550(B) ) JUDICIAL COUNCIL  
 ) COORDINATION NO.  
 ) JCCP4408  
ANTELOPE VALLEY GROUNDWATER CASES )  
 ) SANTA CLARA CASE NO.  
 ) 1-05-CV-049053  
 )  
 )  
PALMDALE WATER DISTRICT AND QUARTZ )  
HILL WATER DISTRICT, )  
 )  
 ) CROSS-COMPLAINANTS, )  
 )  
 ) VS. )  
 )  
 )  
LOS ANGELES COUNTY WATERWORKS )  
DISTRICT NO. 40, ET AL., )  
 )  
 ) CROSS-DEFENDANTS. )  
 )  
 )

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, MAY 30, 2013

APPEARANCES:

FOR LOS ANGELES COUNTY WATERWORKS DISTRICT 40: BEST BEST & KRIEGER  
BY: JEFFREY V. DUNN, ESQ.  
5 PARK PLAZA, SUITE 1500  
IRVINE, CA 92614  
(949) 263-2600

FOR DIAMOND FARMING COMPANY, ET AL.: LEBEAU THELEN LLP  
BY: BOB H. JOYCE, ESQ.  
THE ATRIUM  
5001 EAST COMMERCENTER DRIVE  
SUITE 300  
BAKERSFIELD, CALIFORNIA 93309  
(661) 325-8962

(APPEARANCES CONTINUED ON NEXT PAGE.)

FOR BOLTHOUSE  
PROPERTIES:

CLIFFORD & BROWN  
BY: RICHARD G. ZIMMER, ESQ.  
1430 TRUXTUN AVENUE, SUITE 900  
BAKERSFIELD, CALIFORNIA 93301  
(661) 322-6023 EX. 216

FOR QUARTZ HILL  
WATER DISTRICT:

CHARLTON WEEKS LLP  
BY: BRADLEY T. WEEKS, ESQ.  
1031 WEST AVENUE M-14, STE. A  
PALMDALE, CALIFORNIA 93551  
(661) 265-0969

FOR PALMDALE  
WATER DISTRICT:

LAGERLOF SENEAL GOSNEY & KRUSE LLP  
BY: THOMAS S. BUNN III, ESQ.  
301 NORTH LAKE AVENUE, 10TH FL  
PASADENA, CALIFORNIA 91101-4108  
(626) 793-9400

FOR TEJON  
RANCHCORP GRANITE  
CONSTRUCTION:

KUHS & PARKER  
BY: ROBERT G. KUHS, ESQ.  
1200 TRUXTUN AVENUE  
SUITE 200  
BAKERSFIELD, CALIFORNIA 93303  
(661) 322-4004

FOR UNITED  
STATES:

U.S. DEPARTMENT OF JUSTICE  
ENVIRONMENT AND NATURAL  
RESOURCES DIVISION  
BY: R. LEE LEININGER, ESQ.  
999 18TH STREET, SUITE 370  
DENVER, CO 80202  
(303) 844-1364

FOR ROSAMOND  
RANCH; ELIAS  
SHOKRIAN; SHIRLEY  
SHOKRIAN:

LAW OFFICES OF FRANK SATALINO  
BY: FRANK SATALINO, ESQ.  
19 VELARDE COURT  
RANCHO SANTA MARGARITA, CA. 92688  
(949) 735-7604

FOR CALIFORNIA  
II, VAN DAM,  
ET AL.:

YOUNG WOOLDRIDGE  
BY: SCOTT K. KUNEY, ESQ.  
1800 30TH STREET  
FOURTH FLOOR  
BAKERSFIELD, CALIFORNIA 93301  
(661) 327-9661

FOR PHELAN PINON  
HILLS COMMUNITY  
SERVICE DISTRICT:

ALESHIRE & WYNDER LLP  
BY: WESLEY A. MILIBAND, ESQ.  
18881 VON KARMAN AVENUE, SUITE 1700  
IRVINE, CALIFORNIA 92612  
(949) 223-1170

(APPEARANCES CONTINUED ON NEXT PAGE.)

FOR U.S. BORAX: MORRISON & FOERSTER, LLP  
BY: WILLIAM M. SLOAN, ESQ.  
425 MARKET STREET  
32ND FLOOR  
SAN FRANCISCO, CALIFORNIA 94105  
(415) 268-7209

FOR ANTELOPE VALLEY GROUND WATER AGREEMENT ASSOCIATION: GRESHAM SAVAGE NOLAN & TILDEN  
BY: MICHAEL DUANE DAVIS, ESQ.  
3750 UNIVERSITY AVENUE  
SUITE 250  
RIVERSIDE, CALIFORNIA 92501  
(951) 684-2171

FOR BIG ROCK MUTUAL WATER COMPANY, ET AL.: LEMIEUX & O'NEILL  
BY: CHRISTINE CARSON, ESQ.  
4165 E. THOUSAND OAKS BLVD, SUITE 350  
WESTLAKE VILLAGE, CALIFORNIA 91362  
(805) 495-4770

FOR WOOD CLASS: LAW OFFICES OF MICHAEL MC LACHLAN  
BY: MICHAEL MC LACHLAN, ESQ.  
10490 SANTA MONICA BOULEVARD  
LOS ANGELES, CALIFORNIA 90025  
(310) 954-8270

FOR CITY OF LOS ANGELES: KRONICK MOSKOVITZ TIEDEMANN & GIRARD  
BY: JANET K. GOLDSMITH, ESQ.  
400 CAPITOL MALL  
27TH FLOOR  
SACRAMENTO, CALIFORNIA 95814  
(916) 321-4500

FOR NORTHROP GRUMMAN, ET AL.: ALSTON & BIRD LLP  
BY: NEAL P. MAGUIRE, ESQ.  
2801 TOWNSGATE ROAD  
SUITE 215  
WESTLAKE VILLAGE, CALIFORNIA 91361  
(805) 497-9474

FOR LANDINV, INC., ET AL.: SMILAND & CHESTER  
BY: THEODORE A. CHESTER, ESQ.  
601 WEST FIFTH STREET  
SUITE 1100  
LOS ANGELES, CALIFORNIA 90071  
(213) 891-1010

FOR ANTELOPE VALLEY GROUNDWATER ASSOCIATION: BROWNSTEIN HYATT FARBER SCHRECK  
BY: BRADLEY J. HERREMA, ESQ.  
21 EAST CARRILLO STREET  
SANTA BARBARA, CALIFORNIA 93101  
(805) 882-1453

(APPEARANCES CONTINUED ON NEXT PAGE.)

FOR ANTELOPE  
VALLEY JOINT  
UNION HIGH  
SCHOOL DIST.:

FAGEN FRIEDMAN & FULFROST, LLP  
BY: DAPHNE BORROMEO HALL, ESQ.  
6300 WILSHIRE BOULEVARD  
SUITE 1700  
LOS ANGELES, CALIFORNIA 90048  
(323) 330-6300

FOR ANTELOPE  
VALLEY WATER  
STORAGE, LLC:

HERUM CRABTREE  
BY: WILLIAM R. CARLSON, ESQ.  
5757 PACIFIC AVENUE  
SUITE 222  
STOCKTON, CALIFORNIA 95207  
(209) 472-7700

FOR CALIFORNIA  
WATER SERVICE  
COMPANY:

JOHN S. TOOTLE, ESQ.  
2632 WEST 237TH STREET  
TORRANCE, CALIFORNIA 90505  
(310) 257-1488

FOR H&N  
DEVELOPMENT  
CO. WEST, INC.:

KLEIN, DENATALE, GOLDNER, COOPER,  
ROSENLIEB & KIMBALL, LLP  
BY: JOSEPH D. HUGHES, ESQ.  
4550 CALIFORNIA AVENUE  
SECOND FLOOR  
BAKERSFIELD, CALIFORNIA 93309  
(661) 395-1000

FOR NRG SOLAR  
ALPINE, LLC:

PROCOPIO CORY HARGREAVES & SAVITCH  
BY: WALTER RUSINEK, ESQ.  
525 B STREET  
SUITE 2200  
SAN DIEGO, CALIFORNIA 92101  
(619) 238-1900

FOR WAGAS LAND  
COMPANY LLC:

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BY: EDWARD S. RENWICK, ESQ.  
444 SOUTH FLOWER STREET  
SUITE 1500  
LOS ANGELES, CALIFORNIA 90071  
(213) 628-7131

FOR ANTELOPE  
VALLEY EAST  
KERN WATER  
AGENCY:

BRUNICK MC ELHANEY & KENNEDY  
BY: WILLIAM J. BRUNICK, ESQ.  
1839 COMMERCENTER WEST  
SAN BERNARDINO, CALIFORNIA 92408  
(909) 889-8301

(APPEARANCES CONTINUED ON NEXT PAGE.)

FOR BORON  
COMMUNITY  
SERVICES  
DISTRICT:

MC MURTREY HARTSOCK & WORTH  
BY: JAMES A. WORTH, ESQ.  
2001 22ND STREET  
SUITE 100  
BAKERSFIELD, CALIFORNIA 93301  
(805) 322-4417

FOR CITY OF  
LANCASTER,  
ROSAMOND  
COMMUNITY  
SERVICES  
DISTRICT:

MURPHY & EVERTZ, LLP  
BY: DOUGLAS J. EVERTZ, ESQ.  
650 TOWN CENTER DRIVE  
SUITE 550  
COSTA MESA, CALIFORNIA 92626  
(714) 277-1700

FOR COUNTY  
SANITATION  
DISTRICTS NO.  
14 AND 20:  
AND 20:

ELLISON, SCHNEIDER & HARRIS  
BY: CHRISTOPHER M. SANDERS, ESQ.  
2600 CAPITOL AVENUE  
SUITE 400  
SACRAMENTO, CALIFORNIA 95816  
(916) 447-2166

FOR LITTLE ROCK  
SAND AND GRAVEL,  
ET AL.:

TAYLOR & RING  
BY: JAMES W. LEWIS  
10900 WILSHIRE BOULEVARD  
SUITE 920  
LOS ANGELES, CALIFORNIA 90024  
(310) 209-4100

FOR STATE OF  
CALIFORNIA, ET.  
AL.:

NOAH GOLDEN-KRASNER, ESQ.  
MARILYN H. LEVIN, ESQ.  
300 SOUTH SPRING STREET  
SUITE 1700  
LOS ANGELES, CALIFORNIA 90013  
(213) 897-2614

SANDRA GECO, CSR NO. 3806  
OFFICIAL REPORTER

1 CASE NUMBER: JCCP4408  
 2 CASE NAME: COORDINATION PROCEEDING SPECIAL  
 3 TITLE (RULE 1550(B))  
 4 ANTELOPE VALLEY GROUNDWATER CASES  
 5 LOS ANGELES, CA; THURSDAY, MAY 30, 2013  
 6 DEPARTMENT NO. 322 HON. JACK KOMAR, JUDGE  
 7 REPORTER: SANDRA GECO, CSR NO. 3806  
 8 TIME: 9:50 A.M.  
 9 APPEARANCES: (AS NOTED ON TITLE PAGE.)

10

11 (THE FOLLOWING PROCEEDINGS WERE HELD  
 12 IN OPEN COURT:)

13

14 THE COURT: GOOD MORNING. WHO IS READY TO PROCEED  
 15 THIS MORNING?

16 MR. DAVIS: GOOD MORNING, YOUR HONOR.

17 MICHAEL DAVIS, GRESHAM SAVAGE NOLAN &  
 18 TILDEN. TWO THINGS.

19 FIRST OF ALL, I'LL INDICATE TO THE COURT ON  
 20 THE RECORD THAT I HAVE PROVIDED THE CLERK WITH THE  
 21 REPLACEMENT EXHIBITS BECAUSE WE HAD DISAGGREGATED THEM  
 22 INCORRECTLY THE MUTUALS.

23 AND IT WAS JUST THE DASH 1, THE INITIAL  
 24 RESPONSES.

25 THEY WERE ORIGINALLY FILED AS A SINGLE  
 26 DOCUMENT. AND WHEN STAFF DISAGGREGATED THEM TO BREAK  
 27 THEM OUT ON A MUTUAL-BY-MUTUAL BASIS, THEY WERE SCREWED  
 28 UP.

1                   AND TOTALS ON PAGE 5 ARE NOW 2011,  
2 121,429. -- YOUR HONOR, MAY I ROUND UP TO THE HUNDREDTHS  
3 PLACE?

4                   THE COURT: YOU MAY.

5                   MR. LEININGER: 121,429.39. AND FOR THE YEAR  
6 2012, 120,415.30.

7                   THE COURT: THANK YOU VERY MUCH, MR. LEININGER.

8                   NOW, THIS DOES NOT INCLUDE GRANITE  
9 CONSTRUCTION; IS THAT CORRECT?

10                  MR. KUHS: YOUR HONOR, ROBERT KUHS FOR GRANITE  
11 CONSTRUCTION.

12                  YES, IT DOES.

13                  THE COURT: IT DOES.

14                  MR. KUHS: YES.

15                  THE COURT: ALL RIGHT. THAT'S THE NUMBER THAT WAS  
16 AGREED TO LATE YESTERDAY THEN; IS THAT RIGHT?

17                  MR. KUHS: CORRECT. AND I'M READY TO PROCEED WITH  
18 THAT EVIDENCE WHENEVER YOUR HONOR IS READY.

19                  THE COURT: RIGHT NOW.

20                  MR. LEWIS: YOUR HONOR, IF I MAY?

21                  JAMES LEWIS ON BEHALF OF LITTLE ROCK SAND  
22 AND GRAVEL, ET AL.

23                  I WOULD JUST ASK THAT ON THE MASTER  
24 STIPULATION, ON PAGE 3, LINE 8, WHERE IT SAYS "GRANITE  
25 CONSTRUCTION COMPANY," I WOULD JUST REQUEST THAT "LITTLE  
26 ROCK SAND AND GRAVEL" BE ADDED TO THAT LINE AS WELL AS MY  
27 CLIENT, LITTLE ROCK SAND AND GRAVEL, IS THE OWNER OF THAT  
28 PROPERTY.

1 MR. KUHS: IT'S THE OWNER OF PART OF THE PROPERTY,  
2 YOUR HONOR.

3 THE COURT: I UNDERSTAND THAT. BUT YOU'RE NOT  
4 PUMPING, ARE YOU?

5 MR. LEWIS: GRANITE CONSTRUCTION IS PUMPING ON MY  
6 CLIENT'S PROPERTY.

7 THE COURT: WELL, I THINK MY CONCERN HERE IS ONLY  
8 WHO IS CLAIMING PUMPING FOR THE YEAR 2011 AND 2012.

9 YOUR CLIENT MAY OWN THE LAND, BUT IT'S NOT  
10 DOING THE ACTUAL PUMPING AS I UNDERSTAND IT; IS THAT  
11 RIGHT?

12 MR. LEWIS: GRANITE CONSTRUCTION COMPANY IS  
13 PUMPING UNDER A LEASE ON MY CLIENT'S PROPERTY.

14 THE COURT: I UNDERSTAND THAT.

15 WELL, HOW ABOUT IF WE JUST PUT IN  
16 PARENTHESIS THEN YOUR CLIENT'S NAME, WHICH IS LITTLE  
17 ROCK?

18 MR. LEWIS: LITTLE, SPACE, ROCK, SPACE, SAND AND  
19 GRAVEL, INC.

20 THE COURT: ALL RIGHT.

21 MR. LEWIS: THANK YOU.

22 THE COURT: ALL RIGHT. MR. KUHS.

23 MR. KUHS: THANK YOU. GOOD MORNING, YOUR HONOR.

24 FOR THE RECORD, I LODGED WITH THE CLERK  
25 THIS MORNING, ON BEHALF OF TEJON RANCH, THE DECLARATION  
26 OF DENNIS ATKINSON IN LIEU OF TESTIMONY FOR PHASE FOUR  
27 TRIAL, WHICH WE HAD MARKED YESTERDAY AS 4-TEJON-4.

28 THE COURT: ALL RIGHT.



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

DEPARTMENT 322

HON. JACK KOMAR, JUDGE

COORDINATION PROCEEDING	)	JUDICIAL COUNCIL
SPECIAL TITLE (RULE 1550(B)	)	COORDINATION NO.
	)	JCCP4408
ANTELOPE VALLEY GROUNDWATER CASES	)	
	)	SANTA CLARA CASE NO.
	)	1-05-CV-049053
_____		
PALMDALE WATER DISTRICT AND QUARTZ	)	
HILL WATER DISTRICT,	)	
	)	
CROSS-COMPLAINANTS,	)	
	)	
VS.	)	
	)	
LOS ANGELES COUNTY WATERWORKS	)	
DISTRICT NO. 40, ET AL.,	)	
	)	
CROSS-DEFENDANTS.	)	
	)	
_____		

REPORTER'S CERTIFICATE

STATE OF CALIFORNIA            )  
  )   SS  
COUNTY OF LOS ANGELES        )

I, SANDRA GECO, OFFICIAL REPORTER OF THE  
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY  
OF LOS ANGELES, DO HEREBY CERTIFY THAT THE FOREGOING  
PAGES, 1 THROUGH 40, INCLUSIVE, COMPRISE A FULL, TRUE AND  
CORRECT TRANSCRIPT OF THE PROCEEDINGS HELD IN THE  
ABOVE-ENTITLED MATTER, REPORTED BY ME ON THURSDAY, MAY  
30, 2013.

DATED THIS 4TH DAY OF FEBRUARY, 2014.

*Sandra Geco*  
\_\_\_\_\_, CSR NO. 3806  
OFFICIAL REPORTER

**EXHIBIT “18”**

**EXHIBIT “18”**

1 Robert G. Kuhs, SBN 160291  
2 Bernard C. Barmann, Jr., SBN 149890  
3 Kuhs & Parker  
4 P. O. Box 2205  
5 1200 Truxtun Avenue, Suite 200  
6 Bakersfield, CA 93303  
7 Telephone: (661) 322-4004  
8 Facsimile: (661) 322-2906  
9 E-Mail: rgkuhs@kuhsparkerlaw.com

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 LIEU OF DEPOSITION  
TESTIMONY FOR PHASE 4 TRIAL**

**DECLARATION**

I, William Taylor declare:

1. I am employed by Granite Construction Company (Granite) as the Resource Development Project Manager for the Central California Region. I have personal knowledge of

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the facts set forth herein and would testify under oath.

**Property Ownership, Lease, and Parcel Size**

2. Granite owns the real property within Los Angeles County that overlies the Antelope Valley Area of Adjudication (AVAA) as identified in Exhibit A attached hereto.

3. Granite claims an overlying right to groundwater for the property listed in Exhibit A. Property acreage is as listed in Exhibit A.

4. A true and correct copy of the vesting deeds for Parcels 6, 7, 8, 9, 10, 11 and 12 for Granite's land is attached collectively as Exhibit B.

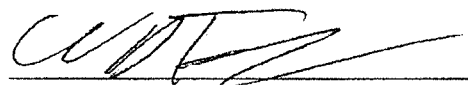
5. Granite leases five parcels of land within the AVAA from Littlerock Sand and Gravel, Inc. as identified in Exhibit A. The size of the parcels leased is as shown in Exhibit A.

6. Attached as Exhibit C to this declaration is a true and correct copy of the Lease and First Amendment to Lease, with financial terms redacted, between Granite and Littlerock Sand and Gravel, Inc.

7. The water uses are as set forth in Granite's Response to Discovery Order for Phase 4 Trial.

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

Executed this 31st day of January 2013, at Bakersfield, California.

  
William Taylor

F:\919.39 - Granite v Antelope Valley Groundwater.ABC Williams Ent\Decl of William Taylor in Lieu of Depo Testimony for Phase 4 Trial.V2.docx

Exhibit A

Parcel	LA County APN	Title Owner	Groundwater well on property 2000-2004,2011,2012	Acreage	Groundwater well operated 2000-2004,2011,2012
<b>Littlerock Quarry and Plant</b>					
1	3050-022-010	Littlerock Sand and Gravel, Inc.	Yes	56.3	Yes
2	3050-022-014	Littlerock Sand and Gravel, Inc.	no	19.2	no
3	3050-010-006	Littlerock Sand and Gravel, Inc.	Yes	20	Yes
4	3050-010-016	Littlerock Sand and Gravel, Inc.	no	57	no
5	3050-028-015	Littlerock Sand and Gravel, Inc.	Yes	78.7	Yes
6	3050-028-003	Granite Construction Company, a California Corporation (owner from 2008 to present) Thompson Enterprises (temporary owner 2008) Rodrigo L. Gabuya, M.D., Inc. Profit Sharing Plan (owner 2000 -2008)	no	22.5	no
7	3050-028-013	Granite Construction Company, a California Corporation (owner from 2008 to present) Thompson Enterprises (temporary owner 2008) Rodrigo L. Gabuya, M.D., Inc. Profit Sharing Plan (owner 2000-2008)	no	3.7	no
8	3050-028-014	Granite Construction Company, a California Corporation (owner from 2008 to present) Thompson Enterprises (temporary owner 2008) Rodrigo L. Gabuya, M.D., Inc. Profit Sharing Plan (owner 2000-2008)	no	20.5	no
9	3050-028-016	Granite Construction Company, a California Corporation (owner from 2008 to present) SALLIE ANN SPIVAK, AS TRUSTEE OF THE SPIVAK FAMILY REVOCABLE TRUST, DATED DECEMBER 12, 2003 (owner 2000-2008)	no	8.9	no

10	3050-027-005	Granite Construction Company, a California Corporation (owner from 2008 to present) Thompson Enterprises (temporary owner 2008) Rodrigo L. Gabuya, M.D., Inc. Profit Sharing Plan (owner 2000-2008)	no	11.6	no
<b>Bigrock Quarry and Plant</b>					
11	3036-008-035	Granite Construction Company, a California Corporation (Owner 2000 thru Present)	no	5	no
12	3080-022-013	Granite Construction Company, a California Corporation (Owner 2000 thru Present)	Yes	140.2	Yes
<b>Local Headquarters</b>					
13	3126-018-034	Granite Construction Company, a California Corporation (Owner 2000 thru Present)	no	4.1	no

**EXHIBIT “19”**

**EXHIBIT “19”**

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2 Bernard C. Barmann, Jr., SBN 149890  
3 Kuhs & Parker  
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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

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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 STEVEN  
MCCRACKEN IN LIEU OF  
TESTIMONY AT PHASE IV TRIAL**

Phase 4 Trial Date: May 28, 2013  
Time: 9:00 a.m.  
Dept.: 1

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DECLARATION

I, STEVE MCCRACKEN, declare:

1. I am employed by Granite Construction Company (Granite) as the Manager of Construction Materials for Granite's Southern California and Central California Regions. Attached as Exhibit A is a statement of my professional qualifications. If called as a witness, I could and would competently testify to the facts set forth herein from my personal knowledge.

2. My duties include overseeing operations at Granite's Littlerock Quarry in the Littlerock Area of Antelope Valley.

3. There are three groundwater wells located at the Littlerock Quarry. Groundwater is used on site to control dust and to wash and process rock, sand and gravel. Pump #1 is rated at 40 HP, 325 gallon per minute. Pump #2 is rated at 20 HP, 105 gallons per minute. Pump #3 is rated at 30 HP, 230 gallons per minute.

4. The wells do not have flow meters or isolated electrical panels. Accordingly, I have estimated Granite's groundwater use at the Littlerock Creek Quarry as a function of water consumed during production, water used for dust control, pond evaporation, pond infiltration and system leakage. Granite's production output for years 2000 through 2012 is confidential and can be provided upon request to counsel who have executed the protective order. My conclusion of water production at the Littlerock Quarry for years 2011 and 2012 is as follows:

<u>Year</u>	<u>Water (AF)</u>
2011	417.8
2012	423.3

5. My conclusions are based on several factors. First, I estimated that produced sand contains 20% water by weight and that produced aggregates contain .5% water by weight.

1 Groundwater used in the processing of rock is pumped from the three wells into two ponds with a  
2 combined surface area of approximately 4.5 acres. I estimated evaporative losses from the pond of  
3 83.7 (sic) inches per year or 31.28 acre feet per year based on average pan evaporation data for the  
4 Bakersfield AP obtained from the California Climate Data Archive. I estimated pond  
5 infiltration/seepage of two inches per day or 270 acre feet per year based upon hydraulic  
6 conductivity values for "clayey sand" of three inches per day obtained from Table 5-56 the  
7 Geotechnical Aspects of Pavement Reference Manual, a copy of which is attached as Exhibit B. I  
8 then adjusted the hydraulic conductivity downward conservatively to two inches per day. I  
9 assumed plant leakage and loss of 5% of clean water input. Granite operates water trucks on site  
10 to control dust. The water trucks hold 4,500 gallons of water, operate on average 275 days per  
11 year, 9 hours a day and are typically required to be refilled three times per hour. Thus, I calculated  
12 27 truck loads per day or 103 acre feet per year at the Littlerock Quarry for dust control.

15 6. As an alternate means of estimating groundwater production, I calculated the  
16 theoretical daily capacity of Pump # 1 and Pump #2. Pump # 3 is generally reserved for double-  
17 shifting during periods of high production. I conservatively assumed that Pump #3 was not  
18 operated. Pump # 1 is operated on average 236 days per year, 24 hours per day. Pump #2 is  
19 operated on average 275 days per year, 24 hours per day. I calculated the output of Pumps # 1 and  
20 #2, based on Granite's average days of operation and conservatively assumed no production from  
21 Pump #3 and arrived at an estimated 471 acre-Feet of production. A table summarizing my  
22 computation is shown below.  
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EXHIBIT						
GRANITE LITTLEROCK QUARRY PUMPING CAPACITY						
Desc.	Location	HP	GPM	Est. Days Per Year	Est. Hrs Per Day	Estimated AC*Ft/Yr
Pump 1	Plant	40	325	236	24	342
Pump 2	Office	20	105	275	24	129
Pump 3	SE	30	320	0	0	0
TOTAL ANNUAL PUMPING						471

7. Granite also owns in fee 145 acres of land in the Big Rock Area of Antelope Valley on which Big Rock Creek Quarry is located. The Big Rock Creek Quarry is permitted, but not currently operational. Granite produces groundwater from one well at the Big Rock Quarry to maintain its landscaping consisting of a 30-foot wide strip of oleanders, junipers and other vegetation around the perimeter of the property. Granite applied approximately 16 acre feet per year in 2011 and 2012 for landscape maintenance.

8. Granite's total groundwater production in the AVAA for 2011 and 2012 is estimated as follows:

- a. 2011 - 433.8 acre feet
- b. 2012 - 439.3 acre feet

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

Executed this 29 day of May, 2013, at Indio, California.

  
\_\_\_\_\_  
Steve McCracken

**EXHIBIT A**

## **Steve McCracken**

3005 James Road

Bakersfield, CA

(661) 387-7721

[steve.mccracken@graminc.com](mailto:steve.mccracken@graminc.com)

### **PROFESSIONAL EXPERIENCE**

#### **Granite Construction, Co., Bakersfield, CA**

Manager of Construction Materials – 2011-Current

- Reports to Southern California Regional Manager
- Provide direct management (P&L responsibilities) for Southern California Materials operations
- Manage Plant Managers and Resource Development Project Manager
- Standardized multiple processes from 4 separate Areas
- Led the only materials team that achieved all 5 2011 corporate KPI's
- Led the "March to Zero Defects" initiative for the Region
- Managed the completion of key reserve initiatives
- Zero lost time injuries – 1 minor injury in 2 years
- Developing key relationships in the industry

#### **Granite Construction, Inc., Watsonville, CA**

Operations Manager – Construction Materials Group, 2006 – 2011

- Reported to the VP/Manager-Construction Materials
- Provide functional/centralized operations management for the construction materials business (+/- 75 HMA/WMA facilities, +/-50 aggregate facilities)
- Created and provide direct management of the Field Services Group, the Plant Equipment Department, and previously, the Plants Business Systems Group
- Brought the MSHA Citations/Inspection KPI to Granite.
- Implemented the capital budgeting process for our materials business
- Developed a materials budgeting and forecasting tool/process (consolidated by Area, Region, Group, and product line) for temporary use while planning and implementing improvements to our ERP system
- Created a standardized "New Plant Construction/Development" process (Estimating, Budgeting, Planning, and Construction). Piloted the process on a new \$50M facility
- Partner with our Exploration Services/Geology Group to continuously evaluate our reserves for quality, quantity, balance, and economic viability. Share engineering staff with Exploration Services to develop short and long term mine and reclamation plans
- Developed a process to create "Going Concern" models (long term financial planning) for our operations which struggle financially, or are in need of significant investments in people, equipment, or reserves
- Involved in multiple process improvement initiatives for the company (ARO, Inventory, ERP, Resource Development, Driver Based Budgeting/Forecasting, KPI's, Energy Conservation, Environmental Stewardship, etc.)
- Provided education regarding the materials business for our Board of

Directors, Controller, General Accounting Manager, and General Accounting staff. Collaborate with these teams to streamline business processes

- Provided operational/financial due diligence for acquisitions
- Responsible for our centralized Plant Engineer training (PET) (creating curriculum, developing program, selecting candidates, identifying trainers, providing training, facilitating training events)
- Career development for materials professionals within Granite. Created job descriptions, and documentation of expectations. Performed developmental dialogs with Plant Managers and their direct supervisors to evaluate performance, set goals, and articulate expectations
- Performed an additional role of "Manager of Construction Materials" for the California Operating Group
- Developed the Underperforming Asset Analysis for the Materials Business
- Represented Granite on the CalcIMA Executive Board

**Granite Construction Company, Oroville, CA**

Area Manager, 2002 – 2006

- Responsible for the pre-acquisition analysis, and post-acquisition transition of a local business to Granite Construction Company
- Direct management responsibility (P&L) for the Construction (Paving, Grading, Underground), and Construction Materials (Aggregate and Asphalt) operations of the Oroville Area office
- Managed materials and construction activities
- Performed all materials sales functions
- Responsible for managing safety, quality, estimating, business development, rolling stock, etc
- Received a company award from the COO and Branch Division Manager for leading a new acquisition to be "in the black" after the first year, and injury free for the first three.
- Vice President of the Oroville Economic Development Corp
- Active member of the Oroville Chamber of Commerce

**Granite Construction Company, Sacramento, CA**

Estimator/Project Manager, 1998-2002

- Estimated, procured, and managed large civil construction projects (grading, paving, underground construction, minor structures)
- Performed due diligence for strategic regional acquisition activities.
- Completed key aggregate resource development projects (404 permits, CEQA challenge, etc)
- Trained and mentored local Plant and Environmental Engineers

**Granite Construction Company, Sacramento, CA**

Plant Engineer, 1992-1998

- Created and managed operations/ maintenance budgets and plans for 2M-3M tpy aggregate facility and 500K tpy asphalt facility
- Responsible for developing short and long term mine and reclamation plans. Managed mining and reclamation activities

- Developed and implemented capital improvement projects
- Review quality testing data for compliance with internal and external specifications. Implement process changes where necessary
- Performed safety audits, and administered safety meetings. Implemented safety improvements .
- Maintained PLC/HMI automation/implemented major upgrades (ladder logic PLC programming, development of WonderWare HMI applications
- Developed and implemented efficiency/downtime recording/reporting tools
- Negotiated partnership arrangements with Teichert (wetland mitigation, creek diversion channel, flood pump station, conveyor alignment/easement, joint permitting, etc)
- Designed 3 mile long belt conveyor system to access Vineyard reserves (sizing, alignment, etc.)
- Responsible for permitting activities CEQA/NEPA, Air, Water, etc. Responsible for environmental and CUP compliance
- Performed community relations activities for on-going operations as well as new permitting activities
- Performed operational, environmental, and financial due diligence for potential acquisitions

**L&M Electric/L&M Construction, El Dorado Hills, CA**  
 Electrician/Carpenter, 1987-1992

- Installed electrical improvements on multiple residential and commercial projects
- Trouble shoot and perform service calls for residential and commercial electrical customers
- Built residential homes from site grading to finish carpentry

**EDUCATION** **Sacramento State University, Sacramento, CA**  
 BS. Civil Engineering, Class of 1994

- 3.54 GPA
- Deans Honor List
- Tau Beta PI Engineering Honors Society

**TECHNICAL SKILLS**

- |                 |                       |
|-----------------|-----------------------|
| • BIDS2         | • J.D. Edwards/Oracle |
| • Autocad       | • JWS                 |
| • MS Excel      | • AggQc               |
| • MS Word       | • Aggflow             |
| • MS Access     |                       |
| • MS PowerPoint |                       |
| • MS Outlook    |                       |

**LICENSURE**

- EIT Certificate

**ADDITIONAL  
SKILLS**

- Advanced knowledge of mobile/fixed plant equipment, construction material processing, and maintenance of applicable equipment
- Advanced knowledge of geology, quality, and specifications
- Granite Leadership Suite: EGSP, LDP, LTT, Business Acumen



**EXHIBIT B**

Table 5-56. Typical values of saturated hydraulic conductivity for soils (Coduto, 1999).

Soil Description	Hydraulic Conductivity $k$	
	(cm s)	(ft s)
Clean gravel	1 - 100	$3 \times 10^{-2} - 3$
Sand-gravel mixtures	$10^{-2} - 10$	$3 \times 10^{-1} - 0.3$
Clean coarse sand	$10^{-2} - 1$	$3 \times 10^{-1} - 3 \times 10^{-2}$
Fine sand	$10^{-3} - 10^{-1}$	$3 \times 10^{-5} - 3 \times 10^{-3}$
Silty sand	$10^{-3} - 10^{-2}$	$3 \times 10^{-5} - 3 \times 10^{-4}$
Clayey sand	$10^{-4} - 10^{-2}$	$3 \times 10^{-6} - 3 \times 10^{-4}$
Silt	$10^{-9} - 10^{-3}$	$3 \times 10^{-10} - 3 \times 10^{-5}$
Clay	$10^{-10} - 10^{-6}$	$3 \times 10^{-12} - 3 \times 10^{-8}$

Geotechnical Aspects of Pavements Reference Manual  
 Publication No. FHWA NHI-05-037 May 2006, p. 5-104 (282 of 598)  
<http://www.fhwa.dot.gov/engineering/geotech/pubs/05037/05037.pdf>

OUR PONDS ARE UN-LINED, BUT CONTAIN AN EFFLUENT COMPRISED OF CLAY AND SAND WASHED FROM OUR SAND SCREENS.

USE  $k = 3 \times 10^{-6}$  ft/second Hydraulic Conductivity.

$$\frac{3 \times 10^{-6} \text{ ft}}{\text{second}} \times \frac{12 \text{ (in)}}{1 \text{ ft}} \times \frac{60 \text{ sec}}{1 \text{ min}} \times \frac{60 \text{ min}}{1 \text{ hr}} \times \frac{24 \text{ hr}}{1 \text{ DAY}} = \underline{\underline{3 \text{ in/DAY}}}$$

TO BE CONSERVATIVE, ASSUME 2 in/DAY

**EXHIBIT “20”**

**EXHIBIT “20”**

LAW OFFICES OF  
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IRVINE, CALIFORNIA 92612

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6 DISTRICT NO. 40

7 OFFICE OF COUNTY COUNSEL  
COUNTY OF LOS ANGELES  
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9 WARREN WELLEN, Bar No. 139152  
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12 Attorneys for Cross-Complainant LOS ANGELES  
13 COUNTY WATERWORKS DISTRICT NO. 40

14 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
15 COUNTY OF LOS ANGELES – CENTRAL DISTRICT

17 ANTELOPE VALLEY GROUNDWATER  
18 CASES

19 Included Actions:  
Los Angeles County Waterworks District No.  
20 40 v. Diamond Farming Co., Superior Court of  
California, County of Los Angeles, Case No.  
21 BC 325201;

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

24 Wm. Bolthouse Farms, Inc. v. City of  
Lancaster, Diamond Farming Co. v. City of  
25 Lancaster, Diamond Farming Co. v. Palmdale  
Water Dist., Superior Court of California,  
26 County of Riverside, Case Nos. RIC 353 840,  
RIC 344 436, RIC 344 668  
27

EXEMPT FROM FILING FEES  
UNDER GOVERNMENT CODE SECTION  
6103

**CONFORMED COPY**  
OF ORIGINAL FILED  
Los Angeles Superior Court

JUL 19 2013

John A. Clarke, Executive Officer/Clerk  
By Amber Hayes, Deputy

Judicial Council Coordination No. 4408

CLASS ACTION

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

**AMENDED [PROPOSED]  
STATEMENT OF PARTIAL DECISION  
FOR PHASE IV TRIAL WITH PARTY  
NAME CORRECTIONS**

28  
AMENDED [PROPOSED] STATEMENT OF PARTIAL DECISION FOR PHASE IV TRIAL WITH PARTY NAME  
CORRECTIONS

1 The Phase IV trial began on May 28, 2013, in Department 322 of this Court. Over the  
 2 course of three days, the parties who participated in the Phase IV trial, with the exception of the  
 3 Wood Class, presented evidence of their respective groundwater pumping during 2011 and 2012.  
 4 The matter having been submitted, the court now renders its finding of facts in this Phase IV  
 5 statement of decision.

6 **FINDING OF FACTS**

7 Based on the evidence submitted by the parties who participated in Phase IV, the court  
 8 finds that the following amounts of groundwater were pumped from the Antelope Valley  
 9 Groundwater Adjudication Area during 2011 and 2012 by the following parties:

CLAIMANT	2011 Pumping (acre-feet)	2012 Pumping (acre-feet)
Adams Bennett Investments, LLC	0	0
Antelope Park Mutual Water Company	244.7	172.8
Antelope Valley Joint Union High School District	65.94	71.74
Antelope Valley Water Storage LLC	1198	2281
Aqua J Mutual Water Company	42.5	47.3
AV Solar Ranch 1, LLC	129	147
AVEK	11463	2792
Averydale Mutual Water Company	247.9	268
Baxter Mutual Water Company	44.9	44.6
Big Rock Mutual Water Company	0	0
Billie and Randall Dickey	0	0
Bleich Flat Mutual Water Company	21.9	24.8
Blum Trust	0	0
Bolthouse Properties LLC/Farms	16720.22	16891.55
Boron Community Service District	228	233
Burrows/300 A40 H LLC	100	100
California Water Service Co.	623	640
City of Lancaster	489.68	523
City of Los Angeles, Department of Airports	5156	4531
Colorado Mutual Water Company	24.1	27.7
Copa De Oro Land Company	0	0
County Sanitation Districts of Los Angeles #14 and 20	575	551

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Craig Van Dam	55	57
Crystal Organic LLC	1591.769	1986.096
Del Sur Ranch LLC	0	0
Desert Lake Community Services District	58	27.49
Diamond Farming Co. LLC	1641.285	1491.989
Donna and Lee Wilson	10	10
Efren Chavez	25.7	25.7
Eldorado Mutual Water Company	272	280.1
eSolar Inc.; Red Dawn Suntower LLC	0	0
eSolar Inc.; Tumbleweed Suntower LLC	0	0
eSolar, Inc.; Sierra Sun Tower, LLC	5.76	5.76
Evergreen Mutual Water Company	66.4	72.6
Frank and Yvonne Lane 1993 Family Trust, Little Rock Sand and Gravel, Inc., George and Charlene Lane Family Trust [Does not include water pumped on land leased to Granite Construction]	1356	948
Gailen and Julie Kyle, R & M Ranch	9108	9442
Gary Van Dam, Gertrude Van Dam, Delmar Van Dam	9840	10023
Gene Bahlman	5.25	5.25
Gorrindo Resourceful LLC	624	0
Granite Construction Company (Little Rock Sand and Gravel, Inc.)	400	400
Grimmway Enterprises, Inc.	0	0
H & N Development Co. West Inc.	1695.25	1904.25
Jane Healy and Healy Enterprises Inc.	0	0
Jeffrey and Nancee Siebert	200	200
John and Adrienne Reca	519.5	483.4
John Calandri, B.J. Calandri, Sunrise Farms	4091	3515
Jose Maritorena, Marie Maritorena, Jean Maritorena, Maritorena Farms, the Jose Maritorena Living Trust	3624.8	3976.3
Juniper Hills Water Group	18	18
Los Angeles County Waterworks District 40	16583.24	20618.99
Land Projects Mutual Water Company	621	624
Landale Mutual Water Company	139.7	175.8
Landinv Inc	1212	862.14
Lapis Land Co., LLC	0	0
Laura Griffin	1170	1170
Lawrence J. Schilling and the L&M Schilling 1992 Family Trust	3.4	3.8

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1	Littlerock Creek Irrigation District	1367	1473.37
2	Littlerock Aggregate Co., Inc., Holliday Rock Co., Inc.	145	166
3	Llano Del Rio Water Company	598.2	547.1
4	Llano Mutual Water Company	0	0
5	Mabel Selak	0	0
6	Miracle Improvement Corp. (Golden Sands Mobile Home Park)	46.7	44.1
7	Nebeker Ranch	63	111
8	North Edwards Water District	104.52	101.32
9	Northrop Grumman Systems Corporation	1.5	1
10	NRG Solar Alpine, LLC	1.49	126.92
11	Palm Ranch Irrigation District	916	1545
12	Palmdale Water District	7024.67	7542.85
13	Phelan Pinon Hills Community Services District	1053.14	1035.26
14	Quartz Hill Water District	1433.8	1524.9
15	Richard Miner	930.8	1248
16	Richard Nelson, Willow Springs Co.	168.2	193.1
17	Rosamond Community Services District	2994	2987.56
18	Rosamond Ranch LLP	1	1
19	Sahara Nursery	25.37	18.98
20	Sal and Connie Cardile	0.712	0.712
21	Service Rock Products, L.P.	561	445
22	SGS Antelope Valley Development, LLC	0	0
23	Shadow Acres Mutual Water Company	55.7	49.5
24	Sheep Creek Water Co.	0	0
25	Southern California Edison Company	30.49	5
26	St. Andrews Abbey	149	201
27	State of California - Department of Military California Highway Patrol 50th District Agricultural Association Department of Veteran Affairs Department of Corrections and Rehabilitation State Lands Commission	0	0
28	State of California Department of Transportation	15.47	15.64
	State of California Department of Water Resources	54.05	54.05
	State of California Department of Parks and Recreation	1.58	1.3
	Steve Godde and Forrest G. Godde 1998 Trust	1299	1624

1	Sundale Mutual Water Company	430.7	457.8
2	Sunnyside Mutual Water Company	73.5	77.3
3	Tejon Ranchcorp and Tejon Ranch Company	1603	2770
4	Terry Munz	5	5
5	Thomas Bookman	236.6	308.4
6	Tierra Bonita Mutual Water Company	43	38.5
7	Tierra Bonita Ranch	607	403
8	Triple M Property Co.	1	1
9	U.S. Borax	924	1146
10	United States: Edwards AFB and Plant 42	1246.09	1450.59
11	Vulcan Materials Co., Vulcan Lands Inc., Consolidated Rock Products Co., Calmat Land Co., and Allied Concrete & Materials	634.91	403.29
12	WAGAS Land Company LLC	951.5	1016.8
13	WDS California II, LLC	2244	2550
14	West Side Park Mutual Water Company	294	267.5
15	White Fence Farms Mutual Water Company	782.8	783.3
16	<b>Totals</b>	<b>121,429.39</b>	<b>120,415.30</b>

17 All parties who participated in the Phase IV trial, with the exception of the Wood Class,  
 18 have also stipulated to the above amounts of groundwater pumped. A copy of the stipulation is  
 19 attached hereto as Exhibit "A". Notwithstanding the stipulation, the court finds that the evidence  
 20 presented during the Phase IV trial supports each party's 2011 and 2012 groundwater production  
 21 amount as stated herein.

