I. STATEMENT OF THE CASE

A. Phase 4 Trial Issues.

On December 12, 2012, the Court entered its Case Management Order for the 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. Granite's Land Ownership Within the AVAA.

1. Littlerock Facility.

Since 1987 Granite has leased from Littlerock Sand and Gravel, Inc. about 236 acres for operation of Granite's Littlerock Facility, a sand and gravel extraction and rock processing facility, asphaltic concrete batch plant and ready-mix plant, located on the alluvial fan of Littlerock Creek. In 2008 Granite purchased about 67 acres of land immediately adjacent to the leased property for expansion of the Littlerock Facility. Granite obtained a Conditional Use Permit and amended its Mining and Reclamation Plan in 2011 to include Granite's fee ownership. A plat showing the general location of the Littlerock Facility is attached hereto as **Exhibit B**, and a table summarizing the properties that comprise the Littlerock Facility is attached hereto as **Exhibit C**.

Granite pumps groundwater from three wells located on the leased property. Granite uses the groundwater for dust control, to wash and process sand and aggregates and limited domestic use.

2. Big Rock Quarry.

Granite owns about 145 acres near the corner of Pearblossom Highway and North 155th Street East known as Big Rock Quarry. Granite has obtained a Surface Mining Permit and plans to operate a sand and gravel extraction and rock processing facility, asphaltic concrete batch plant and ready-mix plant on the site. There is a single groundwater well on site. Granite pumps approximately 16 acre feet per year from the well to irrigate a 30-foot wide strip of oleanders, junipers and other vegetation along the perimeter of the 145 acre site. A summary of Granite's estimated groundwater production for 2011 and 2012 is as follows:

Source	2011 (AF)	2012 (AF)
Littlerock Facility	418	423
Big Rock Quarry	16	16
TOTAL	434	439

II. WITNESSES

Granite anticipates calling William Taylor and Steve McCracken in its case-in-chief.

Mr. Taylor will be called to testify regarding Granite's land ownership within the AVAA. Mr.

McCracken will be called to testify regarding Granite's water use.

Dated: May 28, 2013 KUHS & PARKER

Keri L. Bland,

Attorneys for Granite Construction Company

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