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SERVICE ROCK PRODUCTS, L.P.

**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  
) Department 17

Including Actions:

**Los Angeles County Waterworks District  
No. 40 v. Diamond Farming Co.**

) **[PROPOSED] STIPULATION  
REGARDING THE DEPOSITION AND  
TRIAL TESTIMONY OF CROSS-  
DEFENDANT SERVICE ROCK  
PRODUCTS, L.P.**

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

AND RELATED ACTIONS.

1 This *Stipulation regarding the Deposition and Trial Testimony of Cross-Defendant*  
2 ***SERVICE ROCK PRODUCTS, L.P.*** ("Service Rock") is submitted in connection with the  
3 depositions currently scheduled for Wednesday, January 16, 2013, at 10:00 a.m. and the Phase 4  
4 Trial which is currently scheduled to commence on Monday, February 11, 2013, in the above-  
5 encaptioned matter.

6 Service Rock has provided its Discovery Responses, under penalty of perjury, containing  
7 the facts, information and documents that were requested by the Court in the December 12, 2012  
8 *Discovery Order for Phase 4 Trial* issued by the Honorable Jack Komar, Presiding Judge, by  
9 posting the same on the Court's website on December 21, 2012 and on January 15, 2013  
10 including, but not limited to, the following:

11 1. Service Rock Products, L.P. ("Service Rock") is a California limited partnership,  
12 in good standing, with an entity address of 200 S. Main St. Ste. 200, Corona, CA 92882. It was  
13 formed on December 22, 2009. It is the successor-in-interest to Service Rock Products  
14 Corporation ("Service Rock Corp."), which was the successor-in-interest to Owl Properties, Inc.,  
15 a California corporation ("Owl Properties"), a member of the Owl Companies, Inc., a California  
16 corporation ("Owl Companies") family of companies.

17 Reference: *Cross-Defendant, Service Rock Products, L.P.'s* (verified)  
18 *Information and Materials Responsive to December 12, 2012 Discovery Order for*  
19 *Phase 4 Trial ("Discovery Responses")*, Paragraphs ("¶") I.1.b., I.3.c.ii; California  
20 Secretary of State Business Entity Detail, dated December 14, 2012.

21 2. Service Rock is the lessee of the hereafter-described assemblage of properties  
22 upon which Service Rock conducts aggregates mining and processing, and ready mixed concrete  
23 operations at the hereafter-described "Primary Quarry," having succeeded to the leasehold  
24 interests of its predecessor-in-interest, the Owl Companies pursuant to the *Lease Agreement* with  
25 Healy Enterprises, Inc., an Illinois corporation qualified to do business in California ("Healy  
26 Enterprises"). Service Rock has the right to extend the term of the *Lease Agreement* through  
27 October 11, 2034, and a first right to acquire the assemblage of parcels that comprise the Primary  
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1 Quarry during the extended term of the *Lease Agreement*. Service Rock also has the right, as  
2 lessee, to develop and use as much water from the assemblage of properties that comprise the  
3 Primary Quarry as it needs for quarrying, washing down gravel, wetting loads, watering of  
4 access roads, and other mining, processing and distribution activities lawfully conducted under  
5 the *Lease Agreement*. Service Rock and its predecessor-in-interest, Service Rock Corp. operated  
6 the Primary Quarry during the Base Period years of 2000 to 2004 and the recent years of 2011  
7 and 2012.

8 Reference: *Discovery Responses* ¶¶ I.1.a., I.1.a.i., I.1.a.i.1., I.1.a.i.2., I.1.a.i.3.,  
9 I.1.a.i.4., I.1.f., I.1.h., I.2.a., I.2.b., I.2.c., I.2.d., I.2.f., I.3.b.i., I.3.b., I.3.b.ii.; *Lease*  
10 *Agreement* between Owl Companies, Inc. and Healy Enterprises, Inc., dated June  
11 10, 1988 ¶¶ 8 and 23; and Addendum to *Lease Agreement* dated October 27,  
12 2004.

13 **3.** Healy Enterprises is the owner/lessor and Service Rock is the lessee of the  
14 hereafter described real properties upon which the Primary Quarry is situated, and which are  
15 located in and adjacent to the Littlerock Creek Wash, between East Palmdale Boulevard on the  
16 north and California State Highway 138 on the south, and to the southeast of the City of  
17 Palmdale:

18 **a.** 80 acres located in the West ½ of the Northeast ¼ of Section 36,  
19 Township 6 North, Range 11 West, San Bernardino Base and Meridian [AIN/APN: 3024 015  
20 055];

21 **b.** 80 acres located in the West ½ of the Northwest ¼ of Section 1, Township  
22 5 North, Range 11 West, San Bernardino Base and Meridian [AINs/APNs: 3051 008 004 and  
23 3051 008 006];

24 **c.** 80 acres located in the West ½ of the Southeast ¼ of Section 36,  
25 Township 6 North, Range 11 West, San Bernardino Base and Meridian [AIN/APN: 3024 016  
26 001]; and

27 ///

**d.** The West 80 acres of the aggregate of Lots 1 and 2 of the Northeast Quarter of Section 2, Township 5 North, Range 11 West, San Bernardino Base and Meridian [AIN/APN: 3051 008 002].

