October 28, 2014

Via Electronic Service - PRIVATE DISCOVERY POSTING

To All Counsel and Unrepresented Parties
Antelope Valley Groundwater Cases
(Judicial Council Coordination No. JCCP 4408)

Re: Meet and Confer for Motions in Limine and Stipulation of Facts

Dear Counsel:

This letter serves as an attempt to meet-and-confer with you in advance of trial regarding motions in limine and the stipulation of facts.

As to motions in limine, Phelan Piñon Hills Community Services District ("Phelan") intends to file and serve motions in limine excluding issues and/or evidence: (i) on all causes of action or affirmative defenses by any party, other than the two causes of action at issue in this trial, which are Phelan’s second and sixth causes of action; (ii) by parties who have not sued Phelan or who have not been sued by Phelan; and (iii) Dr. Williams’ testimony regarding his work with the USGS model, particularly regarding what Dr. Williams opines is Phelan causing an outflow from the AVAA. Though the reasons for each of these motions should be somewhat obvious or known, undue prejudice to Phelan results if any of these motions are denied. The premise for this trial was that a sufficient stipulation could be reached (which is discussed below), in lieu of conducting any discovery other than the depositions of designated experts Thomas Harder and Dennis Williams. In addition, Dr. Williams testimony about Phelan does not bear relevance to the two causes of action at issue in this trial, namely establishing an appropriative water right and a return flow right, particularly for reasons testified to by Mr. Harder during his deposition on October 20 and given Dr. Williams’ testimony that he agrees with Mr. Harder’s groundwater contours on flow direction. In an effort to limit unnecessary law and motion work, and to conserve judicial resources, I seek to confer with you. I am requesting you inform me of your position on each of these issues.

As for the stipulation, I have been working with Mr. Kuhs and Mr. Bunn, and more recently with Ms. Goldsmith. The latest version of the stipulation is pending with Mr. Kuhs, with few and even perhaps no further disagreement on the content of the stipulation. I believe Ms. Goldsmith and Mr. Bunn are content with the stipulation. Mr. Golden-Krasner has confirmed with me the State is agreeable to the stipulation. Not knowing to what extent Mr. Kuhs or Mr. Bunn have circulated this stipulation to you, and with trial set for next week, the latest version of the stipulation is attached for your review in clean format. Please let me know whether you are agreeable to this stipulation, and if not, kindly provide specific changes or
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comments so that we can reach a solution. Once Mr. Kuhs confirms he is content with the stipulation, I will post the stipulation as a pleading with a signature block for execution by the participating parties’ counsel.

Very truly yours,

ALESHERE & WYNDER, LLP

Wesley A. Miliband

WAM:Imy  
Enclosure  
*(Stipulation of Facts w/o exhibits)*
FACTS FOR STIPULATION

General Background

1. The Special Districts Department of San Bernardino County (SB County) provides administrative oversight and management to numerous departments and entities, commonly called districts, that are governed by the SB County Board of Supervisors.

2. Up until the formation of Phelan Piñon Hills Community Services District during 2008, SB County provided such oversight and management to special districts including CSA 70 Improvement Zone L” or “CSA 70L,” which provided water service to the Phelan Piñon Hills areas located in San Bernardino County. See Exhibit A, which is a Resolution without the accompanying exhibits, but the omitted pages depict Phelan Piñon Hills Community Services District’s service area which has remained the same since it formation, as shown on Exhibit O.

3. For purposes of this trial, reference in this Stipulation to SB County refers to “CSA 70 Improvement Zone L” or “CSA 70L,” unless otherwise specified. On or about August 31, 1998, SB County received two copies of Real Estate Appraisals for parcels proposed for new well sites located in Los Angeles County. See Exhibit B.

4. On or about April 6, 1999, SB County sent a letter to Los Angeles County with five original contracts enclosed for the purchase of parcels (APN 3089-021-901 and 3089-021-902) in the Piñon Hills area near Pearblossom Highway and Palmdale Road. A true and correct copy of said letter is attached hereto as Exhibit C.

5. On or about June 23, 1999, Los Angeles County sent a letter to SB County stating the Los Angeles County Department of Public Works needs one of these two parcels, so Los Angeles County will only sell one of the parcels to SB County. A true and correct copy of said letter is attached hereto as Exhibit D.

