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United States Department of Justice	GOVERNMENT CODE SECTION 6103
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SUPERIOR COURT OF THE ST	TATE OF CALIFORNIA
COUNTY OF LOS	ANGELES
Coordination Proceeding	) Judicial Council Coordination
Special Title (Rule 1550(b))	) Proceeding No. 4408
ANTELOPE VALLEY GROUNDWATER CASES	) ) FEDERAL DEFENDANTS' CASI ) MANAGEMENT STATEMENT
Included actions:	)
Los Angeles County Waterworks District No. 40 v.  Diamond Farming Co., et al.  Los Angeles County Superior Court, Case No. BC	
325 201	}
Los Angeles County Waterworks District No. 40 v. <u>Diamond Farming Co., et al.</u> Kern County Superior Court, 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 District Riverside County Superior Court, Consolidated Action, Case nos. RIC 353 840, RIC 344 436, RIC 344 668	
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11, 2012. In preparation for the Phase IV trial scheduled to commence on February 11, 2013, parties have proposed trying the issue of entitlement and amount of return flows, *see* Bolthouse Properties LLC's and Wm. Bolthouse Farms, Inc.'s Trial Setting Conference Statement, filed December 6, 2012, at 5, and trying each parties' correlative share of the native safe yield supply, *see* Blum Trust's Trial Setting Conference Statement (the "Blum Trust CMS"), filed December 8, 2012, at 3. The United States believes there is merit to proceeding on both proposals at the next phase of trial. Evidence of the amount of return flow to the basin aquifer from imported water usage was presented at the Phase III trial and, therefore, the amount to be decreed among the parties should be fairly straight-forward. Furthermore, the determination of the correlative share of safe yield of each party may commence in Phase IV with presentation of evidence of the amount of water each party has pumped. Such evidence may be presented in a matter of days or weeks.

The Public Water Suppliers suggest the next phase of trial focus on current pumping for the purpose of preliminarily enjoining over-pumping in the basin. *See* Public Water Suppliers' Phase 4 Trial Setting Conference Statement, filed December 10, 2012, at 2. Whether the Court considers a preliminary injunction or not, evidence on pumping is essential to make final determinations on the outstanding issues in this case. Any prove-up of a proposed settlement (a partial stipulated judgment is referenced by Bolthouse) or adjudication of prescriptive rights (discussed as a next step by the Public Water Suppliers) must include evidence of actual pumping. Evidence of actual pumping is also an important step in the comprehensive determination of all rights to water, as required by the McCarran Amendment, 43 U.S.C. § 666, whether through a "prove-up" phase of trial or a later prescriptive phase of trial. Moreover, the evidence presented in Court will, we believe, also encourage a wider settlement. Doubts such as those expressed by the Blum Trust over "unverified pumping volume without any standard of proof", *see* Blum Trust CMC at 1, can be rectified by presentation of evidence at trial.

Accordingly, the United States supports a Phase IV trial on a party's right and amount of

pumping return flows, and presentation of evidence to verify correlative claims to the native safe yield.

Respectfully submitted this 10th day of December 2012.

R. LEE VEININGER
JAMES J. DUBOIS
United States Department of Justice

## PROOF OF SERVICE

I, Laurie B. Himebaugh, declare:

I am a resident of the State of Colorado and over the age of 18 years, and not a party to the within action. My business address is U.S. Department of Justice, Environment and Natural Resources Section, 999 18th Street, South Terrace - Suite 370, Denver, Colorado 80202.

On December 10, 2012, I caused the foregoing document(s) described as: **FEDERAL DEFENDANTS' CASE MANAGEMENT STATEMEENT** to be served on the parties via the following service:

X	BY ELECTRONIC SERVICE AS FOLLOWS by posting the document(s) listed above to the Santa Clara website in regard to the Antelope Valley Groundwater matter.
	BY MAIL AS FOLLOWS (to parties so indicated on attached service list): By placing true copies thereof enclosed in sealed envelopes addressed as indicated on the attached service list.
	BY OVERNIGHT COURIER: I caused the above-referenced document(s) be delivered to FEDERAL EXPRESS for delivery to the above address(es).
	Executed on December 10, 2012 at Denver, Colorado.  Saucie B. Himebaugh

Laurie B. Himebaugh Paralegal Specialist