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THE CITY OF LOS ANGELES, ACTING BY AND  
THROUGH ITS DEPARTMENT OF WATER AND POWER

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF INYO

BCV - 18 - 101261

SDS

INYO COUNTY, a political subdivision of the  
State of California,  
  
Plaintiff,  
  
v.  
  
LOS ANGELES DEPARTMENT OF  
WATER AND POWER, a Proprietary  
Department of the City of Los Angeles, a  
charter city; et al.,  
  
Defendant.

Case No. SICVCV18-62067  
Assigned For All Purposes To:  
The Honorable Brian J. Lamb, Dept. 1

**ANSWER OF DEFENDANT CITY OF  
LOS ANGELES, ACTING BY AND  
THROUGH ITS DEPARTMENT OF  
WATER AND POWER, TO COMPLAINT  
IN EMINENT DOMAIN**

Complaint Filed: February 14, 2018  
Trial Date: None Set

{00122015.3 }

Exempt From Fees Per  
Govt. Code § 6103  
  
**IMAGED**  
  
**FILED**  
  
MAR 22 2018  
  
INYO CO. SUPERIOR COURT  
PAMELA M. FOSTER, CLERK  
BY *[Signature]* DEPUTY



1 Defendant City of Los Angeles (“City”), acting by and through its Department of Water and  
2 Power (“LADWP”) (sued as Los Angeles Department of Water and Power, a Proprietary Department  
3 of the City of Los Angeles, a charter city), answers the Complaint in Eminent Domain (“Complaint”),  
4 filed on February 14, 2018, by plaintiff Inyo County (“Inyo”), for itself alone, and for no other  
5 defendant, as follows:

6 **ANSWER**

7 1. **Ownership.** LADWP owns the fee simple absolute interest in the real property  
8 described in the Complaint, as generally located at 110 Sunland Reservation Road in Bishop,  
9 California (“Property”).

10 2. LADWP also owns the rights to water appurtenant to the Property as an overlying  
11 owner of the Property, along with other water rights (collectively, “Water Rights”). The Los Angeles  
12 City Charter (“City Charter”) prohibits LADWP from selling, leasing, or otherwise disposing of any  
13 water rights owned by LADWP, including the Water Rights appurtenant to the Property, in whole or  
14 in part, without the assent of two-thirds of the registered voters of the City voting on the proposition.  
15 (City Charter, § 673(b).)

16 3. The Property and Water Rights are part of the water rights and system owned by  
17 LADWP to protect and provide a safe and reliable water supply for the City and Inyo County.

18 4. LADWP denies that any other person or entity possesses any claim to right or title to a  
19 fee interest in the Property or any claim to right or title to the Water Rights.

20 **Background**

21 5. **LADWP’s Holdings in Inyo County.** The Property is part of the approximately  
22 252,000 acres of land that LADWP owns in Inyo County. LADWP’s landholdings are tied to its  
23 long-held water rights, including the Water Rights at issue. For more than a century, LADWP has  
24 managed its lands, including the Property and the Water Rights, to sustain the Owens Valley desert  
25 environment, maintain vegetation levels, and preserve and protect the watershed. LADWP’s ability to  
26 protect the watershed and to serve reliable and clean water to Inyo and the nearly four million  
27 inhabitants of the City, is inextricably intertwined with its ability to manage the activities that occur on  
28 its lands, including the Property. Indeed, far more of the water of the Owens Valley is devoted to

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1 local uses, including sustaining the desert environment and maintaining vegetation, than is used to  
2 serve the residents of the City.

3           **6. Pertinent Agreement.** LADWP is party to an agreement entered as a judgment of the  
4 Inyo County Superior Court in 1991 after two decades of litigation. The Inyo/LA Long Term Water  
5 Agreement, entered as a Stipulation and Order for Judgment in *City of Los Angeles v. Board of*  
6 *Supervisors of the County of Inyo* (Inyo County Superior Court Case No. 12908), has the overall goal  
7 of managing LADWP's water resources within Inyo County to avoid certain described decreases and  
8 changes in vegetation and to cause no significant effect on the environment which cannot be  
9 acceptably mitigated, while providing a reliable supply of water for export to the City and for use in  
10 Inyo County. LADWP has well and faithfully executed the terms of the Inyo/LA Long Term Water  
11 Agreement, even though implementing the terms of that agreement has resulted in little or no  
12 deliveries of water from the Owens Valley to the City during drought years and, in fact, has required  
13 LADWP to import water to sustain the desert vegetation of the Owens Valley in such years. In  
14 addition, the Inyo/LA Long Term Water Agreement specifically governs the sale or lease of LADWP  
15 land to Inyo for public purposes.

16           **7. Leases.** LADWP leases land within Inyo County, including the Property, to Inyo for a  
17 variety of public purposes. For more than fifty years, LADWP has leased the Property to Inyo for  
18 operation of the Bishop-Sunland Landfill ("Landfill"). LADWP provides Inyo off-site well water for  
19 the Landfill's operation.