6. During 1999, SB County and the California Department of Health Services exchanged correspondence and conducted meetings to address whether SB County was able to maintain a sufficient water supply for CSA 70L. Exhibit E is presented for the limited purpose of supporting said communications occurred during 1999.

7. On or about August 3, 1999, SB County approved the Purchase and Sale Agreement for the acquisition of one parcel of land (APN 3089-021-902) from Los Angeles County (Well 14 Parcel).

8. On or about September 13, 1999, Los Angeles County executed a deed transferring the Well 14 Parcel to SB County, a true and correct copy of which is attached hereto as Exhibit F.

9. On or about October 5, 1999, Los Angeles County sent to SB County the original grant deed for the Well 14 Parcel, with the Certificate of Acceptance attached, a true and correct copy of which is attached hereto as Exhibit G.

10. Well 14 is located on that single parcel of real property identified as Lot 32 as shown on the licensed surveyors map filed in Book 74, Page 43, Record of Surveys, in the office of the County Recorder of Los Angeles County, with Los Angeles County Assessor’s Identification Number (“AIN”) 3089-021-270L, however the number on the deed from Los Angeles County to SB County identifies the AIN for this parcel as 3089-021-902 due to Los Angeles County changing the AIN when it conveys ownership of one of its parcels, such as the Well 14 Parcel.

11. On or about March 2000, SB County prepared an Initial Study entitled, Initial Study for CSA 70, Zone L, Well #14 Project. Attached hereto as Exhibit H is a true and correct copy of said study.
12. On or about May 30, 2000, the California State Clearinghouse issued an Acknowledgment of Receipt for the environmental documents prepared in connection with SB County constructing a groundwater production well on the Well 14 Parcel, with the project referred to as the “Well 14 Project.” See Exhibit I.

13. On or about June 21, 2000, the California State Clearinghouse sent a letter to SB County regarding the Well 14 Project indicating the State Clearinghouse submitted the Negative Declaration to State agencies for review, the review period closed, and no comments were submitted regarding the Well 14 Project. See Exhibit J.

14. On or about August 29, 2000, a Negative Declaration and Notice of Determination for construction of a well for the Well 14 Project was adopted, a true and copy of which is attached hereto as Exhibit K.

15. On or about June 3, 2003, the agenda for the San Bernardino County Board of Supervisors’ Board Meeting included an agenda item for soliciting public bids for the drilling of Well 14 in order for the water system to meet State requirements for an adequate water supply. A true and correct copy of the staff “report/recommendation” in support of the Well 14 Project regarding said agenda item is attached hereto as Exhibit L.

16. On or about March 4, 2004, a well completion report was signed by South West Pump & Drilling, Inc. for Well 14 on the Well 14 Parcel. Well 14’s identification number is 05N08W25J001S. Attached hereto as Exhibit M is a true and correct copy of said well completion report and well permit application.

Phelan Piñon Hills Community Services District’s Background

17. Phelan Piñon Hills Community Services District (Phelan Piñon Hills) is a public agency organized as a community services district and operating pursuant to California Government Code section 61000 et seq. See Exhibit A, page 2, section 2(e).

18. Phelan Piñon Hills was formed following an election on February 5, 2008 as part of the reorganization of three SB County districts all governed by the SB County Board of Supervisors. The reorganization included formation of Phelan Piñon Hills, detachment from SB County Service Area 56, and dissolution of (1) San Bernardino County Service Area 9 (CSA 9) (Phelan Parks and Street Lighting); (2) County Service Area No. 70 Improvement Zone “L” (CSA 70L) (Water); and (3) San Bernardino County Service Area 56-F1 (CSA 56-F1) (Piñon Hills Parks). See Exhibit A, page 1.

19. Phelan Piñon Hills’ formation was finalized on March 18, 2008 by Resolution 2994 of San Bernardino Local Agency Formation Commission (SB LAFCO). Attached hereto as Exhibit N is a true and certified copy of SB LAFCO’s Certificate of Completion of Phelan Piñon Hills’ formation.

20. As part of the reorganization, Phelan Piñon Hills became the successor agency to SB County’s CSA 70L, and Phelan Piñon Hills acquired among other things the rights, duties, equipment, and assets, including the Well 14 Parcel and Well 14. See Exhibit A, pages 2 through 4.

