El 30-2021-01187	ectronically Filed by Superior Court of California, 0 275-CU-OR-CJC - ROA # 691 - DAVID H. YAMA	County of Orange, (SAKI, Clerk of the (05/13/2022 09:39:00 AM. Court By efilinguser, Deputy Clerk.
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13	Attorneys for Defendant, Cross-Complainan INDIAN WELLS VALLEY WATER DIST		dant
14			
15	SUPERIOR COURT OF	THE STATE OF	CALIFORNIA
16	FOR THE COUNTY OF OR	ANGE, CIVIL C	OMPLEX CENTER
17			
18	MOJAVE PISTACHIOS, LLC; et al.,	Case No. 30	-2021-01187275-CU-OR-CJC
19	Plaintiffs,	-	se No.: 30-2021-01187589-CU- Related Case No.: 30-2021-
20	V.		CU-WM-CXC; Related Case No. 239479-CU-MC-CJC; Related
21 22	INDIAN WELLS VALLEY WATER DISTRICT; et al.,		-2022-01249146-CU-MC-CJC]
22	Defendants.	•	or All Purposes To: ble William Claster, Dept. CX104
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25			SE MANAGEMENT NCE STATEMENT
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27		Date: Time:	May 20, 2022 1:30 p.m.
28		Dept.:	CX104
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	JOINT CASE MANAGEM	ien i conferenci (5/20/2022)	E STATEMENT

1 2	INDIAN WELLS VALLEY WATER DISTRICT,	Complaint Filed: Trial Date:	November 19, 2019 None Set
2	Cross-Complainant,		
4	v.		
5	ALL PERSONS WHO CLAIM A RIGHT		
6	TO EXTRACT GROUNDWATER IN THE		
7	INDIAN WELLS VALLEY GROUNDWATER BASIN NO. 6-54		
8	WHETHER BASED ON APPROPRIATION, OVERLYING RIGHT,		
9	OR OTHER BASIS OF RIGHT, AND/OR WHO CLAIM A RIGHT TO USE OF		
10	STORAGE SPACE IN THE BASIN; et al.,		
11	Cross-Defendants.		
12	SEARLES VALLEY MINERALS INC.,		
13	Cross-Complainant,		
14	v.		
15	ALL PERSONS WHO CLAIM A RIGHT		
16	TO EXTRACT GROUNDWATER IN THE		
17	INDIAN WELLS VALLEY GROUNDWATER BASIN NO. 6-54		
18	WHETHER BASED ON APPROPRIATION, OVERLYING RIGHT,		
19	OR OTHER BASIS OF RIGHT, AND/OR WHO CLAIM A RIGHT TO USE OF		
20	STORAGE SPACE IN THE BASIN; et al.,		
21	Cross-Defendants.		
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	(5/2)	0/2022)	

JOINT CASE MANAGEMENT CONFERENCE STATEMENT

2 Pursuant to guideline III of the Orange County Superior Court's Civil Complex 3 Guidelines and rule 3.750 of the California Rules of Court, the undersigned parties who have 4 appeared in this action submit this Joint Case Management Conference Statement. The 5 following attorneys have met and conferred and submit this Statement for the May 20, 2022 Case 6 Management Conference: (1) Scott S. Slater, Robert J. Saperstein, Amy M. Steinfeld, and 7 Elisabeth L. Esposito for plaintiffs and cross-defendants Mojave Pistachios, LLC, John Thomas 8 Conaway, John Thomas Conaway Trust, John Thomas Conaway Living Trust u/d/t August 7, 9 2008, Nugent Family Trust, and Sierra Shadows Ranch LP (collectively, "Plaintiffs"); (2) James 10 A. Worth and Douglas J. Evertz for defendant, cross-complainant, and cross-defendant Indian 11 Wells Valley Water District ("District"); (3) Eric L. Garner, Jeffrey V. Dunn, and Maya 12 Mouawad for defendant, cross-defendant, and cross-complainant Searles Valley Minerals Inc. 13 ("Searles"); (4) Derek R. Hoffman and Byrin Romney for defendants and cross-defendants 14 Meadowbrook Dairy Real Estate, LLC, Big Horn Fields, LLC, Brown Road Fields, LLC, 15 Highway 395 Fields, LLC, and the Meadowbrook Mutual Water Company (collectively, 16 "Meadowbrook"); and (5) R. Lee Leininger and David W. Gehlert for cross-defendant the 17 United States of America ("United States"). (Plaintiffs, the District, Searles, Meadowbrook, and 18 the United States are collectively referred to as "Parties.")

