Michael Duane Davis, SBN 093678 Marlene Allen-Hammarlund, SBN 126418 Derek R. Hoffman, SBN 285784 2 GRESHAM SAVAGE NOLAN & **TILDEN, A Professional Corporation** 3 3750 University Avenue, Suite 250 Riverside, CA 92501-3335 4 Telephone: (951) 684-2171 5 Facsimile: (951) 684-2150 Attorneys for Cross-Defendant 6 LAND PROJECTS MUTUAL WATER COMPANY, INC., 7 a member of the Antelope Valley United Mutual Group 8 SUPERIOR COURT OF THE STATE OF CALIFORNIA 9 IN AND FOR THE COUNTY OF LOS ANGELES 10 11 Coordination Proceeding Judicial Council Coordination 12 Special Title (Rule 1550(b)) Proceeding No. 4408 13 ANTELOPE VALLEY GROUNDWATER Santa Clara Case No. 1-05-CV-049053 **CASES** Assigned to the Honorable Jack Komar 14 Department 17 Including Actions: 15 [PROPOSED] STIPULATION **Los Angeles County Waterworks District** REGARDING THE DEPOSITION AND 16 No. 40 v. Diamond Farming Co. TRIAL TESTIMONY OF CROSS-Superior Court of California, County of Los **DEFENDANT LAND PROJECTS** 17 Angeles, Case No. BC 325 201 MUTUAL WATER COMPANY, INC., A MEMBER OF THE ANTELOPE 18 Los Angeles County Waterworks District VALLEY UNITED MUTUAL GROUP No. 40 v. Diamond Farming Co. 19 Superior Court of California, County of Kern, Case No. S-1500-CV-254-348 20 Wm. Bolthouse Farms, Inc. v. City of 21 Lancaster Diamond Farming Co. v. City of Lancaster 22 Diamond Farming Co. v. Palmdale Water Dist. 23 Superior Court of California, County of Riverside, consolidated actions, Case Nos. RIC 353 840, RIC 344 436, RIC 344 668 24 25 AND RELATED ACTIONS. 26 27 28 -1This Stipulation Regarding the Deposition and Trial Testimony of Cross-Defendant LAND PROJECTS MUTUAL WATER COMPANY, INC., a member of the Antelope Valley United Mutual Group, is submitted pursuant to Paragraph 2 of the Court's January 17, 2013 First Amendment to Case Management Order for Phase Four Trial and in connection with the deposition and trial testimony therefore, which Trial which is currently scheduled to commence on May 28, 2013, in the above-encaptioned matter.

Land Projects Mutual Water Company, Inc. ("Land Projects") has provided, under penalty of perjury, the facts, information and documents submitted to the Court and posted on the Court's website on December 21, 2012 (the "Discovery Responses") and on January 29, 2013 (the "Supplemental Discovery Responses"), including, but not limited to, the following:

1. Land Projects is an active California mutual benefit non-profit corporation, with an entity address of 8810 West Ave E8, Lancaster, CA 93536. It was formed on January 29, 1948. Its membership is comprised of the owners of the 762 mostly $2\frac{1}{2}$ acre lots that are situated within its below-described service area. Land Projects' 559 active meters serve the improved real properties within the Land Projects service area, and stand by to serve the unimproved properties when improved.

Reference: Cross-Defendant/Cross-Complainant, Antelope Valley United Mutual Group's (verified) Information and Materials Responsive to December 12, 2012 Discovery Order for Phase 4 Trial for Land Projects Mutual Water Company ("Discovery Responses"), Paragraphs ("¶") I.1.b., I.3.c.ii.; California Secretary of State, Business Entity Detail (December 14, 2012); Cross-Defendant/Cross-Complainant, Antelope Valley United Mutual Group, Specifically Land Projects Mutual Water Company's, (verified) First Supplemental Response to December 12, 2012 Discovery Order for Phase 4 Trial ("Supplemental Discovery Responses") ¶ I.3.b., I.3.c.; Land Projects Mutual Water Co. printed lists of APN/AINs; Land Projects Mutual Water Co. Articles of Incorporation, By-Laws (as amended), Share Certificate (exemplar) and Policy Manual.

