1 Bob H. Joyce, (SBN 84607) Dave R. Lampe (SBN 77100) 2 Andrew Sheffield (SBN 220735) LAW OFFICES OF 3 LEBEAU • THELEN, LLP 5001 East Commercenter Drive, Suite 300 4 Post Office Box 12092 Bakersfield, California 93389-2092 5 (661) 325-8962; Fax (661) 325-1127 Attorneys for DIAMOND FARMING COMPANY, 6 a California corporation 7 8 SUPERIOR COURT OF THE STATE OF CALIFORNIA 9 IN AND FOR THE COUNTY OF LOS ANGELES 10 11 Coordination Proceeding Special Title Judicial Council Coordination No. 4408 (Rule 1550 (b)) 12 ANTELOPE VALLEY GROUNDWATER Case No.: 1-05-CV-049053 13 CASES DIAMOND FARMING'S RESPONSE 14 Included actions: TO UNITED STATES' MOTION FOR JUDGMENT ON THE PLEADINGS 15 Los Angeles County Waterworks District No. AND MEMORANDUM IN SUPPORT 40 vs. Diamond Farming Company THEREOF 16 Los Angeles Superior Court Case No. BC 325201 DATE: September 21, 2006 17 TIME: 10:00 a.m. Los Angeles County Waterworks District No. DEPT: 1 18 40 vs. Diamond Farming Company Kern County Superior Court 19 Case No. S-1500-CV 254348 NFT 20 Diamond Farming Company vs. City of Lancaster 21 Riverside County Superior Court Lead Case No. RIC 344436 [Consolidated 22 w/Case Nos. 344668 & 353840] 23 I. 24 INTRODUCTION 25 The United States Government attempts by its Motion for Judgment on the Pleadings to 26 adjudicate by Motion, and as a matter of law, a jurisdictional issue which is fact intensive and factually 27 dependent. This Court has already set a trial date to adjudicate in Phase I the appropriate jurisdictional 28 boundary for this adjudication. At that time, it is expected and intended that this Court will take

DIAMOND FARMING'S RESPONSE TO UNITED STATES' MOTION FOR JUDGMENT ON THE PLEADINGS AND MEMORANDUM IN SUPPORT THEREOF

evidence concerning the appropriate jurisdictional boundary, not only for the purposes of ensuring that this adjudication includes "... the undetermined claims of all parties with an interest in the relevant water source...," (United States v. Oregon (9th Cir. 1994) 44 F.3d 758, cert. denied, 516 U.S. 943 (1995)) thus satisfying the jurisdictional requirements of the McCarran Amendment, 43 U.S.C. § 666(a), but also and in addition, it is anticipated that in the Phase I Trial, this Court will consider the obvious need to establish an appropriate boundary such that this Court has jurisdiction over all real property and all parties necessary to a complete and comprehensive adjudication and ultimately all necessary to the imposition of an effective "physical solution" as sought in the Cross-Complaint. In short, the Motion by the United States Government is premature, and any determination by this Court, in the absence of expert testimony, tested by cross-examination, would be premature and ill-considered. This Court should deny the Motion by the United States Government without prejudice, and proceed with the Phase I Trial. Therein, this Court will take and hear evidence so as to formulate and establish, based upon an informed decision, an appropriate adjudication boundary which will ensure that all undetermined claims of all parties with an interest in the relevant water source are before the Court.

II.

THE McCARRAN AMENDMENT

A review of the relevant authority clearly establishes that the waiver of sovereign immunity contemplated by the McCarran Amendment is intended to permit the United States to be made a party in water rights adjudications, limited by and subject to the legislative intent expressed therein. Specifically, it was intended to permit the United States to be sued in State Court in a comprehensive adjudication so as to avoid and, in fact, implement the legislative policy to avoid piecemeal adjudication of water rights. (Colorado River Water Conservation District v. United States (1976) 424 U.S. 800, 819.) The McCarran Amendment does not presuppose nor does it require that competing claims to all interrelated sources of water must in all adjudications be litigated concurrently in order to qualify an adjudication as a "general" or "comprehensive" adjudication necessary to meet the legislative policy embraced within 43 U.S.C. § 666(a).

In *United States v. Oregon* (9th Cir. 1994) 44 F.3d 758, cert. denied, 516 U.S. 943 (1995), that court concluded that the adjudication must be such that it strives to avoid piecemeal litigation of water

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rights, but need not determine the rights of all claimants to all hydrologically-related water sources. There, the court considered a challenge to an adjudication that was limited to the undetermined claims to surface flows in a river system. That adjudication did not include as a relevant water source the residue of that river flow, i.e., groundwater. The court concluded that it was not necessary, in order to meet the "comprehensive" standard, to adjudicate the claims to the residue, i.e., groundwater rights since a determination of all undetermined and competing claims to the surface flow itself would be sufficiently comprehensive as to those rights. However, that court also confirmed that the determination is not a purely legal issue to be resolved by motion and as a matter of law, nor simply a hydrologically technical issue, resolved by categorizing the undetermined claims and water as being overlying or appropriative claims to groundwater or riparian or appropriative claims to surface water. Rather, the court in United States v. Oregon, supra, makes clear as directed by U.S. Supreme Court precedent that ". . . the adjudication must include the undetermined claims of all parties with an interest in the relevant water source." (United States v. Oregon, supra, p. 769.) Thus, it is necessary and imperative to meet the legislative policy underlying the McCarran Amendment, and to ensure that this Court has jurisdiction over all necessary parties and real property, to determine what the "relevant water source" is in the Phase I trial of this adjudication. That determination both presupposes and necessitates evidence and thus the Phase I Trial as previously scheduled and as presently contemplated.