22 **GRANITE CONSTRUCTION COMPANY**

23 During the Phase IV trial, the Public Water Suppliers indicated that they dispute the  
 24 amount of groundwater pumped by Granite Construction Company ("Granite") at its Littlerock  
 25 Quarry. In response, Granite agreed to install a meter for each of its wells at its Littlerock Quarry  
 26 within 30 days after the Phase IV trial to measure groundwater pumping for a period of one year.  
 27 At the conclusion of the one year period Granite and the Public Water Suppliers will compare the  
 28 meter readings against Granite's 2011 and 2012 product volumes to estimate Granite's  
 groundwater use in 2011 and 2012, and report the findings to the court if such findings differ  
 materially from 400 acre-feet per year. For that reason, the court reserves jurisdiction to amend  
 this decision based on the meter readings as to the amount of groundwater pumped by Granite in



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2011 and 2012. In the meantime, the agreement of the parties and the finding of the court is that Granite Construction is deemed to have pumped 400 acre feet of groundwater in 2011 and 2012, respectively.

**THE WOOD CLASS**

During the Phase IV trial, the Court-appointed expert had not completed its analysis of groundwater pumping by the Wood Class. It did not present any evidence in the Phase IV trial. Consequently, the Court defers the determination of the Wood Class groundwater pumping in 2011 and 2012 to a later time to be determined.

Dated: 6-29-13

  
\_\_\_\_\_  
JUDGE OF THE SUPERIOR COURT

**EXHIBIT “21”**

**EXHIBIT “21”**

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2 Bernard C. Barmann, Jr., SBN 149890  
3 Kuhs & Parker  
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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 STEVEN  
MCCRACKEN IN LIEU OF  
TESTIMONY AT PHASE 6 TRIAL**

Phase 6 Trial Date: September 28, 2015  
Time: 10:00 a.m.  
Dept.: 222

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**DECLARATION**

I, STEVE MCCRACKEN, declare:

1. I am employed by Granite Construction Company (Granite) as the Manager of Construction Materials for Granite's San Diego, Desert Cities, and Central California Regions. I earned a Bachelor of Science degree in Civil Engineering from Sacramento State University in 1994. A statement of my professional qualifications was attached to my declaration and admitted in the Phase 4 trial as Granite-2. If called as a witness, I could and would competently testify to the facts set forth herein from my personal knowledge.

2. My duties include overseeing operations at Granite's Littlerock Quarry in the Littlerock Area of Antelope Valley.

3. There are three groundwater wells located at the Littlerock Quarry. Groundwater is used on site to control dust and to wash and process rock, sand and gravel. Pump #1 is rated at 40 HP, 325 gallon per minute and discharges into a storage tank used to recharge water trucks, and then into water storage ponds. Pump #2 is rated at 20 HP, 105 gallons per minute and discharges directly into the ponds. Pump #1 operates continuously 24 hours per day when the plant is operating. Pump #2 operates approximately 12 hours per day when the plant is operating. The plant operates an average of 275 days per year. Pump #3 is rated at 30 HP, 230 gallons per minute and used infrequently.

4. During the 2000 through 2007 timeframe the wells did not have flow meters or isolated electrical panels. Accordingly, I have estimated Granite's groundwater use at the Littlerock Creek Quarry as a function of water consumed during production, water used for dust control, pond evaporation, pond infiltration and system leakage. Granite's production output for years 2000 through 2012 is confidential and can be provided upon request to counsel who have

1 executed the protective order. My conclusion of

2 water production at the Littlerock Quarry for years 2000 through 2007 is as follows:

<u>Year</u>	<u>Water (AF)</u>
2000	440
2001	446
2002	453
2003	456
2004	469
2005	520
2006	527
2007	537

9 My conclusions are based on several assumptions. First, I assumed that produced sand  
10 contains 20% water by weight and that produced aggregates contain 5% water by weight.  
11 Groundwater used in the processing of rock is pumped from the three wells into two ponds with a  
12 combined surface area of approximately 4.5 acres. I assumed evaporative losses from the pond of  
13 83.7 (sic) inches per year or 31.28 acre feet per year based on average pan evaporation data for the  
14 Bakersfield AP obtained from the California Climate Data Archive. I assumed pond  
15 infiltration/seepage of two inches per day or 270 acre feet per year based upon hydraulic  
16 conductivity values for "clayey sand" of three inches per day obtained from Table 5-56 the  
17 Geotechnical Aspects of Pavement Reference Manual, a copy of which was attached to my  
18 declaration and admitted in the Phase 4 trial as **Granite-2**. I then adjusted the hydraulic  
19 conductivity downward conservatively to two inches per day. I assumed plant leakage and loss of  
20 5% of clean water input. Assumptions for water truck usage are as follows: water trucks hold  
21 4,500 gallons of water, operate on average 275 days per year, 9 hours a day and are typically  
22 required to be refilled three times per hour. Thus, I assumed 27 truck loads per day or 103 acre  
23 feet per year at the Littlerock Quarry for dust control.

27 //

5. As an alternate means of estimating groundwater production, I calculated the theoretical daily capacity of Pump # 1 and Pump #2. Pump # 3 is generally reserved for double-shifting during periods of high production. I conservatively assumed that Pump #3 was not operated. Pump # 1 is operated on average 275 days per year, 24 hours per day. Pump #2 is operated on average 275 days per year, 12 hours per day. I calculated the theoretical output of Pumps # 1 and #2, based on Granite's average days of operation and conservatively assumed no production from Pump #3 and arrived at an estimated 464 acre-Feet of production. A table summarizing my computation is shown below.

GRANITE LITTLEROCK QUARRY PUMPING CAPACITY						
Desc.	Location	HP	GPM	Est. Days Per Year	Est. Hrs. Per Day	Estimated AC*Ft/Yr
Pump 1	Plant	40	325	236	24	342
Pump 2	Office	20	105	275	24	129
Pump 3	SE	30	320	0	0	0
Total Annual Pumping						471

6. Granite also owns in fee 145 acres of land in the Big Rock Area of Antelope Valley on which Big Rock Creek Quarry is located. The Big Rock Creek Quarry is permitted, with a designed water demand of 226 acre-feet annually, but is not currently operational. Granite produces groundwater from one well at the Big Rock Quarry to maintain its landscaping consisting of a 30-foot wide strip of oleanders, junipers and other vegetation around the perimeter of the property. Based on irrigation duties for landscaping I estimate that Granite applied 16 acre feet per year from 2000 through 2007 for landscape maintenance.

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7. Granite's total groundwater production in the AVAA for 2000 through 2007 is

estimated as follows:

<u>Year</u>	<u>Water (AF)</u>
2000	456
2001	462
2002	469
2003	472
2004	485
2005	536
2006	543
2007	553

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

Executed this 28<sup>th</sup> day of September, 2015, at Bullton, California.

  
Steve McCracken

**EXHIBIT “22”**

**EXHIBIT “22”**



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2 601 West Fifth Street, Suite 1100  
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3 Telephone: (213) 891-1010  
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Attorneys for Cross-Defendants  
5 Landinv, Inc.; Bruce Burrows; 300 A 40 H, LLC;  
Little Rock Sand and Gravel, Inc.;  
6 The George and Charlene Lane Family Trust;  
The Frank and Yvonne Lane 1993 Family Trust;  
7 Monte Vista Building Sites, Inc., and A.V. Materials, Inc.

8  
9 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
10 COUNTY OF LOS ANGELES

11 Coordination Proceeding Special Title  
(Rule 1550 (b))

Judicial Council Coordination No. 4408  
[Assigned to Hon. Jack Komar; Dept 17]

12 ANTELOPE VALLEY GROUNDWATER  
13 CASES

Santa Clara Case No.: 1-05-CV-049053

14 Included CONSOLIDATED Actions:

15 **JOINDER IN JOINT CASE**  
16 **MANAGEMENT CONFERENCE**  
17 **STATEMENT AND SUPPLEMENTAL**  
18 **CASE MANAGEMENT STATEMENT OF**  
19 **THE LANE FAMILY**

20 Los Angeles County Waterworks District No.  
40 vs. Diamond Farming Company  
21 Los Angeles Superior Court Case No.  
BC325201

22 **Date: January 7, 2015**  
23 **Time: 10:00 a.m.**  
24 **Dept.: Court-Call Only**

25 Los Angeles County Waterworks District No.  
40 vs. Diamond Farming Company  
26 Kern County Superior Court Case No. S-1500-  
CV-254348 NFT

27 Diamond Farming Company vs. City of  
Lancaster Riverside County Superior Court  
28 Lead Case No. RIC 344436 [Consolidated w/  
Case Nos. 344668 & 353840]

Willis v. Los Angeles County Waterworks  
District No. 40; Los Angeles Superior Court  
Case No. BC 364553

Wood v. Los Angeles County Waterworks  
District No. 40; Los Angeles Superior Court  
Case No. BC 391869

1 Joinder

2 Landinv, Inc., Bruce Burrows, 300 A 40 H, LLC, Little Rock Sand and Gravel, Inc.,  
3 the George and Charlene Lane Family Trust, the Frank and Yvonne Lane 1993 Family Trust,  
4 Monte Vista Building Sites, Inc., and A.V. Materials, Inc. hereby join in the Joint Case  
5 Management Conference Statement filed December 31, 2014 by the Stipulating Parties.

6 Supplemental Statement by the Lane Family

7 The Frank and Yvonne Lane 1993 Family Trust, Little Rock Sand and Gravel, Inc., and  
8 Monte Vista Building Sites, Inc. (the "Lane Family") and Granite Construction Company  
9 ("Granite") are parties to this lawsuit. The Lane Family and Granite have participated in the  
10 settlement discussions referred to in the Stipulating Parties' Joint Case Management Statement.

11 The Lane Family owns about 240 acres within the Antelope Valley Area of Adjudication,  
12 and since 1987 has leased that property to Granite, where Granite has conducted quarrying  
13 operations. The current term of the lease expires in April 2021. The lease provides that during  
14 its term Granite has the right as tenant to use "such water rights as [the Lane Family] has to . . .  
15 underground water located . . . under the leased premises." Since about 1987, Granite has  
16 produced groundwater from wells located on the leased property and used that water on the  
17 leased property in connection with Granite's quarrying operations on the leased property.  
18 Granite purchased other property adjacent to the leased property in 2008. However, the Lane  
19 Family understands that to date Granite has not conducted quarrying operations on such other  
20 property.

21 There exists a dispute between the Lane Family and Granite, and no other parties, with  
22 respect to title to water rights associated with the leased property that would be adjudicated in  
23 this case. The Lane Family would seek title to the adjudicated rights as land owner (the water  
24 rights would remain subject to Granite's use for the term of the lease). The Lane Family  
25 understands that Granite seeks separate conflicting title in its own name. The Lane Family has  
26 made a number of attempts to resolve this two-party dispute with Granite, but, to date, those  
27 attempts have failed.

1 The Lane Family is prepared to stipulate to entry of the proposed judgment that has been  
2 negotiated by and among the settling parties. By doing so the Lane Family would be settling  
3 with all other Stipulating Parties, provided, however, that the issue of title to water rights  
4 allocated under the proposed judgment as between the Lane Family and Granite would remain  
5 undecided. The Lane Family would seek to have this remaining two-party dispute decided by  
6 the Court or by an alternate approach, including mediation.

7 The Court's November 4, 2014 Case Management Order sets forth a schedule for  
8 determining disputed matters, and the Lane Family would ask that its two-party dispute with  
9 Granite be included therein.

10 The principals of Granite and the Lane Family met during the week of December 15th in  
11 an attempt to settle this matter. They are scheduled to meet again in advance of the January 7,  
12 2015 case management conference. The Lane Family's counsel will report to the Court after  
13 such meeting.

14  
15 Dated: December 31, 2014

Respectfully submitted

SMILAND CHESTER LLP

17 By /s/ Theodore A. Chester, Jr.  
18 Theodore A. Chester, Jr.

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**PROOF OF SERVICE**

STATE OF CALIFORNIA     }  
  }  
COUNTY OF LOS ANGELES   }

I, Felicia Herbstreith am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is: 140 South Lake Avenue, Suite 274, Pasadena, California 91101.

On December 31, 2014, I served the foregoing document described as: **CASE MANAGEMENT STATEMENT OF LITTLE ROCK SAND AND GRAVEL, INC.; THE FRANK AND YVONNE LANE 1993 FAMILY TRUST; AND MONTE VISTA BUILDING SITES, INC.** on the interested parties in this action by posting the document listed above to the Santa Clara County Superior website in regard to the Antelope Valley Groundwater Adjudication matter, pursuant to the Electronic Filing and Service Standing Order of Judge Komar.

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

Executed on **December 31, 2014**, at Los Angeles, California.

/s/ Felicia Herbstreith  
Felicia Herbstreith

**EXHIBIT “23”**

**EXHIBIT “23”**

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

Coordination Proceeding  
Special Title (Rule 1550(b))

**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. BC 325 201

*Los Angeles County Waterworks District No. 40 v. Diamond Farming Co.*, Superior Court of California, County of Kern, Case No. S-1500-CV-254-348

*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 344 436, RIC 344 668

*Willis v. Los Angeles County Waterworks District No. 40*, Superior Court of California, County of Los Angeles, Case No. BC 364 553

*Wood v. Los Angeles County Waterworks District No. 40*, Superior Court of California, County of Los Angeles, Case No. BC 391869

*Wood v. A.V. Materials, Inc., et al.*, Superior Court of California, County of Los Angeles, Case No. BC 509546

*Wood v. County of Los Angeles*, Superior Court of California, County of Los Angeles, Case No. BS 143790 [ADD-ON PETITION IS PENDING]

Judicial Council Coordination  
Proceeding No. 4408

For Court's Use Only:  
Santa Clara County Case No.  
1-05-CV-049053  
(for E-Posting/E-Service  
Purposes Only)

Date/Time: Wednesday, January 7, 2015

10:00 a.m.

Location: [CourtCall]

Superior Court of California  
County of Santa Clara

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*Antelope Valley Groundwater Cases (JCCP 4408)*  
*Los Angeles County Superior Court, Case No. BC 325 201*  
*January 7, 2015 (10:00am) / Hon. Jack Komar*

F:\komar\antelope Valley\2015-01-07 MO.doc

Present: Hon. Jack Komar, Judge  
\_\_\_\_\_, Reporter

Rowena Walker, Clerks (SC)  
\_\_\_\_\_, C.A. Deputy Sheriff (SC)

---

**MINUTE ORDER / TELEPHONIC CONFERENCE TO DISCUSS**

- Demand by Charles Tapia and the Nellie Tapia Family Trust for Inclusion in Settlement Discussions, filed on December 16, 2014
- Demand by the Willis Class for Inclusion in Settlement Negotiations, filed December 22, 2014
- Demand by Juanita Eyherabide and the Eyherabide Sheep Company for Inclusion in Settlement Negotiations, filed December 23, 2014
- Case Management Conference

An informal teleconference call was held by the Court, off the record, with counsel to discuss the various "demands" noted above.

Attorney McLachlan raised an issue regarding the briefing schedule noted in the November 4, 2014 Case Management Order (attached for reference), specifically, the possibility of being unable to meet the January 15, 2015 deadline to file the Stipulation(s) for Entry of Judgment by the Stipulating Parties. Should any party be unable to timely file its stipulation, the Court will address the issue at the next Case Management Conference, set for **January 22, 2015 at 10am in Department 12** of the Superior Court of California, County of Santa Clara, 191 N. 1<sup>st</sup> Street, San Jose, California.

There remains an outstanding issue between two parties, namely the Lane Family (represented by Attorney Theodore A. Chester, Jr.) and Granite Construction Company (represented by Attorney Robert Kuhs), which the Court reserved for further discussion after the ruling on the Final Approval Hearing of the Wood Class Settlement.

---

**PARTIES/ATTORNEYS OF RECORD:**

Blum, Sheldon	Goldsmith, Janet	McLachlan, Michael	Ukkestad, John
Brumfield, Robert	Graham, Justin	Miliband, Wesley	Wang, Wendy
Bunn, Thomas	Holmes, Kyle	Ramos, Andrew	Weeks, Bradley
Casey, Edward	Hughes, Joseph	Reed, Chad	Wellen, Warren
Chester, Theodore	Joyce, Bob	Rose, Lori	Wilson, Walter
Coldren, Robert	Kalfayan, Ralph	Rusineck, Walter	Wood, Richard
Davis, Michael	Kuhs, Robert	S.Renwick, Edward	Worth, James
Dunn, Jeffrey	Kuney, Scott	Sanders, Christopher	Zimmer, Richard
Evertz, Douglas	Leininger, R.Lee	Skahan, Patrick	Zolezzi, Jeanne
Fife, Michael	Lemieux, Keith	Sloan, William	
Golden-Krasner, Noah	McElhaney, Leland	Tootle, John	

**REPORTER:**

Not reported.

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*Antelope Valley Groundwater Cases (JCCP 4408)  
Los Angeles County Superior Court, Case No. BC 325 201  
January 7, 2015 (10:00am) / Hon. Jack Komar*

*F:\komar\antelope Valley\2015-01-07 MO.doc*

**EVENT CALENDAR:**

January 22, 2015	10:00am	Blum MSJ; Motion to Sub Plaintiff to Willis Class; Request by Willis Class to Dismiss Answer of the Leslie Property; Hearing on Proposed Statement of Decision on PPH Trial on Causes of Action 2 and 6; CMC
Location: 191 N. 1 <sup>st</sup> Street, San Jose, CA (Department 12)		
February 6, 2015	9:00am	Motion for Preliminary Approval of the Wood Class Settlement
June 1, 2015	9:00am	Final Fairness Hearing (Wood Class Settlement)

**MATTERS OFF CALENDAR AND CONTINUED UNTIL FURTHER ORDER OF THE COURT:**

<del>April 4, 2014</del>	9am	Ex Parte Application by the United States to continue briefing schedule on the Federal Reserve Right Claim (currently: closing brief due April 2, 2014; opposition brief due April 22, 2014; reply brief due 5/1/14; stands submitted as of 5/1/14.  Ex Parte Application by the Public Water Suppliers to Extend Date to Respond to Phase 6 Discovery Order
<del>April 7, 2014</del>	9am	AGWA's Motions, including, but not limited to: (1) Motion for Judgment on the Pleadings; (2) Motion in Limine for an Order Establishing the Evidentiary Standard for Notice for Proof of Prescription by the Public Water Purveyors; (3) Motion in Limine for an Order Establishing the Necessity of the Public Water Purveyors Proving the Elements of Prescription as to Each Landowner; and (4) Motion for Order Setting Matter for Jury Trial  Joinders to the above motion by the Bolthouse Entities  (Continued) Trial, Phase 5 (return flows, federal reserve rights); Wm. Bolthouse Farms, Inc.'s Motion for Non-Suit on the Federal Reserve Right Claim
<del>August 4, 2014</del>	9am	Trial, Phase 6 (prescription + remaining issues)
Old Dept 1, Los Angeles		



**EXHIBIT “24”**

**EXHIBIT “24”**

1 William M. Smiland (SBN 41928)  
Theodore A. Chester, Jr. (SBN 105405)  
2 Mary C. Alden (SBN 100023)  
SMILAND CHESTER ALDEN LLP  
3 140 South Lake Avenue, Suite 274  
Pasadena, California 91101  
4 Telephone: (213) 891-1010

5 Attorneys for Cross-Defendants, Landinv, Inc.;  
Bruce Burrows; 300 A 40 H, LLC; Little Rock Sand and Gravel, Inc.;  
6 The George and Charlene Lane Family Trust;  
The Frank and Yvonne Lane 1993 Family Trust;  
7 Monte Vista Building Sites, Inc., and A.V. Materials, Inc

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 FOR THE COUNTY OF LOS ANGELES

10  
11 Coordination Proceeding Special Title  
12 (Rule 1550 (b))  
13 ANTELOPE VALLEY GROUNDWATER  
CASES  
14 Included Actions:  
15 Los Angeles County Waterworks District  
No. 40 vs. Diamond Farming Co.  
16 Superior Court of California, County of  
Los Angeles, Case No. BC 325 201;  
17  
18 Los Angeles County Waterworks District  
No. 40 vs. Diamond Farming Co.  
19 Superior Court of California, County of  
Kern, Case No. S-1500-CV-254 348 NFT;  
20  
21 Diamond Farming Co. vs. City of Lancaster  
Superior Court of California, County of  
22 Riverside, Lead Case No. RIC 344 436;  
23  
24 [Consolidated with:  
Wm. Bolthouse Farms, Inc. vs. City of  
25 Lancaster, Case No. RIC 344 840; and  
Diamond Farming Co. vs. Palmdale Water  
26 Dist., Case No. RIC 344 668];

Judicial Council Coordination No. 4408  
Santa Clara Case No.: 1-05-CV-049053  
[Assigned to Hon. Jack Komar]  
  
SUPPLEMENTAL CASE  
MANAGEMENT CONFERENCE  
STATEMENT  
  
Date: October 7, 2015  
Time: 9:00 a.m.  
Dept: Court Call Only  
  
Trial Date: September 28, 2015

27 CAPTION CONINUED ON NEXT PAGE  
28

1 **Willis vs. Los Angeles County Waterworks** )  
2 **District No. 40; Superior Court of California,** )  
3 **County of Los Angeles, Case No. BC 364 553;** }

4 **Wood v. Los Angeles County Waterworks** )  
5 **District No. 40, Superior Court of California,** )  
6 **County of Los Angeles, Case No. BC 391 869** }

7 Little Rock Sand and Gravel, Inc., The George and Charlene Lane Family Trust, The  
8 Frank and Yvonne Lane 1993 Family Trust, Monte Vista Building Sites, Inc., and A.V.  
9 Materials, Inc. (the "Lane Family") file this Supplemental Case Management Conference  
10 Statement to confirm that the issues concerning the Lane Family and Granite Construction  
11 Company, two settling parties, remain "reserved for further discussions after the ruling on the  
12 Final Approval Hearing," in accordance with the Court's January 7, 2015 Minute Order.  
13 Attached as **Exhibit A** is a copy of the Lane Family's December 31, 2014 Supplemental Case  
14 Management Statement describing the issues. Attached as **Exhibit B** is a copy of the Court's  
15 January 7, 2015 Minute Order. Attached as **Exhibit C** is a copy of the Court's August 7, 2015  
16 Minute Order stating that "final approval" will not be made until after the "global settlement is  
17 adjudicated."

18  
19 Dated: October 6, 2015

Respectfully submitted,

SMILAND CHESTER ALDEN LLP

21  
22 By /s/ Theodore A. Chester, Jr.  
23 Theodore A. Chester, Jr.

**EXHIBIT A**

1 SMILAND CHESTER LLP  
Theodore A. Chester, Jr. (SBN 105405)  
2 601 West Fifth Street, Suite 1100  
Los Angeles, California 90071  
3 Telephone: (213) 891-1010  
Facsimile: (213) 891-1414  
4

5 Attorneys for Cross-Defendants  
Landinv, Inc.; Bruce Burrows; 300 A 40 H, LLC;  
Little Rock Sand and Gravel, Inc.;  
6 The George and Charlene Lane Family Trust;  
The Frank and Yvonne Lane 1993 Family Trust;  
7 Monte Vista Building Sites, Inc., and A.V. Materials, Inc.  
8

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
10 COUNTY OF LOS ANGELES

11 Coordination Proceeding Special Title  
(Rule 1550 (b))

Judicial Council Coordination No. 4408  
[Assigned to Hon. Jack Komar; Dept 17]

12 ANTELOPE VALLEY GROUNDWATER  
13 CASES

Santa Clara Case No.: 1-05-CV-049053

14 Included CONSOLIDATED Actions:

**JOINDER IN JOINT CASE  
MANAGEMENT CONFERENCE  
STATEMENT AND SUPPLEMENTAL  
CASE MANAGEMENT STATEMENT OF  
THE LANE FAMILY**

15 Los Angeles County Waterworks District No.  
16 40 vs. Diamond Farming Company  
Los Angeles Superior Court Case No.  
17 BC325201

Date: January 7, 2015  
Time: 10:00 a.m.  
Dept.: Court-Call Only

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

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

24 Willis v. Los Angeles County Waterworks  
25 District No. 40; Los Angeles Superior Court  
26 Case No. BC 364553

27 Wood v. Los Angeles County Waterworks  
28 District No. 40; Los Angeles Superior Court  
Case No. BC 391869

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Joinder

Landiny, Inc., Bruce Burrows, 300 A 40 H, LLC, Little Rock Sand and Gravel, Inc., the George and Charlene Lane Family Trust, the Frank and Yvonne Lane 1993 Family Trust, Monte Vista Building Sites, Inc., and A.V. Materials, Inc. hereby join in the Joint Case Management Conference Statement filed December 31, 2014 by the Stipulating Parties.

Supplemental Statement by the Lane Family

The Frank and Yvonne Lane 1993 Family Trust, Little Rock Sand and Gravel, Inc., and Monte Vista Building Sites, Inc. (the "Lane Family") and Granite Construction Company ("Granite") are parties to this lawsuit. The Lane Family and Granite have participated in the settlement discussions referred to in the Stipulating Parties' Joint Case Management Statement.

The Lane Family owns about 240 acres within the Antelope Valley Area of Adjudication, and since 1987 has leased that property to Granite, where Granite has conducted quarrying operations. The current term of the lease expires in April 2021. The lease provides that during its term Granite has the right as tenant to use "such water rights as [the Lane Family] has to . . . underground water located . . . under the leased premises." Since about 1987, Granite has produced groundwater from wells located on the leased property and used that water on the leased property in connection with Granite's quarrying operations on the leased property. Granite purchased other property adjacent to the leased property in 2008. However, the Lane Family understands that to date Granite has not conducted quarrying operations on such other property.

There exists a dispute between the Lane Family and Granite, and no other parties, with respect to title to water rights associated with the leased property that would be adjudicated in this case. The Lane Family would seek title to the adjudicated rights as land owner (the water rights would remain subject to Granite's use for the term of the lease). The Lane Family understands that Granite seeks separate conflicting title in its own name. The Lane Family has made a number of attempts to resolve this two-party dispute with Granite, but, to date, those attempts have failed.

1           The Lane Family is prepared to stipulate to entry of the proposed judgment that has been  
2 negotiated by and among the settling parties. By doing so the Lane Family would be settling  
3 with all other Stipulating Parties, provided, however, that the issue of title to water rights  
4 allocated under the proposed judgment as between the Lane Family and Granite would remain  
5 undecided. The Lane Family would seek to have this remaining two-party dispute decided by  
6 the Court or by an alternate approach, including mediation.

7           The Court's November 4, 2014 Case Management Order sets forth a schedule for  
8 determining disputed matters, and the Lane Family would ask that its two-party dispute with  
9 Granite be included therein.

10           The principals of Granite and the Lane Family met during the week of December 15th in  
11 an attempt to settle this matter. They are scheduled to meet again in advance of the January 7,  
12 2015 case management conference. The Lane Family's counsel will report to the Court after  
13 such meeting.

14  
15 Dated: December 31, 2014

Respectfully submitted

SMLAND CHESTER LLP

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17  
18 By /s/ Theodore A. Chester, Jr.  
Theodore A. Chester, Jr.

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**PROOF OF SERVICE**

**STATE OF CALIFORNIA     }  
COUNTY OF LOS ANGELES }**

I, Felicia Herbstreith am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is: 140 South Lake Avenue, Suite 274, Pasadena, California 91101.

On December 31, 2014, I served the foregoing document described as: **CASE MANAGEMENT STATEMENT OF LITTLE ROCK SAND AND GRAVEL, INC.; THE FRANK AND YVONNE LANE 1993 FAMILY TRUST; AND MONTE VISTA BUILDING SITES, INC.** on the interested parties in this action by posting the document listed above to the Santa Clara County Superior website in regard to the Antelope Valley Groundwater Adjudication matter, pursuant to the Electronic Filing and Service Standing Order of Judge Komar.

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

Executed on December 31, 2014, at Los Angeles, California.

/s/ Felicia Herbstreith  
Felicia Herbstreith



**EXHIBIT B**

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

<p>Coordination Proceeding Special Title (Rule 1550(b))</p> <p><b>ANTELOPE VALLEY GROUNDWATER CASES</b></p> <p>Included Actions:</p> <p><i>Los Angeles County Waterworks District No. 40 v. Diamond Farming Co.</i>, Superior Court of California, County of Los Angeles, Case No. BC 325 201</p> <p><i>Los Angeles County Waterworks District No. 40 v. Diamond Farming Co.</i>, Superior Court of California, County of Kern, Case No. S-1500-CV-254-348</p> <p><i>Wm. Bolthouse Farms, Inc. v. City of Lancaster Diamond Farming Co. v. City of Lancaster Diamond Farming Co. v. Palmdale Water Dist.</i> Superior Court of California, County of Riverside, consolidated actions, Case Nos. RIC 353 840, RIC 344 436, RIC 344 668</p> <p><i>Willis v. Los Angeles County Waterworks District No. 40</i>, Superior Court of California, County of Los Angeles, Case No. BC 364 553</p> <p><i>Wood v. Los Angeles County Waterworks District No. 40</i>, Superior Court of California, County of Los Angeles, Case No. BC 391869</p> <p><i>Wood v. A.V. Materials, Inc., et al.</i>, Superior Court of California, County of Los Angeles, Case No. BC 509546</p> <p><i>Wood v. County of Los Angeles</i>, Superior Court of California, County of Los Angeles, Case No. BS 143790 [ADD-ON PETITION IS PENDING]</p>	<p>Judicial Council Coordination Proceeding No. 4408</p> <p>For Court's Use Only: Santa Clara County Case No. 1-05-CV-049053 (for E-Posting/E-Service Purposes Only)</p>
--	--

Date/Time: Wednesday, January 7, 2015

10:00 a.m.

Location: [CourtCall]

Superior Court of California  
County of Santa Clara

---

*Antelope Valley Groundwater Cases (JCCP 4408)*  
*Los Angeles County Superior Court, Case No. BC 325 201*  
*January 7, 2015 (10:00am) / Hon. Jack Komar*

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Present: Hon. Jack Komar, Judge  
\_\_\_\_\_, Reporter

Rowena Walker, Clerks (SC)  
\_\_\_\_\_, C.A. Deputy Sheriff (SC)

---

**MINUTE ORDER / TELEPHONIC CONFERENCE TO DISCUSS**

- Demand by Charles Tapia and the Nellie Tapia Family Trust for Inclusion in Settlement Discussions, filed on December 16, 2014
- Demand by the Willis Class for Inclusion in Settlement Negotiations, filed December 22, 2014
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There remains an outstanding issue between two parties, namely the Lane Family (represented by Attorney Theodore A. Chester, Jr.) and Granite Construction Company (represented by Attorney Robert Kuhs), which the Court reserved for further discussion after the ruling on the Final Approval Hearing of the Wood Class Settlement.

---

**PARTIES/ATTORNEYS OF RECORD:**

Blum, Sheldon	Goldsmith, Janet	McLachlan, Michael	Ukkestad, John
Brumfield, Robert	Graham, Justin	Milliband, Wesley	Wang, Wendy
Bunn, Thomas	Holmes, Kyle	Ramos, Andrew	Weeks, Bradley
Casey, Edward	Hughes, Joseph	Reed, Chad	Wellen, Warren
Chester, Theodore	Joyce, Bob	Rose, Lori	Wilson, Walter
Coldren, Robert	Kalfayan, Ralph	Rusinek, Walter	Wood, Richard
Davis, Michael	Kuhs, Robert	S.Renwick, Edward	Worth, James
Dunn, Jeffrey	Kuney, Scott	Sanders, Christopher	Zimmer, Richard
Evertz, Douglas	Leininger, R.Lee	Skahan, Patrick	Zolezzi, Jeanne
Fife, Michael	Lemieux, Kelth	Sloan, William	
Golden-Krasner, Noah	McElhaney, Leland	Tootle, John	

**REPORTER:**  
Not reported.

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*Antelope Valley Groundwater Cases (JCCP 4408)  
Los Angeles County Superior Court, Case No. BC 325 201  
January 7, 2015 (10:00am) / Hon. Jack Komar*

*F:\komar\antelope Valley\2015-01-07 MO.doc*

**EVENT CALENDAR:**

January 22, 2015	10:00am	Blum MSJ; Motion to Sub Plaintiff to Willis Class; Request by Willis Class to Dismiss Answer of the Leslie Property; Hearing on Proposed Statement of Decision on PPH Trial on Causes of Action 2 and 6; CMC
February 6, 2015	9:00am	Motion for Preliminary Approval of the Wood Class Settlement
June 1, 2015	9:00am	Final Fairness Hearing (Wood Class Settlement)

Location: 191 N. 1<sup>st</sup> Street,  
San Jose, CA (Department  
12)

**MATTERS OFF CALENDAR AND CONTINUED UNTIL FURTHER ORDER OF THE COURT:**

April 4, 2014	9am	Ex Parte Application by the United States to continue briefing schedule on the Federal Reserve Right Claim (currently: closing brief due April 2, 2014; opposition brief due April 22, 2014; reply brief due 5/1/14; stands submitted as of 5/1/14.  Ex Parte Application by the Public Water Suppliers to Extend Date to Respond to Phase 6 Discovery Order
April 7, 2014 Dept 41, Room 417, 4 <sup>th</sup> Fl. Los Angeles	9am	AGWA's Motions, including, but not limited to: (1) Motion for Judgment on the Pleadings; (2) Motion in Limine for an Order Establishing the Evidentiary Standard for Notice for Proof of Prescription by the Public Water Purveyors; (3) Motion in Limine for an Order Establishing the Necessity of the Public Water Purveyors Proving the Elements of Prescription as to Each Landowner; and (4) Motion for Order Setting Matter for Jury Trial  Joinders to the above motion by the Bolthouse Entities  (Continued) Trial, Phase 5 (return flows, federal reserve rights); Wm. Bolthouse Farms, Inc.'s Motion for Non-Suit on the Federal Reserve Right Claim
August 4, 2014 Old Dept 1, Los Angeles	9am	Trial, Phase 6 (prescription + remaining issues)

**EXHIBIT C**

**SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES**

DATE: 08/03/15

DEPT. 222

HONORABLE Jack Komar

JUDGE J.M. GURNEE

DEPUTY CLERK

HONORABLE

JUDGE PRO TEM

ELECTRONIC RECORDING MONITOR

Deputy Sheriff

V. RODRIGUEZ #12215

Reporter

10:00 am

JCCP4408

\*NO COURT FILE\*

Plaintiff

MICHAEL MCLACHLAN (X)

Counsel

RALPH KALFAYAN (X)

LYNNE BRENNAN (X)

Defendant

DANIEL O'LEARY (X)

Counsel

DOUGLAS EVERTZ (X)

OLAF LANDSGAARD (X)

THEODORE CHESTER JR (X)

CHRISTOPHER SANDERS (X)

Coordination Proceeding Special  
Title Rule (1550(b))  
ANTELOPE VALLEY  
GROUNDWATER CASES  
\*ASSIGNED TO JUDGE JACK KOMAR  
IN SANTA CLARA COUNTY (8/31/05)

**NATURE OF PROCEEDINGS:**

**APPEARANCES (CONT) IN COURT:**

**IN COURT:**

SCOTT KUNEY (X)  
JAMES DUBOIS (X)  
EDWARD RENWICK (X)  
ROBERT KUHS (X)  
LELAND MCELHANEY (X)  
BILL BRUNICK (X)  
NOAH GOLDEN-KRAZNER (X)  
MILES HOGAN (X)  
SHELDON BLUM (X)  
THOMAS BUNN (X)  
JUNE AILIN (X)  
BRADLEY WEEKS (X)

WILLIAM SLOAN (X) AM  
LEE LEININGER (X)  
JEFFREY DUNN (X)  
MICHAEL FIFE (X)  
RICHARD ZIMMER (X)  
WALTER WILSON (X)  
JANET GOLDSMITH (X)  
DEREK HOFFMAN (X)  
JOHN TOOTLE (X)  
KAREN BILOTTI (X)  
BOB JOYCE (X)

**ON COURTCALL:**

CARLOS AMBRIZ (X)  
WALTER ROSINEK (X)  
JOSEPH HUGHES (X)  
W. KEITH LEMIEUX, JR (X)  
ANDREW RAMOS (X)  
WILLIAM SLOAN (X) PM

ANDREW BRADY (X)  
JAMES WORTH (X)  
CHRISTOPHER BURGER (X)  
CLIENT-MARLON BARNES (X)  
JAMES MARKMAN (X)

FINAL FAIRNESS HEARING SMALL PUMPER/WOOD CLASS

The Order Appointing Court Approved Reporter as  
Official Reporter Pro Tempore is signed and filed

MINUTES ENTERED 08/03/15 COUNTY CLERK
---

**SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES**

DATE: 08/03/15

DEPT. 222

HONORABLE Jack Komar

JUDGE J. M. GURNEE

DEPUTY CLERK

HONORABLE

JUDGE PRO TEM

ELECTRONIC RECORDING MONITOR

Deputy Sheriff

V. RODRIGUEZ #12215

Reporter

10:00 am	JCCP4408	*NO COURT FILE*	Plaintiff	MICHAEL MCLACHLAN (X)
			Counsel	RALPH KALFAYAN (X)
				LYNNE BRENNAN (X)
			Defendant	DANIEL O'LEARY (X)
			Counsel	DOUGLAS EVERTZ (X)
				OLAF LANDSGAARD (X)
				THEODORE CHESTER JR (X)
				CHRISTOPHER SANDERS (X)

**NATURE OF PROCEEDINGS:**

this date.

The matter is called for hearing.

The court makes a finding that there are no objections by any member to the allocation of the amount in the Wood Class but there may be an objection by a member of the Willis Class who is also a land owner who has pumped an amount that would qualify under the Small Pumper Class.

Prove up is held.

Witnesses Mark Wildermuth and Richard Wood are sworn and testify.

Counsel argue Motions in Limine as follows:

Willis Class' Notice of Motion and Motion in Limine No 1 Re: Exclusion of Expert Report of Tim Thompson.

Willis Class' Notice of Motion and Motion in Limine No 2 Re: Opinion Testimony on Reasonable and Beneficial Use of Groundwater by the Small Pumper Class

Court reserves ruling until the witness testifies.

Timothy Thompson is sworn and testifies.

Exhibits are marked for identification and admitted into evidence as follows:

MINUTES ENTERED 08/03/15 COUNTY CLERK
---

**SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES**

DATE: 08/03/15

DEPT. 222

HONORABLE Jack Komar

JUDGE J.M. GURNEE

DEPUTY CLERK

HONORABLE

JUDGE PRO TEM

ELECTRONIC RECORDING MONITOR

Deputy Sheriff

V. RODRIGUEZ #12215

Reporter

10:00 am JCCP4408

\*NO COURT FILE\*

Plaintiff	MICHAEL MCLACHLAN (X)
Counsel	RALPH KALFAYAN (X)
	LYNNE BRENNAN (X)
Defendants	DANIEL O'LEARY (X)
Counsel	DOUGLAS EVERTZ (X)
	OLAF LANDSGAARD (X)
	THEODORE CHESTER JR (X)
	CHRISTOPHER SANDERS (X)

Coordination Proceeding Special  
Title Rule (1550(b))  
ANTELOPE VALLEY  
GROUNDWATER CASES  
\*ASSIGNED TO JUDGE JACK KOMAR  
IN SANTA CLARA COUNTY (8/31/05)

**NATURE OF PROCEEDINGS:**

- RW1 2 VOLUME TECHNICAL REPORT BY EXPERT
- RW2 INDIVIDUAL GRANT DEED
- RW3 WOOD DOCUMENTS

and for identification only as follows:

- RW4 CURRICULUM VITAE OF TIMOTHY THOMPSON

After further argument, the court rules on Motions in Limine. Motions in Limine are denied, Objections are overruled.

No final approval is made at this time, as global settlement needs to be adjudicated.

Court is in recess until 8/4/2015 at 9:00am in Department 222 for Hearing Re: Inconsistencies of Global Settlement with previous Willis Class Settlement.

MINUTES ENTERED 08/03/15 COUNTY CLERK
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**PROOF OF SERVICE**

STATE OF CALIFORNIA }  
COUNTY OF LOS ANGELES }

I, Lynda Ann Hachem, am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is: 140 South Lake Avenue, Suite 274, Pasadena, California 91101.

On October 6, 2015, I served the foregoing document described as: **SUPPLEMENTAL CASE MANAGEMENT CONFERENCE STATEMENT** on the interested parties in this action by posting the document listed above to the Santa Clara County Superior website in regard to the Antelope Valley Groundwater Adjudication matter, pursuant to the Electronic Filing and Service Standing Order of Judge Komar.

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

Executed on October 6, 2015, at Pasadena, California.

/s/ Lynda Ann Hachem  
Lynda Ann Hachem

**EXHIBIT “25”**

**EXHIBIT “25”**

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES – CENTRAL DISTRICT**

Coordination Proceeding  
Special Title (Rule 1550 (b))

**ANTELOPE VALLEY GROUNDWATER  
CASES**

Judicial Council Coordination  
Proceeding No. 4408

[Assigned to The Honorable Jack Komar, Judge  
Santa Clara County Superior Court, Dept. 17]

Santa Clara Court Case No. 1-05-CV-049053

**STIPULATION FOR ENTRY OF  
JUDGMENT AND PHYSICAL SOLUTION**

1. The undersigned Parties (“Stipulating Parties”) stipulate and agree to the entry of the proposed Judgment and Physical Solution (“Judgment”), attached hereto as Exhibit 1 and incorporated herein by reference, as the Judgment in this Action. This Stipulation is expressly conditioned, as set forth in Paragraph 4 below, upon the approval and entry of the Judgment by the Court.

2. The following facts, considerations and objectives, among others, provide the basis for this Stipulation for Entry of Judgment (“Stipulation”):

- a. The Judgment is a determination of all rights to Produce and store Groundwater in the Basin.
- b. The Judgment resolves all disputes in this Action among the Stipulating Parties.

- 1 c. The Stipulating Parties represent a substantial part of the total Production within
- 2 the Basin.
- 3 d. There exists now and has existed for many years an Overdraft on the
- 4 Groundwater supply within the Basin.
- 5 e. It is apparent to the Stipulating Parties that protection of the rights of the
- 6 Stipulating Parties and protection of the public interest within the Basin require the
- 7 development and imposition of a Physical Solution.
- 8 f. The Physical Solution contained in the Judgment is in furtherance of the mandate
- 9 of the State Constitution and the water policy of the State of California.
- 10 g. Entry of the Judgment will avoid the time, expense, and uncertainty associated
- 11 with continued litigation.
- 12 h. The Judgment will create incentives, predictability and long-term certainty
- 13 necessary to promote beneficial use of the Basin's Groundwater resources to the fullest
- 14 extent practicable and for the greatest public benefit.
- 15 i. The Judgment will create opportunities for state and local funding as may be
- 16 available to promote greater development and beneficial use of the Basin's Groundwater
- 17 resources.
- 18 j. The Judgment will aid in securing a reliable and cost-effective water supply to
- 19 serve the Stipulating Parties' constituencies and communities.
- 20 3. Defined terms in the Judgment shall have the same meaning in this Stipulation.
- 21 4. The provisions of the Judgment are related, dependent and not severable. Each and every
- 22 term of the Judgment is material to the Stipulating Parties' agreement. If the Court does not approve the
- 23 Judgment as presented, or if an appellate court overturns or remands the Judgment entered by the trial
- 24 court, then this Stipulation is *void ab initio* with the exception of Paragraph 6, which shall survive.
- 25 5. The Stipulating Parties will cooperate in good faith and take any and all necessary and
- 26 appropriate actions to support the Judgment until such time as this Judgment is entered by the Court, and
- 27 appeals, if any, are final, including:
- 28 a. Producing evidentiary testimony and documentation in support thereof;

1           b.     Defending the Judgment against Non-Stipulating Parties, including, as  
2           appropriate, providing evidence of the Stipulating Parties' prescriptive and self-help  
3           rights.

