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14 LOS ANGELES WORLD AIRPORTS

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16 Angeles and Los Angeles World Airports

17 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

18 **COUNTY OF LOS ANGELES**

19 Coordination Proceeding

Case No. 105 CV 049053

20 ANTELOPE VALLEY GROUNDWATER  
21 CASES,

Judicial Council Coordination  
Proceeding No. 4408

22 Los Angeles County Waterworks District No.  
23 40 v. Diamond Farming Co.

**JOINT CASE MANAGEMENT  
STATEMENT OF UNDERSIGNED  
OVERLYING PUBLIC AND PRIVATE  
LANDOWNER PARTIES**

24 Los Angeles County Waterworks District No.  
25 40 v. Diamond Farming Co.

The Hon. Jack Komar  
Santa Clara Case No. 105 CV 049053

26 Wm Bolthouse Farms, Inc. v. City of  
27 Lancaster

Riverside County Superior Court  
Lead Case No. RIC 344436  
Case No. RIC 344668  
Case No. RIC 353840

28 Diamond Farming Co. v. City of Lancaster

Los Angeles Superior Court Case  
No. BC 325201

Diamond Farming Co. v. Palmdale Water  
District,

Kern County Superior Court Case  
No. S-1500-CV-254348

AND RELATED ACTIONS

1 TO ALL PARTIES AND TO ALL PARTIES' ATTORNEYS OF RECORD:

2 The City of Los Angeles, by and through its Department of Airports, Los Angeles World  
3 Airports ("LAWA") together with the undersigned overlying landowner parties (collectively  
4 "Landowners" herein) submit this Joint Case Management Conference Statement to recommend  
5 the order in which the Court should consider the various issues (consistent with the Second  
6 Amended Case Management Order) related to the Stipulation and Proposed Judgment and  
7 Physical Solution ("Proposed Judgment") pending before the Court.  
8

9 The Landowners are all parties to the Proposed Judgment. They have agreed to a drastic  
10 reduction in their water usage under the Proposed Judgment in consideration of agreements by other  
11 stipulating parties including agreement by the Public Water Suppliers, all of which are also signatories  
12 to the Settlement, have agreed not to assert prescriptive rights against the Landowners. However, the  
13 Public Water Suppliers will assert prescriptive rights against all non-settling parties, (both defaulted  
14 parties and objecting parties). Importantly, if the Proposed Judgment is not approved by the Court, all  
15 settling parties will be in the same legal position as if the Settlement had not been signed, retaining  
16 their rights to litigate all issues including prescription and to maintain their right to a jury trial on  
17 appropriate issues. Hearings regarding the Proposed Judgment must be conducted in an order which  
18 preserves the rights of settling landowners to litigate these claims if the settlement is not approved  
19 Similarly, both the landowners and the Public Water Suppliers have agreed to an allocation to the  
20 United States pursuant to the proposed Settlement. To the extent the Court approves the Settlement,  
21 neither the Landowners nor the Public Water S will present any opposition to the claimed Federal  
22 Reserved Right. The conundrum this presents to the Landowners is that they would raise objections to  
23 PUBLIC WATER SUPPLIERS evidence of prescription or the United States' evidence of a Federal  
24 Reserved Right only if the Court does not approve the Settlement, but the Court will not make its final  
25 ruling on the Settlement until after consideration of all the evidence including the non-settling parties'  
26  
27  
28

1 water right claims, and a determination of whether their rights have been prescribed by PUBLIC  
2 WATER SUPPLIERS. To make matters more problematic, Landowners understand that the PUBLIC  
3 WATER SUPPLIERS will assert prescription on a basin-wide basis, so that any determination by the  
4 Court of prescriptive rights against non-settling parties may inevitably bear prejudicially on any  
5 subsequent determination of prescription against Stipulating Parties if the Settlement is not approved  
6 by the Court and a subsequent determination of their overlying claims must therefore be litigated.  
7 Accordingly, issues related to evaluation and approval/disapproval of the Proposed Judgment must  
8 occur first in order. If litigation of claims against non-stipulating parties occurs before approval of the  
9 Proposed Judgment, stipulating landowners would be placed in the untenable position of allowing  
10 prescriptive right or other claims to be proved up against them, without the Proposed Judgment being  
11 first approved.  
12

13 In order to protect Landowners' rights to object to potential Public Water Suppliers'  
14 assertion of prescriptive rights against them in the event the Physical Solution is not approved by  
15 the Court, and to avoid premature findings that could irreparably prejudice determination of  
16 Landowners' rights, Landowners propose that the remaining issues in the case be heard in the  
17 following order and that a tentative ruling on the Proposed Judgment be made by the Court prior  
18 to determination of all non-settling parties' claims:  
19

20 **1. Small Pumper Class Fairness Hearing.**

21 At the hearing scheduled for August 3, 2015, the Court would hear any objections by  
22 members of the Small Pumper Class to the proposed Judgment, and receive the Court-appointed  
23 expert's report and related testimony concerning the water use by members of the Small Pumper  
24 Class. The Court would make a determination whether the Settlement would be fair to the  
25 members of the Small Pumper Class.  
26

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**2. Phelan Piñon Hills Community Services District's Remaining Claims.**

At the hearing already scheduled for August 25 – 27, 2015, the Court would try Phelan Piñon Hills' remaining causes of action.

**3. Prove-up of Judgment and Physical Solution, Including Stipulating Parties Prove-up of Claims.**

At the three-week trial already scheduled to begin September 28, 2015, the Court would hear evidence of water right claims and usage of the Stipulating Parties to prove up the merits of the Proposed Judgment, and testimony concerning the operation and administration of the Physical Solution. The evidence of water use and pumping would consist primarily of the evidence admitted by the Court in the Phase 4 trial.

**5. Willis Class Claims of Breach.**

Following presentation of evidence proving up the Proposed Judgment supporting the stipulating parties' rights and the Physical Solution the Court would hear and consider the claims by the Willis Class that the Settlement the class had reached with the Public Water Suppliers has been breached by the Public Water Suppliers.

**6. Ruling on Proposed Judgment and Physical Solution.**

After the first five phases of trial, the Court would rule on the proposed Judgment and Physical Solution. Because no final ruling can be made until all claims are heard and evidence presented, the ruling would be "subject to" the Court's subsequent determination of the rights, if any of non-stipulating parties. At this point, if the Proposed Judgment were not approved by the Court, subject to non-stipulating parties' rights, all stipulating overlying landowners would know whether they would need to oppose the prescriptive claims of the Public Water Suppliers, and their opportunity to do so would not have been compromised.

1           **6. Non-stipulating Parties Water Rights (including Federal Reserved Water**  
2 **Rights)**

3           If the Proposed Judgment is preliminarily approved by the Court, the Court then would try  
4 the rights of all non-stipulating parties. It is at that point that the claim of prescriptive rights  
5 would be tried. Because all parties to the proceeding would know whether they needed to oppose  
6 the prescriptive claim, no party would be prejudiced by prior determination or admission of  
7 evidence on the issue.  
8

9           If the Proposed Judgment is not approved, the Court and parties will need to discuss the  
10 timing and discovery process for a trial phase in which all parties' rights and claims will be  
11 determined.

12           The undersigned parties submit that the order of trial presented above is logical, protective  
13 of all parties' rights, and considerate of limited judicial resources. We urge adoption of this  
14 approach in a Case Management Order.  
15

16 Dated: July 7, 2015

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A Professional Corporation

17  
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12 California corporation, Crystal Organic Farms,  
13 a limited liability company, Grimmway  
14 Enterprises, Inc., and Lapis Land Company,  
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