CONFORMED CUPY 1 **RUTAN & TUCKER, LLP** ORIGINAL FILED Superior Court of California David B. Cosgrove (State Bar No. 115564) County of Los Angeles dcosgrove@rutan.com Douglas J. Dennington (State Bar No. 173447) ddennington@rutan.com JUL 14 2021 18575 Jamboree Road, 9th Floor Sherri R. Carter, Executive Officer/Clerk of Court Irvine, CA 92612 Telephone: 714-641-5100 By: Kristina Vargas, Deputy Facsimile: 714-546-9035 Attorneys for Cross-Defendant CASITAS MUNICIPAL WATER DISTRICT 7 SUPERIOR COURT OF THE STATE OF CALIFORNIA 8 FOR THE COUNTY OF LOS ANGELES 9 SPRING STREET COURTHOUSE 10 SANTA BARBARA CHANNELKEEPER, a Case No.: 19STCP01176 California non-profit corporation, Assigned For All Purposes To: 12 Plaintiff, Hon. William F. Highberger; Dept. 10 13 CROSS-DEFENDANT CASITAS VS. 14 MUNICIPAL WATER DISTRICT'S STATE WATER RESOURCES CONTROL **OBJECTIONS TO CURRENT PHYSICAL SOLUTION PROPOSAL** 15 BOARD, etc., et al., Defendants. DATE: July 19, 2021 16 TIME: 3:00 p.m. DEPT.: 10 – located at 17 312 N Spring St, Los Angeles, CA CITY OF SAN BUENAVENTURA, etc., 18 Date Action Filed: 09/19/2014 19 02/14/2022 DUNCAN ABBOTT, an individual, et al.. Trial Date: 20 By Fax 21 TO ALL PARTIES AND TO THEIR ATTORNEY OF RECORD: 22 At the Status Conference Hearing held July 6, 2019, the Court invited parties to detail, in 23 cursory terms, their present grounds of difficulty with the current "Stipulated Judgment and 24 Physical Solution" lodged by the Proposing Parties. This invitation was made with the understanding that positions expressed are non-binding as to later positions that may be asserted, 26 need not be comprehensive as to all points in dispute, and are all subject to change as the terms of 27 the Physical Solution proposal themselves may, and undoubtedly will, change. 28 Subject to those understandings, Cross-Defendant CASITAS MUNICIPAL WATER Rutan & Tucker, LLP attorneys at law 159/029518-0003 OBJECTIONS TO CURRENT PHYSICAL SOLUTION PROPOSAL 16698534.3 a07/13/21

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DISTRICT ("Casitas") hereby presents the following summary of major points it believes require modification, or at a minimum substantial additional discussion, in the proposed Physical Solution.

1. Cost Allocation to Casitas

Paragraph 7.7.2 calls for Casitas to bear 56.5% of the entire Management Committee costs, allegedly based on water use. Casitas believes this is drastically disproportionate. In the first instance, this is primarily a groundwater adjudication action, and Casitas' groundwater production is approximately 2,300 acre feet on average annually – hardly 56.5% of the entire production of the four basins at issue. Second, Casitas' water "use" is not all to end users. Instead, Casitas is in part a diverter of surface water from the Ventura River at its Robles Diversion, pursuant to the restrictions of a 2003 Biological Opinion issued by the National Marine Fisheries Service ("NMFS"), which specifically restricts Casitas' otherwise perfected appropriative rights to divert 107,800 acre feet yearly. These restrictions were put in place to protect the very steelhead whose endangered status is driving this entire dispute.

In other part, Casitas is a wholesaler to a number of other water retailers. It is unclear how the "use" by Casitas, vis a vis these retailers, has been determined. Assuming all other issues regarding the composition and voting power of any regional water management authority that emerges from a physical solution can be resolved, the appropriate yardstick of water "use" must be defined and further refined, if it is an appropriate yardstick to use at all in allocating costs. It must also include recognition of the substantial steelhead monitoring and protection efforts already created by Casitas' contribution to flows in the Ventura River under its 2003 Biological Opinion, and the costs Casitas has already put to this effort. It cannot just presume such contributions away as "baseline," from which more will be required.

