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Attorneys for Cross-Defendant,
SHEEP CREEK WATER COMPANY, INC.

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
 IN AND FOR THE COUNTY OF LOS ANGELES**

Coordination Proceeding Special Title (Rule 1550(b))) Judicial Council Coordination Proceeding No. 4408
ANTELOPE VALLEY GROUNDWATER CASES) Santa Clara Case No. 1-05-CV-049053 Assigned to the Honorable Jack Komar
Including Actions:) DECLARATION OF CHRIS CUMMINGS, GENERAL MANAGER OF SHEEP CREEK WATER COMPANY, INC., IN SUPPORT OF SHEEP CREEK WATER COMPANY'S MOTION TO BE EXCLUDED FROM THE ANTELOPE VALLEY GROUNDWATER ADJUDICATION, OR, IN THE ALTERNATIVE, FOR RECOGNITION OF ITS PRIOR RIGHTS TO THE WATERS OF SHEEP CREEK
Los Angeles County Waterworks District No. 40 v. Diamond Farming Co. Superior Court of California, County of Los Angeles, Case No. BC 325 201) DATE: October 3, 2008 TIME: 9:00 a.m. DEPT: 17
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) [Filed Concurrently with Notice of Motion, Memorandum of Points and Authorities, Request for Judicial Notice, Declarations of Michael Duane Davis and Dr. Ram Arora, Hydrogeologist, and Proposed Order]
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)
AND RELATED CROSS-ACTIONS.)

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**DECLARATION OF CHRIS CUMMINGS, GENERAL MANAGER OF SHEEP CREEK WATER COMPANY, INC., IN
 SUPPORT OF SHEEP CREEK WATER COMPANY'S MOTION TO BE EXCLUDED FROM THE ANTELOPE VALLEY
 GROUNDWATER ADJUDICATION, OR, IN THE ALTERNATIVE, FOR RECOGNITION OF ITS PRIOR RIGHTS TO THE
 WATERS OF SHEEP CREEK**

1 I, CHRIS CUMMINGS, declare as follows:

2 1. I am the General Manager of SHEEP CREEK WATER COMPANY, INC.,
3 (hereafter "the Water Company") Cross-Defendant in the above-entitled action. I have personal
4 knowledge of the matters set forth in this declaration. If called as a witness, I could, and would,
5 competently testify to all matters set forth in this declaration.

6 2. Sheep Creek Water Company was formed in 1914 to provide water to the people
7 in the area of Phelan. It is privately owned and currently provides 1,270 connections.
8 Originally, both its service area and its water supply facility were located in the County of San
9 Bernardino. The Service Area for Sheep Creek Water Company is defined in the company's by-
10 laws. A true and correct copy of Section 8.04 of the By-Laws, which described the Service
11 Area, is attached to the Motion as *Exhibit B*.

12 3. The Water Company was sued over its water extraction tunnel in Sheep Creek
13 Canyon. Since the Water Company had already invested a substantial amount of money into this
14 project, it chose to enter into a settlement agreement with the Plaintiffs.

15 4. The Water Company exchanged its right to extract water from the mouth of Sheep
16 Creek for other water rights, in the settlement agreement, to ensure that it would have adequate
17 water in which to supply the people of its Service Area.

18 5. Following the agreement, the Water Company purchased land in Los Angeles
19 County, located in northeast quarter of Section 24, of Township 5 North, Range 8 West of the
20 San Bernardino Meridian.

21 6. The Water Company's Service Area overlies the adjudicated Mojave Basin.
22 However, the Water Company's production facilities are located south of the Service Area. The
23 Watermaster for the Mojave Basin adjudication excluded the Water Company the location of the
24 Service Area was south of the Mojave Basin adjudication boundary. Because it was excluded,
25 the Water Company was not allotted, and cannot extract, any water from this Basin.

26 7. To serve its constituents, the Water Company must import all of its water from
27 outside of the adjudicated Mojave Basin.

28 -2-

DECLARATION OF CHRIS CUMMINGS, GENERAL MANAGER OF SHEEP CREEK WATER COMPANY, INC., IN
SUPPORT OF SHEEP CREEK WATER COMPANY'S MOTION TO BE EXCLUDED FROM THE ANTELOPE VALLEY
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8. Ever since the 1931 Judgment, the Water Company has continued to produce water from the tunnel and has also developed and pumped water from a well field in the Sheep Creek Valley. A true and correct copy of the map maintained by Sheep Creek Water Company in its normal course of business depicting its well field in Sheep Creek Canyon is attached to the Motion as *Exhibit S*.

9. For decades, the Water Company transported the water from the tunnel and well field in Sheep Creek Valley to its Service Area.

10. In 2004 the shareholders were notified that there would be a moratorium on all building permits and their annual draw would also be reduced from 4,000 cubic feet per share to 1,000 cubic feet per share.

11. In 2004 the Water Company's shareholders and Board Members approved a three-part project to provide an adequate water supply to its Service Area. The first part of the project was to develop one more well in the well field in Sheep Creek Valley of San Bernardino County. The second part was to develop a new well in Los Angeles County, and the third part was to construct a nine and one-half (9½) mile pipeline to transport that water to its Service Area.

12. The Water Company purchased a piece of property, located just inside LA County along the Los Angeles County/San Bernardino County line.

13. The Los Angeles County property was purchased as a water production site from which water could be pumped and transported to its Service Area.

14. The Water Company was closing escrow on the Los Angeles County property when the Antelope Valley Groundwater Adjudication proceeding began.


15. The Water Company purchased the Los Angeles County property in reliance on its rights to the waters of Sheep Creek, based on the 1931 Judgment.

16. The Water Company purchased the Los Angeles County property because it was the closest location from which to extract water outside of the Mojave Basin adjudication boundary.

17. The people the Water Company serves are observing severe conservation restrictions until the water from the Property in Los Angeles County is supplied to them.

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

Executed on September 9, 2008 at Phelan, California.


CHRIS CUMMINGS