Reference: Discovery Responses ¶¶ I.1.a., I.1.a.i., I.1.a.i.1., I.1.a.i.2., I.1.a.i.3., I.1.a.i.4.; Lease Agreement between Owl Companies, Inc. and Healy Enterprises, Inc., dated June 10, 1988, Exhibit “A”; *Cross-Defendant, Service Rock Products, L.P.’s First Supplemental Response to December 12, 2012 Discovery Order for Phase 4 Trial* (the “*Supplemental Responses*”) ¶ I.3.b., I.3.c.; Chicago Title Insurance Company Property Profile Reports for AINs/APNs 3024 015 055, 3024 016 001, 3051 008 002, 3051 008 004, and 3051 008 006, dated January 9, 2013; Section – Antelope Valley Adjudication Boundary Map identifying Primary and Future Quarry locations, with supporting diagrams (total five (5) pages); Maps (7) reflecting locations of both the Primary Quarry and Future Quarry

4. Service Rock is also the fee owner of the hereafter-described assemblage of real properties that are referred to as the “Future Quarry”, which are situated on the North Slope of the San Gabriel Mountains to the south of the California Aqueduct, to the north of the Angeles National Forest, and to the immediate south of California State Highway 138 and to the west of the Los Angeles County/San Bernardino County line, upon which Service Rock is in the process of permitting another aggregates quarry and processing facility (the Future Quarry):

**a.** 20 acres located in the South ½ of the Southeast ¼ of the Southeast ¼ of Section 3, Township 4 North, Range 8 West, San Bernardino Base and Meridian [AIN/APN: 3064 003 031 05 000];

**b.** 116.92 acres, more or less, being exclusive of streets, the East ½ of the Southwest ¼ and the East ½ of the East ½ of Lots 1 and 2 in the Northwest ¼ of Section 3, Township 4 North, Range 8 West, San Bernardino Base and Meridian [AIN/APN: 3064 003 064 05 000];

/ / /

1                   c.       38.75 acres, more or less, being exclusive of streets, the West ½ of the  
2 East ½ of Lots 1 and 2 in the Northwest ¼ of Section 3, Township 4 North, Range 8 West, San  
3 Bernardino Base and Meridian [AIN/APN: 3064 003 065 05 000];

4                   d.       40 acres, more or less, the Southwest ¼ of the Southeast ¼ of Section 3,  
5 Township 4 North, Range 8 West, San Bernardino Base and Meridian [AIN/APN: 3064 003 066  
6 05 000];

7                   e.       39.09 acres, more or less, being exclusive of streets, the Northwest ¼ of  
8 the Southeast ¼ of Section 3, Township 4 North, Range 8 West, San Bernardino Base and  
9 Meridian [AIN/APN: 3064 003 067 05 000];

10                  f.       36.7 acres, more or less, being exclusive of streets, the West ½ of the  
11 West ½ of Lots 1 and 2 in the Northeast ¼ of Section 3, Township 4 North, Range 8 West, San  
12 Bernardino Base and Meridian [AIN/APN: 3064 003 068 05 000]; and

13                  g.       38.5 acres, more or less, being exclusive of streets, the East ½ of the  
14 West ½ of Lots 1 and 2 in the Northeast ¼ of Section 3, Township 4 North, Range 8 West, San  
15 Bernardino Base and Meridian [AIN/APN: 3064 003 069 05 000].

16                   Reference: *Discovery Responses* ¶¶ I.1.a., I.1.a.ii., I.1.a.ii.1., I.1.a.ii.2.,  
17 I.1.a.ii.3., I.1.a.ii.4., I.1.a.ii.5., I.1.a.ii.6. and I.1.a.ii.7; *Supplemental Responses* ¶  
18 I.3.b.; Grant Deed from Robert C. Attwater and Sally A. Attwater, Husband and  
19 Wife, as Joint Tenants to Owl Properties, Inc., a California Corporation, dated  
20 March 1, 1991; Trustee's Deed Upon Sale from Ticor Title Insurance Company  
21 of California to Owl Properties, Inc., a California Corporation, dated December 6,  
22 1985; Chicago Title Company Property Profile Reports for AINs/APNs 3064 003  
23 031 05 000, 3064 003 064 05 000, 3064 003 065 05 000, 3064 003 066 05 000,  
24 3064 003 067 05 000, 3064 003 068 05 000 and 3064 003 069 05 000, dated  
25 January 9, 2013; 1996 Thomas Bros. Maps annotated diagram of Service Rock  
26 Products, L.P. well and building locations; Section – Antelope Valley  
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1 Adjudication Boundary Map identifying location of Primary and Future Quarries,  
2 with supporting diagrams (total five (5) pages).