2. **Voting Power**

Paragraph 7.7.3.4 gives Casitas 2 votes of 7 total on the Management Committee, or 28.5 percent (roughly half of its proposed cost contribution). The Physical Solution therefore makes Casitas a majority investor in the Management Committee, but a minority shareholder when it comes to decision making. Casitas suspects few responsible parties would accept such an

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Rutan & Tucker, LLP

attorneys at law

arrangement, particularly when the Management Committee could conceivably result in water management decisions Casitas currently makes (under federal guidance) being made instead by a new committee.

3. Management Committee Membership

Casitas has structural qualms with the suggestion of Non-Voting members of the Management Committee, since their role is undefined, and since the groundwater management authorities proposed to be included as non-voting members may, at this juncture, question their place in the adjudication at all. Such parties may, at some time, be appropriately considered for an advisory committee role, rather than non-voting members. Still, Casitas believes that the Phase 1 determinations (now bifurcated) of basin boundaries, and interconnectivity between groundwater production in various basins and stream flows affecting steelhead biology, need to be determined before sustainable staffing of any regional water management authority can be determined.

4. Reservation of Water Rights

Casitas finds a fundamental disconnect in the reservation of future water rights claims (see, ¶ 3.2) as a cornerstone of resolving a litigation whose very stated purpose is to resolve water rights claims. Allowing future assertion of pueblo or pre-1914 rights, which are challenging to prove, even more challenging to quantify, and save for public trust issues, could trump all other water rights, offers the continuing spectre of future claims that could well upset the entire balance on which the agreements leading to the Physical Solution "contract" is based. It is understandable that those with such claims would hope to preserve them. But in this context, particularly given the effort and frustration already expended to perfect the Court's jurisdiction over the wide net of co-defendants the City has cast, doing so preserves the unenviable prospect of a party disgruntled with a Management Committee (or other future body) decision "going nuclear" with new water priority claims, that could undermine fundamental presumptions of any physical solution reached.

These are some of the major points Casitas has in opposition to the current Physical Solution. This is not to say Casitas is diametrically opposed to all of it. There are aspects in the Physical Solution proposal that Casitas finds productive. These include not affecting the

1	Biological Opinion (and thereby triggering potential reconsultation, with its glacial federal			
2	processing time lines), leaving Coyote Creek and its degraded areas aside for more fruitful			
3	devotion of flows to more productive habitat enhancement elsewhere, qualitative metrics on			
4	steelhead health instead of rote devotion to flows, and refined definition of Ventura River reaches,			
5	with an eye to steelhead biology. These are positive points to work from.			
6	There remains much to discuss. Casitas hopes this elaboration of its present positons			
7	proves useful to the Court, and other parties, in doing so.			
8	Dated: July 13, 2021 RUTAN & TUCKER, LLP DAVID B. COSGROVE			
9	DOUGLAS J. DENNINGTON			
10	By: Larvel B. Cograve			
11	David B. Cosgrove Attorneys for Cross-Defendant			
12	CASITAS MUNICIPAL WATER DISTRICT			
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1	PROOF OF SERVICE			
2	Santa Barbara Channelkeeper v. State Water Resources Control Board, et al. and related cross-action			
3	Case No. 19STCP01176			
4				
5	STATE OF CALIFORNIA, COUNTY OF ORANGE			
6 7	I am employed by the law office of Rutan & Tucker, LLP 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 18575 Jamboree Road, 9 th Floor, Irvine, California 92612. My electronic notification address is mslobodien@rutan.com.			
8	On July 13, 2021, I served on the interested parties in said action the within:			
9	CROSS-DEFENDANT CASITAS MUNICIPAL WATER DISTRICT'S OBJECTIONS TO			
10	CURRENT PHYSICAL SOLUTION PROPOSAL			
11	as stated below:			
12	electronic version of the document(s) to File & ServeXpress, LLC, through the user interface at			
13				
14	Executed on July 13, 2021, at Irvine, California.			
15				
16	I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.			
17	Mia R. Slobodien Wunk Hobedien			
18	(Type or print name) (Signature)			
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Customer No.: 0055135 Attorney e-mail: dcosgrove@rutan.com

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CASE INFORMATION:

Case Number: 19STCP01176

County: Los Angeles
Court: Spring St.

Case Short Title: Santa Barbara Channelkeeper vs. State Water Resources Control Board

DOCUMENTS RECEIVED: No. Docs: 1 No. Pgs: 5

Objection to Current Physical Solutions Proposal

Confirmation Report. DO NOT PAY. An Invoice will be sent later.

Notes:	Services:	Summary of Charges:
		67.50
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