E-RECEIVED

8/17/16 JAMES J. BANKS (SBN 119525) 1 W. DAVID CORRICK (SBN 171827) BANKS & WATSON 901 F Street, Suite 200 Sacramento, California 95814 Phone: (916) 325-1000 Exempt from Filing Fee Pursuant Fax: (916) 325-1004 to Gov't. Code § 6103 4 Email: jbanks@bw-firm.com 5 WILLIAM J. BRUNICK (SBN 46289) LELAND P. McELHANEY (SBN 39257) 6 BRUNICK, McELHANEY & KENNEDÝ 7 1839 Commercenter West San Bernardino, California 92408 Phone: (909) 889-8301 8 Fax: (909) 388-1889 9 Email: lmcelhaney@bmklawplc.com Attorneys for Cross-Defendant/Cross-Complainants, 10 ANTELOPE VALLEY EAST – KERN WATER AGENCY 11 SUPERIOR COURT OF THE STATE OF CALIFORNIA 12 13 FOR THE COUNTY OF LOS ANGELES Judicial Council Coordination Proceeding No. 4408 14 Coordination Proceeding Special Title (Rule 1550(b)) 15 Santa Clara Case No. 1-05-CV-049053 Assigned to the Honorable Jack Komar ANTELOPE VALLEY Department 17C 16 **GROUNDWATER CASES** 17 Including Consolidated Actions: DECLARATION OF FRANK S. DONATO IN SUPPORT OF MOTION TO DISQUALIFY Los Angeles County Waterworks District No. 18 40 v. Diamond Farming Co. **BEST BEST & KRIEGER AS LEGAL** 19 Superior Court of California, County of Los **COUNSEL IN ANTELOPE VALLEY** Angeles, Case No. BC 325 201 **GROUNDWATER CASES** 20 Los Angeles County Waterworks District No. 40 v. Diamond Farming Co. 21 **DATE: October 18, 2016** Superior Court of California, County of Kern, TIME: 10:00 a.m. Case No. S-1500-CV-254-348 **DEPT: Room 200** 22 **Stanley Mosk Courthouse** 23 Los Angeles, California Wm. Bolthouse Farms, Inc. v. City of Lancaster Judge: Hon. Jack Komar 24 Diamond Farming Co. v. City of Lancaster Diamond Farming Co. v. Palmdale Water Dist. Complaint Filed: 9/22/2005 Superior Court of California, County of Riverside, Trial Date: 25 consolidated actions, Case Nos. RIC 353 840, RIC 344 436, RIC 344 668 26 27 AND RELATED ACTIONS. 28

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I, FRANK DONATO, declare:

- 1. I have been on the board of Antelope Valley East Kern Water Agency ("AVEK") since 1987. I make the statements of fact in this declaration of my own knowledge, except those matters stated on information and belief, and as to those matters I believe them to be true. If called upon to do so, I could and would competently testify to the following:
- ANEK is a state water contractor that imports water from Northern California into the Antelope Valley Groundwater Basin (the "Basin"). AVEK was formed by a special act of the California Legislature in 1959. Concerned citizens of the Antelope Valley sponsored the enabling legislation due to concerns over the lowering water table secondary to excessive groundwater pumping. Construction of the State Water Project ("SWP") and routing of the East Branch of the California Aqueduct along the southern rim of the Antelope Valley created an opportunity for the Antelope Valley region to obtain an imported water supply, which would obviate the need for excessive pumping.
- 3. In 1962, AVEK entered into a water supply contract with the State of California to import specified amounts of SWP water. In 1972, the East Branch of the California Aqueduct became operational. AVEK supplies water primarily on a wholesale basis to retail water purveyors who then deliver the water to their customers. Los Angeles County Waterworks District No. 40. ("District 40") is one such retailer.
- 4. The bulk of the SWP water AVEK imports to the Basin is treated and distributed to its customers through the Domestic-Agricultural Water Network ("DAWN") project facilities. Most of the water is eventually used for agricultural, commercial and municipal purposes. AVEK's role is vital to the region as the Basin has been in a state of water overdraft since at least the 1940s.
- 5. I am informed and believe, and thereby allege, that attached hereto as Exhibit A is a true and correct copy of a written proposal dated December 24, 1986, from Michael T. Riddell of Best Best & Krieger ("BB&K") seeking to be appointed as general counsel to AVEK. I am further informed and believe, and thereby allege, that the document has been stored and maintained by AVEK in the regular course of business since its receipt.
- 6. Attached hereto as Exhibit B is a true and correct copy of the March 17, 1987 letter from Mr. Riddell to the AVEK board confirming BB&K's retention as general counsel.

- 7. Over the years, Mr. Riddell and other BB&K attorneys have provided legal services to AVEK with respect to a host of different issues, including employment matters. As general counsel, Mr. Riddell attended AVEK board meetings and was privy to the most intimate details of AVEK's operations and procedures. With the exception of an approximate one-year period from 2006-07, Mr. Riddell served continuously as AVEK's general counsel until January of 2016.
- Attached hereto as Exhibit C is a true and correct copy of a memorandum dated October 8. 4, 2004 from Mr. Riddell to the AVEK board regarding pending water rights litigation in the Antelope Valley.
- 9. Prior to and after AVEK entered the Antelope Valley Groundwater ("AVG") litigation, Mr. Riddell advised the board that there was no real conflict of interest with his representation as general counsel to AVEK, even though BB&K attorneys were representing potential and actual adverse parties in the AVG litigation.
- Attached hereto as Exhibit D is a true and correct copy of the September 15, 2008 letter 10. from Mr. Riddell seeking a conflict waiver from the AVEK board.
 - 11. AVEK did not supply the requested waivers.
- I am informed and believe, and thereby allege, that attached hereto as Exhibit E is a true 12. and correct copy of an email dated September 4, 2015, from Mr. Riddell to former AVEK general manager Dan Flory.
- In January 2016, the AVEK board voted to terminate Mr. Riddell and BB&K as general 13. counsel to AVEK.