3 5. Service Rock produces all of the water that it uses at the Primary Quarry (except  
4 for some purchased bottled water) from the wells on the Primary Quarry properties, as identified  
5 in Paragraph 6, below. This produced water is used for the quarrying, processing, distribution  
6 and sale of aggregates and ready mixed concrete, the washing down of such materials, the  
7 wetting of loads, the suppression of dust, shop and domestic uses, and other lawful mining and  
8 processing related activities.

9 Reference: *Discovery Responses ¶¶ I.1.c., I.1.c.i., I.1.c.ii., I.1.c.iii. I.1.c.iv.,*  
10 *I.1.f., I.1.g., I.2.e., I.2.f.*

11 6. Water was produced to serve the Primary Quarry during the Base Period years of  
12 2000 to 2004 and the recent years of 2011 to 2012, from four (4) groundwater wells situated on  
13 the Primary Quarry properties, more specifically identified as follows:

14 a. Service Rock Well No. 1 (“Well No. 1”) is situated in Section 36,  
15 Township 5 N, Range 11 W, San Bernardino Base Meridian, and bears State Well Number 05  
16 N/11 W – 36 S, Recordation No. G190637. Well No. 1, also referred to by Service Rock as the  
17 “Shop” well, uses a 20 horsepower pump and is metered.

18 b. Service Rock Well No. 2 (“Well No. 2”) is situated in Section 1,  
19 Township 5 N, Range 11 W, San Bernardino Base Meridian, and bears State Well Number 05  
20 N/11 W – 01 S, Recordation No. G190638. Well No. 2 uses a 25 horsepower pump and is  
21 metered.

22 c. Service Rock Well No. 3 (“Well No. 3”) is situated in Section 1,  
23 Township 5 N, Range 11 W, San Bernardino Base Meridian, and also bears State Well Number  
24 05 N/11 W – 01 S, Recordation No. G190639. Well No. 3, also referred to by Service Rock as  
25 the “Rock Plant” well, uses a 75 horsepower pump and is metered.

26 d. Service Rock Well No. 4 (“Well No. 4”) is situated in Section 36,  
27 Township 6 N, Range 11 W, San Bernardino Base Meridian, and is identified according to State  
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of California Well Completion Report No. 539660. Well No. 4, also referred to by Service Rock as the "Batch Plant" well, uses a 60 horsepower pump and is metered.

Reference: *Discovery Responses* ¶¶ I.1.c., I.1.c.i., I.1.c.ii., I.1.c.iii. I.1.c.iv., I.1.d., I.1.f., I.2.e. and I.2.f; Well #3 75HP Water Well Drillers Report (No. 269835) for well deepening (May 23, 1989); Rottman Drilling Co. January 18, 2007 letter to Service Rock identifying all four groundwater wells; Rottman Drilling Co. September 18, 2007 letter to Service Rock re: Water Levels for each of the four groundwater wells; Well #4 60HP Well Completion Report No. 539660, dated December 31, 1999; 25HP Well Water Drillers Report No. 15600, dated February 1, 1956; *Supplemental Responses* ¶ I.3.b.; November 30, 2006 email providing information about each of Service Rock's groundwater wells; Model 5THC 240 GPM efficiency curves graph; 1996 Thomas Bros. Maps annotated diagram of Service Rock Products, L.P. well and building locations;

7. Service Rock (and its predecessors-in-interest to the Primary Quarry) produced groundwater from Well Nos. 1-3 situated at the Primary Quarry since 1995. Service Rock (and its predecessors-in-interest to the Primary Quarry) also produced groundwater from a now abandoned well, known as the "Old Well," until 1999 when Well No. 4 was completed and placed in operation in place of the Old Well. Service Rock (and its predecessors-in-interest to the Primary Quarry) operated the four groundwater wells described above, during the Base Period years of 2000 to 2004 and the recent years of 2011 to 2012, to produce groundwater in the following amounts:

|      |       |                |
|------|-------|----------------|
| i.   | 2000: | 466 acre feet; |
| ii.  | 2001: | 359 acre feet; |
| iii. | 2002: | 445 acre feet; |
| iv.  | 2003: | 436 acre feet; |
| v.   | 2004: | 542 acre feet; |
| vi.  | 2005: | 429 acre feet; |

- vii. 2006: 439 acre feet;  
viii. 2007: 705 acre feet;  
ix. 2008: 470 acre feet;  
x. 2009: 463 acre feet;  
xi. 2010: 482 acre feet;  
xii. 2011: 561 acre feet; and  
xiii. 2012 [1/1 – 11/30]: 445 acre feet.