20           **8. Environmental Concerns.** Over the years, LADWP has become increasingly  
21 concerned about Inyo's operation of the Landfill due to Inyo's continual failure to comply with  
22 applicable law. Inyo has received hundreds of citations from regulatory agencies for violations at the  
23 Landfill. Accordingly, LADWP sought enhanced environmental compliance provisions in the  
24 Landfill lease to protect the Owens Valley watershed and the environment. However, LADWP has  
25 not stated or indicated any intention to terminate the Landfill lease, or otherwise refused to renew the  
26 Landfill lease. Indeed, LADWP and Inyo executed a new lease for the Landfill on March 9, 2017.

1           9.       **Precondemnation Offer.** Just two months after entering into a new lease for the  
2 Landfill on the Property, on May 8, 2017, Inyo provided an offer to LADWP to purchase “the Bishop  
3 landfill site,” citing Government Code section 7267.2 (“Offer”). A true and correct copy of the Offer,  
4 including Inyo’s Appraisal Summary Statement, is attached as Exhibit 1. The Property Exhibit  
5 enclosed with the Offer purportedly identified the property which was included in the Offer.

6           10.       **Notice of Intent to Adopt Resolution of Necessity.** On July 17, 2017, Inyo provided  
7 LADWP with a notice of its intent to adopt a Resolution of Necessity. Inyo’s notice failed to  
8 (a) identify a proposed project for which Inyo would seek to take the Property, or (b) adequately  
9 describe the property sought to be taken in terms of location or the extent of the rights sought to be  
10 taken.

11           11.       **Objections to Resolution of Necessity.** On August 1, 2017, LADWP timely  
12 submitted a written request to appear and be heard at the August 15, 2017 hearing on Inyo’s  
13 Resolution of Necessity. On August 14, 2017, LADWP submitted written objections to Inyo’s  
14 proposed adoption of a Resolution of Necessity. LADWP appeared at the August 15, 2017 hearing of  
15 Inyo’s Board of Supervisors, and objected to Inyo’s adoption of the Resolution of Necessity. At the  
16 August 15, 2017 hearing, over LADWP’s objections, Inyo’s Board of Supervisors adopted a  
17 Resolution of Necessity to authorize Inyo to condemn “a fee interest” in the Property, purportedly  
18 including appurtenant Water Rights.

19   **Right to Take Challenges**

20           12.       LADWP denies and expressly challenges that Inyo has the right to take the Property or  
21 any Water Rights for its proposed project.

22           13.       **Not a More Necessary Public Use.** LADWP objects to the attempted taking of the  
23 Property and any Water Rights under Code of Civil Procedure section 1250.360(f) and (h) on the  
24 ground that the Property and the Water Rights constitute “property appropriated to public use,” as  
25 defined in Code of Civil Procedure section 1235.180. Inyo’s proposed use for which it seeks to take  
26 the Property and any Water Rights does not qualify as “a more necessary public use” than the public  
27 uses to which the Property and the Water Rights are already appropriated, as required by Code of  
28 Civil Procedure sections 1240.610 and 1240.620. In particular, as noted above, when local uses of

1 water in the Owens Valley greatly exceed the reliable exports of water by LADWP, it cannot be a  
2 more necessary public use to take such limited supplies and/or interfere with the system that brings  
3 those supplies to the residents of the City. Indeed, allowing such a claim of a more necessary public  
4 use would violate Article X, section 2 of the California Constitution, which requires: (a) that *all* uses  
5 of water be reasonable and (b) that the water resources of the State be placed to the greatest use of  
6 which they are capable. Allowing the present action to proceed on the ground that Inyo's proposed  
7 project is "more necessary" would violate both of these precepts. In addition the Inyo/LA Long Term  
8 Water Agreement governs the lease or sale of property to Inyo and specifies the uses for LADWP's  
9 water from the Owens Valley. Inyo's allegation of a "more necessary public use" directly contradicts  
10 this agreement and the underlying Judgment in *City of Los Angeles v. Board of Supervisors of the*  
11 *County of Inyo* (Inyo County Superior Court Case No. 12908). In the alternative, if it is determined  
12 that Inyo's proposed project does qualify as a more necessary public use, LADWP further objects to  
13 the attempted taking of the Property and any Water Rights under Code of Civil Procedure section  
14 1250.360(g) on the ground that LADWP has a right to continue its public uses to which the Property  
15 and the Water Rights are already appropriated, as provided in Code of Civil Procedure section  
16 1240.630.

