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    CALIFORNIA WATER SERVICE COMPANY SUCCESSOR TO
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    ANTELOPE VALLEY WATER COMPANY
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                       SUPERIOR COURT OF THE STATE OF CALIFORNIA
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                         IN AND FOR THE COUNTY OF LOS ANGELES
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    Coordination Proceeding Special Title ) JUDICIAL COUNCIL COORDINATION
    (Rule 1550 (b))
                                           ) PROCEEDING NO. 4408
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    ANTELOPE VALLEY GROUNDWATER CASES
                                           ) CALIFORNIA WATER SERVICE COMPANY'S
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    Included Actions:
                                           ) REPLY TO WILLIS' OPPOSITION TO
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                                           ) DEMURRER TO SECOND AMENDED COMPLAINT
    Los Angeles County Waterworks
    District No. 40 vs. Diamond Farming
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    Company
    Los Angeles Superior Court
                                           ) DATE: AUGUST 11, 2008
    Case No. BC 325201
                                           ) TIME: 9:00a.m.
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                                           ) DEPT: 1
    Los Angeles County Waterworks
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    District No. 40 vs. Diamond Farming
                                           ) PHASE 2 TRIAL: October 6, 2008
    Company
16
    Kern County Superior Court
    Case No. S-1500-CV 254348 NFT
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    Diamond Farming Company vs. City of
    Lancaster
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    Riverside County Superior Court
    Lead Case No. RIC 344436
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    [Consolidated w/Case Nos. 344668 &
    3538401
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I. INTRODUCTION

The Demurring Parties filed their demurrer to challenge the third and fourth causes of action (Condemnation causes of action) in Plaintiff Rebecca Willis' (Plaintiff) Second Amended Class Action Complaint (SAC. California Water Service Company (Cal Water) is a "Private Entity Demurring Party." Plaintiff's opposition asserts that Cal Water has eminent domain powers, and as such "it is also subject to inverse condemnation proceedings."2 Plaintiff's argument fails on its own accord as Cal Water, as well as its applicability to any other Demurring Party, because Cal Water does not have eminent domain powers to acquire possession of the Basin's groundwater. Plaintiff's Condemnation causes of actions against all the Demurring Parties fail the test of legal sufficiency for this following reason: // // //

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Littlerock Creek Irrigation District, Palm Ranch Irrigation District, Desert Lake Community Services District, Palm Ranch Irrigation District, Desert Lake Community Services District, North Edwards Water District, Rosamond Community Services District, and Los Angeles County Water works District No. 40 (collectively "Public Entity Demurring Parties") and Llamo Del-Rio Water Company, Llamo Mutual water Company Big Rock Mutual Water Company, Little Blady Water Company and California Water Service Company (collectively "Private entity Demurring Parties") ("Public Entity Demurring parties and Private Entity Demurring Parties are collectively referenced as "Demurring Parties")

² Plaintiff's Memorandum of Points and Authorities in Support of Willis' Opposition to Demurrer to Second Amended Complaint, page 14, "Cal Water is defined as a public utility ... subject to ...the jurisdiction, control and regulation of the commission..."

³ Basin is defined by the groundwater basin boundaries established in this adjudication.

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As stated in People v. Murrison (2002), 101 Cal.App.4th 349, 358

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We begin with a brief description of rights under California law. California operates under a dual system of water rights that recognizes both the "appropriation" and "riparian" doctrines. People V. Shirokow (See (1980) 26 Cal.3d 301, 307 [162 Cal.Rptr. 30, 605 P.2d 859] (Shirokow).) "The riparian doctrine confers upon the owner of land contiguous to a watercourse the right to the reasonable and beneficial use of water on his land. appropriation doctrine contemplates the diversion of water and applies to 'any taking of water for other than riparian or overlying uses.' [Citation.] Both riparian and appropriative rights are usufructuary only and confer no right of private ownership in the watercourse." (*Ibid.*, fn. omitted.)

Simply, the Plaintiff does not own the Basin groundwater as a "property right," and thus Plaintiff has no right to compensation for its use by another. *Murrison* at 359 further states:

Unlike real property rights, usufructuary water rights are limited and uncertain. The available supply of water is largely determined by natural forces." (United States v. State Water Resources Control Bd. (1986) 182 Cal.App.3d 82, 104, 227 Cal.Rptr. 161.)
"[I]n times of water shortage, all riparians must curtail their usage in order that they share the available water." (Ibid.) Further, "appropriators are limited by priorities in time; their

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Furthermore, "all water rights are also limited by the provisions of Article X, Section 2 of the California

Constitution which proscribes the waste or unreasonable use or unreasonable method of use or unreasonable method of diversion of water. (City of Barstow v. Mojave Water Agency (2000) 23

Cal.4th 1224, 1241-1242, 99 Cal.Rptr.2d 294, 5 P.3d 853.)"

