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SUNNYSIDE FARMS MUTUAL WATER COMPANY, INC.,  
7 a member of the Antelope Valley United Mutual Group

8  
9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
10 **IN AND FOR THE COUNTY OF LOS ANGELES**

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

) Judicial Council Coordination  
) Proceeding No. 4408

13 **ANTELOPE VALLEY GROUNDWATER**  
14 **CASES**

) Santa Clara Case No. 1-05-CV-049053  
) Assigned to the Honorable Jack Komar  
) Department 17

15 Including Actions:

16 **Los Angeles County Waterworks District**  
**No. 40 v. Diamond Farming Co.**  
Superior Court of California, County of Los  
17 Angeles, Case No. BC 325 201

) **[PROPOSED] STIPULATION**  
) **REGARDING THE DEPOSITION AND**  
) **TRIAL TESTIMONY OF CROSS-**  
) **DEFENDANT SUNNYSIDE FARMS**  
) **MUTUAL WATER COMPANY, INC., A**  
) **MEMBER OF THE ANTELOPE**  
) **VALLEY UNITED MUTUAL GROUP**

18 **Los Angeles County Waterworks District**  
**No. 40 v. Diamond Farming Co.**  
19 Superior Court of California, County of Kern,  
Case No. S-1500-CV-254-348  
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21 **Wm. Bolthouse Farms, Inc. v. City of**  
**Lancaster**  
22 **Diamond Farming Co. v. City of Lancaster**  
**Diamond Farming Co. v. Palmdale Water**  
**Dist.**  
23 Superior Court of California, County of  
Riverside, consolidated actions, Case Nos. RIC  
24 353 840, RIC 344 436, RIC 344 668

25 AND RELATED ACTIONS.  
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1 This *Stipulation Regarding the Deposition and Trial Testimony of Cross-Defendant*  
2 ***SUNNYSIDE FARMS MUTUAL WATER COMPANY, INC.***, a member of the Antelope Valley  
3 *United Mutual Group*, is submitted pursuant to Paragraph 2 of the Court's January 17, 2013 *First*  
4 *Amendment to Case Management Order for Phase Four Trial* and in connection with the  
5 deposition and trial testimony therefore, which Trial which is currently scheduled to commence  
6 on May 28, 2013, in the above-encaptioned matter.

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

11 1. Sunnyside Farms is an active California mutual benefit non-profit corporation,  
12 with an entity address of Post Office Box 901025, Palmdale, CA 93590. It was formed on  
13 December 12, 1951. Its membership is comprised of the owners of the 172 mostly 2½ acre lots  
14 that are situated within its below-described service area. Sunnyside Farms' 155 active meters  
15 serve the improved real properties within the Sunnyside Farms service area, and stand by to  
16 serve the unimproved properties when improved.

17 Reference: *Cross-Defendant/Cross-Complainant, Antelope Valley United Mutual*  
18 *Group's* (verified) *Information and Materials Responsive to December 12, 2012*  
19 *Discovery Order for Phase 4 Trial* for Sunnyside Farms Mutual Water Company  
20 ("*Discovery Responses*"), Paragraphs ("¶") I.1.b., I.3.c.ii.; California Secretary of  
21 State, Business Entity Detail (December 14, 2012); *Cross-Defendant/Cross-*  
22 *Complainant, Antelope Valley United Mutual Group, Specifically Sunnyside*  
23 *Farms Mutual Water Company's*, (verified) *First Supplemental Response to*  
24 *December 12, 2012 Discovery Order for Phase 4 Trial* ("*Supplemental Discovery*  
25 *Responses*") ¶ I.3.c.; Articles of Incorporation, By-Laws (as amended), and Share  
26 Certificate (exemplar).

1           2.       Sunnyside Farms' service area consists of 480 acres, which are bounded by  
2 Avenue N to the North, Avenue N-8 to the South, 30th Street West to the East, 45th Street West  
3 to the West. Sunnyside Farms is the owner of the water rights and the production, storage and  
4 distribution facilities. Sunnyside Farms services its members / shareholders identified by the  
5 Assessor's Parcel Numbers ("APN") listed in the *Discovery Responses*. The properties within  
6 the Sunnyside Farms service area are single family residential parcels.

7                   Reference: *Discovery Responses* ¶¶ I.1.b., I.1.h., I.1.j.; Sunnyside Farms printed  
8 list of APNs; Los Angeles County Assessor's Map reflecting parcels owned by  
9 shareholders of Sunnyside Farms Mutual Water Company; *Supplemental*  
10 *Discovery Responses* ¶ I.1.a.

