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8	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
9	FOR THE COUNTY OF LOS ANGELES – CENTRAL DISTRICT	
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11	Coordination Proceeding Special Title (Rule 1550(b))	Judicial Council Coordination Proceeding No. 4408
12	ANTELOPE VALLEY GROUNDWATER CASES	Hon. Judge Jack Komar
13	CASES	
14	Included actions:	POSITION STATEMENT OF ANTELOPE
15 16	Los Angeles County Waterworks District No. 40 v. Diamond Farming Co., et al. Superior Court of California, County of Los	VALLEY-EAST KERN WATER AGENCY RE UNITED STATES' MOTION FOR JUDGMENT ON THE PLEADINGS
17	Angeles, Case No. BC 325 201	
18	Los Angeles County Waterworks District No. 40 v. Diamond Farming Co., et al. Superior Court of California, County of Kern,	Date: September 21, 2006 Time: 10:00 a.m.
19	Case No. S-1500-CV-254-348 Wm. Bolthouse Farms, Inc. v. City of Lancaster	Dept: 1, Room 534
20	Diamond Farming Co. v. City of Lancaster Diamond Farming Co. v. Palmdale Water Dist.	
21	Superior Court of California County of Riverside, consolidated actions, Case nos. RIC	
22	353 840, RIC 344 436, RIC 344 668	
23	AND RELATED ACTIONS.	
24	AND RELATED ACTIONS.	
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Cross-Defendant/Cross-Complainant ANTELOPE VALLEY-EAST KERN WATER AGENCY ("AVEK") submits the following statement of position concerning the Motion for Judgment on the *Pleadings* ("the Motion") filed by the United States in the above-captioned proceeding:

AVEK is self-governing special district duly organized and operating pursuant to the Antelope Valley-East Kern Water Agency Law, California Water Code Appendix Section 98-49 et seq. AVEK's jurisdictional boundaries are located in the Antelope Valley and include a majority of the land mass overlying the Antelope Valley Groundwater Basin (the "Basin"). AVEK is a party to a long-term contract with the State of California that entitles AVEK to receive the greatest amount of import water from the State Water Project for delivery and use within the Basin.

AVEK is informed and believes that the Basin is and has been in an overdraft condition for more than five (5) consecutive years. During these time periods, the total annual demand on the Basin has exceeded the supply of water from natural sources. Consequently, there is and has been a progressive and chronic decline in Basin water levels and the available natural supply is being and has been chronically depleted. Based on the present trends, demand on the Basin will continue to exceed supply. Until limited by order and judgment of the court, potable Basin water will be exhausted and land subsidence will continue.

Due to the shortage of water in the Basin, certain other public water suppliers purchase State Water Project water from AVEK. State Project water originates in northern California and would not reach the Basin but for the importation thereof by AVEK. Absent AVEK's importation of State Project water into the Basin, the other water producers in this action would need to pump additional groundwater from the Basin each year. By storing State Project water or other imported water in the Basin, the parties herein can recover the stored water during time of drought, water supply emergencies, or other water shortages to ensure a safe and reliable supply of water to the public.

Unless the rights, if any, of the parties hereto to produce water from the available supply within the Basin are each determined and established, and those without rights are limited as prayed, the available supply will eventually become endangered. New pumpers and those who continue to increase their quantities of production will acquire new rights to greater quantities of water which will reduce the rights

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POSITION STATEMENT OF ANTELOPE VALLEY-EAST KERN WATER AGENCY

of many persons who presently produce water, and eventually will render the available supply inadequate to fulfill all rights.

As a result, AVEK filed a Cross-Complaint for declaratory and injunctive relief in this proceeding which seeks a judicial determination of rights to all water within the Basin. An adjudication is necessary to protect and conserve the limited water supply that is vital to the public health, safety, and welfare of all persons and entities that depend upon native water from the Basin and supplemental water from AVEK.

In its Cross-Complaint, AVEK requests that this Court consider a "physical solution" to the water rights dispute in the Basin. A physical solution is a common-sense approach to resolving water rights litigation that seeks to satisfy the reasonable and beneficial needs of all parties through augmenting the water supply or other practical measures. The physical solution is a practical way of fulfilling the mandate of the California Constitution (Article X, Section 2) that the water resources of the State be put to use to the fullest extent of which they are capable.

AVEK believes that this Court must determine, impose, and retain continuing jurisdiction in order to enforce a physical solution upon the parties who pump water from the Basin, and thereby prevent irreparable injury to the Basin. However, the goals of a physical solution to the continued overdrafting of the Basin would be completely frustrated if - after significant expenditures of time, effort, and expense any resolution that may be reached by this Court is subsequently undermined by the failure to join all necessary or indispensable parties in this case or this Court is later found to lack subject matter jurisdiction over any party to this litigation, as argued by the United States in the Motion pursuant to the McCarran Amendment (43 U.S.C. Section 666).

Therefore, AVEK's position with respect to the Motion is that the United States is a necessary and indispensable party in this litigation. Any physical solution that is developed by this Court must be binding upon the United States or it will be of minimal use in addressing the water-supply problems associated with the continued overdrafting of the Basin.

Additionally, final resolution of all jurisdictional issues should be achieved before the parties and this Court engage in substantial time, effort, and expense to litigate the substantive issues in this case and

develop a physical solution that could be subject to being set aside on appeal. [See City of Barstow v.] Mojave Water Agency (2000) 23 Cal. 4th 1224, 5 P.3d 853, 99 Cal. Rptr. 2d 294.] Thus, AVEK supports a decision on the Motion that results in the continued participation of the United States as a party to this case and provides for all jurisdictional issues to be fully and finally resolved prior to the phased trials of the other matters involved in this proceeding. Otherwise, the public benefits that would be achieved by the development of a physical solution to the overdrafting of the Basin would be unduly compromised. Dated: September 1, 2006 BRUNICK, McELHANEY & BECKETT Steven M. Kennedy By: William J. Brunick Steven K. Beckett Steven M. Kennedy Attorneys for ANTELOPE VALLEY-EAST KERN WATEŘ AGENCY POSITION STATEMENT OF ANTELOPE VALLEY-EAST KERN WATER AGENCY RE MOTION FOR JUDGMENT ON THE PLEADINGS