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LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40; ROSAMOND COMMUNITY
SERVICES DISTRICT; and DOES 1 through 100,
Cross-Defendants.

I. INTRODUCTION

The court has scheduled a Phase 2 trial to commence on October 6, 2008 to address three issues, namely (a) the characteristics of the Basin and any sub-basins, (b) the safe yield of the Basin and any sub-basins, and (c) whether the Basin or any sub-basin is currently in a state of overdraft. The defendant and cross-complainant TEJON RANCHCORP (Tejon) plans to participate in the Phase 2 trial with particular emphasis on the Finger Buttes, Neenach and West Antelope sub-basins (Western Antelope Valley sub-basins).

Tejon owns about 33,500 acres within the adjudication boundary at the westerly end of the Antelope Valley. A map of the western end of the Antelope Valley showing the relationship of lands owned by Tejon to the adjudication boundary, the several sub-basins, and the several faults is attached as **Exhibit A**. Tejon's predecessor acquired this land and other lands by grant from the governor of the Department of the Californias in 1846. The Treaty of Guadalupe Hidalgo of 1848, which ended the Mexican-American war, provides in Article VIII, in part, that "the property of every kind, now belonging to Mexicans . . . shall be inviolably respected." (See, e.g., City of Los Angeles v. Venice Peninsula Properties (1988) 205 Cal.App.3d 1522, 1533-1534 [federally patented Mexican land grant not subject to public trust].)

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The grant was confirmed by United States patent dated June 21, 1875.

We now turn to a discussion of what Tejon intends to prove during the Phase 2 trial.

II. CHARACTERIZATION OF THE BASIN

There are several impediments to subsurface flows between Tejon's lands at the westerly end of the Antelope Valley and the cones of depression in the urban areas of Lancaster, Quartz Hill and Palmdale.

The Randsburg-Mojave Fault (see Exhibit A) north of the Kern-Los Angeles County line impedes subsurface flow from the West Antelope and Finger Buttes subbasins to the Neenach sub-basin. This fault does not appear to impede subsurface flow south of the Kern-Los Angeles County line.

The most significant impediment to subsurface flow is a bedrock ridge that extends from the Antelope Buttes northeasterly to the Little Buttes. (See Exhibit B.)

The evidence will show that extractions or recharge within the Western Antelope Valley sub-basins has little or no effect on groundwater elevations easterly of the bedrock ridge and vice-versa.

III. SAFE YIELD

There is no need to establish the safe yield within the Western Antelope Valley sub-basins since those sub-basins are not in overdraft.

IV. OVERDRAFT

There is no overdraft in the Western Antelope Valley sub-basins. The subsurface water levels in these sub-basins have either been stable or rising for at least the last 30 years. (See, e.g., **Exhibit C**.)

V. CONCLUSION

In conclusion, the Western Antelope Valley sub-basins are not in overdraft and the subsurface flows therefrom are insignificant and have no impact on the declining water levels in the Lancaster, Quartz Hill and Palmdale areas.

Dated: August 6, 2008

Respectfully submitted,

Kuhs & Parker

By_

William C. Kuhs, Attorney for Tejon

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PROOF OF SERVICE

I, Lidia E. Luna, declare:

I am employed in the County of Kern, State of California. I am over the age of 18 and am not a party to the within action; my business address is Kuhs & Parker, 1200 Truxtun Avenue, Suite 200, Bakersfield, California 93301.

On August 6, 2008, I caused the foregoing document(s) described as: **PHASE 2 TRIAL BRIEF OF TEJON RANCHCORP** to be served on the parties in this action, as follows::

- (X) (BY ELECTRONIC SERVICE) by posting the document(s) listed above to the Santa Clara County Superior Court website: www.scefiling.org regarding the Antelope Valley Groundwater matter.
- () (BY U.S. MAIL) I am readily familiar with the firm's practice of collection and processing of documents for mailing. Under that practice, the abovereferenced document(s) were placed in seal envelope(s) addressed to the parties as noted above, with postage thereon fully prepaid and deposited such envelope(s) with the United States Postal Service on the same date at Bakersfield, California, addressed to:
- () (BY FEDERAL EXPRESS) I served a true and correct copy by Federal Express or other overnight delivery service, for delivery on the next business day. Each copy was enclosed in an envelope or package designated by the express service carrier; deposited in a facility regularly maintained by the express service carrier or delivered to a courier or driver authorized to receive documents on its behalf; with delivery fees paid or provided for; addressed as shown on the accompanying service list.
- () (BY FACSIMILE TRANSMISSION) I am "readily familiar" with the firm's practice of facsimile transmission of documents. It is transmitted to the recipient on the same day in the ordinary course of business.
- (X) (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 under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Lidia E. Luna