21. As part of the reorganization, Phelan Piñon Hills succeeded to the rights, obligations, and interests of CSA 70L under the Judgment and Physical Solution in City of Barstow, etc., v. City of Adelanto, etc., et al. and Related Cross Actions, Riverside County Superior Court Case No. 208568 (the Mojave Basin Area Adjudication). See Exhibit A, page 3, section 2(e), Condition No. 8.

22. Phelan Piñon Hills’ entire service area is within San Bernardino County and outside the Antelope Valley Area of Adjudication, as depicted in Exhibit O.
23. Well 14 is outside the boundary of the Mojave Basin Area Adjudication.

24. All of Phelan Piñon Hills water service facilities, including groundwater production wells like Well 14, that are serving Phelan Piñon Hills’ residents and customers were constructed by or at the direction of SB County, and operated by SB County up until SB LACFO approved the reorganization and SB County transitioned everything to Phelan Piñon Hills approximately six (6) months following SB LACFO’s approval.

25. Well 14 is the only Phelan Piñon Hills well located within the Antelope Valley Adjudication Area as previously defined by the Court in the Antelope Valley Groundwater Cases.

26. Well 14 is located outside the existing service area and political boundary of Phelan Piñon Hills.

27. As of the October 2014, Phelan Piñon Hills provides municipal water service to more than 21,576 residents through approximately 6,778 service connections, within Phelan Piñon Hills’ existing service area shown in Exhibit O attached hereto.

28. All of Phelan Piñon Hills groundwater production wells pump into a collective distribution system that is interconnected with pipelines, reservoirs, and booster pumps, and the water is distributed to Phelan Piñon Hills customers through its distribution system.

Well 14 Groundwater Production


30. Well 14 water was first delivered to customers on January 2006, and since then, Well 14 water is distributed through Phelan Piñon Hills’ water system for delivery to customers.

31. Shortly after Well 14 came online, Well 14 was not able to operate at its full capacity due to difficulty with the pump installed by or at the direction of SB County. The pump was replaced toward the end of calendar year 2008, allowing Well 14 to become fully operational part way into calendar year 2009.

32. Regular flowmeter readings are the methodology used in determining the amount of groundwater produced by Well 14, with Well 14’s flowmeter regularly maintained and calibrated. Attached hereto as Exhibit P are true and correct copies of flowmeter readings for Well 14 for calendar years 2005 through December 31, 2013.

33. Exhibit P represents Well 14’s records prepared and maintained in accordance with Phelan Piñon Hills’ customs and practices, including recordation of the information based upon the water year from October 1 through September 30. Also, attached hereto as Exhibit Q are true and correct copies of Certificates of Accuracy for tests performed on Well 14, which speak to the accuracy of Well 14’s flowmeter.

34. Attached hereto as Exhibit R are true and correct copies of the Notice of Extraction and Diversion of Water for Well 14 from 2005 through 2013. For purposes of this phase of trial only, Well 14 water has and continues to be reasonably and beneficially used.

Phelan Piñon Hills’ Water Use

35. None of the water produced by Phelan Piñon Hills has ever been used within the Antelope Valley Adjudication Area, except when providing some unknown quantity of water to Los Angeles County and other agencies on an emergency basis to fight fires in Los Angeles County, and
possibly when Well 14 was being drilled, tested, and put online. Though the amount of water provided on an emergency basis is not known, Phelan Piñon Hills has not incurred a water shortage as a result of providing such water to Los Angeles County or other agencies.

36. Phelan Piñon Hills provides water for municipal use to which groundwater produced by all of Phelan Piñon Hills’ wells is applied, including groundwater produced by Well 14, with the groundwater used almost exclusively – approximately 97% – for domestic purposes, with some unknown amount of groundwater used for emergency fire protection including support to or within Los Angeles County as needed.

37. Part of the domestic use includes outdoor irrigation, and husbandry in some instances.

38. Very little – approximately 3% – of water produced by Phelan Piñon Hills is used for commercial purposes.

39. The total water demand by Phelan Piñon Hills is as follows, by calendar year: 2010: 2,456 af; 2011: 2,631 af; 2012: 2,649 af; and 2013: 2,838 af.