4           6.     Each Stipulating Party has agreed to this Stipulation without admitting any factual or  
5           legal provisions of this Stipulation or the proposed Judgment. In the event that this Stipulation is void,  
6           or if trial is necessary against any Non-Stipulating Party to determine issues provided for in the  
7           Judgment, the resulting factual or legal determinations shall not bind any Stipulating Party or become  
8           law of the case.

9           7.     As consideration and as a material term of this Stipulation, the Stipulating Parties hereby  
10          declare that they are not aware of any additional Person pumping Groundwater, or landowner owning  
11          property in the Basin, that is not either named as a Party in the Action, included in the Non-Pumper  
12          Class or Small Pumper Class, or a Defaulting Party.

13          8.     The Stipulating Parties, in order to protect the Basin from over-pumping, have stipulated  
14          and agreed to the terms of the Judgment and have agreed to substantial cuts to water allocation  
15          compared with what they claim under California law, and in the case of the United States, also under  
16          federal law. In return, the Stipulating Parties have agreed to provisions in the Physical Solution which  
17          are only available by stipulation. These provisions include, without limitation, the right to transfer  
18          Production Rights and the right to Carry Over rights from year to year, as set forth in the Judgment.  
19          Non-Stipulating Parties, or any other Parties contesting the Judgment, shall not be entitled to the benefit  
20          of these provisions, and shall have only the rights to which they may be entitled by law according to  
21          proof at trial.

22          9.     The Stipulating Parties agree to request the Court to order the representatives of the Non-  
23          Pumper Class and the Small Pumper Class to identify any Persons which have opted out of the Classes  
24          and provide the identities of any opt-outs to District No. 40 within twenty (20) days of the Court's order  
25          approving this Stipulation. District No. 40 will assure that all Persons opting out of the Classes have  
26          been named, served, and defaulted or otherwise adjudicated, and will provide a report to the Court and  
27          the Stipulating Parties.

28

1           10.    As consideration for this Stipulation between the Stipulating Parties, District No. 40  
2 specifically agrees to the following:

3           a.     District No. 40 agrees to identify all landowners in the Basin, to confirm that each  
4 landowner was served, and to confirm that each landowner is a part of the Non-Pumper  
5 Class, the Small Pumper Class, the Stipulating Parties, a Defaulting Party, or a Party that  
6 has appeared, as the case may be. District No. 40 will file a report containing this  
7 information with the Court and with all Parties.

8           b.     District No. 40 agrees to take all available steps and procedures to prevent any  
9 Person that has not appeared in this Action from raising claims or otherwise contesting  
10 the Judgment.

11          11.    The Public Water Suppliers and no other Parties to this Stipulation shall pay all  
12 reasonable Small Pumper Class attorneys' fees and costs through the date of the final Judgment in the  
13 Action, in an amount either pursuant to an agreement reached between the Public Water Suppliers and  
14 the Small Pumper Class or as determined by the Court. The Public Water Suppliers reserve the right to  
15 seek contribution for reasonable Small Pumper Class attorneys' fees and costs through the date of the  
16 final Judgment in the Action from each other and Non-Stipulating Parties. Any motion or petition to the  
17 Court by the Small Pumper Class for the payment of attorneys' fees in the Action shall be asserted by the  
18 Small Pumper Class solely as against the Public Water Suppliers (excluding Palmdale Water District,  
19 Rosamond Community Services District, City of Lancaster, Phelan Piñon Hills Community Services  
20 District, Boron Community Services District, and West Valley County Water District) and not against  
21 any other Party.

22          12.    In consideration for the agreement to pay Small Pumper Class attorneys' fees and costs as  
23 provided in Paragraph 11 above, the other Stipulating Parties agree that during the Rampdown  
24 established in the Judgment, a drought water management program ("Drought Program") shall be  
25 implemented as provided in Paragraphs 8.3, 8.4, 9.2 and 9.3 of the Judgment.

26          13.    The Stipulating Parties do not object to the award of an incentive to Richard Wood, the  
27 Small Pumper Class representative, in recognition of his service as Class representative. The Judgment  
28 shall provide that Richard Wood has a Production Right of up to five (5) acre-feet per year for

1 reasonable and beneficial use on his parcel, free of a Replacement Water Assessment. This Production  
2 Right shall not be transferable and is otherwise subject to the provisions of the Judgment. If the Court  
3 approves this award of an additional two (2) acre-feet of water, such award shall be in lieu of any  
4 monetary incentive payment.

5 14. The Stipulating Parties agree that an orderly procedure for obtaining the Court's approval  
6 of the Judgment is a material term to this Stipulation. The Parties agree that the Case Management  
7 Order attached hereto as Appendix 1 is an appropriate process for obtaining such approval.

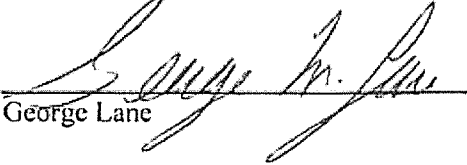
8 15. The Stipulating Parties agree that this Stipulation shall bind and benefit them, and will be  
9 binding upon and benefit all their respective heirs, successors-in-interest and assigns.

10 16. Each signatory to this Stipulation represents and affirms that he or she is legally  
11 authorized to bind the Stipulating Party on behalf of whom he or she is signing. The Stipulating Parties  
12 understand that this Stipulation and the Judgment are not effective as to the Small Pumper Class until  
13 the Court grants approval of a settlement agreement in *Wood v. Los Angeles County Waterworks District*  
14 *No. 40 et al.*

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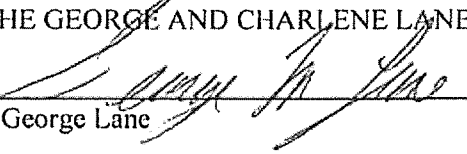
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LITTLE ROCK SAND AND GRAVEL, INC.

By:   
George Lane


Date: 12/24/14

THE GEORGE AND CHARLENE LANE FAMILY TRUST

By:   
George Lane

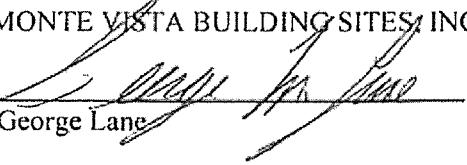
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THE FRANK AND YVONNE LANE 1993 FAMILY TRUST

By:   
George Lane

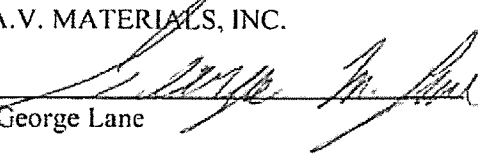
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MONTE VISTA BUILDING SITES, INC.

By:   
George Lane

Date: 12/24/14

A.V. MATERIALS, INC.

By:   
George Lane

Date: 12/24/14

APPROVED AS TO FORM:

SMILAND CHESTER LLP

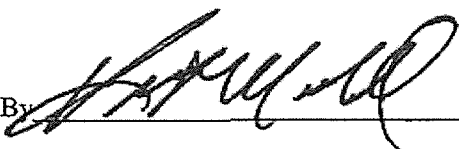
By:   
Theodore A. Chester, Jr.

Date: 1/15/15



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GRANITE CONSTRUCTION COMPANY

By 

Date: 1/12/2015

Its Kent Marshall, Vice President

**STIPULATION FOR ENTRY OF JUDGMENT AND PHYSICAL SOLUTION**

**EXHIBIT “26”**

**EXHIBIT “26”**

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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES – CENTRAL DISTRICT

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.  
BC 325201;

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

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, Case Nos. RIC 353 840,  
RIC 344 436, RIC 344 668

RICHARD WOOD, on behalf of himself and  
all other similarly situated v. A.V. Materials,  
Inc., et al., Superior Court of California,  
County of Los Angeles, Case No. BC509546

Judicial Council Coordination Proceeding  
No. 4408

CLASS ACTION

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

~~PROPOSED~~ JUDGMENT

1 The matter came on for trial in multiple phases. A large number of parties representing  
2 the majority of groundwater production in the Antelope Valley Area of Adjudication (“Basin”)  
3 entered into a written stipulation to resolve their claims and requested that the Court enter their  
4 [Proposed] Judgment and Physical Solution as part of the final judgment. As to all remaining  
5 parties, including those who failed to answer or otherwise appear, the Court heard the testimony  
6 of witnesses, considered the evidence, and heard the arguments of counsel. Good cause  
7 appearing, the Court finds and orders judgment as follows:

- 8 1. The Second Amended Stipulation For Entry of Judgment and Physical Solution  
9 among the stated stipulating parties is accepted and approved by the Court.
- 10 2. Consistent with the December 23 2015 Statement of Decision (“Decision”), the  
11 Court adopts the Proposed Judgment and Physical Solution attached hereto as  
12 Exhibit A and incorporated herein by reference, as the Court’s own physical  
13 solution (“Physical Solution”). The Physical Solution is binding upon all parties.
- 14 3. In addition to the terms and provisions of the Physical Solution the Court finds as  
15 follows:
  - 16 a. Each of the Stipulating Parties to the Physical Solution has the right to  
17 pump groundwater from the Antelope Valley Adjudication Area as stated  
18 in the Decision and Physical Solution.
  - 19 b. The following entities are awarded prescriptive rights from the native safe  
20 yield against the Tapia Parties, defaulted parties identified in Exhibit 1 to  
21 the Physical Solution, and parties who did not appear at trial identified in  
22 Exhibit B attached hereto, in the following amounts:

23	Los Angeles County Waterworks District No. 40	17,659.07 AFY
24	Palmdale Water District	8,297.91 AFY
25	Littlerock Creek Irrigation District	1,760 AFY
26	Quartz Hill Water District	1,413 AFY
27	Rosamond Community Services District	1,461.7 AFY
28	Palm Ranch Irrigation District	960 AFY

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Desert Lake Community Services District 318 AFY  
California Water Service Company 655 AFY  
North Edwards Water District 111.67 AFY

No other parties are subject to these prescriptive rights.

c. Each of the parties referred to in the Decision as Supporting Landowner Parties has the right to pump groundwater from the Antelope Valley Adjudication Area as stated in the Decision and in Paragraph 5.1.10 of the Physical Solution in the following amounts:

- i. Desert Breeze MHP, LLC 18.1 AFY
- ii. Milana VII, LLC dba Rosamond Mobile Home Park 21.7 AFY
- iii. Reesdale Mutual Water Company 23 AFY
- iv. Juanita Eyherabide, Eyherabide Land Co., LLC and Eyherabide Sheep Company, collectively 12 AFY
- v. Clan Keith Real Estate Investments, LLC., dba Leisure Lake Mobile Estates 64 AFY
- vi. White Fence Farms Mutual Water Co. No. 3 4 AFY
- vii. LV Ritter Ranch LLC 0 AFY

d. *viii. Robar Enterprises, Inc., Hi-Grade Materials Co., and CJR, a*  
Each member of the Small Pumper Class can exercise an overlying right pursuant to the Physical Solution. The Judgment Approving Small Pumper Class Action Settlements is attached as Exhibit C ("Small Pumper Class Judgment") and is incorporated herein by reference.

e. Cross-defendant Charles Tapia, as an individual and as Trustee of Nellie Tapia Family Trust (collectively, "The Tapia Parties") has no right to pump groundwater from the Antelope Valley Adjudication Area except under the terms of the Physical Solution.

f. Phelan Piñon Hills Community Services District ("Phelan") has no right to pump groundwater from the Antelope Valley Adjudication Area except under the terms of the Physical Solution.

General Partnership - 200 AFY

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g. The Willis Class members have an overlying right that is to be exercised in accordance with the Physical Solution.

h. All defendants or cross-defendants who failed to appear in any of these coordinated and consolidated cases are bound by the Physical Solution and their overlying rights, if any, are subject to the prescriptive rights of the Public Water Suppliers. A list of the parties who failed to appear is attached hereto as Exhibit D.

i. ~~Robar Enterprises, Inc., Hi-Grade Materials Co., and CJR, a general partnership (collectively, "Robar") are~~

~~\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_~~

4. Each party shall designate the name, address and email address, to be used for all subsequent notices and service of process by a designation to be filed within thirty days after entry of this Judgment. The list attached as Exhibit A to the Small Pumper Class Judgment shall be used for notice purposes initially, until updated by the Class members and/or Watermaster. The designation may be changed from time to time by filing a written notice with the Court. Any party desiring to be relieved of receiving notice may file a waiver of notice to be approved by the Court. The Court will maintain a list of parties and their respective addresses to whom notice or service of process is to be sent. If no designation is made as required herein, a party's designee shall be deemed to be the attorney of record or, in the absence of an attorney of record, the party at its specified address.

5. All real property owned by the parties within the Basin is subject to this Judgment. It is binding upon all parties, their officers, agents, employees, successors and assigns. Any party, or executor of a deceased party, who transfers real property that is subject to this Judgment shall notify any transferee thereof of this Judgment.

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This Judgment shall not bind the parties that cease to own real property within the Basin, and cease to use groundwater, except to the extent required by the terms of an instrument, contract, or other agreement.

The Clerk shall enter this Judgment.

Dated: Dec 23, 2015

  
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JUDGE OF THE SUPERIOR COURT

# **EXHIBIT A**



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**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES - CENTRAL DISTRICT**

Coordination Proceeding Special Title  
(Rule 1550(b))

**ANTELOPE VALLEY  
GROUNDWATER CASES**

Judicial Council Coordination Proceeding No.  
4408

**Santa Clara Case No.: 1-05-CV-049053**

Judge: The Honorable Jack Komar, Dept. 17

**[PROPOSED] JUDGMENT AND PHYSICAL  
SOLUTION**

1	<b>I. DESCRIPTION OF LITIGATION</b> .....	1
2	<b>1. PROCEDURAL HISTORY</b> .....	1
3	1.1 Initiation of Litigation.....	1
4	1.2 General Adjudication Commenced.....	2
5	1.3 Other Actions.....	3
6	1.4 McCarran Amendment Issues.....	4
7	1.5 Phased Trials.....	4
8	1.6 Defaults.....	5
9	<b>2. GENERAL ADJUDICATION DOES NOT APPLY TO SURFACE WATER</b> .....	5
10	<b>II. DECREE</b> .....	6
11	<b>3. JURISDICTION, PARTIES, DEFINITIONS</b> .....	6
12	3.1 Jurisdiction. ....	6
13	3.2 Parties.....	6
14	3.3 Factual and Legal Issues.....	6
15	3.4 Need for a Declaration of Rights and Obligations for a Physical Solution .....	6
16	3.5 Definitions .....	7
17	<b>4. SAFE YIELD AND OVERDRAFT</b> .....	15
18	4.1 Safe Yield .....	15
19	4.2 Overdraft.....	15
20	<b>5. PRODUCTION RIGHTS</b> .....	15
21	5.1 Allocation of Rights to Native Safe Yield .....	15
22	5.1.1 Overlying Production Rights .....	16
23	5.1.2 Non-Pumper Class Rights.....	16
24	5.1.3 Small Pumper Class Production Rights .....	17
25	5.1.4 Federal Reserved Water Right.....	19
26	5.1.5 State of California Production Rights.....	20
27	5.1.6 Non-Overlying Production Rights .....	23
28	5.1.7 City of Lancaster.....	23

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5.1.8 Antelope Valley Joint Union High School District ..... 24

5.1.9 Construction of Solar Power Facilities ..... 24

5.1.10 Production Rights Claimed by Non-Stipulating Parties ..... 24

5.2 Rights to Imported Water Return Flows..... 25

5.2.1 Rights to Imported Water Return Flows..... 25

5.2.2 Water Imported Through AVEK ..... 25

5.2.3 Water Not Imported Through AVEK ..... 26

5.3 Rights to Recycled Water ..... 26

6. INJUNCTION ..... 27

6.1 Injunction Against Unauthorized Production ..... 27

6.2 Injunction Re Change in Purpose of Use Without Notice to The Watermaster ..... 27

6.3 Injunction Against Unauthorized Capture of Stored Water..... 27

6.4 Injunction Against Transportation From Basin ..... 28

6.5 Continuing Jurisdiction..... 28

III. PHYSICAL SOLUTION ..... 29

7. GENERAL ..... 29

7.1 Purpose and Objective ..... 29

7.2 Need For Flexibility..... 29

7.3 General Pattern of Operations..... 29

7.4 Water Rights ..... 30

8. RAMPDOWN ..... 30

8.1 Installation of Meters ..... 30

8.2 Rampdown Period..... 30

8.3 Reduction of Production During Rampdown ..... 30

8.4 Drought Program During Rampdown for Participating Public Water Suppliers ..... 31

9. ASSESSMENTS ..... 32

9.1 Administrative Assessment..... 32

9.2 Replacement Water Assessment..... 33

1	9.3	Balance Assessment.....	35
2	<b>10.</b>	<b>SUBAREAS.....</b>	<b>36</b>
3	10.1	Central Antelope Valley Subarea .....	36
4	10.2	West Antelope Valley Subarea .....	37
5	10.3	South East Subarea .....	37
6	10.4	Willow Springs Subarea .....	37
7	10.5	Rogers Lake Subarea .....	37
8	<b>11.</b>	<b>INCREASE IN PRODUCTION BY THE UNITED STATES.....</b>	<b>37</b>
9	11.1	Notice of Increase of Production Under Federal Reserved Water Right.....	38
10	11.2	Water Substitution to Reduce Production by United States .....	38
11	<b>12.</b>	<b>MOVEMENT OF PUBLIC WATER SUPPLIERS PRODUCTION FACILITIES ....</b>	<b>38</b>
12	12.1	No Requirement to Move Public Water Suppliers’ Production Wells .....	38
13	<b>13.</b>	<b>FEDERAL APPROVAL.....</b>	<b>39</b>
14	<b>14.</b>	<b>STORAGE .....</b>	<b>39</b>
15	<b>15.</b>	<b>CARRY OVER .....</b>	<b>40</b>
16	15.1	In Lieu Production Right Carry Over .....	40
17	15.2	Imported Water Return Flow Carry Over.....	41
18	15.3	Production Right Carry Over.....	41
19	<b>16.</b>	<b>TRANSFERS .....</b>	<b>42</b>
20	16.1	When Transfers are Permitted .....	42
21	16.2	Transfers to Non-Overlying Production Right Holders.....	42
22	16.3	Limitation on Transfers of Water by Antelope Valley United Mutuals Group.....	42
23	<b>17.</b>	<b>CHANGES IN POINT OF EXTRACTION AND NEW WELLS .....</b>	<b>43</b>
24	17.1	Notice of New Well .....	43
25	17.2	Change in Point of Extraction by the United States .....	43
26	<b>18.</b>	<b>WATERMASTER.....</b>	<b>44</b>
27	18.1	Appointment of Initial Watermaster .....	44

1	<b>18.2</b>	Standard of Performance .....	45
2	<b>18.3</b>	Removal of Watermaster .....	45
3	<b>18.4</b>	Powers and Duties of the Watermaster .....	46
4	<b>18.5</b>	Watermaster Engineer.....	48
5	<b>18.6</b>	Recommendations of the Watermaster Engineer.....	56
6	<b>18.7</b>	Interim Approvals by the Court.....	56
7	<b>19.</b>	<b>ADVISORY COMMITTEE</b> .....	56
8	<b>19.1</b>	Authorization .....	56
9	<b>19.2</b>	Compensation .....	56
10	<b>19.3</b>	Powers and Functions .....	56
11	<b>19.4</b>	Advisory Committee Meetings.....	56
12	<b>19.5</b>	Subarea Advisory Management Committees .....	57
13	<b>20.</b>	<b>MISCELLANEOUS PROVISIONS</b> .....	58
14	<b>20.1</b>	Water Quality.....	58
15	<b>20.2</b>	Actions Not Subject to CEQA Regulation .....	58
16	<b>20.3</b>	Court Review of Watermaster Actions.....	58
17	<b>20.4</b>	Multiple Production Rights.....	59
18	<b>20.5</b>	Payment of Assessments.....	59
19	<b>20.6</b>	Designation of Address for Notice and Service.....	59
20	<b>20.7</b>	Service of Documents.....	60
21	<b>20.8</b>	No Abandonment of Rights .....	60
22	<b>20.9</b>	Intervention After Judgment.....	60
23	<b>20.10</b>	Judgment Binding on Successors, etc.....	61
24	<b>20.11</b>	Costs.....	61
25	<b>20.12</b>	Headings; Paragraph References .....	61
26	<b>20.13</b>	No Third Party Beneficiaries .....	61
27	<b>20.14</b>	Severability .....	61

28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**20.15** Cooperation; Further Acts ..... 61  
**20.16** Exhibits and Other Writings ..... 61

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
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20  
21  
22  
23  
24  
25  
26  
27  
28

**INDEX OF EXHIBITS AND APPENDICES**

**Exhibits:**

- Exhibit 1: Listing of Parties Against Which a Default Judgment Has Been Entered.
- Exhibit 2: Map of Area Adjudicated in This Action.
- Exhibit 3: Non-Overlying Production Rights.
- Exhibit 4: Overlying Production Rights
- Exhibit 5: Phase 3 Trial Decision.
- Exhibit 6: Map of boundaries of Edwards Air Force Base.
- Exhibit 7: Map of boundaries of Air Force Plant 42.
- Exhibit 8: Rights to Produce Imported Water Return Flows.
- Exhibit 9: Map of the Watershed of the Basin.
- Exhibit 10: Map of Subareas.

**Appendices:**

- Appendix A: Non-Pumper Class Judgment.
- Appendix B: Non-Pumper Class Stipulation of Settlement.

1 A number of Parties have agreed and stipulated to entry of a Judgment consistent with the  
2 terms of this Judgment and Physical Solution (hereafter “this Judgment”). The stipulations of the  
3 Parties are conditioned upon further proceedings that will result in a Judgment binding all Parties  
4 to the Action. The Court, having considered the pleadings, the stipulations of the Parties, and the  
5 evidence presented, and being fully informed in the matter, approves the Physical Solution<sup>1</sup>  
6 contained herein. This Judgment is entered as a Judgment binding on all Parties served or  
7 appearing in this Action, including without limitation, those Parties which have stipulated to this  
8 Judgment, are subject to prior settlement(s) and judgment(s) of this Court, have defaulted or  
9 hereafter stipulate to this Judgment.

10 **I. DESCRIPTION OF LITIGATION**

11 **1. PROCEDURAL HISTORY**

12 **1.1 Initiation of Litigation.**

13 On October 29, 1999, Diamond Farming Company (“Diamond Farming”) filed in  
14 the Riverside County Superior Court (Case No. RIC 344436) the first complaint in what would  
15 become these consolidated complex proceedings known as the Antelope Valley Groundwater  
16 Cases. Diamond Farming's complaint names as defendants the City of Lancaster, Palmdale  
17 Water District, Antelope Valley Water Company, Palm Ranch Irrigation District, Quartz Hill  
18 Water District, Rosamond Community Services District, and Mojave Public Utility District.

19 On February 22, 2000, Diamond Farming filed another complaint in the Riverside  
20 County Superior Court (Case No. RIC 344468). The two Diamond Farming actions were  
21 subsequently consolidated.

22 On January 25, 2001, Wm. Bolthouse Farms, Inc. (“Bolthouse”) filed a complaint  
23 in the same Court against the same entities, as well as Littlerock Creek Irrigation District and Los  
24 Angeles Waterworks Districts Nos. 37 and 40 (Case No. RIC 353840).

25 <sup>1</sup> A “physical solution” describes an agreed upon or judicially imposed resolution of conflicting claims in a manner  
26 that advances the constitutional rule of reasonable and beneficial use of the state’s water supply. (*City of Santa Maria*  
27 *v. Adam* (2012) 211 Cal. App. 4th 266, 288.) It is defined as “an equitable remedy designed to alleviate overdrafts  
28 and the consequential depletion of water resources in a particular area, consistent with the constitutional mandate to  
prevent waste and unreasonable water use and to maximize the beneficial use of this state’s limited resource.”  
(*California American Water v. City of Seaside* (2010) 183 Cal. App. 4th 471, 480.)



1           The Diamond Farming and Bolthouse complaints variously allege that unregulated  
2 pumping by these named public agencies (collectively the Public Water Suppliers) has irreparably  
3 harmed Diamond Farming and Bolthouse's rights to produce Groundwater from the Antelope  
4 Valley Groundwater Basin, and interfered with their rights to put that Groundwater to reasonable  
5 and beneficial uses on property they own or lease. Diamond Farming and Bolthouse's complaints  
6 seek a determination of their water rights and to quiet title as to the same.

7           In 2001, the Diamond Farming and Bolthouse actions were consolidated in the  
8 Riverside County Superior Court.

9           In August 2002, a Phase 1 trial commenced in the Riverside County Superior  
10 Court in the consolidated Diamond Farming/Bolthouse proceedings for the purpose of  
11 determining the geographic boundary of the area to be adjudicated. That Phase 1 trial was not  
12 concluded and the Court did not determine any issues or make any factual findings at that time.

### 13           **1.2 General Adjudication Commenced.**

14           In 2004, Los Angeles County Waterworks District No. 40 (“District No. 40”)   
15 initiated a general Groundwater adjudication for the Antelope Valley Ground Water Basin by  
16 filing identical complaints for declaratory and injunctive relief in the Los Angeles and Kern  
17 County Superior Courts (Los Angeles County Superior Court Case No. BC 325201 and Kern  
18 County Superior Court Case No. S-1500-CV 254348). District No. 40's complaints sought a  
19 judicial determination of the respective rights of the Parties to produce Groundwater from the  
20 Antelope Valley Groundwater Basin.

21           On December 30, 2004, District No. 40 petitioned the Judicial Council of  
22 California for coordination of the above-referenced actions. On June 17, 2005, the Judicial  
23 Council of California granted the petition and assigned the “Antelope Valley Groundwater Cases”  
24 (Judicial Council Coordination Proceeding No. 4408) to this Court (Santa Clara County Superior  
25 Court Case No. 1-05-CV-049053 (Hon. Jack Komar)).

26           For procedural purposes, the Court requested that District No. 40 refile its  
27 complaint as a first amended cross-complaint in the now coordinated proceedings. Joined by the  
28

1 other Public Water Suppliers, District No. 40 filed a first amended cross-complaint seeking  
2 declaratory and injunctive relief and an adjudication of the rights to all Groundwater within the  
3 Antelope Valley Groundwater Basin. The Public Water Suppliers' cross-complaint, as currently  
4 amended, requests an adjudication to protect the public's water supply, prevent water quality  
5 degradation, and stop land subsidence. Some of the Public Water Suppliers allege they have  
6 acquired prescriptive and equitable rights to the Groundwater in the Basin. They allege the Basin  
7 has been in overdraft for more than five consecutive Years and they have pumped water from the  
8 Basin for reasonable and beneficial purposes in an open, notorious, and continuous manner. They  
9 allege each non-public cross-defendant had actual or constructive notice of these activities,  
10 sufficient to establish prescriptive rights in their favor. In order to alleviate overdraft conditions  
11 and protect the Basin, the Public Water Suppliers also request a physical solution.

### 12 **1.3 Other Actions**

13 In response to the Public Water Suppliers first amended cross-complaint,  
14 numerous Parties filed cross-complaints seeking various forms of relief.

15 On August 30, 2006, Antelope Valley-East Kern Water Agency ("AVEK") filed a  
16 cross-complaint seeking declaratory and injunctive relief and claiming overlying rights and rights  
17 to pump the supplemental yield attributable to return flows from State Water Project water  
18 imported to the Basin.

19 On January 11, 2007, Rebecca Lee Willis filed a class action complaint in the Los  
20 Angeles County Superior Court (Case No. BC 364553) for herself and on behalf of a class of  
21 non-pumping overlying property owners ("Non-Pumper Class"), through which she sought  
22 declaratory relief and money damages from various public entities. Following certification, the  
23 Non-Pumper Class entered into a settlement agreement with the Public Water Suppliers  
24 concerning the matters at issue in the class complaint. On September 22, 2011, the Court  
25 approved the settlement through an amended final judgment.

26 On June 2, 2008, Richard A. Wood filed a class action complaint for himself and  
27 on behalf of a class of small property owners in this action ("Small Pumper Class"), *Wood v. Los*

1 *Angeles Co. Waterworks Dist. 40, et al.*, (Case No.: BC 391869) through which he sought  
2 declaratory relief and money damages from various public entities. The Small Pumper Class was  
3 certified on September 2, 2008.

4 On February 24, 2010, following various orders of coordination, the Court granted  
5 the Public Water Suppliers' motion to transfer and consolidate all complaints and cross-  
6 complaints in this matter, with the exception of the complaint in Sheldon R. Blum, etc. v. Wm.  
7 Bolthouse Farms, Inc. (Santa Clara County Superior Court Case No. 1-05-CV-049053), which  
8 remains related and coordinated.

9 **1.4 McCarran Amendment Issues**

10 The Public Water Suppliers' cross-complaint names Edwards Air Force Base,  
11 California and the United States Department of the Air Force as cross-defendants, seeking the  
12 same declaratory and injunctive relief as sought against the other cross-defendants. This  
13 Judgment, or any other determination in this case regarding rights to water, is contingent on a  
14 Judgment satisfying the requirements of the McCarran Amendment, 43 U.S.C. §666. The United  
15 States reserves all rights to object or otherwise challenge any interlocutory judgment and reserves  
16 all rights to appeal a Judgment that does not satisfy the requirements of the McCarran  
17 Amendment.

18 **1.5 Phased Trials**

19 The Court has divided the trial in this matter into multiple phases, four of which  
20 have been tried.

21 Through the Phase 1 trial, the Court determined the geographical boundaries of the  
22 area adjudicated in this Action which is defined as the Basin. On November 3, 2006, the Court  
23 entered an order determining that issue.

24 Through the Phase 2 trial, the Court determined that all areas within the Basin are  
25 hydrologically connected and a single aquifer, and that there is sufficient hydraulic connection  
26 between the disputed areas and the rest of the Basin such that the Court must include the disputed  
27 areas within the adjudication area. The Court further determined that it would be premature to make  
28

1 any determinations regarding, *inter alia*, claims that portions of the Basin should be treated as a  
2 separate area for management purposes. On November 6, 2008, the Court entered its Order after  
3 Phase Two Trial on Hydrologic Nature of Antelope Valley.

4 Through the Phase 3 trial, the Court determined the Basin is in a current state of  
5 overdraft and the safe yield is 110,000 acre-feet per Year. The Court found the preponderance of  
6 the evidence presented established that setting the safe yield at 110,000 acre-feet per Year will  
7 permit management of the Basin in such a way as to preserve the rights of the Parties in  
8 accordance with the California Constitution and California law. On July 13, 2011, the Court filed  
9 its Statement of Decision.

10 Through the Phase 4 trial, the Court determined the overall Production occurring  
11 in the Basin in calendar Years 2011 and 2012.

#### 12 **1.6 Defaults**

13 Numerous Parties have failed to respond timely, or at all, to the Public Water  
14 Suppliers' cross-complaint, as amended, and their defaults have been entered. The Court has  
15 given the defaulted Parties notice of this Judgment and Physical Solution, together with the  
16 opportunity to be heard regarding this Judgment, and hereby enters default judgments against all  
17 such Parties and incorporates those default judgments into this Judgment. Pursuant to such  
18 default judgments a defaulted Party has no right to Produce Groundwater from the Basin. All  
19 Parties against which a default judgment has been entered are identified on Exhibit 1, attached  
20 hereto and incorporated herein by reference.

#### 21 **2. GENERAL ADJUDICATION DOES NOT APPLY TO SURFACE WATER.**

22 Pursuant to California law, surface water use since 1914 has been governed by the Water  
23 Code. This Judgment does not apply to surface water as defined in the Water Code and is not  
24 intended to interfere with any State permitted or licensed surface water rights or pre-1914 surface  
25 water right. The impact of any surface water diversion should be considered as part of the State  
26 Water Resources Control Board permitting and licensing process and not as part of this Judgment.

1       **II.     DECREE**

2               **3.     JURISDICTION, PARTIES, DEFINITIONS.**

3                   **3.1     Jurisdiction.** This Action is an *inter se* adjudication of all claims to the  
4 rights to Produce Groundwater from the Basin alleged between and among all Parties. This Court  
5 has jurisdiction over the subject matter and Parties herein to enter a Judgment declaring and  
6 adjudicating the rights to reasonable and beneficial use of water by the Parties in the Action  
7 pursuant to Article X, section 2 of the California Constitution.

8                   **3.2     Parties.** The Court required that all Persons having or claiming any  
9 right, title or interest to the Groundwater within the Basin be notified of the Action. Notice has  
10 been given pursuant to the Court's order. All Public Water Suppliers, landowners, Non-Pumper  
11 Class and Small Pumper Class members and other Persons having or making claims have been or  
12 will be included as Parties to the Action. All named Parties who have not been dismissed have  
13 appeared or have been given adequate opportunity to appear.

14                  **3.3     Factual and Legal Issues.** The complaints and cross-complaints in the  
15 Action frame many legal issues. The Action includes over 4,000 Parties, as well as the members  
16 of the Non-Pumper Class and the members of the Small Pumper Class. The Basin's entire  
17 Groundwater supply and Groundwater rights, extending over approximately 1390 square miles,  
18 have been brought to issue. The numerous Groundwater rights at issue in the case include,  
19 without limitation, overlying, appropriative, prescriptive, and federal reserved water rights to  
20 Groundwater, rights to return flows from Imported Water, rights to recycled water, rights to  
21 stored Imported Water subject to the Watermaster rules and regulations, and rights to utilize the  
22 storage space within the Basin. After several months of trial, the Court made findings regarding  
23 Basin characteristics and determined the Basin's Safe Yield. The Court's rulings and judgments  
24 in this case, including the Safe Yield determination, form the basis for this Judgment.

25                  **3.4     Need for a Declaration of Rights and Obligations for a Physical**  
26 **Solution.** A Physical Solution for the Basin, based on a declaration of water rights and a formula  
27 for allocation of rights and obligations, is necessary to implement the mandate of Article X,  
28

1 section 2 of the California Constitution and to protect the Basin and the Parties' rights to the  
2 Basin's water resources. The Physical Solution governs Groundwater, Imported Water and Basin  
3 storage space, and is intended to ensure that the Basin can continue to support existing and future  
4 reasonable and beneficial uses. A Physical Solution requires determining individual Groundwater  
5 rights for the Public Water Suppliers, landowners, Non-Pumper Class and Small Pumper Class  
6 members, and other Parties within the Basin. The Physical Solution set forth in this Judgment:  
7 (1) is a fair and reasonable allocation of Groundwater rights in the Basin after giving due  
8 consideration to water rights priorities and the mandate of Article X, section 2 of the California  
9 Constitution; (2) provides for a reasonable sharing of Imported Water costs; (3) furthers the  
10 mandates of the State Constitution and State water policy; and (4) is a remedy that gives due  
11 consideration to applicable common law rights and priorities to use Basin water and storage space  
12 without substantially impairing such rights. Combined with water conservation, water  
13 reclamation, water transfers, water banking, and improved conveyance and distribution methods  
14 within the Basin, present and future Imported Water sources are sufficient both in quantity and  
15 quality to assure implementation of a Physical Solution. This Judgment will facilitate water  
16 resource planning and development by the Public Water Suppliers and individual water users.

17 **3.5 Definitions.** As used in this Judgment, the following terms shall have the  
18 meanings set forth herein:

19 **3.5.1 Action.** The coordinated and consolidated actions included in the  
20 Antelope Valley Groundwater Cases, Judicial Council Coordination Proceeding No. 4408, Santa  
21 Clara Superior Court Case No. 1-05-CV-049053.

22 **3.5.2 Adjusted Native Safe Yield.** The Native Safe Yield minus (1) the  
23 Production Right allocated to the Small Pumper Class under Paragraph 5.1.3, (2) the Federal  
24 Reserved Water Right under Paragraph 5.1.4, and (3) the State of California Production Right  
25 under Paragraph 5.1.5. The Adjusted Native Safe Yield as of the date of entry of this Judgment is  
26 70,686.6 acre-feet per year.

1                                   **3.5.3 Administrative Assessment.** The amount charged by the  
2 Watermaster for the costs incurred by the Watermaster to administer this Judgment.

3                                   **3.5.4 Annual Period.** The calendar Year.

4                                   **3.5.5 Antelope Valley United Mutuels Group.** The members of the  
5 Antelope Valley United Mutuels Group are Antelope Park Mutual Water Company, Aqua-J  
6 Mutual Water Company, Averydale Mutual Water Company, Baxter Mutual Water Company,  
7 Bleich Flat Mutual Water Company, Colorado Mutual Water Co., El Dorado Mutual Water  
8 Company, Evergreen Mutual Water Company, Land Projects Mutual Water Co., Landale Mutual  
9 Water Co., Shadow Acres Mutual Water Company, Sundale Mutual Water Company, Sunnyside  
10 Farms Mutual Water Company, Inc., Tierra Bonita Mutual Water Company, West Side Park  
11 Mutual Water Co. and White Fence Farms Mutual Water Co., together with the successor(s)-in-  
12 interest to any member thereof. Each of the members of the Antelope Valley United Mutuels  
13 Group was formed when the owner(s) of the lands that were being developed incorporated the  
14 mutual water company and transferred their water rights to the mutual water company in  
15 exchange for shares of common stock. The mutual water company owns, operates and maintains  
16 the infrastructure for the production, storage, distribution and delivery of water solely to its  
17 shareholders. The shareholders of each of these mutual water companies, who are the owners of  
18 the real property that is situated within the mutual water company's service area, have the right to  
19 have water delivered to their properties, a right appurtenant to their land. [*See, Erwin v. Gage*  
20 *Canal Company* (1964) 226 Cal.App.2d 189].

21                                   **3.5.6 AVEK.** The Antelope Valley–East Kern Water Agency.

22                                   **3.5.7 Balance Assessment.** The amount of money charged by the  
23 Watermaster on all Production Rights, excluding the United States' actual Production, to pay for  
24 the costs, not including infrastructure, to purchase, deliver, produce in lieu, or arrange for  
25 alternative pumping sources in the Basin.

26                                   **3.5.8 Basin.** The area adjudicated in this Action as shown on Exhibit 2,  
27 attached hereto and incorporated herein by reference, which lies within the boundaries of the line  
28

1 labeled “Boundaries of the Adjudicated Area” and described therein. The Basin generally  
2 encompasses the Antelope Valley bordered on the West and South by the San Gabriel and  
3 Tehachapi Mountains, with the eastern boundary being the Los Angeles-San Bernardino County  
4 line, as determined by the Court.

5 **3.5.9 Carry Over.** The right to Produce an unproduced portion of an  
6 annual Production Right or a Right to Imported Water Return Flows in a Year subsequent to the  
7 Year in which the Production Right or Right to Imported Water Return Flows was originally  
8 available.

9 **3.5.10 Conjunctive Use.** A method of operation of a groundwater basin  
10 under which Imported Water is used or stored in the Basin in Years when it is available; allowing  
11 the Basin to refill, and more Groundwater is Produced in Years when Imported Water is less  
12 available.

13 **3.5.11 Defaulting Party.** A Party who failed to file a responsive pleading  
14 and against which a default judgment has been entered. A list of Defaulting Parties is attached as  
15 Exhibit 1.

16 **3.5.12 Drought Program.** The water management program in effect only  
17 during the Rampdown period affecting the operations and Replacement Water Assessments of the  
18 participating Public Water Suppliers.

19 **3.5.13 Judgment.** A judgment, consistent with Cal.C.C.P. §§ 577 and  
20 1908(a)(1) and 43 U.S.C. § 666, determining all rights to Groundwater in the Basin, establishing  
21 a Physical Solution, and resolving all claims in the Action.

22 **3.5.14 Groundwater.** Water beneath the surface of the ground and within  
23 the zone of saturation, excluding water flowing through known and definite channels.

24 **3.5.15 Imported Water.** Water brought into the Basin from outside the  
25 watershed of the Basin as shown in Exhibit 9.

26 **3.5.16 Imported Water Return Flows.** Imported Water that net  
27 augments the Basin Groundwater supply after use.



1                                   **3.5.17 In Lieu Production.** The amount of Imported Water used by a  
2 Producer in a Year instead of Producing an equal amount of that Producer’s Production Right.

3                                   **3.5.18 Material Injury.** Material Injury means impacts to the Basin caused  
4 by pumping or storage of Groundwater that:

5   **3.5.18.1**           Causes material physical harm to the Basin, any  
6 Subarea, or any Producer, Party or Production Right, including, but not limited to, Overdraft,  
7 degradation of water quality by introduction of contaminants to the aquifer by a Party and/or  
8 transmission of those introduced contaminants through the aquifer, liquefaction, land subsidence and  
9 other material physical injury caused by elevated or lowered Groundwater levels. Material physical  
10 harm does not include "economic injury" that results from other than direct physical causes, including  
11 any adverse effect on water rates, lease rates, or demand for water.

12   **3.5.18.2**           If fully mitigated, Material Injury shall no longer be  
13 considered to be occurring.

14                                   **3.5.19 Native Safe Yield.** Naturally occurring Groundwater recharge to  
15 the Basin, including “return flows” from pumping naturally occurring recharge, on an average  
16 annual basis. Imported Water Return Flows are not included in Native Safe Yield.

17                                   **3.5.20 New Production.** Any Production of Groundwater from the Basin  
18 not of right under this Judgment, as of the date of this Judgment.

19                                   **3.5.21 Non-Overlying Production Rights.** The rights held by the Parties  
20 identified in Exhibit 3, attached hereto and incorporated herein by reference.

21                                   **3.5.22 Non-Pumper Class.** All private (i.e., non-governmental) Persons  
22 and entities that own real property within the Basin, as adjudicated, that are not presently  
23 pumping water on their property and did not do so at any time during the five Years preceding  
24 January 18, 2006. The Non-Pumper Class includes the successors-in-interest by way of purchase,  
25 gift, inheritance, or otherwise of such Non-Pumper Class members’ land within the Basin. The  
26 Non-Pumper Class excludes (1) all Persons to the extent their properties are connected to a  
27 municipal water system, public utility, or mutual water company from which they receive water  
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1 service, (2) all properties that are listed as “improved” by the Los Angeles County or Kern  
2 County Assessor's offices, unless the owners of such properties declare under penalty of perjury  
3 that they do not pump and have never pumped water on those properties, and (3) those who opted  
4 out of the Non-Pumper Class. The Non-Pumper Class does not include landowners who have  
5 been individually named under the Public Water Suppliers' cross-complaint, unless such a  
6 landowner has opted into such class.

7 **3.5.23 Non-Pumper Class Judgment.** The amended final Judgment that  
8 settled the Non-Pumper Class claims against the Public Water Suppliers approved by the Court  
9 on September 22, 2011.

10 **3.5.24 Non-Stipulating Party.** Any Party who had not executed a  
11 Stipulation for Entry of this Judgment prior to the date of approval of this Judgment by the Court.

12 **3.5.25 Overdraft.** Extractions in excess of the Safe Yield of water from  
13 an aquifer, which over time will lead to a depletion of the water supply within a groundwater  
14 basin as well as other detrimental effects, if the imbalance between pumping and extraction  
15 continues.

16 **3.5.26 Overlying Production Rights.** The rights held by the Parties  
17 identified in Exhibit 4, attached hereto and incorporated herein by reference.

