

1 James A. Worth, State Bar No. 147207  
2 McMURTREY, HARTSOCK, WORTH & ST LAWRENCE  
3 2001 22nd Street, Suite 100  
4 Bakersfield, California 93301  
5 Telephone No.: 661.322.4417  
6 Fax No.: 661.322.8123  
7 Email: jim@mhwslegal.com

Exempt From Fees Per  
Govt. Code § 6103

6 Douglas J. Evertz, State Bar No. 123066  
7 Emily L. Madueno, State Bar No. 251721  
8 MURPHY & EVERTZ LLP  
9 650 Town Center Drive, Suite 550  
10 Costa Mesa, California 92626  
11 Telephone No.: 714.277.1700  
12 Fax No.: 714.277.1777  
13 Email: devertz@murphyevertz.com  
14 emadueno@murphyevertz.com

11 Attorneys for Defendant, Cross-Complainant, & Cross-Defendant  
12 INDIAN WELLS VALLEY WATER DISTRICT

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14  
15 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
16 FOR THE COUNTY OF ORANGE, CIVIL COMPLEX CENTER

17 MOJAVE PISTACHIOS, LLC; et al.,

18 Plaintiffs,

19 v.

20 INDIAN WELLS VALLEY WATER  
21 DISTRICT; et al.,

22 Defendants.

Case No. 30-2021-01187275-CU-OR-CJC

*[Related to: Case No. 30-2021-01187589-CU-  
WM-CXC; Case No. 30-2021-01188089-CU-  
WM-CXC; Case No. 30-2022-01239479-CU-  
MC-CJC; Case No. 30-2022-01239487-CU-  
MC-CJC; Case No. 30-2022-01249146-CU-  
MC-CJC]*

Assigned For All Purposes To:  
The Honorable William Claster, Dept. CX101

**JOINT STATUS CONFERENCE  
STATEMENT (2/10/2025)**

**RELATED TO ROA 1512**

**Date: February 10, 2025**

**Time: 1:30 p.m.**

**Dept.: CX101**

1 INDIAN WELLS VALLEY WATER  
2 DISTRICT,

3 Cross-Complainant,

4 v.

5 ALL PERSONS WHO CLAIM A RIGHT  
6 TO EXTRACT GROUNDWATER IN THE  
7 INDIAN WELLS VALLEY  
8 GROUNDWATER BASIN NO. 6-54  
9 WHETHER BASED ON  
10 APPROPRIATION, OVERLYING RIGHT,  
11 OR OTHER BASIS OF RIGHT, AND/OR  
12 WHO CLAIM A RIGHT TO USE OF  
13 STORAGE SPACE IN THE BASIN; et al.,

14 Cross-Defendants.

15 SEARLES VALLEY MINERALS INC.,

16 Cross-Complainant,

17 v.

18 ALL PERSONS WHO CLAIM A RIGHT  
19 TO EXTRACT GROUNDWATER IN THE  
20 INDIAN WELLS VALLEY  
21 GROUNDWATER BASIN NO. 6-54  
22 WHETHER BASED ON  
23 APPROPRIATION, OVERLYING RIGHT,  
24 OR OTHER BASIS OF RIGHT, AND/OR  
25 WHO CLAIM A RIGHT TO USE OF  
26 STORAGE SPACE IN THE BASIN; et al.,

27 Cross-Defendants.

28 AND RELATED CASES.

Complaint Filed: November 19, 2019  
Phase 1 Trial Date: April 28, 2025  
Phase 2 Trial Date: March 30, 2026

1 **JOINT STATUS CONFERENCE STATEMENT**

2 Defendant, Cross-Complainant, and Cross-Defendant Indian Wells Valley Water District  
3 (“District”) has made a good faith effort to solicit input from parties prior to submission of this  
4 Joint Status Conference Statement.<sup>1</sup>  
5

6 **1. PHASE 1 TRIAL RE: FEDERAL RESERVED WATER RIGHT CLAIM**

7 A. Settlement Updates

8 The Technical Working Group Parties<sup>2</sup> and Cross-Defendant United States of America  
9 (“United States”) have engaged in settlement discussions. Although discussions are not ongoing,  
10 the parties have not ruled out the possibility of re-engaging in settlement discussions.

