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Phelan Piñon Hills Community Services District
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9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
10 **COUNTY OF LOS ANGELES, CENTRAL DISTRICT**
11

12 Coordination Proceeding
Special Title (Rule 1550(b))
13

14 **ANTELOPE VALLEY
GROUNDWATER CASES**

15 Included Actions:

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

19 *Los Angeles County Waterworks District*
No. 40 v.
20 *Diamond Farming Co., et al.*
Kern County Superior Court, Case No.
21 S-1500-CV-254-348

22 *Wm. Bolthouse Farms, Inc. v. City of*
23 *Lancaster*
Diamond Farming Co. v. City of Lancaster
24 *Diamond Farming Co. v. Palmdale Water*
Dist.
25 Riverside County Superior Court,
Consolidated Action, Case Nos. RIC 353
26 840, RIC 344 436, RIC 344 668

27 **AND RELATED CROSS-ACTIONS**
28

Case No. Judicial Council Coordination
Proceeding No. 4408

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

**STATEMENT BY PHELAN PIÑON
HILLS COMMUNITY SERVICES
DISTRICT FOR STATUS CONFERENCE
SET FOR JUNE 15, 2015**

Date: June 15, 2015
Time: 1:30 p.m.
Dept.: Telephonic / Via CourtCall

Assigned for All Purposes to:
Hon. Jack Komar

Date/Time: 08/03-04/15, 10:00 a.m., LASC
(Final Fairness Hearing [Small Pumper/Wood Class
Settlement] and Motion to Admit Alternative
Proposed Physical Solutions into Evidence)
Date/Time: 08/25-27/15, 10:00 a.m., San Jose
(Trial/Hearing on claims by Phelan Piñon Hills CSD)
Date/Time: 09/28-10/16/15, 10:00 a.m., TBD
(Prove-up Hearings [evidentiary hearing for a
physical solution])

01133.0012/255646.3

STATEMENT BY PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT
FOR STATUS CONFERENCE SET FOR JUNE 15, 2015

ALESHIRE &
WYNDER LLP



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

3 Phelan Piñon Hills Community Services District ("Phelan Piñon Hills") hereby submits this
 4 Statement for the June 15, 2015 Status Conference pursuant to the Court's May 15, 2015 Minute
 5 Order.

6 Phelan Piñon Hills' efforts to reach agreement with other parties on a settlement have been
 7 unsuccessful. Therefore, Phelan Piñon Hills intends to proceed with trial on the following remaining
 8 causes of action alleged in the Cross-Complaint for Declaratory, Injunctive and Other Equitable Relief
 9 Including a Physical Solution Against All Parties, filed on December 30, 2008 ("Cross-Complaint"):

- 10 • Third Cause of Action for a physical solution: Phelan Piñon Hills maintains that a
 11 reasonable physical solution would provide for Phelan Piñon Hills to be allowed to
 12 pump up to 1,200 acre-feet per year without payment of a Replacement Assessment.
- 13 • Fourth Cause of Action for declaratory relief regarding the appropriative rights of
 14 Phelan Piñon Hills as a municipal water provider.
- 15 • Fifth Cause of Action for declaratory relief regarding Phelan Piñon Hills right to use
 16 pore space in the soils of the Basin for storage of imported water and return flows.
- 17 • Seventh Cause of Action for declaratory relief regarding unreasonable use of water by
 18 cross-defendants pursuant to California Constitution Article X, Section 2.
- 19 • Eighth Cause of Action for declaratory relief regarding the boundaries of the Antelope
 20 Valley Groundwater Basin.

21 While this case was pending, the County of Los Angeles sold Phelan Piñon Hills' predecessor,
 22 the San Bernardino County Service Area 70, Improvement Zone L, the site for Well 14, with full
 23 knowledge it was to be the site of a municipal water well. At the time, nothing was said about limits
 24 of any kind on the use of the well or the water pumped by it and no reference was made to this
 25 pending groundwater adjudication. Although the County of Los Angeles and Waterworks District 40
 26 are separate legal entities, the fact is the individuals who comprise the Los Angeles County Board of
 27 Supervisors serve as the legislative body of both entities. What the County of Los Angeles granted, its
 28 sibling government entity has joined others in trying to take away.



1 By the time Phelan Piñon Hills joined this case by filing its Cross-Complaint, the Court had
2 already determined the boundaries of the Antelope Valley Adjudication Area. Phelan Piñon Hills
3 contends the issue of the boundaries of the Antelope Valley Adjudication Area must be re-visited, or a
4 more flexible application of the significance of the boundaries, must be considered for purposes of
5 reaching a reasonable and just physical solution as to Phelan Piñon Hills. In light of the peculiar
6 effect the Court's decision regarding the boundary of the Antelope Valley Adjudication Area has on
7 Phelan Piñon Hills, the result is a denial of substantive and procedural due process as to Phelan Piñon
8 Hills, one, because the boundaries were determined without Phelan Piñon Hills' participation and,
9 two, because of the effect the determination of the boundary has on every other issue raised by Phelan
10 Piñon Hills.