17       14.     **Defective Resolution of Necessity.** LADWP further objects to the attempted taking of  
18 the Property and any Water Rights under Code of Civil Procedure section 1250.370(a) because Inyo  
19 "has not adopted a resolution of necessity that satisfies the requirements of Article 2 (commencing  
20 with Section 1245.210) of Chapter 4." LADWP further objects to the attempted taking of the Property  
21 and any Water Rights under Code of Civil Procedure sections 1250.360(h) and 1245.255 because the  
22 Resolution of Necessity adopted by Inyo was influenced or affected by gross abuse of discretion in  
23 that its adoption was arbitrary, capricious, or entirely lacking in evidentiary support. In addition:

24               (a)     Inyo failed to adequately describe the property sought to be taken in the  
25 Resolution of Necessity in terms of location and extent of the rights sought to be taken, as required by  
26 Code of Civil Procedure section 1245.230(b);

27               (b)     Inyo failed to comply with Government Code section 7267.2 before adopting its  
28 Resolution of Necessity and filing the Complaint;

1 (c) Inyo failed to identify its proposed project in its notice to LADWP of its  
2 hearing on the Resolution of Necessity to acquire the Property and any Water Rights, as required by  
3 Code of Civil Procedure section 1245.235;

4 (d) Inyo's decision to take the Property and any Water Rights was not supported by  
5 substantial evidence to establish the required showings under Code of Civil Procedure sections  
6 1240.030 and 1245.230(c); and

7 (e) Inyo failed to comply with the California Environmental Quality Act ("CEQA")  
8 (Pub. Res. Code, § 21000 *et seq.*) and the CEQA Guidelines (14 Cal. Code Regs., § 15000 *et seq.*).

9 15. **Lack of Necessity.** LADWP further objects to the attempted taking of the Property  
10 and any Water Rights under Code of Civil Procedure section 1250.370(d) on the ground that neither  
11 the Property nor any Water Rights are necessary for Inyo's proposed project, as required by Code of  
12 Civil Procedure section 1240.030(c). Among other reasons, the taking of the Property and any Water  
13 Rights would interfere with LADWP's rights under the Inyo/LA Long Term Water Agreement, which  
14 requires that most of the water used in the Owens Valley be devoted to specified local uses. There  
15 simply is no necessity to take the Property or any Water Rights for the proposed Landfill operations.

16 16. **Incompatible Public Use.** LADWP further objects to the attempted taking of the  
17 Property and any Water Rights under Code of Civil Procedure section 1250.360(f) and (h) on the  
18 ground that the Property and the appurtenant Water Rights constitute "property appropriated to public  
19 use," as defined in Code of Civil Procedure section 1235.180. Inyo's proposed use for which it seeks  
20 to take the Property and any appurtenant Water Rights is not compatible with the public uses to which  
21 the Property and the Water Rights are already appropriated, as required by Code of Civil Procedure  
22 sections 1240.510 and 1240.520. Put simply, LADWP is entitled - - at common law and under the  
23 terms of the Inyo/LA Long Term Water Agreement - - to use the Property and the appurtenant Water  
24 Rights for the purposes specified in the agreement. Taking the Property and/or any Water Rights  
25 would interfere with those uses and so are incompatible public uses. In addition, neither the  
26 Resolution of Necessity nor the Complaint refers specifically to section 1240.510 as that section  
27 requires.

1           17.     **Not Planned or Located in the Manner Most Compatible with the Greatest Public**  
2 **Good.** LADWP further objects to the attempted taking of the Property and any Water Rights under  
3 Code of Civil Procedure section 1250.370(c) on the ground that the proposed project for which the  
4 Property and any Water Rights are being taken is not planned or located in the manner that will be  
5 most compatible with the greatest public good, as required by Code of Civil Procedure section  
6 1240.030(b). The California courts have repeatedly found that it is in the public interest to supply the  
7 residents of the City with water from the Owens Valley and so it is now too late for Inyo to contend  
8 that interfering with those rights is somehow compatible with the greatest public good. (*See Wehrle v.*  
9 *Bd. of Water and Power Commissioners of the City of Los Angeles* (1930) 211 Cal. 70, 72 [293 P.  
10 67].)

11           18.     **Inadequate Property Description.** LADWP further objects to the attempted taking of  
12 the Property and any Water Rights under Code of Civil Procedure section 1250.360(h) on the ground  
13 that Inyo has not adequately identified the property it seeks to take in terms of location and extent of  
14 the rights sought to be taken, as required by Code of Civil Procedure sections 1245.230(b) and  
15 1250.310(b), and as a matter of due process.

16           19.     **Inadequate Precondemnation Offer.** LADWP further objects to the attempted taking  
17 of the Property and any Water Rights under Code of Civil Procedure section 1250.360(h) on the  
18 ground that Inyo failed to comply with Government Code section 7267.2 before adopting its  
19 Resolution of Necessity and filing the Complaint. The Offer:

20                   (a)     Failed to reflect a proper appraisal of any Water Rights, which adequately  
21 details the value for the Property versus any Water Rights, as required by Government Code section  
22 7267.2(b);

23                   (b)     Failed to adequately describe or identify the property and/or water rights that  
24 were appraised and were purportedly included in the Offer; and

25                   (c)     Failed to provide any of the principal transactions, reproduction or replacement  
26 cost analysis, or capitalization analysis supporting Inyo's appraisal of any Water Rights, as required  
27 by Government Code section 7267.2(b)(2).