11 B. Phase 1 Trial

12 On June 11, 2024, the Court entered a Case Management Order Re: Phase 1 Trial  
13 (“Phase 1 CMO”). (ROA 1379.) Among other dates, the Phase 1 CMO provides:

14 (1) Phase 1 Trial Date: April 28, 2025; and

15 (2) Pre-Trial Conference Re: Phase 1 Trial: April 4, 2025.

16 The Parties are meeting and conferring on potential modifications to the Phase 1 CMO to  
17 account for the agreed-upon deposition schedule.  
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20 <sup>1</sup> (1) Plaintiffs and Cross-Defendants Mojave Pistachios, LLC; John Thomas Conaway; John Thomas Conaway  
21 Trust; John Thomas Conaway Living Trust u/d/t August 7, 2008; Nugent Family Trust; and Sierra Shadows Ranch  
22 LP (collectively, “Plaintiffs”); (2) Defendant, Cross-Defendant, and Cross-Complainant Searles Valley Minerals Inc.  
23 (“Searles”); (3) Defendants and Cross-Defendants Meadowbrook Dairy Real Estate, LLC; Big Horn Fields, LLC;  
24 Brown Road Fields, LLC; Highway 395 Fields, LLC; and the Meadowbrook Mutual Water Company (collectively,  
25 “Meadowbrook”); (4) Cross-Defendant Inyokern Community Services District (“ICSD”); (5) Cross-Defendant  
26 United States of America (“United States”); (6) Cross-Defendants California Department of Fish and Wildlife,  
27 California Department of Parks and Recreation, and California 53rd District Agricultural Association (collectively,  
28 “State”); (7) Cross-Defendant Indian Wells Valley Groundwater Authority (“Authority”); and (8) Cross-Defendant  
Little Lake Ranch, Inc. (“Little Lake”). District, Plaintiffs, Searles, Meadowbrook, ICSD, United States, State,  
Authority, and Little Lake are collectively referred to as “Parties.”

<sup>2</sup> District, Searles, Meadowbrook, and Plaintiffs.

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C. Scope of Phase 1 Trial

On November 12, 2024, the United States and Defendant, Cross-Defendant, and Cross-Complainant Searles Valley Minerals Inc. (“Searles”) filed a Stipulation Re: Scope of Phase 1 Trial (“Phase 1 Stipulation”). (ROA 1550.) The Phase 1 Stipulation confirmed, among other things, that the scope of the Phase 1 Trial is limited to “the determination of the United States Navy’s federal reserved water right in the Indian Wells Valley Groundwater Basin.”

D. Status of Discovery for the Phase 1 Trial

Non-expert discovery and expert witness discovery are ongoing for the Phase 1 Trial.

**2. PHASE 2 TRIAL RE: SAFE YIELD**

A. Phase 2 Trial

On January 8, 2025, the Court entered a Case Management Order Re: Phase 2 Trial (“Phase 2 CMO”). (ROA 1555.) The Phase 2 Trial will determine the safe yield of the Indian Wells Valley groundwater basin. Among other dates, the Phase 2 CMO provides:

- (1) Phase 2 Trial Date: March 30, 2026; and
- (2) Pre-Trial Conference Re: Phase 2 Trial: February 4, 2026.

B. Notices of Intention to Participate in Phase 2 Trial

Pursuant to the Phase 2 CMO, multiple parties filed and served Notices of Intent to Participate in the Phase 2 Trial.

C. Public Trust Provisions

During the October 2, 2024 Status Conference, the Court indicated that the Phase 2 CMO should include language relating to the public trust issue raised by Cross-Defendants California Department of Fish and Wildlife, California Department of Parks and Recreation, and California 53rd District Agricultural Association (collectively, the “State”). The Phase 2 CMO

1 inadvertently left out language relating to the public trust issue. The District will meet and  
2 confer with all parties and submit a [Proposed] Order re: Public Trust Issues for the Court’s  
3 consideration.