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2. Land Projects' service area consists of 1800 acres, which are bounded as follows: South of Ave D to the North of Ave F, except for the West of 90th St West between Ave D and Ave E Plus West of 90th St West from the South of Ave E to the North of Ave F-8 (between 90th St West and 93rd St West) Plus between 80th St West and 77th St West from Ave South of E-8 and North of Ave F. Land Projects is the owner of the water rights and the production, storage and distribution facilities. Land Projects services its members / shareholders identified by the Assessor's Parcel Numbers ("APN") listed in the *Discovery Responses*. The properties within the Land Projects service area are single family residential parcels.

Reference: *Discovery Responses* ¶¶ I.1.a., I.1.h., I.1.j.; Land Projects printed listed of APNs.

3. Land Projects owned and operated four (4) metered wells and boosters with Edison energy efficiency calibrated motor driven pumps that were situated within its service area during the Base Period years 2000 to 2004 and from 2005 through 2012. During the years 2000 through 2012, Land Projects used the water produced from these wells for the provision of domestic water service to its residential mutual members. All of the groundwater produced by Land Projects from these wells was used in its service area by its members.

Reference: *Discovery Responses* ¶¶ I.1.c., I.1.d., I.1.f., I.1.g., I.1.h., I.3.a.i., I.3.a.ii.; Handwritten Data Logs; *Supplemental Discovery Responses* ¶ I.3.a.; Land Projects Mutual Water Company – Southern California Edison, Hydraulic Test Results for December 2009 and October 2012; Southern California Edison electrical usage data for 2012; County of Los Angeles Public Health License; Land Projects Mutual Water Company existing water system layout; Land Projects Mutual Water Company June 5, 2012 memo summarizing lots, meters and build out; Land Projects Mutual Water Company Southern California Edison Customer Usage Reports for 2011 and 2012; Land Projects Mutual Water Company photographs of groundwater production, storage and distribution system and infrastructure; Land Projects Mutual Water Company handwritten

pump records and data logs for 2000 through 2004; Land Projects Mutual Water Company handwritten data logs and annual summaries – Well 1, Well 3, Well 4 and Well 5; Land Projects Mutual Water Company – Southern California Edison Multiple Point Test Summaries for Wells, 1, 3, 4 and 5; Land Projects Mutual Water Company – Southern California Edison Multiple Point Test Summaries, Supplemental, for Wells 1, 3, 4 and 5; Land Projects Mutual Water Company – Southern California Edison Customer Billing History for January 1997 through December 2012 – Well 1; Land Projects Mutual Water Company – Southern California Edison Customer Billing History for January 1992 through December 2012 – Wells 3, 4 and 5; Land Projects Mutual Water Company – Southern California Edison Customer Billing History for January 1992 through December 2012 – Wells 3, 4 and 5; Land Projects Mutual Water Company – Southern California Edison Customer Billing History for January 1992 through December 2012, Supplemental for Wells 1, 3, 4 and 5.

4. Land Projects groundwater production during the years 2000 through 2012 was as follows:

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i. 2000: 850 acre feet
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xiii. 2012
$$[1/1 - 11/30]$$
: 624 acre feet

ii. 2001: 803 acre feet

x. 2009: incomplete

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Reference: Discovery Responses ¶¶ I.1.e., I.3.a.i., I.3.a.ii.; Handwritten Data Logs; Supplemental Discovery Responses ¶ I.3.a.; Land Projects Mutual Water Company - Southern California Edison, Hydraulic Test Results for December 2009 and October 2012; Southern California Edison electrical usage data for 2012; County of Los Angeles Public Health License; Land Projects Mutual Water Company existing water system layout; Land Projects Mutual Water Company June 5, 2012 memo summarizing lots, meters and build out; Land Projects Mutual Water Company Southern California Edison Customer Usage Reports for 2011 and 2012; Land Projects Mutual Water Company photographs of groundwater production, storage and distribution system and infrastructure: Land Projects Mutual Water Company handwritten pump records and data logs for 2000 through 2004; Land Projects Mutual Water Company handwritten data logs and annual summaries – Well 1, Well 3, Well 4 and Well 5; Land Projects Mutual Water Company - Southern California Edison Multiple Point Test Summaries for Wells, 1, 3, 4 and 5; Land Projects Mutual Water Company -Southern California Edison Multiple Point Test Summaries, Supplemental, for Wells 1, 3, 4 and 5; Land Projects Mutual Water Company – Southern California Edison Customer Billing History for January 1997 through December 2012 -Well 1; Land Projects Mutual Water Company – Southern California Edison Customer Billing History for January 1992 through December 2012- Wells 3, 4 and 5; Land Projects Mutual Water Company - Southern California Edison Customer Billing History for January 1992 through December 2012, Supplemental for Wells 1, 3, 4 and 5.

