

EXHIBIT C

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SUPERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES

Coordination Proceeding
Special Title [Rule 1550(b)]

ANTELOPE VALLEY GROUNDWATER
CASES

Included Actions:

Los Angeles County Waterworks District No.
40 v. Diamond Farming Co.
Los Angeles County Superior Court
Case No. BC 325 201

Los Angeles County Waterworks District No.
40 v. Diamond Farming Co.
Kern County Superior Court
Case No. S-1 500-CV-254-348

Wm. Bolthouse Farms, Inc. v. City of Lancaster
Diamond Farming Co. v. City of Lancaster
Diamond Farming Co. v. Palmdale Water
District
Riverside County Superior Court
Consolidated Action, Case Nos.
RIC 353 840, RIC 344 436, RIC 344 668

AND RELATED CROSS-ACTIONS

Judicial Council Coordination
Proceeding No. 4408

**REVISED ORDER AFTER
HEARING ON JURISDICTIONAL
BOUNDARIES**

Hearing Date: October 10, 2006
Time: 10:00 a.m.
Department: 1, Room 534

Judge: Hon. Jack Komar

1 On the court's own motion, the order entered November 3, 2006, is revised to read as
2 follows:

3 This matter came on for hearing on October 10, 11, and 12, 2006 for purposes of
4 establishing the geographical boundaries for the ground water adjudication of the Antelope
5 Valley coordinated cases. The court heard the testimony of expert witnesses called by the
6 various parties, admitted exhibits into evidence, and heard oral argument.

7 The relief sought in this coordinated case is the adjudication of the claims of all parties
8 who assert a right to the ground water within the Antelope Valley basin based upon the various
9 causes of action and defenses stated by the parties. The court must have jurisdiction of all
10 parties who may have a claim to the ground water at issue and accordingly must determine the
11 geographical boundaries of the ground water basin. All overlying land owners with correlative
12 usufructuary rights and appropriators who produce water from the aquifer are necessary parties.

13 The United States is a major overlying land owner within the basin and has been made a
14 party to this litigation. The United States waives its sovereign immunity pursuant to the
15 McCarran Amendment and may be sued in litigation which involves rights to surface or ground
16 water *only* when the adjudication will be a comprehensive adjudication of all the rights in a
17 river or other water source. 43 *U.S.C.S.* Section 666(a), *United States District Court for Eagle*
18 *County* (1971) 401 U.S. 520, *United States v. Oregon, Water Resources Dep't* (9th Cir.1994)
19 44 F. 3d 758.

20 The Watershed

21 The purpose of the comprehensive adjudication requirement of the McCarran
22 Amendment is to ensure that the United States is not subject to piecemeal litigation. It is argued
23 that the jurisdictional boundaries must therefore include the watershed in order to satisfy the
24 McCarran Amendment because the watershed does in fact constitute the primary source of
25 natural recharge of the basin aquifer. Hydrologic connection alone is not sufficient. *United*
26 *States v. Eagle County*, supra. The rights claimed in the watershed must be such that without
27 adjudicating those rights in the instant action, the United States (and other parties) would be
28 subject to further, separate litigation regarding other *claims of right* affecting their rights to

1 water within the aquifer. It should not be a potential claim based on some theoretical future
2 conduct, but rather an actual claim based upon an existing right. The focus of this
3 comprehensive litigation is the determination of rights to water that is within the ground water
4 basin. And the watershed is not part of the aquifer within the ground water basin.

5 The parties produced evidence at the hearing concerning the hydrology of the basin,
6 including surface water and ground water, the hydrology of the watershed, and the extent of the
7 relationship between the basin aquifer and the watershed.

8 The Little Rock Creek Reservoir, which controls significant recharge into the Antelope
9 Valley aquifer, and which the court understands is operated by the Palmdale Irrigation District
10 and the Little Rock Creek Irrigation District, is in the watershed and not within the ground
11 water basin. Those districts are properly parties to the litigation because they claim rights to
12 that water and because they exercise discretionary control over the release of the reservoir
13 water for recharge. Any other parties who are similarly situated should also be joined in this
14 litigation.

15 Other *nominal* users in the watershed whose use is fixed by permit or regulation have
16 no rights to water within the aquifer and need not be joined absent some evidence that they
17 have a claim as an appropriator, or otherwise, or are claiming a right to act beyond the
18 parameters of their permit or regulated use to interfere with recharge of the basin aquifer in a
19 material way.