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WHAT HAS BEEN DONE IN THE CASE

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A. STATUS OF THE PLEADINGS

21 On November 19, 2019, Plaintiffs filed a Complaint for Quiet Title, Declaratory Relief 22 and Injunction Imposing a Physical Solution: Not General Adjudication against the District, 23 Searles, and Meadowbrook (collectively, "Defendants"). On August 3, 2020, Plaintiffs filed a 24 First Amended Complaint for Quiet Title, Declaratory Relief and Injunction Imposing a Physical 25 Solution: Not General Adjudication ("Complaint"). Through their Complaint, Plaintiffs seek: 26 (1) to quiet title to their water rights in the Indian Wells Valley Groundwater Basin, Basin 27 No. 6-54 ("Basin"); (2) a declaration of their overlying water rights to extract and store 28 groundwater within the Basin; and (3) to enjoin Defendants from inconsistent conduct or, {00220193.3 }

alternatively, to impose a limited physical solution among Plaintiffs and Defendants. All
 Defendants have answered the Complaint.

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In response to the Complaint, on June 16, 2021, the District filed a Cross-Complaint for 3 4 Comprehensive Adjudication of the Basin, pursuant to the California Streamlined Groundwater 5 Adjudication Statutes (Code Civ. Proc., §§ 830-852) ("Comprehensive Adjudication"). In the 6 Comprehensive Adjudication, the District seeks: (1) a determination of all rights to extract (aka 7 pump) groundwater in the Basin, whether based on appropriation, overlying right, or other basis 8 of right, and all rights to use of storage space within the Basin; (2) entry of judgment based upon 9 the criteria set forth in Code of Civil Procedure section 850; and (3) imposition of a physical 10 solution pursuant to Code of Civil Procedure section 849.

11 The Complaint, the Searles Action (as defined below in paragraph 1.D), and the Mojave 12 Pistachios Action (as defined below in paragraph 1.D) were filed in Kern County Superior Court. 13 On January 13, 2021, the parties to the Searles Action and the Mojave Pistachios Action 14 stipulated to consolidate the two actions and transfer venue to the neutral county of Orange 15 County pursuant to Code of Civil Procedure section 394(a). Because the District expressed its 16 intention to file the Comprehensive Adjudication and Code of Civil Procedure section 838 17 provides that any judge of a superior court of a county overlying the Basin or any part of the 18 Basin shall be disqualified (i.e., the Counties of Inyo, Kern, and San Bernardino), the Parties 19 stipulated to transfer the Comprehensive Adjudication to Orange County with the Searles Action 20 and the Mojave Pistachios Action. On February 8, 2021, the Kern County Superior Court 21 transferred the Comprehensive Adjudication to Orange County Superior Court.

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B. <u>STATUS OF NOTICE AND SERVICE OF THE COMPREHENSIVE</u> ADJUDICATION

(1) Initial Notice of Comprehensive Adjudication (Code Civ. Proc., § 835).

Code of Civil Procedure section 835 required the District to provide notice of the
Comprehensive Adjudication via first-class mail or email to: (a) a groundwater sustainability
agency that overlies the Basin or a portion of the Basin; (b) a city, county, or city and county that
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1 overlies the Basin or a portion of the Basin; (c) a district with authority to manage or replenish 2 groundwater resources of the Basin in whole or in part; (d) the operator of a public water system 3 or state small water system that uses groundwater from the Basin to supply water service; (e) a 4 California Native American tribe that is on the contact list maintained by the Native American 5 Heritage Commission; (f) the Attorney General, the State Water Resources Control Board, the 6 Department of Water Resources, and the Department of Fish and Wildlife; and (g) a federal 7 department or agency that manages a federal reservation that overlies the Basin or a portion of 8 the Basin. (Code Civ. Proc., \S 835(a)(1)-(7), (b), & (c)(1)(A).) On July 1, 2021, the District 9 filed a Notice of Completion of Providing Notice of the Comprehensive Adjudication to the 10 entities and individuals entitled to receive notice pursuant to Code of Civil Procedure 11 The July 1, 2021 notice of completion included a list of those entities and section 835. 12 individuals to whom the District provided notice.

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(2) Mailing of Notice of Commencement of Comprehensive Adjudication, Cross-Complaint, and Form Answer to Basin Property Owners (Code Civ. Proc., § 836).

