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9	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
10	COUNTY OF LOS ANGELES, CENTRAL DISTRICT	
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12	Coordination Proceeding Special Title (Rule 1550(b))	Case No. Judicial Council Coo Proceeding No. 4408
13 14	ANTELOPE VALLEY GROUNDWATER CASES	(For Filing Purposes Only:. Sa County Case No.: 1-05-CV-0
15	Included Actions:	PHELAN PIÑON HILLS C
16	Los Angeles County Waterworks District No. 40 v.	SERVICES DISTRICT'S S' RE PROPOSED PHYSICAL ASSERTION OF CLAIMS,
17	Diamond Farming Co., et al. Los Angeles County Superior Court, Case No. BC 325 201	OF INTENT TO ADJUDIC
18		CLAIMS
19	Los Angeles County Waterworks District No. 40 v.	Assigned for All Purposes to:
20		Hon. Jack Komar
21	S-1500-CV-254-348	
22		
23	Wm. Bolthouse Farms, Inc. v. City of Lancaster	
24	Diamond Farming Co. v. City of Lancaster Diamond Farming Co. v. Palmdale Water	
25	Dist. Riverside County Superior Court,	
26	Consolidated Action, Case Nos. RIC 353 840, RIC 344 436, RIC 344 668	
27	AND RELATED CROSS-ACTIONS	

Case No. Judicial Council Coordination Proceeding No. 4408

(For Filing Purposes Only:. Santa Clara County Case No.: 1-05-CV-049053)

PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT'S STATEMENT RE PROPOSED PHYSICAL SOLUTION, ASSERTION OF CLAIMS, AND NOTICE OF INTENT TO ADJUDICATE ITS **CLAIMS**

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TO THE HONORABLE COURT AND ALL PARTIES AND THEIR ATTORNEYS OF RECORD HEREIN:

Phelan Piñon Hills Community Services District ("Phelan Piñon Hills") hereby submits this Statement pursuant to paragraph three of the Second Amended Case Management Order ("Second Amended CMO").

The Proposed Physical Solution.

Phelan Piñon Hills objects to the Proposed Physical Solution primarily based upon the proposal seeking to allocate the entire safe yield amongst settling parties and the proposal seeking to bind Phelan Piñon Hills by having to pay 100% water replacement assessment if and only if water is available and delivery to Phelan Piñon Hills' service area will not injure the basin. The Proposed Physical Solution seeks to be the physical solution for the basin, and in doing so, to bind a non-settling party like Phelan Piñon Hills without the benefits or rights created by other provisions. These deficiencies, as well as others that may become known to Phelan Piñon Hills, make the Proposed Physical Solution inconsistent with the Wood Class Settlement from 2013, thereby making the Wood Class in breach, or in breach upon final Court approval, of that agreement as well as the often referred to "Public Water Suppliers" in breach of the Willis Class Settlement from 2011 due to that agreement providing Phelan Piñon Hills with a share to the 15% native safe yield being allocated to Phelan Piñon Hills and these other public water suppliers.

Phelan Piñon Hills hereby incorporates its objections and statements from its recent filings including its Petition for Writs of Mandate and Prohibition. In addition, Phelan Piñon Hills raises the following objections to specific provisions of the Proposed Physical Solution:

- Section 3.5.8 reference to "Basin" is inconsistent with the Court's early-on recognition (1)of DWR Bulletin 118's configuration of the Antelope Valley Groundwater Basin as "the basic jurisdictional boundary for purposes of this litigation." (Revised Order dated 3/13/07, p. 4:7-9.)
- Section 3.5.21 reference to Exhibit 3 of "non-overlying production rights" fails to (2)include Phelan Piñon Hills despite ample evidence admitted through Phase 4 and the November 4, 2014 trials that Phelan Piñon Hills' Well 14 produces approximately 1,100 af annually with approximately 40% of that water "recirculating" through customers' septic systems to contribute to 01133.0012/239679.1

recharge of *the* Basin, for which the Court aptly characterized as bearing perhaps on a "net pumping" right.

(3) Sections 6.4, 6.4.1, and 9.2 refer to "export" without any specific definition, which is particularly problematic considering a portion of Phelan Piñon Hills' service area lies over the Antelope Valley Groundwater Basin. The commonly accepted definition of "export" does *not* include transportation to and use on lands from which the return flows return to the aquifer from which extracted, which is the case with much of Well 14's production, evident from the November 4, 2014 trial.

Ultimately, this Proposed Physical Solution is inequitable and legally deficient for reasons set forth above. Phelan Piñon Hills reserves its right to augment its objections as further information becomes available during the process set forth in the Second Amended CMO.

II. Assertion of Claims and Notice of Intent to Separately Adjudicate Its Claims.

Phelan Piñon Hills has five remaining causes of action (3rd, 4th, 5th, 7th, and 8th) as pleaded in its cross-complaint. Phelan Piñon Hills seeks to establish each one.

DATED: April 7, 2015

ALESHIRE & WYNDER, LLP

By:

WESLEY A. MILIBAND

Attorneys for Defendant and Cross-Complainant Phelan Piñon Hills Community Services District

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Judicial Council Coordination Proceeding No. 4408
For Filing Purposes Only: Santa Clara County Case No.: 1-05-CV-049053

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF ORANGE

I, Wesley A. Miliband,

I am employed in the County of Orange, State of California. I am over the age of 18 and not a party to the within action. My business address is 18881 Von Karman Avenue, Suite 1700, Irvine, CA 92612.

On April 7, 2015, I served the within document(s) described as PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT'S STATEMENT RE PROPOSED PHYSICAL SOLUTION, ASSERTION OF CLAIMS, AND NOTICE OF INTENT TO ADJUDICATE ITS CLAIMS on the interested parties in this action as follows:

BY ELECTRONIC SERVICE: By posting the document(s) listed above to the Santa Clara County Superior Court website in regard to Antelope Valley Groundwater matter pursuant to the Court's Clarification Order. Electronic service and electronic posting completed through www.scefiling.org.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on April 7, 2015, at Irvine, California.

Wesley A. Miliband

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