11           3.       Sunnyside Farms owned and operated three (3) wells and boosters with Edison  
12 energy efficiency calibrated motor driven pumps that were situated within its service area during  
13 the Base Period years 2000 to 2004 and the recent years 2011 to 2012. During the years 2000 to  
14 2004 and 2011 to 2012, Sunnyside Farms used the water produced from these wells for the  
15 provision of domestic water service to its residential mutual members. All of the groundwater  
16 produced by Sunnyside Farms from these wells was used in its service area by its members.

17                   Reference: *Discovery Responses* ¶¶ I.1.c., I.1.d., I.1.f., I.1.g., I.1.h., I.3.a.i.,  
18 I.3.a.ii., I.3.a.iii.; Southern California Edison Well Efficiency Test Results: Well  
19 #1 – Multiple Point Test Summary (March 16, 2012); Southern California Edison  
20 Well Efficiency Test Results: Well #2 – Multiple Point Test Summary (March 16,  
21 2012); Southern California Edison Well Efficiency Test Results: Well #3 –  
22 Multiple Point Test Summary (March 16, 2012); Southern California Edison  
23 Electrical Billing Histories: Well #1 (January 1991 – January 2012); Southern  
24 California Edison Electrical Billing Histories: Well #2 (January 1991 – January  
25 2012); Southern California Edison Electrical Billing Histories: Well #3 (January  
26 1991 – January 2012); Sunnyside Farms Mutual Water Company – summary  
27 report of water pumped and AVEK delivery water for 2011 and 2012;  
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1                   *Supplemental Discovery Responses ¶ I.3.a.; Sunnyside Farms Mutual Water*  
2                   *Company – Index Map – Schematic; Sunnyside Farms Mutual Water Company –*  
3                   *Google, Well Numbers 1, 2, and 3 (and Tank Site) Multiple Point Test Summary,*  
4                   *Hydraulic Test Results from February 2003 to August 2012; Morrison Well*  
5                   *Maintenance, Well Logs; Southern California Edison past billing history from*  
6                   *January 1991 through January 2012; Southern California Edison electricity usage*  
7                   *data, 2012; Southern California Edison past billing history for Well Number 3*  
8                   *Booster Station from January 1988 to December 2012, and Multiple Point Test*  
9                   *Summary; Southern California Edison past billing history for Well Numbers 1*  
10                  *and 2 from January 1988 to December 2012, and Multiple Point Test Summaries;*  
11                  *Southern California Edison Statement of Account, January 18, 2013.*

12                  4.       Sunnyside Farms groundwater production during the years 2000 to 2004 and 2011  
13       to 2012 was as follows:

- 14                   i.        **2000:** 147.1 acre feet  
15                   ii.       **2001:** 170.3 acre feet  
16                   iii.       **2002:** 172.6 acre feet  
17                   iv.       **2003:** 174.7 acre feet  
18                   v.        **2004:** 160.3 acre feet  
19                   vi.       **2011:** 73.5 acre feet  
20                   vii.       **2012 [1/1 – 11/30]:** 77.3 acre feet

21       Reference: *Discovery Responses ¶¶ I.1.e.; I.3.a.i., I.3.a.ii., I.3.a.iii.; Southern*  
22       *California Edison Well Efficiency Test Results: Well #1 – Multiple Point Test*  
23       *Summary (March 16, 2012); Southern California Edison Well Efficiency Test*  
24       *Results: Well #2 – Multiple Point Test Summary (March 16, 2012); Southern*  
25       *California Edison Well Efficiency Test Results: Well #3 – Multiple Point Test*  
26       *Summary (March 16, 2012); Southern California Edison Electrical Billing*  
27       *Histories: Well #1 (January 1991 – January 2012); Southern California Edison*  
28

1 Electrical Billing Histories: Well #2 (January 1991 – January 2012); Southern  
2 California Edison Electrical Billing Histories: Well #3 (January 1991 – January  
3 2012); Sunnyside Farms Mutual Water Company –summary report of water  
4 pumped and AVEK delivery water for 2011 and 2012; *Supplemental Discovery*  
5 *Responses* ¶ I.3.a.; Sunnyside Farms Mutual Water Company – Index Map –  
6 Schematic; Sunnyside Farms Mutual Water Company – Google, Well Numbers 1,  
7 2, and 3 (and Tank Site) Multiple Point Test Summary, Hydraulic Test Results  
8 from February 2003 to August 2012; Morrison Well Maintenance, Well Logs;  
9 Southern California Edison past billing history from January 1991 through  
10 January 2012; Southern California Edison electricity usage data, 2012; Southern  
11 California Edison past billing history for Well Number 3 Booster Station from  
12 January 1988 to December 2012, and Multiple Point Test Summary; Southern  
13 California Edison past billing history for Well Numbers 1 and 2 from January  
14 1988 to December 2012, and Multiple Point Test Summaries; Southern California  
15 Edison Statement of Account, January 18, 2013.