4  
5 D. Disclosure of Groundwater Models

6 The Phase 2 CMO provides for “all parties to disclose any models that the party intends  
7 to use to present evidence at the Phase 2 Trial” on or before February 20, 2025. The Parties are  
8 meeting and conferring regarding the mechanics of the exchange, and the protective order that  
9 will be required.

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11 E. Authority’s Petition Challenging Phase 2 Trial Setting

12 On October 8, 2024, Cross-Defendant Indian Wells Valley Groundwater Authority  
13 (“Authority”) filed a Verified Petition for Writ of Mandate or Other Appropriate Relief in the  
14 California Court of Appeal, Fourth Appellate District, Division Three (*Indian Wells Valley*  
15 *Groundwater Authority v. The Superior Court of Orange County*, Case No. G064757). The  
16 Authority’s petition asked the Court of Appeal to review this Court’s August 5, 2024 order  
17 phasing this comprehensive adjudication (“Phasing Order”). Searles and the District filed an  
18 opposition to the Authority’s petition on October 18, 2024, to which the Authority filed a reply  
19 on October 28, 2024. On November 14, 2024, the Court of Appeal summarily denied the  
20 Authority’s petition. (ROA 1552.)

21 On November 25, 2024, the Authority filed a Petition for Review in the California  
22 Supreme Court (*Indian Wells Valley Groundwater Authority v. Superior Court (Searles Valley*  
23 *Minerals)*, Case No. S288048). The Authority’s petition sought the California Supreme Court’s  
24 review of the Phasing Order following the Court of Appeal’s summary denial of the Authority’s  
25 writ petition. Searles and the District filed an answer to the Authority’s petition for review on  
26 December 13, 2024, to which the Authority filed a reply on December 23, 2024. On  
27 January 29, 2025, the California Supreme Court denied the Authority’s petition for review.

1 **3. STATUS OF RELATED CASES**<sup>3</sup>

2 A. *Mojave Pistachios, LLC, et al. v. Indian Wells Valley Groundwater Authority, et*  
3 *al.*, OCSC Case No. 30-2021-01187589-CU-WM-CXC (“Mojave Pistachios  
4 Action”):

5 On September 30, 2020, Mojave Pistachios, LLC and Paul G. Nugent and Mary E.  
6 Nugent, Trustees of the Nugent Family Trust dated June 20, 2011 (collectively, “Mojave  
7 Pistachios”) filed a Petition for Writ of Mandamus and Complaint against Authority. Mojave  
8 Pistachios subsequently amended its petition several times and on January 6, 2023, Mojave  
9 Pistachios filed a Fourth Amended Petition for Writ of Mandamus and Complaint. Through its  
10 petition, Mojave Pistachios alleges, inter alia, that Authority adopted a deficient Groundwater  
11 Sustainability Plan on January 16, 2020 (“GSP”).

12 On February 21, 2023, Mojave Pistachios filed a petition for writ of mandate in the Court  
13 of Appeal, Fourth Appellate District, Division Three.

14 Authority filed an answer to Mojave Pistachios’ Fourth Amended Petition on  
15 April 24, 2023.

16 On April 26, 2023, the Court of Appeal issued an Order to Show Cause as to why  
17 mandate or other appropriate relief should not issue on Mojave Pistachios’ petition, staying the  
18 case pending further order of the Court of Appeal. Briefing followed, and oral argument  
19 occurred on October 23, 2023. The case was deemed submitted on November 15, 2023.

20 On February 8, 2024, the Court of Appeal issued its opinion denying the petition for writ  
21 of mandate. On February 23, 2024, Mojave Pistachios petitioned the Court of Appeal for  
22 rehearing, and rehearing was denied on March 4, 2024. The appellate court’s February 8, 2024  
23 opinion dissolved the stay upon finality of the opinion, which was on March 9, 2024.

