1 2 3 4 5 6 7 8 9	 EDWARD J. CASEY (State Bar No. 119571) NEAL P. MAGUIRE (State Bar No. 234531) ALSTON & BIRD LLP 333 South Hope Street, Sixteenth Floor Los Angeles, California 90071 Telephone: (213) 576-1000 Facsimile: (213) 576-1100 Email: ed.casey@alston.com neal.maguire@alston.com Attorneys for Cross-Defendants Northrop Grumman Corporation, SGS Antelope V Energy, eSolar, Inc., Red Dawn SunTower, LLC, Sierra SunTower, LLC, Gaskell SunTower, LLC, AV Solar Ranch 1, LLC, Southern California Edi Defendant and Cross-Defendant LV Ritter Ranch 	son Company,			
10	SUPERIOR COURT OF THE STATE OF CALIFORNIA				
11	FOR THE COUNTY OF LOS ANGELES				
12					
13	ANTELOPE VALLEY GROUNDWATER CASES,	Judicial C	ouncil Coordination No. 4408		
14 15	Included Actions: Los Angeles County Waterworks District No. 40 v. Diamond Fanning Co. Los Angeles County Superior Court Case No. BC 325201 Los Angeles County Waterworks District	For filing purposes only: Case No.: 1-05-CV-049053 LASC Case No. BC 325201 Assigned to the Honorable Jack Komar TRIAL SETTING CONFERENCE STATEMENT			
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19	No. 40 v. Diamond Farming Co. Kern County Superior Court				
20	Case No. S-1500-CV -254-348	Date:	July 9, 2012		
21	Wm. Bolthouse Farms, Inc. v. City of Lancaster, Diamond Farming Co. v. City of Lancaster, Diamond Fanning Co. v.	Time: Dept.:	9:00 a.m. 316, Room 1515		
22	Palmdale Water Dist. Riverside County Superior Court				
23	Consolidated actions Case Nos. RIC 353 840, RIC 344 436,				
24	<u>RIC 344 668</u>				
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1 This Trial Setting Conference Statement is submitted by the following parties: (1) Cross-2 Defendant Northrop Grumman Corporation, (2) Cross-Defendants SGS Antelope Valley, LLC and 3 Sempra Energy, (3) Cross-Defendants eSolar, Inc., Red Dawn SunTower, LLC, Sierra SunTower, LLC and Gaskell SunTower, LLC, (4) Cross-Defendant AV Solar Ranch 1, LLC, (5) Defendant and Cross-Defendant LV Ritter Ranch LLC, and (6) Cross-Defendant Southern California Edison Company (collectively, the "Alston Parties").

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BACKGROUND INFORMATION CONCERNING THE ALSTON PARTIES

Each of the Alston parties owns a substantial amount of land overlying the Antelope Valley Groundwater ("Basin"). During the period from 2000 to 2004, the Alston Parties and/or their predecessor owners of the subject properties produced varying amounts of groundwater, from approximately three acre feet ("AF") to 480 AF. Although that amount of groundwater production is substantially less than the amounts of groundwater produced by other parties in this action, the water rights associated with the groundwater production of the Alston Parties is important to their respective business operations.

The Alston Parties or their predecessor owners of the subject properties have filed Statements of Claims Water Rights. The Alston Parties, through their counsel of record, have participated in the settlement discussions and mediation presided over by Justice Robie. The Alston Parties generally support the proposed allocation of water rights in the tentative settlement that is being discussed with Justice Robie, subject, of course, to the detailed terms of a Stipulated Judgment. However, the Alston Parties are concerned with the pace of the settlement process.

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THE NEXT PHASE OF TRIAL

If the parties (or the vast majority of them) can reach agreement on a proposed Stipulated Judgment, then the Alston Parties would advocate for a streamlined evidentiary hearing to establish the facts necessary for the Court to make a decision on whether to enter the proposed Stipulated Judgment. In fact, the Alston Parties would urge the Court to focus the hearing, in that situation, on whether the physical solution set forth in the proposed Stipulated Judgment is equitable and meets the applicable test under Article X, Section 2 of the California Constitution,

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If the parties cannot reach agreement on a proposed Stipulated Judgment, then the Alston Parties question whether other legal and factual issues should be resolved before holding an evidentiary hearing on the amount of groundwater production during the period from 2000 to 2004. For example, the Alston Parties are unaware of any determination by this Court, after briefing on the issue, as to whether the appropriate five year period for establishing water rights is the period from 2000 to 2004. Also, the Alston Parties are unaware of any determination by this Court, after briefing on the issue, of the rights of landowners to produce groundwater for new uses on their overlying land. (See generally City of Barstow v. Mojave Water Agency (2000) 23 Cal.4th 1224, 1247-49; see also 1-11 California Water Law and Policy § 11.12 [Bender 2011].) (This issue is sometimes referred to as "unexercised overlying rights.")