1           20.     **Inadequate Notice.** LADWP further objects to the attempted taking of the Property  
2 and any Water Rights under Code of Civil Procedure section 1250.360(h) on the ground that Inyo  
3 failed to provide adequate notice to LADWP of its hearing on the Resolution of Necessity to acquire  
4 the Property and any Water Rights, as required by Code of Civil Procedure section 1245.235 before it  
5 adopted the Resolution of Necessity. Inyo failed to sufficiently identify its proposed project in its  
6 notice to LADWP.

7           21.     **Failure to Comply with CEQA.** LADWP further objects to the attempted taking of  
8 the Property and any Water Rights under Code of Civil Procedure section 1250.360(h) on the ground  
9 that Inyo failed to comply with the requirements of CEQA and the CEQA Guidelines. The grounds  
10 for LADWP's objections for failure to comply with CEQA are further set forth in LADWP's Petition  
11 for Writ of Mandate, Inyo County Superior Court Case No. SICV CV18-62052.

12   **Claim for Just Compensation**

13           22.     The Property and Water Rights comprise part of a larger parcel of lands and water  
14 system owned by LADWP. LADWP owns, manages, and operates its lands to sustain the Owens  
15 Valley desert environment, maintain vegetation, and supply domestic and agricultural water. The  
16 Property and appurtenant Water Rights are an integral part of LADWP's lands and water system.  
17 Inyo's conduct, and its intention to condemn the Property and any Water Rights generally, have  
18 generated and will continue to generate substantial temporary and permanent severance damages to  
19 the remainder. Damages have accrued to the remainder by reason of the severance of the part taken  
20 and the implementation and use of the proposed project in the manner Inyo proposes. The amount of  
21 such damages has not been ascertained.

22           23.     The remainder, which is not sought to be taken, will not be benefited by the  
23 implementation and use of Inyo's proposed project in the manner proposed. To the extent any  
24 benefits do accrue in the future, they will be far outweighed by the damages incurred herein.

25           24.     Indeed, severing the Property and any Water Rights from LADWP's water system  
26 creates uncertainty as to the reliability of the water system and the system of water rights. Inyo's  
27 proposed taking will impose damages on LADWP far beyond the claims to land and facilities in the  
28 Owens Valley. California law requires LADWP to make certain findings about the reliability of its

1 water supplies and about the environmental effects of the disruption of those supplies. To the extent  
2 that Inyo creates uncertainty, such uncertainty causes damages to the City and its residents far beyond  
3 the value of the Property and any Water Rights. The damages incurred herein will involve facilities  
4 and environmental degradation across California.

5 25. The fair market value of and just compensation for the Property, any Water Rights, and  
6 improvements, along with severance damages that LADWP has suffered and will continue to suffer,  
7 have not yet been ascertained. However, these sums will far exceed Inyo's gross underestimate of  
8 value.

9 **SEPARATELY STATED DEFENSES**

10 LADWP further alleges, as separately stated defenses, as follows:

11 **FIRST SEPARATELY STATED DEFENSE**

12 **(Does Not State Facts Sufficient to Constitute a Cause of Action)**

13 26. The cause of action alleged in Inyo's Complaint does not state facts sufficient to  
14 constitute a cause of action.

15 **SECOND SEPARATELY STATED DEFENSE**

16 **(No Right to Take)**

17 27. LADWP objects to Inyo's alleged right to take the Property and any Water Rights.  
18 Inyo lacks authority to condemn the Property and any Water Rights based on several grounds. These  
19 grounds include, but are not limited to, the following:

20 (a) Inyo's proposed use for which it seeks to take the Property and any Water  
21 Rights does not qualify as "a more necessary public use" than the public uses to which the Property  
22 and the Water Rights are already appropriated;

23 (b) Inyo has not adopted an adequate Resolution of Necessity that gives rise to its  
24 right to take the Property or any Water Rights, and its Resolution of Necessity was influenced or  
25 affected by gross abuse of discretion in that its adoption was arbitrary, capricious, or entirely lacking  
26 in evidentiary support;

27 (c) Neither the Property nor the Water Rights are necessary for Inyo's proposed  
28 project;

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1 (d) Inyo's proposed use for which it seeks to take the Property and any Water  
2 Rights is not compatible with the public uses to which the Property and the Water Rights are already  
3 appropriated;

4 (e) The proposed project for which the Property and any Water Rights are being  
5 taken is not planned or located in the manner that will be most compatible with the greatest public  
6 good;

7 (f) Inyo failed to adequately identify the property it seeks to take in terms of  
8 location and extent of rights sought;

9 (g) Inyo failed to make an adequate offer that satisfies section 7267.2 of the  
10 Government Code;

11 (h) Inyo failed to sufficiently identify its proposed project in its Offer and its notice  
12 to LADWP of its intent to consider adoption of the Resolution of Necessity;

13 (i) Inyo has failed to comply with CEQA; and

14 (j) Other grounds as provided by law.