16 Code of Civil Procedure section 836 required the District to lodge a Notice of 17 Commencement of Groundwater Basin Adjudication ("Adjudication Notice") and Form Answer 18 to Adjudication Cross-Complaint ("Form Answer") with the Court upon filing the 19 Comprehensive Adjudication. (Code Civ. Proc., § 836(a).) The District lodged the Adjudication 20 Notice and Form Answer with the Court on June 16, 2021. Section 836 further required the 21 District to seek and obtain the Court's approval of the Adjudication Notice and Form Answer. 2.2. (Code Civ. Proc., § 836(b).) On August 26, 2021, the Court granted the District's motion and 23 approved the Adjudication Notice and Form Answer. On November 5, 2021, the Court granted 24 the District's ex parte application and approved modification of the Adjudication Notice and 25 Form Answer to reflect the then-newly assigned department and judicial officer.

26 Once the Court approves an adjudication notice and form answer, section 836 requires
27 the party initiating the comprehensive adjudication to (a) identify the assessor parcel numbers
28 and physical addresses of all real property overlying the basin and the names and addresses of all {00220193.3}
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1 holders of fee title to real property overlying the basin using the records of the assessors of the 2 counties overlying the basin; and (b) mail, by registered mail or certified mail, return receipt 3 requested, a copy of the adjudication notice, cross-complaint, and form answer to all holders of 4 fee title to real property overlying the basin. (Code Civ. Proc., \S 836(c) & (d)(1)(A)-(B).) On 5 November 15, 2021, the District filed a Notice of Acquisition of Information Concerning Real 6 Property in the Basin, confirming that it had identified the assessor parcel numbers and physical 7 addresses of all real property in the Basin and the names and addresses of all holders of fee title 8 to real property in the Basin using the records of the assessors of the Counties of Inyo, Kern, and 9 San Bernardino. On December 21, 2021, a mailing company the District retained began mailing a cover letter from the District, along with the Adjudication Notice, Comprehensive 10 11 Adjudication, and Form Answer, to all property owners in the Basin. The District mailed to 12 nearly 18,000 addresses starting in late December 2021. The District estimates that it will have 13 completed the mailing process by the Case Management Conference. The District will file a 14 notice of completion of the mailing once completed. (Code Civ. Proc., § 836(e).)

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(3) Providing the Adjudication Notice and Form Answer to Various Entities for Posting Online (Code Civ. Proc., § 836).

17 Code of Civil Procedure section 836 required the District to provide the court-approved 18 Adjudication Notice and Form Answer to the California Department of Water Resources and 19 each county and groundwater sustainability agency that overlies the Basin or a portion of the 20 Basin, so that these entities could post those documents on their websites. (Code Civ. Proc., 21 § 836(m).) Within fifteen (15) days of the Court's approval of the Adjudication Notice and 2.2. Form Answer, the District provided them to the California Department of Water Resources, the 23 Counties of Inyo, Kern, and San Bernardino, and the Indian Wells Valley Groundwater 24 Authority. Within fifteen (15) days of the Court's approval of modification of the Adjudication 25 Notice and Form Answer, the District provided the modified documents to those same entities.

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6 JOINT CASE MANAGEMENT CONFERENCE STATEMENT (5/20/2022)

(4) Requesting Information from Various Entities (Code Civ. Proc., § 836.5).

Code of Civil Procedure section 836.5 required the District to request certain information 3 4 from the State Water Resources Control Board, a local agency designated under Water Code 5 section 5009 as the local agency for a board-designated local area that includes the Basin or a 6 portion of the Basin, and the groundwater sustainability agency that overlies the Basin or a portion of the Basin. (Code Civ. Proc., § 836.5.) Within fifteen (15) days of the Court's 7 8 approval of the Adjudication Notice and Form Answer, the District requested the required 9 information from the State Water Resources Control Board and the Indian Wells Valley 10 Groundwater Authority. The District determined that the Basin lacks a local agency for any 11 board-designated local area under Water Code section 5009.