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26 <sup>3</sup> This Statement does not address the case currently pending in Kern County captioned *Indian Wells Valley*  
27 *Groundwater Authority v. Inyo Kern Community Services District*, Kern County Superior Court Case No. BCV-22-  
28 100281. That case is not pending before this Court.

1 Mojave Pistachios has elected to prepare the administrative record for this case. Mojave  
2 Pistachios and Authority have a dispute about Authority’s response to Mojave Pistachios’  
3 March 16, 2023 Public Records Act request. The administrative record has not yet been  
4 prepared in this or the other related cases.

5 On December 11, 2024, Mojave Pistachios and the Authority agreed to material terms of  
6 a settlement resolving the pending litigation, which included all actions by Mojave Pistachios  
7 against the Authority and the Authority against Mojave Pistachios. At its December 11, 2024  
8 Board Meeting, the Authority announced that Mojave Pistachios and the Authority have agreed  
9 to a term sheet that would result in a dismissal of this litigation upon execution of a definitive  
10 agreement. Because of the holidays, the definitive agreement has not been completed and  
11 executed, but it is expected that Mojave Pistachios and the Authority will sign a settlement  
12 agreement shortly, which dismisses all pending litigation between the Authority and Mojave  
13 Pistachios.

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15 B. *Searles Valley Minerals Inc. v. Indian Wells Valley Groundwater Authority, et al.*,  
16 OCSC Case No. 30-2021-01188089-CU-WM-CXC (“Searles Action”):<sup>4</sup>

17 On September 29, 2020, Searles filed a Petition for Writ of Mandate; Complaint for  
18 Declaratory and Injunctive Relief; and Takings Claims under the California Constitution against  
19 Authority and Authority’s Board of Directors. On or about August 25, 2021, Searles filed a First  
20 Amended Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief; and  
21 Takings Claim under the California Constitution. Through its petition, Searles challenges the  
22 validity of Authority’s GSP.

23 Authority filed an Answer to Searles’ First Amended Petition and Complaint on  
24 April 24, 2023.

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27 <sup>4</sup> The Mojave Pistachios Action and the Searles Action have been consolidated. All other cases listed herein are  
28 related and pending before this Court, including the comprehensive adjudication.

1 This case is consolidated with the Mojave Pistachios Action and, therefore, the stay  
2 imposed by the Court of Appeal on April 26, 2023 also applied to the Searles Action, and also  
3 expired on March 9, 2024.

4 Given that the administrative records for both the Mojave Pistachios Action and the  
5 Searles Action are likely to be mostly similar, the administrative record has not been prepared in  
6 this case, either.

7 Searles intends to file a motion for leave to amend its operative complaint to add a Public  
8 Records Act cause of action for Authority's failure to comply with Searles' request for public  
9 records of the administrative record. The preparation of the administrative record may be  
10 impacted by this contemplated amendment.

11 On November 18, 2024, Searles propounded on Authority a Request for Production of  
12 Documents, Set 1 in this case ("Requests"). The Requests sought an important portion of the  
13 administrative record for this case: Authority's groundwater model for the Indian Wells Valley  
14 Groundwater Basin and certain associated files, including model files and related data and  
15 communications (collectively, the "Model"). The Model was used to support Authority's GSP;  
16 however, the Model has never been provided to Searles, despite Searles' numerous and repeated  
17 public records requests for the Model. On December 31, 2024, Authority timely responded to  
18 the Requests, but declined to produce the Model, citing relevancy and national security concerns.  
19 Searles is evaluating Authority's response, and the parties continue to meet and confer.

20 At the January 8, 2025 Status Conference, the Court set a trial date of October 13, 2025 at  
21 9:00 a.m., in Department CX101, and a Trial Readiness Conference for October 3, 2025, at  
22 1:30 p.m., in Department CX101.

23 Searles and the Authority are engaged in ongoing settlement discussions.  
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1 C. *Indian Wells Valley Groundwater Authority v. Mojave Pistachios, LLC, et al.*,  
2 OCSC Case No. 30-2022-01239479-CU-MC-CJC (“Authority Action Against  
3 Mojave Pistachios”):

4 On January 5, 2022, Authority filed a Complaint for Preliminary and Permanent  
5 Injunction; Recovery of Delinquent Groundwater Fees; and Civil Penalties against Mojave  
6 Pistachios. Through its complaint, Authority seeks to enjoin Mojave Pistachios from operating  
7 groundwater wells without payment of Basin Replenishment Fees, delinquent groundwater  
8 extraction charges, and civil penalties.