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14. I am informed and believe, and thereby allege, that from the time AVEK entered the AVG litigation in 2006 through 2015, AVEK paid BB&K over \$1.1 million in attorneys' fees.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 28th day of July, 2016, at Palmdale, California.

FRANK S. DONATO



Best, Best & Krieger

400 MISSION SQUARE

3750 UNIVERSITY AVENUE
P.O. BOX 1028
RIVERSIDE, CALIFORNIA 92502

PROPOSAL FOR LEGAL SERVICES TO ANTELOPE VALLEY-EAST KERN WATER AGENCY DECEMBER 24, 1986

Antelope Valley - East North Water Agency

DEC 26 1986

PM

AM

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- 1. Proposal letter
- 2. Biographies
- 3. Firm public clients
- 4. Firm brochure

ARTHUR L. LITTLEWORTH GLEN E. STEPHENS *
WILLIAM R. DEWOLFE BARTON C. GAUT '
CHARLES D. FIELD *
PAUL T. SELZER '
DALLAS HOLMES '
CHARLES D. FIELD *
PAUL T. SELZER '
DALLAS HOLMES '
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PAUL T. SELZER '
DALLAS HOLMES '
CHORN T. HOLDERSON '
JOHN D. WAHLINE '
W. CURT EALY '
THOMAS S. SLOVAK '
JOHN E. BROWN ;
MICHAEL D. HARRIS '
W. CURT EALY '
THOMAS S. SLOVAK '
JOHN E. BROWN ;
MICHAEL GRANT '
MICHAEL GRANT '
MICHAEL GRANT '
FRANCIS J. BAUM '
ANNE T. THOMAS '
MICHAEL GRANT '
FRANCIS J. BAUM '
MARGARET & TANAKA
MARGA

BEST, BEST & KRIEGER A PARTHERSHIP INCLUDING PROFESSIONAL CORPORATIONS 400 MISSION SQUARE 3750 UNIVERSITY AVENUE POST OFFICE BOX 1028 RIVERSIDE, CALIFORNIA 92502 TELEPHONE (714) 686-1450 TELECOPIER (714) 686-3083

December 24, 1986

PALM SPRINGS OFFICE BOO EAST TAHQUITZ WAY P. Q. BOX 2710 PALM SPRINGS, CALIFORNIA 92263 (619) 325-7264

RANCHO MIRAGE OFFICE 39700 808 HOPE DRIVE, SUITE 312 P. O. BOX 5056 RANCHO MIRAGE, CALIFORNIA 92270 (619) 340-2445

PALM DESERT OFFICE 74-090 EL PASEO P. O. BOX 789 PALM DESERT, CALIFORNIA 92261 (619) 568-2611

RAYMOND BEST (1868-1957) JAMES H. KRIEGER (1913-1975) EUGENE BEST (1893-1981)

GORDON COLOGNE, OF COUNSEL JAMES B. CORISON, OF COUNSEL RIGHARD A. GSHINS, OF COUNSEL ADMITTED IN NEW YORK, NEVADA WASHINGTON, D. C. COURT OF CLAIMS

A PROFESSIONAL CORPORATION

Honorable Board of Directors Antelope Valley-East Kern Water Agency P.O. Box 3176 Quartz Hill, CA 93536

Gentlemen:

Thank you for the opportunity to submit a proposal for the provision of legal services for the Antelope Valley-East Kern Water Agency. We have enjoyed our professional association over the years, having served as your general counsel for a period of time, and thereafter continuing to work with your Agency and staff on a variety of special projects. We hope that this proposal will result in a renewal of our association with Antelope Valley-East Kern Water Agency as its general counsel.

We are quite familiar with your governing act, as well as the special acts of other State Water Contractors that we represent. Currently, we are general counsel for the Desert Water Agency and the Crestline-Lake Arrowhead Water Agency; prior associations include the Mojave Water Agency and Antelope Valley-East Kern Water Agency. We also represent a number of other water districts, including member agencies of the Metropolitan Water District. We routinely attend the meetings of the State Water Contractors, and we always enjoy seeing your General Manager at these meetings. In fact, Art Littleworth of our firm is chairman of the Legal Committee of the State Water Contractors. Therefore, we believe that we can offer not only a working knowledge of your governing law, but also an appreciation of the issues and concerns confronting the Agency.

Your Request for Proposals has clearly defined the duties of the Agency Attorney, and we are prepared to perform all of those duties. We will provide legal advice to the Board, the General

BEST. BEST & KRIEGER

Honorable Board of Directors Antelope Valley-East Kern Water Agency December 24, 1986 Page 2

Manager, the Chief Engineer and other officers of the Agency as requested. We will attend all regular and special meetings of the Board and any committee of the Board as requested. We are also prepared to review all contracts, ordinances and resolutions, and to indicate on each such document our approval as to form. In this regard, I am happy to report that I have developed particular expertise in the area of public works contracts and disputes. Other attorneys in our firm are expert in other specialized areas, as hereinafter mentioned.

The Agency Attorney is also charged with responsibility for reviewing all claims against the Agency, and to defend the Board, the officers and employees of the Agency in any action arising out of law suits or claims. Our Litigation Department is ready at all times to represent the Agency in litigation, and we do so routinely on behalf of our other public agency clients. Our litigation expertise extends to eminent domain, public works contract disputes, real property disputes, collection of accounts, tort claims, unemployment claims, and anti-trust matters. We have also developed specialized expertise in water rights and public resource litigation, and in the California Environmental Quality Act.

As recognized bond counsel, we routinely work on assessment districts and other financing mechanisms for special districts and for the cities and redevelopment agencies we represent. The attorneys in our Labor Department are expert in employee relations, and we regularly advise our public agency clients on labor matters. We are counsel for the Local Agency Formation Commission of San Bernardino County, and we regularly represent our clients before LAFCO in other counties as well. In addition, we appear before other Federal, State and local regulatory bodies on behalf of our clients.