16 5. Upon the formation of the mutual benefit, non-profit corporation, the overlying  
17 groundwater rights of the owners of the properties within the service area (who became the  
18 initial shareholders) became the rights of the mutual water company and have, ever since, been  
19 exercised by the mutual water company and not by the individual property owners /  
20 shareholders. There was no known express reservation of the overlying groundwater rights by  
21 the individual property owners at the time of formation. The property owners / shareholders  
22 simply pooled their collective water and (through the mutual water company) constructed,  
23 operated and maintained the production, storage and distribution system by which they all  
24 receive water for their domestic purposes. Simply stated, the property owners / shareholders  
25 exchanged their overlying water rights for the right to have water delivered to their individual  
26 properties. See *Erwin v. Gage Canal Company* (1964) 226 Cal.App.2d 189; see also *Hildreth v.*  
27 *Montecito Creek Water Co.* (1903) 139 Cal. 22, 29; see also *City of Glendale v. Crescenta etc.*

1 *Water Co.* (1955) 135 Cal.App.2d 784, 801. As such, each shareholder has an interest in the  
2 water rights, production, storage and distribution facilities of the mutual water company and has  
3 the right to receive water upon development and demand.

4 Reference: *Discovery Responses* ¶ I.1.j.; *Supplemental Discovery Responses*) ¶  
5 I.3.c.; Articles of Incorporation, By-Laws (as amended), and Share Certificate  
6 (exemplar).

7 6. Sunnyside Farms did not lease any property to anyone during the Base Period  
8 years of 2000 to 2004 or the recent years of 2011 to 2012.

9 Reference: *Discovery Responses* ¶ I.2.a.

10 7. Sunnyside Farms imported water from the Antelope Valley – East Kern Water  
11 Agency (“AVEK”) during the Base Period years of 2000 to 2004 and the recent years of 2011 to  
12 2012, and claims return flows. All imported water was used to provide domestic water to its  
13 members. In addition, all of the Sunnyside Farms properties are on septic, not sewer and,  
14 therefore, water from the septic tanks also results in some return flows that augment the basin.

15 a. **The Amount of Water Imported:**

- 16 i. 2000: 244.4 acre feet  
17 ii. 2001: 228.8 acre feet  
18 iii. 2002: 252.9 acre feet  
19 iv. 2003: 240.9 acre feet  
20 v. 2004: 293.2 acre feet  
21 vi. 2011: 154.9 acre feet  
22 vii. 2012 [1/1 – 11/30]: 161.9 acre feet

23 b. **Amount of Pumping of Return Flows from Imported Water:** 45%.

24 c. **Amount of Return Flows Pumped:**

- 25 i. 2000: 110.0 acre feet  
26 ii. 2001: 103.0 acre feet  
27 iii. 2002: 113.8 acre feet  
28

- iv. 2003: 108.4 acre feet
- v. 2004: 131.9 acre feet
- vi. 2011: 69.7 acre feet
- vii. 2012 [1/1 – 11/30]: 72.9 acre feet

d. Methodology Used to Quantify Claim: The figure of 45% of mutual water company imported water constituting return flows (in un-sewered areas) was derived from Technical Committee’s Problem Statement Report. Reference is made, generally, to the Problem Statement Report, and in particular Appendix D, pages D-25 and D-26.

Reference: *Discovery Responses* ¶¶ I.3.a., III.1.a., III.1.b., III.1.c., III.1.d., III.1.e., III.1.f., III.1.g., III.1.m., III.1.n.; Sunnyside Farms Mutual Water Company – summary report of water pumped and AVEK delivery water for 2011 and 2012; *Supplemental Discovery Responses* ¶ III.1.; AVEK Water Agency, Sales Journal, 2012.; Morrison Well Maintenance, 2011 and 2012.

8. As stated above, the groundwater claimed by Sunnyside Farms 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 Sunnyside Farms’ service areas, whose owners, as members of Sunnyside Farms, have the right to receive water service to their properties when built out. Sunnyside Farms also claims an amount of water sufficient to provide water to these presently un-served properties when water service thereto has been demanded. Other than as set forth herein, Sunnyside Farms does not claim any other groundwater rights that are the subject of this Adjudication for purposes of the Phase 4 Trial.


Reference: *Discovery Responses* ¶¶ I.1.g., I.1.j., II.1.a.

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The parties further stipulate and agree that neither deposition testimony nor trial testimony will be required of Sunnyside Farms for purposes of the Phase 4 Trial.

Dated: January 30, 2013.

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