

BEST BEST & KRIEGER LLP
ERIC L. GARNER, Bar No. 130665
JEFFREY V. DUNN, Bar No. 131926
STEFANIE D. HEDLUND, Bar No. 239787

5 PARK PLAZA, SUITE 1500
IRVINE, CALIFORNIA 92614
TELEPHONE: (949) 263-2600
FACSIMILE: (949) 260-0972
Attorneys for Cross-Complainant
LOS ANGELES COUNTY WATERWORKS
DISTRICT NO. 40

**EXEMPT FROM FILING FEES
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SECTION 6103**

OFFICE OF COUNTY COUNSEL
COUNTY OF LOS ANGELES
ANDREA ORDIN, Bar No. 38235
COUNTY COUNSEL
WARREN WELLEN, Bar No. 139152
PRINCIPAL DEPUTY COUNTY COUNSEL

500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012
TELEPHONE: (213) 974-8407
TELECOPIER: (213) 687-7337
Attorneys for Cross-Complainant LOS ANGELES
COUNTY WATERWORKS DISTRICT NO. 40

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES**

**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 325201;

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, Case Nos.
RIC 353 840, RIC 344 436, RIC 344 668

Judicial Council Coordination No. 4408

CLASS ACTION

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

**PUBLIC WATER SUPPLIERS' CASE
MANAGEMENT STATEMENT**

CASE MANAGEMENT STATEMENT

Over the last seven months, certain parties have made settlement progress in their mediation sessions with Justice Robie. The progress has been slow and expensive. Some parties are not participating in the mediation.

The parties have been unable to resolve their differences as to how the safe yield is allocated amongst the basin's groundwater users. Over the last 3 months, little progress has been made on this outstanding issue. There does not appear to be any reasonable expectation the parties will ultimately resolve the issue by settlement. Without a resolution of the allocation issues, the parties cannot agree on the long overdue physical solution to the basin's overdraft condition.

The Public Water Suppliers respectfully request the Court schedule the next trial date in early June, 2012; and also set an earlier hearing date with a briefing schedule to resolve a key legal issue that can impact a potential settlement on how to allocate the safe yield.

I. THE NEXT TRIAL DATE SHOULD BE SCHEDULED AS SOON AS POSSIBLE TO ALLOW THE PARTIES TO REACH A COMPROMISE OR HAVE THE COURT DETERMINE THE GROUNDWATER RIGHTS FOR NON-SETTLING PARTIES

In order to implement a physical solution to the Basin's groundwater problems, there should be court-determined groundwater rights. The Public Water Suppliers respectfully request a trial date in early June of 2012. The proposed date allows sufficient time to resolve allocation differences or prepare for the Court to do so for non-settling parties.

As indicated in earlier court filings and hearings, the McCarran Amendment requires a comprehensive adjudication of the parties' water rights. Specifically, all groundwater claims must be determined by the Court. Absent the required determination of rights, the United States will not sign a comprehensive agreement. A trial date is needed for the determination of groundwater rights by settlement and/or by trial.

1 **II. FAILURE TO FILE GROUNDWATER EXTRACTION NOTICES**

2 For each party in Los Angeles County and who extracts at least 25 afy of groundwater,
3 Water Code section 5001 mandates such person file an annual "Notice of Extraction and
4 Diversion of Water" with the State Water Resources Control Board. Pursuant to Water Code
5 section 5004, a person's failure to file results in a finding "nonuse" of water for that year:

6 After the year 1959, failure to file with the board a notice for any
7 calendar year within six months after the close of such calendar
8 year shall be deemed equivalent for all purposes to nonuse for such
9 year of any ground water within the four counties by each person
10 failing to so file a notice within said period; provided that this
section and Section 5003 shall not apply to any person whose
aggregate extractions of ground water in any year does not exceed
25 acre-feet or to any of ground water with respect to which no
notice is required to be filed under this part.

11 The statutory language is unequivocal. Any and all parties in Los Angeles County that claim to
12 have used pumped at least 25 afy but failed submit the Notice of Extraction, cannot legally claim
13 the right to use groundwater during the time for which notices were not filed.

14 The Public Water Suppliers further request the Court address the legal issues concerning a
15 party's failure to file the required notice pursuant to Water Code section 5001 *et seq.* Once the
16 Court determines the legal issues, the parties can take the Court's decision into account in the
17 mediation sessions and settlement discussions.

18
19 Dated: December 12, 2011

BEST BEST & KRIEGER LLP

20
21 By: 

22 ERIC L. GARNER
23 JEFFREY V. DUNN
24 STEFANIE D. HEDLUND
Attorneys for Cross-Complainant
LOS ANGELES COUNTY
WATERWORKS DISTRICT NO. 40

PROOF OF SERVICE

I, Kerry V. Keefe, declare:

I am a resident of the State of California and over the age of eighteen years, and not a party to the within action; my business address is Best Best & Krieger LLP, 5 Park Plaza, Suite 1500, Irvine, California, 92614. On December 12, 2011, I served the within document(s):

PUBLIC WATER SUPPLIERS' CASE MANAGEMENT STATEMENT



by posting the document(s) listed above to the Santa Clara County Superior Court website in regard to the Antelope Valley Groundwater matter.



by placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, in the United States mail at Irvine, California addressed as set forth below.



by causing personal delivery by ASAP Corporate Services of the document(s) listed above to the person(s) at the address(es) set forth below.



by personally delivering the document(s) listed above to the person(s) at the address(es) set forth below.



I caused such envelope to be delivered via overnight delivery addressed as indicated on the attached service list. Such envelope was deposited for delivery by Federal Express following the firm's ordinary business practices.

I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

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

Executed on December 12, 2011, at Irvine, California.


Kerry V. Keefe