1 BEST BEST & KRIEGER LLP **EXEMPT FROM FILING FEES** ERIC L. GARNER, Bar No. 130665 UNDER GOVERNMENT CODE 2 JEFFREY V. DUNN, Bar No. 131926 **SECTION 6103** WENDY Y. WANG, Bar No. 228923 3 18101 VON KARMAN AVENUE, SUITE 1000 IRVINE, CALIFORNIA 92612 4 TELEPHONE: (949) 263-2600 TELECOPIER: (949) 260-0972 5 Attorneys for Cross-Complainant LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40 6 OFFICE OF COUNTY COUNSEL 7 COUNTY OF LOS ANGELES MARY WICKHAM, BAR NO. 145664 8 COUNTY COUNSEL WARREN WELLEN, Bar No. 139152 9 PRINCIPAL DEPUTY COUNTY COUNSEL 500 WEST TEMPLE STREET 10 LOS ANGELES, CALIFORNIA 90012 TELEPHONE: (213) 974-8407 11 TELECOPIER: (213) 687-7337 12 Attorneys for Cross-Complainant LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40 13 SUPERIOR COURT OF THE STATE OF CALIFORNIA 14 COUNTY OF LOS ANGELES – CENTRAL DISTRICT 15 ANTELOPE VALLEY GROUNDWATER **Judicial Council Coordination Proceeding** CASES No. 4408 16 Included Actions: **CLASS ACTION** Los Angeles County Waterworks District No. 40 v. 17 Diamond Farming Co., Superior Court of California, County of Los Angeles, Case No. BC Santa Clara Case No. 1-05-CV-049053 18 325201; Assigned to the Honorable Jack Komar Los Angeles County Waterworks District No. 40 v. 19 Diamond Farming Co., Superior Court of LOS ANGELES COUNTY California, County of Kern, Case No. S-1500-CV-WATERWORKS DISTRICT NO. 40'S 20 254-348; NOTICE OF ELECTION AND **HEARING; MEMORANDUM OF** Wm. Bolthouse Farms, Inc. v. City of Lancaster, 21 POINTS AND AUTHORITIES RE Diamond Farming Co. v. City of Lancaster, Diamond Farming Co. v. Palmdale Water Dist., **ELECTION FOR PERIODIC** 22 Superior Court of California, County of Riverside, **PAYMENTS: DECLARATION OF** Case Nos. RIC 353 840, RIC 344 436, RIC 344 **JEFFREY V. DUNN** 23 Rebecca Lee Willis v. Los Angeles County 24 Waterworks District No. 40, et al., Superior Court Date: October 18, 2016 of California, County of Los Angeles, Case No. 9:00 a.m. Time: 25 BC364533 Dept.: Room 222 (LASC) Richard Wood v. Los Angeles County Waterworks 26 District No. 40, et al., Superior Court of California, County of Los Angeles, Case No. 27 BC391869 28

# LAW OFFICES OF BEST BEST & KRIEGER LLP VON KARMAN AVENUE, SUITE 1000 IRVINE, CALIFORNIA 92612

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#### NOTICE OF ELECTION AND HEARING REQUEST

#### TO ALL PARTIES AND ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that Los Angeles County Waterworks District No. 40 ("District No. 40") hereby elects to make periodic payments of the award of attorneys' fees and costs ("Award of Fees and Costs") to the Wood Class, as ordered in:

- the Order After Hearing on July 28, 2016, dated August 15, 2016 and electronically served on August 18, 2016;
- the Order Clarifying Order After Hearing on April 1, 2016, entered on June 28, 2016; and
- the Order After Hearing on April 1, 2016, dated April 25, 2016 and entered on June 17, 2016.

PLEASE TAKE FURTHER NOTICE that on October 18, 2016 at 9:00 a.m., or on any other date and time determined by the Court, at 111 North Hill Street, Los Angeles, California, in Room 222 or such other location as determined by the Court, a hearing will be held on District No. 40's election for periodic payments.

The election and hearing request are made pursuant to Government Code section 984, California Rules of Court, Rule 3.1804, the attached Memorandum of Points and Authorities and Declaration of Jeffrey V. Dunn, and any other oral and documentary evidence presented at the hearing.

Dated: September 20, 2016 BEST BEST & KRIEGER LLP

> FREY V. DUNN WENDY Y. WANG Attorneys for Defendant LOS ANGELES COUNTY

WATERWORKS DISTRICT NO. 40

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#### **MEMORANDUM OF POINTS AND AUTHORITIES**

Pursuant to Government Code section 984 and California Rules of Court, Rule 3.1804, Los Angeles County Waterworks District No. 40 ("District No. 40") hereby elects to make periodic payments of the award of attorneys' fees and costs to the Wood Class ("Award of Fees and Costs"), as ordered in: (1) the Order After Hearing on July 28, 2016, dated August 15, 2016 and electronically served on August 18, 2016; (2) the Order Clarifying Order After Hearing on April 1, 2016, entered on June 28, 2016; and (3) the Order After Hearing on April 1, 2016, dated April 25, 2016 and entered on June 17, 2016.

### I. THE MONETARY THRESHOLD FOR DISTRICT NO. 40'S PERIODIC PAYMENT ELECTION IS \$1,450,000

Government Code section 984 allows a public entity to pay judgments in periodic payments by election if the judgment on a tort claims action exceeds \$1,450,000.<sup>1</sup> The Court issued a total of three orders awarding fees and costs to the Wood Class, to be paid by District No. 40 and other parties:

- 1. \$49,157.02 in pre-judgment costs;
- 2. \$134,662.50 in supplemental post-judgment fees;
- 3. \$1,838.37 in post-judgment costs; and
- 4. \$2,349,624.00 in pre-judgment fees.

The Award of Fees and Costs totals \$2,535,281.89. Pursuant to the clarifying order and the subsequent order on supplemental fees and costs, District No. 40 is to pay for 74.76% of the Award of Fees and Costs or \$1,895,376.74. This amount exceeds the required threshold and qualifies for an election to make periodic payments.

## II. <u>SECTION 984 APPLIES TO CLAIMS FOR MONEY OR DAMAGES AGAINST</u> <u>GOVERNMENT ENTITIES</u>

The Award of Fees and Costs is a judgment on a tort claims action against public entities.

California courts have long interpreted tort claims action against public entities to be any actions

<sup>&</sup>lt;sup>1</sup> Government Code section 984 set the threshold at \$725,000 for January 1, 1996 but implements a 5% increase on the \$725,000 amount on January of each year. Thus, the threshold amount for 2016 is \$1,450,000. (Rutter Cal. Prac. Guide, Enforcing Judgments and Debts § 6:56.12.)

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in which plaintiffs are seeking money or damages against government entities. (E.g., Baines Pickwick v. City of Los Angeles (1999) 72 Cal. App. 4th 298, 304 ["Even a cursory review of the statutory scheme [of the Government Torts Claims Act] makes it obvious the Legislature did not intend to exempt contract claims from the claims presentation requirements. With certain exceptions not applicable here, no suit for 'money or damages' may be brought against a local public entity until a written claim therefor has been presented to the public entity and either has been acted upon or is deemed to have been rejected."].) "In short, unless specifically excepted, any action for money or damages, whether sounding in tort, contract or some other theory, may not be maintained" until the plaintiffs have complied with the Act. (Alliance Financial v. City and County of San Francisco (1998) 64 Cal. App. 4th 635, 642 [emphasis added]; Gatto v. County of Sonoma (2002) 98 Cal. App. 4th 744, 763 ["the Legislature intended all claims for money or damages against a public entity to be governed by the statutory procedure 'unless specifically exempted." [quoting Gehman v. Superior Court (1979) 96 Cal.App.3d 257, 262].) For that reason, courts have referred to the Act as the "Government Claims Act." (Hart v. County of Alameda (1999) 76 Cal. App. 4th 766, 774, fn. 2 ["Although this statute is more commonly known as the California Tort Claims Act, we agree with those courts that have suggested this label is misleading and have instead adopted the more accurate Government Claims Act identification."].)