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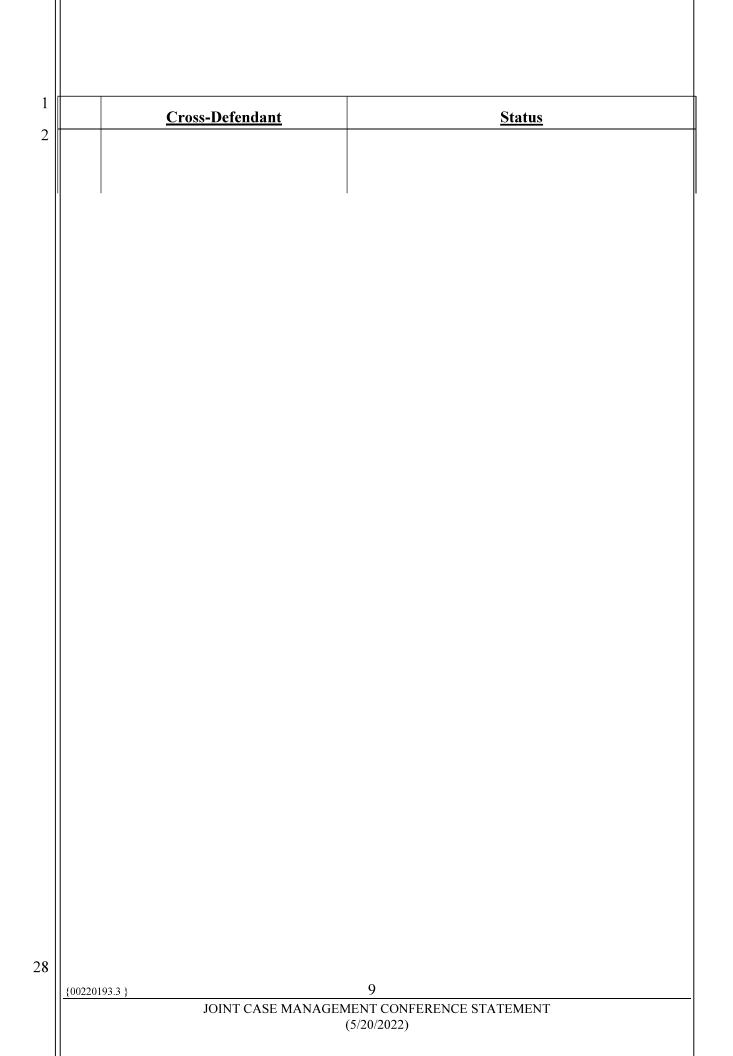
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(5) Publication of Notice of Commencement of Comprehensive Adjudication (Code Civ. Proc., § 836).

Code of Civil Procedure section 836 required the District to publish the Adjudication
Notice once a week for four consecutive weeks in at least one newspaper of general circulation
within each county overlying the Basin. (Code Civ. Proc., § 836(d)(1)(D).) The Basin overlies
portions of Inyo, Kern, and San Bernardino Counties. The District completed publication as
follows:

- Inyo County: On January 3, 2022, the District filed a Proof of Publication confirming publication of the Adjudication Notice in *The Inyo Register*, a newspaper of general circulation within that county and printed and published in the City of Bishop, County of Inyo.
 - <u>San Bernardino County</u>: On January 14, 2022, the District filed a Proof of Publication confirming publication of the Adjudication Notice in the *San Bernardino County Sun*, a newspaper of general circulation within that county and printed and published in the City of San Bernardino, County of San Bernardino.
 - <u>Kern County</u>: On January 14, 2022, the District filed a Proof of Publication confirming publication of the Adjudication Notice in *The Daily Independent*, a
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1	newspaper of general circulation within that county and printed and published in			
2	the City of Ridgecrest, County of Kern.			
3	• <u>Kern County</u> : On February 3, 2022, the District filed a Proof of Publication			
4	confirming publication of the Adjudication Notice in The News Review, a			
5	newspaper of general circulation within that county and printed and published in			
6	the City of Ridgecrest, County of Kern.			
7	(6) Service of the Comprehensive Adjudication on all Cross-Defendants			
8	(Code Civ. Proc., §§ 428.60, 836).			
9	Code of Civil Procedure section 836 provides that "[o]nce the court approves the draft			
10	notice [of commencement of comprehensive adjudication], service of that notice in accordance			
11	with this section shall substitute for the summons otherwise provided for in civil actions pursuant			
12	to Section 412.20." (Code Civ. Proc., § 836(c).) The District is in the process of serving the			
13	Comprehensive Adjudication, the Adjudication Notice, and Form Answer on all named			
14	cross-defendants. The cross-defendants named were those entities, individuals, and			
15	governmental entities known to the District to be existing pumpers of Basin groundwater. The			
16	District hereby reports that the status of service on and appearance by the named			
17	cross-defendants is as follows:			
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19	<u>Cross-Defendant</u> <u>Status</u>			
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	JOINT CASE MANAGEMENT CONFERENCE STATEMENT (5/20/2022)			