5. Upon the formation of the mutual benefit, non-profit corporation, the overlying groundwater rights of the owners of the properties within the service area (who became the initial shareholders) became the rights of the mutual water company and have, ever since, been exercised by the mutual water company and not by the individual property owners /

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shareholders. There was no known express reservation of the overlying groundwater rights by the individual property owners at the time of formation. The property owners / shareholders simply pooled their collective water and (through the mutual water company) constructed, operated and maintained the production, storage and distribution system by which they all receive water for their domestic purposes. Simply stated, the property owners / shareholders exchanged their overlying water rights for the right to have water delivered to their individual properties. See Erwin v. Gage Canal Company (1964) 226 Cal.App.2d 189; see also Hildreth v. Montecito Creek Water Co. (1903) 139 Cal. 22, 29; see also City of Glendale v. Crescenta etc. Water Co. (1955) 135 Cal.App.2d 784, 801. As such, each shareholder has an interest in the water rights, production, storage and distribution facilities of the mutual water company and has the right to receive water upon development and demand.

> Reference: Discovery Responses ¶ I.1.j.; Supplemental Discovery Responses ¶ I.3.b.; Land Projects Mutual Water Co. printed lists of APN/AINs; Land Projects Mutual Water Co. Articles of Incorporation, By-Laws (as amended), Share Certificate (exemplar), and Policy Manual.

6. Land Projects did not lease any property 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.

7. Land Projects 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, and claims no return flows.

Reference: *Discovery Responses* ¶¶ III.1.a., III.1.b., III.1.d.

8. As stated above, the groundwater claimed by Land Projects is an overlying water right. The historic production upon which this claim is based, however, does not include water produced for the undeveloped properties within Land Projects' service areas, whose owners, as members of Land Projects, have the right to receive water service to their properties when built

out. Land Projects also claims an amount of water sufficient to provide water to these presently 1 un-served properties when water service thereto has been demanded. Other than as set forth 2 herein, Land Projects does not claim any other groundwater rights that are the subject of this 3 Adjudication for purposes of the Phase 4 Trial. 4 5 Reference: Discovery Responses ¶ I.1.g., II.1.j., II.1.a., III.1.a., III.1.b., III.1.d.. 6 1/// 7 /// 8 /// 9 /// 10 /// 11 1/// 12 1/// 13 /// 14 /// 15 /// 16 1/// 17 1/// 18 /// 19 /// 20 /// 21 /// 22 /// 23 /// 24 /// 25 1/// 26 /// 27 28

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PROOF OF SERVICE 1 STATE OF CALIFORNIA, COUNTY OF RIVERSIDE 2 3 Re: ANTELOPE VALLEY GROUNDWATER CASES Los Angeles County Superior Court Judicial Council Coordinated Proceedings No. 4408; Santa Clara County Superior Court Case No. 1-05-CV-049053 4 5 I am employed in the County of Riverside, State of California. I am over the age of 18 years and not a party to the within action; my business address is: 3750 University Avenue, Suite 250, Riverside, CA 92501-3335. 6 On March 15, 2013, I served the foregoing document(s) described [PROPOSED] 7 STIPULATION REGARDING THE DEPOSITION AND TRIAL TESTIMONY OF CROSS-DEFENDANT, LAND PROJECTS MUTUAL WATER COMPANY, INC., A 8 MEMBER OF THE ANTELOPE VALLEY UNITED MUTUAL GROUP on the interested parties in this action in the following manner: 9 BY ELECTRONIC SERVICE – I posted the document(s) listed above to the 10 Santa Clara County Superior Court website, http://www.scefiling.org, in the action of the 11 Antelope Valley Groundwater Cases. 12 I declare under penalty of perjury under the laws of the State of California that the 13 foregoing is true and correct. 14 Executed on March 15, 2013 at Riverside, California. 15 16 17 18 19 20 21 22 23 24 25 26 2.7

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