18 **3.5.27 Party (Parties).** Any Person(s) that has (have) been named and  
19 served or otherwise properly joined, or has (have) become subject to this Judgment and any prior  
20 judgments of this Court in this Action and all their respective heirs, successors-in-interest and  
21 assigns. For purposes of this Judgment, a “Person” includes any natural person, firm, association,  
22 organization, joint venture, partnership, business, trust, corporation, or public entity.

23 **3.5.28 Pre-Rampdown Production.** The reasonable and beneficial use of  
24 Groundwater, excluding Imported Water Return Flows, at a time prior to this Judgment, or the  
25 Production Right, whichever is greater.

26 **3.5.29 Produce(d).** To pump Groundwater for existing and future  
27 reasonable beneficial uses.

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**3.5.30 Producer(s).** A Party who Produces Groundwater.

**3.5.31 Production.** Annual amount of Groundwater Produced, stated in acre-feet of water.

**3.5.32 Production Right.** The amount of Native Safe Yield that may be Produced each Year free of any Replacement Water Assessment and Replacement Obligation. The total of the Production Rights decreed in this Judgment equals the Native Safe Yield. A Production Right does not include any right to Imported Water Return Flows pursuant to Paragraph 5.2.

**3.5.33 Pro-Rata Increase.** The proportionate increase in the amount of a Production Right, as provided in Paragraph 18.5.10, provided the total of all Production Rights does not exceed the Native Safe Yield.

**3.5.34 Pro-Rata Reduction.** The proportionate reduction in the amount of a Production Right, as provided in Paragraph 18.5.10, in order that the total of all Production Rights does not exceed the Native Safe Yield.

**3.5.35 Public Water Suppliers.** The Public Water Suppliers are Los Angeles County Waterworks District No. 40, Palmdale Water District, Quartz Hill Water District, Littlerock Creek Irrigation District, California Water Service Company, Desert Lake Community Services District, North Edwards Water District, City of Palmdale, City of Lancaster, Palm Ranch Irrigation District, Rosamond Community Services District, and West Valley County Water District.

**3.5.36 Purpose of Use.** The broad categories of type of water use including but not limited to municipal, irrigation, agricultural and industrial uses.

**3.5.37 Rampdown.** The period of time for Pre-Rampdown Production to be reduced to the Native Safe Yield in the manner described in this Judgment.

**3.5.38 Recycled Water.** Water that, as a result of treatment of waste, is suitable for a direct beneficial use or a controlled use that would not otherwise occur and is therefore considered a valuable resource.

1                                   **3.5.39 Replacement Obligation.** The obligation of a Producer to pay for  
2 Replacement Water for Production of Groundwater from the Basin in any Year in excess of the  
3 sum of such Producer’s Production Right and Imported Water Return Flows.

4                                   **3.5.40 Replacement Water.** Water purchased by the Watermaster or  
5 otherwise provided to satisfy a Replacement Obligation.

6                                   **3.5.41 Replacement Water Assessment.** The amount charged by the  
7 Watermaster to pay for all costs incurred by the Watermaster related to Replacement Water.

8                                   **3.5.42 Responsible Party.** The Person designated by a Party as the  
9 Person responsible for purposes of filing reports and receiving notices pursuant to the provisions  
10 of this Judgment.

11                                   **3.5.43 Safe Yield.** The amount of annual extractions of water from the  
12 Basin over time equal to the amount of water needed to recharge the Groundwater aquifer and  
13 maintain it in equilibrium, plus any temporary surplus. [*City of Los Angeles v. City of San*  
14 *Fernando* (1975) 14 Cal. 3d 199, 278.]

15                                   **3.5.44 Small Pumper Class.** All private (i.e., non-governmental)  
16 Persons and entities that own real property within the Basin, as adjudicated, and that have been  
17 pumping less than 25 acre-feet per Year on their property during any Year from 1946 to the  
18 present. The Small Pumper Class excludes the defendants in *Wood v. Los Angeles Co.*  
19 *Waterworks Dist. 40, et al.*, any Person, firm, trust, corporation, or other entity in which any such  
20 defendants has a controlling interest or which is related to or affiliated with any such defendants,  
21 and the representatives, heirs, affiliates, successors-in-interest or assigns of any such excluded  
22 party. The Small Pumper Class also excludes all Persons and entities that are shareholders in a  
23 mutual water company. The Small Pumper Class does not include those who opted out of the  
24 Small Pumper Class.

25                                   **3.5.45 Small Pumper Class Members.** Individual members of the Small  
26 Pumper Class who meet the Small Pumper Class definition, and for purposes of this Judgment  
27 and any terms pertaining to water rights, where two or more Small Pumper Class Members reside  
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1 in the same household, they shall be treated as a single Small Pumper Class Member for purposes  
2 of determining water rights.

3 **3.5.46 State of California.** As used herein, State of California shall mean  
4 the State of California acting by and through the following State agencies, departments and  
5 associations: (1) The California Department of Water Resources; (2) The California Department  
6 of Parks and Recreation; (3) The California Department of Transportation; (4) The California  
7 State Lands Commission; (5) The California Department of Corrections and Rehabilitation; (6)  
8 The 50th District Agricultural Association; (7) The California Department of Veteran Affairs; (8)  
9 The California Highway Patrol; and, (9) The California Department of Military.

10 **3.5.47 State Water Project.** Water storage and conveyance facilities  
11 operated by the State of California Department of Water Resources from which it delivers water  
12 diverted from the Feather River and the Sacramento-San Joaquin Delta via the California  
13 Aqueduct to public agencies it has contracted with.

14 **3.5.48 Stipulating Party.** Any Party who has executed a Stipulation for  
15 Entry of this Judgment prior to the date of approval of this Judgment by the Court.

16 **3.5.49 Stored Water.** Water held in storage in the Basin, as a result of  
17 direct spreading or other methods, for subsequent withdrawal and use pursuant to agreement with  
18 the Watermaster and as provided for in this Judgment. Stored Water does not include Imported  
19 Water Return Flows.

20 **3.5.50 Subareas.** Portions of the Basin, as described in this document,  
21 divided for management purposes.

22 **3.5.51 Total Safe Yield.** The amount of Groundwater that may be safely  
23 pumped from the Basin on a long-term basis. Total Safe Yield is the sum of the Native Safe  
24 Yield plus the Imported Water Return Flows.

25 **3.5.52 Watermaster.** The Person(s) appointed by the Court to administer  
26 the provisions of this Judgment.

1 **3.5.53 Watermaster Engineer.** The engineering or hydrology expert or  
2 firm retained by the Watermaster to perform engineering and technical analysis and water  
3 administration functions as provided for in this Judgment.

4 **3.5.54 District No. 40.** Los Angeles County Waterworks District No. 40.

5 **3.5.55 Year.** Calendar year.

#### 6 **4. SAFE YIELD AND OVERDRAFT**

7 **4.1 Safe Yield:** The Native Safe Yield of the Basin is 82,300 acre-feet per  
8 Year. With the addition of Imported Water Return Flows, the Total Safe Yield is approximately  
9 110,000 acre-feet per Year, but will vary annually depending on the volume of Imported Water.

10 **4.2 Overdraft:** In its Phase 3 trial decision, the Court held that the Basin,  
11 defined by the Court's March 12, 2007 Revised Order After Hearing On Jurisdictional  
12 Boundaries, is in a state of overdraft based on estimate of extraction and recharge, corroborated  
13 by physical evidence of conditions in the Basin. Reliable estimates of the long-term extractions  
14 from the Basin have exceeded reliable estimates of the Basin's recharge by significant margins,  
15 and empirical evidence of overdraft in the Basin corroborates that conclusion. Portions of the  
16 aquifer have sustained a significant loss of Groundwater storage since 1951. The evidence is  
17 persuasive that current extractions exceed recharge and therefore that the Basin is in a state of  
18 overdraft. The Court's full Phase 3 trial decision is attached as Exhibit 5 and is incorporated  
19 herein by reference.

#### 20 **5. PRODUCTION RIGHTS**

21 **5.1 Allocation of Rights to Native Safe Yield.** Consistent with the goals of  
22 this Judgment and to maximize reasonable and beneficial use of the Groundwater of the Basin  
23 pursuant to Article X, section 2 of the California Constitution, all the Production Rights  
24 established by this Judgment are of equal priority, except the Federal Reserved Water Right  
25 which is addressed in Paragraph 5.1.4, and with the reservation of the Small Pumper Class  
26 Members' right to claim a priority under Water Code section 106.

1                                   **5.1.1 Overlying Production Rights.** The Parties listed in Exhibit 4,  
2 attached hereto and incorporated herein by reference, have Overlying Production Rights. Exhibit  
3 4 sets forth the following for each Overlying Production Right: (1) the Pre-Rampdown  
4 Production; (2) the Production Right; and (3) the percentage of the Production from the Adjusted  
5 Native Safe Yield.

6                                   **5.1.1.1** The Parties listed on Exhibit 4 have the right to Produce  
7 Groundwater, on an annual basis, up to their Overlying Production Right set forth in Exhibit 4 for  
8 each Party. Each Party's Overlying Production Right is subject to the following conditions and  
9 limitations:

10                                   **5.1.1.2** Pursuant to the terms of this Judgment, the Parties listed on  
11 Exhibit 4 have the right to Produce their Overlying Production Right for use on land they own or  
12 lease and without the need for Watermaster approval.

13                                   **5.1.1.3** Overlying Production Rights may be transferred pursuant to  
14 the provisions of Paragraph 16 of this Judgment.

15                                   **5.1.1.4** Overlying Production Rights are subject to Pro-Rata  
16 Reduction or Increase only pursuant to Paragraph 18.5.10.

17                                   **5.1.2 Non-Pumper Class Rights.** The Non-Pumper Class members  
18 claim the right to Produce Groundwater from the Native Safe Yield for reasonable and beneficial  
19 uses on their overlying land as provided for in this Judgment. On September 22, 2011, the Court  
20 approved the Non-Pumper Class Stipulation of Settlement through an amended final judgment  
21 that settled the Non-Pumper Class' claims against the Public Water Suppliers ("Non-Pumper  
22 Class Judgment"). A copy of the Non-Pumper Class Judgment and the Non-Pumper Class  
23 Stipulation of Settlement are attached for reference only as Appendices A and B. This Judgment  
24 is consistent with the Non-Pumper Class Stipulation of Settlement and Judgment. Future  
25 Production by a member of the Non-Pumper Class is addressed in the Physical Solution.

26                                   **5.1.2.1** The Non-Pumper Class members shall have no right to  
27 transfer water pursuant to this Judgment.

1                                   **5.1.3 Small Pumper Class Production Rights.** Subject only to the  
2 closure of the Small Pumper Class membership, the Small Pumper Class’s aggregate Production  
3 Right is 3806.4 acre-feet per Year. Allocation of water to the Small Pumper Class is set at an  
4 average Small Pumper Class Member amount of 1.2 acre-feet per existing household or parcel  
5 based upon the 3172 known Small Pumper Class Member parcels at the time of this Judgment.  
6 Any Small Pumper Class Member may Produce up to and including 3 acre-feet per Year per  
7 existing household for reasonable and beneficial use on their overlying land, and such Production  
8 will not be subject to Replacement Water Assessment. Production by any Small Pumper Class  
9 Member above 3 acre-feet per Year per household or parcel will be subject to Replacement Water  
10 Assessment, as set forth in this Judgment. Administrative Assessments for unmetered Production  
11 by Small Pumper Class Members shall be set based upon the allocation of 1.2 acre-feet per Year  
12 per household or parcel, whichever is the case; metered Production shall be assessed in accord  
13 with the actual Production. A Small Pumper Class Member who is lawfully, by permit, operating  
14 a shared well with an adjoining Small Pumper Class Member, shall have all of the same rights  
15 and obligations under this Judgment without regard to the location of the shared well, and such  
16 shared use is not considered a prohibited transfer of a pumping right under Paragraph 5.1.3.3.

17                                   **5.1.3.1** The Production of Small Pumper Class Members of up to 3  
18 acre-feet per Year of Groundwater per household or per parcel for reasonable and beneficial use  
19 shall only be subject to reduction if: (1) the reduction is based upon a statistically credible study  
20 and analysis of the Small Pumper Class’ actual Native Safe Yield Production, as well as the  
21 nature of the use of such Native Safe Yield, over at least a three Year period; and (2) the  
22 reduction is mandated by Court order after notice to the Small Pumper Class Members affording a  
23 reasonable opportunity for the Court to hear any Small Pumper Class Member objections to such  
24 reduction, including a determination that Water Code section 106 may apply so as to prevent a  
25 reduction.

26                                   **5.1.3.2** The primary means for monitoring the Small Pumper Class  
27 Members’ Groundwater use under the Physical Solution will be based on physical inspection by  
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1 the Watermaster, including the use of aerial photographs and satellite imagery. All Small Pumper  
2 Class Members agree to permit the Watermaster to subpoena the electrical meter records  
3 associated with their Groundwater wells on an annual basis. Should the Watermaster develop a  
4 reasonable belief that a Small Pumper Class Member household is using in excess of 3 acre-feet  
5 per Year, the Watermaster may cause to be installed a meter on such Small Pumper Class  
6 Member's well at the Small Pumper Class Member's expense.

7 **5.1.3.3** The pumping rights of Small Pumper Class Members are  
8 not transferable separately from the parcel of property on which the water is pumped, provided  
9 however a Small Pumper Class Member may move their water right to another parcel owned by  
10 that Small Pumper Class Member with approval of the Court. If a Small Pumper Class Member  
11 parcel is sold, absent a written contract stating otherwise and subject to the provisions of this  
12 Judgment, the water right for that Small Pumper Class Member parcel shall transfer to the new  
13 owners of that Small Pumper Class Member parcel. The pumping rights of Small Pumper Class  
14 Members may not be aggregated for use by a purchaser of more than one Small Pumper Class  
15 Member's property.

16 **5.1.3.4** Defaults or default judgments entered against any Small  
17 Pumper Class Member who did not opt out of the Small Pumper Class are hereby deemed non-  
18 operative and vacated *nunc pro tunc*, but only with respect to their ownership of real property  
19 meeting the Small Pumper Class definition.

20 **5.1.3.5** The Small Pumper Class shall be permanently closed to new  
21 membership upon issuance by the Court of its order granting final approval of the Small Pumper  
22 Class Settlement (the "Class Closure Date"), after the provision of notice to the Class of the Class  
23 Closure Date. Any Person or entity that does not meet the Small Pumper Class definition prior to  
24 the Class Closure Date is not a Member of the Small Pumper Class. Similarly, any additional  
25 household constructed on a Small Pumper Class Member parcel after the Class Closure Date is  
26 not entitled to a Production Right as set forth in Paragraphs 5.1.3 and 5.1.3.1.

1                   **5.1.3.6** Unknown Small Pumper Class Members are defined as: (1)  
2 those Persons or entities that are not identified on the list of known Small Pumper Class Members  
3 maintained by class counsel and supervised and controlled by the Court as of the Class Closure  
4 Date; and (2) any unidentified households existing on a Small Pumper Class Member parcel prior  
5 to the Class Closure Date. Within ten (10) Court days of the Class Closure Date, class counsel  
6 for the Small Pumper Class shall publish to the Court website and file with the Court a list of the  
7 known Small Pumper Class Members.

8                   **5.1.3.7** Given the limited number of additions to the Small Pumper  
9 Class during the more than five Years since the initial notice was provided to the Class, the Court  
10 finds that the number of potentially unknown Small Pumper Class Members and their associated  
11 water use is likely very low, and any Production by unknown Small Pumper Class Members is  
12 hereby deemed to be *de minimis* in the context of this Physical Solution and shall not alter the  
13 Production Rights decreed in this Judgment. However, whenever the identity of any unknown  
14 Small Pumper Class Member becomes known, that Small Pumper Class Member shall be bound  
15 by all provisions of this Judgment, including without limitation, the assessment obligations  
16 applicable to Small Pumper Class Members.

17                   **5.1.3.8** In recognition of his service as class representative, Richard  
18 Wood has a Production Right of up to five 5 acre-feet per Year for reasonable and beneficial use  
19 on his parcel free of Replacement Water Assessment. This Production Right shall not be  
20 transferable and is otherwise subject to the provisions of this Judgment.

21                   **5.1.4 Federal Reserved Water Right.** The United States has a right to  
22 Produce 7,600 acre-feet per Year from the Native Safe Yield as a Federal Reserved Water Right  
23 for use for military purposes at Edwards Air Force Base and Air Force Plant 42. *See Cappaert v.*  
24 *United States*, 426 U.S. 128, 138 (1976); *United States v. New Mexico*, 438 U.S. 696, 700 (1978).  
25 Maps of the boundaries of Edwards Air Force Base and Plant 42 are attached hereto as Exhibits 6  
26 and 7. The United States may Produce any or all of this water at any time for uses consistent with  
27 the purposes of its Federal Reserved Water Right. Water uses at Edwards Air Force Base and  
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1 Plant 42 as of the date of this Judgment are consistent with the military purposes of the facilities.  
2 The Federal Reserved Water Right to Produce 7,600 acre-feet per Year is not subject to  
3 Rampdown or any reduction including Pro-Rata Reduction due to Overdraft.

4 **5.1.4.1** In the event the United States does not Produce its  
5 entire 7,600 acre-feet in any given Year, the unused amount in any Year will be allocated to the  
6 Non-Overlying Production Rights holders, except for Boron Community Services District and  
7 West Valley County Water District, in the following Year, in proportion to Production Rights set  
8 forth in Exhibit 3. This Production of unused Federal Reserved Water Right Production does not  
9 increase any Non-Overlying Production Right holder's decreed Non-Overlying Production Right  
10 amount or percentage, and does not affect the United States' ability to fully Produce its Federal  
11 Reserved Water Right as provided in Paragraph 5.1.4 in any subsequent Year. Upon entry of a  
12 judgment confirming its Federal Reserved Water Rights consistent with this Judgment, the United  
13 States waives any rights under State law to a correlative share of the Groundwater in the Basin  
14 underlying Edwards Air Force Base and Air Force Plant 42.

15 **5.1.4.2** The United States is not precluded from acquiring State law  
16 based Production Rights in excess of its Federal Reserved Water Right through the acquisition of  
17 Production Rights in the Basin.

18 **5.1.5 State of California Production Rights.** The State of California  
19 shall have a Production Right of 207 acre-feet per Year from the Native Safe Yield and shall have  
20 the additional right to Produce Native Safe Yield as set forth in Paragraphs 5.1.5.3 and 5.1.5.4  
21 below. This Production of Native Safe Yield shall not be subject to Pro-Rata Reduction. Any  
22 Production by the State of California above 207 acre-feet per Year that is not Produced pursuant  
23 to Paragraphs 5.1.5.3 and 5.1.5.4 below shall be subject to Replacement Assessments. All  
24 Production by the State of California shall also be subject to the Administrative Assessment and  
25 the Balance Assessment except in emergency situations as provided in Paragraph 5.1.5.4.3 below.  
26 Any Production of Native Safe Yield pursuant to Paragraphs 5.1.5.3 and 5.1.5.4 below shall not  
27 reduce any other Party's Production Rights pursuant to this Judgment.

1                                   **5.1.5.1**           The State of California’s Production Right in the amount of  
2 207 acre-feet per Year is allocated separately to each of the State agencies, departments, and  
3 associations as listed below in Paragraph 5.1.5.2. Notwithstanding the separate allocations, any  
4 Production Right, or portion thereof, of one of the State agencies, departments, and associations  
5 may be transferred or used by the other State agencies, departments, and associations on parcels  
6 within the Basin. This transfer shall be done by agreement between the State agencies,  
7 departments, or associations without a Replacement Water Assessment and without the need for  
8 Watermaster approval. Prior to the transfer of another State agency, department, or association’s  
9 Production Right, the State agency, department, or association receiving the ability to use the  
10 Production Right shall obtain written consent from the transferor. Further, the State agency,  
11 department, or association receiving the Production Right shall notify the Watermaster of the  
12 transfer.

13                                   **5.1.5.2**           The Production Rights are allocated as follows and may be  
14 exercised by the following nine (9) State agencies:

15                                   **5.1.5.2.1**           The California Department of Water Resources-104  
16 acre- feet per Year.

17                                   **5.1.5.2.2**           The California Department of Parks and Recreation-  
18 9 acre-feet per Year.

19                                   **5.1.5.2.3**           The California Department of Transportation -47  
20 acre-feet per Year.

21                                   **5.1.5.2.4**           The California State Lands Commission-3 acre-feet  
22 per Year

23                                   **5.1.5.2.5**           The California Department of Corrections and  
24 Rehabilitation-3 acre-feet per Year.

25                                   **5.1.5.2.6**           The 50th District Agricultural Association-32 acre-  
26 feet per Year.

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**5.1.5.2.7** The California Department of Veteran Affairs-3  
acre-feet per Year.

**5.1.5.2.8** The California Highway Patrol -3 acre- feet per  
Year.

**5.1.5.2.9** The California Department of Military-3 acre-feet  
per Year.

**5.1.5.3** If at any time, the amount of water supplied to the State of  
California by District No. 40, AVEK, or Rosamond Community Service District is no longer  
available or no longer available at reasonable rates to the State of California, the State of  
California shall have the additional right to Produce Native Safe Yield to meet its reasonable and  
beneficial needs up to 787 acre-feet per Year, the amount provided by District No. 40, AVEK and  
Rosamond Community Services District to the State of California in the Year 2013.

**5.1.5.4** The following provisions will also apply to each specific  
agency listed below:

**5.1.5.4.1** California Department of Corrections &  
Rehabilitation (CDCR). In addition to its Production Right pursuant to Paragraphs 5.1.5.2.5 and  
5.1.5.3, CDCR may also pump Groundwater: (1) to the extent necessary to conduct periodic  
maintenance of its well pumping equipment; and (2) as a supplementary source of drinking water  
or as an emergency back-up supply as set forth in Water Code section 55338.

**5.1.5.4.2** California Department of Water Resources (DWR).  
In addition to its Production pursuant to Paragraphs 5.1.5.2.1 and 5.1.5.3 above, DWR may also  
pump Native Safe Yield from the area adjacent to and beneath the California Aqueduct and  
related facilities at a time and in an amount it determines is reasonably necessary to protect the  
physical integrity of the California Aqueduct and related facilities from high Groundwater.  
Further, notwithstanding provisions of this Judgment prohibiting the export of Native Safe Yield  
from the Basin, DWR may place the Native Safe Yield that it pumps for the protection of the  
California Aqueduct into the California Aqueduct, whether or not such Native Safe Yield is

1 ultimately returned to the Basin. However, DWR and AVEK shall use their best efforts to enter  
2 into an agreement allowing AVEK to recapture the Native Safe Yield DWR puts into the  
3 California Aqueduct and return it to the Basin.

4 **5.1.5.4.3** Department of Military. The Department of Military  
5 may Produce additional Groundwater in an amount necessary to protect and promote public  
6 health and safety during an event deemed to be an emergency by the Department of Military  
7 pursuant to California Government Code sections 8567 and 8571, and California Military and  
8 Veterans Code sections 143 and 146. Such Production shall be free from any assessment,  
9 including any Administrative, Balance, or Replacement Water Assessment.

10 **5.1.5.4.4** The California Department of Veterans Affairs. The  
11 California Department of Veteran Affairs has begun the expansion and increased occupancy  
12 project of the Veterans Home of California – Lancaster facility owned by the State of California  
13 by and on behalf of the California Department of Veterans Affairs. The California Department of  
14 Veterans Affairs fully expects that it will be able to purchase up to an additional 40 acre-feet per  
15 Year for use at this facility from District No. 40.

16 **5.1.6 Non-Overlying Production Rights.** The Parties listed in Exhibit 3  
17 have Production Rights in the amounts listed in Exhibit 3. Exhibit 3 is attached hereto, and  
18 incorporated herein by reference. Non-Overlying Production Rights are subject to Pro-Rata  
19 Reduction or Increase only pursuant to Paragraph 18.5.10.

20 **5.1.7 City of Lancaster.** The City of Lancaster ("Lancaster") can  
21 Produce up to 500 acre-feet of Groundwater for reasonable and beneficial uses at its National  
22 Soccer Complex. Such production shall only be subject to Administrative Assessment and no  
23 other assessments. Lancaster will stop Producing Groundwater and will use Recycled Water  
24 supplied from District No. 40, when it becomes available, to meet the reasonable and beneficial  
25 water uses of the National Soccer Complex. Lancaster may continue to Produce up to 500 acre-  
26 feet of Groundwater until Recycled Water becomes available to serve the reasonable and  
27 beneficial water uses of the National Soccer Complex. Nothing in this paragraph shall be  
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1 construed as requiring Lancaster to have any responsibility for constructing, or in any way  
2 contributing to the cost of, any infrastructure necessary to deliver Recycled Water to the National  
3 Soccer Complex.

4 **5.1.8 Antelope Valley Joint Union High School District.** Antelope  
5 Valley Joint Union High School District is a public school entity duly organized and existing  
6 under the laws of the State of California. In addition to the amounts allocated to Antelope Valley  
7 Joint Union High School District (“AVJUHSD”) and pursuant to Exhibit 4, AVJUHSD can  
8 additionally produce up to 29 acre-feet of Groundwater for reasonable and beneficial uses on its  
9 athletic fields and other public spaces. When recycled water becomes available to Quartz Hill  
10 High School (located at 6040 West Avenue L, Quartz Hill, CA 93535) which is a site that is part  
11 of AVJUHSD, at a price equal to or less than the lowest cost of any of the following:  
12 Replacement Obligation, Replacement Water, or other water that is delivered to AVJUHSD at  
13 Quartz Hill High School, AVJUHSD will stop producing the 29 acre-feet of Groundwater  
14 allocated to it and use recycled water as a replacement to its 29 acre-feet production. AVJUHSD  
15 retains its production rights and allocation pursuant to Exhibit 4 of this Judgment.

16 **5.1.9 Construction of Solar Power Facilities.** Any Party may Produce  
17 Groundwater in excess of its Production Right allocated to it in Exhibit 4 for the purpose of  
18 constructing a facility located on land overlying the Basin that will generate, distribute or store  
19 solar power through and including December 31, 2016 and shall not be charged a Replacement  
20 Water Assessment or incur a Replacement Obligation for such Production in excess of its  
21 Production Rights. Any amount of such production in excess of the Production Right through  
22 and including December 31, 2016 shall be reasonable to accomplish such construction but shall  
23 not exceed 500 acre-feet per Year for all Parties using such water.

24 **5.1.10 Production Rights Claimed by Non-Stipulating Parties.** Any  
25 claim to a right to Produce Groundwater from the Basin by a Non-Stipulating Party shall be  
26 subject to procedural or legal objection by any Stipulating Party. Should the Court, after taking  
27 evidence, rule that a Non-Stipulating Party has a Production Right, the Non-Stipulating Party  
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1 shall be subject to all provisions of this Judgment, including reduction in Production necessary to  
2 implement the Physical Solution and the requirements to pay assessments, but shall not be  
3 entitled to benefits provided by Stipulation, including but not limited to Carry Over pursuant to  
4 Paragraph 15 and Transfers pursuant to Paragraph 16. If the total Production by Non-Stipulating  
5 Parties is less than seven percent (7%) of the Native Safe Yield, such Production will be  
6 addressed when Native Safe Yield is reviewed pursuant to Paragraph 18.5.9. If the total  
7 Production by Non-Stipulating Parties is greater than seven percent (7%) of the Native Safe  
8 Yield, the Watermaster shall determine whether Production by Non-Stipulating Parties would  
9 cause Material Injury, in which case the Watermaster shall take action to mitigate the Material  
10 Injury, including, but not limited to, imposing a Balance Assessment, provided however, that the  
11 Watermaster shall not recommend any changes to the allocations under Exhibits 3 and 4 prior to  
12 the redetermination of Native Safe Yield pursuant to Paragraph 18.5.9. In all cases, however,  
13 whenever the Watermaster re-determines the Native Safe Yield pursuant to Paragraph 18.5.9, the  
14 Watermaster shall take action to prevent Native Safe Yield Production from exceeding the Native  
15 Safe Yield on a long-term basis.

16 **5.2 Rights to Imported Water Return Flows.**

17 **5.2.1 Rights to Imported Water Return Flows.** Return Flows from  
18 Imported Water used within the Basin which net augment the Basin Groundwater supply are not a  
19 part of the Native Safe Yield. Subject to review pursuant to Paragraph 18.5.11, Imported Water  
20 Return Flows from Agricultural Imported Water use are 34% and Imported Water Return Flows  
21 from Municipal and Industrial Imported Water use are 39% of the amount of Imported Water  
22 used.

23 **5.2.2 Water Imported Through AVEK.** The right to Produce Imported  
24 Water Return Flows from water imported through AVEK belongs exclusively to the Parties  
25 identified on Exhibit 8, attached hereto, and incorporated herein by reference. Each Party shown  
26 on Exhibit 8 shall have a right to Produce an amount of Imported Water Return Flows in any  
27 Year equal to the applicable percentage multiplied by the average amount of Imported Water used



1 by that Party within the Basin in the preceding five Year period (not including Imported Stored  
2 Water in the Basin). Any Party that uses Imported Water on lands outside the Basin but within the  
3 watershed of the Basin shall be entitled to Produce Imported Water Return Flows to the extent  
4 such Party establishes to the satisfaction of the Watermaster the amount that its Imported Water  
5 Return Flows augment the Basin Groundwater supply. This right shall be in addition to that  
6 Party's Overlying or Non-Overlying Production Right. Production of Imported Water Return  
7 Flows is not subject to the Replacement Water Assessment. All Imported Water Return Flows  
8 from water imported through AVEK and not allocated to Parties identified in Exhibit 8 belong  
9 exclusively to AVEK, unless otherwise agreed by AVEK. Notwithstanding the foregoing, Boron  
10 Community Services District shall have the right to Produce Imported Water Return Flows, up to  
11 78 acre-feet annually, based on the applicable percentage multiplied by the average amount of  
12 Imported Water used by Boron Community Services District outside the Basin, but within its  
13 service area in the preceding five Year period (not including Imported Stored Water in the Basin)  
14 without having to establish that the Imported Water Return Flows augment the Basin  
15 Groundwater supply.

16 **5.2.3 Water Not Imported Through AVEK.** After entry of this  
17 Judgment, a Party other than AVEK that brings Imported Water into the Basin from a source  
18 other than AVEK shall notify the Watermaster each Year quantifying the amount and uses of the  
19 Imported Water in the prior Year. The Party bringing such Imported Water into the Basin shall  
20 have a right to Produce an amount of Imported Water Return Flows in any Year equal to the  
21 applicable percentage set forth above multiplied by the average annual amount of Imported Water  
22 used by that Party within the Basin in the preceding five Year period (not including Imported  
23 Stored Water in the Basin).

24 **5.3 Rights to Recycled Water.** The owner of a waste water treatment plant  
25 operated for the purpose of treating wastes from a sanitary sewer system shall hold the exclusive  
26 right to the Recycled Water as against anyone who has supplied the water discharged into the  
27 waste water collection and treatment system. At the time of this Judgment those Parties that  
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1 produce Recycled Water are Los Angeles County Sanitation Districts No. 14 and No. 20,  
2 Rosamond Community Services District, and Edwards Air Force Base. Nothing in this Judgment  
3 affects or impairs this ownership or any existing or future agreements for the use of Recycled  
4 Water within the Basin.

5 **6. INJUNCTION**

6 **6.1 Injunction Against Unauthorized Production.** Each and every Party, its  
7 officers, directors, agents, employees, successors, and assigns, except for the United States, is  
8 ENJOINED AND RESTRAINED from Producing Groundwater from the Basin except pursuant  
9 to this Judgment. Without waiving or foreclosing any arguments or defenses it might have, the  
10 United States agrees that nothing herein prevents or precludes the Watermaster or any Party from  
11 seeking to enjoin the United States from Producing water in excess of its 7,600 acre-foot per Year  
12 Reserved Water Right if and to the extent the United States has not paid the Replacement  
13 Assessments for such excess Production or entered into written consent to the imposition of  
14 Replacement Assessments as described in Paragraph 9.2.

15 **6.2 Injunction Re Change in Purpose of Use Without Notice to The**  
16 **Watermaster.** Each and every Party, its officers, directors, agents, employees, successors, and  
17 assigns, is ENJOINED AND RESTRAINED from changing its Purpose of Use of Groundwater at  
18 any time without notifying the Watermaster.

19 **6.3 Injunction Against Unauthorized Capture of Stored Water.** Each and  
20 every Party, its officers, directors, agents, employees, successors and assigns, is ENJOINED  
21 AND RESTRAINED from claiming any right to Produce the Stored Water that has been  
22 recharged in the Basin, except pursuant to a Storage Agreement with the Watermaster, and as  
23 allowed by this Judgment, or pursuant to water banking operations in existence and operating at  
24 the time of this Judgment as identified in Paragraph 14. This Paragraph does not prohibit Parties  
25 from importing water into the Basin for direct use, or from Producing or using Imported Water  
26 Return Flows owned by such Parties pursuant to Paragraph 5.2.

1                   **6.4           Injunction Against Transportation From Basin.** Except upon further  
2 order of the Court, each and every Party, its officers, agents, employees, successors and assigns,  
3 is ENJOINED AND RESTRAINED from transporting Groundwater hereafter Produced from the  
4 Basin to areas outside the Basin except as provided for by the following. The United States may  
5 transport water Produced pursuant to its Federal Reserved Water Right to any portion of Edwards  
6 Air Force Base, whether or not the location of use is within the Basin. This injunction does not  
7 prevent Saint Andrew’s Abbey, Inc., U.S. Borax and Tejon Ranchcorp/Tejon Ranch Company  
8 from conducting business operations on lands both inside and outside the Basin boundary, and  
9 transporting Groundwater Produced consistent with this Judgment for those operations and for  
10 use on those lands outside the Basin and within the watershed of the Basin as shown in Exhibit 9.  
11 This injunction also does not apply to any California Aqueduct protection dewatering Produced  
12 by the California Department of Water Resources. This injunction does not apply to the recovery  
13 and use of stored Imported Water by any Party that stores Imported Water in the Basin pursuant  
14 to Paragraph 14 of this Judgment.

15                   **6.4.1           Export by Boron and Phelan Piñon Hills Community Services**  
16 **Districts.**

17                   **6.4.1.1**           The injunction does not prevent Boron Community Services  
18 District from transporting Groundwater Produced consistent with this Judgment for use outside  
19 the Basin, provided such water is delivered within its service area.

20                   **6.4.1.2**           The injunction does not apply to any Groundwater Produced  
21 within the Basin by Phelan Piñon Hills Community Services District and delivered to its service  
22 areas, so long as the total Production does not exceed 1,200 acre-feet per Year, such water is  
23 available for Production without causing Material Injury, and the District pays a Replacement  
24 Water Assessment pursuant to Paragraph 9.2, together with any other costs deemed necessary to  
25 protect Production Rights decreed herein, on all water Produced and exported in this manner.

26                   **6.5           Continuing Jurisdiction.** The Court retains and reserves full jurisdiction,  
27 power and authority for the purpose of enabling the Court, upon a motion of a Party or Parties  
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1 noticed in accordance with the notice procedures of Paragraph 20.6 hereof, to make such further  
2 or supplemental order or directions as may be necessary or appropriate to interpret, enforce,  
3 administer or carry out this Judgment and to provide for such other matters as are not  
4 contemplated by this Judgment and which might occur in the future, and which if not provided for  
5 would defeat the purpose of this Judgment.

### 6 **III. PHYSICAL SOLUTION**

#### 7 **7. GENERAL**

8 **7.1 Purpose and Objective.** The Court finds that the Physical Solution  
9 incorporated as part of this Judgment: (1) is a fair and equitable basis for satisfaction of all water  
10 rights in the Basin; (2) is in furtherance of the State Constitution mandate and the State water  
11 policy; and (3) takes into account water rights priorities, applicable public trust interests and the  
12 Federal Reserved Water Right. The Court finds that the Physical Solution establishes a legal and  
13 practical means for making the maximum reasonable and beneficial use of the waters of the Basin  
14 by providing for the long-term Conjunctive Use of all available water in order to meet the  
15 reasonable and beneficial use requirements of water users in the Basin. Therefore, the Court  
16 adopts, and orders the Parties to comply with this Physical Solution.

17 **7.2 Need For Flexibility.** This Physical Solution must provide flexibility and  
18 adaptability to allow the Court to use existing and future technological, social, institutional, and  
19 economic options in order to maximize reasonable and beneficial water use in the Basin.

20 **7.3 General Pattern of Operations.** A fundamental premise of the Physical  
21 Solution is that all Parties may Produce sufficient water to meet their reasonable and beneficial  
22 use requirements in accordance with the terms of this Judgment. To the extent that Production by  
23 a Producer exceeds such Producer's right to Produce a portion of the Total Safe Yield as provided  
24 in this Judgment, the Producer will pay a Replacement Water Assessment to the Watermaster and  
25 the Watermaster will provide Replacement Water to replace such excess production according to  
26 the methods set forth in this Judgment.

1                   **7.4           Water Rights.** A Physical Solution for the Basin based upon a declaration  
2 of water rights and a formula for allocation of rights and obligations is necessary to implement  
3 the mandate of Article X, section 2 of the California Constitution. The Physical Solution requires  
4 quantifying the Producers' rights within the Basin in a manner which will reasonably allocate the  
5 Native Safe Yield and Imported Water Return Flows and which will provide for sharing Imported  
6 Water costs. Imported Water sources are or will be available in amounts which, when combined  
7 with water conservation, water reclamation, water transfers, and improved conveyance and  
8 distribution methods within the Basin, will be sufficient in quantity and quality to assure  
9 implementation of the Physical Solution. Sufficient information and data exists to allocate  
10 existing water supplies, taking into account water rights priorities, within the Basin and as among  
11 the water users. The Physical Solution provides for delivery and equitable distribution of  
12 Imported Water to the Basin.

13                   **8.           RAMPDOWN**

14                   **8.1           Installation of Meters.** Within two (2) Years from the entry of this  
15 Judgment all Parties other than the Small Pumper Class shall install meters on their wells for  
16 monitoring Production. Each Party shall bear the cost of installing its meter(s). Monitoring or  
17 metering of Production by the Small Pumper Class shall be at the discretion of the Watermaster,  
18 subject to the provisions of Paragraph 5.1.3.2.

19                   **8.2           Rampdown Period.** The "Rampdown Period" is seven Years beginning  
20 on the January 1 following entry of this Judgment and continuing for the following seven (7)  
21 Years.

22                   **8.3           Reduction of Production During Rampdown.** During the first two Years  
23 of the Rampdown Period no Producer will be subject to a Replacement Water Assessment.  
24 During Years three through seven of the Rampdown Period, the amount that each Party may  
25 Produce from the Native Safe Yield will be progressively reduced, as necessary, in equal annual  
26 increments, from its Pre-Rampdown Production to its Production Right. Except as is determined  
27 to be exempt during the Rampdown period pursuant to the Drought Program provided for in  
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1 Paragraph 8.4, any amount Produced over the required reduction shall be subject to Replacement  
2 Water Assessment. The Federal Reserved Water Right is not subject to Rampdown.

3 **8.4 Drought Program During Rampdown for Participating Public Water**

4 **Suppliers.** During the Rampdown period a drought water management program (“Drought  
5 Program”) will be implemented by District No. 40, Quartz Hill Water District, Littlerock Creek  
6 Irrigation District, California Water Service Company, Desert Lake Community Services District,  
7 North Edwards Water District, City of Palmdale, and Palm Ranch Irrigation District,  
8 (collectively, "Drought Program Participants"), as follows:

9 **8.4.1** During the Rampdown period, District No. 40 agrees to purchase  
10 from AVEK each Year at an amount equal to 70 percent of District No. 40's total annual demand  
11 if that amount is available from AVEK at no more than the then current AVEK treated water rate.  
12 If that amount is not available from AVEK, District No. 40 will purchase as much water as  
13 AVEK makes available to District No. 40 at no more than the then current AVEK treated water  
14 rate. Under no circumstances will District No. 40 be obligated to purchase more than 50,000  
15 acre-feet of water annually from AVEK. Nothing in this Paragraph affects AVEK’s water  
16 allocation procedures as established by its Board of Directors and AVEK’s Act.

17 **8.4.2** During the Rampdown period, the Drought Program Participants  
18 each agree that, in order to minimize the amount of excess Groundwater Production in the Basin,  
19 they will use all water made available by AVEK at no more than the then current AVEK treated  
20 water rate in any Year in which they Produce Groundwater in excess of their respective rights to  
21 Produce Groundwater under this Judgment. During the Rampdown period, no Production by a  
22 Drought Program Participant shall be considered excess Groundwater Production exempt from a  
23 Replacement Water Assessment under this Drought Program unless a Drought Program  
24 Participant has utilized all water supplies available to it including its Production Right to Native  
25 Safe Yield, Return Flow rights, unused Production allocation of the Federal Reserved Water  
26 Rights, Imported Water, and Production rights previously transferred from another party.  
27 Likewise, no Production by a Drought Program Participant will be considered excess

1 Groundwater Production exempt from a Replacement Water Assessment under this Drought  
2 Program in any Year in which the Drought Program Participant has placed water from such  
3 sources described in this Paragraph 8.4.2 into storage or has transferred such water to another  
4 Person or entity.

5 **8.4.3** During the Rampdown period, the Drought Program Participants  
6 will be exempt from the requirement to pay a Replacement Water Assessment for Groundwater  
7 Production in excess of their respective rights to Produce Groundwater under this Judgment up to  
8 a total of 40,000 acre-feet over the Rampdown Period with a maximum of 20,000 acre-feet in any  
9 single Year for District No. 40 and a total of 5,000 acre-feet over the Rampdown Period for all  
10 other Drought Program Participants combined. During any Year that excess Groundwater is  
11 produced under this Drought Program, all Groundwater Production by the Drought Program  
12 Participants will be for the purpose of a direct delivery to customers served within their respective  
13 service areas and will not be transferred to other users within the Basin.

14 **8.4.4** Notwithstanding the foregoing, the Drought Program Participants  
15 remain subject to the Material Injury limitation as provided in this Judgment.

16 **8.4.5** Notwithstanding the foregoing, the Drought Program Participants  
17 remain subject to a Balance Assessment as provided in Paragraph 9.3 of this Judgment.

18 **9. ASSESSMENTS.**

19 **9.1 Administrative Assessment.** Administrative Assessments to fund the  
20 Administrative Budget adopted by the Watermaster shall be levied uniformly on an annual basis  
21 against (1) each acre foot of a Party's Production Right as described in Paragraph 5.1, (2) each  
22 acre foot of a Party's right to Produce Imported Water Return Flows as determined pursuant to  
23 Paragraph 5.2, (3) each acre foot of a Party's Production for which a Replacement Water  
24 Assessment has been imposed pursuant to Paragraph 9.2, and (4) during the Rampdown, each  
25 acre foot of a Party's Production in excess of (1)-(3), above, excluding Production from Stored  
26 Water and/or Carry Over water, except that the United States shall be subject to the  
27 Administrative Assessment only on the actual Production of the United States. During the

1 Rampdown the Administrative Assessment shall be no more than five (5) dollars per acre foot, or  
2 as ordered by the Court upon petition of the Watermaster. Non-Overlying Production Rights  
3 holders using the unused Production allocation of the Federal Reserved Water Right shall be  
4 subject to Administrative Assessments on water the Non-Overlying Production Rights holders  
5 Produce pursuant to Paragraph 5.1.4.1.