15 **THIRD SEPARATELY STATED DEFENSE**

16 **(Not a More Necessary Public Use)**

17 28. The Property and any Water Rights sought to be taken are already devoted to public  
18 uses. Inyo's proposed use is not a more necessary use.

19 **FOURTH SEPARATELY STATED DEFENSE**

20 **(Defective Resolution of Necessity)**

21 29. The Resolution of Necessity that gives rise to Inyo's right to take the Property and any  
22 Water Rights was the result of an abuse of discretion in that Inyo's legislative body failed to engage in  
23 a good faith and judicious consideration of the benefits and burdens of the issues; Inyo failed to  
24 adequately identify the property it seeks to take in terms of location and the extent of the rights  
25 sought; Inyo failed to comply with Government Code section 7267.2 before adopting its Resolution of  
26 Necessity; Inyo failed to sufficiently identify its proposed project in its notice to LADWP of its intent  
27 to consider adoption of the Resolution of Necessity; the decision to take the Property and any Water  
28

1 Rights was not supported by substantial evidence to establish the required showings under Code of  
2 Civil Procedure sections 1240.030 and 1245.230(c); and Inyo failed to comply with CEQA.

3 **FIFTH SEPARATELY STATED DEFENSE**

4 **(Inadequate Offer)**

5 30. Inyo failed to comply with Government Code section 7267.2 before adopting its  
6 Resolution of Necessity in that Inyo failed to make an adequate precondemnation offer to LADWP.

7 **SIXTH SEPARATELY STATED DEFENSE**

8 **(Lack of Necessity)**

9 31. There is no necessity for a taking of the Property or any Water Rights as “necessity” is  
10 used in Code of Civil Procedure section 1240.030.

11 **SEVENTH SEPARATELY STATED DEFENSE**

12 **(Incompatible Public Use)**

13 32. The Property and any Water Rights sought to be taken are already devoted to public  
14 uses. Inyo’s proposed use is not a compatible use.

15 **EIGHTH SEPARATELY STATED DEFENSE**

16 **(Available Alternatives)**

17 33. Inyo’s proposed project has not been planned or located in a manner that is most  
18 compatible with the greatest public good in that there are alternatives to Inyo’s condemnation.

19 **NINTH SEPARATELY STATED DEFENSE**

20 **(Failure to Comply with CEQA)**

21 34. Before adopting its August 15, 2017 Resolution of Necessity and before filing this  
22 eminent domain proceeding, Inyo failed and refused to satisfy its obligations under CEQA. Such  
23 failure and refusal included, but were not limited to:

- 24 (a) Inyo failed to provide an adequate project description;
- 25 (b) Inyo’s proposed project is not exempt from CEQA;
- 26 (c) Inyo failed to evaluate the environmental impacts of its proposed project;
- 27 (d) Inyo is attempting to piecemeal environmental review in violation of CEQA;

28 and

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1 (e) Other grounds as provided by law.

2 35. Inyo's failure to comply with CEQA requires that this action be dismissed.

3 **TENTH SEPARATELY STATED DEFENSE**

4 **(Adjudicated Area)**

5 36. Inyo's attempt to condemn the Property and any Water Rights through the Complaint is  
6 barred by prior determinations regarding the management of land and water resources within Inyo  
7 County, including the Stipulation and Order for Judgment in *City of Los Angeles v. Board of*  
8 *Supervisors of the County of Inyo* (Inyo County Superior Court Case No. 12908).

9 **ELEVENTH SEPARATELY STATED DEFENSE**

10 **(Exclusive Remedy)**

11 37. Inyo's attempt to condemn the Property through the Complaint is barred because  
12 Inyo's exclusive remedy is through compliance with the terms of the Inyo/LA Long Term Water  
13 Agreement and the Dispute Resolution procedures set forth in the Stipulation and Order for Judgment  
14 in *City of Los Angeles v. Board of Supervisors of the County of Inyo* (Inyo County Superior Court  
15 Case No. 12908).

16 **TWELFTH SEPARATELY STATED DEFENSE**

17 **(Preemption)**

18 38. Inyo's attempt to condemn the Property and any Water Rights through the Complaint is  
19 barred because it is preempted by federal law.

20 **THIRTEENTH SEPARATELY STATED DEFENSE**

21 **(Uncertainty)**

22 39. Code of Civil Procedure section 430.10(f) bars Inyo from obtaining the requested relief  
23 against LADWP through the Complaint because the Complaint is uncertain, ambiguous, and  
24 unintelligible.

25 **FOURTEENTH SEPARATELY STATED DEFENSE**

26 **(Severance Damages)**

27 40. The Property and appurtenant Water Rights are part of a larger parcel of lands, water  
28 rights, and facilities owned, managed, and operated by LADWP to sustain the desert environment,

1 maintain vegetation, and supply domestic and agricultural water to the City and Inyo County. By  
2 condemning the Property and any Water Rights, Inyo will cause considerable temporary and  
3 permanent damage to the remainder as a result of both (a) the remainder's severance from the part  
4 taken; and (b) the implementation and/or use of the part taken by Inyo based on Inyo's proposed  
5 project as proposed. Inyo's proposed taking will impose damages on LADWP far beyond the claims  
6 to land and facilities in the Owens Valley.