	<u>Cross-Defendant</u>		<u>Status</u>	
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Cross-Defendant	<u>Status</u>	
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<u>Cross-Defendant</u>	<u>Status</u>	
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	<u>Cross-Defendant</u>		<u>Status</u>	
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 <u>Cross-Defendant</u>	<u>Status</u>

1	<u>Cross-Defendant</u> <u>Status</u>
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6	In addition to naming specific entities, individuals, and governmental agencies as
7	cross-defendants, the District also named All Persons Who Claim a Right to Extract
8	Groundwater in the Indian Wells Valley Groundwater Basin No. 6-54 Whether Based on
9	Appropriation, Overlying Right, or other Basis of Right, and/or Who Claim a Right to Use of
10	Storage Space in the Basin. The District reports that additional cross-defendants have claimed
11	an interest in the Basin's groundwater and have submitted answers to the District and/or have
12	appeared in the action as of the date of the filing of this Statement as reflected on the attached
13	Exhibit A.
14	C. <u>DEADLINE FOR REMAINING PLEADINGS AND SERVICE OF</u>
15	ADDITIONAL PARTIES
16	The District has served over 15,000 cross-defendants and potential cross-defendants. The
17	District is still in the process of serving the Comprehensive Adjudication on: (1) 35 named
18	cross-defendants; and (2) approximately 1,500 mailings where return-receipts were not received.
19	The District requires additional time to confirm the accuracy of names and addresses of those
20	persons and entities. The District estimates it will need an additional 90 days before completing
21	service.
22	Based on the status of service, the District believes it is premature to set deadlines to
23	serve or add new parties or define classes of parties. (Cal. Rules of Court, rule 3.750(b).) A
24	copy of the current service list is attached as Exhibit B.
25	D. <u>DE MINIMIS PAUSE</u>
26	Pursuant to Code of Civil Procedure section 833(d), if the court finds that claims of right
27	to pump only "minor" quantities of water, not exceeding five acre-feet of water per year, would
28	not have a material effect on the groundwater rights of other parties, the court may exempt those
	{00220193.3 } 16 JOINT CASE MANAGEMENT CONFERENCE STATEMENT (5/20/2022)

1 claimants with respect to those claims from the comprehensive adjudication. (Code Civ. Proc., 2 § 833(d).) Under the Sustainable Groundwater Management Act of 2014 ("SGMA"), a "de 3 minimis" pumper is defined as a person who extracts, for domestic purposes, two acre-feet of 4 groundwater or less per year. (Wat. Code, § 10721(e).) The Indian Wells Valley Groundwater 5 Authority currently exempts de minimis pumpers from the payment of the Authority's 6 Replenishment Fee and certain other GSP-related programs. No determination among the 7 Parties has been made as to whether to exempt de minimis pumpers; however, the United States' 8 position is that the McCarran Amendment's waiver of sovereign immunity for a comprehensive 9 adjudication requires joinder of all water right users and potential claimants. The Parties propose 10 that the Court pause or put off the required participation by potential de minimis pumpers for at 11 least 180 days / six months while the Parties and the Court further identify potential de minimis 12 pumpers and evaluate whether or to what extent such pumpers need to be included in a physical 13 solution to manage the Basin. 14 E. RELATED PROCEEDINGS, LITIGATION, AND ALTERNATIVE DISPUTE 15 RESOLUTION 16 **Related Proceedings and Litigation.** (1) 17 (a) Searles Valley Minerals Inc. v. Indian Wells Valley Groundwater 18 Authority; et al., OCSC Case No. 30-2021-01188089 (the "Searles Action") (consolidated with 19 the Mojave Pistachios Action, which is the lead case; related to the Comprehensive 20 Adjudication; and pending before The Honorable William Claster): On September 29, 2020, 21 Searles filed a Petition for Writ of Mandate; Complaint for Declaratory and Injunctive Relief; 2.2. and Takings Claims under the California Constitution against the Indian Wells Valley 23 Groundwater Authority and the Authority's Board of Directors (collectively, the "Authority"). 24 On or about August 25, 2021, Searles filed a First Amended Petition for Writ of Mandate and 25 Complaint for Declaratory and Injunctive Relief; and Takings Claim under the California 26 Constitution. Through its petition, Searles challenges the validity of the Authority's 27 Groundwater Sustainability Plan adopted on January 16, 2020 ("GSP"). 28 {00220193.3 } 17

