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**KIRI TORRE**  
Chief Executive Officer  
Superior Court of CA, County of Santa Clara  
Case #1-05-CV-049053 Filing #G-173  
By R. Walker, Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SANTA CLARA

**ANTELOPE VALLEY  
GROUNDWATER CASES**

Included Actions:

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

Los Angeles County Waterworks District No. 40  
v. Diamond Farming Co.  
Superior Court of California, County of Kern,  
Case No. S-1500-CV-254-348

Wm. Bolthouse Farms, Inc. v. City of Lancaster  
Diamond Farming Co. v. City of Lancaster  
Diamond Farming Co. v. Palmdale Water Dist.  
Superior Court of California, County of Riverside,  
consolidated actions, Case Nos.  
RIC 353 840, RIC 344 436, RIC 344 668

) Judicial Council Coordination Proceeding No.  
) 4408

) Santa Clara Case No. 1-05-CV-049053  
) Assigned to The Honorable Jack Komar

) **CASE MANAGEMENT CONFERENCE  
STATEMENT AND PROPOSED AGENDA**

) Date: September 27, 2005  
) Time: 11:00 a.m.  
) Dept: 17

Pursuant to California Rule of Court 1541(a), Tejon Ranchcorp submits the following statement and proposed agenda for the September 27 Case Management Conference. Tejon Ranchcorp is a large private landowner in the western end of the Antelope Valley. Because these cases will adjudicate groundwater rights in the Antelope Valley, we attach hereto for the Court's convenience a 2003 USGS depiction of the Antelope Valley groundwater basin, its seven subbasins, and its watershed or drainage area.

**I. PROCEDURAL BACKGROUND.**

Litigation addressing water rights in the Antelope Valley began in October 1999 with quiet title actions filed by Diamond Farming Company and later by Wm. Bolthouse Farms, Inc. against Los Angeles County Waterworks Districts, the City of Lancaster, and other Antelope Valley water purveyors. In 2001, these actions were consolidated in the Riverside County Superior Court. A Phase I trial in the Riverside actions commenced in August 2002 for the purpose of deciding the geographic extent of those cases, but the trial was aborted after four days without the Court determining any issue. Thereafter, the litigation periodically halted during settlement negotiations, which proved unsuccessful.

On November 29 and December 1, 2004, Los Angeles County Waterworks District No. 40 ("Waterworks") filed two identical water rights adjudication Complaints in Los Angeles County and Kern County Superior Courts. The Waterworks' Complaints assert the superiority of its Antelope Valley water rights as against several named landowners and water purveyors as well as 25,000 "DOE" defendants who own land, extract water, or claim water rights in the Antelope Valley groundwater basin. Neither the landowners' Complaints nor those of Waterworks identify the boundaries of the Antelope Valley groundwater basin.

On December 30, 2004, Waterworks petitioned for coordination of all of the above actions. The Judicial Council of California granted this Petition and, by order dated August 31, 2005, assigned the "Antelope Valley Groundwater Cases" to this Court.

**II. PROPOSED AGENDA FOR CMC.**

Pursuant to CRC 1541(a), Tejon Ranchcorp proposes the following agenda of procedural issues that the Court may wish to address:

**1. Joinder Of Parties And Jurisdiction.**

Although there are thousands of landowners and many water purveyors in the Antelope Valley, Waterworks has thus far served only a handful of defendants, mostly purveyors, presumably due to the unresolved coordination issues. Tejon Ranchcorp is one of the unserved DOE defendants. But the elephant in the room is Edwards Air Force Base, both due to its size and due to the federal government's proclivity to remove cases to federal court when a federal agency is a defendant. If the United States removes these cases to federal court, it may take weeks or months to resolve the

1 jurisdictional issues. To avoid unnecessary delays, if Waterworks elects to sue the United States, it  
2 should be promptly served.

3 With respect to the remaining landowners, a preliminary decision must be made as to  
4 which are necessary parties, e.g., those owning parcels exceeding 50 acres, those owning or operating  
5 wells, or other criteria? These determinations will have far reaching effects on the number of litigants,  
6 the management of the case, and the effectiveness of any final judgment. Moreover, the ultimate  
7 determination of which parties are necessary cannot be made until the Court determines the “litigation  
8 boundaries” – the geographic area in which water rights will be adjudicated and water users will be  
9 bound by the final judgment. (See bifurcation discussion below.)

## 10 **2. Bifurcation.**

11 To determine who is a necessary party, the Court will need to adjudicate the geographic  
12 boundaries of this groundwater adjudication. In the Riverside actions, the two landowners argued that  
13 the Court should include the entire watershed or drainage basin of the Antelope Valley, whereas the  
14 water purveyors argued for a smaller groundwater basin boundary. However, the Riverside Court did  
15 not resolve these issues, and they now arise more forcefully in the broader context of Waterworks’  
16 “general adjudication” of all water rights in the Antelope Valley groundwater basin, not merely the  
17 rights of the several parties to the Riverside actions. To expedite these actions, their first phase should  
18 decide not only the outer boundaries of the litigation, but also whether any of the subbasins or subareas  
19 should be managed and adjudicated separately from others, for hydrogeologic or other reasons. Until  
20 these issues are resolved, it will be very difficult for the Court and for the parties to adjudicate and/or  
21 settle their water rights claims.

## 22 **3. Court Website For Service And Filing.**

23 See attached redlined comments on Court’s proposed Electronic Filing and Service  
24 Order.

## 25 **4. Demurrers And Other Pleading Motions.**

26 Diamond Farming and Bolthouse Farms have Demurrers and Motions to Strike pending  
27 against the Waterworks Complaints. Hearings need to be scheduled for them, perhaps in conjunction  
28 with future responses of other defendants.

**5. Scope And Timing Of Discovery.**

If the Court does not now define the first phase of this case, discovery should be limited to identification of necessary parties, i.e., those who own land, pump water, or otherwise assert groundwater rights in the Antelope Valley. When the Court does determine the scope of Phase I of these cases, the scope of discovery should be expanded to cover those issues.

**6. Venue.**

Where will the Court conduct further case management conferences, motion hearings, trials, etc.?

**7. Settlement Opportunities.**

What can the parties and Court do to enhance and expedite the likelihood of settlement in this case?

Dated: September 20, 2005

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