6           **9.2           Replacement Water Assessment.** In order to ensure that each Party may  
7 fully exercise its Production Right, there will be a Replacement Water Assessment. Except as is  
8 determined to be exempt during the Rampdown period pursuant to the Drought Program provided  
9 for in Paragraph 8.4, the Watermaster shall impose the Replacement Water Assessment on any  
10 Producer whose Production of Groundwater from the Basin in any Year is in excess of the sum of  
11 such Producer's Production Right and Imported Water Return Flow available in that Year,  
12 provided that no Replacement Water Assessment shall be imposed on the United States except  
13 upon the United States' written consent to such imposition based on the appropriation by  
14 Congress, and the apportionment by the Office of Management and Budget, of funds that are  
15 available for the purpose of, and sufficient for, paying the United States' Replacement Water  
16 Assessment. The Replacement Water Assessment shall not be imposed on the Production of  
17 Stored Water, In-Lieu Production or Production of Imported Water Return Flows. The amount of  
18 the Replacement Water Assessment shall be the amount of such excess Production multiplied by  
19 the cost to the Watermaster of Replacement Water, including any Watermaster spreading costs.  
20 All Replacement Water Assessments collected by the Watermaster shall be used to acquire  
21 Imported Water from AVEK, Littlerock Creek Irrigation District, Palmdale Water District, or  
22 other entities. AVEK shall use its best efforts to acquire as much Imported Water as possible in a  
23 timely manner. If the Watermaster encounters delays in acquiring Imported Water which, due to  
24 cost increases, results in collected assessment proceeds being insufficient to purchase all Imported  
25 Water for which the Assessments were made, the Watermaster shall purchase as much water as  
26 the proceeds will allow when the water becomes available. If available Imported Water is  
27 insufficient to fully meet the Replacement Water obligations under contracts, the Watermaster



1 shall allocate the Imported Water for delivery to areas on an equitable and practicable basis  
2 pursuant to the Watermaster rules and regulations.

3           **9.2.1**           The Non-Pumper Class Stipulation of Settlement, executed by its  
4 signatories and approved by the Court in the Non-Pumper Class Judgment, specifically provides  
5 for imposition of a Replacement Water Assessment on Non-Pumper Class members. This  
6 Judgment is consistent with the Non-Pumper Class Stipulation of Settlement and Judgment. The  
7 Non-Pumper Class members specifically agreed to pay a replacement assessment if that member  
8 produced “more than its annual share” of the Native Safe Yield less the amount of the Federal  
9 Reserved Right. (See Appendix B at paragraph V., section D. Replacement Water.) In approving  
10 the Non-Pumper Class Stipulation of Settlement this Court specifically held in its Order after  
11 Hearing dated November 18, 2010, that “the court determination of physical solution cannot be  
12 limited by the Class Settlement.” The Court also held that the Non-Pumper Class Stipulation of  
13 Settlement “may not affect parties who are not parties to the settlement.”

14           **9.2.2**           Evidence presented to the Court demonstrates that Production by  
15 one or more Public Water Suppliers satisfies the elements of prescription and that Production by  
16 overlying landowners during portion(s) of the prescriptive period exceeded the Native Safe Yield.  
17 At the time of this Judgment the entire Native Safe Yield is being applied to reasonable and  
18 beneficial uses in the Basin. Members of the Non-Pumper Class do not and have never Produced  
19 Groundwater for reasonable beneficial use as of the date of this Judgment. Pursuant to *Pasadena*  
20 *v. Alhambra* (1949) 33 Cal 2d 908, 931-32 and other applicable law, the failure of the Non-  
21 Pumper Class members to Produce any Groundwater under the facts here modifies their rights to  
22 Produce Groundwater except as provided in this Judgment. Because this is a comprehensive  
23 adjudication pursuant to the McCarran Amendment, consistent with the California Supreme Court  
24 decisions, including *In Re Waters of Long Valley Creek Stream System* (1979) 25 Cal. 3d 339,  
25 this Court makes the following findings: (1) certainty fosters reasonable and beneficial use of  
26 water and is called for by the mandate of Article X, section 2; (2) because of this mandate for  
27 certainty and in furtherance of the Physical Solution, any New Production, including that by a  
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1 member of the Non-Pumper Class must comply with the New Production Application Procedure  
2 specified in Paragraph 18.5.13; (3) as of this Judgment no member of the Non-Pumper Class has  
3 established a Production Right to the reasonable and beneficial use of Groundwater based on their  
4 unexercised claim of right to Produce Groundwater; (4) if in the future a member of the Non-  
5 Pumper Class proposes to Produce Groundwater for reasonable and beneficial use, the  
6 Watermaster as part of the New Production Application Procedure, has the authority to determine  
7 whether such a member has established that the proposed New Production is a reasonable and  
8 beneficial use in the context of other existing uses of Groundwater and then-current Basin  
9 conditions; and (5) the Watermaster's determinations as to the approval, scope, nature and priority  
10 of any New Production is reasonably necessary to the promotion of the State's interest in fostering  
11 the most reasonable and beneficial use of its scarce water resources. All provisions of this  
12 Judgment regarding the administration, use and enforcement of the Replacement Water  
13 Assessment shall apply to each Non-Pumper Class member that Produces Groundwater. Prior to  
14 the commencement of Production, each Producing Non-Pumper Class member shall install a  
15 meter and report Production to the Watermaster. The Court finds that this Judgment is consistent  
16 with the Non-Pumper Stipulation of Settlement and Judgment.

17           **9.3           Balance Assessment.** In order to ensure that after Rampdown each Party  
18 may fully exercise its Production Right, there may be a Balance Assessment imposed by the  
19 Watermaster. The Balance Assessment shall be assessed on all Production Rights, excluding the  
20 United States' actual Production, but including that portion of the Federal Reserved Right  
21 Produced by other Parties, in an amount determined by the Watermaster. A Balance Assessment  
22 may not be imposed until after the end of the Rampdown. In determining whether to adopt a  
23 Balance Assessment, and in what amount, the Watermaster Engineer shall consider current Basin  
24 conditions as well as then-current pumping existing after Rampdown exclusive of any  
25 consideration of an effect on then-current Basin conditions relating to Production of Groundwater  
26 pursuant to the Drought Program which occurred during the Rampdown, and shall only assess a  
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1 Balance Assessment or curtail a Party's Production under section 9.3.4 below, to avoid or  
2 mitigate Material Injury that is caused by Production after the completion of the Rampdown.

3 **9.3.1** Any proceeds of the Balance Assessment will be used to purchase,  
4 deliver, produce in lieu, or arrange for alternative pumping sources of water in the Basin, but shall  
5 not include infrastructure costs.

6 **9.3.2** The Watermaster Engineer shall determine and collect from any  
7 Party receiving direct benefit of the Balance Assessment proceeds an amount equal to that Party's  
8 avoided Production costs.

9 **9.3.3** The Balance Assessment shall not be used to benefit the United  
10 States unless the United States participates in paying the Balance Assessment.

11 **9.3.4** The Watermaster Engineer may curtail the exercise of a Party's  
12 Production Right under this Judgment, except the United States' Production, if it is determined  
13 necessary to avoid or mitigate a Material Injury to the Basin and provided that the Watermaster  
14 provides an equivalent quantity of water to such Party as a substitute water supply, with such  
15 water paid for from the Balance Assessment proceeds.

16 **10. SUBAREAS.** Subject to modification by the Watermaster the following Subareas  
17 are recognized:

18 **10.1 Central Antelope Valley Subarea.** The Central Antelope Valley Subarea  
19 is the largest of the five Subareas and underlies Rosamond, Quartz Hill, Lancaster, Edwards AFB  
20 and much of Palmdale. This Subarea also contains the largest amount of remaining agricultural  
21 land use in the Basin. The distinctive geological features of the Central Antelope Valley Subarea  
22 are the presence of surficial playa and pluvial lake deposits; the widespread occurrence of thick,  
23 older pluvial lake bed deposits; and alluvial deposits from which Groundwater is produced above  
24 and below the lake bed deposits. The Central Antelope Valley Subarea is defined to be east of the  
25 largely buried ridge of older granitic and tertiary rocks exposed at Antelope Buttes and extending  
26 beyond Little Buttes and Tropic Hill. The Central Subarea is defined to be southwest and  
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1 northeast of the extension of the Buttes Fault, and northwest of an unnamed fault historically  
2 identified from Groundwater level differences, as shown on Exhibit 10.

3           **10.2           West Antelope Valley Subarea.** The West Antelope Valley Subarea is  
4 the second largest subarea. The area is characterized by a lack of surficial lake bed deposits, and  
5 little evidence of widespread subsurface lake beds, and thick alluvial deposits. The Western  
6 Antelope Valley Subarea is defined to be south of the Willow Springs-Cottonwood Fault and  
7 west of a largely buried ridge of older granitic and tertiary rocks that are exposed at Antelope  
8 Buttes and Little Buttes, and continue to Tropico Hill, as shown on Exhibit 10.

9           **10.3           South East Subarea.** The South East Subarea is characterized by granitic  
10 buttes to the north, shallow granitic rocks in the southwest, and a lack of lake bed deposits. The  
11 South East Subarea is defined to encompass the remainder of the Basin from the unnamed fault  
12 between the Central and South East subareas, to the county-line boundary of the Basin. Notably,  
13 this area contains Littlerock and Big Rock creeks that emanate from the mountains to the south  
14 and discharge onto the valley floor.

15           **10.4           Willow Springs Subarea.** The Willow Springs Subarea is separated from  
16 the West Antelope Subarea primarily because the Willow Springs fault shows some signs of  
17 recent movement and there is substantial Groundwater hydraulic separation between the two  
18 adjacent areas, suggesting that the fault significantly impedes Groundwater flow from the Willow  
19 Springs to the lower West Antelope Subarea. Otherwise, the Willow Springs Subarea is  
20 comparable in land use to the West Antelope Subarea, with some limited agricultural land use and  
21 no municipal development, as shown on Exhibit 10.

22           **10.5           Rogers Lake Subarea.** The Rogers Lake Subarea is characterized by  
23 surficial pluvial Lake Thompson and playa deposits, and a narrow, fault-bound, central trough  
24 filled with alluvial deposits. The area is divided into north and south subareas on opposite sides  
25 of a buried ridge of granite rock in the north lake, as shown on Exhibit 10.

26           **11.           INCREASE IN PRODUCTION BY THE UNITED STATES.**

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**11.1 Notice of Increase of Production Under Federal Reserved Water**

**Right.** After the date of entry of this Judgment, the United States shall provide the Watermaster with at least ninety (90) days advanced notice if Production by the United States is reasonably anticipated to increase more than 200 acre-feet per Year in a following 12 month period.

**11.2 Water Substitution to Reduce Production by United States.** The United

States agrees that maximizing Imported Water is essential to improving the Basin’s health and agrees that its increased demand can be met by either increasing its Production or by accepting deliveries of Imported Water of sufficient quality to meet the purpose of its Federal Reserved Water Right under the conditions provided for herein. Any Party may propose a water substitution or replacement to the United States to secure a reduction in Groundwater Production by the United States. Such an arrangement would be at the United States’ sole discretion and subject to applicable federal law, regulations and other requirements. If such a substitution or replacement arrangement is agreed upon, the United States shall reduce Production by the amount of Replacement Water provided to it, and the Party providing such substitution or replacement of water to the United States may Produce a corresponding amount of Native Safe Yield free from Replacement Water Assessment in addition to their Production Right.

**12. MOVEMENT OF PUBLIC WATER SUPPLIERS PRODUCTION FACILITIES.**

**12.1 No Requirement to Move Public Water Suppliers’ Production Wells.**

One or more of the Public Water Suppliers intend to seek Federal or State legislation to pay for all costs related to moving the Public Water Suppliers Production wells to areas that will reduce the impact of Public Water Supplier Production on the United States’ current Production wells. The Public Water Suppliers shall have no responsibility to move any Production wells until Federal or State legislation fully funding the costs of moving the wells is effective or until required to do so by order of this Court which order shall not be considered or made by this Court until the seventeenth (17th) Year after entry of this Judgment. The Court may only make such an order if it finds that the Public Water Supplier Production from those wells is causing Material

1 Injury. The Court shall not impose the cost of moving the Public Water Supplier Production  
2 Facilities on any non-Public Water Supplier Party to this Judgment.

3 **13. FEDERAL APPROVAL.** This Judgment is contingent on final approval by the  
4 Department of Justice. Such approval will be sought upon final agreement of the terms of this  
5 Judgment by the settling Parties. Nothing in this Judgment shall be interpreted or construed as a  
6 commitment or requirement that the United States obligate or pay funds in contravention of the  
7 Anti-Deficiency Act, 31 U.S.C. § 1341, or any other applicable provision of law. Nothing in this  
8 Judgment, specifically including Paragraphs 9.1, 9.2 and 9.3, shall be construed to deprive any  
9 federal official of the authority to revise, amend, or promulgate regulations. Nothing in this  
10 Judgment shall be deemed to limit the authority of the executive branch to make  
11 recommendations to Congress on any particular piece of legislation. Nothing in this Judgment  
12 shall be construed to commit a federal official to expend federal funds not appropriated by  
13 Congress. To the extent that the expenditure or advance of any money or the performance of any  
14 obligation of the United States under this Judgment is to be funded by appropriation of funds by  
15 Congress, the expenditure, advance, or performance shall be contingent upon the appropriation of  
16 funds by Congress that are available for this purpose and the apportionment of such funds by the  
17 Office of Management and Budget and certification by the appropriate Air Force official that  
18 funding is available for this purpose, and an affirmative obligation of the funds for payment made  
19 by the appropriate Air Force official. No breach of this Judgment shall result and no liability  
20 shall accrue to the United States in the event such funds are not appropriated or apportioned.

21 **14. STORAGE.** All Parties shall have the right to store water in the Basin pursuant to  
22 a Storage Agreement with the Watermaster. If Littlerock Creek Irrigation District or Palmdale  
23 Water District stores Imported Water in the Basin it shall not export from its service area that  
24 Stored Water. AVEK, Littlerock Creek Irrigation District or Palmdale Water District may enter  
25 into exchanges of their State Water Project "Table A" Amounts. Nothing in this Judgment limits  
26 or modifies operation of preexisting banking projects (including AVEK, District No. 40, Antelope  
27 Valley Water Storage LLC, Tejon Ranchcorp and Tejon Ranch Company, Sheep Creek Water  
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1 Co., Rosamond Community Services District and Palmdale Water District) or performance of  
2 preexisting exchange agreements of the Parties. The Watermaster shall promptly enter into  
3 Storage Agreements with the Parties at their request. The Watermaster shall not enter into  
4 Storage Agreements with non-Parties unless such non-Parties become expressly subject to the  
5 provisions of this Judgment and the jurisdiction of the Court. Storage Agreements shall expressly  
6 preclude operations which will cause a Material Injury on any Producer. If, pursuant to a Storage  
7 Agreement, a Party has provided for pre-delivery or post-delivery of Replacement Water for the  
8 Party's use, the Watermaster shall credit such water to the Party's Replacement Water Obligation  
9 at the Party's request. Any Stored Water that originated as State Water Project water imported by  
10 AVEK, Palmdale Water District or Littlerock Creek Irrigation District may be exported from the  
11 Basin for use in a portion of the service area of any city or public agency, including State Water  
12 Project Contractors, that are Parties to this action at the time of this Judgment and whose service  
13 area includes land outside the Basin. AVEK may export any of its Stored State Project Water to  
14 any area outside its jurisdictional boundaries and the Basin provided that all water demands  
15 within AVEK's jurisdictional boundaries are met. Any Stored Water that originated as other  
16 Imported Water may be exported from the Basin, subject to a requirement that the Watermaster  
17 make a technical determination of the percentage of the Stored Water that is unrecoverable and  
18 that such unrecoverable Stored Water is dedicated to the Basin.

19 **15. CARRY OVER**

20 **15.1 In Lieu Production Right Carry Over.** Any Producer identified in  
21 Paragraph 5.1.1, 5.1.5 and 5.1.6 can utilize In Lieu Production by purchasing Imported Water and  
22 foregoing Production of a corresponding amount of the annual Production of Native Safe Yield  
23 provided for in Paragraph 5 herein. In Lieu Production must result in a net reduction of annual  
24 Production from the Native Safe Yield in order to be entitled to the corresponding Carry Over  
25 benefits under this paragraph. In Lieu Production does not make additional water from the Native  
26 Safe Yield available to any other Producer. If a Producer foregoes pumping and uses Imported  
27 Water In Lieu of Production, the Producer may Carry Over its right to the unproduced portion of  
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1 its Production Right for up to ten (10) Years. A Producer must Produce its full current Year's  
2 Production Right before any Carry Over water is Produced. Carry Over water will be Produced  
3 on a first-in, first-out basis. At the end of the Carry Over period, the Producer may enter into a  
4 Storage Agreement with the Watermaster to store unproduced portions, subject to terms and  
5 conditions in the Watermaster's discretion. Any such Storage Agreements shall expressly  
6 preclude operations, including the rate and amount of extraction, which will cause a Material  
7 Injury to another Producer or Party, any subarea or the Basin. If not converted to a Storage  
8 Agreement, Carry Over water not Produced by the end of the tenth Year reverts to the benefit of  
9 the Basin and the Producer no longer has a right to the Carry Over water. The Producer may  
10 transfer any Carry Over water or Carry Over water stored pursuant to a Storage Agreement.

11 **15.2 Imported Water Return Flow Carry Over.** If a Producer identified in  
12 Paragraph 5.1.1, 5.1.5 and 5.1.6 fails to Produce its full amount of Imported Water Return Flows  
13 in the Year following the Year in which the Imported Water was brought into the Basin, the  
14 Producer may Carry Over its right to the unproduced portion of its Imported Water Return Flows  
15 for up to ten (10) Years. A Producer must Produce its full Production Right before any Carry  
16 Over water, or any other water, is Produced. Carry Over water will be Produced on a first-in,  
17 first-out basis. At the end of the Carry Over period, the Producer may enter into a Storage  
18 Agreement with the Watermaster to store unproduced portions, subject to terms and conditions in  
19 the Watermaster's discretion. Any such Storage Agreements shall expressly preclude operations,  
20 including the rate and amount of extraction, which will cause a Material Injury to another  
21 Producer or Party, any subarea or the Basin. If not converted to a Storage Agreement, Carry Over  
22 water not Produced by the end of the tenth Year reverts to the benefit of the Basin and the  
23 Producer no longer has a right to the Carry Over water. The Producer may transfer any Carry  
24 Over water or Carry Over water stored pursuant to a Storage Agreement.

25 **15.3 Production Right Carry Over.** If a Producer identified in Paragraph  
26 5.1.1, 5.1.5 and 5.1.6 fails to Produce its full Production Right in any Year, the Producer may  
27 Carry Over its right to the unproduced portion of its Production Right for up to ten (10) Years. A  
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1 Producer must Produce its full Production Right before any Carry Over water, or any other water,  
2 is Produced. Carry Over water will be Produced on a first-in, first-out basis. At the end of the  
3 Carry Over period, the Producer may enter into a Storage Agreement with the Watermaster to  
4 store unproduced portions, subject to terms and conditions in the Watermaster's discretion. Any  
5 such Storage Agreements shall expressly preclude operations, including the rate and amount of  
6 extraction, which will cause a Material Injury to another Producer or Party, any subarea or the  
7 Basin. If not converted to a Storage Agreement, Carry Over water not Produced by the end of the  
8 tenth Year reverts to the benefit of the Basin and the Producer no longer has a right to the Carry  
9 Over water. The Producer may transfer any Carry Over water or Carry Over water stored  
10 pursuant to a Storage Agreement.

11 **16. TRANSFERS.**

12 **16.1 When Transfers are Permitted.** Pursuant to terms and conditions to be  
13 set forth in the Watermaster rules and regulations, and except as otherwise provided in this  
14 Judgment, Parties may transfer all or any portion of their Production Right to another Party so  
15 long as such transfer does not cause Material Injury. All transfers are subject to hydrologic  
16 review by the Watermaster Engineer.

17 **16.2 Transfers to Non-Overlying Production Right Holders.** Overlying  
18 Production Rights that are transferred to Non-Overlying Production Right holders shall remain on  
19 Exhibit 4 and be subject to adjustment as provided in Paragraph 18.5.10, but may be used  
20 anywhere in the transferee's service area.

21 **16.3 Limitation on Transfers of Water by Antelope Valley United Mutuals**  
22 **Group.** After the date of this Judgment, any Overlying Production Rights pursuant to Paragraph  
23 5.1.1, rights to Imported Water Return Flows pursuant to Paragraph 5.2, rights to Recycled Water  
24 pursuant to Paragraph 5.3 and Carry Over water pursuant to Paragraph 15 (including any water  
25 banked pursuant to a Storage Agreement with the Watermaster) that are at any time held by any  
26 member of the Antelope Valley United Mutuals Group may only be transferred to or amongst  
27 other members of the Antelope Valley United Mutuals Group, except as provided in Paragraph  
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1 16.3.1. Transfers amongst members of the Antelope Valley United Mutuals Group shall be  
2 separately reported in the Annual Report of the Watermaster pursuant to Paragraphs 18.4.8 and  
3 18.5.17. Transfers amongst members of the Antelope Valley United Mutuals Group shall not be  
4 deemed to constitute an abandonment of any member's non-transferred rights.

5 **16.3.1** Nothing in Paragraph 16.3 shall prevent Antelope Valley United  
6 Mutuals Group members from transferring Overlying Production Rights to Public Water  
7 Suppliers who assume service of an Antelope Valley United Mutuals Group member's  
8 shareholders.

9 **16.4** Notwithstanding section 16.1, the Production Right of Boron Community  
10 Services District shall not be transferable. If and when Boron Community Services District  
11 permanently ceases all Production of Groundwater from the Basin, its Production Right shall be  
12 allocated to the other holders of Non-Overlying Production Rights, except for West Valley  
13 County Water District, in proportion to those rights.

14 **17. CHANGES IN POINT OF EXTRACTION AND NEW WELLS.** Parties may  
15 change the point of extraction for any Production Right to another point of extraction so long as  
16 such change of the point of extraction does not cause Material Injury. A replacement well for an  
17 existing point of extraction which is located within 300 feet of a Party's existing well shall not be  
18 considered a change in point of extraction.

19 **17.1 Notice of New Well.** Any Party seeking to construct a new well in order to  
20 change the point of extraction for any Production Right to another point of extraction shall notify  
21 the Watermaster at least 90 days in advance of drilling any well of the location of the new point  
22 of extraction and the intended place of use of the water Produced.

23 **17.2 Change in Point of Extraction by the United States.** The point(s) of  
24 extraction for the Federal Reserved Water Right may be changed, at the sole discretion of the  
25 United States, and not subject to the preceding limitation on Material Injury, to any point or  
26 points within the boundaries of Edwards Air Force Base or Plant 42. The point(s) of extraction  
27 for the Federal Reserved Water Right may be changed to points outside the boundaries of  
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1 Edwards Air Force Base or Plant 42, provided such change in the point of extraction does not  
2 cause Material Injury. In exercising its discretion under this Paragraph 17.2, the United States  
3 shall consider information in its possession regarding the effect of Production from the intended  
4 new point of extraction on the Basin, and on other Producers. Any such change in point(s) of  
5 extraction shall be at the expense of the United States. Nothing in this Paragraph is intended to  
6 waive any monetary claim(s) another Party may have against the United States in federal court  
7 based upon any change in point of extraction by the United States.

8 **18. WATERMASTER**

9 **18.1 Appointment of Initial Watermaster.**

10 **18.1.1** Appointment and Composition: The Court hereby appoints a  
11 Watermaster. The Watermaster shall be a five (5) member board composed of one representative  
12 each from AVEK and District No. 40, a second Public Water Supplier representative selected by  
13 District No. 40, Palmdale Water District, Quartz Hill Water District, Littlerock Creek Irrigation  
14 District, California Water Service Company, Desert Lake Community Services District, North  
15 Edwards Water District, City of Palmdale, City of Lancaster, Palm Ranch Irrigation District, and  
16 Rosamond Community Services District, and two (2) landowner Parties, exclusive of public  
17 agencies and members of the Non-Pumper and Small Pumper Classes, selected by majority vote  
18 of the landowners identified on Exhibit 4 (or their successors in interest) based on their  
19 proportionate share of the total Production Rights identified in Exhibit 4. The United States may  
20 also appoint a non-voting Department of Defense (DoD) Liaison to the Watermaster committee to  
21 represent DoD interests. Participation by the DoD Liaison shall be governed by Joint Ethics  
22 Regulation 3-201. The opinions or actions of the DoD liaison in participating in or contributing  
23 to Watermaster proceedings cannot bind DoD or any of its components.

24 **18.1.2** Voting Protocol for Watermaster Actions:

25 **18.1.2.1** The Watermaster shall make decisions by unanimous vote  
26 for the purpose of selecting or dismissing the Watermaster Engineer.

1 **18.1.2.2** The Watermaster shall determine by unanimous vote, after  
2 consultation with the Watermaster Engineer, the types of decisions that shall require unanimous  
3 vote and those that shall require only a simple majority vote.

4 **18.1.2.3** All decisions of the Watermaster, other than those  
5 specifically designated as being subject to a simple majority vote, shall be by a unanimous vote.

6 **18.1.2.4** All board members must be present to make any decision  
7 requiring a unanimous vote.

8 **18.1.3** In carrying out this appointment, the Watermaster shall segregate  
9 and separately exercise in all respects the Watermaster powers delegated by the Court under this  
10 Judgment. All funds received, held, and disbursed by the Watermaster shall be by way of  
11 separate Watermaster accounts, subject to separate accounting and auditing. Meetings and  
12 hearings held by the Watermaster shall be noticed and conducted separately.

13 **18.1.4** Pursuant to duly adopted Watermaster rules, Watermaster staff and  
14 administrative functions may be accomplished by AVEK, subject to strict time and cost  
15 accounting principles so that this Judgment does not subsidize, and is not subsidized by AVEK.

16 **18.2** **Standard of Performance.** The Watermaster shall carry out its duties,  
17 powers and responsibilities in an impartial manner without favor or prejudice to any Subarea,  
18 Producer, Party, or Purpose of Use.

19 **18.3** **Removal of Watermaster.** The Court retains and reserves full  
20 jurisdiction, power, and authority to remove any Watermaster for good cause and substitute a new  
21 Watermaster in its place, upon its own motion or upon motion of any Party in accordance with the  
22 notice and hearing procedures set forth in Paragraph 20.6. The Court shall find good cause for  
23 the removal of a Watermaster upon a showing that the Watermaster has: (1) failed to exercise its  
24 powers or perform its duties; (2) performed its powers in a biased manner; or (3) otherwise failed  
25 to act in the manner consistent with the provisions set forth in this Judgment or subsequent order  
26 of the Court.

1                   **18.4           Powers and Duties of the Watermaster.** Subject to the continuing  
2 supervision and control of the Court, the Watermaster shall have and may exercise the following  
3 express powers and duties, together with any specific powers and duties set forth elsewhere in  
4 this Judgment or ordered by the Court:

5                   **18.4.1           Selection of the Watermaster Engineer.** The Watermaster shall  
6 select the Watermaster Engineer with the advice of the Advisory Committee described in  
7 Paragraph 19.

8                   **18.4.2           Adoption of Rules and Regulations.** The Court may adopt  
9 appropriate rules and regulations prepared by the Watermaster Engineer and proposed by the  
10 Watermaster for conduct pursuant to this Judgment. Before proposing rules and regulations, the  
11 Watermaster shall hold a public hearing. Thirty (30) days prior to the date of the hearing, the  
12 Watermaster shall send to all Parties notice of the hearing and a copy of the proposed rules and  
13 regulations or amendments thereto. All Watermaster rules and regulations, and any amendments  
14 to the Watermaster rules and regulations, shall be consistent with this Judgment and are subject to  
15 approval by the Court, for cause shown, after consideration of the objections of any Party.

16                   **18.4.3           Employment of Experts and Agents.** The Watermaster may  
17 employ such administrative personnel, engineering, legal, accounting, or other specialty services,  
18 and consulting assistants as appropriate in carrying out the terms of this Judgment.

19                   **18.4.4           Notice List.** The Watermaster shall maintain a current list of  
20 Parties to receive notice. The Parties have an affirmative obligation to provide the Watermaster  
21 with their current contact information. For Small Pumper Class Members, the Watermaster shall  
22 initially use the contact information contained in the list of Small Pumper Class members filed  
23 with the Court by class counsel.

24                   **18.4.5           Annual Administrative Budget.** The Watermaster shall prepare a  
25 proposed administrative budget for each Year. The Watermaster shall hold a public hearing  
26 regarding the proposed administrative budget and adopt an administrative budget. The  
27 administrative budget shall set forth budgeted items and Administrative Assessments in sufficient  
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1 detail to show the allocation of the expense among the Producers. Following the adoption of the  
2 budget, the Watermaster may make expenditures within budgeted items in the exercise of powers  
3 herein granted, as a matter of course.

4 **18.4.6 Investment of Funds.** The Watermaster may hold and invest any  
5 funds in investments authorized from time to time for public agencies in the State of California.  
6 All funds shall be held in separate accounts and not comingled with the Watermaster's personal  
7 funds.

8 **18.4.7 Borrowing.** The Watermaster may borrow in anticipation of  
9 receipt of proceeds from any assessments authorized in Paragraph 9 in an amount not to exceed  
10 the annual amount of assessments.

11 **18.4.8 Transfers.** On an annual basis, the Watermaster shall prepare and  
12 maintain a report or record of any transfer of Production Rights among Parties. Upon reasonable  
13 request, the Watermaster shall make such report or record available for inspection by any Party.  
14 A report or records of transfer of Production Rights under this Paragraph shall be considered a  
15 ministerial act.

16 **18.4.9 New Production Applications.** The Watermaster shall consider  
17 and determine whether to approve applications for New Production after consideration of the  
18 recommendation of the Watermaster Engineer.

19 **18.4.10 Unauthorized Actions.** The Watermaster shall bring such action  
20 or motion as is necessary to enjoin any conduct prohibited by this Judgment.

21 **18.4.11 Meetings and Records.** Watermaster shall provide notice of and  
22 conduct all meetings and hearings in a manner consistent with the standards and timetables set  
23 forth in the Ralph M. Brown Act, Government Code sections 54950, et seq. Watermaster shall  
24 make its files and records available to any Person consistent with the standards and timetables set  
25 forth in the Public Records Act, Government Code sections 6200, et seq.

26 **18.4.12 Assessment Procedure.** Each Party hereto is ordered to pay the  
27 assessments authorized in Paragraph 9 of this Judgment, which shall be levied and collected in  
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1 accordance with the procedures and schedules determined by the Watermaster. Any assessment  
2 which becomes delinquent, as defined by rules and regulations promulgated by the Watermaster  
3 shall bear interest at the then current real property tax delinquency rate for the county in which  
4 the property of the delinquent Party is located. The United States shall not be subject to payment  
5 of interest absent congressional waiver of immunity for the imposition of such interest. This  
6 interest rate shall apply to any said delinquent assessment from the due date thereof until paid.  
7 The delinquent assessment, together with interest thereon, costs of suit, attorneys fees and  
8 reasonable costs of collection, may be collected pursuant to (1) motion by the Watermaster giving  
9 notice to the delinquent Party only; (2) Order to Show Cause proceeding, or (3) such other lawful  
10 proceeding as may be instituted by the Watermaster or the Court. The United States shall not be  
11 subject to costs and fees absent congressional waiver of immunity for such costs and fees. The  
12 delinquent assessment shall constitute a lien on the property of the Party as of the same time and  
13 in the same manner as does the tax lien securing county property taxes. The property of the  
14 United States shall not be subject to any lien. The Watermaster shall annually certify a list of all  
15 such unpaid delinquent assessments. The Watermaster shall include the names of those Parties  
16 and the amounts of the liens in its list to the County Assessor's Office in the same manner and at  
17 the same time as it does its Administrative Assessments. Watermaster shall account for receipt of  
18 all collections of assessments collected pursuant to this Judgment, and shall pay such amounts  
19 collected pursuant to this Judgment to the Watermaster. The Watermaster shall also have the  
20 ability to seek to enjoin Production of those Parties, other than the United States, who do not pay  
21 assessments pursuant to this Judgment.

22 **18.5** **Watermaster Engineer.** The Watermaster Engineer shall have the  
23 following duties:

24 **18.5.1** **Monitoring of Safe Yield.** The Watermaster Engineer shall  
25 monitor all the Safe Yield components and include them in the annual report for Court approval.  
26 The annual report shall include all relevant data for the Basin.

1                   **18.5.2           Reduction in Groundwater Production.** The Watermaster  
2 Engineer shall ensure that reductions of Groundwater Production to the Native Safe Yield  
3 (Rampdown) take place pursuant to the terms of this Judgment and any orders by the Court.

4                   **18.5.3           Determination of Replacement Obligations.** The Watermaster  
5 Engineer shall determine Replacement Obligations for each Producer, pursuant to the terms of  
6 this Judgment.

7                   **18.5.4           Balance Obligations.** The Watermaster Engineer shall determine  
8 Balance Assessment obligations for each Producer pursuant to the terms of this Judgment. In  
9 addition, the Watermaster Engineer shall determine the amount of water derived from the Balance  
10 Assessment that shall be allocated to any Producer to enable that Producer to fully exercise its  
11 Production Right.

12                   **18.5.5           Measuring Devices, Etc.** The Watermaster Engineer shall  
13 propose, and the Watermaster shall adopt and maintain, rules and regulations regarding  
14 determination of Production amounts and installation of individual water meters. The rules and  
15 regulations shall set forth approved devices or methods to measure or estimate Production.  
16 Producers who meter Production on the date of entry of this Judgment shall continue to meter  
17 Production. The Watermaster rules and regulations shall require Producers who do not meter  
18 Production on the effective date of entry of this Judgment, except the Small Pumper Class, to  
19 install water meters within two Years.

20                   **18.5.6           Hydrologic Data Collection.** The Watermaster Engineer shall (1)  
21 operate, and maintain such wells, measuring devices, and/or meters necessary to monitor stream  
22 flow, precipitation, Groundwater levels, and Basin Subareas, and (2) to obtain such other data as  
23 may be necessary to carry out this Judgment.

24                   **18.5.7           Purchases of and Recharge with Replacement Water.** To the  
25 extent Imported Water is available, the Watermaster Engineer shall use Replacement Water  
26 Assessment proceeds to purchase Replacement Water, and deliver such water to the area deemed  
27 most appropriate as soon as practicable. The Watermaster Engineer may pre-purchase  
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1 Replacement Water and apply subsequent assessments towards the costs of such pre-purchases.  
2 The Watermaster Engineer shall reasonably and equitably actively manage the Basin to protect  
3 and enhance the health of the Basin.

4 **18.5.8 Water Quality.** The Watermaster Engineer shall take all  
5 reasonable steps to assist and encourage appropriate regulatory agencies to enforce reasonable  
6 water quality regulations affecting the Basin, including regulation of solid and liquid waste  
7 disposal, and establishing Memorandums of Understanding with Kern and Los Angeles Counties  
8 regarding well drilling ordinances and reporting.

9 **18.5.9 Native Safe Yield.** Ten (10) Years following the end of the seven  
10 Year Rampdown period, in the seventeenth (17th) Year, or any time thereafter, the Watermaster  
11 Engineer may recommend to the Court an increase or reduction of the Native Safe Yield. The  
12 Watermaster Engineer shall initiate no recommendation to change Native Safe Yield prior to the  
13 end of the seventeenth (17th) Year. In the event the Watermaster Engineer recommends in its  
14 report to the Court that the Native Safe Yield be revised based on the best available science, the  
15 Court shall conduct a hearing regarding the recommendations and may order a change in Native  
16 Safe Yield. Watermaster shall give notice of the hearing pursuant to Paragraph 20.3.2. The most  
17 recent Native Safe Yield shall remain in effect until revised by Court order according to this  
18 paragraph. If the Court approves a reduction in the Native Safe Yield, it shall impose a Pro-Rata  
19 Reduction as set forth herein, such reduction to be implemented over a seven (7) Year period. If  
20 the Court approves an increase in the Native Safe Yield, it shall impose a Pro-Rata Increase as set  
21 forth herein, such increase to be implemented immediately. Only the Court can change the  
22 Native Safe Yield.

23 **18.5.10 Change in Production Rights in Response to Change in Native**  
24 **Safe Yield.** In the event the Court changes the Native Safe Yield pursuant to Paragraph 18.5.9,  
25 the increase or decrease will be allocated among the Producers in the agreed percentages listed in  
26 Exhibits 3 and 4, except that the Federal Reserved Water Right of the United States is not subject  
27 to any increase or decrease.

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**18.5.11 Review of Calculation of Imported Water Return Flow**

**Percentages.** Ten (10) Years following the end of the Rampdown, in the seventeenth (17th) Year, or any time thereafter, the Watermaster Engineer may recommend to the Court an increase or decrease of Imported Water Return Flow percentages. The Watermaster Engineer shall initiate no recommendation to change Imported Water Return Flow percentages prior to end of the seventeenth (17th) Year. In the event the Watermaster Engineer recommends in its report to the Court that Imported Water Return Flow percentages for the Basin may need to be revised based on the best available science, the Court shall conduct a hearing regarding the recommendations and may order a change in Imported Water Return Flow percentages. Watermaster shall give notice of the hearing pursuant to Paragraph 20.6. The Imported Water Return Flow percentages set forth in Paragraph 5.2 shall remain in effect unless revised by Court order according to this Paragraph. If the Court approves a reduction in the Imported Water Return Flow percentages, such reduction shall be implemented over a seven (7) Year period. Only the Court can change the Imported Water Return Flow percentages.

**18.5.12 Production Reports.**

The Watermaster Engineer shall require each Producer, other than unmetered Small Pumper Class Members, to file an annual Production report with the Watermaster. Producers shall prepare the Production reports in a form prescribed by the rules and regulations. The Production reports shall state the total Production for the reporting Party, including Production per well, rounded off to the nearest tenth of an acre foot for each reporting period. The Production reports shall include such additional information and supporting documentation as the rules and regulations may reasonably require.

**18.5.13 New Production Application Procedure.**

The Watermaster Engineer shall determine whether a Party or Person seeking to commence New Production has established the reasonableness of the New Production in the context of all other uses of Groundwater in the Basin at the time of the application, including whether all of the Native Safe Yield is then currently being used reasonably and beneficially. Considering common law water rights and priorities, the mandate of certainty in Article X, section 2, and all other relevant

1 factors, the Watermaster Engineer has authority to recommend that the application for New  
2 Production be denied, or approved on condition of payment of a Replacement Water Assessment.  
3 The Watermaster Engineer shall consider, investigate and recommend to the Watermaster  
4 whether an application to commence New Production of Groundwater may be approved as  
5 follows:

6 **18.5.13.1** All Parties or Person(s) seeking approval from the  
7 Watermaster to commence New Production of Groundwater shall submit a written application to  
8 the Watermaster Engineer which shall include the following:

9 **18.5.13.1.1** Payment of an application fee sufficient to recover  
10 all costs of application review, field investigation, reporting, and hearing, and other associated  
11 costs, incurred by the Watermaster and Watermaster Engineer in processing the application for  
12 New Production;

13 **18.5.13.1.2** Written summary describing the proposed quantity,  
14 sources of supply, season of use, Purpose of Use, place of use, manner of delivery, and other  
15 pertinent information regarding the New Production;

16 **18.5.13.1.3** Maps identifying the location of the proposed New  
17 Production, including Basin Subarea;

18 **18.5.13.1.4** Copy of any water well permits, specifications and  
19 well-log reports, pump specifications and testing results, and water meter specifications  
20 associated with the New Production;

21 **18.5.13.1.5** Written confirmation that the applicant has obtained  
22 all applicable Federal, State, County, and local land use entitlements and other permits necessary  
23 to commence the New Production;

24 **18.5.13.1.6** Written confirmation that the applicant has complied  
25 with all applicable Federal, State, County, and local laws, rules and regulations, including but not  
26 limited to, the California Environmental Quality Act (Public Resources Code §§ 21000, et. seq.);  
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1                           **18.5.13.1.7**           Preparation of a water conservation plan, approved  
2 and stamped by a California licensed and registered professional civil engineer, demonstrating  
3 that the New Production will be designed, constructed and implemented consistent with  
4 California best water management practices.

5                           **18.5.13.1.8**           Preparation of an analysis of the economic impact of  
6 the New Production on the Basin and other Producers in the Subarea of the Basin;

7                           **18.5.13.1.9**           Preparation of an analysis of the physical impact of  
8 the New Production on the Basin and other Producers in the Subarea of the Basin;

9                           **18.5.13.1.10**          A written statement, signed by a California licensed  
10 and registered professional civil engineer, determining that the New Production will not cause  
11 Material Injury;

12                          **18.5.13.1.11**          Written confirmation that the applicant agrees to pay  
13 the applicable Replacement Water Assessment for any New Production.

14                          **18.5.13.1.12**          Other pertinent information which the Watermaster  
15 Engineer may require.

16                          **18.5.13.2**           **Finding of No Material Injury.** The Watermaster Engineer  
17 shall not make recommendation for approval of an application to commence New Production of  
18 Groundwater unless the Watermaster Engineer finds, after considering all the facts and  
19 circumstances including any requirement that the applicant pay a Replacement Water Assessment  
20 required by this Judgment or determined by the Watermaster Engineer to be required under the  
21 circumstances, that such New Production will not cause Material Injury. If the New Production is  
22 limited to domestic use for one single-family household, the Watermaster Engineer has the  
23 authority to determine the New Production to be *de minimis* and waive payment of a Replacement  
24 Water Assessment; *provided*, the right to Produce such *de minimis* Groundwater is not  
25 transferable, and shall not alter the Production Rights decreed in this Judgment.

1                   **18.5.13.3**       **New Production.** No Party or Person shall commence New  
2 Production of Groundwater from the Basin absent recommendation by the Watermaster Engineer  
3 and approval by the Watermaster.

4                   **18.5.13.4**       **Court Review.** Court review of a Watermaster decision on  
5 a New Production application shall be pursuant to Paragraph 20.3.

6                   **18.5.14**        **Storage Agreements.** The Watermaster shall adopt uniformly  
7 applicable rules for Storage Agreements. The Watermaster Engineer shall calculate additions,  
8 extractions and losses of water stored under Storage Agreements and maintain an Annual account  
9 of all such water. Accounting done by the Watermaster Engineer under this Paragraph shall be  
10 considered ministerial.

11                  **18.5.15**        **Diversion of Storm Flow.** No Party may undertake or cause the  
12 construction of any project within the Watershed of the Basin that will reduce the amount of  
13 storm flows that would otherwise enter the Basin and contribute to the Native Safe Yield, without  
14 prior notification to the Watermaster Engineer. The Watermaster Engineer may seek an  
15 injunction or to otherwise impose restrictions or limitations on such project in order to prevent  
16 reduction to Native Safe Yield. The Party sought to be enjoined or otherwise restricted or limited  
17 is entitled to notice and an opportunity for the Party to respond prior to the imposition of any  
18 restriction or limitation. Any Person may take emergency action as may be necessary to protect  
19 the physical safety of its residents and personnel and its structures from flooding. Any such  
20 action shall be done in a manner that will minimize any reduction in the quantity of Storm Flows.

21                  **18.5.16**        **Data, Estimates and Procedures.** The Watermaster Engineer  
22 shall rely on and use the best available science, records and data to support the implementation of  
23 this Judgment. Where actual records of data are not available, the Watermaster Engineer shall  
24 rely on and use sound scientific and engineering estimates. The Watermaster Engineer may use  
25 preliminary records of measurements, and, if revisions are subsequently made, may reflect such  
26 revisions in subsequent accounting.