If, however, the Court determines that the next phase of trial should be an evidentiary hearing 12 on the amount of groundwater production during the period from 2000 to 2004, the Alston Parties suggest that each party be allowed to submit evidence in support of their case in chief by written declarations. Thereafter, any party wishing to cross-exam another party's declarant may elect to do so at a evidentiary hearing to be set by the Court. Such a procedure should streamline the process and avoid the taking of live testimony on the amount of groundwater production by each and every groundwater producer if the parties believe that live testimony is not necessary from every groundwater producer. In addition, the Alston Parties would recommend that the parties attempt to stipulate to the amount of water that each type of crop would typically need for farming purposes in the Antelope Valley, so that redundant expert testimony can be avoided.

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1	Finally, if the Court determines that the next phase of trial should be an evidentiary hearing				
2	on the amount of groundwater production during the period from 2000 to 2004 and requires all				
3	3 evidence and testimony to be proffered at an evide	evidence and testimony to be proffered at an evidentiary hearing and not by way of written			
4	4 declaration, each of the Alston Parties can present their	declaration, each of the Alston Parties can present their case in chief in one to two hours per Alston			
5	5 Party.				
6	6				
7	7 DATED: July 2, 2012 EDWARD J. CASI NEAL P. MAGUIR				
8	8 ALSTON & BIRD	ALSTON & BIRD LLP			
9	9				
10	Attorneys for Cross	Edward J. Casey Attorneys for Cross-Defendants Northrop Grumman Corporation, SGS Antelope Valley, LLC, Sempra Energy, eSolar, Inc., Red Dawn SunTower, LLC,			
11	11 Northrop Grumman Sempra Energy, eS				
12	12 Sierra SunTower, L AV Solar Ranch 1,	LC, Gaskell SunTower, LLC, LLC, Southern California Edison Company,			
13	and Defendant and Cross-Defendant LV Ritter Ranch LLC				
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	TRIAL SETTING CONFERENC	CE STATEMENT			

1	PROOF OF SERVICE					
2		I, Yolanda S. Ramos, declare:				
3	I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is Alston & Bird LLP, 333 South Hope					
4	Street, Sixteenth Floor, Los Angeles, CA 90071. I am over the age of eighteen years and not a party to the action in which this service is made.					
5 6	On July 2, 2012, I served the document(s) described as TRIAL SETTING CONFERENCE STATEMENT on the interested parties in this action by enclosing the document(s) in a sealed envelope addressed as follows:					
7						
8		processing of correspondence for mailing with the United States Postal Service. In t ordinary course of business, the correspondence would be deposited with the United State Postal Service at 333 South Hope Street, Los Angeles, California 90071 with postage there				
9 10	fully prepaid the same day on which the correspondence was placed for collection mailing at the firm. Following ordinary business practices, I placed for collection and					
11		with the United States Postal Service such envelope at Alston & Bird LLP, 333 South Hope Street, Los Angeles, California 90071.				
12	BY ELECTRONIC MAIL: By posting the document listed above to the Santa Clara Superior Court website: <u>www.scefiling.org</u> regarding the ANTELOPE VALLEY GROUNDWATER					
13						
14 15		deposited such envelope in a facility regularly maintained by \Box FEDERAL EXPRESS [UPS \Box Overnight Delivery [specify name of service:] with delivery fees fully provided for				
16		or delivered the envelope to a courier or driver of OVERNIGHT DELIVERY [specify name of service:] authorized to receive documents at Alston & Bird LLP, 333 South Hope Street, Los Angeles, California 90071 with delivery fees fully provided for.				
17 18						
19	×	State] I declare under penalty of perjury under the laws of the State of California that the above is true and correct.				
20						
21		[Federal] I declare under penalty of perjury that the foregoing is true and correct.				
22	Executed on July 2, 2012, at Los Angeles, California.					
23 24		YOLANDA S. RAMOS				
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