9 Mojave Pistachios filed an Answer on April 11, 2022.

10 On June 2, 2023, the Court ordered that Authority shall not schedule a hearing on its  
11 intended motion for preliminary injunction prior to October 1, 2023, and that any opposition to  
12 such motion shall not be due until after the Court of Appeal issued a decision on the petition for  
13 writ in the Mojave Pistachios Action.

14 On March 13, 2024, Authority filed a motion for preliminary injunction against Mojave  
15 Pistachios. Briefing followed, and a hearing was held on June 14, 2024. At that hearing, this  
16 Court adopted its Tentative Ruling and granted Authority’s preliminary injunction motion.  
17 Mojave Pistachios appealed this Court’s injunction order to the Court of Appeal (Case  
18 No. G064430).

19 On December 11, 2024, Mojave Pistachios and the Authority agreed to material terms of  
20 a settlement resolving the pending litigation, which included all actions by Mojave Pistachios  
21 against the Authority and the Authority against Mojave Pistachios. At its December 11, 2024  
22 Board Meeting, the Authority announced that Mojave Pistachios and the Authority have agreed  
23 to a term sheet that would result in a dismissal of this litigation upon execution of a definitive  
24 agreement. Because of the holidays, the definitive agreement has not been completed and  
25 executed, but it is expected that Mojave Pistachios and the Authority will sign a settlement  
26 agreement shortly, which dismisses all pending litigation between the Authority and Mojave  
27 Pistachios.

1 D. *Indian Wells Valley Groundwater Authority v. Searles Valley Minerals Inc.*,  
2 OCSC Case No. 30-2022-01239487-CU-MC-CJC (“Authority Action Against  
3 Searles”):

4 On January 5, 2022, the Authority filed a Complaint for Preliminary and Permanent  
5 Injunction; Recovery of Delinquent Groundwater Fees; and Civil Penalties against Searles.  
6 Through its complaint, the Authority seeks to enjoin Searles from operating groundwater wells  
7 without payment of Basin Replenishment Fees, delinquent groundwater extraction charges, and  
8 civil penalties.

9 Searles filed an Answer on April 19, 2022.

10 On June 2, 2023, the Court ordered that Authority shall not schedule a hearing on its  
11 intended motion for preliminary injunction prior to October 1, 2023, and that any opposition to  
12 such motion shall not be due until after the Court of Appeal issued a decision on the petition for  
13 writ in the Mojave Pistachios Action. No motion for preliminary injunction has yet been filed.

14 At the January 8, 2025 Status Conference, the Court set a trial date of October 13, 2025 at  
15 9:00 a.m., in Department CX101, and a Trial Readiness Conference for October 3, 2025, at  
16 1:30 p.m., in Department CX101.

17 Searles and the Authority are engaged in ongoing settlement discussions.  
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19 E. *Mojave Pistachios, LLC, et al. v. Indian Wells Valley Groundwater Authority, et*  
20 *al.*, OCSC Case No. 30-2022-01249146-CU-MC-CJC (“Mojave Pistachios  
21 Refund Action”):

22 On March 9, 2022, Mojave Pistachios filed a Complaint for Refund of Extraction Fees  
23 Paid against Authority, seeking to recover fee payments levied by Authority pursuant to  
24 Ordinance No. 02-18, as later amended by Ordinance Nos. 02-20 and 05-20, which impose a  
25 \$105 per acre-foot groundwater extraction fee, which Authority states is necessary to finance the  
26 estimated costs to develop and adopt the GSP.