7 **FIFTEENTH SEPARATELY STATED DEFENSE**

8 **(Cost of an Independent Appraisal)**

9 41. Pursuant to Code of Civil Procedure section 1263.025(a), LADWP is entitled to  
10 payment by Inyo of the reasonable cost, not to exceed \$5,000, of an independent appraisal ordered by  
11 LADWP.

12 **SIXTEENTH SEPARATELY STATED DEFENSE**

13 **(Reservation of Defenses)**

14 42. LADWP alleges that as the Complaint is set forth in conclusory terms, LADWP cannot  
15 fully anticipate all Separately Stated Defenses that may be applicable to this action. Accordingly, the  
16 right to assert additional Separately Stated Defenses, if and to the extent that such Separately Stated  
17 Defenses are applicable, is hereby reserved.

18 **PRAYER**

19 **WHEREFORE**, LADWP prays for judgment as follows:

- 20 1. Ruling that Inyo does not have the right to take the Property or any Water Rights;  
21 2. Dismissing the action based on Inyo's lack of power to condemn the Property or any  
22 Water Rights;  
23 3. Awarding LADWP allowable litigation expenses, attorneys' fees, and costs of suit  
24 incurred; and  
25 4. Granting LADWP such other and further relief as the Court deems just and proper.  
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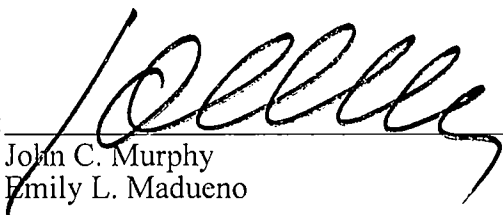
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In the alternative, and if the Court determines that Inyo does have the right to condemn the Property and/or any Water Rights, for judgment as follows:

1. Ascertaining and determining just compensation for LADWP's interest in the Property, any Water Rights, improvements, severance damages to LADWP's remainder, and such other compensation as provided by law;
2. Ordering that the amount so ascertained and determined be paid by Inyo to LADWP or into Court for LADWP's benefit, together with interest as provided by law;
3. Awarding LADWP allowable litigation expenses, attorneys' fees, and costs of suit incurred; and
4. Granting LADWP such other and further relief as the Court deems just and proper.

DATED: March 20, 2018

MURPHY & EVERTZ LLP

By: 

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John C. Murphy  
Emily L. Madueno

Attorneys for Defendant  
THE CITY OF LOS ANGELES,  
ACTING BY AND THROUGH ITS  
DEPARTMENT OF WATER AND POWER

# **EXHIBIT 1**





## COUNTY OF INYO

ADMINISTRATOR'S OFFICE

KEVIN D. CARUNCHIO

COUNTY ADMINISTRATIVE OFFICER



May 8, 2017

David H. Wright, General Manager  
Los Angeles Department of Water and Power  
15<sup>th</sup> Floor  
111 North Hope Street  
Los Angeles, California 90012

Re: Government Code section 7267.2 Precondemnation Offer  
Bishop-Sunland Landfill, 110 Sunland Reservation Road, Bishop

As you are aware, the County of Inyo ("County") is planning the acquisition of properties owned by the Los Angeles Department of Water and Power ("LADWP") and operated by the County as landfill sites in the cities of Bishop, Independence, and Lone Pine (the "Properties"). This letter addresses the acquisition of the Bishop landfill site, which is more particularly identified on the enclosed Exhibit ("Bishop Site").

In March 2017, you were informed that the County would be completing an appraisal of the Properties. The appraisals have been completed by the County's independent appraiser and reviewed by the County. The appraisals are believed to have concluded values representing the fair market values of the Properties.

The appraisal concluded a value for the Bishop Site of \$297,000, using a date of value of December 1, 2016. This value is the amount being offered herein as just compensation for the Bishop Site. The basis for the computation of compensation is explained in the Appraisal Summary enclosed herewith. The Appraisal Summary is presented in compliance with state laws.

You will find the following documents enclosed for your review:

- Property Exhibit
- Informational Brochure
- Appraisal Summary Statement

## EL CAMINO SIERRA

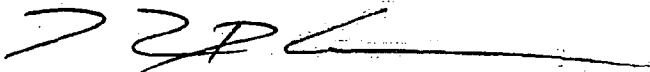
David H. Wright  
May 8, 2017  
Page Two

Pursuant to Code of Civil Procedure section 1263.025 should LADWP, as the owner of the Bishop Site, elect to obtain an independent appraisal, the County will pay for the actual reasonable costs of the appraisal up to \$5,000, subject to the following:

- a) LADWP, not the County, must order the appraisal. Should LADWP enter into a contract with an appraiser, the County will not be a party to the contract.
- b) The selected appraiser must be licensed with the Office of Real Estate Appraisers (OREA).
- c) The costs must be reasonable.