Here, the Wood Class sought money and damages against District No. 40. In fact, three of the five Wood Class requests for reliefs are for money or damages. The Wood Class in its complaint sought "economic and compensatory damages," "damages from the public entity defendants in the full amount that will compensate Plaintiff and the Class for past and future takings by those Defendants and damages for past and future property infringement," and "costs of this suit, including reasonable attorneys' and experts' fees and other disbursements." The fact that the Wood Class also sought declaratory and equitable relief does not exempt the Wood Class from the Government Claims Act. (Loehr, supra, 147 Cal.App.3d at pp. 1080-81; Gatto, supra, 98 Cal.App.4th at pp. 762-64.) Nor is it relevant that the only monetary award the Wood Class obtained is attorney's fees. (See Gatto, supra, 98 Cal.App.4th at p. 763 [Government Claims Act

applies even though the attorney's fees award (\$23,700) was disproportionate to the damages obtained (\$1,000)].)

It is important to note that the Wood Class does not and cannot cite a single authority that section 984 does not apply to an award for attorneys' fees.

As the California Supreme Court noted: "[t]he intent of the [Claims Act] is not to expand the rights of plaintiffs in suits against governmental entities, but to confine potential governmental liability to rigidly delineated circumstances: immunity is waived only if the various requirements of the act are satisfied." (*Brown v. Poway Unified School Dist.* (1993) 4 Cal.4th 820, 829 [quoting *Williams v. Horvath* (1976) 16 Cal.3d 834, 838].) Any interpretation of the Government Claims Act must bear this intent in mind. (*TrafficSchoolOnline, Inc. v. Clarke* (2003) 112 Cal.App.4th 736, 741.) It is neither logical nor equitable to waive District No. 40's immunity under the Government Claims Act, and then deny that such waiver ever existed once District No. 40 elects to make payments under section 984.

Here, the Wood Class sought money and damages from District No. 40; consequently, the Wood Class action is subject to the Government Claims Act. District No. 40 may elect to make its payments on a periodic basis because section 984, subdivision (d), applies to monetary claims. To hold otherwise would contravene the intended purposes of Government Claims Act and section 984.

#### III. <u>ELECTION</u>

District No. 40 hereby elects to make periodic payments in accordance with Government Code section 984 and as outlined below:

- 50 percent of the amount owed by District No. 40 will be due within fifteen (15) days after the Award of Fees and Costs become final after the appeals<sup>2</sup>, if the Court of Appeals upholds the award of fees against District No. 40;
- The remaining 50 percent will be paid in equal amounts in ten (10) annual installments;

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<sup>&</sup>lt;sup>2</sup> An execution on a judgment solely for costs of suit, including statutory attorneys' fees pursuant to Code of Civil Procedure section 1021, *et seq.*, is automatically stayed by an appeal. (Cal. Code Civ. Proc. § 917.1, subd. (d); *Vadas v. Sosnowski* (1989) 210 Cal.App.3d 471, 472.)

Dated: September 20, 2016

1	Installment payments will be made on September 1st of each year, beginning in
2	the first calendar year after the initial payment is made; and
3	• Interest, at the same rate as one-year United States Treasury bills as of January 1
4	of each year, will accrue to the unpaid balance of the judgment, and on each
5	January 1 thereafter throughout the duration of the installment payments the
6	interest shall be adjusted until the judgment is fully satisfied.
7	District No. 40's election is timely as the final order for the Award of Fees and Costs was
8	served on August 18, 2016. Pursuant to California Rules of Court, Rules 2.251, subdivision
9	(h)(2), and 3.1804, subdivision (a), the deadline for District No. 40 to elect periodic payment
10	cannot be before September 21, 2016. <sup>3</sup>
11	IV. <u>CONCLUSION</u>
12	District No. 40 respectfully requests that the Court allow District No. 40 to make periodic
13	payments.

payments.

By.

ERIC L. GARNER
JEFFREY V. DUNN
WENDY Y. WANG
Attorneys for Defendant
LOS ANGELES COUNTY
WATERWORKS DISTRICT NO. 40

BEST BEST & KRIEGER LLP

<sup>3</sup> The Order After Hearing on July 28, 2016 does not appear on the docket for the Los Angeles Superior Court and thus, does not appear to have been entered.

# LAW OFFICES OF BEST BEST & KRIEGER LLP 18101 VON KARMAN AVENUE, SUITE 1000 IRVINE, CALIFORNIA 92612

#### **DECLARATION OF JEFFREY V. DUNN**

- 1. I am an attorney at law, licensed to practice in California. I am one of the attorneys for the Los Angeles County Waterworks District No. 40 ("District No. 40"). I make this declaration of my own knowledge, and if called as a witness, I could testify competently to all facts set forth herein.
- 2. Attached hereto as Exhibit 1 is a true and correct copy of the Order After Hearing on April 1, 2016, dated April 25, 2016 and entered on June 17, 2016.
- 3. Attached hereto as Exhibit 2 is a true and correct copy of the Order Clarifying Order After Hearing on April 1, 2016, entered on June 28, 2016.
- 4. Attached hereto as Exhibit 3 is a true and correct copy of the Order After Hearing on July 28, 2016, served on August 18, 2016.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed September 20, 2016 at Irvine, CA.

Jeffrey V. Dunn

# EXHIBIT 1

RECFIVED
JUN 1 7 2016

FILING WINDOW

Superior Court of California County of Los Angeles

JUN 17 2016

Sherri B Carter, Executive Officer/Clerk

By Raul Sanchez

#### SUPERIOR COURT OF CALIFORNIA COUNTY OF LOS ANGELES

#### ANTELOPE VALLEY GROUNDWATER CASES

**Included Consolidated Actions:** 

Los Angeles County Waterworks District No. 40 v. Diamond Farming Co. Superior Court of California County of Los Angeles, Case No. BC 325 201

Los Angeles County Waterworks District No. 40 v. Diamond Farming Co. Superior Court of California, County of Kern, Case No. S-1500-CV-254-348

Wm. Bolthouse Farms, Inc. v. City of Lancaster Diamond Farming Co. v. City of Lancaster Diamond Farming Co. v. Palmdale Water Dist. Superior Court of California, County of Riverside, consolidated actions, Case Nos. RIC 353 840, RIC 344 436, RIC 344 668

Rebecca Lee Willis v. Los Angeles County Waterworks District No. 40 Superior Court of California, County of Los Angeles, Case No. BC 364 553

Richard A. Wood v. Los Angeles County Waterworks District No. 40 Superior Court of California, County of Los Angeles, Case No. BC 391 869 Judicial Council Coordination Proceeding No. 4408 Jccp 4408

Lead Case No. BC 325 201

#### ORDER AFTER HEARING ON APRIL 1, 2016

(1) "Second Supplemental" Motion by Willis Plaintiffs for Attorneys' Fees, Costs and Incentive Award;

(2) Motion by Wood Plaintiffs for Award of Attorneys' Fees, Costs and Incentive Awards;

(3) Motion for an Order Setting the Parameters for Class Counsel's Future Release and Motion for Order Regarding Payment of Outstanding Fees of the Class Administrator

Judge: Honorable Jack Komar, Ret.

