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11 WHITE FENCE FARMS MUTUAL WATER COMPANY, INC.,
12 a member of the Antelope Valley United Mutual Group

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

15 Coordination Proceeding
16 Special Title (Rule 1550(b))

) Judicial Council Coordination
) Proceeding No. 4408

17 **ANTELOPE VALLEY GROUNDWATER**
18 **CASES**

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

19 Including Actions:

20 **Los Angeles County Waterworks District**
21 **No. 40 v. Diamond Farming Co.**
22 Superior Court of California, County of Los
23 Angeles, Case No. BC 325 201

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

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

28 **Wm. Bolthouse Farms, Inc. v. City of**
29 **Lancaster**
30 **Diamond Farming Co. v. City of Lancaster**
31 **Diamond Farming Co. v. Palmdale Water**
32 **Dist.**
33 Superior Court of California, County of
34 Riverside, consolidated actions, Case Nos. RIC
35 353 840, RIC 344 436, RIC 344 668

36 **AND RELATED ACTIONS.**

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

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

11 1. White Fence Farms is an active California mutual benefit non-profit corporation,
12 with an entity address of 41901 20th St. West, Palmdale, CA 93551. It was formed on June 17,
13 1948. Its membership is comprised of the owners of the 514 mostly 2½ acre lots that are situated
14 within its below-described service area. White Fence Farms' 453 active meters serve the
15 improved real properties within the White Fence Farms service area, and stand by to serve the
16 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 White Fence Farms Mutual Water
20 Company ("*Discovery Responses*"), Paragraphs ("¶") I.1.b., I.3.a., I.3.c.ii.;
21 California Secretary of State, Business Entity Detail (December 14, 2012);
22 Articles of Incorporation of White Fence Farms Mutual Water Co. Filed June 17,
23 1948; By-laws of White Fence Farms Mutual Water Co. Executed on June 22,
24 1948, and amended on several occasions between March 2, 1951 and January 10,
25 1989; Stock certificates issued by the White Fence Farms Mutual Water Co.

26 2. White Fence Farms' service area consists of 1280 acres, which are bounded by
27 Ave M to the North, Ave N to the South, 20th St West to the East, 30th St West to the West; and
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1 Ave L to the North, Ave M to the South, 10th St West to the East and 20th St West to the West.
2 White Fence Farms is the owner of the water rights and the production, storage and distribution
3 facilities. White Fence Farms services its members / shareholders identified by the Assessor's
4 Parcel Numbers ("APN") listed in the *Discovery Responses*. The properties within the White
5 Fence Farms service area are single family residential parcels (with the exception of 26
6 commercial buildings and 4 churches).

7 Reference: *Discovery Responses* ¶¶ I.1.a., I.1.h., I.1.j.; White Fence Farms
8 printed list of APNs – City Side; White Fence Farms printed list of APNs –
9 County Side.

10 3. White Fence Farms owned and operated two (2) metered wells that were situated
11 within its service area during the Base Period years 2000 to 2004 and from 2005 through 2012.
12 During the years 2000 through 2012, White Fence Farms used the water produced from these
13 wells for the provision of domestic water service to its residential mutual members, and
14 commercial water service to its commercial and church mutual members. All of the groundwater
15 produced by White Fence Farms from these wells was used in its service area by its members.

16 Reference: *Discovery Responses* ¶¶ I.1.c., I.1.d., I.1.f., I.1.g., I.1.h., I.3.a.i.,
17 I.3.a.ii., I.3.a.iii., I.3.a.iv., I.3.a.v., I.3.a.vi., I.3.a.vii., I.3.a.viii., I.3.a.ix.; Annual
18 Statement – Cessation or Reduction of Groundwater for October 1, 1999 –
19 September 30, 2000; Well #2 – Annual Notice of Groundwater Extraction for
20 2001; Annual Statement – Cessation or Reduction of Groundwater for October 1,
21 2000 – September 30, 2001; Annual Statement – Cessation or Reduction of
22 Groundwater for October 1, 2001 – September 30, 2002; Annual Statement –
23 Cessation or Reduction of Groundwater for October 1, 2002 – September 30,
24 2003; Well No. 3 WFF – Annual Notice of Groundwater Extraction for 2003;
25 Well No. 3 WFF – Annual Notice of Groundwater Extraction for 2004; Well No.
26 2 – Annual Notice of Groundwater Extraction for 2004; Annual Notice of
27 Groundwater Extraction For 2011 – City Well; Annual Notice of Groundwater
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1 Extraction For 2011 – County Well; White Fence Farms Summary Report of
2 groundwater produced for 2011 and January – November 2012; *Cross-*
3 *Defendant/Cross-Complainant, Antelope Valley United Mutual Group,*
4 *Specifically White Fence Farms Mutual Water Company's,* (verified) *First*
5 *Supplemental Response to December 12, 2012 Discovery Order for Phase 4 Trial*
6 *(“Supplemental Discovery Responses”)* ¶ I.3.a.; State of California Department of
7 Health Water Supply Permit, dated August 21, 1974; City Well Pictures; County
8 Well Pictures; AVEK Vault Pictures; Well Log Sheets for Years 2001, 2003 –
9 2012; Groundwater Recordation Summary for Years 1979 – 1983 and
10 Groundwater Extraction Notices for Years 1994 – 2011; Meter Books – 2000;
11 Meter Books – 2001; Meter Books – 2002; Meter Books – 2003; Core Water
12 Usage – Customer Usage Report – 2003; Core Water Usage – Customer Usage
13 Report – 2004; Core Water Usage – Customer Usage Report – 2005; Core Water
14 Usage – Customer Usage Report – 2006; Core Water Usage – Customer Usage
15 Report – 2007; Core Water Usage – Customer Usage Report – 2008; Core Water
16 Usage – Customer Usage Report – 2009; Core Water Usage – Customer Usage
17 Report – 2010; Core Water Usage – Customer Usage Report – 2011; Core Water
18 Usage – Customer Usage Report – 2012; Edison Billing Data – 2001; Edison
19 Billing Data – 2002; Edison Billing Data – 2003; Edison Billing Data – 2004;
20 Edison Billing Data – 2005; Edison Billing Data – 2006; Edison Billing Data –
21 2007; Edison Billing Data – 2008; Edison Billing Data – 2009; Edison Billing
22 Data – 2010; Edison Billing Data – 2011; Edison Billing Data – 2012; Edison
23 Hydraulic Testing for Years 2000 – 2001, 2003 – 2009, 2011.

