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Attorneys for Granite Construction Company

**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-  
254348;

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 353840, RIC 344436, RIC 344668

Rebecca Lee Willis v. Los Angeles County  
Waterworks District No. 40  
Superior Court of California, County of Los  
Angeles, Case No. BC 364553

Wood v. A.V. Materials, Inc., et al., Superior  
Court of California, County of Los Angeles, Case  
No. BC 509546

Little Rock Sand and Gravel, Inc. v. Granite  
Construction Co., Superior Court of California,  
County of Los Angeles, North Judicial District,  
Case No. MC026932

**Judicial Council Coordination No.  
4408**

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

**CASE MANAGEMENT  
CONFERENCE STATEMENT OF  
GRANITE CONSTRUCTION  
COMPANY**

Date: January 31, 2018  
Time: 9:00 a.m.  
Place: Room 222

## LITTLE ROCK V. GRANITE DISPUTE SUMMARY

Little Rock Sand and Gravel, Inc. ("Little Rock") again seeks essentially the same relief that Little Rock sought in a post-judgment motion that it filed in the Antelope Valley Groundwater Cases ("AV Cases"), which the Court denied without prejudice.

The AV Cases involve hundreds of parties, including Little Rock, Granite Construction Company ("Granite"), the State of California and the United States, as well as two classes representing about 69,000 members. The AV Cases are an *inter se* adjudication of all claims to the rights to produce groundwater from the Antelope Valley Groundwater Basin alleged between and among all parties, including Little Rock and Granite. The judgment entered in the AV Cases is a determination of all rights to produce and store groundwater in the basin and the judgment resolves all disputes in the action among the stipulating parties, including all disputes between Little Rock and Granite. This Court "reserved 'full jurisdiction, power and authority to interpret, enforce, administer or carry out this Judgment.'"

Granite and Little Rock are both owners of land overlying the Antelope Valley Groundwater Basin. Granite operates its Littlerock Facility (a sand and gravel extraction and rock processing facility, asphaltic concrete batch plant and ready-mix plant) on its own land as well as on leased land owned by Little Rock and others.

The multi-party Stipulation for Entry of Judgment and Physical Solution ("Stipulation") signed by both Little Rock and Granite and the Judgment entered in the AV Cases allocate 234 acre-feet of groundwater rights jointly to "Granite Construction Company (Little Rock Sand and Gravel, Inc.)."

In its First Amended Complaint, Little Rock alleges that the judgment entered in the AV Cases includes an allocation of production rights of 234 acre-feet of groundwater per year. (FAC, ¶ 20.) The judgment allocates 234 acre-feet in overlying production rights jointly to "Granite Construction Company (Little Rock Sand and Gravel, Inc.)." Little Rock seeks (i) to quiet title to those stipulated and adjudicated water rights as of the date the judgment was entered and (ii) a declaration that those stipulated and adjudicated water rights belong exclusively to Little Rock

1 and not to Granite. (FAC, ¶¶ 25-26, 30-31.) In other words, Little Rock seeks a judicial  
2 interpretation of the multi-party, heavily-negotiated, stipulated judgment entered in the AV  
3 Cases that the rights allocated jointly to “Granite Construction Company (Little Rock Sand and  
4 Gravel, Inc.)” belong only to Little Rock, not Granite (i.e., that Granite signed a stipulation  
5 knowingly waiving its claims to groundwater), or an amendment to the judgment to provide that  
6 those overlying production rights to 234 acre-feet of water belong exclusively to Little Rock, not  
7 to Granite.

8 Granite denies that the judgment provides as Little Rock contends and denies that any  
9 amendment to the judgment is permissible or appropriate. Granite contends that because the  
10 judgment does not divide the 234 acre-feet of groundwater rights allocated in the judgment to  
11 “Granite Construction Company (Little Rock Sand and Gravel, Inc.)” as between Little Rock and  
12 Granite that Little Rock and Granite each have a 50% undivided interest in the 234 acre-feet of  
13 overlying production rights. Granite further contends that prior to executing the Stipulation the  
14 parties had an oral agreement to divide the water rights 100 acre-feet to Granite and 134 acre-feet  
15 to Little Rock, that Little Rock reneged on that agreement prior to signing the Stipulation, and  
16 that Little Rock signed the Stipulation providing that (i) the 234-acre feet are allocated to  
17 “Granite Construction Company (Little Rock Sand and Gravel, Inc.)” and (ii) the judgment  
18 resolves all disputes between and among the stipulating parties. Post-judgment, Little Rock has  
19 disavowed the oral agreement, taking the position that the parties’ rights are governed by the  
20 judgment while at the same time taking the conflicting position that Little Rock may litigate  
21 anew its claims to groundwater in the Antelope Valley Groundwater Basin based on its claimed  
22 ownership of a portion of the land on which Granite operates its Littlerock Facility. Granite also  
23 has several defenses to Little Rock’s claims, including that Little Rock has failed to join  
24 necessary parties, i.e. all parties to the AV Cases, waiver, estoppel and unclean hands due to  
25 Little Rock’s conduct in the AV Cases, including a prior motion seeking the same relief sought  
26 here which the Court denied, without prejudice.  
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## BRIEFING AND HEARING SCHEDULE