Your Request for Proposals asks us to identify the individual who would be designated as Agency Attorney. I would probably be the attorney from our firm who would routinely attend Board and committee meetings, and who would be principally responsible for making sure that your work is performed in a timely manner. However, you would have access to all of the attorneys in our firm, and your staff should feel free to contact any of them with respect to any specific matter or concern which may arise. We recognize that the distance between our office and yours may be a source of concern, but the telecopying capability between our offices significantly reduces our concern. We have the same arrangement with other clients located some distance away, and the arrangement has worked out very nicely. We are prepared to

BEST, BEST & KRIEGER

Honorable Board of Directors Antelope Valley-East Kern Water Agency December 24, 1986 Page 3

make the drive to your office as often as may be necessary or desirable.

Our hourly rates for general counsel legal services to local public agencies range from \$100 per hour for responsible attorneys down to \$81 per hour for senior attorneys and \$73 per hour for junior attorneys. We also have law clerks and paralegals who work at substantially lower rates (\$46 through \$51 per hour) whom we would use whenever practicable. However, in the final analysis, use of personnel would be up to the Board of Directors; we stand ready to apply our full resources as required. Our firm makes no separate charges for secretarial work. Costs incurred on behalf of our clients such as filing fees, travel expenses and extraordinary copying or telephone charges are billed as incurred. The rates quoted above are subject to yearly adjustment to reflect changes in the value of the dollar, but we anticipate no such change at least until the end of our fiscal year next July.

While the fees quoted above may be higher than the fees charged by some firms, we hope that our experience may result in quicker response and, therefore, a reduction in the ultimate charge. Furthermore, for many matters we are able to split fees among several clients who might benefit from the same work.

Several biographies are enclosed, along with a copy of our firm brochure in order to give you further details on the firm. We have also enclosed a current list of our public agency clients. We urge you to contact the City Manager or General Manager of any of them, if you wish to pursue references.

Sincerely yours.

Michael T. Riddell

Michael TRiddell

of BEST, BEST & KRIEGER

/pc

Enclosures

BEST, BEST & KRIEGER

ARTHUR L. LITTLEWORTH

Biographical Data

Mr. Littleworth graduated with honors from Yale University in 1944, holds an M.A. from Stanford University, and received his L.L.B. from Yale Law School in 1950. From law school he was winner of the Francis Wayland Prize. He was admitted to practice in California in 1951, is the senior partner of Best, Best & Krieger and the first chairman of its Public Law Department. He was a member of the Governor's Commission to review California water rights law, 1977-79; a member of the Advisory Council, Water Resources Center, University of California, Davis, 1978-81; current member of newly formed Advisory Board for Agricultural Issues Center, University of California, Davis; President of the Southern California Water Conference, 1983-85; current member of Board of Directors of the Water Education Foundation; faculty member at the Natural Resources Law Center, University of Colorado Law School, Summer 1984 Program on "The Federal Impact on State Water Rights; " author of recent article on the Public Trust Doctrine for the Natural Resources & Environment Journal of the American Bar Association.

Mr. Littleworth currently represents the East Bay Municipal Utility District in a major lawsuit challenging that District's contract with the Bureau of Reclamation to take water from Folsom Dam on the American River. He also represents several State Water Contractors in current Delta water rights litigation affecting the amount of water that can be exported from the Delta by the State Water Project. He is also involved in the Mono Lake litigation, representing local water users in that controversy.

Mr. Littleworth has had extensive groundwater rights adjudication experience. Currently he represents the City of San Buenaventura in litigation affecting the Oxnard Plain Basin. lead counsel for Riverside County defendants in an action involving more than 1,000 parties brought by the downstream Orange County Water District to adjudicate all water rights within the Santa Ana River watershed. He represented the Mojave Water Agency in an action to determine rights along 100 miles of the Mojave River and connected groundwater basin areas. He also represents the City of Pasadena with respect to the court's continuing jurisdiction over the Raymond Basin groundwater adjudication. He also represented the Desert Water Agency with respect to the groundwater storage agreements negotiated with the Metropolitan Water District of Southern California for the underground storage of Colorado River water in the Coachella Valley. He also represents Western Municipal Water District and others in current litigation to protect groundwater quality against a proposed wastewater reclamation and recharge program.

BEST, BEST & KRIEGER

Mr. Littleworth is also familiar with the Santa Margarita watershed and water rights along that stream system. In the action brought in the 1950s to adjudicate all water rights within that system (U.S. v. Fallbrook), Mr. Littleworth represented a large group of ranchers in the Murrieta-Temecula area.

He has also had experience in the planning and use of groundwater resources, representing a number of water districts, and also The Irvine Company with respect to the use of groundwater resources in the Orange County area.

BIOGRAPHY OF DALLAS HOLMES

Attorney at law, partner, and Member of the Management Committee at Best, Best & Krieger (Riverside, Palm Springs, Rancho Mirage & San Diego, California)

Adjunct Professor, University of California at Riverside Graduate School of Management

Chairman, Section on Tort Liability of Municipalities of the National Institute of Municipal Law Officers President-Elect, Riverside Downtown Association Member, Executive Committee, Public Law Section, California State Bar Chairman, Legal Affairs Committee of the Association of California Water Agencies President, Riverside County Bar Association (1982-83) President, Citizens University Committee (1983-85) President, Easter Seal Society of Riverside and Imperial Counties (1972-74) President, Pomona College Alumni Association (1973-74) President, Evans Park Little League (1981-82) President, Century Club (1974-76) Chairman, Committee on Municipal Water Problems of the National Institute of Municipal Law Officers (1981-82)

City Attorney for Cities of Corona, Banning and Redlands

Boalt School of Law, University of California; J.D., 1967 Associate Editor, California Law Review Order of the Coif (legal honor society)

Winner of Marshall Scholarship (given by British Government for graduate study in Great Britain) London School of Economics, University of London; Master's Degree in Economics, 1964

