

1 Michael B. Jackson Bar number 053808

2 75 Court St.
3 Box 207
4 Quincy, California
5 95971

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9 *Attorney for California Water Impact Network*
10 *AquAlliance, and California Sportfishing Protection*
11 *Alliance, Interested Parties.*

12 SUPERIOR COURT OF THE STATE OF CALIFORNIA
13 COUNTY OF SACRAMENTO

14 CALIFORNIA DEPARTMENT OF WATER
15 RESOURCES,

16 Plaintiff,

17 v.

18 ALL PERSONS INTERESTED IN THE
19 MATTER of the Authorization of California
20 WaterFix Revenue Bonds, the Issuance, Sale
21 and Delivery of California WaterFix Revenue
22 Bonds Series A, Series B and Subsequent
23 Series, the Adoption of the California
24 WaterFix Revenue Bond General Bond
25 Resolution and the Supplemental Resolutions
26 Providing the Issuance of California WaterFix
27 Revenue Bonds, and the Proceedings Related
28 Thereto,

Defendants;

CASE NO.: 34-2017-00215965

**ANSWER AND RESPONSE OF
CALIFORNIA WATER IMPACT
NETWORK, AQUALLIANCE,
CALIFORNIA SPORTFISHING
PROTECTION ALLIANCE, and
CALIFORNIA INDIAN WATER
COMMISSION TO COMPLAINT FOR
VALIDATION**

(Cal. Code Civ. Proc. §§ 860-870.5)

1 To protect their interests and preserve their claims and rights of action, interested parties
2 California Water Impact Network, AquAlliance, California Sportfishing Protection Alliance,
3 and California Indian Water Commission (collectively, “CWIN et. al.”) answer and respond to
4 the Complaint for Validation (“Complaint”) of Plaintiff California Department of Water
5 Resources (“DWR”) as follows:

6 **INTRODUCTION**

7 **ANSWER TO COMPLAINT FOR VALIDATION**

8 **Nature of the Action**

9 1. Answering Paragraph 1 of the Complaint, CWIN et. al. admit that the Complaint
10 purports to commence a validation action under Code Civ. Proc. § 860 et seq. and Gov. Code §
11 17700 and that DWR seeks a judgment confirming the validity of: (1) bonds DWR has allegedly
12 authorized to finance the capital costs of the California WaterFix; (2) the resolutions DWR
13 allegedly adopted in connection with those bonds; and (3) the pledge of revenues for their
14 repayment. Other than as expressly admitted, CWIN et. al. deny each and every allegation of
15 Paragraph 1.

16 2. Answering Paragraph 2 of the Complaint, CWIN et. al. admit that the
17 construction, operation and maintenance of California WaterFix is subject to statutory and
18 regulatory requirements, that DWR does not allege in its Complaint that it has satisfied all the
19 statutory and regulatory requirements to construct the California WaterFix, and that DWR
20 alleges that the Central Valley Project Act authorizes DWR to issue revenue bonds to finance
21 the capital costs of the California WaterFix and the pledge California WaterFix Revenues to
22 secure the payment of debt service on those bonds in the manner provided by the resolutions.
23 CWIN et. al. deny that the Central Valley Project Act authorizes DWR to issue revenue bonds
24 to finance the capital costs of the California WaterFix and the pledge California WaterFix
25 Revenues to secure the payment of debt service on those bonds in the manner provided by the
26 resolutions, or in any manner whatsoever. CWIN et. al. further deny that the statutory and
27 regulatory requirements for construction, operation and maintenance of the California WaterFix
28 are not at issue in this action. Except as expressly so admitted and denied, CWIN et. al. lack
sufficient knowledge to admit or deny the allegations of Paragraph 2 and, on that basis, deny
each and every remaining allegation of Paragraph 2.

1 **The Parties**

2 3. Answering Paragraph 3 of the Complaint, CWIN et. al. admit that DWR is a
3 department of the Natural Resources Agency of the State of California. Except as expressly so
4 admitted, CWIN et. al. lack sufficient knowledge to admit or deny the allegations of Paragraph 3
5 and, on that basis, deny each and every remaining allegation of Paragraph 3.

6 4. Answering Paragraph 4 of the Complaint, CWIN et. al. admit the allegations
7 therein.

8 5. Answering Paragraph 5 of the Complaint, CWIN et. al. lack sufficient knowledge
9 to admit or deny the allegations of Paragraph 5 and, on that basis, deny each and every
10 remaining allegation of Paragraph 5.

11 **Jurisdiction and Venue**

12 6. Answering Paragraph 6 of the Complaint, Paragraph 6 sets forth legal conclusions
13 and/or statements of law as to which no response is required. To the extent Paragraph 6 may be
14 deemed to contain statements of fact, CWIN et. al. deny all such allegations.