11 Geopolitically, Phelan Piñon Hills' service area is located in San Bernardino County.
12 Hydrogeologically, Phelan Piñon Hills' service area straddles the actual physical boundaries between
13 the Antelope Valley Groundwater Basin and the El Mirage Groundwater Basin (if there in fact is a
14 clear boundary, as there may be areas of commingling between basins), extending toward the Upper
15 Mojave River Valley Basin. The Court has chosen to set the boundaries of the Antelope Valley
16 Adjudication Area on the basis of geopolitical boundaries and an unfortunate determination in the
17 Mojave Groundwater Adjudication that similarly based the boundary of the adjudication area on
18 geopolitical boundaries rather than hydrogeological reality, carving off a portion of the Antelope
19 Valley Groundwater Basin. The net result for Phelan Piñon Hills is that Phelan Piñon Hills is both
20 being unrealistically cast in the role of an "exporter" of water – by using Well 14 to serve its service
21 area, located outside of the Antelope Valley Adjudication Area as defined by the Court – while at the
22 same time being denied the right under Water Code § 7075 to reclaim water delivered to its customers
23 that, unused, returns to the basin, and being denied recognition as an "importer" of water from the
24 Mojave Adjudication Area – which would allow Phelan Piñon Hills to establish priority to return flow
25 from within or without its service area. To put the matter more succinctly, if the boundary
26 determination is going to be used to throw Phelan Piñon Hills into the position of an exporter, the
27 existence of return flow of water from outside the adjudication area nevertheless should be considered
28 in determining Phelan Piñon Hills' role and rights on this adjudication. This set of circumstances has



1 the potential to result in adverse determinations of Phelan Piñon Hills' causes of action and should be
2 addressed first.

3 Water use in Phelan Piñon Hills' service area is almost entirely municipal use. As a provider
4 of water for municipal use, Phelan Piñon Hills is entitled to priority pursuant to Water Code §§ 106,
5 106.5. Recognition of the correct hydrogeological boundary of the groundwater basin supports Phelan
6 Piñon Hills' claim to an appropriative right for municipal use as to surplus water in the Buttes
7 Subunit, in which Well 14 is located, rather than unrealistically leading to the conclusion Phelan Piñon
8 Hills is an "exporter" of water and therefore unable to assert its appropriative right for municipal use.

9 However, if Phelan Piñon Hills is to be cast in the role of an "exporter" of water because of the
10 Court's determination of the eastern boundary of the Antelope Valley Adjudication Area, it should at
11 least be treated as an "importer" of water as to the return flow into the Antelope Valley Adjudication
12 Area from its service area, located entirely outside the boundaries of the Antelope Valley Adjudication
13 Area as determined by the Court, and should have the right to use and store at least the amount of
14 return flow to the Antelope Valley Adjudication Area of "imported" water (water not pumped from
15 Well 14) that results from water usage by Phelan Piñon Hills' customers.

16
17 DATED: June 12, 2015

ALESHIRE & WYNDER, LLP
JUNE S. AILIN
MILES P. HOGAN

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19
20 By: June Ailin

JUNE S. AILIN

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

3 **PROOF OF SERVICE**

4 **STATE OF CALIFORNIA, COUNTY OF ORANGE**

5 I, Linda Yarvis,

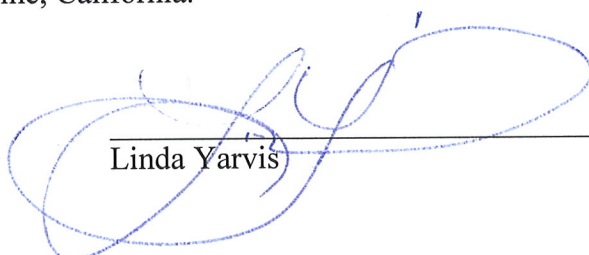
6 I am employed in the County of Orange, State of California. I am over the age of 18 and not a
7 party to the within action. My business address is 18881 Von Karman Avenue, Suite 1700, Irvine, CA
8 92612.

9 On June 12, 2015, I served the within document(s) described as **STATEMENT BY PHELAN
10 PIÑON HILLS COMMUNITY SERVICES DISTRICT FOR STATUS CONFERENCE SET
11 FOR JUNE 15, 2015** on the interested parties in this action as follows:

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

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

18 Executed on June 12, 2015, at Irvine, California.

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Linda Yarvis