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**SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
**COUNTY OF LOS ANGELES - CENTRAL DISTRICT**

**ANTELOPE VALLEY GROUNDWATER  
CASES**

**Included Actions:**

Los Angeles County Waterworks District No. 40  
v. Diamond Farming Co., Superior Court of  
California, County of Los Angeles, Case No. BC  
325201;

Los Angeles County Waterworks District No. 40  
v. Diamond Farming Co., Superior Court of  
California, County of Kern, Case No. S-1500-CV-  
254-348;

Wm. Bolthouse Farms, Inc. v. City of Lancaster,  
Diamond Farming Co. v. Lancaster, Diamond  
Farming Co. v. Palmdale Water Dist., Superior  
Court of California, County of Riverside, Case  
No. RIC 353 840, RIC 344 436, RIC 344 668

Judicial Council Coordination No. 4408

Santa Clara Case No. 1-05-CV-049053  
Assigned to Hon. Jack Komar

**TRIAL BRIEF OF TEJON RANCH  
COMPANY AND TEJON  
RANCHCORP**

Phase 4 Trial Date: May 28, 2013  
Time: 1:00 p.m.  
Dept.: 322, Central Civil West

TEJON RANCH COMPANY and TEJON RANCHCORP (collectively, Tejon) submit  
the following Pretrial Conference Statement for the Phase 4 Trial. Tejon's witness list is set forth  
in part II hereof and its list of exhibits is attached hereto as **Exhibit A**.

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## I. STATEMENT OF THE CASE

### A. Phase 4 Trial Issues.

On December 12, 2012, the Court entered its Case Management Order for Phase 4 Trial (CMO) setting for trial the following issues: (1) current groundwater production of all parties for the calendar year 2011 and January 1 through November 30, 2012, (2) proof of claimed reasonable and beneficial use of water for each parcel to be adjudicated, (3) claimed return flows from imported water, and (4) federal reserve rights. By Minute Order dated May 13, 2013, the Court excluded the third issue of claimed return flows from imported water. On May 20, 2013, the Court entered its Fifth Amendment to the CMO reducing the Phase 4 Trial to the sole issue of groundwater production for years 2011 and 2012.

### B. Tejon's Land Ownership Within the AVAA.

Tejon owns about 33,530 acres of land within the Antelope Valley Area of Adjudication (AVAA) westerly of the Bedrock Ridge and southerly of the Willow Springs Fault in an area known as the West Antelope Valley Basin (the "West Basin"). A map showing the relationship of lands owned by Tejon to the adjudication boundary is attached as **Exhibit B** and a table summarizing Tejon's land ownership within the AVAA is attached as **Exhibit C**. Approximately 28,858 acres of Tejon's land within the AVAA includes Rancho La Liebre, acquired by an 1846 land grant from the Mexican governor of California to Tejon's predecessor-in-interest Jose Maria Flores, established by a judgment of the United States District Court for the Southern District of California, protected "inviolable" by the Treaty of Guadalupe Hidalgo and confirmed by federal patent.

The court determined in the Phase 3 trial that although the AVAA is not like a bathtub, all areas of the AVAA have some level of hydraulic connection. The degree of hydraulic connection in some parts of the AVAA is so slight as to be almost non-existent, and pumping in

1 these areas may have little or no effect on other areas of the aquifer. The evidence further  
2 established that at least since 1985, groundwater levels in the West Basin have risen or remained  
3 constant. Moreover, even though the evidence showed that the Lancaster and Palmdale areas  
4 have been subject to historic overdraft and subsidence, the West Basin has experienced no  
5 subsidence.

6  
7 **C. Tejon's Water Use.**

8 Tejon has historically grown alfalfa, grain hay and forage on several parcels of land  
9 within the AVAA, its land being irrigated with groundwater and periodic surface deliveries from  
10 the Antelope Valley-East Kern Water Agency (AVEK). In 2002, Tejon submitted a development  
11 application to the Los Angeles County Department of Regional Planning for a Master Plan  
12 Community known as The Centennial Project, which would include 22,998 housing units,  
13 commercial space, a business park, civic/institutional uses, open space, recreational parks, and  
14 waste water reclamation facilities located on 12,000 acres of land in the west end of the Antelope  
15 Valley. The application was deemed complete in 2008. Golden Valley Municipal Water District  
16 approved the water supply assessment (WSA) for The Centennial Project in 2011. Base supplies  
17 for the WSA includes: water purchased from AVEK and banked in Tejon's water bank, water  
18 acquired by Tejon and loaned to AVEK, State Water Project Table A supplies purchased from  
19 Tulare Lake Basin Water Storage District and Dudley Ridge Water District, recycled water, and  
20 groundwater. Tejon claims the right to recapture return flows from imported water.  
21

22  
23 In 2011 and 2012, Tejon irrigated approximately 640 acres of land using five center-  
24 pivot irrigation systems to grow alfalfa, grain hay and forage. Well No. 106 became non-  
25 operational in late 2010 and remained non-operational throughout 2011, resulting in a loss of  
26 about 1,150 acre-feet of groundwater production in 2011. According to Tejon's meter records,  
27 Tejon produced 1,311 acre-feet of groundwater in 2011 and 2,398 acre-feet in 2012. Tejon  
28

1 purchased water from AVEK and applied to its crops 352 acre-feet of that water in 2011 and 973  
2 acre-feet of that water in 2012 in lieu of groundwater pumping. Additionally, Tejon leases land  
3 to National Cement Company. National Cement Company produced 292 acre-feet of  
4 groundwater in 2011 and 372 acre-feet in 2012. A summary of Tejon's water use for 2011 and  
5 2012 is as follows:

Source	2011 (AF)	2012 (AF)
Tejon Groundwater	1,311	2,398
Lost Well No. 106 Production	1,150	-0-
National Cement Groundwater	292	372
Subtotal	2,753	2,770
AVEK Water Purchased*	352	973
<b>TOTAL WATER USE</b>	<b>3,105</b>	<b>3,743</b>

\* Estimate only. AVEK's records indicate 414 AF in 2011 and 1047 AF in 2012.

Tejon's actual water use is substantially less than the crop water duties estimated by the Public Water Suppliers in the Phase 3 Trial. (See, e.g., Scalmanini Exhibit 58.)


## II. WITNESSES

Tejon anticipates calling Leah Metzger and Dennis Atkinson during its case-in-chief.  
Leah Metzger will be called to testify regarding Tejon's land ownership within the AVAA.  
Dennis Atkinson will be called to testify regarding Tejon's water use.

Dated: May 26, 2013

KUHS & PARKER

By

  
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