15 7. Answering Paragraph 7 of the Complaint, CWIN et. al. admit the allegations
16 therein.

17 **The Project**

18 8. Answering Paragraph 8 of the Complaint, CWIN et. al. admit that DWR operates
19 and manages facilities which store, transport and deliver water to urban and agricultural water
20 agencies throughout the State and that DWR has approved, planned and constructed s system of
21 water storage and transportation and power general facilities that for purposes of the Complaint
22 DWR refers to as “the ‘Project.’” Except as expressly so admitted, CWIN et. al. lack sufficient
23 knowledge to admit or deny the allegations of Paragraph 8 and, on that basis, deny each and
24 every remaining allegation of Paragraph 8.

25 9. Answering Paragraph 9 of the Complaint, CWIN et. al. admit that DWR is
26 authorized to carry out duties and functions in relation to the Project by the Central Valley
27 Project Act (Cal. Water Code §§ 11100 et seq.) (the “CVP Act”) and the Burns-Porter Act (Cal.
28 Water Code §§ 12930 et seq.), and that DWR is authorized to construct units of the “project” as
defined by the CVP Act and to issue revenue bonds to pay the capital costs of those units.
Except as expressly so admitted, CWIN et. al. lack sufficient knowledge to admit or deny the

1 allegations of Paragraph 9 and, on that basis, deny each and every remaining allegation of
2 Paragraph 9.

3 10. Answering Paragraph 10 of the Complaint, CWIN et. al. admit the allegations
4 therein.

5 11. Answering Paragraph 11 of the Complaint, CWIN et. al. admit the allegations
6 therein.

7 12. Answering Paragraph 12 of the Complaint, CWIN et. al. admit the allegations
8 therein.

9 **The California WaterFix**

10 13. Answering Paragraph 13 of the Complaint, CWIN et. al. admit that DWR has in
11 recent years undertaken plans for delivery of Project water across the Delta. Except as
12 expressly so admitted, CWIN et. al. lack sufficient knowledge to admit or deny the allegations
13 of Paragraph 13 and, on that basis, deny each and every remaining allegation of Paragraph 13.

14 14. Answering Paragraph 14 of the Complaint, CWIN et. al. admit that DWR purports
15 to have approved the financing of the planning and design and, if and when appropriate, the
16 acquisition and construction of the conveyance facilities referred to as the California WaterFix.
17 CWIN et. al. admit that the California WaterFix would, among other things, transport water
18 from new intake points on the Sacramento River across the Delta by two underground tunnels
19 running below the natural waterways of the Delta to export facilities at the southern edge of the
20 Delta. CWIN et. al. deny that the California WaterFix would reduce the necessity of
21 transporting Project water through the Delta's natural waterways. Except as expressly so
22 admitted and denied, CWIN et. al. lack sufficient knowledge to admit or deny the allegations of
23 Paragraph 14 and, on that basis, deny each and every remaining allegation of Paragraph 14.

24 15. Answering Paragraph 15 of the Complaint, CWIN et. al. admit that DWR has
25 adopted resolutions which purport to authorize the issuance of revenue bonds, the proceeds of
26 which DWR claims would be used to pay the capital costs of the California WaterFix. CWIN
27 et. al. further admit that DWR's authority to finance the California WaterFix as one or more
28 units of the Project, separate and apart from other units of the Project, and in accordance with
the terms of the Resolution and Supplemental Resolutions, is a subject of this validation action.
CWIN et. al deny, however, that it is the sole subject of this validation action. Except as

1 expressly so admitted and denied, CWIN et. al. lack sufficient knowledge to admit or deny the
2 allegations of Paragraph 15 and, on that basis, deny each and every remaining allegation of
3 Paragraph 15.

4 **Statutory Authority for the California WaterFix**

5 16. Answering Paragraph 16 of the Complaint, CWIN et. al. admit that under the CVP
6 Act DWR is authorized to construct and operate the Project and to issue revenue bonds to pay
7 for it. CWIN et. al. admit that DWR has discretion and authority to determine the need for the
8 Project and the nature of Project facilities, but denies that DWR's discretion and authority in
9 such matters is unlimited or uncircumscribed by California statutory and common law,
10 contractual agreements, and federal law. Except as expressly so admitted and denied, CWIN
11 et. al. lack sufficient knowledge to admit or deny the allegations of Paragraph 16 and, on that
12 basis, deny each and every remaining allegation of Paragraph 16.

13 17. Answering Paragraph 17 of the Complaint, Paragraph 17 sets forth a quotation
14 from, and description of, a statutory provision and, as such, requires no response.

15 18. Answering Paragraph 18 of the Complaint, CWIN et. al. deny that section 11260
16 of the CVP Act authorizes DWR to include the California WaterFix as one or more of the units
17 "provided for in this chapter." To the extent that Paragraph 18 merely sets forth a quotation
18 from a statute, it requires no response.