- Graduated <u>cum laude</u>, 1962, Pomona College (Phi Beta Kappa)
 Captain, "G.E. College Bowl" team (5-time winners on TV show)
 Winner, Tileston Physics Prize and Joseph Story Award
 Winner of Heritage Foundation Fellowship
- Senior Class President, Riverside Poly High School; National Merit Scholarship finalist; life member, California Scholarship Federation; Bank of America Achievement Award Winner
- Member, Committee on Public Employee Labor Relations of the American Bar Association and of Legislative Committee of the Association of California Water Agencies
- Board of Directors, Farmers Fair (1973-77)
- "Young Man of the Year", Riverside Junior Chamber of Commerce (1972)
- "Men of the Year", Riverside Press-Enterprise (1962)
- Member of Riverside County, California State, American and International Bar Associations, and of Calvary Presbyterian Church
- Leave of absence, 1969-1970, as Executive Assistant to Majority Floor Leader, California Assembly, Sacramento
- Former member, City of Riverside Community Relations Commission
- Author of proposed tort reform initiative for California physicians
- Author of law review articles on mass transit, assessment of farmland in California, and exclusionary zoning
- Instructor at University extension courses on subdivision development and paralegal training and on the California political process
- Lecturer at statewide educational seminars for local government officials
- Married since 1965 to the former Patricia McMichael; two teenage sons: Tobin and Mark

RESUME

Michael T. Riddell is an attorney who specializes in municipal, public entity and contract law as a partner in the law firm of Best, Best & Krieger in Riverside, California. The firm has represented many public entities as well as private parties in the State of California and elsewhere, including cities, water districts, other special districts, and private developers.

Mr. Riddell graduated with highest honors and a B.A. degree in English from the University of Notre Dame in 1973. He then attended the Notre Dame Law School as a Roger Kiley Fellow and graduated with a degree of Juris Doctor in 1976. He is a native of San Bernardino, still lives there, and is active in a number of local and statewide civic and professional organizations.

December 1, 1986

PUBLIC AGENCY CLIENTS OF BEST, BEST & KRIEGER

Cities

City of Banning
City of Coachella
City of Colton
City of Corona
City of Desert Hot Springs
City of Indio
City of Orange
City of Palm Desert
City of Perris
City of Redlands
City of San Buenaventura
City of Victorville

Special Districts

Big Bear City Community Services District Capistrano Beach Sanitary District Crestline-Lake Arrowhead Water Agency Cucamonga County Water District Desert Water Agency East Bay Municipal Utility District East Blythe County Water District Elsinore Valley Municipal Water District Fern Valley Water District
Home Gardens County Water District
Jurupa Community Services District
Lake Hemet Municipal Water District
Mission Viejo Community Services District
North of the River Municipal Water District
Otay Water District
Running Springs Water District
South Montebello Irrigation District
Western Municipal Water District
of Riverside County

School Districts

Alvord Unified School District Anaheim City School District Beaumont Unified School District Cucamonga School District Desert Sands Unified School District Elsinore Union High School District Hemet Unified School District Jurupa Unified School District Lake Elsinore School District Murrieta Elementary School Orcutt Union School District Palm Springs Unified School District Palo Verde Unified School District Perris Union High School District Riverside Unified School District Romoland School District San Jacinto Unified School District Santa Barbara School/High School District Santa Maria Elementary School District Temecula Union School District Val Verde Elementary School District

Redevelopment Agencies

Banning Community Redevelopment Agency Colton Redevelopment Agency Corona Redevelopment Agency Desert Hot Springs Redevelopment Agency Indio Redevelopment Agency Perris Redevelopment Agency Redevelopment Agency of the City of Redlands Rancho Cucamonga Redevelopment Agency

Other Public Agencies

Hemet Valley Hospital District High Desert Memorial Hospital District June Lake Public Utilities District Jurupa Area Recreation & Park District Lake Elsinore Recreation & Park District

Representative public agency positions of Best, Best & Krieger lawyers:

- Chair, Legal Affairs Committee, Association of California Water Agencies
- Chair, Tort Liability of Local Governments and Officials Section, National Institute of Municipal Law Officers
- Executive Committee, Public Law Section State Bar of California (1983-86)
- Counsel, California Special Districts Association (1970-1980)
- First Counsel to Association of California Water Agencies/Joint Powers Insurance Authority formation until 1984
- Yearly lecturer to special district continuing education seminars put on by California Special Districts Association
- President, Riverside Unified School District Board of Trustees (1962-1972)
- Executive Committee, Association of State Water Contractors (1976-1985)
- Lecturer to University Extension courses on California Environmental Quality Act and Subdivision Map Act (1980-present)
- Member, Legislative Committee, Association of California Water Agencies
- Member, City of Riverside Environmental Protection Commission

BIOGRAPHY OF MICHAEL T. RIDDELL

Attorney at law, partner at Best, Best & Krieger (Riverside, Palm Springs, Rancho Mirage and San Diego, CA), Chairman of the Recruitment Committee, Member of the Practice Committee, Member of the Associate Training Committee, and Member of the Associate Evaluation Committee

Member, American Bar Association, State of California and Riverside County Bar Associations

Speaker, Spring 1986 Conference of the Association of California Water Agencies, Monterey, California ("Personal Liability of Public Entity Officers and Employees" and "Statutory Requirements for Termination of Utility Services")

Speaker, 1985 Annual Conference of the American Backflow Prevention Association, Denver, Colorado ("Illegal Cross-Connections: Can You Be Sued?")