Murrison 359-360.

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Specifically, concerning overlying rights, Allegretti & Co. v. County of Imperial (2006), 138 Cal.App.4th 1261, 1171 states

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Allegretti's right to extract groundwater is as an "overlying" owner. As the California Supreme Court has explained, "overlying water rights are usufructuary only, and while conferring the legal right to use the water that is superior to all other users, confer no right of private ownership in public waters." (City of Barstow v. Mojave Water Agency (2000) 23 Cal.4th 1224, 1237, 99 Cal.Rptr.2d 294, 5 P.3d 853; Basin Water Central and West Replenishment Dist. v. Southern Cal. Water Co. (2003) 109 Cal.App.4th 891, 905, 135 Cal.Rptr.2d 486 ["there is no private ownership of groundwater"].) Water rights carry no specific property right in the corpus of the water itself. (Big Rock M.W. Co. v. Valyermo Ranch Co. (1926) 78 Cal.App. 266, 275, 248 P. 264.)

Finally, the Court has limited inverse condemnation action as set forth in *Gilbert v. State of California* (1990), 218 Cal.App.3d 234, 249

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Article I, section 19 of the California Constitution provides in part: "Private property may be taken or damaged for

public use only when just compensation, ascertained by a jury unless waived, has first been paid to, or into court for, the owner." Our Supreme Court has laid down the basic requirements pleading inverse condemnation: order to state a cause of action for inverse condemnation, there must be an invasion orappropriation of valuable property right which the landowner possesses and the invasion or appropriation must directly and specially affect the landowner to his injury.

As further stated by *Gilbert* at 249, "protected property interests are created and defined by state law. (*Board of Regents v. Roth* (1972) 408 U.S. 564, 577 [33 L.Ed.2d 548, 561, 92 S.Ct. 2701].)"

Finally, the Court in *Gilbert* recognized, California law does not recognize potential water use as a compensable property right. In *Swanson v. Marin Mun. Water Dist.* (1976) 56 Cal.App.3d 512 [128 Cal.Rptr. 485], plaintiff landowner instituted a mandamus action to compel the water district to grant him a pipeline extension and provide water service to his property. The water district previously had enacted an ordinance which

CAL WATER'S REPLY BRIEF TO WILLIS OPPOSITION FOR DEMURRER - 5

allowed new water service to persons with an existing water main fronting their property, but prohibited new service if there was no pipeline extension. As to plaintiff's contentions that the district took his property without just compensation and that he had an absolute right to be treated in the same manner as existing consumers, this appellate district held: "[I]t is evident that a potential water user does not possess any absolute right to be afforded water service and that the Constitution does not require that he be treated in the same manner as established users of the water system." (At p. 522; see also Hollister Park Inv. Co. v. Goleta County Water Dist. (1978) 82 Cal.App.3d 290 [147 Cal.Rptr. 91], quoting Swanson.)" Gilbert at 249-250

III. CONCLUSION

The Court should grant the demurrer to the Condemnation causes of action with prejudice without leave to amend because Plaintiff has no compensable property right to the groundwater in the Basin.

DATED: August 4, 2008

CALIFORNIA WATER SERVICE COMPANY

Bv:

JOMN S. TOOTLE, ESQ.

PROOF OF SERVICE (C.C.P. §1013a, 2015.5)

Antelope Valley Groundwater Cases

Judicial Counsel Proceeding No. 4408 Santa Clara County Superior Court Case No. 1-05-CV-049053

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 2632 West 237th Street, Torrance, CA 90505.

On August 4, 2008, I served the foregoing document(s) entitled:

CALIFORNIA WATER SERVICE COMPANY'S REPLY TO WILLIS' OPPOSITION TO DEMURRER TO SECOND AMENDED COMPLAINT

by placing the true copies thereof enclosed in sealed envelopes addressed as stated on the attached mailing list.

by placing _ the original, _ a true copy thereof, enclosed in a sealed enveloped addressed as follows:

BY SANTA CLARA SUPERIOR COURT E-FILING IN COMPLEX LITIGATION PURSUANT TO CLARIFICATION ORDER DATED OCTOBER 27, 2005.

Executed on August 4, 2008, at Torrance, California

- (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.
 - (Federal) I declare that I am employed in the office of a member of the Bar of this Court at whose direction the service was made.

Michael Duque