24 4. White Fence Farms groundwater production during the years 2000 through 2012
25 was as follows:

- 26 i. 2000: 681.6 acre feet
27 ii. 2001: 877.6 acre feet
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- 1 iii. **2002:** 815.6 acre feet
2 iv. **2003:** 850.8 acre feet
3 v. **2004:** 927 acre feet
4 vi. **2005:** 1084 acre feet
5 vii. **2006:** 1037 acre feet
6 viii. **2007:** 994 acre feet
7 ix. **2008:** 1167 acre feet
8 x. **2009:** 1183 acre feet
9 xi. **2010:** 927 acre feet
10 xii. **2011:** 989.2 acre feet
11 xiii. **2012 [1/1 – 11/30]:** 924.5 acre feet

12 Reference: *Discovery Responses* ¶¶ I.1.e., I.3.a.i., I.3.a.ii., I.3.a.iii., I.3.a.iv.,
13 I.3.a.v., I.3.a.vi., I.3.a.vii., I.3.a.viii., I.3.a.ix.; Annual Statement – Cessation or
14 Reduction of Groundwater for October 1, 1999 – September 30, 2000; Well #2 –
15 Annual Notice of Groundwater Extraction for 2001; Annual Statement –
16 Cessation or Reduction of Groundwater for October 1, 2000 – September 30,
17 2001; Annual Statement – Cessation or Reduction of Groundwater for October 1,
18 2001 – September 30, 2002; Annual Statement – Cessation or Reduction of
19 Groundwater for October 1, 2002 – September 30, 2003; Well No. 3 WFF –
20 Annual Notice of Groundwater Extraction for 2003; Well No. 3 WFF – Annual
21 Notice of Groundwater Extraction for 2004; Well No. 2 – Annual Notice of
22 Groundwater Extraction for 2004; Annual Notice of Groundwater Extraction For
23 2011 – City Well; Annual Notice of Groundwater Extraction For 2011 – County
24 Well; White Fence Farms Summary Report of groundwater produced for 2011
25 and January – November 2012; *Supplemental Discovery Responses* ¶ I.3.a.; State
26 of California Department of Health Water Supply Permit, dated August 21, 1974;
27 City Well Pictures; County Well Pictures; AVEK Vault Pictures; Well Log Sheets
28

1 for Years 2001, 2003 – 2012; Groundwater Recordation Summary for Years 1979
2 – 1983 and Groundwater Extraction Notices for Years 1994 – 2011; Meter Books
3 – 2000; Meter Books – 2001; Meter Books – 2002; Meter Books – 2003; Core
4 Water Usage – Customer Usage Report – 2003; Core Water Usage – Customer
5 Usage Report – 2004; Core Water Usage – Customer Usage Report – 2005; Core
6 Water Usage – Customer Usage Report – 2006; Core Water Usage – Customer
7 Usage Report – 2007; Core Water Usage – Customer Usage Report – 2008; Core
8 Water Usage – Customer Usage Report – 2009; Core Water Usage – Customer
9 Usage Report – 2010; Core Water Usage – Customer Usage Report – 2011; Core
10 Water Usage – Customer Usage Report – 2012; Edison Billing Data – 2001;
11 Edison Billing Data – 2002; Edison Billing Data – 2003; Edison Billing Data –
12 2004; Edison Billing Data – 2005; Edison Billing Data – 2006; Edison Billing
13 Data – 2007; Edison Billing Data – 2008; Edison Billing Data – 2009; Edison
14 Billing Data – 2010; Edison Billing Data – 2011; Edison Billing Data – 2012;
15 Edison Hydraulic Testing for Years 2000 – 2001, 2003 – 2009, 2011.