19 19. Answering Paragraph 19 of the Complaint, Paragraph 19 merely sets forth a
20 quotation from a statute and, to that extent, requires no response. To the extent Paragraph 19
21 may be deemed to contain statements of fact, CWIN et. al. deny all such allegations.

22 20. Answering Paragraph 20 of the Complaint, including the two footnotes to that
23 paragraph, Paragraph 20 sets forth quotations from a California statute and decisions of
24 California courts and, to that extent, requires no response. To the extent Paragraph 20 may be
25 deemed to contain statements of fact and characterizations of applicable law, CWIN et. al. deny
26 all such allegations.

27 21. Answering Paragraph 21 of the Complaint, Paragraph 21 sets forth a quotation
28 from a California statute and, to that extent, requires no response. To the extent Paragraph 21
may be deemed to contain statements of fact and characterizations of law, CWIN et al. deny all
such allegations.

1 To the extent Paragraph 28 may be deemed to contain statements of fact, CWIN et. al. deny all
2 such allegations.

3 29. Answering Paragraph 29 of the Complaint, CWIN et. al. admit that the Resolution
4 recites that DWR determined “that the public interest and necessity require the carrying out of
5 the objects and purposes of the [CVP] Act by the acquisition and construction” of the California
6 WaterFix. Except as expressly so admitted and denied, CWIN et. al. lack sufficient knowledge
7 to admit or deny the allegations of Paragraph 29 and, on that basis, deny each and every
8 remaining allegation of Paragraph 29.

9 30. Answering Paragraph 30 of the Complaint, Paragraph 30 sets forth verbatim sections
10 of text from the Resolution and, to that extent, requires no response. CWIN et. al. deny, on
11 information and belief, that the findings and determinations in the Resolution were made
12 pursuant to and in accordance with Section 11701 of the CVP Act and otherwise in accordance
13 with the CVP Act.

14 31. Answering Paragraph 31 of the Complaint, Paragraph 31 sets forth a quotation from
15 the Resolution and, as such, requires no response.

16 32. Answering Paragraph 32 of the Complaint, Paragraph 32 sets forth a quotation from
17 the Resolution and, as such, requires no response. To the extent Paragraph 32 may be deemed to
18 contain statements of fact, CWIN et. al. deny all such allegations.

19 33. Answering Paragraph 33 of the Complaint, Paragraph 33 sets forth a quotation from
20 the Resolution and, as such, requires no response. To the extent Paragraph 33 may be deemed to
21 contain statements of fact, CWIN et. al. deny all such allegations.

22 34. Answering Paragraph 34 of the Complaint, Paragraph 34 sets forth a quotation from
23 the Resolution and, as such, requires no response. CWIN et. al. lack sufficient knowledge to
24 admit or deny the remaining allegations of Paragraph 34 and, on that basis, deny each and every
25 remaining allegation of Paragraph 34.

26 35. Answering Paragraph 35 of the Complaint, CWIN et. al. admit that the Resolution
27 purports to authorize issuance of Bond Anticipation Bonds and Refunding Bonds. Except as
28 expressly so admitted and denied, CWIN et. al. lack sufficient knowledge to admit or deny the
allegations of Paragraph 35 and, on that basis, deny each and every remaining allegation of
Paragraph 35.

1 36. Answering Paragraph 36 of the Complaint, Paragraph 36 sets forth a quotation from
2 the Resolution and, as such, requires no response.

3 **The First and Second Supplemental Resolutions**

4 37. Answering Paragraph 37 of the Complaint, CWIN et. al. admit the allegations therein.

5 38. Answering Paragraph 38 of the Complaint, to the extent Paragraph 38 consists of
6 quotations from the First Supplemental Resolution it requires no response. CWIN et. al. lack
7 sufficient knowledge to admit or deny the remaining allegations of Paragraph 38 and, on that
8 basis, deny each and every remaining allegation of Paragraph 38.

9 39. Answering Paragraph 39 of the Complaint, Paragraph 39 sets forth a quotation from
10 the Resolution and, as such, requires no response.

11 40. Answering Paragraph 40 of the Complaint, to the extent Paragraph 40 consists of
12 quotations from the Second Supplemental Resolution it requires no response. CWIN et. al. lack
13 sufficient knowledge to admit or deny the remaining allegations of Paragraph 40 and, on that
14 basis, deny each and every remaining allegation of Paragraph 40.

15 **Statutory Authority to Bring this Validation Action**

16 41. Answering Paragraph 41 of the Complaint, CWIN et. al. allege that Paragraph 41
17 sets forth legal conclusions and/or statements of law as to which no response is required. To the
18 extent Paragraph 41 may be deemed to contain statements of fact, CWIN et. al. deny all such
19 allegations.