Speaker, October 1985 Conference of the Western States Symposium Association for Cross-Connection Control, Santa Barbara, California ("Liability for Illegal Cross-Connections")

Representative clients include Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Western Municipal Water District of Riverside County, Running Springs Water District, Home Gardens County Water District, South Montebello Irrigation District, City of Redlands, City of Corona

Notre Dame Law School, University of Notre Dame; J.D. 1976
Associate Editor, Notre Dame Lawyer
Co-author "Ancillary Jurisdiction and the Jurisdictional
Amount Requirement," December 1974 Volume of Notre Dame
Lawyer, p. 346
Winner of Roger Kiley Fellowship (full scholarship to law school)

University of Notre Dame; B.A. in English, 1973
Graduated Summa cum laude
Phi Beta Kappa
Varsity Baseball Monogram, three years (All-Tournament,
Hurricane Classic, Tulsa, Oklahoma, 1973)
Freshman Baseball Monogram, 1970
Freshman Basketball Monogram, 1970

LAW OFFICES OF BEST, BEST & KRIEGER

BIOGRAPHY OF MICHAEL T. RIDDELL

Continued:

Graduated from Aquinas High School, San Bernardino, California, 1969
Valedictorian (4.0 GPA)
National Merit Scholarship Finalist
Bank of America Scholarship Award
Ken Hubbs Athletic Scholarship Award
Captain, Most Valuable Player, All-League and All
CIF in both Basketball and Baseball, 1969



Best, Best Krieger
400 MISSION SQUARE
3750 UNIVERSITY AVENUE
P.O. BOX 1028
RIVERSIDE, CALIFORNIA 92502

ARTHUR L. LITTLEWORTH *
GLEN E. STEPHENS *
WILLIAM R. DEWOLFE *
BARTON C. GAUT *
CHARLES OLZEFO *
CHARLES OLZEFO *
CHRISTOPHER CARPENITE *
RICHARD T. ANDERSON *
JOHN D. WAHLINS *
MICHAEL D. HARRIS *
MICHAEL D. HARRIS *
MICHAEL D. HARRIS *
MICHAEL BROWN *
HOMAS S. SLOVAK *
JOHN S. BROWN *
HOMAS J. KONUT *
MICHAEL GRANT *
MICHAEL GRANT *
MICHAEL GRANT *
MICHAEL GRANT *
GEORGE M. REYES *
MILLIAM W. FLOYD, JR.
MICHAEL J. CRISTE *
GEORGE M. REYES *
MILLIAM W. FLOYD, JR.
MICHAEL A. CRISTE *
GEORGE M. REYES *
MICHAEL J. ANDELSON *
DOUGLAS S. PHILLIPS *
CLARK M. ALSOP
DAVID J. ERWIN *
MICHAEL J. ANDELSON *
DOUGLAS S. PHILLIPS *
CHARLES M. ELLIS *
LANTSON E. ELDRED *
INVIN L. GOLDS
ANTONIA G. WEINER
MARCH M. GONDOR
GEORGE H. CHANT III
MOTHY M. CONNOR
REBECCA D. HICKOX
MED AVAN BLARCOM
REBECCA D. HICKOX
MED AVAN BLARCOM
REBECCA D. HICKOX
MICHAEL C. HUIME
GEOFFREY K. WILLIS
WYNN E. S. PURTH

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400 MISSION SQUARE 3750 UNIVERSITY AVENUE POST OFFICE BOX 1028 RIVERSIDE, CALIFORNIA 92502 TELEPHONE (714) 686-1450 TELECOPIER (714) 686-3083

> RATHOND BEST (ISER-IDEZ) JAMES H. KRIEGER (1913-1975) EUGENE BEST (1893-1981)

March 17, 1987

OFFICES IN

PALM SPRINGS (619) 325-7264

RANCHO MIRAGE (619) 340-2445

(619) 457-4975

PALM DESERT (619) 568-2611

GORDON COLOGNE, OF COUNSEL JAMES B. CORISON, OF COUNSEL ADMITTED IN NEW YORK, NEVADA
WASHINGTON, D. C. COURT OF CLAIMS

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America Valor Fr.

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*A PROFESSIONAL CORPORATION

Quartz Hill, CA 93534

Re: Legal Services

Honorable Board of Directors Antelope Valley-East Kern Water Agency P.O. Box 3176

Gentlemen:

On behalf of Best, Best & Krieger, thank you for the opportunity to represent you as your general counsel. This letter will confirm our agreement to provide you with legal services according to the terms more specifically set forth in our proposal to you dated December 24, 1986. Of course, you have the right to terminate our services at any time, with or without cause.

There are several challenges that immediately confront the Agency, and we look forward to working with you on those. We have already devoted considerable effort to one of those, the Agua Dulce detachment, which appears to have very important ramifications for the other State Water Contractors and for the State of California as well. We appreciate your confidence in our ability to confront those challenges, and we are prepared to fully commit our resources to do so in a timely and professional manner.

Sincerely yours,

Michael T. Riddell

of BEST, BEST & KRIEGER

/pc

October 4, 2004

CONFIDENTIAL: ATTORNEY/CLIENT PRIVILEGE

MEMORANDUM

To:

General Manager and Board of Directors

Antelope Valley-East Kern Water Agency

FROM:

Best Best & Krieger LLP

RE:

Adjudication of Water Rights in the Antelope Valley Groundwater Basin

By the time you receive this memo, the Los Angeles County Waterworks Districts probably will have already filed their complaint to adjudicate groundwater rights in the Antelope Valley. I have learned that the action recently taken by the Los Angeles County Board of Supervisors was not a negotiating ploy to induce settlement of the action for declaratory relief previously filed by some farmers against retail water purveyors in the Antelope Valley. Instead, the Board of Supervisors does intend to seek a judicial determination of groundwater rights.

The Los Angeles County Waterworks Districts do not intend to name AVEK as a defendant in that litigation. However, it is possible that one of the other parties to the litigation may file a cross-complaint naming AVEK as a cross-defendant. I cannot imagine what legal theory would result in the naming of AVEK as a defendant, however, since AVEK has never pumped from the groundwater basin or claimed a right to water in the groundwater basin. If AVEK were to be named as a cross-defendant in the adjudication, we would need to request a conflict waiver from the AVEK Board in order to appear on AVEK's behalf since we also serve as either general counsel or special counsel to a couple of other parties that will be involved in the litigation.