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.*
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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.a., I.3.c.; City Well Pictures; County Well Pictures; AVEK Vault Pictures;
6 Articles of Incorporation of White Fence Farms Mutual Water Co. Filed June 17,
7 1948; By-laws of White Fence Farms Mutual Water Co. Executed on June 22,
8 1948, and amended on several occasions between March 2, 1951 and January 10,
9 1989; Stock certificates issued by the White Fence Farms Mutual Water Co.

10 6. White Fence Farms did not lease any property to anyone during the Base Period
11 years of 2000 to 2004 or the recent years of 2011 to 2012.

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

13 7. White Fence Farms imported water from the Antelope Valley – East Kern Water
14 Agency (“AVEK”) during the period of 2000 through 2012, and claims return flows. All
15 imported water was used to provide domestic water to its members. In addition, all but 15 of the
16 514 White Fence Farms’ properties are on septic, not sewer and, therefore, water from the septic
17 tanks also results in some return flows that augment the basin.

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

- 19 i. 2000: 192 acre feet
20 ii. 2001: 220 acre feet
21 iii. 2002: 311 acre feet
22 iv. 2003: 283 acre feet
23 v. 2004: 208 acre feet
24 vi. 2005: 114 acre feet
25 vii. 2006: 203 acre feet
26 viii. 2007: 217 acre feet
27 ix. 2008: 43 acre feet

- 1 x. 2009: 16 acre feet
2 xi. 2010: 222 acre feet
3 xii. 2011: 156.7 acre feet
4 xiii. 2012 [1/1 – 11/30]: 197.4 acre feet
5 b. Amount of Pumping of Return Flows from Imported Water: 45%.
6 c. Amount of Return Flows Pumped:
7 i. 2000: 86.4 acre feet
8 ii. 2001: 99 acre feet
9 iii. 2002: 140.0 acre feet
10 iv. 2003: 127.4 acre feet
11 v. 2004: 93.6 acre feet
12 vi. 2005: 51.3 acre feet
13 vii. 2006: 91.4 acre feet
14 viii. 2007: 97.7 acre feet
15 ix. 2008: 19.4 acre feet
16 x. 2009: 7.2 acre feet
17 xi. 2010: 99.9 acre feet
18 xii. 2011: 70.5 acre feet
19 xiii. 2012 [1/1 – 11/30]: 88.8 acre feet

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

24 Reference: *Discovery Responses* ¶¶ I.3.a.i., I.3.a.ii., I.3.a.iii., I.3.a.iv., I.3.a.v.,
25 I.3.a.vi., I.3.a.vii., I.3.a.viii., I.3.a.ix., III.1.a., III.1.b., III.1.c., III.1.d., III.1.e.,
26 III.1.f., III.1.g., III.1.m., III.1.n.; Annual Statement – Cessation or Reduction of
27 Groundwater for October 1, 1999 – September 30, 2000; Well #2 – Annual
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1 Notice of Groundwater Extraction for 2001; Annual Statement – Cessation or
2 Reduction of Groundwater for October 1, 2000 – September 30, 2001; Annual
3 Statement – Cessation or Reduction of Groundwater for October 1, 2001 –
4 September 30, 2002; Annual Statement – Cessation or Reduction of Groundwater
5 for October 1, 2002 – September 30, 2003; Well No. 3 WFF – Annual Notice of
6 Groundwater Extraction for 2003; Well No. 3 WFF – Annual Notice of
7 Groundwater Extraction for 2004; Well No. 2 – Annual Notice of Groundwater
8 Extraction for 2004; Annual Notice of Groundwater Extraction For 2011 – City
9 Well; Annual Notice of Groundwater Extraction For 2011 – County Well; White
10 Fence Farms Summary Report of groundwater produced for 2011 and January –
11 November 2012; *Supplemental Discovery Responses* ¶¶ I.3.a., III.1, III.1.b.,
12 III.1.d.; AVEK Vault Pictures; Groundwater Recordation Summary for Years
13 1979 – 1983 and Groundwater Extraction Notices for Years 1994 – 2011; White
14 Fence Farms Mutual Water Company AVEK Purchases – Invoices and Checks.

15 8. As stated above, the groundwater claimed by White Fence Farms is an overlying
16 water right. The historic production upon which this claim is based, however, does not include
17 water produced for the undeveloped properties within White Fence Farms' service areas, whose
18 owners, as members of White Fence Farms, have the right to receive water service to their
19 properties when built out. White Fence Farms also claims an amount of water sufficient to
20 provide water to these presently un-served properties when water service thereto has been
21 demanded. Other than as set forth herein, White Fence Farms does not claim any other
22 groundwater rights that are the subject of this Adjudication for purposes of the Phase 4 Trial.

23 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 White Fence Farms for purposes of the Phase 4 Trial.

Dated: January 30, 2013.

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Dated: January ___, 2013.

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