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**18.5.17 Filing of Annual Report.** The Watermaster Engineer shall prepare an Annual Report for filing with the Court not later than April 1 of each Year, beginning April 1 following the first full Year after entry of this Judgment. Prior to filing the Annual Report with the Court, Watermaster shall notify all Parties that a draft of the Annual Report is available for review by the Parties. Watermaster shall provide notice to all Parties of a public hearing to receive comments and recommendations for changes in the Annual Report. The public hearing shall be conducted pursuant to rules and regulations promulgated by the Watermaster. The notice of public hearing may include such summary of the draft Annual Report as Watermaster may deem appropriate. Watermaster shall distribute the Annual Report to any Parties requesting copies.

**18.5.18 Annual Report to Court.** The Annual Report shall include an Annual fiscal report of the preceding Year’s operation; details regarding the operation of each of the Subareas; an audit of all Assessments and expenditures; and a review of Watermaster activities. The Annual Report shall include a compilation of at least the following:

- 18.5.18.1** Replacement Obligations;
- 18.5.18.2** Hydrologic Data Collection;
- 18.5.18.3** Purchase and Recharge of Imported Water;
- 18.5.18.4** Notice List;
- 18.5.18.5** New Production Applications
- 18.5.18.6** Rules and Regulations;
- 18.5.18.7** Measuring Devices, etc;
- 18.5.18.8** Storage Agreements;
- 18.5.18.9** Annual Administrative Budget;
- 18.5.18.10** Transfers;
- 18.5.18.11** Production Reports;
- 18.5.18.12** Prior Year Report;
- 18.5.18.13** Amount of Stored Water owned by each Party;

- 1                    **18.5.18.14**            Amount of Stored Imported Water owned by each Party;
- 2                    **18.5.18.15**            Amount of unused Imported Water Return Flows owned by
- 3 each Party;
- 4                    **18.5.18.16**            Amount of Carry Over Water owned by each Party;
- 5                    **18.5.18.17**            All changes in use.

6                    **18.6**            **Recommendations of the Watermaster Engineer.** Unless otherwise  
7 determined pursuant to Paragraph 18.1.2.2, all recommendations of the Watermaster Engineer  
8 must be approved by unanimous vote of all members of the Watermaster. If there is not  
9 unanimous vote among Watermaster members, Watermaster Engineer recommendations must be  
10 presented to the Court for action and implementation.

11                    **18.7**            **Interim Approvals by the Court.** Until the Court approves rules and  
12 regulations proposed by the Watermaster, the Court, upon noticed motion, may take or approve  
13 any actions that the Watermaster or the Watermaster Engineer otherwise would be authorized to  
14 take or approve under this Judgment.

15                    **19.**            **ADVISORY COMMITTEE**

16                    **19.1**            **Authorization.** The Producers are authorized and directed to cause a  
17 committee of Producer representatives to be organized and to act as an Advisory Committee.

18                    **19.2**            **Compensation.** The Advisory Committee members shall serve without  
19 compensation.

20                    **19.3**            **Powers and Functions.** The Advisory Committee shall act in an advisory  
21 capacity only and shall have the duty to study, review, and make recommendations on all  
22 discretionary determinations by Watermaster. Parties shall only provide input to the Watermaster  
23 through the Advisory Committee.

24                    **19.4**            **Advisory Committee Meetings.** The Advisory Committee shall 1) meet  
25 on a regular basis; 2) review Watermaster’s activities pursuant to this Judgment on at least a  
26 semi-annual basis; and 3) receive and make advisory recommendations to Watermaster.

27 Advisory Committee Meetings shall be open to all members of the public. Edwards Air Force

1 Base and the State of California shall be ex officio members of the committee. The United States  
2 may also appoint a DoD Liaison to the Watermaster pursuant to Joint Ethics Regulation 3-201.

3 **19.5 Subarea Advisory Management Committees.** Subarea Advisory  
4 Management Committees will meet on a regular basis and at least semi-annually with the  
5 Watermaster Engineer to review Watermaster activities pursuant to this Judgment and to submit  
6 advisory recommendations.

7 **19.5.1 Authorization.** The Producers in each of the five Management  
8 Subareas are hereby authorized and directed to cause committees of Producer representatives to  
9 be organized and to act as Subarea Management Advisory Committees.

10 **19.5.2 Composition and Election.** Each Management Subarea  
11 Management Advisory Committee shall consist of five (5) Persons who shall be called  
12 Management Advisors. In the election of Management Advisors, every Party shall be entitled to  
13 one vote for every acre-foot of Production Right for that Party in that particular subarea. Parties  
14 may cumulate their votes and give one candidate a number of votes equal to the number of  
15 advisors to be elected, multiplied by the number of votes to which the Party is normally entitled,  
16 or distribute the Party's votes on the same principle among as many candidates as the Party thinks  
17 fit. In any election of advisors, the candidates receiving the highest number of affirmative votes  
18 of the Parties are elected. Elections shall be held upon entry of this Judgment and thereafter  
19 every third Year. In the event a vacancy arises, a temporary advisor shall be appointed by  
20 unanimous decision of the other four advisors to continue in office until the next scheduled  
21 election. Rules and regulations regarding organization, meetings and other activities shall be at  
22 the discretion of the individual Subarea Advisory Committees, except that all meetings of the  
23 committees shall be open to the public.

24 **19.5.3 Compensation.** The Subarea Management Advisory  
25 Committee shall serve without compensation.

26 **19.5.4 Powers and Functions.** The Subarea Management Advisory  
27 Committee for each subarea shall act in an advisory capacity only and shall have the duty to  
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1 study, review and make recommendations on all discretionary determinations made or to be made  
2 hereunder by Watermaster Engineer which may affect that subarea.

3 **20. MISCELLANEOUS PROVISIONS.**

4 **20.1 Water Quality.** Nothing in this Judgment shall be interpreted as relieving  
5 any Party of its responsibilities to comply with State or Federal laws for the protection of water  
6 quality or the provisions of any permits, standards, requirements, or orders promulgated  
7 thereunder.

8 **20.2 Actions Not Subject to CEQA Regulation.** Nothing in this Judgment or  
9 the Physical Solution, or in the implementation thereof, or the decisions of the Watermaster  
10 acting under the authority of this Judgment shall be deemed a "project" subject to the California  
11 Environmental Quality Act (CEQA). See e.g., *California American Water v. City of Seaside*  
12 (2010) 183 Cal.App.4th 471, and *Hillside Memorial Park & Mortuary v. Golden State Water Co.*  
13 (2011) 205 Cal.App.4th 534. Neither the Watermaster, the Watermaster Engineer, the Advisory  
14 Committee, any Subarea Management Committee, nor any other Board or committee formed  
15 pursuant to the Physical Solution and under the authority of this Judgment shall be deemed a  
16 "public agency" subject to CEQA. (See Public Resources Code section 21063.)

17 **20.3 Court Review of Watermaster Actions.** Any action, decision, rule,  
18 regulation, or procedure of Watermaster or the Watermaster Engineer pursuant to this Judgment  
19 shall be subject to review by the Court on its own motion or on timely motion by any Party as  
20 follows:

21 **20.3.1 Effective Date of Watermaster Action.** Any order, decision or  
22 action of Watermaster or Watermaster Engineer pursuant to this Judgment on noticed specific  
23 agenda items shall be deemed to have occurred on the date of the order, decision or action.

24 **20.3.2 Notice of Motion.** Any Party may move the Court for review of an  
25 action or decision pursuant to this Judgment by way of a noticed motion. The motion shall be  
26 served pursuant to Paragraph 20.7 of this Judgment. The moving Party shall ensure that the  
27 Watermaster is served with the motion under that Paragraph 20.7 or, if electronic service of the  
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1 Watermaster is not possible, by overnight mail with prepaid next-day delivery. Unless ordered by  
2 the Court, any such petition shall not operate to stay the effect of any action or decision which is  
3 challenged.

4 **20.3.3 Time for Motion.** A Party shall file a motion to review any action  
5 or decision within ninety (90) days after such action or decision, except that motions to review  
6 assessments hereunder shall be filed within thirty (30) days of Watermaster mailing notice of the  
7 assessment.

8 **20.3.4 De Novo Nature of Proceeding.** Upon filing of a motion to review  
9 a decision or action, the Watermaster shall notify the Parties of a date for a hearing at which time  
10 the Court shall take evidence and hear argument. The Court's review shall be *de novo* and the  
11 Watermaster's decision or action shall have no evidentiary weight in such proceeding.

12 **20.3.5 Decision.** The decision of the Court in such proceeding shall be an  
13 appealable supplemental order in this case. When the Court's decision is final, it shall be binding  
14 upon Watermaster and the Parties.

15 **20.4 Multiple Production Rights.** A Party simultaneously may be a member  
16 of the Small Pumper Class and hold an Overlying Production Right by virtue of owning land  
17 other than the parcel(s) meeting the Small Pumper Class definition. The Small Pumper Class  
18 definition shall be construed in accordance with Paragraph 3.5.44 and 3.5.45.

19 **20.5 Payment of Assessments.** Payment of assessments levied by Watermaster  
20 hereunder shall be made pursuant to the time schedule developed by the Watermaster,  
21 notwithstanding any motion for review of Watermaster actions, decisions, rules or procedures,  
22 including review of assessments implemented by the Watermaster.

23 **20.6 Designation of Address for Notice and Service.** Each Party shall  
24 designate a name and address to be used for purposes of all subsequent notices and service herein,  
25 either by its endorsement on this Judgment or by a separate designation to be filed within thirty  
26 (30) days after judgment has been entered. A Party may change its designation by filing a written  
27 notice of such change with Watermaster. A Party that desires to be relieved of receiving notices  
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1 of Watermaster activity may file a waiver of notice in a form to be provided by Watermaster. At  
2 all times, Watermaster shall maintain a current list of Parties to whom notices are to be sent and  
3 their addresses for purpose of service. Watermaster shall also maintain a full current list of said  
4 names and addresses of all Parties or their successors, as filed herein. Watermaster shall make  
5 copies of such lists available to any requesting Person. If no designation is made, a Party's  
6 designee shall be deemed to be, in order of priority: (1) the Party's attorney of record; (2) if the  
7 Party does not have an attorney of record, the Party itself at the address on the Watermaster list;  
8 (3) for Small Pumper Class Members, after this Judgment is final, the individual Small Pumper  
9 Class Members at the service address maintained by the Watermaster.

10           **20.7           Service of Documents.** Unless otherwise ordered by the Court, delivery to  
11 or service to any Party by the Court or any Party of any document required to be served upon or  
12 delivered to a Party pursuant to this Judgment shall be deemed made if made by e-filing on the  
13 Court's website at [www.scefiling.org](http://www.scefiling.org). All Parties agree to waive service by mail if they receive  
14 notifications via electronic filing at the above identified website.

15           **20.8           No Abandonment of Rights.** In the interest of the Basin and its water  
16 supply, and the principle of reasonable and beneficial use, no Party shall be encouraged to  
17 Produce and use more water in any Year than is reasonably required. Failure to Produce all of the  
18 Groundwater to which a Party is entitled shall not, in and of itself, be deemed or constitute an  
19 abandonment of such Party's right, in whole or in part, except as specified in Paragraph 15.

20           **20.9           Intervention After Judgment.** Any Person who is not a Party or  
21 successor to a Party and who proposes to Produce Groundwater from the Basin, to store water in  
22 the Basin, to acquire a Production Right or to otherwise take actions that may affect the Basin's  
23 Groundwater is required to seek to become a Party subject to this Judgment through a noticed  
24 motion to intervene in this Judgment prior to commencing Production. Prior to filing such a  
25 motion, a proposed intervenor shall consult with the Watermaster Engineer and seek the  
26 Watermaster's stipulation to the proposed intervention. A proposed intervenor's failure to consult  
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1 with the Watermaster Engineer may be grounds for denying the intervention motion. Thereafter,  
2 if approved by the Court, such intervenor shall be a Party bound by this Judgment.

3           **20.10           Judgment Binding on Successors, etc.** Subject to specific provisions  
4 hereinbefore contained, this Judgment applies to and is binding upon, and inures to the benefit of  
5 the Parties to this Action and all their respective heirs, successors-in-interest and assigns.

6           **20.11           Costs.** Except subject to any existing court orders, each Party shall bear its  
7 own costs and attorneys fees arising from the Action.

8           **20.12           Headings; Paragraph References.** Captions and headings appearing in  
9 this Judgment are inserted solely as reference aids for ease and convenience; they shall not be  
10 deemed to define or limit the scope or substance of the provisions they introduce, nor shall they  
11 be used in construing the intent or effect of such provisions.

12           **20.13           No Third Party Beneficiaries.** There are no intended third party  
13 beneficiaries of any right or obligation of the Parties.

14           **20.14           Severability.** Except as specifically provided herein, the provisions of this  
15 Judgment are not severable.

16           **20.15           Cooperation; Further Acts.** The Parties shall fully cooperate with one  
17 another, and shall take any additional acts or sign any additional documents as may be necessary,  
18 appropriate or convenient to attain the purposes of this Judgment.

19           **20.16           Exhibits and Other Writings.** Any and all exhibits, documents,  
20 instruments, certificates or other writings attached hereto or required or provided for by this  
21 Judgment, if any, shall be part of this Judgment and shall be considered set forth in full at each  
22 reference thereto in this Judgment.

23  
24           \_\_\_\_\_  
Dated:

\_\_\_\_\_  
JUDGE OF THE SUPERIOR COURT

Judicial Council Coordination  
 Proceeding No. 4408  
 Santa Clara Case No.: 1-05-CV-049053

Producer Name	Pre-Rampdown Production	Overlying Production Rights	Percentage Share of Adjusted Native Safe Yield
60th Street Association Water System	2.16	2.16	0.003%
Adams Bennett Investments, LLC	0.00	0.00	0.000%
Antelope Park Mutual Water Company	208.75	169.89	0.240%
Antelope Valley Joint Union High School District	71.74	41.00	0.058%
Antelope Valley Mobile Estates	19.88	8.75	0.012%
Antelope Valley Water Storage LLC	1772.00	1772.00	2.507%
Aqua-J Mutual Water Company	44.90	44.35	0.063%
AV Solar Ranch 1, LLC	96.00	96.00	0.136%
AVEK	4000.00	3550.00	5.022%
Averydale Mutual Water Company	257.95	254.35	0.360%
Gene Bahlman	5.25	5.00	0.007%
Baxter Mutual Water Company	44.75	35.02	0.050%
Mark W. and Nancy L. Benz	1.00	1.00	0.001%
Big Rock Mutual Water Company	0.00	0.00	0.000%
Bleich Flat Mutual Water Company	33.50	33.50	0.047%
Sheldon R. Blum, Trustee of the 1998 Sheldon R. Blum Family Trust	50.00	50.00	0.071%
Bolthouse Properties LLC	16805.89	9945.00	14.069%
Thomas and Julie Bookman 2007 Trust	272.50	136.00	0.192%
James and Elizabeth Bridwell	1.00	1.00	0.001%
Brittner Trust, Glen Brittner, Trustee	4.00	4.00	0.006%
Burrows/300 A40 H LLC	295.00	295.00	0.417%
John A. Calandri; Calandri Water Company, LLC; John A. Calandri and Shannon C. Calandri as cotrustees of "The John and Shannon Calandri 1992 Trust"; Katherine J. Calandri Nelson, Trustee of "The Katherine J. Calandri Nelson 2008 Trust"	3803.00	1776.00	2.512%
Sal and Connie Cardile	1.00	1.00	0.001%
Irma Ann Carle Trust, Irma-Anne Carle, Trustee	1.00	1.00	0.001%
Effren Chavez	44.00	44.00	0.062%
C. Louise R. Close Living Trust	1.00	1.00	0.001%
Colorado Mutual Water Co.	25.90	25.54	0.036%
Copa De Oro Land Company	325.00	325.00	0.460%
County Sanitation Districts of Los Angeles #14 and 20	8000.00	3400.00	4.810%
Del Sur Ranch LLC	600.00	600.00	0.849%
Diamond Farming Co. LLC/Crystal Organic LLC/Grimmway/Lapis	3354.00	1986.00	2.810%
Randall and Billie Dickey	1.00	1.00	0.001%
El Dorado Mutual Water Company	276.05	272.16	0.385%
eSolar Inc.; Red Dawn Suntower LLC	150.00	150.00	0.212%
eSolar, Inc.; Sierra Sun Tower, LLC	5.76	3.00	0.004%
eSolar Inc.; Tumbleweed Suntower LLC	0.00	0.00	0.000%
Lawrence Dean Evans, Jr. and Susan Evans	1.00	1.00	0.001%

Judicial Council Coordination  
 Proceeding No. 4408  
 Santa Clara Case No.: 1-05-CV-049053

Producer Name	Pre-Rampdown Production	Overlying Production Rights	Percentage Share of Adjusted Native Safe Yield
Evergreen Mutual Water Company	69.50	68.54	0.097%
Ruth C. Findley	1.00	1.00	0.001%
First Mutual Water Company	15.62	5.25	0.007%
Leah Frankenberg	1.00	1.00	0.001%
Denise Godde, Steven F. Godde, Pamela M. Godde and Gary M. Godde; Denise Godde and Steven Godde as Trustees of the D & S Godde Trust	1461.50	683.00	0.966%
Gorrindo Resourceful LLC	629.00	629.00	0.890%
Granite Construction Company (Big Rock Facility)	126.00	126.00	0.178%
Granite Construction Company (Little Rock Sand and Gravel, Inc.)	400.00	234.00	0.331%
LAURA GRIFFIN, trustee of the FAMILY BYPASS TRUST created under the LEONARD W. GRIFFIN AND LAURA GRIFFIN TRUST, dated July 9, 1993	1170.00	668.00	0.945%
H & N Development Co. West Inc.	1799.75	808.00	1.143%
Jane Healy and Healy Enterprises Inc.	700.00	700.00	0.990%
Gailen W. Kyle and Julie Kyle, Trustees of The Kyle Revocable Living Trust	9275.00	3670.00	5.192%
Land Projects Mutual Water Co.	622.50	613.54	0.868%
Landale Mutual Water Co.	157.75	155.57	0.220%
Landinv Inc	2000.00	969.00	1.371%
Lands of Promise Mutual Water Company	64.61	21.69	0.031%
G. Lane Family (Frank and Yvonne Lane 1993 Family Trust, Little Rock Sand and Gravel, Inc., George and Charlene Lane Family Trust) [Does not include water pumped on land leased to Granite Construction]	1402.00	773.00	1.094%
James M. Leer, III and Diana Leer	1.00	1.00	0.001%
Littlerock Aggregate Co., Inc., Holliday Rock Co., Inc.	405.00	151.00	0.214%
Llano Del Rio Water Company	572.65	279.00	0.395%
Llano Mutual Water Company	0.00	0.00	0.000%
City of Los Angeles, Department of Airports	7851.00	3975.00	5.623%
Jose M. Maritorea & Marie P. Maritorea, Trustees of the Maritorea Living Trust Dated March 16, 1993	3800.55	1775.00	2.511%
Dennis M. and Diane K. McWilliams	1.00	1.00	0.001%
Richard Miner	1089.40	999.00	1.413%
Miracle Improvement Corporation dba Golden Sands Mobile Home Park dba Golden Sands Trailer Park	45.40	27.00	0.038%
Barry and Sharon Munz 2014 Revocable Trust, Terry A. & Kathleen M. Munz	5.00	5.00	0.007%
Eugene B. Nebeker	4016.00	1775.00	2.511%

**Judicial Council Coordination  
 Proceeding No. 4408  
 Santa Clara Case No.: 1-05-CV-049053**

<b>Producer Name</b>	<b>Pre-Rampdown Production</b>	<b>Overlying Production Rights</b>	<b>Percentage Share of Adjusted Native Safe Yield</b>
Richard Nelson, Willow Springs Co.	180.65	135.00	0.191%
Northrop Grumman Systems Corporation	2.00	2.00	0.003%
NRG Solar Alpine, LLC	64.21	38.00	0.054%
R AND M RANCH, INC.	1458.00	686.00	0.970%
John and Adrienne Reza	501.45	251.00	0.355%
Suzanne J. Richter	1.00	1.00	0.001%
Rosamond High School	586.40	202.23	0.286%
Rosamond Ranch, LP	598.00	598.00	0.846%
Rose Villa Apartments	22.72	7.62	0.011%
Sahara Nursery and Farm	22.18	22.00	0.031%
Saint Andrew's Abbey, Inc.	175.00	102.00	0.144%
Lawrence J. Schilling and Mary P. Schilling, Trustees of the L&M Schilling 1992 Family Trust	4.00	4.00	0.006%
Lilia Mabel Selak, TTEE; Barbara Aznarez Decd Trust and Selak, Mabel Trust	150.00	150.00	0.212%
Service Rock Products, L.P.	503.00	267.00	0.378%
SGS Antelope Valley Development, LLC	57.00	57.00	0.081%
Shadow Acres Mutual Water Company	52.60	51.74	0.073%
Sheep Creek Water Co.	0.00	0.00	0.000%
Jeffrey and Nancee Siebert	200.00	106.00	0.150%
Sonrise Ranch, LLC	662.00	0.00	0.000%
Southern California Edison Company	17.75	8.00	0.011%
Sundale Mutual Water Company	472.23	472.23	0.668%
Sunnyside Farms Mutual Water Company, Inc.	75.40	74.26	0.105%
Tejon Ranchcorp and Tejon Ranch Co.	3414.00	1634.00	2.312%
Tierra Bonita Mutual Water Company	40.75	40.32	0.057%
Tierra Bonita Ranch	505.00	430.00	0.608%
Triple M Property Co.	15.00	15.00	0.021%
Turk Trust dated December 16, 1998	1.00	1.00	0.001%
Marie A. Unini and Robert J. LeClair	1.00	1.00	0.001%
U.S. Borax	1905.00	1905.00	2.695%
Craig Van Dam, Marta Van Dam, Nick Van Dam, Janet Van Dam	1037.00	640.00	0.905%
Gary Van Dam, Gertrude Van Dam, Delmar Van Dam, Delmar D. Van Dam and Gertrude J. Van Dam, as Trustees of the Delmar D. and Gertrude J. Van Dam Family Trust – 1996, Craig Van Dam, Marta Van Dam, High Desert Dairy Partnership, High Desert Dairy	9931.50	3215.00	4.548%
Vulcan Materials Co., Vulcan Lands Inc., Consolidated Rock Products Co., Calmat Land Co., and allied Concrete & Materials	519.10	260.00	0.368%
WAGAS Land Company LLC	984.15	580.00	0.821%
WDS California II, LLC	2397.00	1159.00	1.640%
Michael and Dolores A. Weatherbie	1.00	1.00	0.001%

Judicial Council Coordination  
 Proceeding No. 4408  
 Santa Clara Case No.: 1-05-CV-049053

Producer Name	Pre-Rampdown Production	Overlying Production Rights	Percentage Share of Adjusted Native Safe Yield
West Side Park Mutual Water Co.	280.75	276.86	0.392%
White Fence Farms Mutual Water Co.	783.05	772.13	1.092%
Donna Wilson	10.00	7.00	0.010%
William Fisher Memorial Water Company	4.53	4.53	0.006%
<b>Totals</b>	<b>105878.08</b>	<b>58322.23</b>	



**EXHIBIT “27”**

**EXHIBIT “27”**

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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES – CENTRAL DISTRICT

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.  
BC 325201;

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

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, Case Nos. RIC 353 840,  
RIC 344 436, RIC 344 668

RICHARD WOOD, on behalf of himself and  
all other similarly situated v. A.V. Materials,  
Inc., et al., Superior Court of California,  
County of Los Angeles, Case No. BC509546

Judicial Council Coordination Proceeding  
No. 4408

CLASS ACTION

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

**STATEMENT OF DECISION**

1           The Court; having considered the evidence and arguments of counsel, orally issued its  
2 tentative decision on November 4, 2015 upon the conclusion of trial. For the reasons described in  
3 further detail below, the Court now issues its Statement of Decision and hereby affirms and  
4 confirms its previous statements of decision from earlier trial phases.

5 **I.     INTRODUCTION**

6           Cross-complainants Los Angeles County Waterworks District No. 40, Palmdale Water  
7 District, Littlerock Creek Irrigation District, Palm Ranch Irrigation District, Quartz Hill Water  
8 District, California Water Service Company, Rosamond Community Services District, Desert  
9 Lake Community Services District, North Edwards Water District, City of Palmdale and City of  
10 Lancaster (collectively, the “Public Water Suppliers”) brought an action for, *inter alia*,  
11 declaratory relief, alleging that the Antelope Valley Adjudication Area groundwater aquifer  
12 (“Basin”) was and is in a state of overdraft and requires a judicial intervention to provide for  
13 water resource management within the Basin to prevent depletion of the aquifer and damage to  
14 the Basin. They also seek a comprehensive adjudication of Basin groundwater rights for the  
15 physical solution.

16           West Valley County Water District and Boron Community Services District are also  
17 Public Water Suppliers but not cross-complainants.

18           Cross-defendants include the United States, numerous private landowners (collectively,  
19 “Landowner Parties”), numerous public landowners (“Public Overliers”), Small Pumper Class,  
20 other public water suppliers, and Phelan Piñon Hills Community Services District (“Phelan”).  
21 Small Pumper Class and Willis Class filed actions to adjudicate their respective groundwater  
22 rights. All actions were coordinated and consolidated for all purposes.

23           The Court divided trial into phases. The first and second phases concerned the Basin  
24 boundaries and the hydrogeological connectivity of certain areas within the Basin, respectively.  
25 The third phase of trial determined that (1) the Basin was and has been in a state of overdraft  
26 since at least 1951; and (2) that the total safe yield of the Basin is 110,000 acre feet per year  
27 (“AFY”). The Court finds that the Basin’s safe yield consists of 82,300 AFY of native or natural  
28 yield and the remaining yield results from the augmentation of the Basin by parties’ use of

1 imported supplemental water supplies, i.e., State Water Project water for urban, agricultural and  
2 other reasonable and beneficial uses. The fourth phase of trial determined parties' groundwater  
3 pumping for calendar years 2011 and 2012.

4 The fifth and sixth phases of trial included substantial evidence of the federal reserved  
5 right held by the United States, evidence concerning Phelan's claimed groundwater rights, and  
6 concluded with the Court's comprehensive adjudication of all parties' respective groundwater  
7 rights in the Basin with a resulting physical solution to the Basin's chronic overdraft conditions.

8 This Statement of Decision contains the Court's findings as to the comprehensive  
9 adjudication of all groundwater rights in the Basin including the groundwater rights of the United  
10 States, Public Water Suppliers, Landowner Parties, Public Overliers, Small Pumper Class, Willis  
11 Class, Phelan, Tapia Parties, defaulted parties, and parties who did not appear at trial. After  
12 consideration as to all parties' respective groundwater rights and in recognition of those rights,  
13 the Court approves the stipulation and physical solution presented as the [Proposed] Judgment  
14 and Physical Solution (hereafter, "Judgment and Physical Solution" or "Physical Solution") in the  
15 final phase of trial and adopts it as the Court's own physical solution.

16 **II. THESE COORDINATED AND CONSOLIDATED CASES ARE A**  
17 **COMPREHENSIVE ADJUDICATION OF THE BASIN'S GROUNDWATER**  
18 **RIGHTS**

19 The Court finds that these coordinated and consolidated cases are a comprehensive  
20 adjudication of the Basin's groundwater rights under the McCarran Amendment (43 U.S.C. §666)  
21 and California law. In order to effect jurisdiction over the United States under the McCarran  
22 Amendment, a comprehensive or general adjudication must involve all claims to water from a  
23 given source. (*Dugan v. Rank* (1963) 372 U.S. 609, 618-19; *Miller v. Jennings* (5th Cir. 1957)  
24 243 F.2d 157, 159; *In re Snake River Basin Water System* (1988) 764 P.2d 78, 83.)

1 Here, all potential claimants to Basin groundwater have been joined. They have been  
2 provided notice and an opportunity to be heard regarding their respective claims.

3 **III. THE UNITED STATES HAS A FEDERAL RESERVED WATER RIGHT TO**  
4 **BASIN GROUNDWATER**

5 The Judgment and Physical Solution provide the United States with a Federal Reserved  
6 Water Right of 7,600 AFY from the native safe yield for use for military purposes at Edwards Air  
7 Force Base and Air Force Plant 42 (collectively, "Federal Lands.") The Federal Lands consist of  
8 a combination of lands reserved from the public domain and acquired by transfer from public or  
9 private sources. In the fifth phase of trial, the Court heard extensive evidence presented by the  
10 United States as to its claimed rights to the Basin's groundwater. The Court finds such evidence  
11 to be both substantial and credible and determines that the evidence presented is sufficient to  
12 support that part of the Judgment and Physical Solution related to the United States' Federal  
13 Reserved Water Right, including the allocation of 7600 AFY.

14 The federal reserved water rights doctrine provides that when the federal government  
15 dedicates its lands for a particular purpose, it also reserves by implication, sufficient water  
16 necessary to accomplish the purposes for which the land was reserved. (*See, United States v. New*  
17 *Mexico* (1978) 438 U.S. 696; 715; *Cappaert v. United States* (1976) 426 U.S. 128, 138; *Arizona*  
18 *v. California* (1963) 373 U.S. 546, 601; *Winters v. United States* (1908) 207 U.S. 564; *United*  
19 *States v. Anderson* (9th Cir. 1984) 736 F.2d 1358.) The Federal Lands within the Basin are  
20 dedicated to a military purpose, and that purpose by necessity requires water. Relevant to this  
21 adjudication, the federal reserved water rights doctrine may apply to groundwater. (*In re the*  
22 *General Adjudication of all Rights to Use Water in the Gila River Sys. and Source* (1999) 989  
23 P.2d 739, 748.)

24 The evidence at trial established that the water use on the Federal Lands is necessary to  
25 support the military purpose including water used for ancillary and supportive municipal,  
26 industrial and domestic purposes. Further, water reserved for federal enclaves is intended to  
27 satisfy the present and future water needs of the reservation. (*Arizona v California, supra*, 373  
28 U.S. at p. 600.) The future water needs on the Federal Lands was supported by evidence and

1 expert witness testimony presented at trial that persuasively established the unique attributes of  
2 the Federal Lands, their capacity for additional missions, and the trends within the Air Force and  
3 military that make the Federal Lands a likely candidate for potential expansion of the mission.  
4 The evidence presented at the fifth phase of trial was sufficient to establish facts necessary to  
5 support that part of the Judgment and Physical Solution related to the recognition and  
6 quantification of the United States' Federal Reserved Water Right.

7 **IV. CROSS-COMPLAINANT PUBLIC WATER SUPPLIERS HAVE PRESCRIPTIVE**  
8 **RIGHTS**

9 Cross-complainant Public Water Suppliers sought an award of prescriptive rights against  
10 the Tapia parties, defaulted parties, and parties who did not appear at trial. As explained below,  
11 the Court finds that those Public Water Suppliers have established the requisite elements for their  
12 respective prescriptive rights claims against these parties.

13 **A. Evidence of Adverse Use (Overdraft)**

14 “A prescriptive right in groundwater requires proof of the same elements required to prove  
15 a prescriptive right in any other type of property: a continuous five years of use that is actual,  
16 open and notorious, hostile and adverse to the original owner, and under claim of right. (*City of*  
17 *Santa Maria v. Adam* (2012) 211 Cal.App.4th 266 (*Santa Maria*) citing *California Water Service*  
18 *Co. v. Edward Sidebotham & Son* (1964) 224 Cal.App.2d 715, 726 (*California Water Service*)).)

19 Because appropriators are entitled to the portion of the safe yield that is surplus to the  
20 reasonable and beneficial uses of overlying landowners, “[t]he commencement of overdraft  
21 provides the element of adversity which makes the first party's taking an invasion constituting a  
22 basis for injunctive relief to the other party.” (*Santa Maria, supra*, 211 Cal.App.4th at p. 291  
23 quoting *City of Los Angeles v. City of San Fernando* (1975) 14 Cal.3d 199, 282 (*San Fernando*)).  
24 “The adversity element is satisfied by pumping whenever extractions exceed the safe yield.”  
25 (*Santa Maria, supra*, 211 Cal.App.4th at p. 292; see also *San Fernando, supra*, 14 Cal.3d at 278  
26 and 282; *City of Pasadena v. City of Alhambra* (1949) 33 Cal.2d 903, 928-929 (*Pasadena*)).  
27 This is because “appropriations of water in excess of surplus then invade senior basin rights,  
28 creating the element of adversity against those rights prerequisite to their owners' becoming

1 entitled to an injunction and thus to the running of any prescriptive period against them.” (*San*  
2 *Fernando, supra*, 14 Cal.3d at p. 278 citing *Pasadena, supra*, 33 Cal.2d at pp. 928-29].)

3 Undisputed evidence was submitted that the Cross-Complainant Public Water Suppliers’  
4 production of water from the Basin has been hostile and adverse to the Tapia parties, defaulted  
5 parties, and parties who did not appear at trial. Each Cross-Complainant Public Water Supplier  
6 has pumped water from the Basin for at least five continuous years while the Basin was in  
7 overdraft.

8 In the third phase of trial, the court took evidence on the physical manifestations of  
9 overdraft and, finding substantial evidence thereof, concluded that there was Basin-wide  
10 overdraft. The Court found that the overdraft conditions commenced by at least 1951 and  
11 continue to the present. During this entire period, there was no groundwater surplus, temporary  
12 or otherwise.<sup>1</sup>

13 The evidence of historical overdraft—years when pumping exceeded the safe yield—is  
14 credible, substantial and sufficient. There was voluminous evidence, both documentary and  
15 testimonial, showing that extractions substantially exceeded the safe yield since at least the  
16 1950’s. By the beginning of this century, the cumulative deficit was in the millions of acre-feet.

17 Here, the adversity element of prescription is satisfied by the various Cross-Complainant  
18 Public Water Suppliers pumping groundwater when extractions exceeded the safe yield beginning  
19 in the 1950’s and continuing to the present time. The Court finds that the evidence of Cross-  
20 Complainant Public Water Supplier groundwater production in the Basin to be credible,  
21 substantial and undisputed.

22 **B. Evidence of Notice**

23 “To perfect a prescriptive right the adverse use must be ‘open and notorious’ and ‘under  
24 claim of right,’ which means that both the prior owner and the claimant must know that the  
25 adverse use is occurring. In the groundwater context that requires evidence from which the court  
26

27 <sup>1</sup> There was no evidence of a temporary surplus condition. Overdraft commences when  
28 groundwater extractions exceed the safe yield plus the volume of a temporary surplus. (*San*  
*Fernando, supra*, 14 Cal.3d at 280.)

1 may fix the time at which the parties ‘should reasonably be deemed to have received notice of the  
2 commencement of overdraft.’” (*Santa Maria, supra*, 211 Cal.App.4th at p. 293 citing *San*  
3 *Fernando, supra*, 14 Cal.3d at 283.) That can sometimes be difficult to prove. (*Santa Maria,*  
4 *supra*, 211 Cal.App.4th at p. 291.) But that was not the case here.

5 The Court finds that the long-term, severe water shortage in the Basin was sufficient to  
6 satisfy the element of notice to the Tapia parties, defaulted parties, and parties who did not appear  
7 at trial. The Court finds that there is credible evidence that the Basin’s chronically depleted water  
8 levels within the Basin, and resulting land subsidence, were themselves well known. (See *Santa*  
9 *Maria, supra*, 211 Cal.App.4th at p. 293 [“In this case, however, the long-term, severe water  
10 shortage itself was enough to satisfy the element of notice.”]) Undisputed evidence of notice was  
11 presented including the long-standing and widespread chronic overdraft; the decline and  
12 fluctuation in the water levels in the Basin aquifer; the resulting actions of state and local political  
13 leaders; the public notoriety surrounding the need and the construction of the State Water Project;  
14 the subsequent formation of the Antelope Valley East Kern Water Agency (“AVEK”); land  
15 subsidence in portions of the Basin; the loss of irrigated agricultural lands as groundwater  
16 conditions worsened; decades of published governmental reports on the chronic overdraft  
17 conditions including land subsidence; operational problems at Edwards Air Force Base due to  
18 land subsidence; and decades of extensive press accounts of the chronic overdraft conditions.

19 The Court heard credible expert witness testimony from Dr. Douglas Littlefield, a  
20 recognized water rights historian. His opinion was supported by substantial documentary  
21 evidence of the widespread information on overdraft conditions throughout the Basin since at  
22 least 1945. Of particular note, the Los Angeles County Board of Supervisors enacted an  
23 ordinance declaring the Antelope Valley groundwater basin to be in a state of overdraft in 1945.

24 The Court finds that there was abundant and continual evidence of actual and constructive  
25 notice of the overdraft conditions going back to at least 1945. The numerous governmental  
26 reports and newspaper accounts admitted into evidence are not hearsay because they are not  
27 admissible for the truth of their contents. (Evid. Code, § 1200.) “The truth of the contents of the  
28 documents, i.e., the truth of the assertion that the Basin was in overdraft, is not the point. Other



1 evidence proved that. The documents were offered to prove that the statements contained within  
2 them were made. That is not hearsay but is original evidence.” (*Santa Maria, supra*, 211  
3 Cal.App.4th at p. 294 citing *Jazayeri v. Mao* (2009) 174 Cal.App.4th 301, 316.)

4 Here, the documents are evidence that public statements were made and actions taken by  
5 local, state, and federal officials, demonstrating concern about depletion of the Basin's  
6 groundwater supply. The notice evidence is substantial, credible and sufficient that the chronic  
7 overdraft conditions were obvious to the Tapia parties, defaulted parties, and parties who did not  
8 appear at trial. At the local level, AVEK was formed in the 1960's specifically to -bring State  
9 Water Project water into the Basin as a response to persistent groundwater shortage problems.  
10 These facts are sufficient to support the conclusion that the Tapia parties, defaulted parties, and  
11 parties who did not appear at trial were on notice that the Basin was in overdraft.

12 **C. Continuous 5 Years Use**

13 Any continuous five-year adverse use period is sufficient to vest title in the adverse user,  
14 even if the period does not immediately precede the filing of a complaint to establish the right.  
15 (*Santa Maria, supra*, 211 Cal.App.4th at p. 266 [rejecting argument that prescription claim based  
16 on actions taken over 30 years ago should be barred by laches]; *see Pasadena, supra*, 33 Cal.2d at  
17 pp. 930-33 [upholding trial court's determination that a prescriptive right vested even though  
18 pumping failed to meet the adversity requirement during two of the three years immediately  
19 preceding the filing of the action]; *Lee v. Pacific Gas & Elec. Co.* (1936) 7 Cal.2d 114, 120.)

20 As to the prescriptive rights claims by each of the Cross-Complainant Public Water  
21 Suppliers, the Court concludes that they have the burden of proof. The Court finds that the Public  
22 Water Suppliers have met the burden of proof by undisputed evidence as to their following  
23 prescriptive rights against the Tapia parties, defaulted parties, and parties who did not appear at  
24 trial:

Public Water Supplier	Prescriptive Amount (AF)	Prescriptive Period
Los Angeles County Waterworks District No. 40	17,659.07	1995-1999
Palmdale Water District	8,297.91	2000-2004
Littlerock Creek Irrigation District	1,760	1996-2000
Quartz Hill Water District	1,413	1999-2003
Rosamond Community Services District	1,461.7	2000-2004
Palm Ranch Irrigation District	960	1973-1977
Desert Lake Community Services District	318	1973-1977
California Water Service Company	655	1998- 2002
North Edwards Water District	111.67	2000-2004

The above prescriptive amounts were established by evidence of each Public Water Supplier's respective groundwater production. Specifically, a five-year period with the lowest single year amount was used as the prescriptive right for each respective party's five-year period shown above.

The total prescriptive amount is greater than the amount of native water allocated to the Cross-Complainant Public Water Suppliers in the Judgment and Physical Solution. The Court finds that the amount of water allocated to the Cross-Complainant Public Water Suppliers is appropriate and reasonable, and does not unreasonably burden the groundwater rights of other parties. Additionally, West Valley County Water District and Boron Community Services District also pumped groundwater in quantities greater than their respective allocated amounts in the Judgment and Physical Solution, and their allocations are fair and reasonable in light of their

1 historical and existing reasonable and beneficial uses, and the significant and material reductions  
2 thereto required by the Physical Solution.

3 V. **PHELAN DOES NOT HAVE AN APPROPRIATIVE RIGHT AND**  
4 **VOLUNTARILY DISMISSED ITS PRESCRIPTIVE RIGHT CLAIM**

5 Phelan is also a public water supplier but it waived its prescriptive rights claim. Phelan  
6 seeks a court-adjudicated right to pump groundwater from the Basin for use outside of the  
7 Adjudication Area. For the reasons that follow, Phelan has no appropriative or any other right to  
8 Basin groundwater.

9 Phelan's service area falls entirely within San Bernardino County and outside the  
10 Adjudication Area. Phelan has one well within the Adjudication Area and several wells outside  
11 the Adjudication Area. Phelan uses that well water to provide public water supply to Phelan  
12 customers outside the Adjudication Area and within the adjacent Mojave Adjudication Area. In  
13 this Court's Partial Statement of Decision for Trial Related to Phelan, the Court found that  
14 "Phelan Piñon Hills does not have water rights to pump groundwater and export it from the  
15 Adjudication Area or to an area for use other than on its property where Well 14 is located within  
16 the adjudication area." (*Id.* at 6:19-21.) The Court makes this finding based on the following  
17 facts: Phelan owns land in the Adjudication Area but the water pumped from the well is provided  
18 to customers outside of the Adjudication Area (*Id.* at 7:3-6); the Basin has been in a state of  
19 overdraft with no surplus water available for pumping for the entire duration of Phelan's pumping  
20 (i.e., since at least 2005) (*Id.* at 4:9, 8:3-8); and the entire Basin, including the Butte sub-basin  
21 where Phelan pumps, is hydrologically connected as a single aquifer. (*Id.* at 8:2-3, 16-22).

22 The Court further finds that Phelan's pumping of groundwater from the Basin negatively  
23 impacts the Butte sub-basin. Phelan's expert witness, Mr. Tom Harder, testified that Phelan's  
24 groundwater pumping deprives the Basin of natural recharge that would otherwise flow into the  
25 Basin by taking water from the Adjudication Area for use within the Mojave Adjudication Area.

26 The Court finds that Phelan does not have return flow rights to groundwater in the Basin  
27 because any right to return flow is limited to return flows from imported water and Phelan has  
28 never imported water to the Basin (*Id.* at 9:3-10:6.); any groundwater flows generated from native

1 water pumped by Phelan are intercepted by three groundwater wells operated by Phelan just  
2 outside of the Adjudication Area; and the remaining flows that enter the Basin “merely ‘lessen the  
3 diminution occasioned’ by Phelan’s extraction and do not augment the [Basin’s] groundwater  
4 supply.” (*Id.* at 10:7-11, 15-17, 23-25.)

5 In summary, Phelan claims an appropriative right to pump groundwater from the Basin.  
6 The Court has found that there has been overdraft from the 1950’s to the present time and there is  
7 no surplus available for the acquisition or enlargement of appropriative rights by Phelan. Its  
8 appropriations of Basin groundwater invade other parties’ Basin rights. Phelan voluntarily  
9 dismissed its prescriptive rights claim and thus has no right to pump groundwater from the Basin  
10 except under the terms of the Court-approved Physical Solution herein.

