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Attorneys for Cross-Complainants  
ROSAMOND COMMUNITY SERVICES  
DISTRICT AND LOS ANGELES COUNTY  
WATERWORKS DISTRICT NO. 40

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

Coordination Proceeding  
Special Title (Rule 1550(b))

Judicial Council Coordination  
Proceeding No. 4408

ANTELOPE VALLEY GROUNDWATER  
CASES

CASE MANAGEMENT STATEMENT

Included Actions:

Date: February 17, 2006  
Time: 9:00 a.m.  
Dept.: D-1, Room 534

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,

ROSAMOND COMMUNITY SERVICES  
DISTRICT;  
LOS ANGELES COUNTY  
WATERWORKS DISTRICT NO. 40;

PALMDALE WATER DISTRICT;  
CITY OF LANCASTER;  
CITY OF PALMDALE,  
LITTLEROCK CREEK IRRIGATION  
DISTRICT,  
PALM RANCH IRRIGATION  
DISTRICT;  
QUARTZ HILL DISTRICT;  
CALIFORNIA WATER SERVICE  
COMPANY,

Cross-Complainants,

v.

DIAMOND FARMING COMPANY;  
et al.,

Cross-Defendants.

#### PROPOSED PHASE I TRIAL

Los Angeles County Waterworks District No. 40 proposes a Phase I trial to determine the boundaries of the Antelope Valley Groundwater Basin. The County further proposes the determination of subbasins or sub areas for groundwater management purposes. The Phase I trial could take place in October 2006.

#### TECHNICAL COMMITTEE

The County proposes the parties create a technical committee comprised of representative groundwater experts. Committee participation should be voluntary and limited to experts.

#### LIAISON COUNSEL

There is a need for the Court to appoint Liaison Counsel to facilitate the meet and confer on case management issues. Without Liaison Counsel the case will be delayed as parties meet and confer on various issues. There are too many parties to expect a meet and confer on the

1 issues and the number of parties will only increase for the foreseeable future. The County  
2 suggests that the Court appoint Interim Liaison Counsel amongst the parties until such time as the  
3 Court can make more permanent appointments. Their duties would include conducting meet and  
4 confer discussions on proposed court orders and rulings, creation and operation of a technical  
5 committee, resolution of issues on various procedural matters concerning service of process, as  
6 well as to facilitate settlement discussions.

7  
8 SERVICE OF PROCESS

9  
10 Pursuant to court order the County filed a cross-complaint which has not yet been served  
11 on parties other than those parties who have already appeared in the consolidated cases. This  
12 group of parties includes Edwards Air Force Base, the largest property owner in the Basin. The  
13 United States filed an answer on February 15, 2006.

14  
15 The County had previously served complaints upon known property owners with 100 or  
16 more acres. Many of the served parties have appeared. The County proposes completion of  
17 service of process of the Cross-Complaint upon this group within the next 30 days.

18  
19 As indicated at the last Case Management Conference, the County has identified  
20 approximately 500 property owners with 50 to 99 acres. The County proposes a 120-day time  
21 period for service upon this property owner group. During that time the County will personally  
22 serve property owners in the 100+ acre group, if necessary.

23  
24 The County will work with the United States on proposals for service of process upon the  
25 remaining parties. The County suggests a further Case Management Conference be scheduled to  
26 discuss the proposals with the parties.

CASE MANAGEMENT

The County respectfully submits the following principle topics that could and should be addressed at the outset of these consolidated cases:

1. The nature and potential dimensions of the litigation.
2. The major procedural and substantive problems likely to be incurred.
3. Procedures for efficient case management.

Accordingly the County suggests that the Court order legal counsel to do the following before the next Case Management Conference to be held within 45 days:

1. Submit brief factual statements to the Court to assist in understanding the background, setting and likely dimensions of the litigation.
2. Meet and confer to propose a structure of representation including the appointment of liaison counsel.
3. Submit an issue statement that identifies disputed factual and legal issues as specifically as possible.
4. Submit a plan or schedule for the next 12 months including a plan or schedule for a Phase I trial.

Dated: February 16, 2006

BEST BEST & KRIEGER LLP

By [Original Signed]

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