JOINT CASE MANAGEMENT CONFERENCE STATEMENT (5/20/2022)

Mojave Pistachios, LLC; et al. v. Indian Wells Valley 1 (b) 2 Groundwater Authority; et al., OCSC Case No. 30-2021-01187589 (the "Mojave Pistachios 3 Action") (consolidated with the Searles Action; related to the Comprehensive Adjudication; and 4 pending before The Honorable William Claster): On September 30, 2020, Mojave Pistachios, 5 LLC and Paul G. Nugent and Mary E. Nugent, Trustees of the Nugent Family Trust dated June 20, 2011 (collectively, "Mojave Pistachios") filed a Petition for Writ of Mandamus and 6 7 Complaint against the Authority. On or about August 25, 2021, Mojave Pistachios filed a 8 Second Amended Petition for Writ of Mandamus and Complaint. Through its petition, Mojave 9 Pistachios alleges, inter alia, that the Authority adopted an illegal and technically deficient GSP. 10 A hearing on Mojave Pistachios' Motion for Leave to Amend to file a Third Amended Petition 11 is set to occur on May 20, 2022 in this Department.

12 (c) Indian Wells Valley Groundwater Authority v. Mojave Pistachios, LLC; et al., OCSC Case No. 30-2022-01239479 (related to the consolidated case of OCSC Case 13 14 No. 30-2021-01187589; related to the Comprehensive Adjudication; and pending before The 15 Honorable James J. Di Cesare): On January 5, 2022, the Authority filed a Complaint for 16 Preliminary and Permanent Injunction; Recovery of Delinquent Groundwater Fees; and Civil 17 Penalties against Mojave Pistachios. Through its complaint, the Authority seeks to enjoin 18 Mojave Pistachios from operating groundwater wells without payment of Basin Replenishment 19 Fees, delinquent groundwater extraction charges, and civil penalties. Mojave Pistachios filed an 20 Answer on April 11, 2022. Mojave Pistachios notes that the docket reflects that this case is 21 currently assigned to The Honorable James J. Di Cesare who has subsequently retired, and as 2.2. such Mojave Pistachios respectfully requests that this case be reassigned to The Honorable 23 William Claster.

(d) Indian Wells Valley Groundwater Authority v. Searles Valley
Minerals Inc.; et al., OCSC Case No. 30-2022-01239487 (Notice of Related Case was filed on
January 5, 2022, but not yet acted upon; pending before The Honorable Theodore Howard): On
January 5, 2022, the Authority filed a Complaint for Preliminary and Permanent Injunction;
Recovery of Delinquent Groundwater Fees; and Civil Penalties against Searles. Through its
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complaint, the Authority seeks to enjoin Searles from operating groundwater wells without
 payment of Basin Replenishment Fees, delinquent groundwater extraction charges, and civil
 penalties. Searles filed an Answer on April 19, 2022.

4 (e) Mojave Pistachios, LLC, et al. v. Indian Wells Vallev 5 Groundwater al., Authority, Orange County Superior Court Case et No. 30-2022-01249146-CU-MC-CJC (related to the consolidated case of OCSC Case 6 7 No. 30-2021-01187589; related to the Comprehensive Adjudication; and pending before The 8 Honorable William Claster): On March 9, 2022, Mojave Pistachios filed a Complaint for 9 Refund of Extraction Fees Paid against the Authority, seeking to recover fee payments levied by 10 the Authority pursuant to Ordinance No. 02-20, as later amended by Ordinance Nos. 02-20 and 11 05-20, which impose a \$105 per acre-foot groundwater extraction fee, which the Authority 12 states is necessary to finance the estimated costs to develop and adopt the GSP. A status 13 conference in this matter is set to occur on May 20, 2022 in this Department.

14 (f) Indian Wells Valley Groundwater Authority v. Inyo Kern 15 Community Services District, Kern County Superior Court Case No. BCV-22-100281 (Notice 16 of Related Case filed by Mojave Pistachios on April 26, 2022, but not yet acted upon): On or 17 about February 1, 2022, the Authority filed a Complaint for Preliminary and Permanent 18 Injunction; Recovery of Delinquent Groundwater Extraction Fees; Imposition of Civil Penalties 19 against the Inyo Kern Community Services District. Through its complaint, the Authority seeks 20 to enjoin Inyo Kern Community Services District from operating groundwater wells without 21 payment of Basin Replenishment Fees, delinquent groundwater extraction charges, and civil 2.2. penalties.

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(2) Alternative Dispute Resolution.