40. The total water supplies available to Phelan Piñon Hills is as follows, by calendar year: 2010: 3,022 af; 2011: 2,876 af; 2012: 3,021 af; 2013: 3,069 af.

41. During 2012, Phelan Piñon Hills acquired property and 2,335 acre feet of water rights from Meadowbrook Dairy Real Estate, LLC, which is located in San Bernardino County within the Oeste Subarea and subject to the Mojave Basin Area Adjudication. Neither the property nor the water rights acquired by Phelan Piñon Hills are located within or adjacent to Phelan Piñon Hills’ service area. Phelan Piñon Hills water system is not connected to the property acquired. A portion of Phelan Piñon Hills’ service area lies over the Oeste Subarea.

42. Phelan Piñon Hills does not import water, though it pays the Mojave Basin Area Adjudication Watermaster fees or assessments that in part contribute to purchases of imported water.

43. The use of water for outdoor irrigation is limited given that many water customers within Phelan Piñon Hills’ service area have natural desert landscape for which outdoor irrigation is not used, as illustrated in Exhibits S, T, and U attached hereto.

**Phelan Piñon Hills’ Return Flow Argument**

44. Phelan Piñon Hills General Manager Bartz has been the General Manager for Phelan Piñon Hills since 2008 and prior to that time he was General Manager for six years at Baldy Mesa Water District, with prior work experience including as an engineering manager and technician.

45. Phelan Piñon Hills Designated Expert Harder was qualified as an expert during the Phase Three Trial, and Mr. Harder’s curriculum vitae is attached hereto as Exhibit V.

46. Phelan Piñon Hills Designated Expert Harder testified during deposition that groundwater will flow perpendicular to groundwater contour lines.

47. There is no sewer system in Phelan Piñon Hills’ service area - it is 100 percent septic disposal through individual septic systems.

48. Part of Phelan Piñon Hills’ service area (as depicted in Exhibit P) lies over a portion of the Antelope Valley Groundwater Basin as described and illustrated in Department of Water Resources Bulletin 118 (2003).
49. Phelan Piñon Hills distributes water to customers in that portion of Phelan Piñon Hills’ service area that lies over a portion of the Antelope Valley Groundwater Basin as described and illustrated in Department of Water Resources Bulletin 118 (2003).

50. The Parties further stipulate to the admissibility, subject only to an objection for relevancy, of deposition testimony or trial testimony including the following:

(a) Phase 5: Exhibit 5-PhelanCSD-22 (Figures and Tables of Thomas E. Harder): Tab 8512 posted 2/3/14.

(b) Phase 5: Exhibit 5-PhelanCSD-23 (Metered Service Consumption): Tab 8512 posted 2/3/14.

(c) Phase 5: Exhibit 5-PhelanCSD-24 (Usage by Meter): Tab 8512 posted 2/3/14.

(d) Phase 5: Exhibit 5-PhelanCSD-25 (Return Flow Summary Table of Thomas E. Harder): Tab 8512 posted 2/3/14.

(e) Phase 5: Exhibit 5-PhelanCSD-27 (Opinions of Thomas E. Harder): Tab 8663 posted 2/18/14.

51. Trial testimony of Joseph Scalmanini, as follows:

(a) Phase Three: January 13, 2011 (Volume 4), pages 510 through 511, attached hereto as Exhibit W.

(b) Phase Three: January 20, 2011 (Volume 8), page 953 attached hereto as Exhibit X.
STATE OF CALIFORNIA, COUNTY OF ORANGE

I, Linda Yarvis,

I am employed in the County of Orange, State of California. I am over the age of 18 and not a party to the within action. My business address is 18881 Von Karman Avenue, Suite 1700, Irvine, CA 92612.

On October 28, 2014, I served the within document(s) described as LETTER TO ALL COUNSEL RE MEET AND CONFER FOR MOTIONS IN LIMINE AND STIPULATION OF FACTS (DATED OCTOBER 28, 2014) on the interested parties in this action as follows:

BY ELECTRONIC SERVICE: By posting the document(s) listed above to the Santa Clara County Superior Court website in regard to Antelope Valley Groundwater matter pursuant to the Court’s Clarification Order. Electronic service and electronic posting completed through www.scefiling.org.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on October 28, 2014, at Irvine, California.

Linda Yarvis