06/27/201

## "Second Supplemental" Motion by Willis Plaintiffs for Attorneys' Fees, Costs and Incentive Award Motion by Wood Plaintiffs for Award of Attorneys' Fees, Costs and Incentive Awards

Counsel for the Richard Wood and Rebecca Willis Classes have filed motions requesting attorneys' fees and costs. The motions were heard in Department One of the Santa Clara County Superior Court on April 1, 2016 at 1:30 p.m. pursuant to notice regularly given. Counsel appeared in person and telephonically, as reflected in the minutes of the court. By agreement of the parties, the matters were heard in Santa Clara County.

The moving, opposition, and reply papers for each motion were read and considered by the court and the parties orally argued the matters. The motions were ordered submitted. The court makes the following orders:

#### OBJECTIONS TO EVIDENCE.

The written objections to evidence filed by counsel for the Public Water Suppliers (PWS) are sustained. The filings were untimely, contained hearsay, dealt with settlement discussions which are privileged, and in many instances, arguments and evidence submitted was irrelevant and would not be of value in deciding the issues before the court. The court notes, however, that many of the materials submitted were of the courts records of the proceedings in various phases of trial and filings at case management hearings and to that extent are proper subjects for consideration by the court in its own consideration of the issues before the court based on the court's own records, whether or not cited by the parties.

The basic thrust, apparently, of the late materials filed by the parties seem to relate to the public's interest in the proceedings. The court is aware of the general public's interest in the proceedings within the adjudication area. That is a different public benefit and interest than is required in Code of Civil Procedure Section 1021.5, as discussed below.

#### THE MOTIONS

Counsel for both the Wood Class and the Willis Class seek attorneys' fees under theories of prevailing party and pursuant to Code of Civil Procedure Section 1021.5 as a private attorney general. The circumstances for each are different.

#### CASE HISTORY GENERALLY

This series of coordinated and consolidated cases initially arose in 1999 with actions brought by private real property owners seeking declaratory relief and to quiet title to their water rights. The actions were brought against appropriators who were producing water from the aquifer.

By 2005, other actions were initiated, first by the Public Water Supplier (PWS) who were producing water for municipalities and others, essentially seeking to establish prescriptive rights to water as well as declaratory relief, contending that the adjudication area was in overdraft. The PWS also prayed for a physical solution to limit all pumping from the aquifer and to bring it into balance and preserve the aquifer. In 2005 all pending related actions were ordered coordinated in these proceedings.

The Antelope Valley Adjudication area is comprised of over 1000 square miles and has a population in excess of 70,000 persons who depend on the aquifer and imported water for their needs. Several public water suppliers have for decades produced water from the aquifer for use both inside and outside of the adjudication area. The federal government as the largest land owner within the adjudication area (Edwards Air Force Base) produces water for military and related purposes within the adjudication area. The so-called "Land Owner "parties are agricultural, industrial, and individuals who also have pumped groundwater underlying their real property, often for decades.

The federal government is an important and necessary party to the adjudication because of its federal reserve rights in the adjudication area for military defense and research and because of its obligations to protect the environment and to further the public safety and good. The federal government was initially served at the direction of the court. The U.S. Attorney General thereafter raised issues of jurisdiction based on the comprehensive adjudication requirements of the Federal McCarran Act.

To satisfy the McCarran Act objections, and to ensure that all persons and other parties would be subject to the court's judgment, with the encouragement of the court, two class actions were created, coordinated, and later consolidated with all pending actions for purposes

of trial, to ensure that the coordinated actions would be a comprehensive adjudication for purposes of retaining jurisdiction over the federal government and so that any physical solution could be enforced against all persons claiming water rights. With the creation of the class actions, the court had jurisdiction over all persons who claimed either patent or latent water rights..

#### WILLIS NON-PUMPER CLASS

The Willis Class is composed of every land owner in the adjudication area (excepting only those who chose to opt out or who were otherwise parties to the adjudication) who did not and had not previously produced water from the adjudication area. In its class action complaint, the class sought declaratory relief and other related causes of action against the Public Water Suppliers' claims of prescription but did not sue or seek relief against any of the land owner parties who had been sued by the PWS.

In 2011, the Willis Class entered into a settlement with the PWS, stipulating and acknowledging that each class member was entitled to a non-allocated, correlative right as a dormant overlying owner. The settlement resulted in the PWS relinquishing any prescriptive claims against the class of non-pumpers in return for the class agreement to limit its correlative water rights to 85% of the federally adjusted safe yield, essentially ceding 15% of its dormant correlative water rights to the aquifer to the PWS. The PWS agreed to not seek future prescriptive water rights against the Class. At the time, it was unknown what the evidence would establish as the actual quantity of the Federal Reserve right. The settlement also occurred prior to the court rendering its partial statement of decision in Phase Three but after the court heard the evidence which established that the aquifer was in overdraft.

The Willis stipulated settlement and the judgment thereon did not grant any specific allocation or right to pump any specific amount of water, if any, from the aquifer (nor could it, since the agreement was limited to the claims the parties to the class action had against each other). It was not intended to allocate the specific right to pump water from the class members' land because the status of the aquifer was unknown at the time and the vested rights of all landowners who had not been sued by the class was also unknown and not bound by the

stipulation. Moreover, the nature of any physical solution, if needed, was unknown. The physical solution, it was understood, could require a reduction in actual pumping and forbid new pumping from the aquifer (as it ultimately did).

The court approved the stipulation and entered judgment thereon in 2011, and following a motion for the same, awarded fees and costs to Willis Class counsel under Code of Civil Procedure Section 1021.5. It was expressly agreed in the stipulation that the class would not seek further fees and costs except in very narrow circumstances as described below.

#### WOOD CLASS OF SMALL PUMPERS

The Wood Class was comprised of property owners who pumped less than 25 acre feet of water per year. The class sought, *inter alia*, declaratory relief against only the PWS (a later suit filed on behalf of the class against the land owner parties who were water producers and users, allegedly for tactical purposes, was never served and ultimately abandoned).

In 2015, the Wood Class entered into a stipulation for judgment with several of the smaller public water suppliers and received agreed upon fees and costs from those settling public water producers (with the exception of the City of Lancaster). The settling parties included the Phelan-Pifion Hills Community Services District, Palmdale Water District, Rosamond Community Services District and the City of Lancaster.

Thereafter, the Wood Class entered into a stipulation and agreement for judgment with the remaining PWS against whom it had brought suit. The stipulation and judgment was conditioned on all of the PWS and the Landowner parties entering into a settlement which would be known as the "Global Settlement," and which by its terms would incorporate the Wood Class stipulation and proposed judgment, so that there would be a single judgment encompassing all coordinated and consolidated actions, including the Willis Class, the Wood Class, the PWS, and the Landowner parties, and the federal and state governments.

The court thereafter approved the Wood Class settlement and made its approval expressly contingent on its approval of the "Global Settlement."

"GLOBAL SETTLEMENT"

In 2015, virtually all other parties who were participating in the litigation entered into the global settlement, proposing to the court a physical solution to the overdraft problem to which all settling parties agreed to be bound, reducing all pumping by all active pumpers, including the Wood Class, allocating to each a specified reduced water right, and regulating any new requests to produce water from the aquifer in accordance with the objective requirements of restoration of the aquifer.