III.

THE RELEVANT WATER SOURCE

As this Court will recall and as the Court's file will reflect, on July 11, 2006, this Court issued its Order directing all party litigants who intended to proffer evidence in the then scheduled Phase I Trial, to provide and submit to the Court the identity of any witness which any party intended to call at trial, a summary of the testimony anticipated to be proffered by that witness, and an estimate of the time necessary for that testimony. In response to that Order, numerous parties filed expert witness designation information and declarations and/or summaries of anticipated expert witness testimony. This Court need only review those expert witness declarations and exhibits posted with this Court on June 29, 2006, to conclude that there exist a wide divergence of opinion as between the experts themselves as to what the appropriate adjudication boundary should be but also what sources of water

should be properly considered and/or included within the "relevant water source." However, virtually every expert witness uniformly and consistently agree that: "Thus, for all practicable purposes, incident precipitation on the Valley floor does not contribute to recharge of the underlying aquifer system." (Declaration of Joseph C. Scalmanini, P.E., Regarding the Boundaries of the Antelope Valley for Adjudication Purposes - Kern and Los Angeles Counties, California, posted June 29, 2006, p. 13, lines 24-25, Document No. 15-60.)

Virtually every expert also agrees that the most significant source, if not the only source, of groundwater recharge to the Antelope Valley is from precipitation on the mountains and hills surrounding the Valley which runs off and into the Valley either as surface stream flows or as groundwater underflow upgradient from the Valley floor. "Run off that originates as precipitation on the mountains and hills around the Antelope Valley has long been reported as the only source of "native" (originating in the watersheds that surround the Valley and its underlying aquifer system) water that contributes to groundwater recharge. Some of the surface water runoff that reaches the Valley floor has historically been diverted for water supply, and some of those diversions continue. Most of the balance of mountain runoff that reaches the Valley floor continues to be the most significant, if not the only, source of "native" water that recharges the aquifer system beneath the Valley." (Declaration of Joseph C. Scalmanini, P.E., Regarding the Boundaries of the Antelope Valley for Adjudication Purposes - Kern and Los Angeles Counties, California, posted June 29, 2006, p. 14, lines 1-7, Document No. 15-60.)

A determination of the "relevant water source," is and will be fact intensive and necessitate a contested trial to permit cross-examination and ensure a fully adjudicated and reasoned determination of an appropriate adjudication boundary so as to satisfy both the McCarran Amendment and to also ensure that this Court will have jurisdiction sufficient to implement, as and if necessary, the "physical solution" sought.

Ultimately, this Court must discern after hearing all relevant evidence, whether or not the surface water and upgradient under flow which is the source of what is called the groundwater is so inextricably interconnected with and part of that water source that is the "relevant water source," such that it is impossible to comprehensively and meaningfully adjudicate the groundwater rights without considering

the source from which that groundwater originates. Such a proceeding is not new nor unique. We would refer this Court to the California Supreme Court's decision in City of Barstow v. Mojave Water Agency (2000) 23 Cal.4th 1224, wherein the California Supreme Court concluded that because the Mojave River Basin was traversed by the Mojave River that both the surface and groundwater "constituted a single interrelated source." Is that conclusion applicable in the Antelope Valley?

IV.

CONCLUSION

As is made clear by the District Court in *United States v. Oregon*, (9th Cir. 1994) 44 F.3d 758, cert. denied, 516 U.S. 943 (1995), the relevant inquiry is and the standard to be meet dictates that this adjudication "... must include the undetermined claims of all parties with an interest in the relevant water source." Thus, the inquiry is: What is the "relevant" water source? That determination is not one that can be made in a vacuum nor as a matter of law. That determination is fact dependent and will necessitate the taking of evidence, subject to cross-examination, at and during the Phase I Trial currently scheduled for October 10, 2006. It is respectfully submitted that the Motion by the United States Government should be denied without prejudice and the matter should proceed to trial, and thereafter, this Court can, after due consideration of the evidence proffered, establish an appropriate adjudication boundary which will satisfy the dictates of the McCarran Amendment, and which will likewise ensure that this Court has sufficient jurisdiction over all parties and all real property necessary to the implementation of the anticipated physical solution sought by the municipal Purveyors.

Dated: September 1, 2006 LeBEAU • THELEN, LLP

Attorneys for DIAMOND FARMING COMPANY,

a California corporation

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