If the Board does need to take any action which has a bearing on the litigation, individual Board members will have to be wary of individual conflicts which may arise. Director Lane has already discussed this issue with me, since he is a pumper and therefore will likely be named as a defendant in the litigation. Thus, in the event of any Board action which may foreseeably have a financial impact on pumpers, he would need to declare the conflict and abstain from discussion or action on the matter. Director Lane has asked me to disclose that potential conflict to all other members of the Board so that everyone is aware. Similar issues may also arise for Director Rizzo, since disqualification is also required with respect to any Board action which foreseeably would have a material financial impact on any Board member's source of income of \$500 or more during the previous twelve (12) months.

If any questions arise regarding potential conflicts, please do not hesitate to give me a call. We want to make sure that members of the Board, and AVEK itself, are fully protected in a case which will likely receive a high level of scrutiny by a multitude of parties

BEST BEST & KRIEGER®

ATTORNEYS AT LAW

INDIAN WELLS (760) 568-2611 IRVINE (949) 263-2600

LOS ANGELES (213) 617-8100

ONTARIO (909) 989-8584 3750 University Avenue, Suite 400 Post Office Box 1028 Riverside, California 92502-1028 (951) 686-1450 (951) 686-3083 Fax BBKlaw.com

SACRAMENTO (916) 325-4000 SAN DIEGO (619) 525-1300 WALNUT CREEK (925) 977-3300

Michael T. Riddell (951) 826-8210 Michael Riddell@bbklaw.com

September 15, 2008

Mr. Russell E. Fuller General Manager Antelope Valley-East Kern Water Agency 6500 West Avenue N Palmdale, CA 93551

Re:

Conflict Waiver - Rosamond Community Services District

Environmental Review and Related Issues.

Dear Russell:

As you know. Best & Krieger LLP serves as general counsel to both the Antelope Valley - East Ken Water Agency ("AVEK") and Rosamond Community Service District ("RCSD"). As such, there may be a conflict in our representation of both AVEK and RCSD with respect to environmental review and other related issues between AVEK and RCSD. We understand that AVEK is agreeable to waiving these conflicts. Accordingly, we have to inform you about our representation of RCSD, discuss with you the potential impact of our representation and obtain your informed written consent.

RULES OF PROFESSIONAL CONDUCT

Rule 3-310 of the California Rules of Professional Conduct provides in pertinent part:

- (C) A member [of the Bar] shall not, without the informed written consent of each client:
 - (1)Accept representation of more than one client in a matter in which the interests of the clients potentially conflict; or
 - (2) Accept or continue representation of more than one client in a matter in which the interests of the clients actually conflict, or
 - (3) Represent a client in a matter and at the same time in a separate matter accept as a client a person or entity whose interest in the first matter is adverse to the client in the first matter.

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Mr. Russell E. Fuller Antelope Valley-East Kern Water Agency September 15, 2008 Page 2

(D) A member who represents two or more clients shall not enter into an aggregate settlement of the claims of or against the clients without the informed written consent of each client.

OUR REPRESENTATION

We propose to represent RCSD in the following matters: (1) Antelope Valley Groundwater Basin adjudication, (2) groundwater banking issues, (3) use and or remediation of chloramines and or chlorines, and (4) environmental review related to projects under the California Environmental Quality Act. To the extent our representation regarding these issues involves both AVEK and RCSD, we propose to represent RCSD and not AVEK. Of course, we would continue to represent AVEK as to all other matters and even in similar matters where RCSD is not implicated. Further, we do not presently believe that we have obtained any confidential information from AVEK that is relevant to the matters previously listed. However, if it is subsequently determined that we have received confidential information which could be relevant to these matters, we may be precluded from representing RCSD regarding these matters.

ADVERSE CONSEQUENCES

We are obliged to inform you of any actual or reasonably foreseeable adverse effects of this representation. It is possible that:

- We may be tempted to favor the interests of one client over the other.
- Our exercise of independent judgment to you may be impaired or clouded by our preexisting relationship with the other clients discussed above.
- We may not be able to present the appropriate position, claims or defenses for a client in order to avoid taking adverse positions to the other client.
- We may be restricted from forcefully advocating a client's position for fear of alienating the other client.
- We may impair the position, claims or defenses of one client because of an adverse position we take for another client and their concurrent representation in the same matter.
- Disputes may arise between clients regarding tactics, objectives or resolution of this matter because of our concurrent representation in the same matter.
- We may be forced to withdraw from representing any or all clients because of disputes or further conflicts of interest which could increase any or all clients' attorney's fees and costs.
- There may be an appearance of impropriety in our representation of multiple clients simultaneously.

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BEST BEST & KRIEGER ATTORNEYS AT LAW

Mr. Russell E. Fuller Antelope Valley-East Kern Water Agency September 15, 2008 Page 3

• After the matter is concluded, the clients may make conflicting demands for the client file.

YOUR CONSENT

If you wish to allow us to continue to assist RCSD with regard to the matters listed above, you would need to sign this consent letter. It is understood that this consent will not waive any protection that you may have with regard to attorney-client communications with us in this matter. Those communications will remain confidential and will not be disclosed to any third party without your consent.

I believe that you are familiar with the factual background in this matter, and I have given you a sufficiently-detailed description for obtaining informed written consent. However, if you believe that there is any other information that you or I need to have before such consent can be granted, please let me know.

In the event that circumstances change or we become aware of new information that requires a new consent from the parties, you will be notified of that fact immediately, and continued representation will be subject to the informed written consent of involved parties.

I should emphasize that you are entitled to and should consider obtaining an independent legal opinion regarding the advisability of signing this consent form.

Your execution of this consent form will constitute an acknowledgment of full disclosure in compliance with the requirements of Section 3-310 of the California Rules of Professional Conduct previously quoted in this letter.

A copy of this letter is enclosed for your files. If you have any questions, please do not hesitate to call.