Following an evidentiary hearing, the court adopted the physical solution as its own and approved the "global settlement" and the Wood Class settlement.

#### GLOBAL SETTLEMENT FEES AND COSTS PROVISIONS

The "global" stipulation for settlement provides that "the PWS and no other parties . . . shall pay all reasonable Small Pumper Class attorneys' fees and costs . . . through the date of the final judgment in an amount agreed to by the PWS and the Small Pumper Class, or as determined by the court." PWS reserved the right to seek contribution for reasonable class fees and costs from each other and from non-stipulating parties. See Paragraph 11 and 12 of the stipulation judgment.

The scope and meaning of the fee provision in the so-called global settlement is disputed. The Wood Class contends that it means that the PWS is bound to pay the fees and costs of Wood Class counsel, either by agreement <u>as to amount</u>, or if there is no agreement as to amount, then the amount shall be determined by the court. The PWS, on the other hand, assert that if the parties cannot agree, then the entire question of whether PWS should pay any fees and costs is to be determined by the court based on the law applied to the facts in the case.

In examining the language in paragraphs 11 and 12 of the stipulation, no other evidence of intent being offered by either partry, , it would appear that the PWS agreed to pay such fees and costs as the court decided was reasonable if the parties could not agree as to the "amount." In the absence of extrinsic evidence of the discussions and negotiations of the parties related to this issue, the court is limited to the contract language alone. The court examines the entire contract under the provisons of the Civil code, and in particular Section 1641.

Paragraph 12 specifically provides, "that in consideration for the agreement to pay Small Pumper Class attorneys' fees and costs as provided in paragraph 11 above, the other Stipulating Parties agree that during the Rampdown established in the Judgment, a drought water management program ("Drought Program") shall be implemented as provided in Paragraphs 8.3, 8.4, 9.2 and 9.3 of the Judgment."

While perhaps Paragraph 11 is ambiguous on the question, Paragraph 112 weighs in favor of the interpretation of the Wood Class.

Apart from whether the Wood Class interpretation is correct, the court concludes that the Wood Class counsel is entitled to fees and costs pursuant to CCP 1021.5 as well as a partially prevailing party.

While the PWS contend that the facts in this case do not provide a basis for an award of fees and costs under CCP 1021.5 and that neither the Wood Class nor the Willis Class is a prevailing party, at least as to the Wood Class fees and costs, the court concludes that the PWS are obligated for reasonable fees and costs based upon the language in the stipulation and as well based upon 1021.5 of the CCP and the prevailing party doctrine as discussed below

Whatever other decision on fees and costs, it is understood that the Palmdale Water District, Rosamond Community Services District, City of Lancaster, and Phelan-Piñon Hills Community Services District who had settled with the Wood Class earlier and paid (or released in the case of Lancaster) a negotiated amount of attorneys' fees and costs to the class counsel, are excluded from the fee request.

#### FEE AND COST CLAIMS BY ATTORNEYS FOR THE WOOD CLASS

Counsel for the Wood Class claim a lodestar total of 5,815.1 hours attorney hours and 842.6 paralegal hours and acknowledge that the earlier settlements with four of the water producers resulted in payment for 1276.3 hours- total fees of \$719,829 (with an estimated hourly rate in excess of \$500.00 hourly) and that costs in the sum of \$17,038.00 were paid.

The current request is for the remaining lodestar hours of 4538.8 and 679.5 paralegal hours at an hourly rate of \$720.for attorneys. The dollar request is for \$3,267,936 based on the

Lodestar and \$80,224.00 for paralegals' work at hourly rates of \$110.00 and \$125.00. Counsel request a multiplier of 2.5 claiming that the novelty and complexity of the case, the outcome, the 8 year duration of counsel's participation, the risks of loss and uncertainty, the quality and efficiency of counsel's involvement, the inability to take on other work, and the personal and financial toll the work has taken on counsel, justify the multiplier.

PWS object to the request by counsel for the Wood Class on the grounds summarized as follows:

- 1. The Wood Class is not a prevailing party;
- 2. Attorneys' fees are not reasonable at \$720.00 hourly;
- 3. There is double billing by two lawyers for the same appearances, travel, and attendance at attorney conference and mediation sessions;;
- 4. There is block billing;
- 5. Some work billed by attorneys should have been done by clerical staff and paralegals;
- 6. There should not be any multiplier;
- 7. CCP 1021.5 is not applicable because there is no public benefit;
- 8 Several hours are billed for work not done or appearance not made.
- 9. There should not be a monetary incentive fee to class Representative Richard Wood though there is no objection to Mr. Wood receiving an increased water allocation of 2 additional acre feet a year as reflected in the judgment.

#### **DECISION**

Code of Civil procedure Section 1021.5 described as a codification of the "Private Attorney General" doctrine, authorizes an award of fees to a successful party who brings an action to enforce an important public right affecting the public interest if a significant benefit has been conferred on the general public or a large class of persons. The notion of a public right assumes there is an interference with, withholding or denial of a public right by governmental or other conduct.

Counsel for the Wood class postulates the theory that the PWS by asserting a prescriptive right to take water from small overlying land owners, among others, has committed a wrong which justifies the application of CCP 1021.5.

However, a claim of a prescriptive right is authorized by law and cannot be a wrong, whether by government or private interests. The claim of prescription results from nothing more than an assertion that the statute of limitations bars opposition to a claim of wrongful taking as with adverse possession. The use of prescription as a sword instead of a defense does not convert it into a wrong.

The Antelope Valley Coordinated and Consolidated cases are unique in that the basic objective of all included actions was to determine individual and public water rights, whether of public or private entities. The actions, include those brought by those public entities who produce and provide water to the general public, by overlying real property owners as farmers, large and small, who produce water for agricultural purposes, by industries who depend on water for their production and existence, and by individuals and households whose very existence depends on pumping small quantities of water from a well on one's own property. The State of California as a land owner and water user, as a co-guardian of the environment, and the federal government as guardian of the security of the nation and the environment, became involved as parties—and actively participated in an effort to ensure that if the court found the basin was in overdraft and needed protection, its participation would help to effect a good outcome, as well as protect—their own interests.

In the Phase Three trial, the evidence and the court's findings established that the aquifer was suffering from insufficient ground water recharge associated with over- pumping throughout the basin for decades, that the aquifer was damaged by the overdraft, and that continued pumping would likely result in further detriment to the aquifer and the potential loss of water rights by all overlying land owners, whether agricultural, industrial, or even small land owners who pumped their own water for household and domestic uses. The essence of all actions by all parties seeking declaratory relief mandated that there be a physical solution so that both the aquifer and all interested parties—were protected.

The Public Water producers, all of whom may be characterized to some extent or other as appropriators, each sought to establish a priority prescriptive right to produce water from the aquifer from all other parties, including the Wood Class members. But the PWS also sought a physical solution that would preserve and restore the aquifer so that all parties, and the public interest, would benefit. The Wood Class declaratory relief action against the PWS appeared to be essentially defensive to prescriptive claims.

Absent the use of class actions, it would have been impractical to litigate the issues with 70,000 individual parties. Without an adjudication binding on the federal government and approximately 65,000 non-pumpers of the Willis Class subject to the judgment, the ability to effectuively manage a physical solution would have been impossible. Based somewhat perhaps on the problem in this case, the legislature has recently enacted legislation that would simplify the court's jurisdiction in this type of situation. But that solution is at least 15 years too late for the Antelope Valley.