20 Thus, the court declines to define the jurisdictional boundaries to include the watershed
21 area and will limit the boundaries to the basin aquifer itself. However, to the extent that any
22 other identified parties outside the boundaries of the ground water basin make a claim to
23 ground basin water, or who claim a right to control basin recharge water from the watershed,
24 they may be joined as parties upon motion to amend a complaint or cross complaint.

25 The Ground Water Basin

26 The principal area of disagreement in defining the basin relates to the area north of the
27 Willow Springs/Cottonwood fault lines. The specific issue is whether the fault line or bedrock
28 is so impermeable that it constitutes a northerly barrier so no water flows south of the fault line;

1 or on the other hand, whether there is sufficient conductivity between the area north of the fault
2 and the balance of the Antelope Valley that the more northerly area should be included within
3 the jurisdictional boundaries for this adjudication.

4 There are some additional areas of dispute involving the North Muroc area on the
5 northeastern boundary of the basin, and the Leona Valley, and related areas, where there are a
6 number of wells pumping from fractured bedrock.

7 The court concludes that generally the alluvial basin as described in California
8 Department of Water Resources Bulletin 118-2003 should be the basic jurisdictional boundary
9 for purposes of this litigation. In addition to the alluvial basin, the adjacent valleys, including a
10 portion of the North Muroc area and the Leona Valley, also may have conductivity and
11 potentially some impact on the aquifer. The evidence presently before the court is that the
12 amount of flow at the present time and historically has been nominal and in some cases
13 virtually nil, and will likely remain so for the indefinite future. The court will exclude them at
14 this time from the jurisdictional boundaries. *De minimus non curat lex*. However, any party
15 who believes that there is measurable impact on the aquifer so that particular parties in those
16 areas should be joined may seek leave to do so.

17 The eastern boundary will be the jurisdictional line on the east which was established as
18 the westernmost boundary in the Mojave litigation.

19 A map and verbal description of the jurisdictional boundaries established by this order
20 are attached hereto as Exhibit A. These boundaries are established for purposes of ensuring that
21 the most reasonably inclusive boundaries will be used to ensure a complete and final
22 adjudication of rights to the ground water.

23 As the litigation in this case progresses certain geographical areas, upon further
24 evidence, may appear to lack any real connection to the Antelope Valley aquifer and such areas
25 may ultimately be excluded. Other areas may be added as evidence establishes a claim adverse
26 to the rights of the other parties involved in this groundwater adjudication.
27 Again, any party who believe that parties who are not within the jurisdictional bounds should
28 be joined may make application to the court to file a cross complaint, or amended complaint or

1 cross complaint (as the case may be) to include such parties.

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4 SO ORDERED.

5 Dated:

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Judge of the Superior Court

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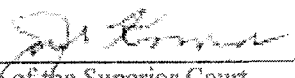
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1 cross complaint (as the case may be) to include such parties.