Sincerely,

Michael T. Riddell of BEST BEST & KRIEGER LLP

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Enclosure			
AGREED AND ACCEPTED:			
Ву:			
Dated:			

REDACTED

From: Michael Riddell < Michael.Riddell@bbklaw.com >

Subject: Adjudication conflict issue Date: September 4, 2015 5:56:23 PM PDT

To: "Dan Flory (dflory@avek.org)" <dflory@avek.org>

Dan, I wanted to let you know that I definitely heard and took to heart the discussion with Rob Parris last night regarding the conflict issue that exists as a result of the adjudication. I do not like the position in which I find myself, and I need to make sure that I am not in a compromised position ethically. So I have a voice mail message in to our own conflicts guru to get certain answers about what can or must be done in this circumstance. In the meantime, however, I want to recap the historical sequence of events, since you and some others were not there and thus could not possibly recall them. I simply cannot have anyone suspect that I might have done something to compromise AVEK in any way. So here's what occurred, in sequence.

A couple of decades ago, I took Eric with me on a visit to AVEK to meet George Lane, Carl Hunter, another Director I think (I cannot recall who), and Russ Fuller, to suggest that AVEK figure out a way to

take the SWP water AVEK was entitled to take, but was not taking, and put it in the ground either as a stored supply or to offset overdraft conditions. Frankly, I tried to pitch it the best that I could, while not overstepping my role. George and Carl and Russ were concerned about how AVEK would pay for it. I suggested the concept that Desert Water Agency (my client) and CVWD had employed for years, to put the water in the ground as replenishment and then impose a replenishment assessment when the water is pumped back out, to pay DWR's charges for the water. When they heard the concept of a replenishment assessment, and realized that it would mean assessing pumpers for water that they had been pumping without charge historically, they all said no way, that it sounded like a sure way to get recalled, and that AVEK's role should be limited to making the imported surface water supply available to customers who might want it. They said that AVEK should stay as far away as possible from groundwater issues, as that fell entirely and exclusively within the jurisdiction of the pumpers, who viewed the groundwater basin as their own and absolutely did not want AVEK involved in it.

When I suggested alternatively that AVEK consider banking the imported water supply it was not taking, so as to firm up its supply, again they wanted to know how AVEK would pay DWR's charges for that water, and I told them that it would have to come from increased water rates, or increased taxes, or some combination of the two. Again it was the same reaction: rate increases would not be welcome, and only trouble could come from putting water in the ground and taking it back out again. The groundwater basin belonged to the pumpers, one day a fight would come over that, and AVEK didn't want any part of it. AVEK should stay as far away from groundwater issues as possible. No way, no how, and everyone was very clear about that. (Russ was even more adamant about it, because he could see that a fight would be brewing over the groundwater supply.) The issue was discussed a bit at Board meetings as well (although there was an inclination to avoid such discussions at Board meetings), and there was unanimity among the members of the Board. AVEK wanted nothing to do with groundwater issues. George will remember that for sure. I am certain Kelth will as well. Maybe others too, although some current Board members were not there at the time and thus would not remember it now. But the message was very clear, and was communicated consistently whenever the issue was discussed.

Then a couple of years later, Eric asked me if I thought it there would be any conflict with AVEK if he (Eric) were to help the County Waterworks District as special counsel on groundwater issues. I told him that I didn't think so, because AVEK had made it very clear that AVEK wanted to stay as far away from groundwater issues as possible, and that those issues only involved the pumpers, not AVEK. Maybe I should have foreseen that AVEK's position on that issue might change, but honestly AVEK's view at that time had been expressed so firmly and consistently that I thought there would be very little chance of that ever happening. So Eric undertook the representation of the County Waterworks District with respect to its groundwater issues. To be honest, it would have been unreasonable for me to say that he couldn't or shouldn't, at that time.

Thereafter, some farmers filed a funky lawsuit for declaratory relief asking a court to declare that their overlying rights were superior to the appropriative rights of water purveyors, as a matter of law. The County Waterworks District simply could not sit idle and allow a court to make such a determination. It had no alternative but to answer that lawsuit and assert its own rights to the groundwater. So the County Waterworks District cross-complained to have the court determine its own rights, adverse to the rights claimed by those farmers. And because every other pumper in the basin would be affected by that, they were also necessary parties and had to be served as interested parties and given an opportunity to appear and assert their own rights. Once those dominoes start falling, there is no stopping it. Of necessity it becomes a full blown adjudication. It has to. That's what always happens. It became inevitable the day those farmers filed their lawsuit seeking declaratory relief.

The lawsuit was discussed at several AVEK Board meetings, and again the message from the Board was firm and clear: AVEK is strictly an importer of surface water, has no interest or role in the lawsuit

between the pumpers, and needs to stay as far away from it as possible. A number of your Board members will clearly remember that, for sure. AVEK wanted absolutely nothing to do with it.

Then some Board members wanted to talk to Mojave Water Agency about it, to get MWA's perspective. What they heard from Mojave Water Agency was that AVEK should not only be involved in it, but should play the lead role in it. They were told that if AVEK did not get involved in it, the court might hand down rulings that would bind AVEK and AVEK wouldn't even be in a position to object (which frankly cannot be true, since a court cannot issue a ruling that binds a non-party to the litigation). But some Board members started to worry about not being at the table to make sure that bad things would not happen to AVEK as a result of the litigation. And there were messages that AVEK should in fact be the water master, so that it could control what might be happening in the basin. As I heard it, frankly I couldn't help but agree with some of that perspective, because frankly that was what I had tried (too meekly, apparently) to persuade Board members about previously, when suggesting a replenishment assessment program which frankly might have rendered an adjudication unnecessary. But the Board wouldn't hear of it at the time and tactfully told me that I was crazy for suggesting such a thing. It took an adjudication to force the folks at AVEK into a different way of seeing it, and a different potential role for AVEK than what they ever would have considered previously.