20 42. Answering Paragraph 42 of the Complaint, Paragraph 42 sets forth legal conclusions
21 and/or statements of law as to which no response is required. To the extent Paragraph 42 may
22 be deemed to contain statements of fact, CWIN et. al. deny all such allegations.

23 43. Answering Paragraph 43 of the Complaint, Paragraph 43 sets forth legal conclusions
24 and/or statements of law as to which no response is required.

25 44. Answering Paragraph 44 of the Complaint, Paragraph 44 sets forth legal conclusions
26 and/or statements of law as to which no response is required. To the extent Paragraph 44 may
27 be deemed to contain statements of fact, CWIN et. al. deny all such allegations.

28 **Service By Publication of Summons**

 45. Answering Paragraph 45 of the Complaint, Paragraph 45 sets forth legal conclusions
and/or statements of law as to which no response is required.

1 46. Answering Paragraph 46 of the Complaint, CWIN et. al. lack
2 sufficient knowledge to admit or deny the allegations of Paragraph 46 and, on that basis, deny
3 each and every allegation of Paragraph 46.

4 47. Answering Paragraph 47 of the Complaint, CWIN et. al. lack
5 sufficient knowledge to admit or deny the allegations of Paragraph 47 and, on that basis, deny
6 each and every allegation of Paragraph 47.

7 48. Answering Paragraph 48 of the Complaint, CWIN et. al. lack
8 sufficient knowledge to admit or deny the allegations of Paragraph 48 and, on that basis, deny
9 each and every allegation of Paragraph 48.

10 **First Cause of Action**

11 (Determination of Validity)

12 49. Answering Paragraph 49 of the Complaint, CWIN et. al.
13 incorporate by reference as though fully set forth herein their responses in paragraphs 1 through
14 48, inclusive, above.

15 50. Answering Paragraph 50 of the Complaint, CWIN et al.
16 deny the allegations therein and deny, further, the DWR is entitled to any declaratory relief
17 whatsoever.

18 **Prayer for Relief**

19 51. Answering Paragraph 51 of the Complaint, CWIN et. al
20 admit that DWR prays for the relief described in Paragraph 51. Except as expressly so admitted,
21 CWIN et. al. lack sufficient knowledge to admit or deny the allegations of Paragraph 51 and, on
22 that basis, deny each and every allegation of Paragraph 51.

23 52. Answering Paragraph 52 of the Complaint, CWIN et. al.
24 admit that DWR prays for the relief described in Paragraph 52. Except as expressly so admitted,
25 CWIN et. al. lack sufficient knowledge to admit or deny the allegations of Paragraph 52 and, on
26 that basis, deny each and every allegation of Paragraph 52.

27 53. Answering Paragraph 53 of the Complaint, CWIN et. al.
28 admit that DWR prays for the relief described in Paragraph 53. Except as expressly so admitted
CWIN et. al. lack sufficient knowledge to admit or deny the allegations of Paragraph 53 and, on
that basis, deny each and every allegation of Paragraph 53.

1 54. Answering Paragraph 54 of the Complaint, CWIN et. al.
2 admit that DWR prays for the relief described in Paragraph 54. Except as expressly so admitted,
3 CWIN et. al. deny the allegations of Paragraph 54.

4 55. Answering Paragraph 55 of the Complaint, CWIN et. al.
5 admit that DWR prays for the relief described in Paragraph 55. Except as expressly so admitted,
6 CWIN et. al. deny that DWR is entitled to the relief sought in Paragraph 55 or to any injunctive
7 or other form of relief whatsoever.

8 56. Answering Paragraph 56 of the Complaint, CWIN et. al. admit that DWR prays
9 for the relief described in Paragraph 56. Except as expressly so admitted, CWIN et. al. deny that
10 DWR is entitled to the relief sought in Paragraph 56 or to any other form of relief whatsoever.

11 57. Answering Paragraph 57 of the Complaint, CWIN et. al. admit that DWR prays
12 for the relief described in Paragraph 57. Except as expressly so admitted, CWIN et. al. deny that
13 DWR is entitled to the relief sought in Paragraph 57 or to any injunctive or other form of relief
14 whatsoever.

15 **ADDITIONAL DEFENSES**

16 **FIRST DEFENSE**

17 (Failure to State a Claim)

18 The Complaint fails to state facts sufficient to state any cause of action against CWIN et.
19 al.

20 **SECOND DEFENSE**

21 (Prematurity/Ripeness)

22 There is no ripe case or controversy because conditions of the bond offering have not yet
23 occurred. Given the breadth and scope of the Complaint, the validation action is premature.

24 **THIRD DEFENSE**

25 (Uncertainty)

26 The Complaint is uncertain, ambiguous, and vague in defining the nature of the actions
27 sought to be validated and the scope of the relief requested.
28