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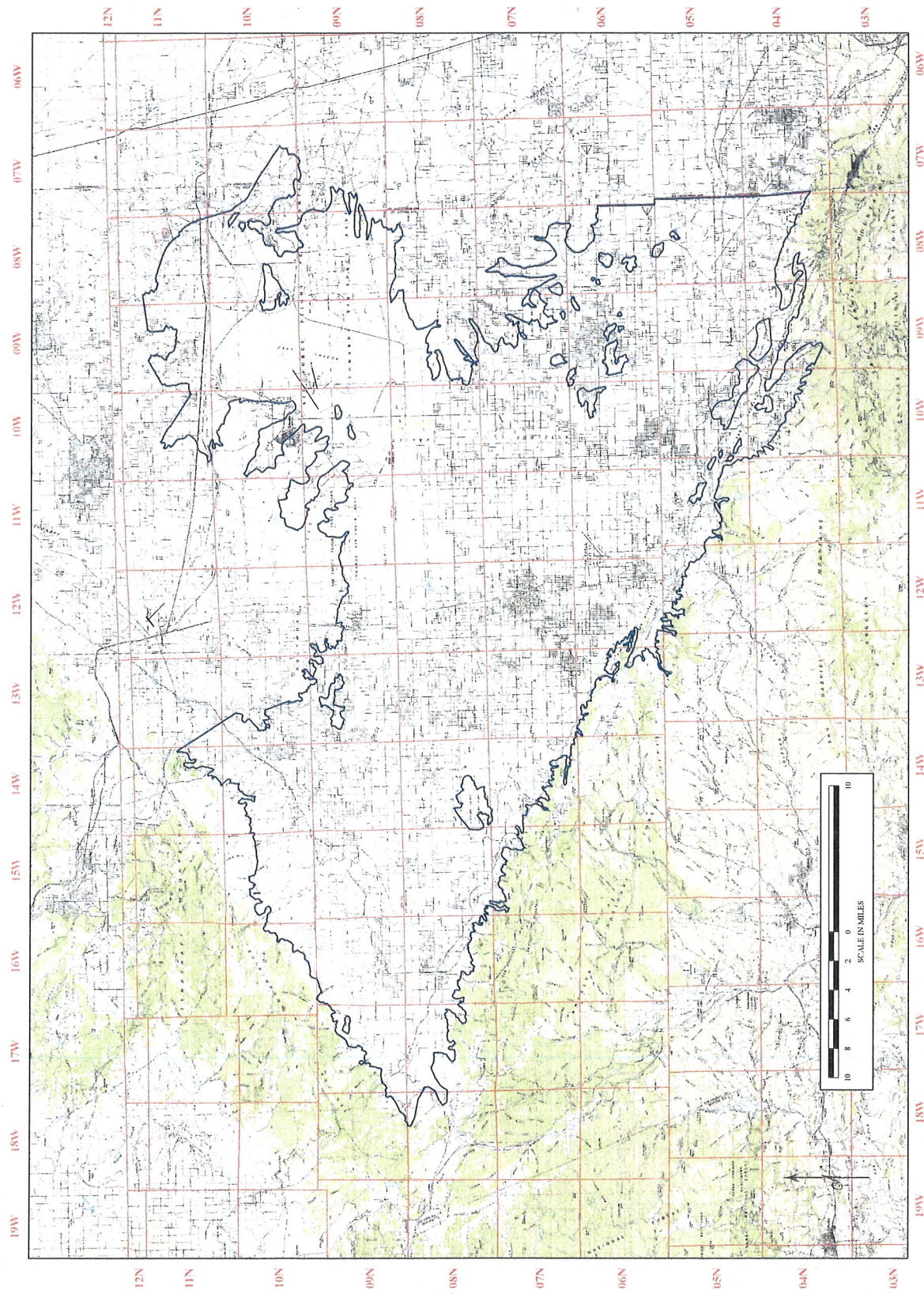
SO ORDERED.

Dated: MAR 12 2007



Judge of the Superior Court
JACK KOMAR

EXHIBIT A



Jurisdictional Boundary
Antelope Valley Groundwater Adjudication

Jurisdictional Boundary Description

Antelope Valley Groundwater Adjudication

Beginning in the southeast corner of the basin (where “basin” is intended to mean adjudication area), and proceeding clockwise around the area, the southerly boundary is largely comprised of the mapped extent of bedrock contact to the north of, and generally parallel to the San Andreas Fault. Along the entire southerly boundary, the boundary line cuts across two locations where surface drainage occurs above alluvium that is narrowly connected to the main Antelope Valley and/or is known or thought to be very thin or limited in extent. Those two locations are at the mouth of Soledad Canyon and the mouth of Leona Valley.

From the southwesterly corner of the basin, the westerly boundary is entirely comprised of the mapped extent of bedrock contact to the southeast of, and roughly parallel to the Garlock Fault complex. The northwesterly corner of the basin is along that bedrock contact near the mouth of Oak Creek Canyon. From that northwesterly corner, the basin is bounded on the north by a southeasterly trending line to Middle Butte; the basin boundary follows the westerly side of that bedrock contact and then crosses an alluvial gap to bedrock outcrop of Gem Hill and the Rosamond Hills, which it then follows to the northwest corner of the dry Rosamond Lake bed.

From the northwest corner of Rosamond Lake (dry), the basin predominately follows bedrock contact along the Rosamond and Bissell Hills, generally on the west side of Edwards Air Force Base, to the Muroc Fault where it follows the Fault/bedrock contact. The boundary arbitrarily crosses some narrow gaps between rock outcrops in the Rosamond and Bissell Hills, where the gaps represent small connections with the Fremont Valley Groundwater Basin to the west. Similarly, to the north of Edwards AFB and on the east side of Rogers Dry Lake, the boundary arbitrarily crosses some narrow gaps between rock outcrops, the most notable of which is a narrow neck that isolates the Peerless Valley to the north.

On the east side of the Antelope Valley, the basin is bounded by bedrock contacts along the entire so-called Hi-Vista area of bedrock outcrops. Where that contact reaches the Los Angeles-San Bernardino County line along the southeast side of the basin, the groundwater basin is arbitrarily bounded by the County line, which is recognized to be the western boundary of the adjudicated Mojave Water Agency area in San Bernardino County.