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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

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s Angeles County Waterworks District No. v. Diamond Farming Co. Superior Court of lifornia County of Los Angeles, Case No. BC 5 201 Los Angeles County Waterworks strict No. 40 v. Diamond Farming Co. perior Court of California, County of Kern, se No. S-1500-CV-254-348Wm. Bolthouse rms, Inc. v. City of Lancaster Diamond rming Co. v. City of Lancaster Diamond	Santa Clara Case N Assigned to The Hor AGWA'S REPLY I MOTION FOR LEG DEFINING POTEN PERIOD TO PRIO Date: February 14, Time: 9:00 am Room: 1515

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N SUPPORT OF ITS **GAL FINDINGS** NTIAL PRESCRIPTIVE R TO 1999

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TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

The Antelope Valley Groundwater Agreement Association ("AGWA") submits this reply brief in further support of its Motion for Legal Findings Defining Potential Prescriptive Period to Prior to 1999 (the "Motion"), and in response to the oppositions of the Public Water Suppliers and Phelan Piñon Hills Community Services District ("PPHCSD").

As stated in the Motion, AGWA agrees with PPHCSD that engaging in pre-trial motion practice at this time is inappropriate, and also that such practice is counter-productive to the settlement efforts underway. (AGWA Motion, at 2.) Nonetheless, AGWA brings its Motion pursuant to the Court's direction at the December 13, 2011 hearing in this matter. Should the Court determine to rule on Los Angeles County Waterworks District No. 40's motion for legal findings re Water Code section 4999 et seq., based on the County's claim that such a ruling is necessary for the presently ongoing settlement negotiations, then the Court should rule on AGWA's Motion as well.

I. THE OPPOSITIONS IGNORE THE CORRELATIVE NATURE OF GROUNDWATER RIGHTS AND ITS EFFECT ON THE TOLLING OF THE PRESCRIPTIVE PERIOD

An action contesting another party's right to property has the effect of interrupting the continuous-possession element of adverse possession. (Chew v. Leach (1955) 134 Cal.App.2d 91, 92; Knoke v. Swan (1935) 2 Cal.2d 630, 632.) Because of the correlative nature of overlying groundwater rights, any action that alleges prescriptive rights to or seeks to quiet title to groundwater rights in the Basin necessarily involves other overlying landowners in the Basin. Accordingly, where the carrot growers' 1999 suit to quiet title was filed against all parties who claim a legal interest in the groundwater of the Antelope Valley Basin, the filing of this action was sufficient to interrupt the continuous element of the prescription and thus the running of the prescriptive period in 1999.

Due to the correlative nature of overlying rights in the Basin, any determination of rights

As stated in AGWA's January 31, 2012 Case Management Statement, the most critical issue that, if decided, would result in a removal of any barrier to settlement is the factual issue of return flows from the use of imported water. (January 31, 2012 Case Management Statement of Antelope Valley Groundwater Agreement Association, at 2-3.)

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claimed by Diamond Farming Co. in its 1999 quiet title action necessarily involved overlying landowners such as the members of AGWA, and interrupted any prescription of groundwater in the Basin by the Public Water Suppliers. Actions to quiet title and for prescriptive rights as against overlying groundwater rights are unique because overlying groundwater rights are correlative and therefore of equal priority with one another. (City of Barstow v. Mojave Water Agency (2000) 23 Cal.4th 1224, 1241; Katz v. Walkinshaw (1903) 141 Cal. 116.) Thus, an action affecting the rights of one party overlying the Basin affects the rights of all parties overlying the Basin.

In the consolidation proceedings in this action, the Public Water Suppliers themselves acknowledged that each suit in this action seeks a declaration of rights to produce water from the Basin, "which requires the *inter se* adjudication of the rights of all parties to these coordinated proceedings appropriately stated in a single judgment. As a result, it is irrelevant, for purposes of determining these correlative rights, that certain parties may have named only certain other parties in their operative pleadings." (Public Water Suppliers' Reply Memorandum of Points and Authorities in Support of Public Water Suppliers' Proposed Order for Consolidation (Feb. 3, 2010), at 1:12-19.)

The case law the Public Water Suppliers and PPHCSD cite does not apply to groundwater rights, and is not relevant in the context of an inter se adjudication. Montecito Valley Water Co. v. City of Santa Barbara (1904) 144 Cal. 578, cited by the Public Water suppliers, is a decision arising from an action to enjoin diversion of surface water from a stream. While the court in that case held that an action brought by a third party will not interrupt the continuous use as to a nonlitigating legal user (id., at 597), applying this reasoning to a groundwater adjudication ignores the correlative nature of overlying rights. Three other cases cited by the Public Water Suppliers, Hamilton v. Asbestos Corp. (2000) 22 Cal.4th 1127; General Motors Corp. v. Superior Court of Los Angeles County (1966) 65 Cal.2d 88, 91-93; and California Maryland Funding, Inc. v. Lowe (1995) 37 Cal. App. 4th 1798, also did not involve correlative rights to a common groundwater supply and are thus distinguishable here. (See *Hamilton*, 22 Cal.4th at 1132 [whether a special statute of limitations for exposure to asbestos bars an action brought by a worker who retired before suffering a disability]; General Motors Corp., 65 Cal.2d at 93-94 [recognizing an implied exception to dismissal of an action for wrongful death not brought to trial within five years]; California Maryland Funding,

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Inc., 37 Cal.App.4th at 1802-04 [earlier lawsuit over the right to property did not operate to toll the statute of limitations as to adverse possession, since it had been dismissed without any change of possession].)

II. PPHCSD'S ARGUMENTS ARE IRRELEVANT TO THE PERIOD IN WHICH PRESCRIPTIVE ELEMENTS CAN BE SHOWN

While PPHCSD's Opposition includes many arguments as to why a prescriptive period may extend beyond 1999, none of these arguments are relevant to the period in which appropriators within the Basin may be able to establish the elements of prescription. PPHCSD's request that the Court set an equitable "base period" (PPHCSD Opposition, at pp. 6-7) appears to result from a misunderstanding of what AGWA's Motion requests. AGWA's request is not that the Court set a period for evaluation of water use, but that the Court confirm that the years in which appropriators within the Basin may have established prescriptive rights include only the period prior to the initiation of the initial complaints to quiet title to groundwater in the Basin (1999).

As described above, in the case of a quiet title action regarding overlying rights to groundwater, the initiation of a suit by any holder of rights to the common supply would interrupt the continuous element of any party's otherwise prescriptive groundwater use. Accordingly, the Court's consolidation of later-filed actions has no effect on the interruption of the continuous element of any party's otherwise prescriptive groundwater use. Finally, the McCarran Amendment is also irrelevant to whether the prescriptive period was tolled or not. The McCarran Amendment's "comprehensive adjudication" requirement does not toll a prescriptive period, and PPHCSD does not and cannot point to any authority so stating.

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III. **CONCLUSION**

Based on the points and authorities above, as well as the Memorandum of Points and Authorities accompanying the AGWA Motion, AGWA requests that the Court confirm that any potential prescriptive period is limited by the commencement of the first action in this consolidated proceeding, filed in 1999.

Dated: February 6, 2012 BROWNSTEIN HYATT FARBER SCHRECK, LLP

By:

BRADLEY J. HERREMA ATTORNEYS FOR AGWA

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