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5 Attorneys for Defendants and Cross-Complainants,
6 Palmdale Water District and Quartz Hill Water District

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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF LOS ANGELES – CENTRAL DISTRICT**
10

11 Coordination Proceeding
12 Special Title (Rule 1550 (b))

Judicial Council Coordination
Proceeding No. 4408

13 **ANTELOPE VALLEY GROUNDWATER**
14 **CASES**

[Assigned to The Honorable Jack Komar, Judge
Santa Clara County Superior Court, Dept. 17]

Santa Clara Court Case No. 1-05-CV-049053

15 **CASE MANAGEMENT CONFERENCE**
16 **STATEMENT**

17 Date: April 16, 2007

18 Time: 9:00 A.M.

19 Dept.: 1

20 Palmdale Water District and Quartz Hill Water District submit this case management
21 conference statement in response to the suggestion of County Water Works District No. 40 and
22 Rosamond Community Services District that the court order the parties to mediation, and that
23 mediation be limited to the principals of the parties. Palmdale Water District and Quartz Hill Water
24 District believe that court-ordered mediation is premature, but that if the court orders mediation, it
25 should not restrict the mediation to principals.

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Mediation Is Premature

As the court is aware, attorneys for the parties have been meeting regularly to discuss settlement and a possible physical solution. Some of the parties' experts have also been meeting as a technical committee. The Districts cannot disclose the specifics of the discussions because of a confidentiality agreement, but it fair to say that we are making progress.

The County Water Works District and Rosamond Community Services District correctly identify the allocation of basin pumping rights as an issue that must be resolved before substantial progress can be made on a physical solution. However, it is impossible to agree on an allocation of pumping rights until the parties have an idea of the safe yield of the basin, and how pumping can be distributed within the basin. The technical committee is diligently working to resolve these issues, as well as to identify the parameters of potential physical solutions.

The Court Should Not Restrict Mediation To Principals

County Water Works District and Rosamond Community Services District suggest, without explanation, that the court should limit the mediation to principals of certain parties. If the court orders mediation, it should not be restricted to principals. The parties are entitled to legal representation, including negotiating on their behalf. It may also be appropriate to include expert witnesses and consultants in a mediation process. While the ultimate physical solution will involve compromises among the parties and, in that sense, will be a business decision by the various parties, this decision is informed by the legal analysis of the parties' positions.

In our experience, principals-only mediations are cumbersome and inefficient. After each meeting, the attending principal must confer with his attorney, attempt to relate what happened at the mediation, and map out a strategy for future meetings. There are numerous opportunities for miscommunication in this process.

There may come a time, after facts are better known and issues better delineated, when it would be useful to put the principals in a room and attempt to persuade them to compromise. That time has not arrived yet, and may never arrive.

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For these reasons, Palmdale Water District and Quartz Hill Water District respectfully request the court not to order mediation at the present time. If the court does order mediation, it should not restrict attendance to principals.

Dated: April 13, 2007

LAGERLOF, SENECAL, GOSNEY & KRUSE, LLP

By: _____
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