

1 Bob H. Joyce, (SBN 84607)  
2 Andrew K. Sheffield (SBN 220735)  
3 LAW OFFICES OF  
4 **LEBEAU • THELEN, LLP**  
5 5001 East Commercenter Drive, Suite 300  
Post Office Box 12092  
6 Bakersfield, California 93389-2092  
7 (661) 325-8962; Fax (661) 325-1127

8 Attorneys for DIAMOND FARMING COMPANY,  
9 a California corporation, and CRYSTAL ORGANIC  
10 FARMS, a limited liability company

11  
12 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
13  
14 **IN AND FOR THE COUNTY OF LOS ANGELES**

15 Coordination Proceeding Special Title  
16 (Rule 1550 (b))

Judicial Council Coordination No. 4408

17 ANTELOPE VALLEY GROUNDWATER  
18 CASES

Case No.: 1-05-CV-049053

19 Included actions:

DIAMOND FARMING COMPANY'S  
CASE MANAGEMENT CONFERENCE  
STATEMENT

20 Los Angeles County Waterworks District No.  
21 40 vs. Diamond Farming Company  
22 Los Angeles Superior Court  
23 Case No. BC 325201

24 Los Angeles County Waterworks District No.  
25 40 vs. Diamond Farming Company  
26 Kern County Superior Court  
27 Case No. S-1500-CV 254348 NFT

28 Diamond Farming Company vs. City of  
Lancaster  
Riverside County Superior Court  
Lead Case No. RIC 344436 [Consolidated  
w/Case Nos. 344668 & 353840]

DATE: November 5, 2007  
TIME: 10:00 a.m.  
DEPT: 1

AND RELATED CROSS-ACTIONS.

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1 Diamond Farming Company hereby submits its Case Management Conference Statement and  
2 addresses the issues as follows:

3 1. Based upon the outcome of the Court's ordered meet and confer, it is Diamond's  
4 understanding that a revised and new Motion for Class Certification will be filed to address the proposed  
5 two classes of landowners, pumpers, and non-pumpers. Diamond will likely respond to that Motion  
6 asserting the objections as it has previously asserted in response to both the Motion to Certify a  
7 Defendant Class, as well as earlier Motions for Certification of a Plaintiff Class.

8 2. In order to ensure compliance with the McCarran Act jurisdictional requirements and as  
9 previously argued, Diamond believes that the Court must have jurisdiction not only at the  
10 commencement of the action but also jurisdiction, ultimately, at the time of judgment. Thus, the  
11 probability of the change in ownership of real property within the adjudication boundary during the  
12 pendency of this litigation raises significant issues concerning the need to preserve jurisdiction over the  
13 *res*, i.e., the real property. Diamond has previously suggested that a *lis pendens* would be the appropriate  
14 statutorily authorized vehicle to accomplish that objective. Multiple parties have asserted that that  
15 would be impractical and the Court appears to have adopted that position. Therefore, some effective  
16 means to preserve jurisdiction over the involved real property is needed if jurisdiction is to be  
17 maintained through judgment.

18 3. With respect to the phasing of the anticipated trial of the issues in this matter, Diamond  
19 would propose two trial phases. The First Phase would involve all competing claims and water rights,  
20 including prescription. Of necessity, that First Phase would also involve the overall characteristics of  
21 the area within the adjudication boundary, as established by this Court. The Second Phase would  
22 appropriately be addressed to the issue of remedy, i.e., physical solution, injunctive orders as required  
23 and as necessitated by the findings made in Phase 1. If the Court is disinclined to proceed as suggested,  
24 then at most there should be only three phases, the First Phase addressing the overall present and  
25 historical conditions and circumstances within the adjudication boundary, the Second Phase addressing  
26 all competing claims and water rights, and the Third Phase addressing remedies necessitated as a  
27 consequence of the Court's finding in Phase 1 and Phase 2.

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1 In closing, it is imperative that the case be placed at issue as soon as possible. In the absence of  
2 an imminent trial date and the at-risk realities attendant thereto, the progress towards a negotiated  
3 compromise will stagnate and no ultimate resolution will be forthcoming in the near term since it  
4 appears that the parties are content to subsist under the status quo.

5 Dated: October 30, 2007

LeBEAU • THELEN, LLP

6  
7 By: 

8 BOB H. JOYCE

9 Attorneys for DIAMOND FARMING COMPANY,  
10 a California corporation, and CRYSTAL ORGANIC  
11 FARMS, a limited liability company  
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**PROOF OF SERVICE**

ANTELOPE VALLEY GROUNDWATER CASES  
JUDICIAL COUNCIL PROCEEDING NO. 4408  
CASE NO.: 1-05-CV-049053

I am a citizen of the United States and a resident of the county aforesaid; I am over the age of eighteen years and not a party to the within action; my business address is: 5001 E. Commercenter Drive, Suite 300, Bakersfield, California 93309. On October 30, 2007, I served the within

**DIAMOND FARMING COMPANY'S CASE MANAGEMENT CONFERENCE  
STATEMENT**

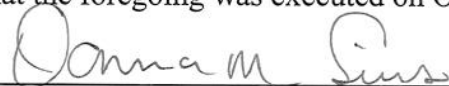
☒ **(BY POSTING)** I am "readily familiar" with the Court's Clarification Order. Electronic service and electronic posting completed through [www.scefilings.org](http://www.scefilings.org) ; All papers filed in Los Angeles County Superior Court and copy sent to trial judge and Chair of Judicial Council.

Los Angeles County Superior Court  
111 North Hill Street  
Los Angeles, CA 90012  
Attn: **Department 1**  
(213) 893-1014

Chair, Judicial Council of California  
Administrative Office of the Courts  
Attn: Appellate & Trial Court Judicial Services  
(Civil Case Coordinator)  
Carlotta Tillman  
455 Golden Gate Avenue  
San Francisco, CA 94102-3688  
Fax (415) 865-4315

☐ **(BY MAIL)** 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 at Bakersfield, California, in the ordinary course of business.

☒ **(STATE)** I declare under penalty of perjury under the laws of the State of California that the above is true and correct, and that the foregoing was executed on October 30, 2007, in Bakersfield, California.



**DONNA M. LUIS**