At the time, the court could not have adjudicated the cases without lawyers voluntarily representing of the two classes of parties which became known by the names of the representatives of the classes: the Willis Class and the Wood Class.

While it is contended in opposition to the fee request that there was no public benefit under CCP 1021.5, the court concludes that the opposite is true. First, the global settlement could not have been binding on all persons within the adjudication area without the Willis Class and the Wood Class of small pumpers. Secondly, it was necessary to have all persons bound in order to bind the federal government as the largest land owner in the adjudication area. Thirdly, the Willis Class 2011 stipulation and Wood Classe 2015 stipulation permitted the court to approve an enforceable physical solution that will stop ongoing degradation of the aquifer. The creation of the Willis Class preserved correlative rights of approximately 65,000 parties to the rights of overlying owners against present and future claims of prescription by the PWS. The Wood Class preserved the rights of small pumpers (approximately 4000 parties) to a specific but reduced and limited amount of water each year, protected the class from

further claims of prescription, limited increase pumping in the future, and permitted the court to approve reduced allocations of water to all parties in the aquifer.

The court also notes that while the public water producers each were intent on preserving its right to produce water for the public good, considerable time and expense was expended to establish the need to preserve the aquifer and attempt to restore it to health and ensure its long term physical integrity. To the extent that the adjudication provided a means to correct a wrong, all parties producing water without limitation or external controls were contributing to the degradation of the Antelope Valley aquifer, including the PWS, the Wood Class, the federal and state governmental entities, as well as the land owner parties who were pumping and the non-pumpers who insisted they had an unfettered right to pump. The settlements and the adjudication over a period of fifteen years have thus provided great public benefit.

The Wood Class counsel of necessity actively represented the class interests in the case from its inception up to and including the approval of the "global settlement" and the entry of judgment. The continued representation was necessary even after the settlement because the class settlement with the PWS was conditioned on the approval of the global settlement and a physical solution, incorporating the Wood Class proposed judgment into the Global Settlement Judgment.

All of the above justify the conclusion and determination that the provisions of CCP 1021.5 are met and justify a finding that the public was benefitted by class counsel's representation. In addition to the public generally, the Class of around 4000 small pumpers also received a benefit by the cap on any prescriptive claims against their water rights in the future. The class is also a partially prevailing party as set forth below.

#### PREVAILING PARTY STATUS

The action brought here by the Wood Class was specifically intended to counter the claims of prescription brought by the Public Water Producers against all parties in the adjudication area. That claim was settled as part of the settlement between the class and the

PWS, preserving but limiting the pumping rights of the Wood Class members but also and preventing any further claims of prescription. The court finds that the Wood Class is a partial prevailing party and that the class is entitled to reasonable fees and costs.

However, the PWS and the Landowner parties are also partial prevailing parties in the adjudication with regard to those parties against whom they sought relief. While the PWS relinquished claims, in part, to prescription rights, it also gained prescription rights against some of the parties and achieved through perseverance and the expenditures of considerable public funds, a physical solution by agreement or trial findings of what may be described as virtually all parties to the actions, including a few non-stipulating parties and defaulting parties.. Based on that fact, the PWS may be said to have partially prevailed in the case but not as to the principal claims of the Wood Class.

#### HOURLY RATE FOR COUNSEL AND PARALEGAL

The court is familiar with the compensation rates of counsel practicing in California, and in particular, in urban areas. While the opposition to the claim suggests that the court should evaluate the fee rates by looking to rural areas and lawyers' fees in the rural Antelope Valley, the court is satisfied that the venue of the action is the proper locale to evaluate attorney's fees.

While the rates requested are not far out of line with current large firm attorney fee rates for experienced lawyers in the Los Angeles area, it is not disputed that neither counsel had much experience with ground water litigation and that the rates requested should be reduced to reflect that fact. The counsel did have expertise in class action law and practice but not water law and have had to consult with other lawyers having that expertise as well as conduct legal research. Counsel became involved in the case in middle 2008, and while they seek a high level of fees for the entire 8 years, the court concludes that rates fell in 2008 and gradually rose from that reduced level over the period of the last eight years.

In 2008, as the entire country entered into what has been called "the Great Recession," law firms were dissolving, some were declaring bankruptcy, lawyers were being laid off or

fired, salaries reduced, clients were looking for firms offering lower fees, and many lawyers were leaving the profession. Based on the observations of the court, averaging the hourly rate acknowledging these factors, along with rising fees more recently, the court will approve a fee rate for each counsel of \$500.00 hourly. When counsel volunteer for cases such as this there also must be an element of *pro bono publico* involved, especially when the obligor who will pay the fees is a public entity supported by tax dollars. As officers of the court, lawyers are not (or should not be) mere mercenaries.

The payment to paralegals is an obligation of the lawyers who engage them and their hourly rates are reasonable - nor have counsel disputed them except to argue that the paralegals should have done more of the work and the lawyers less.

#### OBJECTIONS TO DETAILED BILLINGS OF THE WOOD CLASS LAWYERS

As summarized above, the PWS argue that the attorneys engaged in block billing, double teamed unnecessarily, engaged in settlement negotiations with land owner parties, billed for work they did not perform, unnecessarily performed legal research on issues they should have been familiar with, performed work that was clerical and administrative in nature, and engaged in work after the Wood Class Settlement that was not necessary.

Credible evidence by way of sworn declarations established a presumption that work billed for was necessary. Work and time spent to assist in the global settlement involving other than the Wood Class Claims was necessary to ensure that the Wood Class settlement could be approved (it was contingent on the Global Settlement). The limited billing for two attorneys' time appears appropriate given the nature of the case. The court notes that rarely were other counsel without assistance from other associate lawyers. Most of the so-called block billing broke out the work done by items, reflecting time spent on each. The court is satisfied that work billed for was performed and was necessary. Retrospectively attempting to evaluate whether work was truly necessary or could have been done differently is an impossible task absent clear and incontrovertible evidence (of which there is none here). The court has presided over this case since 2005 and has observed the work of Wood Class counsel from the inception

of the class and is satisfied that the hours claimed were reasonably spent on the case for those 8 years.

#### TOTAL FEES

The court declines to apply a multiplier to the fee award and finds that fees should be based upon a rate of \$500.00 hourly.

As a prevailing party and only a partial contributor to the public benefit under CCP 1021.5, the court makes the following fee award:

Michael McLachlan: 4184.9 hours @ \$500 per hour for a total fee award of \$ 2,092,450. attorneys fees;

Daniel O'Leary: 353.9 hours @\$500 per hour for a total fee award of \$176,950.; Total Paralegal fees of \$80,224.

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#### COSTS

It is generally agreed that costs are not available under CCP 1021.5. However, costs are available to a prevailing party under the provisions of CCP 1033 et seq. Moreover, the stipulation for judgment provides that the issue of the amount of fees and costs is left to the discretion of the court or the agreement of the parties. See the Stipulation for Entry of Judgment and Physical Solution, Paragraphs 11 and 12.

Counsel for the Wood Class is directed to file a Memorandum of Costs under the provisions of the Code of Civil procedure. The court will hear any motions to tax costs or other challenges to the cost bill in accord with the Code of Civil Procedure and the Rules of Court...

The allocation of fees between the public water producers should be apportioned according to percentages of water received as a result of the global settlement and the

judgment. The fee and cost award shall be several against all public water producers save the parties who have previously settled and paid fees and costs. Moreover, any pubic water producer may opt to pay such fees or costs over a ten year period in accord with the law.