11 **VI. STIPULATING LANDOWNER PARTIES AND PUBLIC OVERLIERS HAVE**  
12 **ESTABLISHED THEIR OVERLYING RIGHTS TO THE BASIN’S NATIVE SAFE**  
13 **YIELD**

14 Each stipulating Landowner Party and Public Overlier claims an overlying right to the  
15 Basin’s groundwater. They have proven their respective land ownership or other appropriate  
16 interest in the Basin and reasonable use and established their overlying right. (*Santa Maria*,  
17 *supra*, 211 Cal.App.4th at p. 298 citing *California Water Service, supra*, 224 Cal.App.2d at p.  
18 725; *Tulare Irrigation Dist. v. Lindsay-Strathmore Irrigation Dist.* (1935) 3 Cal.2d 489, 524-525  
19 (“*Tulare*”) [a trial court must determine whether overlying owners “considering all the needs of  
20 those in the particular water field, are putting the waters to any reasonable beneficial uses, giving  
21 consideration to all factors involved, including reasonable methods of use and reasonable  
22 methods of diversion”].)

23 As explained below regarding the Physical Solution herein, the Court finds that it is  
24 necessary to allocate the Basin’s native safe yield to protect the Basin for all existing and future  
25 users. The Court received evidence of each stipulating Landowner Party’s, each Public Overlier’s  
26 and the Small Pumper Class’s reasonable and beneficial use of Basin groundwater. “E]vidence of  
27 the quantity of a landowner's reasonable and beneficial use is necessary in many cases. . . . For  
28 example, when it is alleged that the water supply is insufficient to satisfy all users the court must

1 determine the quantity needed by those with overlying rights in order to determine whether there  
2 is any surplus available for appropriation.” (*Santa Maria, supra*, 211 Cal.App.4th at p. 298 citing  
3 *Tulare, supra*, 3 Cal.2d at p. 525.) “And it stands to reason that when there is a shortage, the  
4 court must determine how much each of the overlying owners is using *in order to fairly allocate*  
5 *the available supply among them.*” (*Santa Maria, supra*, 211 Cal.App.4th at p. 298 [emphasis  
6 added].)

7 Here, the Court heard evidence from four water engineers in the sixth phase of trial  
8 regarding the stipulating Landowner Parties and Public Overliers’ reasonable and beneficial uses  
9 of water. Based on their credible and undisputed expert witness testimony, and substantial  
10 evidence in the fourth and sixth phases of trial, the Court finds that each stipulating Landowner  
11 Party and each Public Overlier has reasonably and beneficially used amounts of water which  
12 collectively exceeded the total native safe yield; and the amounts allocated to each of these parties  
13 under the Judgment and Physical Solution are reasonable and do not exceed the native safe yield.

14 The Court finds that the Landowner Parties and the Public Overliers will be required to  
15 make severe reductions in their current and historical reasonable and beneficial water use under  
16 the physical solution. The evidence further shows that the Basin’s native safe yield alone is  
17 insufficient to meet the reasonable and beneficial uses of all users, so the Court must allocate  
18 quantities for each party’s present use. The Court therefore finds that there is substantial  
19 evidence that all allocations of groundwater in the Physical Solution herein and as stipulated by  
20 the parties will effectively protect the Basin for existing and future users.

21 The Court further finds that the native safe yield allocations amongst the parties in the  
22 Physical Solution make maximum reasonable and beneficial uses of the native safe yield under  
23 the unique facts of this Basin, as required by the California Constitution, Article X, section 2.  
24 The Court finds based on the credible testimony by water engineers Robert Beeby and Robert  
25 Wagner that the Landowner Parties’ and Public Overliers’ allocated amounts are reasonable and  
26 beneficial uses of water, and are significant reductions from their present and historical uses.

27  
28

1 **VII. SUPPORTING LANDOWNER PARTIES – TRIAL STIPULATIONS**

2 On March 4, 2015, a large number of parties representing a majority of the total  
3 groundwater production in the Basin (the “Stipulating Parties”) stipulated to the Proposed  
4 Judgment and Physical Solution, which was subsequently amended on March 25, 2015. Since  
5 March 25, 2015, a limited number of parties not signatory to, but supportive of, the Proposed  
6 Judgment and Physical Solution (a “Supporting Landowner Party” or collectively, “Supporting  
7 Landowner Parties”) asserted claims to produce groundwater from the Basin and executed  
8 separate Trial Stipulations for Admission of Evidence by Non-Stipulating Parties and Waivers of  
9 Procedural and Legal Obligations to Claims by Stipulating Parties Pursuant to Paragraph 5.1.10  
10 of the Judgment and Physical Solution (“Trial Stipulations”) with the Stipulating Parties.

11 Under the Trial Stipulations, Supporting Landowner Parties agreed to reduce production  
12 of groundwater under Paragraph 5.1.10 of the Judgment and Physical Solution to the following  
13 amounts:

- 14 a. Desert Breeze MHP, LLC – 18.1 acre-feet per year;
- 15 b. Milana VII, LLC dba Rosamond Mobile Home Park – 21.7 acre-feet per year;
- 16 c. Reesdale Mutual Water Company – 23 acre-feet per year;
- 17 d. Juanita Eyherabide, Eyherabide Land Co., LLC and Eyherabide Sheep Company.  
18 – 12 acre-feet per year;
- 19 e. Clan Keith Real Estate Investments, LLC. dba Leisure Lake Mobile Estates – 64  
20 acre-feet per year; and
- 21 f. White Fence Farms Mutual Water Co. No. 3 - 4 acre-feet per year.

22 *g. LV Ritter Ranch, LLC - 0 acre-feet per year.* *h. Robar Enterprises, Inc., Hi-Grade Materials, Co., and CTR, a General Partnership -*  
The Supporting Landowner Parties claim overlying rights to the Basin’s groundwater.

23 Each Supporting Landowner Party has proven its respective land ownership or other appropriate  
24 interest in the Basin, and its reasonable and beneficial use, and established its overlying right.

25 (*Santa Maria, supra*, 211 Cal.App.4th at p. 298 citing *California Water Service, supra*, 224  
26 Cal.App.2d at 725; *Tulare, supra*, 3 Cal.2d at p. 524.)

27 Here, the Court heard evidence from the Supporting Landowner Parties in the sixth phase  
28 of trial. Based on the credible and undisputed evidence presented by the Supporting Landowner

*Robar Enterprises, Inc., Hi-Grade Materials, Co., and CTR, a General Partnership - 200 acre-feet per year.*

1 Parties, the Court finds that there is substantial and credible evidence that each Supporting  
2 Landowner Party has reasonably and beneficially used amounts of water. The Court finds that  
3 the Supporting Landowner Parties will be required to make severe reductions in their current and  
4 historical reasonable and beneficial water use under the Trial Stipulations and the Physical  
5 Solution. The Court further finds that there is substantial evidence that all allocations of  
6 groundwater in the Trial Stipulations and the Physical Solution will effectively protect the Basin  
7 for existing and future users.

8 Therefore, based on the evidence submitted by the Supporting Landowner Parties, the  
9 Court approves the Trial Stipulations executed by the Stipulating Parties and the Supporting  
10 Landowner Parties and finds that the production rights agreed to therein are for reasonable and  
11 beneficial uses.

12 **VIII. SMALL PUMPER CLASS SETTLEMENT AGREEMENT IS APPROVED**

13 The Small Pumper Class settlement agreement with the Public Water Suppliers which was  
14 previously approved conditionally by the Court is hereby approved. The Court finds that the  
15 agreement is fair, just, and beneficial to the Small Pumper Class members.

16 The Court finds the testimony by Mr. Thompson, the Court-appointed expert, to be  
17 credible and undisputed regarding Small Pumper Class water use. The Court finds that the  
18 average use of 1.2 AFY per parcel or household is reasonable, and is supported by Mr.  
19 Thompson's report and testimony. Given the variation in Class Member water use for reasonable  
20 and beneficial purposes, the same is true of individual Class Member use of up to 3 AFY. The  
21 Court finds reasonable all other provisions in the proposed Judgment and Physical Solution that  
22 impact or relate to the Small Pumper Class members rights or administration of those rights.

23 **IX. CHARLES TAPIA, AS AN INDIVIDUAL AND AS TRUSTEE OF NELLIE TAPIA**  
24 **FAMILY TRUST**

25 Charles Tapia, as an individual and as trustee of Nellie Tapia Family Trust (collectively,  
26 "Tapia Parties") failed to prove their groundwater use. The Court finds that the evidence and  
27 testimony presented by the Tapia Parties was not credible in any way and that the evidence  
28 presented by Tapia Parties was inherently contradictory. Consequently, the Court cannot make a

1 finding as to what amount of water was used on the Tapia Parties' land for reasonable and  
2 beneficial use. Therefore, the Tapia Parties have failed to establish rights to groundwater  
3 pumping based on the evidence and there is no statutory or equitable basis to give them an  
4 allocation of water under the physical solution. The Tapia Parties will be subject to the  
5 provisions of the Physical Solution.

6 **X. WILLIS CLASS**

7 The Willis Class members are property owners in the Basin who have never exercised  
8 their overlying rights. Because the Willis Class objected to the Physical Solution, it is entitled to  
9 have its rights tried as if there were no stipulated physical solution. (*Pasadena, supra*, 33 Cal.2d  
10 at p. 924 ["Since the stipulation made by the other parties as to the reduction in pumping by each  
11 is not binding upon appellant, it is necessary to determine appellant's rights in relation to the other  
12 producers in the same manner as if there had been no agreement."]; *City of Barstow v. Mojave*  
13 *Water Agency* (2000) 23 Cal.4th 1224, 1251-1252, 1256 (*Mojave*.)

14 In certain situations, as the Willis Class argues, unexercised overlying rights can be  
15 exercised at any time, regardless of whether there has been any previous use. The Willis Class  
16 concedes, however, the Court has authority to reasonably limit or burden the exercise of their  
17 overlying rights. .

18 Here, despite the Willis Class' settlement with the Public Water Suppliers limiting the  
19 impact of the prescriptive right, the Court finds multiple grounds to condition the unexercised  
20 overlying rights of the Willis Class. Because the landowners' reasonable and beneficial use  
21 pumping alone exceeded the native safe yield while public water supplier pumping was taking  
22 place, the unexercised overlying rights of the Willis Class are not entitled to an allocation in the  
23 Physical Solution. If that were not required under these circumstances in this Basin, the Court  
24 finds that the pumping here by Landowner Parties, Public Overliers and the Small Pumper Class  
25 would become legally meaningless because all unexercised overlying rights could eliminate long-  
26 established overlying production.

27 Furthermore, the Willis Class settlement and Notice of Proposed Willis Class Action  
28 Settlement and Settlement Hearing specifically state that the court will make a determination of



1 rights in the physical solution that will bind the Willis Class as part of the physical solution.  
2 (Notice of Proposed Settlement at § 9 [“The Court is required to independently determine the  
3 Basin’s safe yield and other pertinent aspects of the Basin after hearing the relevant evidence, and  
4 the Settling Parties will be bound by the Court’s findings in that regard. In addition, the Parties  
5 will be required to comply with the terms of any Physical Solution that may be imposed by the  
6 Court to protect the Basin, and the Court will not be bound by the Settling Parties’ agreements in  
7 that regard.”].)

8 As explained below concerning the Physical Solution herein, the Court finds that the  
9 Basin requires badly needed certainty through quantifying all pumping rights, including overlying  
10 rights. The Court finds that the Willis Class overlying rights cannot be quantified because they  
11 have no present reasonable beneficial use; their future groundwater needs are speculative;  
12 substantial evidence shows that the Basin’s groundwater supply has been insufficient for decades;  
13 and unexercised overlying rights create an unacceptable measure of uncertainty and risk of harm  
14 to the public including Edwards Air Force Base, existing overlying pumpers and public water  
15 supplier appropriators. This uncertainty and risk unreasonably inhibits critically-needed, long-  
16 range planning and investment that is necessary to solve the overdraft conditions in this Basin.

17 The Court has heard evidence on all parties’ water rights. The Court has considered these  
18 water rights in relation to the reasonable use doctrine in Article X, section 2 of the California  
19 Constitution. The Court finds that the unique aspects of this Basin explained below and its  
20 chronic overdraft conditions prevent the Willis Class from having unrestricted overlying rights to  
21 pump Basin groundwater.

22 The Court also finds an alternative basis for conditioning the Willis Class unexercised  
23 overlying rights in Article X, section 2 of the California Constitution. The Court finds that  
24 because of the circumstances existing in the Basin it would be unreasonable under the  
25 Constitution to allow unexercised overlying rights holders to pump without the conditions  
26 imposed by the Physical Solution. The Legislature has now recognized that unexercised overlying  
27 rights holders may have conditions imposed upon them by a physical solution. (Assemb. Bill  
28 1390, 2014-2015 Reg. Sess., ch.672, Code of Civil Procedure section 830, subdivision (b)(7),

1 [http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab\\_1351-](http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_1351-1400/ab_1390_bill_20151009_chaptered.pdf)  
2 [1400/ab\\_1390\\_bill\\_20151009\\_chaptered.pdf'](http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_1351-1400/ab_1390_bill_20151009_chaptered.pdf) [http://www.leginfo.ca.gov/pub/15-](http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_1351-1400/ab_1390_bill_20151009_chaptered.pdf)  
3 [16/bill/asm/ab\\_1351-1400/ab\\_1390\\_bill\\_20151009\\_chaptered.pdf](http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_1351-1400/ab_1390_bill_20151009_chaptered.pdf).)

4 Here, the Court must impose a physical solution that limits groundwater pumping to the  
5 safe yield, protects the Basin long-term, and is fair and equitable to all parties. The Court's  
6 Physical Solution meets these requirements. It severely reduces groundwater pumping, provides  
7 management structure that will protect the Basin, balances the long-term groundwater supply and  
8 demand, and limits future pumping by management rules that are fair, equitable, necessary and  
9 equally applied to all overlying landowners.

10 The Court also notes that the Willis Class does not presently pump any groundwater and  
11 thus, has no present reasonable and beneficial use of water. The Court finds it would be  
12 unreasonable to require present users to further reduce their already severely reduced water use to  
13 reserve a supply of water for non-users' speculative future use. Here, quantification of overlying  
14 rights is necessary because there is a present need to allocate the native supply. Accordingly, the  
15 Landowner Parties, Public Overliers and Small Pumper Class are entitled to continue their  
16 significantly reduced production of the native or natural safe yield as set forth in the Physical  
17 Solution. (*Santa Maria, supra*, 211 Cal.App.4th at p. 300.)

18 The Court finds that without reasonable conditions upon the exercise of an overlying right  
19 in this overdrafted Basin, the Willis Class members' unrestricted right to exercise of the overlying  
20 right during shortage conditions would make it impossible to manage and resolve the overdraft  
21 conditions under the unique facts of this Basin and "[t]he law never requires impossibilities."  
22 (Civ. Code, § 3531.) The Court therefore finds that the Willis Class members have an overlying  
23 right that is to be exercised in accordance with the Physical Solution herein.

24 **XI. PARTIES WHO FAILED TO APPEAR AT TRIAL**

25 Parties who failed to appear at trial failed to meet their burden to produce evidence of  
26 ownership, reasonable and beneficial use, and self-help. The Court finds that the Public Water  
27 Suppliers have established their prescriptive rights claims as against these parties. They are

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1 bound by the Physical Solution and their overlying rights are subject to the prescriptive rights of  
2 the Public Water Suppliers.

3 **XII. PHYSICAL SOLUTION**

4 **A. Legal Standard**

5 “Physical solution’ is defined as an ‘equitable remedy designed to alleviate overdrafts  
6 and the consequential depletion of water resources in a particular area, consistent with the  
7 constitutional mandate to prevent waste and unreasonable water use and to maximize the  
8 beneficial use of the state's limited resource.’” (*Santa Maria, supra*, 211 Cal.App.4th at pp. 287-  
9 288 quoting *California American Water v. City of Seaside* (2010) 183 Cal.App.4th 471, 480.) A  
10 court may use a physical solution to alleviate an overdraft situation. (*Ibid.*)

11 “[I]f a physical solution be ascertainable, the court has the power to make and should  
12 make reasonable regulations for the use of the water by the respective parties, provided they be  
13 adequate to protect the one having the paramount right in the substantial enjoyment thereof and to  
14 prevent its ultimate destruction, and in this connection the court has the power to and should  
15 reserve unto itself the right to change and modify its orders and decree as occasion may demand,  
16 either on its own motion or on motion of any party.” (*Santa Maria, supra*, 211 Cal.App.4th at p.  
17 288 quoting *Peabody v. City of Vallejo* (1935) 2 Cal.2d 351, 383–384 (*Peabody*)). The California  
18 Supreme Court has encouraged the trial courts “to be creative in devising physical solutions to  
19 complex water problems to ensure a fair result consistent with the constitution's reasonable-use  
20 mandate.” (*Santa Maria, supra*, 211 Cal.App.4th at p. 288 citing *Tulare, supra*, 3 Cal.2d at 574.)

21 “So long as there is an ‘actual controversy,’ the trial court has the power to enter a  
22 judgment declaring the rights of the parties (Code Civ. Proc., § 1060) and to impose a physical  
23 solution where appropriate (*City of Lodi v. East Bay Mun. Dist.* (1936) 7 Cal.2d 316, 341  
24 (“*Lodi*”). ‘Each case must turn on its own facts, and the power of the court extends to working  
25 out a fair and just solution, if one can be worked out, of those facts.’ (*Rancho Santa Margarita v.*  
26 *Vail* (1938) 11 Cal.2d 501, 560–561 (“*Vail*”).) . . . [T]he court not only has the power but the  
27 duty to fashion a solution to insure the reasonable and beneficial use of the state's water resources  
28 as required by article X, section 2. (*Lodi, supra*, at 341.) The only restriction is that, absent the

1 party's consent, a physical solution may not adversely affect that party's existing water rights.  
2 (Cf. *Mojave*, *supra*, 23 Cal.4th at pp. 1243–1244, 1250–1251.) (*Santa Maria*, *supra*, 211  
3 Cal.App.4th at p. 288.) Pursuant to this duty a trial court is obliged to consider a physical  
4 solution “when it can be done without substantial damage to the existing rights of others.”  
5 (*Peabody*, *supra*, 2 Cal.2d at p. 373.)

6 A trial court has broad authority to use its equitable powers to fashion a physical solution.  
7 (*Mojave*, *supra*, 23 Cal.4th at p. 1249; *Santa Maria*, *supra*, 211 Cal.App.4th at p. 288 [“Each case  
8 must turn on its own facts, and the power of the court extends to working out a fair and just  
9 solution”] [quoting *Vail*, *supra*, 11 Cal.2d at pp 560-61].) The physical solution, however, must  
10 carry out the mandates of Article X, Section 2 of the California Constitution, including the  
11 mandate that the state’s water resources be put to “beneficial use to *the fullest extent of which they*  
12 *are capable.*” (*Lodi*, *supra*, 7 Cal.2d at p. 340 [emphasis added] quoting Cal.Const., art. XIV, §  
13 3.) In addition, while a physical solution may permit the modification of existing water uses  
14 practices, it may not allow waste. (*Pasadena*, *supra*, 33 Cal.2d at pp. 948-949 [Physical solution  
15 should “avoid [] waste, ... at the same time not unreasonably and adversely affect the prior  
16 appropriator's vested property right.”] [emphasis added in original]; *Lodi*, *supra*, 7 Cal.2d at 341  
17 [“Although the prior appropriator may be required to make minor changes in its method of  
18 appropriation in order to render available water for subsequent appropriators, it cannot be  
19 compelled to make major changes or to incur substantial expense.”] citing *Peabody*, *supra*, 2  
20 Cal.2d at p. 376.)

21 Here, the Court finds that because the Basin is and has been so severely overdrafted and  
22 contains so much undeveloped land that existing pumping must be limited and constraints on new  
23 pumping are required in the Physical Solution to protect the Basin, Edwards AFB and the public  
24 at large. Accordingly, the Court finds that water allocations and reasonable conditions on new  
25 pumping are required in the Physical Solution.

26 Factors that weigh into the reasonableness of water allocations in a physical solution  
27 include actual use (*Tulare*, *supra*, 3 Cal.2d at 565), whether use has been reasonable and  
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1 beneficial (*id.* at 526); and the effect of the use on the basin and overall water supply. (*Lodi,*  
2 *supra*, 7 Cal.2d at pp. 344-345.)

3 **B. A Physical Solution Is Required Now**

4 The Court finds that a physical solution with an allocation of water rights is required now.  
5 The Basin has been in a state of overdraft since at least 1951. (Statement of Decision Phase  
6 Three Trial, pp. 5:17-6:28 (“Phase 3 Decision”); Partial Statement of Decision for Trial Related  
7 to Phelan Piñon Hills Community Services District (2nd and 6th Causes of Action), p. 4, fn. 1.)  
8 In the phase three trial, the Court determined that the Basin has a safe yield of 110,000 AFY,  
9 consisting of a native safe yield of 82,300 AFY and return flows. (Phase 3 Decision at 9:27-28;  
10 see also Supplemental Request for Judicial Notice, posted on the Court’s website on January 24,  
11 2014 (“Supplemental RJN”), Ex. II, at 30:8-31:4.). The Court finds that groundwater production  
12 has exceeded this native and total safe yield and continues to exceed this safe yield causing harm  
13 to the Basin. (Phase 3 Decision at 6:18-27, 7:24-26.)

14 **C. The Physical Solution Is Unique Because Each Basin Is Unique**

15 The Court finds that there are facts which necessarily make the Physical Solution here  
16 unique and different from any other groundwater basin’s physical solution.

17 The Basin encompasses more than 1,000 square miles of desert land. It is one of the driest  
18 locations in California. The Basin is mostly recharged by nearby mountain front runoff as well as  
19 lesser amounts of recharge from use of State Water Project water. While drought conditions  
20 impact California, they are particularly harmful to the Basin because it has limited surface stream  
21 supplies, and no coastal desalination facilities or other significant natural sources of supply  
22 (except for mountain front recharge).

23 The largest landowner is the United States which operates Edwards Air Force Base  
24 (“Edwards AFB”) and other facilities in the Antelope Valley such as the “Plant 42” site. The  
25 federal facilities including Edwards AFB provide strategic national defense and aerospace  
26 capabilities and are critical to the local economy including the cities of Palmdale and Lancaster.  
27 Testimony by the United States establishes that Edwards AFB is unique amongst the federal

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1 military bases because it has and continues to conduct test flights and aerospace operations that  
2 cannot be conducted elsewhere.

3 Due to its location within the Basin, Edwards AFB has been and continues to be  
4 particularly prone to chronic lowering of local groundwater levels and land subsidence which is  
5 caused by groundwater pumping throughout the Basin. The Court received substantial evidence  
6 concerning the land subsidence in and around Edwards AFB.

7 The Court finds that there must be a physical solution which stops the overdraft conditions  
8 in and around Edwards AFB and that protects it from the future exercise of overlying rights that  
9 would exacerbate the existing overdraft or cause it anew. The Court finds that parties cannot  
10 continue to exercise their overlying rights in an unregulated manner because that will continue to  
11 harm the Basin and, in particular, Edwards AFB. The Court finds that the Physical Solution here  
12 allows for the reasonable exercise of overlying rights by all parties in a manner that will protect  
13 the operations at Edwards AFB and the rest of the Basin for all parties.

14 The Court finds that the current cost of supplemental State Water Project water from  
15 AVEK is approximately \$310 per acre foot – even in today’s severe drought conditions. The  
16 Court finds that the cost of supplemental State Water Project water is approximately \$26 a month  
17 (i.e., \$310 to \$312 AFY) that the cost for an acre foot of water is less than what most Californians  
18 would pay for their household water needs. The Court finds that it is fair, reasonable and  
19 beneficial for the Willis Class members to pay for the cost of replacement water from AVEK if a  
20 Class member should decide to exercise its overlying right by installing a groundwater well and  
21 using its water for reasonable and beneficial uses. The Court further finds that the Physical  
22 Solution provides that the Water Master has discretion to allow a Willis Class member to pump  
23 groundwater without having to pay any replacement assessment in certain circumstances.

24 **D. The Court Uses Its Independent Judgment To Adopt The Physical Solution**

25 A large number of parties representing a majority of the total groundwater production in  
26 the Basin (“Stipulating Parties”) have stipulated to the Physical Solution. The Court, however,  
27 uses its own independent judgment and discretion to approve the Physical Solution here; the  
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1 Court adopts the Physical Solution as its own physical solution for the Basin after it determined  
2 and considered the parties' respective groundwater rights.

3 **E. All Parties Are Bound By The Physical Solution**

4 The Willis Class challenges the Physical Solution's allocation of native safe yield to those  
5 who exercise and have exercised their overlying rights. All present and historical users of the  
6 Basin's overdrafted groundwater supply have a legally protected interest in the native yield after  
7 their sustaining severe restrictions that will be imposed by the Physical Solution to decades-long  
8 water shortage conditions. The Willis Class interest in the long term health of the Basin is the  
9 same as every other overlying user of groundwater; there is no conflict between the Willis Class  
10 and the other parties in the Physical Solution. And the Court's continuing jurisdiction protects the  
11 Willis Class from the possibility that a future exercise of the overlying right by any party could  
12 adversely affect them.

13 The Willis Class asks to not be bound by the Physical Solution. The Willis Class argues  
14 that they cannot be bound by provisions they did not agree to, but the Court finds otherwise. "[I]t  
15 should be kept in mind that the equity court is not bound or limited by the suggestions or offers  
16 made by the parties to this, or any similar, action.' The court 'undoubtedly has the power  
17 regardless of whether the parties have suggested the particular physical solution or not, to make  
18 its injunctive order subject to conditions which it may suggest . . .'" (*Santa Maria, supra*, 211  
19 Cal.App.4th at p. 290 quoting *Tulare, supra*, 3 Cal.2d at 574.) The Court finds that to protect the  
20 Basin it is necessary that all parties participate and be bound by the groundwater management  
21 provisions of the Physical Solution.

22 **F. The Physical Solution Protects the Basin by Preventing Future Overdraft**

23 The Physical Solution will protect all water rights in the Basin by preventing future  
24 overdraft, improving the Basin's overall groundwater levels, and preventing the risk of new land  
25 subsidence. (See *Lodi, supra*, 7 Cal.2d at 344-45.) Dr. Williams testified that pumping at  
26 existing levels will continue to degrade and cause undesirable results in the Basin, but that the  
27 Physical Solution will bring the Basin into balance and stop undesirable results including land  
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1 subsidence. The ramp-down of groundwater production set forth in the Physical Solution will  
2 bring pumping in the Basin within its safe yield.

3 Furthermore, the Physical Solution is likely to lead to additional importation of water into  
4 the Basin and thus additional return flows which will help to restore groundwater levels in the  
5 Basin in two ways. First, if existing groundwater users exceed their respective allocations, they  
6 will pay a replacement assessment that will be used to bring additional imported water into the  
7 Basin. Second, because allocations are capped at the total yield of the Basin, new production,  
8 whether by existing pumpers or new pumpers will result in importation of additional  
9 supplemental water into the Basin. Finally, the Physical Solution allows parties to store water in  
10 the Basin which will improve water levels. The Court further finds that the carryover and transfer  
11 provisions in the Judgment and Physical Solution are reasonable and beneficial, and are essential  
12 in the management of the Basin.

13 Dr. Williams testified as to what will happen to groundwater levels if current pumping  
14 levels continue without a physical solution, compared to scenarios in which parties pump in  
15 accordance with the Physical Solution. His testimony showed that water level decline and  
16 subsidence risk will decrease under the Physical Solution. In the absence of a physical solution,  
17 he testified, subsidence will continue to be a problem. This credible and undisputed testimony  
18 demonstrates that management by the Physical Solution is necessary to sustain groundwater  
19 levels and protect future use of entitlements in the Basin.

20 The Court finds that the Basin's safe yield, together with available supplemental supplies,  
21 are sufficient to meet current water demands. This confirms further that the Physical Solution will  
22 work for this Basin

23 **G. The Physical Solution Reasonably Treats All Overlying Rights**

24 The Court finds that each party is treated reasonably by the Physical Solution; the priority  
25 of rights in the Basin is preserved; no vested rights are eliminated; and allocations are reasonably  
26 tied to reasonable and beneficial use and the health of the Basin. (See *Lodi, supra*, 7 Cal.2d at  
27 341; *Mojave, supra*, 23 Cal.4<sup>th</sup> at p. 1250; *Pasadena, supra*, 33 Cal.2d at pp. 948-949.)



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1) Federal Reserved Rights

The United States has a right to produce 7,600 AFY from the native safe yield as a federal reserved water right for use for military purposes at Edwards Air Force Base and Air Force Plant 42. (See *United States v. New Mexico, supra*, 438 U.S. at p. 700; *Cappaert v. United States, supra*, 426 U.S. at p. 138.) The Physical Solution preserves the United States’ right to produce 7,600 AFY at any time for uses consistent with the federal reserved water right, and shields the United States’ water right from the ramp down and pro-rata reduction due to overdraft. (Physical Solution, ¶5.1.4.) When the United States does not take its allocation, the Physical Solution provides for certain parties who have cut back their present water use to use that water consistent with the Constitutional mandate of Article X, Section 2 to put the water to its fullest use..

2) Small Pumper Class

Small Pumper Class members are allocated up to and including 3 AFY per existing household for reasonable and beneficial use on their overlying land, with the known Small Pumper Class members’ aggregate use of native supply limited to 3,806.4 AFY. A Small Pumper Class member taking more than 3 AFY is subject to a replacement water assessment. (Physical Solution, ¶5.1.3.) The Court has already admitted evidence regarding the Small Pumper Class’ use of water by the Court-appointed expert, Tim Thompson.

3) Overlying Landowner Parties and Public Overliers

The Physical Solution allocates approximately 82 percent of the adjusted native safe yield to the Landowner Parties and Public Overliers. (Physical Solution section 5.1.5, Ex. 4.) The allocation is fair and reasonable in light of their historical and existing reasonable and beneficial uses, and the significant and material reductions thereto required by the Physical Solution.

4) Unknown Existing Pumps

The Physical Solution provides for the allocation of groundwater to unknown *existing* pumps that prove their respective entitlement to water rights in the future. (Physical Solution, ¶¶5.1.10, 18.5.13.) Such allocations will not result in continuing overdraft, as the Physical Solution provides for the Water Master to adjust allocations or take other action necessary to prevent overdraft. (*Id.* at ¶18.5.13.2.) The Court finds that the Physical Solution approved herein

1 provides sufficient flexibility to the Court and the Water Master so that the Physical Solution is  
2 implemented fairly and reasonably as to any unknown existing users.

3 5) Return Flows From Imported Water

4 Return flow rights exist with respect to foreign water brought into the Basin, the use of  
5 which augments the Basin's groundwater. (*City of Los Angeles v. City of Glendale* (1943) 23  
6 Cal.2d 68, 76-78; *San Fernando, supra*, 14 Cal.3d at pp. 257-259, 262-263; *Santa Maria, supra*,  
7 211 Cal.App.4th at p. 301.) Return flows are calculated by multiplying the quantity of water  
8 imported and used in the Basin by a percentage representing the portion of that water that is  
9 expected to augment the aquifer. (*Ibid.*) Paragraph 18.5.11 provides the Water Master with  
10 flexibility to adjust the return flow percentages in the seventeenth year. The Court finds that the  
11 right to return flows from imported State Water Project water is properly allocated as set forth in  
12 paragraph 5.2 and Exhibit 8 of the Judgment and Physical Solution.

13 6) Phelan

14 The Physical Solution permits Phelan to pump up to 1,200 AFY from the Basin and  
15 deliver the pumped water outside of the Basin for use in the Phelan service area if that amount of  
16 water is available without causing material injury and provided that Phelan pays a replacement  
17 water assessment. (Physical Solution, ¶6.4.1.2.) This allocation and the correlating assessment  
18 are fair and reasonable in light of findings made by the Court.

19 7) Defaulted Parties and Parties That Did Not Appear At Trial

20 Defaulting parties and parties who did not appear at trial failed to meet their burden to  
21 produce evidence of ownership, reasonable and beneficial use, and self-help. They are bound by  
22 the Physical Solution and their overlying rights, if any, are subject to the prescriptive rights of the  
23 Public Water Suppliers.

24 ~~8) Robar Enterprises, Inc., Hi-Grade Materials Co., CJR, a general~~  
25 ~~partnership.~~

26 ~~The Court has severed Robar Enterprises, Inc., Hi-Grade Materials Co., CJR, a general~~  
27 ~~partnership (collectively, "Robar") from the trial and retains jurisdiction over Robar's~~  
28 ~~groundwater rights claim.~~

1           **H.     The Physical Solution Is Consistent With the Willis Class Settlement**  
2                           **Agreement**

3           The Public Water Suppliers entered into a Stipulation of Settlement with the Willis Class  
4 (“Willis Class Stipulation” or “Stipulation”) which was approved by the Court on September 22,  
5 2011. As the Court has already recognized, the Stipulation—which was only between the Willis  
6 Class and the Public Water Suppliers—did not and cannot establish a water rights determination  
7 binding upon all parties in these proceedings. (Order after November 18, 2010 Hearing [“the  
8 court determination of physical solution cannot be limited by the [Stipulation]”; the Stipulation  
9 “may not affect parties who are not parties to the [Stipulation]”].) Rather, water rights must be  
10 determined by the Court as part of a comprehensive physical solution to the Basin’s chronic  
11 overdraft condition. Indeed, the Willis Class acknowledged in the Stipulation that the ultimate  
12 determination of its reasonable correlative right would depend upon the existing and historical  
13 pumping of all other overlying landowners in the Basin. (Stipulation, ¶IV.D.3.) While the  
14 Stipulation recognized that the Willis Class members may receive whatever is later to be  
15 determined by the Court as their reasonable correlative right to the Basin’s native safe yield for  
16 actual reasonable and beneficial uses, it could do nothing more.

*Nothing in the Decision, Judgment, or Physical Solution, alters the agreed-upon allocations between the Public Water Suppliers and the Willis Class.*

17           The Court finds that the Physical Solution is consistent with the Willis Class Stipulation  
18 for at least the following reasons:

- 19           1)     The Willis Class Stipulation recognizes that there would be Court-imposed  
20           limits on the Willis Class’ correlative share of overlying rights because the  
21           Basin is and has been in an overdraft condition for decades; *That relationship has no impact on the Court’s duty to impose a Physical Solution that protects the Basin.*
- 22           2)     No member of the Willis Class has established any present right to produce  
23           groundwater for reasonable and beneficial use based on their unexercised  
24           overlying claim; and
- 25           3)     The Physical Solution recognizes the Willis Class’ share of correlative  
26           overlying rights and does not unreasonably burden its members’ rights  
27           given the significant reductions in groundwater pumping and increased  
28           expense incurred by the Stipulating Parties in the Physical Solution. At

1                   this time, more than the entire native safe yield is being applied to  
2                   reasonable and beneficial uses.

3                   In the Willis Class Stipulation, the Willis Class also agreed that a Court-imposed physical  
4 solution may require the installation of a meter on any groundwater pump by a Willis Class  
5 member (Willis Class Stipulation at ¶V.B. at 11:28-12:7) and that Willis Class member  
6 production from the Basin above its allocated share in a physical solution would require the  
7 member to import replacement water or pay a replacement assessment (*Id.* at ¶IV.D. at 12:19-26).  
8 The requirements set forth in Paragraphs 9.2 and 9.2.1 of the Physical Solution are thus consistent  
9 with the Willis Class Stipulation.

10                   **I.       The Physical Solution Does Not Unreasonably Affect the Willis Class**

11                   As overlying landowners in an overdrafted basin, the members of the Willis Class are  
12 entitled to a fair and just proportion of the water available to overlying landowners, i.e., a  
13 correlative right. (*Katz v. Walkinshaw* (1903) 141 Cal. 116, 136; see also Willis Class  
14 Stipulation, ¶III.D at 5:26-6:2.) The Willis Class members, however, have never exercised their  
15 rights to produce groundwater from the Basin. Recognizing this fact, the Physical Solution does  
16 not provide for an allocation to the Willis Class, but preserves their ability to pump groundwater  
17 in the future. This right cannot be unrestricted, however, due to the unique aspects of this Basin,  
18 its long-standing overdraft conditions, and the significant reductions in groundwater use by  
19 parties who have relied and continue to rely upon the Basin for a sustainable groundwater supply.

20                   Here, the Court must fashion a physical solution that limits groundwater pumping to the  
21 safe yield, protects the Basin long-term, and is fair and equitable to all parties. Willis Class  
22 members will have the opportunity to prove a claim of right to the Court (Physical Solution,  
23 ¶5.1.10) or, like all other pumpers in the Basin, apply to the Water Master for new groundwater  
24 production. (¶18.5.13). Thus, the Willis Class' correlative rights are more than fairly protected  
25 by the Physical Solution.

26                   As discussed above, to the extent the Court finds that a replacement water assessment is  
27 necessary the Court finds it is reasonable. Significantly, the assessment is consistent with the  
28 Willis Class Stipulation in which the Willis Class agreed to pay a replacement assessment if a

1 member produced “more than its annual share” of the native safe yield less the amount of the  
2 federal reserved right. In addition, the replacement assessment is imposed uniformly on all  
3 existing producers in the Basin that produce more than their available allocation in any given  
4 year. (Physical Solution, ¶9.2.)

5 In today’s unprecedented drought conditions with the cost of water rising, a replacement  
6 assessment for an acre foot of water would be approximately \$310. Assuming an acre foot of  
7 water is sufficient for domestic use in the Antelope Valley as testified by the court-appointed  
8 expert, Tim Thompson, the average monthly cost for a Willis Class member would be a mere \$26  
9 – a monthly amount less than what most Californians are likely paying for that amount of water.  
10 The Court finds that the replacement assessment is not an unreasonable burden upon any Willis  
11 Class member who may someday install a well for domestic use.

12 But even the small amount of replacement assessment cost can be avoided under the  
13 Physical Solution if the Water master determines that the particular Willis Class member’s  
14 domestic use will not harm the Basin or other groundwater users. There is no reasonable basis for  
15 any argument that a replacement assessment somehow unreasonably burdens or significantly  
16 harms a Willis Class member who might have to pay a relatively small amount for a relatively  
17 large amount of water.

18 **J. The Willis Class’ Due Process Rights Are Not Violated**

19 The Court finds that the Physical Solution does not “extinguish” the water rights of the  
20 Willis Class, as the Willis Class claims. Rather, the Physical Solution allows Willis Class  
21 members—who have never put their overlying rights to reasonable and beneficial use - to prove  
22 their entitlement to a Production Right to the Court or apply as a new pumper to the Water  
23 master. (Physical Solution, ¶¶5.1.10 & 18.5.13.) The Willis Class had notice and an opportunity  
24 to present evidence on this and all other issues determined by the Court.

25 The Court finds that the Willis Class received adequate notice that the Court would adopt  
26 a physical solution that could restrict or place conditions on the Willis Class members’ ability to  
27 pump groundwater. Due process protects parties from “arbitrary adjudicative procedures.” (*Ryan*  
28 *v. California Interscholastic Federation-San Diego Section* (2001) 94 Cal.App.4th 1048, 1070.)

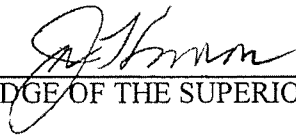
1 No such risk exists here because the Court-approved notice to the Willis Class, put them on notice  
2 that they would be subject to a physical solution yet to be approved by the Court. The notice  
3 stated that the Willis Class members “will be bound by the terms of any later findings made by  
4 the Court and any Physical Solution imposed by the Court” and “it is likely that there will be  
5 limits imposed on the amount of pumping in the near future.” (Notice of Proposed Settlement at  
6 §§ 9 & 17.)

7 The Willis Class has actively participated in these proceedings since January 11, 2007,  
8 knows that the other Landowner Parties and Public Overliers claim a correlative share of the  
9 Basin’s native safe yield, and agreed in the Willis Class Stipulation that they would be subject to  
10 the Court’s future jurisdiction and judgment and be bound by a physical solution.

11 **XIII. CONCLUSION**

12 The Court finds that the Physical Solution is required and appropriate under the unique  
13 facts of the Basin. The Physical Solution resolves all groundwater issues in the Basin and  
14 provides for a sustainable groundwater supply for all parties now and in the future. The Physical  
15 Solution addresses all parties’ rights to produce and store groundwater in the Basin while  
16 furthering the mandates of the State Constitution and the water policy of the State of California.  
17 The Court finds that the Physical Solution is reasonable, fair and beneficial as to all parties, and  
18 serves the public interest.

19  
20  
21 Dated: December 23, 2015

  
\_\_\_\_\_  
JUDGE OF THE SUPERIOR COURT

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**EXHIBIT “28”**

**EXHIBIT “28”**

1 SMILAND CHESTER ALDEN LLP  
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6 The Frank and Yvonne Lane 1993 Family Trust;  
Monte Vista Building Sites, Inc., and A.V. Materials, Inc.  
7

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 COUNTY OF LOS ANGELES

10 Coordination Proceeding Special Title  
(Rule 1550 (b))

Judicial Council Coordination No. 4408  
[Assigned to Hon. Jack Komar; Dept 17]

11 **ANTELOPE VALLEY GROUNDWATER**  
12 **CASES**

Santa Clara Case No.: 1-05-CV-049053

13 Included **CONSOLIDATED** Actions:

**LANE FAMILY'S NOTICE OF MOTION**  
**AND MOTION FOR POST-JUDGMENT**  
**SUPPLEMENTAL ORDER;**  
**MEMORANDUM OF POINTS AND**  
**AUTHORITIES IN SUPPORT THEREOF**  
[Declaration of Theodore A. Chester, Jr. and  
14 Exhibits Thereto Filed Concurrently  
15 Herewith]; and [Proposed] Order Lodged  
16 Concurrently Herewith]

15 Los Angeles County Waterworks District No.  
40 vs. Diamond Farming Company  
16 Los Angeles Superior Court Case No.  
BC325201

17 Los Angeles County Waterworks District No.  
18 40 vs. Diamond Farming Company  
19 Kern County Superior Court Case No. S-1500-  
CV-254348 NFT

**Date:** March 21, 2016  
**Time:** 1:30 p.m.  
**Dept.:** TBA  
**Court:** San Jose Superior Court  
191 N. First Street  
San Jose, CA 95113

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

23 Willis v. Los Angeles County Waterworks  
24 District No. 40; Los Angeles Superior Court  
25 Case No. BC 364553

26 Wood v. Los Angeles County Waterworks  
27 District No. 40; Los Angeles Superior Court  
Case No. BC 391869  
28



1 **NOTICE OF MOTION AND MOTION**

2 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

3 **PLEASE TAKE NOTICE** that on March 21, 2016, at 1:30 p.m., or as soon thereafter as  
4 the court may permit, cross-defendants Little Rock Sand and Gravel, Inc., The George and  
5 Charlene Lane Family Trust, The Frank and Yvonne Lane 1993 Family Trust,  
6 Monte Vista Building Sites, Inc., and A.V. Materials, Inc. (collectively, the "Lane Family") will  
7 move this court for an order declaring that certain water rights allocated under the Judgment,  
8 entered herein on December 28, 2015, are owned in fee by Little Rock Sand and Gravel, Inc.,  
9 and that a Leasehold interest therein is owned by Granite Construction Company. This motion is  
10 made pursuant to the court's direction set forth in its January 7, 2015 minute order, pursuant to  
11 paragraph 6.5 of the Judgment, and pursuant to the Court's inherent powers regarding its  
12 judgments. This motion is supported by this Notice and the accompanying Memorandum of  
13 Points and Authorities and Declaration of Theodore A. Chester, Jr., and all other matters the  
14 court deems just and appropriate.

15  
16 Dated: January 31, 2016

SMILAND CHESTER ALDEN LLP

17  
18  
19 By 

Theodore A. Chester, Jr.

20 Attorneys for Little Rock Sand and Gravel,  
21 Inc.; The George and Charlene Lane Family  
22 Trust; The Frank and Yvonne Lane 1993  
23 Family Trust; Monte Vista Building Sites,  
24 Inc., and A.V. Materials, Inc.