Then Board members visited with some friends in Kern County, who were involved in the Kern Water Bank, and what they learned was that groundwater banking was the best thing since sliced bread, and that it was a great way to make money. They were hearing a message from others that sort of validated some of what I had tried to convey to them some years previously. So how could I disagree? I always did feel, and I continue to feel, that groundwater banking opens up a whole host of opportunities for AVEK. It was crazy not to do it a long time ago.

So the bottom line is that with an adjudication now pending, and with an emerging fear that something bad might happen to AVEK if AVEK were not there at the table to protect interests that AVEK never thought that it had in the first place, and with its neighbor MWA admonishing AVEK that it needed to take control of the proceedings, the Board did a 180 in its thinking and decided to intervene as a party in the adjudication. Because that meant taking a position that would be likely be adverse to Eric's client (the County Waterworks District), at least in some respects, and because MWA's attorney, Bill Brunick, had been through it all on behalf of MWA in its groundwater adjudication, the Board hired Brunick as special counsel to represent AVEK in the adjudication.

At this point I need to make one point very emphatically. The rules of professional conduct for attorneys make it very clear that an attorney may not drop one client in a lawsuit in order to assume the representation of another, adverse client in that lawsuit. That would have been highly unethical and is something that never could have been considered. Undertaking representation of AVEK in that lawsuit was not an option, because Eric was already representing the County Waterworks District in that lawsuit.

Another point I want to make emphatically is that Eric did not agree to undertake to represent a client adverse to AVEK in the adjudication. AVEK had made it very clear that it did not want to have anything to do with the adjudication, or even with groundwater issues. A conflict issue arose when AVEK did the 180 and decided to jump into litigation that it said it would never touch, and to take a position that was adverse to the client that Eric was already representing in that litigation. So when someone wonders why Eric is representing a party adverse to AVEK in the adjudication, the reason is because AVEK decided to intervene in the adjudication and take a position that was adverse to the party that Eric was already representing in the adjudication. It was AVEK's subsequent decision to reverse its position, not Eric's, that created the adversity. I am not suggesting that AVEK's position is wrong, or that AVEK should not be asserting whatever claims it may feel that it has in the adjudication as well. In fact, I think that AVEK should. I admit to a clear bias in favor of AVEK's interests. I'm just saying that AVEK very clearly stated

that it would not be taking such a position before Eric ever undertook representation of the County Waterworks District, and that Eric was already representing the County Waterworks District in the adjudication before that reversal occurred.

Ever since AVEK decided to intervene in the adjudication, I have been very careful to remove myself from any discussion of the litigation, both at AVEK and here within the firm. (I do admit to occasionally hearing bits and pieces at both ends, but I have been very careful to avoid participation in any discussions at both ends.) In fact, for a period of time after AVEK intervened in the adjudication, and when closed sessions were dominating the time spent at Board meetings, the Board asked me to skip Board meetings because Bill Brunick was going to be there for closed sessions anyway, and the Board felt that he could simply handle any open session items as well. I continued to work on ongoing AVEK matters here in the office, but Bill was handling both open sessions and closed sessions at the Board meetings for a little more than one year. Then Andy Rutledge sought me out, told me that things weren't going as well at the meetings as they had previously, and he asked if I would be okay with resuming my role at Board meetings. I told Andy that I would be happy to do that if the Board wanted me to do that. And I meant it. If the Board wanted me there and felt that I could help, I was fine with that. If the Board didn't want that, I was fine with that too. I just wanted to be careful about staying away from discussions in which a conflict had arisen (not of my choosing, and frankly to my great discomfort).

If you would like to know what prompted the Board's decision to invite me back into the chair at Board meetings, I would recommend that you call Andy and ask him. Seriously, call him up and ask him. I think he would lend some great perspective. In fact, I'll bet he would love to hear from you.

I do not want to be in a situation in which there is any concern about ethical or conflict issues. Even a small level of concern about that would be enough to cause me to want to withdraw. As first mentioned, I have a voice mail message in to our conflicts guru to try and get some solid answers about what should be done in my circumstance. But I wanted to give you my rendition of the sequence of events that has put me in an uncomfortable position. If you feel comfortable doing so, I hope you will forward this to Keith, as a check to see if he disagrees with anything I have stated. He is very discerning, has a good memory, and has the honesty to call me out on anything I may not be recalling accurately.

Thanks, Dan. I wouldn't have tried to get this down if I didn't respect you too.

Michael Riddell Best Best & Krieger 3390 University Avenue Riverside, CA 92502 (951) 686-1450 Office (951) 686-3083 Fax

This email and any files or attachments transmitted with it may contain privileged or otherwise confidential information. If you are not the intended recipient, or believe that you may have received this communication in error, please advise the sender via reply email and immediately delete the email you received.

1	BANKS & WATSON CASE NAME: ANTELOPE VALLEY GROUNDWATER CASES			
2	COURT: Santa Clara County Superior Court CASE NO: CGC-13-533134 (JCCP No. 4408)			
3				
4	PROOF OF SERVICE			
5	STATE OF CALIFORNIA)			
6	COUNTY OF SACRAMENTO) ss.			
7 8	At the time of service, I was over 18 years of age and not a party to this action. My business address is 901 F Street, Suite 200, Sacramento, California 95814. My electronic address is jyoshida@bw-firm.com.			
9	On August 17, 2016, I served the within copy of:			
10	DECLARATION OF FRANK S. DONATO IN SUPPORT OF MOTION TO DISQUALIFY BEST			
11	BEST & KRIEGER AS LEGAL COUNSEL IN ANTELOPE VALLEY GROUNDWATER CASES			
12	on the interested parties in this action served in the following manner:			
13	(✓) BY ELECTRONIC FILING – I caused the document(s) listed above to be transmitted via Odyssey File & Serve to all parties appearing on the electronic services list for the Antelope			
14	Valley Groundwater matter; proof of electronic filing through Odyssey File & Serve is a printed and maintained in our office. Electronic service is complete at the time of transmission			
15 16	I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on August 17, 2016, at Sacramento, California.			
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