#### RICHARD WOOD INCENTIVE

As an incentive award, Mr. Wood is granted 2 additional acre feet a year for a yearly total under the judgment of 5 acre feet a year, consistent with the terms of the stipulation of the parties.

#### WILLIS CLASS FEE REQUEST

Counsel for the Willis Class now seeks additional fees and costs from the PWS (and the Land Owner parties) based on its post 2011 settlement participation.

The Willis Class as non-water producers settled the class action and the PWS Claims with the only parties who made a claim against the class (the PWS who sought prescriptive rights and other relief) in 2011. The settlement preserved the non-pumper class rights to a correlative share of 85% (which is apparently less the 15% amount attributed to the PWS claim of prescription) of the federally adjusted safe yield of the aquifer along with their agreement to be bound by a court created physical solution. The Willis Class participation through the time of the stipulated settlement in 2011 was beneficial to the public interest and Counsel for the class received attorney's fees and costs in excess of \$1,000,000 for such representation and public benefit.

Counsel for the WILLIS CLASS failed to establish post 2011 stipulation/judgment benefit to the public under CCP 1021.5 or to its class members by their involvement in the proceedings after that date. Moreover, it was not a prevailing party in any proceedings post the 2011 judgment.

Contrary to the claims of counsel,

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- 1. None of the work of counsel for the class materially benefitted or positively affected any part of the Global Settlement and Judgment- the rights of the Willis class were the rights of all non-pumpers and were never threatened after the stipulation in 2011.
- 2. The class correlative rights were as to 85% of the federally adjusted safe yield which meant that they were immune from prescription by the only party who had such a claim-i.e., the PWS, which immunity the class obtained in the 2011 settlement by relinquishing 15% of its otherwise correlative rights basin-wide to the PWS.
- 3. The class had stipulated to be bound by whatever physical solution as nonpumpers the court might establish to resolve aquifer overdraft.
- 4. The overlying owners were not an adverse party to the claims of the Willis Class and in fact there were no claims by the class as non-pumpers to an allocation of specific water production. The findings of the court in trial Phases 3 and 4 established that there was no surplus from which any new pumping could occur without causing further detriment to the aquifer, so that it was necessary that the court curtail and reduce existing pumping by all water producers, public and private, until the aquifer was in balance. As a matter of law the court could not take water rights from a water producing entity whose use was reasonable and beneficial and give those rights to a previously non pumping party. And, the Willis Class never requested an allocable quantity of water to be pumped.
- 5. The Willis Class was unsuccessful in every request and application to the court. As the court stated frequently to all parties, on the record, if the parties who were water producers failed to come up with a solution, the court would be required to impose such on an involuntary basis- but that could not affect the stipulated relationship between the PWS and the Willis Class;
- 6. Willis Class participation was neither mandatory nor appropriate beyond ensuring that its stipulation and judgment would be incorporated into the final judgment. However, no party ever objected or made any attempt to modify the stipulation and judgment or to prevent its enforcement and the PWS uniformly always requested

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incorporation of the Willis Class judgment into the Global settlement and judgment without modification.

- 7. There was no need for the class to be present for the court to make reasonable and beneficial use findings as to the water producers and users, including overlying owners, who pumped and produced water, noting that no claims were made against the class' correlative rights. There were no new claims or causes of action which would require the defense by class counsel.
- 8. All the benefits to the public and the class occurred in spite of the misplaced opposition of the class counsel to the physical solution which the class counsel now claims to have been at least a partial cause.
- 9. Class did not prevail and has already been paid for fees for all work prior to the 2011 stipulation and judgment.
  - 10. The only parties against whom the court could award fees and or costs to the Willis Class are the PWS but there being no adversity in fact or law between the class and the PWS, such remedy is unavailable. Moreover, by the terms of the stipulation, the class agreed not to seek further fees and or costs from the PWS except under three very specific circumstances as specified in Paragraph VIIID of the stipulation for settlement, none of which are applicable here:
    - a) If counsel was ordered to participate in the proceedings;
    - b) If counsel engaged in reasonable efforts to defend against new claims or causes of action made against the class;
    - c) Enforcement of a public right under CCP 1021.5.

The court did not require an appearance by the class in any phase of the trial after the stipulation in 2011.

The court makes the further following findings:

- 1. The class was not a prevailing party on any major issue;
- 2. The Court denied pre-participation enforcement fees when motion for such was made given the absence of good cause;

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- 3. There was no legal adversity between the Willis Class and the PWS after the judgment was entered in 2011, having totally settled the declaratory relief claims of the class and eliminating any further claims of prescription against the class members by the PWS. Nor was there legal adversity between Willis Class and the Landowners or any other parties in the case since there were no claims by the landowners, or others, against the ownership interest of the class members.
- 4. All substantive objections made by the class during the Phase 6 proceedings were overruled as being without merit or foreclosed by the stipulation and judgment;
- 5. No competent evidence established that the proposed physical solution endangered any rights of Willis Class members nor was there any competent or credible evidence that any member of the class was prevented from exercising any rights under the stipulations or harmed by the physical solution;

There was no basis for an incentive award for the new class representative based on the presentation of any evidence offered by members of the class.

The court therefore denies the right to fees and costs as claimed by counsel for the Willis Class.

The court also denies any incentive to the current class representative. While he did testify during the physical solution prove up, his testimony was unnecessary to any issue the court was required to decide. His primary purpose seems to have been to oppose the physical solution based on a hypothetical use of his owned real property.

WOOD CLASS REQUEST FOR ORDER SETTING PARAMETERS FOR TERMINATION OF APPOINTMENT AS CLASS COUNSEL AND REQUEST FOR ORDER ON ADMINISTRATOR FEE PAYMENT.

As reflected in the minutes of the court, the judgment is not final, there is no request to withdraw at this time, and the court denies the request without prejudice. The request for payment of administrator fees was taken off calendar without prejudice.

SO ORDERED.

Dated: april 25,2016

Hon. Jack Komar (Ret.)
Judge of the Superior Court

# EXHIBIT 2

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7 Prop.Order.WoodClass

FILED
Superior Court of California
County of Los Angeles

JUN 28 2016

Sherri R. Carter, Exocutive Officer/Cleri By Deputy

#### SUPERIOR COURT OF THE STATE OF CALIFORNIA -

#### IN AND FOR THE COUNTY OF LOS ANGELES

Judicial Council Coordination No. 4408

[Assigned to the Honorable Jack Komar]

CASE No. BC 391869

(Proposed) ORDER CLARIFYING ORDER AFTER HEARING ON APRIL 1, 2016

Plaintiffs,

RICHARD A. WOOD, on behalf of himself and all

vs.

**CASES** 

Coordinated Proceeding

others similarly situated

Special Title (Rule 1550(b))

ANTELOPE VALLEY GROUNDWATER

LOS ANGELES COUNTY WATERWORKS
DISTRICT NO. 40; CITY OF PALMDALE;
PALMDALE WATER DISTRICT; LITTLEROCK
CREEK IRRIGATION DISTRICT; PALM
RANCH IRRIGATION DISTRICT; QUARTZ
HILL WATER DISTRICT; ALTELOPE VALLEY
WATER CO.; ROSAMOND COMMUNITY
SERVICE DISTRICT; MOJAVE PUBLIC
UTILITY DISTRICT; and DOES 1 through 1,000;

Defendants.