Reference: *Discovery Responses ¶¶ I.1.d., I.1.e., I.1.f., I.1.j., I.1.k., I.1.l., I.3.a.*; Pump Check – Pumping Systems Analysts Hydraulic Test Reports for Wells 1 – 4, dated February 14, 2007; Pump Check – Pumping Systems Analysts Hydraulic Test Report Certificates of Accuracy for Wells 1 – 4, dated February 14, 1, 1 and 14, 2007, respectively; 60 hp Billing Usage Summary Report, dated March 1, 2007; Electricity distribution diagrams (two (2) pages); *Supplemental Responses ¶¶ I.3.a.*; Service Rock groundwater production spreadsheet analysis with supporting data for 1995 – 2006 (5 pages total); Service Rock Products Fuel and Water Meter Reading Monthly Reports, February – December 2007; 2007 groundwater projection spreadsheet; Service Rock Products Fuel and Water Meter Reading Monthly Reports, January – July 2008

8. Service Rock did not lease or sublease any portion of the properties described herein to anyone during the Base Period years of 2000 to 2004 or the recent years of 2011 to 2012.

Reference: *Discovery Responses ¶ I.2.a; Supplemental Responses ¶ I.2.a.*

9. Service Rock did not import or acquire any imported water from the Antelope Valley – East Kern Water Agency, Palmdale Water District, Littlerock Creek Irrigation District or any other entity having rights to State Water Project Water, during the Base Period years of 2000 to 2004 or the recent years of 2011 to 2012.

Reference: *Discovery Responses ¶ III.1.d.*

1           10.     The groundwater claimed by Service Rock is an overlying water right, which  
2 right will vest in Service Rock upon its acquisition of the Primary Quarry properties. Service  
3 Rock claims no other rights that are the subject of this Adjudication for purposes of the Phase 4  
4 Trial, including return flows.

5                     Reference:     *Discovery Responses ¶¶ I.1.j., I.1.i.i.*

6  
7                                     **STIPULATION**

8           The parties hereto stipulate and agree that the facts, information and documents  
9 referenced herein and provide in Service Rock's verified Discovery Responses that were posted  
10 on the Court's website on December 21, 2012, and in Service Rock's Supplemental Responses  
11 that were posted on the Court's website on January 15, 2013, will not be contested, and are  
12 therefore deemed accepted, for purposes of the Phase 4 Trial which is currently scheduled for  
13 February 11, 2013; and that the Notice of Taking the Deposition of Service Rock, which was  
14 posted by Quartz Hill Water District on the behalf of the Public Water Suppliers on January 7,  
15 2013, is hereby withdrawn.

16           The parties hereto further stipulate and agree that neither deposition testimony nor trial  
17 testimony will be required of Service Rock or any of its designated witnesses, including any  
18 designated experts, for purposes of the Phase 4 Trial.

19  
20                     IT IS SO STIPULATED.

21  
22           Dated: January 15, 2013.

GRESHAM SAVAGE NOLAN & TILDEN, PC

23  
24           By: 

25                     Michael Duane Davis  
26                     Marlene L. Allen-Hammarlund  
27                     Derek R. Hoffman  
28                     Attorneys for Cross-Defendant, Sheep Creek  
                       Water Company, Inc.

1 Dated: January \_\_\_, 2013.

BEST BEST & KRIEGER LLP

2  
3 By: \_\_\_\_\_  
4 Eric L. Garner  
5 Jeffrey V. Dunn  
6 Stefanie D. Hedlund  
7 Attorneys for Cross-Complainant, Los Angeles  
8 County Waterworks District No. 40

9 Dated: January \_\_\_, 2013.

RICHARDS, WATSON & GERSHON

10 By: \_\_\_\_\_  
11 Steven Orr  
12 James L. Markman  
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14 Dated: January \_\_\_, 2013.

CHARLTON WEEKS LLP

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16 Bradley T. Weeks  
17 Attorneys for Defendant and Cross-Complainant,  
18 Quartz Hill Water District

19 Dated: January \_\_\_, 2013.

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20 By: \_\_\_\_\_  
21 Douglas J. Evertz  
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23 and Rosamond community Services District

24 Dated: January \_\_\_, 2013.

25 By: \_\_\_\_\_  
26 John Tootle  
27 Attorneys for Cross-Defendant, California Water  
28 Service Company

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Dated: January \_\_, 2013.

LEMIEUX & O'NEILL

By: \_\_\_\_\_  
Wayne Lemieux  
Attorneys for Littlerock Creek Irrigation District,  
Palm Ranch Irrigation District, et al.

Dated: January \_\_, 2013.

LAGERLOF SENECA GOSNEY & KRUSE

By: \_\_\_\_\_  
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Attorneys for Cross-Defendant, Palmdale Water  
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