TABLE OF CONTENTS

1

2

3 **MEMORANDUM OF POINTS AND AUTHORITIES** ..... 1

4 **Introduction** ..... 1

5 **Facts** ..... 1

6 **Argument** ..... 5

7 **I. THIS MOTION IS BROUGHT AT THE DIRECTION OF THE COURT**

8 **AND THE COURT HAS RESERVED JURISDICTION TO HEAR THIS**

9 **MOTION** ..... 5

10 **II. THE COURT SHOULD DECARE THAT LITTLE ROCK IS THE FEE**

11 **OWNER OF, AND THAT GRANITE (SUBJECT TO THE TERMS OF**

12 **THE LEASE AGREEMENT) HAS A LEASEHOLD INTEREST IN, THE**

13 **SUBJECT WATER RIGHT** ..... 6

14 **A. The Water Right is Part and Parcel of, and Appurtenant**

15 **to, the Leased Property** ..... 7

16 **B. Granite is Estopped from Claiming Title to the**

17 **Water Right** ..... 7

18

19

20

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28

16 **Conclusion** ..... 9

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **Introduction**

3 This motion concerns a single rights allocation provision set forth in the recently entered  
4 judgment. The provision awards the rights to two entities, the lessor and lessee of property  
5 where groundwater was pumped and used. However, the judgment does not address how the  
6 rights are owned as between those two entities. This issue of *inter se* ownership was specifically  
7 reserved by the Court to be resolved after final approval and entry of the judgment. The Court,  
8 under its inherent powers, and under the jurisdiction retention provisions of the judgment, has the  
9 jurisdiction to resolve this issue. The moving parties seek the Court's determination that the  
10 lessor owns fee title to, and the lessee owns a leasehold interest in, the subject water rights.

11 **Facts**

12 The Lane Family, through its family entities, Little Rock Sand & Gravel, Inc., Monte  
13 Vista Building Sites, Inc., and The Frank and Yvonne Lane 1993 Family Trust, owns  
14 approximately 240 acres of contiguous land in the Antelope Valley in Los Angeles County  
15 within the Antelope Valley Area of Adjudication (the "Leased Property"). Chester Decl. ¶ 2  
16 (Ex. 1, p. 41).<sup>1</sup> The Lane Family has owned and operated Antelope Valley land, including land  
17 for quarrying, farming and ranching, since the 1930's.<sup>2</sup> Chester Decl. ¶ 2. In 1987, the Lane  
18 Family, through its corporation Little Rock Sand & Gravel, Inc. ("Little Rock"), leased the  
19 Leased Property to Granite (the "Lease"). *Id.* at p. 42,127-159. The initial Lease Agreement is  
20 dated April 8, 1987. *Id.* at 127-159. The parties entered into a First Amendment to Lease in  
21 April 2010. *Id.* at 118-120. The initial term of the Lease was three years, but it allowed Granite  
22

23  
24 <sup>1</sup> Attached to the concurrently filed Declaration of Theodore A. Chester, Jr. are excerpts of trial  
25 exhibits that were filed and entered as evidence in the Phase 4 and Phase 6 trials in this case,  
26 excerpts of transcripts of proceedings in this case, and documents posted on the Court's online  
27 website [www.scefiling.org](http://www.scefiling.org).

28 <sup>2</sup> The Lane Family owns other lands within the Antelope Valley which are not at issue in this  
motion. Under the settlement and judgment the Lane Family's other Antelope Valley lands  
receive significantly reduced production allocations. Additionally, some of the Lane Family's  
lands receive zero allocations, although it is anticipated that water will be needed for such lands  
in the near future.

1 to extend the Lease for additional terms. Granite has exercised extensions so that currently the  
2 extended term of the Lease runs to April 30, 2021. *Id.* at 117. Additional unexercised  
3 extensions are available which would allow Granite to extend the term of the Lease Agreement  
4 to April 30, 2041. *Id.* at 118.

5 The Leased Property is a rock, sand and gravel quarry. Section 1 of the Lease provides  
6 that Granite is granted use and possession of the property and "any . . . underground water or  
7 water rights occurring therein or appurtenant thereto." *Id.* at 127.

8 Section 3.2 of the Lease provides:

9 "During the term of this Lease, Lessor grants to Lessee such water rights as  
10 Lessor has to the surface and underground water located upon and under the  
11 leased premises. Lessee shall have the right to use all existing water sources  
12 presently located upon the leased premises (both above ground and below  
13 ground). Lessee, at its expense, shall have the right to develop further such water  
sources as it may deem necessary or convenient for the operation of its business;  
provided, however, that Lessee shall avoid wasting water." *Id.* at 128-129.

14 Since about the beginning of the Lease in 1987, Granite's quarrying operations on the  
15 Leased Property have utilized groundwater pumped from three wells located on the Leased  
16 Property. Chester Decl. ¶¶ 3, 4, 5, 6, 7, and 8. At all relevant times, Granite mined aggregate  
17 from the Leased Property *Id.*, processed the mined materials at a "rock plant" located on the  
18 Leased Property *Id.*, and utilized a pond located on the Leased Property into which water from  
19 the three wells was pumped and from which water was used for operations on the Leased  
20 Property. *Id.* For the years 2000-2007 Granite produced and used the following amounts (acre-  
21 feet) of groundwater on the Leased Property<sup>3</sup>:

<u>Year</u>	<u>Groundwater (AF)</u>
2000	440
2001	446
2002	453
2003	456
2004	469
2005	520
2006	527
2007	537

28  
<sup>3</sup> Chester Decl. ¶¶ 6, 7, 8.

1  
2 In Phase 4 of the case, the Court determined the quantities of groundwater pumped by the  
3 parties for the years 2011 and 2012. The Court's phase 4 decision sets forth the amount of  
4 pumping for those years (400 AF for each of 2011 and 2012), and in the decision identified the  
5 "Claimants" to include "**Granite Construction Company (Little Rock Sand and Gravel,**  
6 **Inc.)**." Chester Decl. ¶ 8. The Court and Mr. James Lewis, attorney for the Lane Family,  
7 arrived at that designation as follows:

8 MR. LEWIS: GRANITE CONSTRUCTION IS PUMPING ON MY  
9 CLIENT'S PROPERTY.

10 THE COURT: WELL, I THINK MY CONCERN HERE IS ONLY WHO IS  
11 CLAIMING PUMPING FOR THE YEAR 2011 AND 2012. YOUR CLIENT MAY  
12 OWN THE LAND, BUT IT'S NOT DOING THE ACTUAL PUMPING AS I  
13 UNDERSTAND IT; IS THAT RIGHT?

14 MR. LEWIS: GRANITE CONSTRUCTION COMPANY IS PUMPING UNDER  
15 A LEASE ON MY CLIENT'S PROPERTY.

16 THE COURT: I UNDERSTAND THAT. WELL, HOW ABOUT IF WE JUST  
17 PUT IN PARENTHESIS THEN YOUR CLIENT'S NAME, WHICH IS LITTLE  
18 ROCK?" Trial Tr. 8-9 (May 30, 2013). Chester Decl. ¶ 9.

19 In accordance with that discussion, the Court's Phase 4 decision identifies "**Granite**  
20 **Construction Company (Little Rock Sand and Gravel, Inc.)**" as the claimant for the 2011-  
21 2012 pumping amounts therein determined by the Court. Chester Decl. ¶ 8.

22 After entry of the Phase 4 decision, most of the parties in the case engaged in extensive  
23 settlement discussions and agreed to present to the Court by stipulation a Proposed Judgment and  
24 Physical Solution ("Physical Solution").

25 Paragraph 5 of the Physical Solution quantifies certain parties' "Pre-Rampdown  
26 Production" and "Overlying Production Rights," and Exhibit 4 (page 2) of the Physical Solution  
27 identifies "**Granite Construction Company (Little Rock Sand and Gravel, Inc.)**" as a right  
28 holder of those rights under the Physical Solution. Chester Decl. ¶ 10. This identification is the  
same as that discussed by the Court in Phase 4 Trial proceedings and as listed by the Court in the  
Phase 4 decision.

1 George Lane, on behalf of the Lane Family and its entities, including Little Rock, signed  
2 the Stipulation for Entry of Judgment and Physical Solution on December 24, 2014. Chester  
3 Decl. ¶ 11. In a December 31, 2014 Case Management Conference Statement, the Lane Family  
4 informed the Court:

5 “There exists a dispute between the Lane Family and Granite, and no other  
6 parties, with respect to title to water rights associated with the leased property that  
7 would be adjudicated in this case. The Lane Family would seek title to the  
8 adjudicated rights as land owner (the water rights would remain subject to  
9 Granite’s use for the term of lease). The Lane Family understands that Granite  
10 seeks separate conflicting title in its own name . . .

11 The Lane Family is prepared to stipulate to entry of the proposed  
12 judgment that has been negotiated by and among the settling parties. By doing so  
13 the Lane Family would be settling with all other Stipulating Parties, provided,  
14 however, that the issue of title to water rights allocated under the proposed  
15 judgment as between the Lane Family and Granite would remain undecided. The  
16 Lane Family would seek to have this remaining two-party dispute decided by the  
17 Court or by an alternate approach, including mediation.

18 The Court’s November 4, 2014 Case Management Order sets forth a  
19 schedule for determining disputed matters, and the Lane Family would ask that its  
20 two-party dispute with Granite be included therein.” Chester Decl. ¶ 12.

21 In response to the Lane Family’s Statement, the Court’s January 7, 2015 Minute Order  
22 provides: “There remains an outstanding issue between two parties, namely the Lane Family . . .  
23 and Granite Construction Company . . . which the Court reserved for further discussion after the  
24 ruling on the Final Approval Hearing of the Wood Class Settlement.” Chester Decl. ¶ 13. In its  
25 August 3, 2015 Minute Order the Court indicated that final approval of the Wood Class  
26 Settlement would not occur until the “global settlement [is] adjudicated.” Chester Decl. ¶ 14. In  
27 an October 6, 2015 Case Management Conference Statement, the Lane Family confirmed to the  
28 Court that the issues between the Lane Family and Granite remain “reserved” until after final

1 approval to the Physical Solution in accordance with the Court's January 7, 2015 Minute Order.  
2 Chester Decl. ¶ 15.

3 The Sixth and final phase of trial concluded on November 4, 2015. The Court's  
4 Statement of Decision was issued and on December 23, 2015. Doc #11019. The final judgment  
5 in this case was entered on December 28, 2015 (the "Judgment"). Doc #11021.

6 Pursuant to paragraph 2 of the Judgment, the Court adopted the Physical Solution which  
7 was incorporated into and made a part of the Judgment. Exhibit 4 (page 2) of the Physical  
8 Solution as incorporated into the Judgment was unchanged from that which was presented to the  
9 Court. It continues to identify "Granite Construction Company (Little Rock Sand and  
10 Gravel, Inc.\*)" as a right holder. Accordingly, there continues to be an unresolved issue between  
11 Little Rock and Granite regarding title to the Pre-Rampdown Production and Overlying  
12 Production Rights allocated under the Judgment and Physical Solution.

13 **Argument**

14 **I. THIS MOTION IS BROUGHT AT THE DIRECTION OF THE COURT AND**  
15 **THE COURT HAS RESERVED JURISDICTION TO HEAR THIS MOTION**

16 The Court's January 7, 2015 Minute Order "reserved" the determination of the  
17 Granite/Lane ownership issue until final approval of the global settlement. Now that the  
18 Judgment has been entered, and the Physical Solution incorporated therein, it is time to resolve  
19 this issue.

20 The Court has the inherent power to interpret language of a judgment. *Russell v.*  
21 *Superior Court*, 252 Cal.App.2d 1, 7-8 (1962). Here, the language of Exhibit 4 of the Physical  
22 Solution awards a single right to two entities, but does not determine title between them. The  
23 January 7, 2015 Minute Order made it clear that the Court contemplated that it would, if  
24 necessary, make this determination, and reserved the issue until after final approval. The Court  
25 would do so in accordance with its inherent power.

26 In addition to the inherent power of the Court, Section 6.5 of the Judgment expressly  
27 allows the Court to address this issue. First, Section 6.5 expressly retains and reserves full  
28 jurisdiction to "interpret, enforce, administer or carry out" the Judgment. Here, the Lane Family

1 seeks a necessary judicial declaration regarding ownership of the rights awarded in a single line-  
2 item in Exhibit 4 of the Judgment.

3 Second, Section 6.5 reserves jurisdiction to “provide for such other matters as are not  
4 contemplated by this Judgment and which might occur in the future, and which if not provided  
5 for would defeat the purpose of this Judgment.” In *Central and West Basin Water*  
6 *Replenishment Dist. v. Southern Cal. Water Co.*, 109 Cal.App.4th 891, 903 (2003) the court held  
7 that a nearly identical reservation provision was “broad” and “expansive.” It explained that  
8 expansive retention of jurisdiction is desirable in cases involving water rights. *Id.* (Citing, *City*  
9 *of Pasadena v. City of Alhambra*, 33 Cal.2d 908, 937 (1949); *City of L.A. v. City of Glendale*, 23  
10 Cal.3d 68, 81 (1943)).

11 In this case, the Judgment does not resolve the issue between lessor and lessee of the  
12 ownership of the water rights associated with the Lane Family’s land. Instead, the issue was  
13 intentionally left open and the issue reserved for later determination. In this respect title to such  
14 water rights remains clouded. The Court’s determination would inform the parties with respect  
15 to their businesses going forward, and would avoid future problems and disputes, especially in  
16 light to the fact that there are substantial public interests involved. *City of L.A.*, 23 Cal.2d at 81.

17 **II. THE COURT SHOULD DECLARE THAT LITTLE ROCK IS THE FEE**  
18 **OWNER OF, AND THAT GRANITE (SUBJECT TO THE TERMS OF**  
19 **THE LEASE AGREEMENT) HAS A LEASEHOLD INTEREST IN, THE**  
20 **SUBJECT WATER RIGHT**

21 Paragraph 5.1.1 of the Judgment provides that the “Parties listed in Exhibit 4 . . . have  
22 Overlying Production Rights,” and notes that Exhibit 4 sets forth for each Party the “Pre-  
23 Rampdown Production,” “Production Right,” and “percentage of the Production from the  
24 Adjusted Native Safe Yield.” Paragraph 5.1.1.1 provides that the “Parties listed in Exhibit 4  
25 have the right to Produce Groundwater, on an annual basis, up to their Overlying Production  
26 Right set forth in Exhibit 4 for each Party.”

27 Exhibit 4 (page 2) of the Judgment has the following line-item which is at issue herein: It  
28 lists “Granite Construction Company (Little Rock Sand and Gravel, Inc.)” as the Party, and  
“234.00” as the “Overlying Production Rights” (it also shows the Pre-Rampdown Production and  
applicable percentage).



1 The line-item lists two Parties but is silent as to which Party owns fee title, and which  
2 Party owns a leasehold interest in the listed Overlying Production Right. Because the water  
3 rights are part and parcel of, and appurtenant to, the Leased Property, and because Granite is  
4 estopped from claiming title to the water rights, the Lane Family seeks the Court's determination  
5 that Little Rock is the fee owner of, and Granite owns a leasehold interest under the Lease in, the  
6 listed Overlying Production Right (and Pre-Rampdown Production).

7 **A. The Water Right Is Part and Parcel of, and Appurtenant to, the Leased**  
8 **Property**

9 An overlying water right is the right to take water from underneath the land for use on the  
10 land within the basin or watershed; the right is based on the ownership of the land and is  
11 appurtenant thereto. *City of Barstow v. Mojave Water Agency*, 23 Cal.4th 1224, 1240 (2000).  
12 See, *Burr v. Maclay Rancho Water Co.*, 154 Cal. 428, 439 (Cal. 1908) (an overlying right to  
13 groundwater is "part and parcel of the land"); *Hanson v. McCue*, 42 Cal. 303, 309 (1871)  
14 ("Water filtrating or percolating in the soil belongs to the owner of the freehold--like the rocks  
15 and minerals found there"); *Rank v. Krug*, 90 Fed.Supp. 773, 787 (S.D. Cal. 1950)(rights to use  
16 groundwater are "part and parcel of the land," and as such are real property); *Pasadena v.*  
17 *Alhambra*, 33 Cal.2d 908, 925 (1949) (an overlying right "is based on ownership of the land and  
18 is appurtenant thereto").

19 Here, the subject adjudicated water right is part and parcel of, and appurtenant to, the  
20 Leased Property owned by the Lane Family. As long as the Lease remains in force, Granite may  
21 pump groundwater and use the water right for use on the Leased Property. However, upon  
22 termination of the Lease the water right as part of the Leased Property reverts to the Lane Family  
23 as owner. Miller & Starr, Calif. Real Estate 2d § 18.48.

24 **B. Granite is Estopped from Claiming Title to the Water Right**

25 A tenant is estopped to deny the title of his landlord. Cal. Evid. Code § 624; Miller &  
26 Starr, Calif. Real Estate 2d § 18:49. The estoppel continues as long as the tenant continues in  
27 possession. *Id.* The theory of this rule is that the tenant has been entrusted with possession by  
28 the landlord and cannot justly dispute the validity of the landlord's title without first restoring  
possession to the landlord. 12 Witkin Summary (10th ed.) Real Property § 607. See

1 *Swartzbaugh v. Sampson*, 11 Cal.App.2d 451, 462 (1936) (“a lessee in possession of real  
2 property under a lease cannot dispute his landlord’s title nor can he hold adversely to him while  
3 holding under the lease.”); *Tewksburg v. Magraff*, 33 Cal. 237, 244 (1867) (“To allow a party to  
4 obtain possession by entering under a lease, and then to disclaim, either before or after the  
5 expiration of the term, would be to encourage the very fraud and chicanery which the estoppel  
6 was designed to prevent.”); *Harvey v. Murick*, 268 Cal.App.2d 213, 215 (1968) (Tenant in  
7 possession may not dispute landlord’s title).

8 A corollary of this rule is that during the term of a lease “the possession of the tenant is  
9 considered the possession of the landlord for all purposes.” *Miller & Starr*, Calif. Real Estate 2d  
10 §18:48; California Code of Civil Procedure § 326 (“the possession of the tenant is deemed the  
11 possession of the landlord”); *San Juan Gold Co. v. San Juan Ridge Mutual Water Assn*, 34  
12 Cal.App.2d 159 (1935) (lessee of dam and water distribution system could not establish  
13 conflicting title).

14 The facts here are undisputed. Granite is, and has been since 1987, in possession of the  
15 Leased Property pursuant to the terms of the Lease. Section 3.2 of the Lease specifically grants  
16 to the lessee the use of lessor’s overlying groundwater rights “during the term” of the Lease.  
17 Section 3.2 thereby contemplated that Granite would use and exercise lessor’s overlying  
18 groundwater rights in connection with Granite’s quarry operations on the Leased Property. And,  
19 since 1987, for more than 25 years, that is exactly what happened. Granite exercised the lessor’s  
20 overlying groundwater rights by pumping groundwater from three wells located on the property  
21 for use by Granite in its quarry operations on the property. It is undisputed that since 2000, by  
22 exercise of the overlying groundwater rights appurtenant to the Leased Property, Granite  
23 produced at least 400 acre-feet per year. This pumping history strongly supports the  
24 establishment, quantification and adjudication of the lessor’s (*i.e.*, the Lane Family’s) overlying  
25 right. However, Granite’s pumping activity, as authorized and permitted under the Lease, cannot  
26 be used to support a separate right owned in fee by Granite. As set forth above, Granite is  
27 estopped from claiming that its exercise of the lessor’s overlying right somehow supports a  
28 conflicting right owned by Granite.

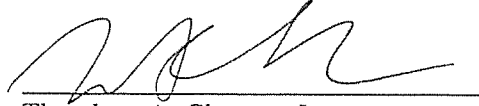
//

1 Conclusion

2 For the foregoing reasons, the Lane Family respectfully requests that the Court grant this  
3 motion.

4 Dated: January 31, 2016

Smiland Chester Alden LLP

5  
6 

7 Theodore A. Chester, Jr.  
8 Attorneys for Cross Defendants  
9 Little Rock Sand and Gravel, Inc., The  
10 George and Charlene Lane Family Trust,  
11 The Frank and Yvonne Lane 1993 Family  
12 Trust, Monte Vista Building Sites, Inc., and  
13 A.V. Materials, Inc.  
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**PROOF OF SERVICE**

STATE OF CALIFORNIA     )  
  )  
COUNTY OF LOS ANGELES   )

I, Felicia Herbstreith am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is: 140 South Lake Avenue, Suite 274, Pasadena, California 91101.

On January 31, 2016, I served the foregoing document described as: **LANE FAMILY'S NOTICE OF MOTION AND MOTION FOR POST-JUDGMENT SUPPLEMENTAL ORDER; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF** on the interested parties in this action by posting the document listed above to the Santa Clara County Superior website in regard to the Antelope Valley Groundwater Adjudication matter, pursuant to the Electronic Filing and Service Standing Order of Judge Komar.

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

Executed on **January 31, 2016**, at Pasadena, California.

  
\_\_\_\_\_  
Felicia Herbstreith

**EXHIBIT “29”**

**EXHIBIT “29”**

1 Robert G. Kuhs, SBN 160291  
Bernard C. Barmann, Jr., SBN 149890  
2 Kuhs & Parker  
3 P. O. Box 2205  
1200 Truxtun Avenue, Suite 200  
4 Bakersfield, CA 93303  
Telephone: (661) 322-4004  
5 Facsimile: (661) 322-2906  
6 E-Mail: rgkuhs@kuhsparkerlaw.com  
7 Attorneys for Granite Construction Company

8  
9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
10 **COUNTY OF LOS ANGELES - CENTRAL DISTRICT**

11 ANTELOPE VALLEY GROUNDWATER  
12 CASES

13 Included Actions:

14 Los Angeles County Waterworks District No. 40  
v. Diamond Farming Co., Superior Court of  
15 California, County of Los Angeles, Case No. BC  
325201;

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

20 Wm. Bolthouse Farms, Inc. v. City of Lancaster,  
Diamond Farming Co. v. Lancaster, Diamond  
21 Farming Co. v. Palmdale Water Dist., Superior  
Court of California, County of Riverside, Case  
22 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

24  
25 I, William Taylor, declare:

26 1. I am employed by Granite Construction Company (**Granite**) as the Resource  
27 Development Manager for the Central California Region. I have been employed by Granite  
28

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.

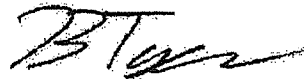
21 16. Granite agreed to allocate the water for Little Rock Quarry 100/134 AF. Granite  
22 did not and could not have agreed to a smaller allocation. To do so, would jeopardize the  
23 financial viability of Granite's Little Rock Quarry, and also its Big Rock Quarry in the future.  
24 Furthermore, 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 7<sup>th</sup> day of March 2016, at Reno, Nevada.  
6

7 

8  
9 William Taylor

10 T:\919.39 - Granite v Antelope Valley Groundwater.ABC Williams Enttl.Lane Dispute\Declaration of William Taylor.Oppo to Lane Family Mo.docx

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**EXHIBIT “30”**

**EXHIBIT “30”**

1 Robert G. Kuhs, SBN 160291  
2 Bernard C. Barmann, Jr., SBN 149890  
3 Kuhs & Parker  
4 P. O. Box 2205  
5 1200 Truxtun Avenue, Suite 200  
6 Bakersfield, CA 93303  
7 Telephone: (661) 322-4004  
8 Facsimile: (661) 322-2906  
9 E-Mail: rgkuhs@kuhsparkerlaw.com

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;

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 ROBERT G.  
KUHS IN OPPOSITION TO LANE  
FAMILY'S MOTION FOR POST  
JUDGMENT SUPPLEMENTAL  
ORDER RE GRANITE  
CONSTRUCTION COMPANY  
[WITH APPENDIX OF EXHIBITS]**

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, ROBERT G. KUHS, declare as follows:

1. I am an attorney at law licensed to practice in all courts of the State of California and an attorney with Kuhs & Parker, counsel for Granite Construction Company (**Granite**) in this proceeding.

1           2.       If called as a witness I could and would competently testify to the facts set forth  
2 herein.

3 **A.       Global Settlement Discussions**

4           3.       In February 2014, the Court suspended the Phase 5 trial on Federal Reserve  
5 Rights and Right to Return Flow of Imported Water, and permitted the parties to participate in  
6 global settlement discussions at the offices of Best, Best & Krieger (**BBK**) in Los Angeles,  
7 California. Over the next several weeks, I, along with more than 40 lawyers, participated in  
8 negotiating the substantive framework for the current global settlement and water allocation  
9 among the various parties.  
10

11           4.       On or about March 31, 2014, lawyers representing more than 100 parties met at  
12 the BBK offices for continued settlement negotiations. I was present for my clients Tejon  
13 Ranchcorp and Granite. Richard G. Zimmer was present for his clients Bolthouse Properties,  
14 LLC and Wm. Bolthouse Farms, Inc. Bob Joyce was present for his clients as well.  
15

16           5.       Ted Chester was also present representing his clients (1) Littlerock Sand &  
17 Gravel, Inc. (**LS&G**), (2) Landinv, Inc., Frank and Yvonne Lane 1993 Trust, (3) George and  
18 Charlene Lane Family Trust, (4) A.V. Materials, Inc., (5) Littlerock Aggregate Co., (6) Holliday  
19 Rock Co., Inc., (7) Monte Vista Building Sites, Inc., and (8) Bruce Burrows/300 A 40 H, LLC.  
20

21           6.       During the settlement discussions, Granite negotiated a water supply of 126 AF  
22 for its Big Rock Quarry and 234 AF for Granite's Little Rock Quarry. During the session,  
23 LS&G's counsel, Ted Chester, approached me to discuss allocation of the water supply between  
24 LS&G and Granite. Mr. Chester argued that LS&G was the owner of the Leased Property on  
25 which water production had historically occurred. I, in turn, argued that Granite also owned  
26 property as part of Granite's Little Rock Quarry, and that Granite was the party putting the water  
27 to beneficial use, that the Leased Property was essentially "played out" of deposits, and that on a  
28

1 going-forward basis the future mining would occur on Granite's Adjacent Property. I also  
2 pointed out the holding in *Tehachapi-Cummings County Water Dist. v. Armstrong* (1975) 49  
3 Cal.App.3d 992, 1001, wherein the Court said that the "proportionate share of each owner is  
4 predicated not on its past use over a specified period of time, nor on the time he commenced  
5 pumping, but solely on his current reasonable and beneficial need for water." I also spoke to Mr.  
6 Chester about the water allocations for Mr. Chester's several other clients including Bruce  
7 Burrows. Mr. Chester was very concerned about whether he could obtain an allocation of water  
8 for Mr. Burrows following the Phase 4 trial during which Mr. Burrow could not produce any  
9 credible evidence of water use on his peach orchard and stipulated to pumping only 100 AF in  
10 2011 and 2012.

11  
12  
13 7. During settlement negotiations I, as well as Bob Joyce, counsel for Grimmway,  
14 told Mr. Chester that Granite and Grimmway would not support an allocation of water to Mr.  
15 Burrows or agree on an allocation of water to Mr. Chester's other clients, unless the parties also  
16 reached a global settlement including the allocation between Granite and LS&G. Following this  
17 dialogue, I asked Mr. Chester to make Granite a "fair offer" of water allocation between the  
18 parties. In response, Mr. Chester offered to allocate 90 AF to Granite and 144 AF to LS&G. I  
19 countered at 100 AF for Granite and 134 AF for LS&G. After some discussion, Mr. Chester  
20 stated that LS&G would agree to the 100/134 AF split between Granite and LS&G but that  
21 Granite should bear the risk of any further reduction on Exhibit 4, the spreadsheet showing the  
22 allocation of productions rights to the adjusted native yield. I responded that Granite would bear  
23 the risk of future reductions, but should likewise receive the benefit of any future increased  
24 allocation, should that occur. Mr. Chester stated that he would check with his client and advise.  
25  
26 Mr. Chester and I then advised the several members of the larger group of settling parties that  
27  
28

1 Granite and LS&G had agreed on an allocation which also resulted in an agreed allocation to Mr.  
2 Chester's other clients. In fact Mr. Burrow received a very generous 295 AF.

3 8. Four days later on April 4, 2014, the parties orally advised the Court that all  
4 parties had reached a global settlement on allocation and would need several weeks to draft the  
5 physical solution. (**Exhibit. C**, Minute Order, Docket No. 8932.)  
6

7 **B. LS&G Attempts to Renege on The Agreed Allocation.**

8 9. Nearly five months later, in August, 2014, while the parties were drafting the  
9 physical solution, Mr. Chester began to make suggestions that LS&G was no longer content with  
10 the 100/134 AF allocation. I repeatedly advised Mr. Chester that the correlative allocation was  
11 arrived at after weeks of negotiations with all stipulating parties and that Granite was not willing  
12 to reopen negotiations on the correlative allocation of the Basin's native safe yield and, that to do  
13 so, would require reopening negotiations for all stipulating parties, including Mr. Chester's other  
14 clients, and not simply Granite and LS&G. I also advised Mr. Chester that Granite and other  
15 parties such as Grimmway and Bolthouse would not have agreed to give Mr. Chester's other  
16 clients the generous allocations shown on Exhibit 4 if the parties had known that LS&G would  
17 attempt to renege on the agreed allocation reached on March 31, 2014.  
18  
19

20 10. On August 19, 2014, I and Granite's representative William Taylor met face-to-  
21 face with Mr. Chester, Mr. Lane and other LS&G representatives in Lancaster. During that  
22 meeting, Mr. Lane accused Granite of trying to "steal" his water and stated that the entire 234 AF  
23 allocation to Little Rock Quarry belongs to the Lane Family and that Granite was entitled to  
24 zero. Later during the meeting Mr. Lane "offered" to "give" Granite 34 AF of the 234 AF foot  
25 allocation. I advised Mr. Lane that it was not his water to give. Rather, the water supply was  
26 allocated to Granite by the stipulating parties. LS&G and the other Lane entities could choose to  
27 be a part of that settlement, or not.  
28

1           11. Attached as **Exhibit D** is a true and correct copy of a September 3, 2014, letter  
2 from Ted Chester to me wherein Mr. Chester was again trying to renegotiate the 100/134 AF  
3 allocation.

4           12. Attached as **Exhibit E** is a true and correct copy of my December 10, 2014, letter  
5 sent in response to Mr. Chester's September 3, 2014, letter, wherein I indicated that Granite  
6 intended to stand by the 100/134 allocation reached between the parties on March 31, 2014.  
7

8           13. Attached as **Exhibit F** is a true and correct copy of a December 17, 2014, letter  
9 sent by Mr. Chester to me responding to my prior letter.

10           14. On December 31, 2014, LS&G filed a CMC Statement stating that there was a  
11 dispute between Granite and Lane with respect to allocation of water for Granite's Little Rock  
12 Quarry. The Court's Minute Order of January 7, 2015, a true and correct copy of which is  
13 attached as **Exhibit G**, reflects that the Court reserved the issue for "further discussion" after the  
14 ruling on the Final Approval Hearing of the Wood Class Settlement" which the Court set for  
15 June 1, 2015.  
16

17 **C. LS&G Signs the Stipulation for Entry of Judgment**

18           15. Following the January 7, 2015, hearing, I, as well as other counsel, including Mr.  
19 McLachlan, Bob Joyce and others, made it clear in several phone conversations with Ted Chester  
20 that his clients could not be part of the global settlement and simultaneously reserve issues for  
21 further litigation between Granite and LS&G.  
22

23           16. On or about February 20, 2015, on the eve of the deadline to submit signatures,  
24 Mr. Chester submitted to counsel for the United States his signature to the Stipulation for Entry  
25 of Judgment and Physical Solution, as well as those of his clients, including LS&G. In so doing,  
26 LS&G bound itself to the terms of the Stipulation and Judgment and waived any right to litigate  
27 any dispute with the stipulating parties, including Granite.  
28



1           17.     On March 4, 2015, the United States filed the Stipulation with the Court as Doc. #  
2 9624, a true and correct copy of which (with some signatures excluded) is attached as **Exhibit H**.

3           18.     Following submission of the Stipulation the Court held numerous Case  
4 Management Conferences, including March 26, 2016; May 5, 2015; May 15, 2015; July 10,  
5 2015; July 16, 2015; September 4, 2015, and September 21, 2015. According to my notes and  
6 recollection neither Mr. Chester nor LS&G raised the Granite/Lane dispute again in open court.  
7

8           19.     On or about September 26, 2015, I sent a draft declaration to Mr. Chester to  
9 review in preparation for the prove-up trial. In a response email Mr. Chester asserted that the  
10 dispute between Granite and LS&G remained unresolved. I advised Mr. Chester that the  
11 Stipulation resolved all disputes between all parties, including the Granite/LS&G dispute. I  
12 forwarded the email to Michael McLachlan, who likewise told Mr. Chester that the Stipulation  
13 was dispositive. Mr. McLachlan went on to inform Mr. Chester that pursuit of the dispute would  
14 be a violation of the Stipulation, and that if Mr. Chester did not drop the issue, Mr. McLachlan  
15 would file a motion to have LS&G deemed a non-stipulator. A true and correct copy of the  
16 email exchange is attached as **Exhibit I**.  
17

18           20.     Eight months following the Stipulation, on October 6, 2015, at 4:33 p.m. Mr.  
19 Chester filed a CMC Statement on the eve of the October 7, 2015 CMC claiming that the  
20 Granite/Lane dispute was still alive and well. However, Mr. Chester made no mention of the  
21 dispute in open court nor did he ask for any issues relating to the so-called Granite/Lane dispute  
22 to be set for trial.  
23

24           21.     The Prove-Up Trial commenced on October 14, 2015. Closing arguments  
25 occurred on November 3 and 4, 2015, at which time the Court announced its Oral Tentative  
26 Decision. On December 23, 2015, following the hearing on objections to the Proposed Judgment  
27 and Statement of Decision, the Court signed the Statement of Decision and Judgment. Neither  
28

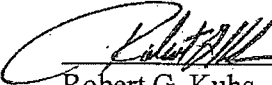
1 Mr. Chester, nor LS&G, attempted to put on evidence during the Prove-Up Trial or objected in  
2 any way to the Statement of Decision or Judgment.

3 22. On January 27, 2016, I received an email from Mr. Chester wherein Mr. Chester  
4 offered to allocate Granite a mere 70 AF of the total 234 AF for Granite's Little Rock Quarry, a  
5 true and correct copy of which is attached as **Exhibit J**. Then, on January 31, 2016, after  
6 Judgment was entered, Lane filed the instant motion.  
7

8 23. In summary, Granite and LS&G agreed to an allocation of 100 AF to Granite for  
9 Granite's Little Rock Quarry on March 31, 2014. Since that time, LS&G has tried in a variety of  
10 ways to coerce Granite into a smaller allocation. Granite has steadfastly refused to decrease or  
11 increase its requested allocation in deference to the global settlement and the Stipulation.  
12 Granite would not have Stipulated to a zero allocation as request now by LS&G. Nor would  
13 Granite have agreed to the allocations on Exhibit 4 to Mr. Chester's other clients had we known  
14 that LS&G would attempt to renege on the March 31, 2014 allocation.  
15

16 I declare under penalty of perjury under the laws of the State of California that the  
17 foregoing is true and correct.  
18

19 Executed this 8<sup>th</sup> day of March, 2016, at Bakersfield, California.  
20

21   
22 Robert G. Kuhs

23 T:\919.39 - Granite v Antelope Valley Groundwater-ABC Williams Ent\Lane Dispute\Declaration of RGK.Oppo to Lane Family Mo.docx  
24  
25  
26  
27  
28

**EXHIBIT “31”**

**EXHIBIT “31”**

SUPERIOR COURT OF CALIFORNIA  
COUNTY OF LOS ANGELES

**ANTELOPE VALLEY GROUNDWATER  
CASES**

Included Consolidated Actions:

Los Angeles County Waterworks District No.  
40 v. Diamond Farming Co.  
Superior Court of California  
County of Los Angeles, Case No. BC 325 201

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

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 344 436, RIC 344 668

Rebecca Lee Willis v. Los Angeles County  
Waterworks District No. 40  
Superior Court of California, County of Los  
Angeles, Case No. BC 364 553

Richard A. Wood v. Los Angeles County  
Waterworks District No. 40  
Superior Court of California, County of Los  
Angeles, Case No. BC 391 869

Judicial Council Coordination  
Proceeding No. 4408

Lead Case No. BC 325 201

**ORDER AFTER HEARING ON  
MARCH 21, 2016**

**Motion by Lane for Post-Judgment  
Supplemental Order**

Judge: Honorable Jack Komar, Ret.

A motion was brought by Little Rock Sand and Gravel, Inc., the George and Charlene Lane Family Trust, the Frank and Yvonne Lane 1993 Family Trust. And the Monte Vista Building Sites, Inc., and the A.V. Materials, Inc., (hereinafter "Lane") upon notice, against the Granite Construction Company (hereinafter "Granite"), seeking a determination that moving parties are the owners in fee simple and that Granite is a lessee of certain water rights allocated in the "Global Settlement" and judgment in the referenced coordinated cases.

A settlement among most parties to this coordinated ground water litigation was entered into and incorporated in a judgment signed by the court on December 23, 2015. The judgment adopted and approved the "Global Stipulation," affirmed the court's findings of fact and conclusion of law contained in its statements of decision heretofore filed in this matter in the various actual phases of trial. In addition, the court made findings independently that a physical solution was in the best interests of the public to solve a severe and ongoing overdraft situation on the Antelope Valley Adjudication Area, and imposed the stipulated physical solution on the parties to the Global Settlement, and made independent findings that the physical solution was in the best interests of all parties, including the non-stipulating and defaulting parties. The court specifically found that the proposed reduction of groundwater pumping adopted by the court would be sufficient to restore the aquifer to balance and eliminate the overdraft conditions and that no water production beyond the limits imposed by the judgment would be permitted until the aquifer was truly in balance as certified by the water master to be created by the judgment.

Moving and responding/opposing parties to the instant motion signed and agreed to the terms of the stipulation and judgment. At the time of the agreement, it was represented that the total amount of groundwater pumped on the subject property of the parties was 234 acre feet per year, exclusively from the leased property where Granite operated the Little Rock Sand and Gravel Co. Based only upon statements of counsel at the time, and preceding the stipulation, it was understood by the court that Lane was the fee title owner to the real property itself and that Granite was a lessee of the property from which the water was pumped.

During the Phase Four trial when the court heard evidence and made findings of pumping claims based on actual pumping of water, it was represented that Lane had an interest in the land

and requested through counsel that the court indicate its position. The court asked if placing the name of the claimed ownership in parentheses would be a sufficient note indicating its interests and counsel so agreed. Counsel for Granite did not object and the court so indicated. That parenthetical notation has appeared in every document in the court record since that time.

There are several references in the record thereafter, up to the entry of judgment, that the internecine rights between Granite and Lane as to the water production on the subject real property was undecided and that the parties were discussing a resolution. At no time was the court asked to hear evidence and make findings concerning the respective ownership rights and water rights between Granite and Lane nor was such a hearing ever calendared. When at a Case Management Conference at a time when the "Global Settlement" stipulation was still not fully agreed to, counsel for Lane stated that the allocation between the two parties needed to be resolved. The court suggested that it be discussed after the Wood Class approval motion was heard. There were ongoing discussions thereafter to which the court was not privy and the parties are in dispute as to whether there ever was an agreement between them..

The dispute between Granite and Lane is a dispute that is limited by the stipulation and judgment. The judgment provides that both Granite and Lane have an interest in the water allocated to those parties but with no determination as to amounts other than the 234 acre feet a year to "Granite (Little Rock Sand and Gravel)."

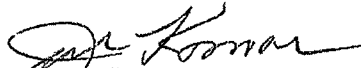
The case is one of equity. The court did reserve jurisdiction on the entire case in equity to enforce the judgment, as it does in every case in equity, but without the ability to modify the stipulated total amount of pumping, the stipulated individual allocations agreed to by the parties, or the relationships between the various pumping entities. The Lane- Granite dispute is separate. It is not clear to the court what impact the appeals have on the ability of the court to have further hearings on the matter pending the resolution of the appeal.

Ultimately, it would appear that the court has the power in equity at some point to resolve the intra-ownership dispute without affecting the global stipulation upon a proper application and presentation of competent evidence.

At this time there is no competent evidence before the court to make such a decision and therefore the court denies the motion without prejudice.

SO ORDERED.

Dated: MARCH 29, 2016

  
\_\_\_\_\_  
Hon. Jack Komar (Ret.)  
Judge of the Superior Court

1 **PROOF OF SERVICE**

2 Antelope Valley Groundwater Cases  
3 Santa Clara County Case No. 1-05-CV-049053  
4 Judicial Council Coordination ("JCCP") No. 4408  
5 California Court of Appeal, Fourth District, Division Two, Case No. E065512

6 At the time of service, I was over 18 years of age and not a party to this action. I am  
7 employed in the County of Orange, State of California. My business address is Musick Peeler &  
8 Garrett LLP, 650 Town Center Drive, Suite 1200, Costa Mesa, CA 92626-1925.

9 On April 13, 2018, I served the foregoing document described as: **REQUEST FOR**  
10 **JUDICIAL NOTICE IN SUPPORT OF OPENING BRIEF OF LITTLE ROCK SAND AND**  
11 **GRAVEL, INC. RE TITLE TO GROUNDWATER ALLOCATION ARISING FROM**  
12 **LITTLE ROCK SAND AND GRAVEL'S LAND AND GRANTED UNDER JUDGMENT**  
13 **AND PHYSICAL SOLUTION** on the interested parties in this action by posting the document  
14 listed above to the <http://www.avwatermaster.org> website in regard to the Antelope Valley  
15 Groundwater Adjudication matter, pursuant to the Electronic Filing and Service Standing Order of  
16 Judge Komar and through the OneLegal website ([www.onelegal.com](http://www.onelegal.com)).

17 The file transmission was reported as complete to all parties appearing on the  
18 <http://www.avwatermaster.org> electronic service list and ([www.onelegal.com](http://www.onelegal.com))for the Antelope  
19 Valley Groundwater Cases, Case No. 2005-1-CV-049053; JCCP 4408.

20  **BY MAIL:** I enclosed the document(s) in a sealed envelope or package addressed to the  
21 persons at the address listed below and placed the envelope for collection and mailing,  
22 following our ordinary business practices. I am readily familiar with the practice of  
23 Musick, Peeler & Garrett LLP for collecting and processing correspondence for mailing.  
24 On the same day that correspondence is placed for collection and mailing, it is deposited in  
25 the ordinary course of business with the United States Postal Service, in a sealed envelope  
26 with postage fully prepaid. I am a resident or employed in the county where the mailing  
27 occurred. The envelope was placed in the mail at Costa Mesa, California.

28 Attorneys for Granite Construction Company:  
Robert G. Kuhs  
Bernard C. Barmann, Jr.  
Kuhs & Parker  
1200 Truxtun Ave., Ste. 200  
P.O. Box 2205  
Bakersfield, CA 93303

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

Executed on April 13, 2018, at Costa Mesa, California.

/s/ Judy Jacobs  
\_\_\_\_\_  
Judy Jacobs

1096484.1

REQUEST FOR JUDICIAL NOTICE IN SUPPORT OF OPENING BRIEF OF LITTLE ROCK SAND AND  
GRAVEL, INC. RE TITLE TO GROUNDWATER ALLOCATION ARISING FROM LITTLE ROCK SAND AND  
GRAVEL'S LAND AND GRANTED UNDER JUDGMENT AND PHYSICAL SOLUTION