- 1 -

(Pennsel) ORDER CLARIFYING ORDER AFTER HEARING ON APRIL 1, 2016

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Prop.Order.WoodClass

The Court's Order of April 1, 2016 (the "Order"), addressing in part, Richard Wood's Motion for Award of Attorneys' Fees, Costs and Incentive Award, is clarified as follows:

The Order does not apply to Boron Community Services District or West Valley Water District. Further, California Water Service Company is not a public entity and, thus, reference in the Order to payment over a ten year period in accord with the law is not applicable to this defendant.

The allocation of attorneys' fees and costs are allocated among the defendants as follows:

Los Angeles County Waterworks District No. 40: 3.78% California Water Service Company:

Littlerock Creek Irrigation District: 8.77%

Quartz Hill Water District: 6.21%

Palm Ranch Irrigation District: 5.13%

North Edward Water District: 0.54%

Desert Lake Community Services District 0.81%

Los Angeles County Waterworks District No. 40, Littlerock Creek Irrigation District, Quartz Hill Water District, Palm Ranch Irrigation District, North Edward Water District and Desert Lake Community Services District shall be entitled to pay this judgment in 10 equal payments over a period of 10 years.

DATED: 6-28-16

HONORABLE JACK KOMAR

Judge of the Superior Court

# EXHIBIT 3

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SUPERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES

#### ANTELOPE VALLEY GROUNDWATER CASES

Included Consolidated Actions:

Los Angeles County Waterworks District No. 40 v. Diamond Farming Co. Superior Court of California County of Los Angeles, Case No. BC 325 201

Los Angeles County Waterworks District No. 40 v. Diamond Farming Co. Superior Court of California, County of Kern, Case No. S-1500-CV-254-348

Wm. Bolthouse Farms, Inc. v. City of Lancaster Diamond Farming Co. v. City of Lancaster Diamond Farming Co. v. Palmdale Water Dist. Superior Court of California, County of Riverside, consolidated actions, Case Nos. RIC 353 840, RIC 344 436, RIC 344 668

Rebecca Lee Willis v. Los Angeles County Waterworks District No. 40 Superior Court of California, County of Los Angeles, Case No. BC 364 553

Richard A. Wood v. Los Angeles County Waterworks District No. 40 Superior Court of California, County of Los Angeles, Case No. BC 391 869 Judicial Council Coordination Proceeding No. 4408

Lead Case No. BC 325 201

ORDER AFTER HEARINGS ON JULY 28, 2016

Judge: Honorable Jack Komar, Ret.

SUPPLEMENTAL MOTION BY WOOD CLASS FOR ATTORNEYS FEES AND COSTS AND MOTION TO STRIKE COST BILL OR TAX COSTS BY THE PUBLIC WATER SUPPLIERS ("PWS")

#### **ORDER**

The Motion to strike the cost bill, or alternatively to tax costs, by the Pubic Water producers and the supplemental motion for fees and costs by the Wood Class were heard on July 28, 2016, at 10:00 a.m. pursuant to motions regularly noticed and served. Counsel appearing and on CourtCall are noted in the minutes of the court. Following oral argument, the matters were ordered submitted. The Court orders as follows hereinafter.

#### **PRELIMINARY**

The motion filed by the Wood Class relates to fees and costs incurred after the final judgment was entered on December 28, 2015. The fees and costs were incurred by counsel in connection with the following matters:

- 1. The attorneys' fees and costs motion which was heard on April 1, 2016, which resulted in an award of fees and unspecified costs;
  - 2. The Ritter motion to set aside a default;
  - 3. The Robar prove up;
  - 4. The Lane motion;
  - 5. The Tapia motion;
  - 6. Miscellaneous matters related to the above and Water Master issues.

The prejudgment motion for fees and costs was heard on April 1, 2016 and a fee and cost order was signed by the court on April 25, 2016, finding that the Wood Class counsel was entitled to fees and costs based upon the three factors summarized below. The said Order is incorporated herein as though set forth in full:

- 1) The "global" stipulation and Judgment between the parties which authorized the court to determine reasonable fees and costs if the parties could not agree to the same. It limited the fee and cost award to the specific named Public Water Suppliers;
  - 2) CCP 1021.5 "Private Attorney General" public benefit principles;

3) Prevailing party status under the terms of CCP 1032(b) and 1032 (a)(4).

While the Wood Class recovery in the judgment was non-monetary, it nevertheless provided economic benefit to the class of around 4,000 persons which was protected from further claims of prescriptive water rights and the members of the class member were assured of the right to pump annual amounts of water from their real property. The public was protected as well by limiting water production in the aquifer as a whole.

The right to fees and costs provided for in the "global" stipulation and confirmed in the judgment limited fees and costs to be paid only by the named Public Water Providers. The PWS were to "pay all reasonable Small Pumper Class attorneys' fees and costs . . . through the date of the final judgment."

The original motion by the Wood Class which requested attorneys' fees was based on Code of Civil Procedure Section 1021.5 and on the stipulation and judgment which addressed a procedure for both fees and costs. The Order of April 25, 2016 determined the amount and entitlement to fees for class counsel and reserved the amount of costs until a more specific clarifying memorandum was filed. The court directed the use of the Judicial Council Form because counsel's declaration was not clear to the court.

The class filed the Judicial Council Memorandum of Costs Form and the Public Water Suppliers responded with a Motion to Strike as being untimely or to Tax costs.

Following briefing by the parties, the supplemental fee and cost motion, as well as the motion to strike or tax costs, were heard on July 28, 2016. Because the motions overlap, they are considered together in this single order.

<sup>&</sup>lt;sup>1</sup> The CCP 1032(a)(4) provides that "when any party recovers other than monetary relief, and in situations other than as specified ... (net monetary recovery and dismissals) ... the prevailing party shall be as determined by the court ... and the court, in its discretion, may allow costs, or not." CCP 1032 (a)(4). CCP 1032 (b) provides that a prevailing party is entitled to costs as of right.

#### THE MOTION TO STRIKE THE COST BILL IS DENIED

The Motion to strike/tax contends that the memorandum of costs was untimely because it was filed more than 15 days after the judgment was entered on December 28, 2015. Thus the time sequence is important.

The Judgment was signed on December 23, 2015 and entered on December 28, 2016.<sup>2</sup> On January 8, 2016, approximately 11 calendar days after the judgment was entered, the court held a status and case management conference to schedule hearings on fee and cost awards and other post judgment matters. At that time, the moving and opposing parties here implicitly agreed that Wood Class counsel could file its motion for fees and costs on January 21, 2016 (24 calendar days after the judgment was entered) and the matter was to be set for hearing thereafter. By agreement of the parties, the filing date was extended to January 28, 2016 (31 calendar days after entry of judgment). On that date, the class filed its request for fees and costs, including a declaration setting forth costs expended to that date with attachments.

The parties agreed when filings were to occur and no timeliness objections were made. The court deems such later objections to have been waived in that there was agreement to the filings. An agreement to the scheduled filing dates without objection may be deemed to waive what might otherwise be a late filing. It is not a waiver of the right to move to tax or to contest the amount or reasonableness of the costs and fees claimed.

Oppositions to the substance of the fee and cost requests were filed in timely manner and the court heard argument thereon on April 1, 2016 and issued an order dated April 25, 2016. The order found entitlement to both fees and costs but ordered the Wood Class to file a memorandum of costs under the provisions of the Code of Civil procedure and the Rules of Court because the declaration which claimed costs which were not clear to the court. The motion to strike the cost bill as untimely is denied.