(a) DWR Facilitation: The District has requested from the California
 Department of Water Resources ("DWR"), and DWR has offered, facilitation support services
 to foster discussions among Basin stakeholders towards promoting the long-term sustainability
 of the Basin, and discussing constructive solutions for the Basin. DWR has committed several
 hundred hours to the facilitation process for the Basin. The Parties have expressed a willingness
 19
 JOINT CASE MANAGEMENT CONFERENCE STATEMENT

1 to participate in the DWR facilitation process and meetings among their representatives as part 2 of the facilitation are occurring. DWR's first public meeting for Basin stakeholders is set to 3 occur on May 17, 2022 in Ridgecrest and via live stream. 4 (b) Confidential Negotiations/Mediation: The Parties have expressed 5 a willingness to participate in confidential informal negotiations and/or mediation. F. 6 **ISSUES OF JURISDICTION** 7 The United States is participating in the Comprehensive Adjudication pursuant to the 8 McCarran Amendment (43 U.S.C. § 666; United States v. District Court in and for Eagle 9 *County*, 401 U.S. 520 (1971).) 10 The Parties are not aware of any additional issues regarding jurisdiction, venue, or 11 arbitration clauses. 12 G. PAYMENT OF COMPLEX FEES 13 The District filed a Motion for Order Temporarily Suspending the Requirement to Pay 14 the Initial Appearance Fee. On February 18, 2022, the Court granted the District's Motion and 15 suspended the requirement to pay the initial appearance fee, but only through April 29, 2022. 16 The District requests that the Court extend the fee waiver through July 31, 2022. The District 17 has received numerous answers that do not appear to have been filed or served on all parties, and 18 the District is in the process of contacting those potential cross-defendants to provide 19 information on how to file and serve their answers. Moreover, the mailing company the District 20 retained just recently mailed the final batch of mailings of the Adjudication Notice, which 21 informs recipients that they have sixty (60) days from receipt in which to file an answer. 2.2. 2. CORE LEGAL AND FACTUAL ISSUES 23 This is a complex case procedurally and substantively. It involves the determination of 24 all rights to extract and store groundwater within the Basin among hundreds of pumpers and 25 thousands of users and/or potential users of Basin groundwater. The Comprehensive 26 Adjudication seeks a physical solution pursuant to Code of Civil Procedure section 849. The 27 Basin is also subject to the groundwater management requirements of SGMA. This is one of the 28 first applications of the California Streamlined Groundwater Adjudication Statutes. Potential {00220193.3 } 20JOINT CASE MANAGEMENT CONFERENCE STATEMENT (5/20/2022)

issues include, but are not limited to, determining the Basin boundaries, determining the
 sustainable yield, quantifying water rights, and establishing a physical solution.

The Parties will meet and confer on the issues of phasing of trial and potential motions
and will propose a recommendation before the next scheduled status conference.

5 **3**. <u>DISCOVERY ISSUES</u>

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A. <u>INITIAL DISCLOSURES</u>

Code of Civil Procedure section 842 provides, "Except as otherwise stipulated by the parties or ordered by the court, within six months of appearing in a comprehensive adjudication, a party shall serve on the other parties and the special master, if one is appointed, an initial disclosure" that includes certain information, such as the quantity of groundwater extracted from the Basin, the type of water rights claimed, a general description of the purpose to which the groundwater has been put, and the location of each well or other source through which the party extracts groundwater. (Code Civ. Proc., § 842(a).)

The District, Plaintiffs, and Searles previously stipulated to extend the time for exchange of initial disclosures under section 842. On February 3, 2022, the Court entered the amended stipulated Order between the District and Plaintiffs and on February 9, 2022, the Court entered the stipulated Order between the District and Searles. Both Orders extend the time for the exchange of initial disclosures to a date to be agreed upon by the parties and/or ordered by the Court.

The Parties will meet and confer to discuss an appropriate date and scope for the exchange of initial disclosures, including documents and data, and provide their recommendation before the next status conference. In the meantime, the Parties request the Court order that the time for exchange of initial disclosures for all parties that have appeared in this matter be continued to a date consistent with the Orders of February 3, 2022 and February 9, 2022. The Parties also believe it is premature to set a discovery schedule until the exchange of initial disclosures. The Parties request a stay on discovery pending exchange of the initial disclosures.