Please contact me at your earliest convenience at (760) 878-0292 to discuss this offer and address any questions that you may have.

Sincerely,



Kevin D. Carunchio  
Inyo County Administrative Officer

cc: Board of Supervisors  
Board of Water and Power Commissioners  
Richard F. Harasick, Senior Assistant General Manager – Water System

**EL CAMINO SIERRA**

## APPRAISAL SUMMARY STATEMENT

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### Appraisers:

Smith & Associates, Inc.  
Terry S. Larson, MAI  
William Schnitzer, ASA

### Statutory Basis of Valuation

The market value for the property to be acquired by the County of Inyo is based upon an appraisal in accordance with accepted appraisal principles and procedures.

Code of Civil Procedure Section 1263.320 defines Fair Market Value as follows:

- a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.
- b) The fair market value of property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.

The fair market value for the property to be acquired by the County of Inyo is based upon Code of Civil Procedure section 1263.320(a) as defined above.

### Basic Property Data

Property Location: Southeast corner of Sunland Reservation Road and Sunland Drive, Bishop, California

Assessor's Parcel No.: Portion of 013-020-07

Current Use: Solid Waste Landfill Facility

Improvements: None

Larger Parcel Size: 118.53 acres

Owner: Los Angeles Department of Water and Power (LADWP)

Proposed Acquisition: 118.53 acres – Full Acquisition of Larger Parcel

Property Interest Appraised: Fee Simple Estate

Applicable Zoning: P, Public

General Plan: PF, Public Facilities

Highest and Best Use: Recreation, grazing or single family home site

**Basis of Valuation**

Date of valuation: December 1, 2016

1. The Sales Comparison approach is based on the consideration and adjustment of comparable land sales.

Indicated value by Sales Comparison Approach:

118.53 acres x \$2,500 per acre = \$296,325

Rounded: \$297,000

See attached sheet for principal transactions.

2. The Cost Approach is based in part on a replacement cost new of improvements less depreciation.

The Cost Approach was not used as it was concluded that it would not be a good indicator of value for this property.

3. The income approach is based on an analysis of income and expenses to the property.

The income approach was not used as it was concluded that it would not be a good indicator of value for this property.

Reconciliation of values based on the above approaches to value: \$297,000

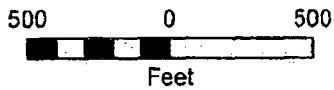
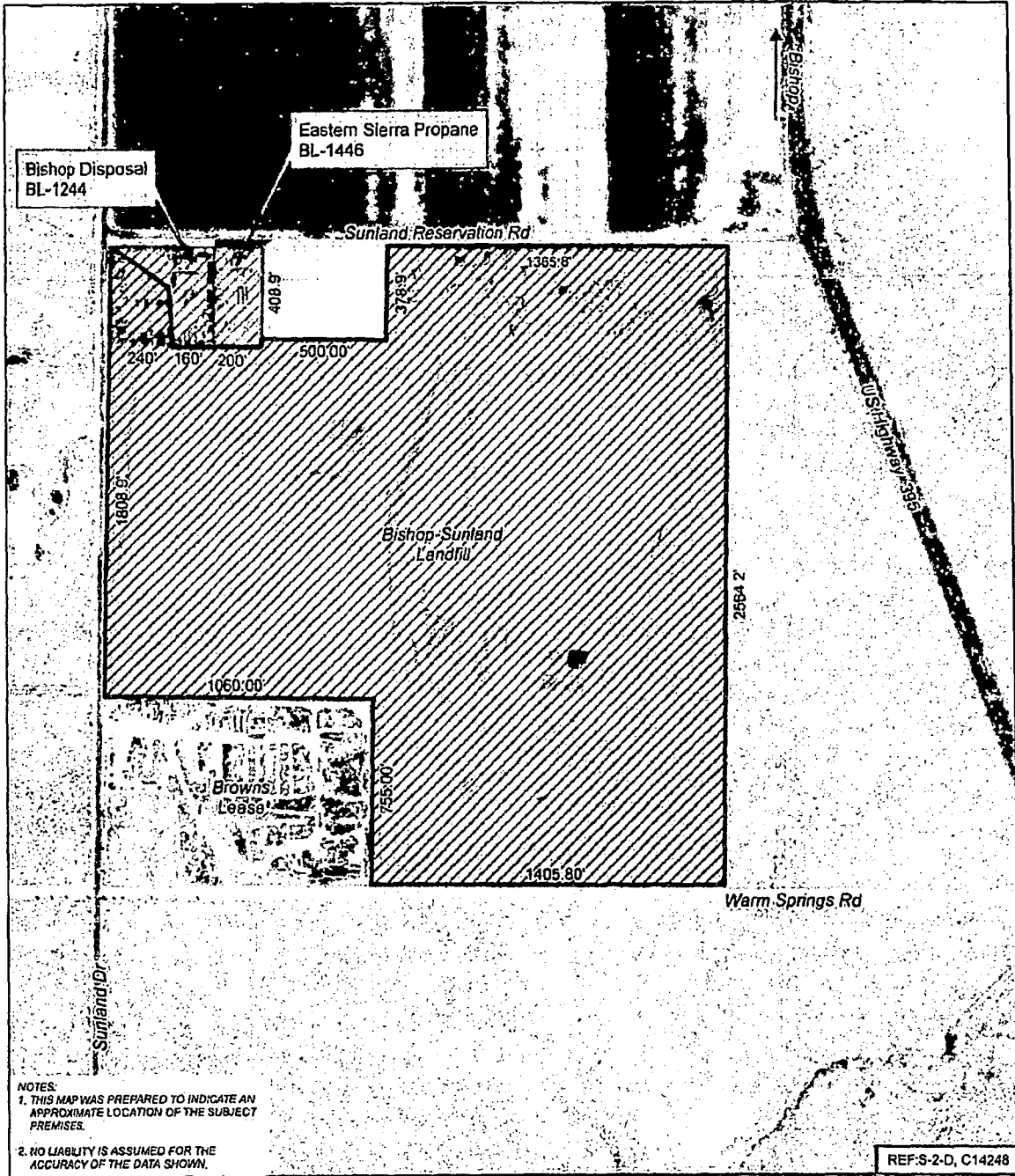
Damages: N/A