<sup>&</sup>lt;sup>2</sup> As entered, the caption failed to include the Wood Class by name but did include the Judicial Council Coordination number which of necessity included the Wood Class as the matters were both coordinated and consolidated. The oversight was corrected nunc pro tunc.

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#### THE MOTION TO TAX IS GRANTED IN PART.

While the Public Water Suppliers contend that certain post judgment costs in the amount of \$3,569.96 are improperly claimed because paid after the judgment, the evidence presented is that such costs were incurred prior to judgment and paid thereafter. These costs are properly charged in any event because the specific post judgment costs claimed were proper- see below. ITEMS TAXED

The global stipulation and judgment provides that the court may award reasonable costs only. While the term reasonable is not otherwise defined, the court finds that the parties had reference to Code of Civil Procedure Section 1033.5 (Costs- Items allowable and Not Allowable) because costs were to be reasonable. No extrinsic evidence is presented to the contrary. There is a difference in expenses that a lawyer may charge his or her client by agreement and those costs which are collectable on a cost bill as of right. There is also a difference in costs that are assessable as a prevailing party versus those costs which are chargeable pursuant to an agreement.

The various items in the memorandum of costs which are not allowable with reference to CCP §1033.5 are as follows and the costs bill is taxed as to the total amounts indicated:

- 1. Expert witness fees not ordered by the court: \$1,625;
- 2. Photo copy costs (other than exhibits) \$4,667.64;
- 3. Postage and mailing charges: \$1,717.98;
- 4. Trial Transcripts not ordered by the Court: \$2,073.33;
- 5. Category 13 (other) Parking: \$2,011.31; Air Fare: \$5,579.97; West Law/Lexis: \$9,532.15;
- Attorney Service: \$1,518.81; Taxicab: \$609.65; Embassy Suites Hotel: \$623.56; Rental Car:
- \$144.80; Federal Express: \$2,112.37; Consultant Fees re Class List: \$1,335; Mileage: \$472.42;

Veritext Call: \$90.3

It is also noted that the cost bill includes total claimed costs of \$90,226.86 thorough the judgment date but counsel for the class acknowledges the class has received costs in the sum of

<sup>&</sup>lt;sup>3</sup> Listed items 1 through 4 are "not allowed" by CCP 1033.5 and listed item 5 (category 13) has no explanation that would justify inclusion as allowable costs for the specified items.

\$17,038.00 by way of an earlier settlement with several of the parties. The court previously approved the settlement but did not evaluate the specific propriety of any of the costs items which were not presented as other than a lump sum portion of the whole. Accordingly, subtracting the amount of costs received by way of settlement, the total claimed costs here are \$73,188.86. Subtracting the costs taxed of \$24,031.84. The Class is entitled to pre-judgment costs of \$49,157.02.

#### SUPPLEMENTAL REQUEST FOR POST JUDGMENT COSTS AND FEES

Class counsel is entitled to costs and fees for post-entry of judgment fees and costs expended. The basis for recovery of the fees and costs incurred in opposing the motions by the Robar, Tapia, Lane and Ritter, motions that could impact the final judgment and its validity, and the issues relating to the Water Master, justify the fees and costs sought on the same basis as the class effort to secure attorneys fees and costs for pre-judgment work. The Class is entitled to both in reasonable amounts.

The actions taken by counsel for the Wood Class post judgment to preserve the judgment were incurred, properly, as part of its obligations as a stipulating party and contributed to preserve the rights of all parties in the judgment. Fees and costs incurred therein are found to be compensable on the same basis as the findings made by the Court in the award of fees and costs in the first instance, in particular under CCP §1021.5.

The Wood Class seeks attorneys' fees for 269.75 hours of work post entry of judgment and 34.9 hours paralegal times. The fees sought are for work done in furtherance of establishing the post judgment fee award as well as efforts to protect the judgment. While the court appreciates the skill and adroit work of additional counsel engaged by class counsel for assistance on the fee award request, the court finds in this case that such was unnecessary and finds that placing the arguments of counsel in the form of an expert witness declaration was unnecessary, added nothing to the law which the court is required to follow in fee awards, and it

would be unreasonable to assess the Public Water Producers additional attorneys' fees in this case.<sup>4</sup>

The court finds the other hours claimed are reasonable. Accordingly, Class Counsel is entitled to attorneys' fees for 260.6 hours and 34.9 hours of paralegal time (paralegal time at the actual rate paid by counsel). The court has previously fixed attorneys' fee at the sum of \$500.5 hourly based upon the value of the services over an 8 year period of fluctuating fee rates and the nature and complexity of the legal representation. Counsel again asks for a higher rate for the post judgment matters because the economy has changed and lawyers are charging higher rates commensurate with the improved economy.

The court evaluates the nature of the legal services rendered in these post judgment matters, all of which are essentially routine, and require a much lower level of skill and knowledge than in the proceedings up to judgment and concludes that \$500 hourly is a reasonable reimbursement rate. Fees are awarded in the sum of \$130,300 and paralegal costs in the actual sum of \$4362.50.

#### POST JUDGMENT COSTS ARE APPROVED

The post judgment cost requests are \$1,838.37. Such costs were reasonably incurred and are approved.

#### **OTHER**

The court has previously determined that the fee and cost award is several and not joint. The percentage of each obligation is as previously ordered. The court also has provided that the public entity parties against whom fees and costs are awarded may opt in accordance with the law to make payments over a ten year period with interest in accordance with the law. See Government Code Section §970.6. The court grants the same option accorded to such parties

<sup>&</sup>lt;sup>4</sup> To the extent Mr. Pearl's fees are as an expert witness, they are stricken and taxed as not being at the direction of the court. To the extent they are as attorneys' fees, they are not reasonably chargeable to the PWS.

<sup>&</sup>lt;sup>5</sup> The court notes Class Counsel's argument that the court approved a settlement with some parties which gave counsel fees of \$550 hourly. Those were fees negotiated by the parties themselves and did not represent the court's judgment as to what fees should have been awarded.

with regard to the costs awarded as well as the fees and costs in the supplemental fee and cost order. All such obligations are several and not joint. CONCLUSION Good cause appearing, the Motion to strike is denied. The motion to tax is granted in part as specified and fees are awarded as above. SO ORDERED. Hon Jack Komar (Ret.) Judge of the Superior Court 

## LAW OFFICES OF BEST BEST & KRIEGER LLP 8101 VON KARMAN AVENUE, SUITE 1000 IRVINE, CALIFORNIA 92612

#### PROOF OF SERVICE

I, Rosanna R. Pérez, declare:

I am a resident of the State of California and over the age of eighteen years, and not a party to the within action; my business address is Best Best & Krieger LLP,300 S. Grand Avenue, 25th Floor, Los Angeles, California 90071. On September 20, 2016, I served the following document(s):

LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40'S NOTICE OF ELECTION AND HEARING; MEMORANDUM OF POINTS AND AUTHORITIES RE ELECTION FOR PERIODIC PAYMENTS; DECLARATION OF JEFFREY V. DUNN

BY ELECTRONIC TRANSMISSION. I caused such document(s) to be electronically served, via One Legal, to all parties appearing on the electronic service list for the Antelope Valley Groundwater Cases; proof of electronic-filing through One Legal is then printed and maintained with the original documents in our office. Electronic service is complete at the time of transmission. My electronic notification email address is Rosanna.perez@bbklaw.com.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on September 20, 2016, at Los Angeles, California.

Rosanna R. Pérez

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