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B. DOCUMENTS AND ELECTRONICALLY STORED INFORMATION

The District proposes that when a party first produces documents, each party shall select a unique three letter prefix for the bates numbering of the documents it produces in this case. The District shall keep an index of prefixes. The Parties shall meet and confer on selecting an online document depository for service and retention of all documents, depositions, and written discovery produced in the action. (Cal. Rules of Court, Rules 3.750(b)(10), 3.751, 2.251.) The Parties shall also meet and confer on selecting protocols for the discovery and production of electronically stored information.

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C. <u>FILING AND E-SERVICE</u>

10 Pursuant to rule 2.251 of the California Rules of Court and Code of Civil Procedure sections 839 and 1010.6, the Parties request that the Court order that all service be made by 11 12 electronic service, subject to exception based on a proper showing that electronic service poses 13 an undue hardship on a party. Electronic service by 5:00 p.m. shall be deemed same-day 14 personal service. The Parties request that the Court provide or authorize the use of a web-based 15 electronic service system through which parties would register and through which the electronic 16 posting of documents automatically effectuates service on all parties. (Cal. Rules of Court, 17 Rule 3.751; Code Civ. Proc., § 830(b)(2).) The Parties shall meet and confer on selecting such 18 an electronic service system. The Parties further request that the Court order that all filings be 19 made by electronic filing.

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D. <u>CODE OF CIVIL PROCEDURE SECTION 583.310</u>

The Parties propose that discovery and/or pleading stays entered by the Court for case management purposes shall not be considered in determining the statutory period for bringing the case to trial under Code of Civil Procedure section 583.310.

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RECOMMENDED DATES AND TIMES

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- A. <u>NEXT STATUS CONFERENCE</u>

The Parties recommend the next status conference be set in approximately 180 days / six
months.

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22 JOINT CASE MANAGEMENT CONFERENCE STATEMENT (5/20/2022)

1	B. <u>SCHEDULE AND FILING DEADLINES FOR PROPOSED MOTIONS</u>
2	The Parties will meet and confer on the issues of scheduling, filing deadlines and
3	potential motions and will provide further information and recommendations before the next
4	scheduled status conference.
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6	DATED: May 12, 2022 BROWNSTEIN HYATT FARBER SCHRECK, LLP
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8	
9	By: /s/ Scott S. Slater
10	Robert J. Saperstein
11	Amy M. Steinfeld Elisabeth L. Esposito
12	Attorneys for Plaintiffs & Cross-Defendants MOJAVE PISTACHIOS, LLC;
13	JOHN THOMAS CONAWAY; JOHN THOMAS CONAWAY TRUST;
14	JOHN THOMAS CONAWAY LIVING TRUST u/d/t August 7, 2008;
15	NUGENT FAMILY TRUST;
16	SIERRA SHADOWS RANCH LP
17	DATED: May 12, 2022 MURPHY & EVERTZ LLP
18	
19 20	
20 21	By: /s/ Douglas J. Evertz John C. Murphy
21	Douglas J. Evertz Emily L. Madueno
23	Attorneys for Defendant, Cross-Complainant, & Cross-Defendant
24	INDIAN WELLS VALLEY WATER DISTRICT
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	JOINT CASE MANAGEMENT CONFERENCE STATEMENT (5/20/2022)

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1 DATED: May 12, 2022 FENNEMORE LLP 2 3 4 /s/ Derek R. Hoffman By: 5 Derek R. Hoffman 6 Byrin Romney Attorneys for Defendants & Cross-Defendants 7 MEADOWBROOK DAIRY REAL ESTATE, LLC; **BIG HORN FIELDS, LLC;** 8 BROWN ROAD FIELDS, LLC; HIGHWAY 395 FIELDS, LLC; 9 THE MEADOWBROOK MUTUAL WATER 10 COMPANY 11 12 DATED: May 13, 2022 U.S. DEPARTMENT OF JUSTICE 13 14 /s/ R. Lee Leininger By: 15 R. Lee Leininger 16 David W. Gehlert Attorneys for Cross-Defendant 17 UNITED STATES OF AMERICA 18 19 DATED: May 12, 2022 **BEST BEST & KRIEGER LLP** 20 21 22 /s/ Jeffrey V. Dunn By: 23 Eric L. Garner Jeffrey V. Dunn 24 Maya Mouawad Attorneys for Defendant, Cross-Defendant, & 25 Cross-Complainant SEARLES VALLEY MINERALS INC. 26 27 28 24 {00220193.3 } JOINT CASE MANAGEMENT CONFERENCE STATEMENT (5/20/2022)

EXHIBIT A

EXHIBIT B