27 On August 24, 2022, the Court stayed the matter pending resolution of the Mojave  
28 Pistachios Action.

1 On December 11, 2024, Mojave Pistachios and the Authority agreed to material terms of  
2 a settlement resolving the pending litigation, which included all actions by Mojave Pistachios  
3 against the Authority and the Authority against Mojave Pistachios. At its December 11, 2024  
4 Board Meeting, the Authority announced that Mojave Pistachios and the Authority have agreed  
5 to a term sheet that would result in a dismissal of this litigation upon execution of a definitive  
6 agreement. Because of the holidays, the definitive agreement has not been completed and  
7 executed, but it is expected that Mojave Pistachios and the Authority will sign a settlement  
8 agreement shortly, which dismisses all pending litigation between the Authority and Mojave  
9 Pistachios.

10 DATED: February 3, 2025 MURPHY & EVERTZ LLP

11  
12  
13 By: /s/ Douglas J. Evertz

Douglas J. Evertz  
Emily L. Madueno  
Attorneys for Defendant, Cross-Complainant, &  
Cross-Defendant  
INDIAN WELLS VALLEY WATER DISTRICT

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16  
17 DATED: February 3, 2025 BROWNSTEIN HYATT FARBER SCHRECK, LLP

18  
19 By: /s/ Amy M. Steinfeld

20 Scott S. Slater  
21 Robert J. Saperstein  
22 Amy M. Steinfeld  
23 Elisabeth L. Esposito  
24 Attorneys for Plaintiffs & Cross-Defendants  
25 MOJAVE PISTACHIOS, LLC;  
26 JOHN THOMAS CONAWAY;  
27 JOHN THOMAS CONAWAY TRUST;  
28 JOHN THOMAS CONAWAY LIVING TRUST u/d/t  
August 7, 2008;  
NUGENT FAMILY TRUST;  
SIERRA SHADOWS RANCH LP  
Attorneys for Cross-Defendant  
INYOKERN COMMUNITY SERVICES DISTRICT

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DATED: February 3, 2025

BEST BEST & KRIEGER LLP

By:           /s/ Alison Toivola          

Eric L. Garner  
Jeffrey V. Dunn  
Wendy Wang  
Alison Toivola  
Attorneys for Defendant, Cross-Defendant, & Cross  
Complainant  
SEARLES VALLEY MINERALS INC.

DATED: February 3, 2025

FENNEMORE LLP

By:           /s/ Derek R. Hoffman          

Derek R. Hoffman  
Sean Hood  
Darien Key  
Attorneys for Defendants & Cross-Defendants  
MEADOWBROOK DAIRY REAL ESTATE, LLC;  
BIG HORN FIELDS, LLC;  
BROWN ROAD FIELDS, LLC;  
HIGHWAY 395 FIELDS, LLC;  
THE MEADOWBROOK MUTUAL WATER  
COMPANY

DATED: February 3, 2025

U.S. DEPARTMENT OF JUSTICE

By:           /s/ David W. Gehlert          

David W. Gehlert  
Judith E. Coleman  
Attorneys for Cross-Defendant  
THE UNITED STATES OF AMERICA

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DATED: February 3, 2025

OFFICE OF THE ATTORNEY GENERAL

By:     /s/ Noah Golden-Krasner    

Noah Golden-Krasner  
Attorneys for Cross-Defendants  
CALIFORNIA DEPARTMENT OF FISH AND  
WILDLIFE;  
CALIFORNIA DEPARTMENT OF PARKS AND  
RECREATION;  
CALIFORNIA 53rd DISTRICT AGRICULTURAL  
ASSOCIATION

DATED: February 3, 2025

RICHARDS, WATSON & GERSHON

By:     /s/ Kyle Brochard    

James L. Markman  
B. Tilden Kim  
Kyle Brochard  
Jacob Metz  
Attorneys for Cross-Defendant  
INDIAN WELLS VALLEY GROUNDWATER  
AUTHORITY

DATED: February 3, 2025

ARNOLD LaROCHELLE MATHEWS VANCONAS &  
ZIRBEL LLP

By:     /s/ Gary D. Arnold    

Gary D. Arnold  
Attorneys for Cross-Defendant  
LITTLE LAKE RANCH, INC.