Benefits: N/A

**JUST COMPENSATION FOR ACQUISITION: \$297,000**

<b>Land Sales Table</b>						
<b>No.</b>	<b>Location/APN</b>	<b>Recording Date</b>	<b>Parcel Size</b>	<b>Sale Price</b>	<b>Price per Acre</b>	<b>GP Zoning</b>
	<b>Subj. Bishop-Sundland 013-020-07 N. Owens Valley</b>	<b>N/A</b>	<b>118.53</b>	<b>N/A</b>	<b>N/A</b>	<b>A OS-40</b>
<b>1</b>	<b>S. of Olancha S. Owens Valley 033-510-050</b>	<b>04/28/15</b>	<b>120.81</b>	<b>\$120,000</b>	<b>\$993</b>	<b>RE RR/5.0</b>
<b>2</b>	<b>1512 Bramlett Ranch Road N. Owens Valley 024-080-011</b>	<b>05/07/10</b>	<b>99.98</b>	<b>\$250,000</b>	<b>\$2,501</b>	<b>AG (Land Use)</b>
<b>3</b>	<b>North of Bartlett N. Owens Valley 029-100-061</b>	<b>08/06/09</b>	<b>31.80</b>	<b>\$80,000</b>	<b>\$2,516</b>	<b>RP OS-40</b>
<b>4</b>	<b>350 Lakeview Rd. S. of Olancha S. Owens Valley 033-240-012</b>	<b>03/18/08</b>	<b>121.90</b>	<b>\$140,000</b>	<b>\$1,148</b>	<b>OSR OS-40</b>
<b>5</b>	<b>50066 Hwy 395 N. of Pearsonville S. Owens Valley 037-250-030</b>	<b>12/28/06</b>	<b>139.86</b>	<b>\$150,000</b>	<b>\$1,073</b>	<b>NR OS-40</b>
<b>6</b>	<b>295 W. Lake St. N. of Cartago S. Owens Valley 029-200-030, 050</b>	<b>04/21/05</b>	<b>46.00</b>	<b>\$65,000</b>	<b>\$1,413</b>	<b>RP/RRH OS-40/RR</b>

EXHIBIT A



Subject Premises  
118.53 Ac.  
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**PROOF OF SERVICE**

*Inyo County v. Los Angeles Department of Water and Power; et al.*  
Inyo County Superior Court Case No. SICVCV18-62067  
The Honorable Brian J. Lamb, Dept. 1

I am a resident of the State of California, over 18 years of age and not a party to this action. I am employed in the County of Orange, State of California. My business address is 650 Town Center Drive, Suite 550, Costa Mesa, CA 92626.

On March 20, 2018, I served true copies of the following document(s) described as **ANSWER OF DEFENDANT CITY OF LOS ANGELES, ACTING BY AND THROUGH ITS DEPARTMENT OF WATER AND POWER, TO COMPLAINT IN EMINENT DOMAIN** on the interested parties in this action as follows:

**SEE SERVICE LIST**

**BY OVERNIGHT DELIVERY:** I enclosed said document(s) in an envelope or package provided by the overnight service carrier and addressed to the persons at the addresses listed in the Service List. I placed the envelope or package for collection and overnight delivery at an office or a regularly utilized drop box of the overnight service carrier or delivered such document(s) to a courier or driver authorized by the overnight service carrier to receive documents.

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

Executed on **March** 20, 2018, at Costa Mesa, California.

  
Mary Ann Mendoza

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**SERVICE LIST**

*Inyo County v. Los Angeles Department of Water and Power; et al.*  
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Inyo County

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Inyo County