By the Stipulation and Order for Management of Post-Judgment Dispute Between Granite Construction Company and Little Rock Sand and Gravel, Inc., signed by the Court on October 9, 2017, the Court has ordered that the parties' disputes be resolved by law and motion practice pursuant to Paragraph 6.5 of the Judgment and Physical Solution entered in the AV Cases. The Court further ordered this case management conference to discuss expert disclosure and discovery, if any, and to set a briefing and hearing date on any motions to be filed by Little Rock and Granite pursuant to Paragraph 6.5 of the Judgment and Physical Solution. The parties have met and conferred and do not intend to disclose any experts at this time and jointly propose the following briefing schedule and hearing date:


Motions and supporting papers due	April 13, 2018
Opposition papers due	May 11, 2018
Reply papers due	June 8, 2018
Hearing date	June 20, 2018

The parties also propose that the hearing be held in person rather than telephonically at a location convenient to the Court.

Dated: January 17, 2018

KUHS & PARKER

By

  
Bernard C. Barmann, Jr., Attorneys for  
Petitioner Granite Construction Company

**PROOF OF SERVICE  
STATE OF CALIFORNIA, COUNTY OF KERN**

I, Valerie Hanners, 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 January 17, 2018, I caused the foregoing document(s) described as **CASE MANAGEMENT CONFERENCE STATEMENT OF GRANITE CONSTRUCTION COMPANY** to be served on the parties in this action, as follows:

Theodore A. Chester, Jr. (U.S. Mail)  
Stephen R. Isbell  
Musick, Peeler & Garrett, LLP  
One Wilshire Boulevard, Suite 2000  
Los Angeles, CA 90017-3383

All Parties in the Antelope Valley Groundwater Cases  
(Electronic service via Glotrans)

X (BY ELECTRONIC SERVICE) by serving the document(s) listed above via Antelope Valley Watermaster Electronic Document Service – (www.avwatermaster.org) c/o Glotrans, to all parties appearing on the electronic service list for the Antelope Valley Groundwater case. Electronic service is complete at the time of transmission. My electronic notification email address is [vhanners@kuhsparkerlaw.com](mailto:vhanners@kuhsparkerlaw.com)

X (BY U.S. MAIL) on January 17, 2018, at Bakersfield, California, pursuant to C.C.P. section 1013(a), I:  
— deposited the sealed envelope with the United States Postal Service, with the postage fully prepaid.

X placed the envelope for collection and mailing, following our ordinary business practices. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the same day that correspondence is place for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

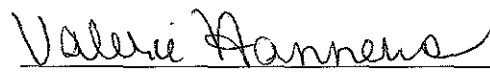
— (BY EMAIL TRANSMISSION) on January 17, 2018, at approximately p.m. to:

— (BY FACSIMILE TRANSMISSION) on January 17, 2018 at approximately \_\_\_\_ p.m., pursuant to Rule 2008 of the California Rules of Court. The telephone number of the sending facsimile machine was 661/322-2906. A transmission report (copy attached hereto) was properly issued by the sending facsimile machine, and the transmission was reported as completed and without error.

— (BY PERSONAL SERVICE) on January 17, 2018 pursuant to C.C.P. section 1011, I caused such envelope to be delivered by hand personally to the addressee(s):

— (BY OVERNIGHT COURIER) on January 17, 2018 pursuant to C.C.P. section 1013I(d), I caused such envelope with delivery fees fully prepared to be sent by Federal Express to **Theodore A. Chester, Jr. at Musick, Peeler & Garrett, LLP.**

— (STATE) I declare under penalty of perjury under the laws of the State of California that the above is true and correct, and that the foregoing was executed on January 17, 2018, in Bakersfield, California.

  
Valerie Hanners