



**ALESHIRE &
WYNDER LLP**
ATTORNEYS AT LAW

Respond to Irvine
wmiliband@awattorneys.com
Direct (949) 250-5416

Orange County
18881 Von Karman Ave., Suite 1700
Irvine, CA 92612
P 949.223.1170 • F 949.223.1180

Los Angeles
Continental Park Terrace
2361 Rosecrans Ave., Suite 475
El Segundo, California 90245-4916
P 310.527.6660 • F 310.532.7395

awattorneys.com

October 5, 2012

Via Electronic Service

To All Counsel
Antelope Valley Groundwater Cases
(Judicial Council Coordination No. JCCP 4408)

Re: Meet and Confer for Phase Four Trial Issues

Dear Counsel:

Consistent with Judge Komar's direction for the parties to meet-and-confer regarding identification of the scope of issues and procedures for the Phase Four trial set for February 11, 2013, and having not received any communications regarding this meet-and-confer other than Mr. Brunick's September 7 memorandum indicating that other counsel would initiate this process, Phelan Piñon Hills Community Services District ("PPHCSD") seeks to meet-and-confer in this regard. Accordingly, this letter serves that purpose, particularly with another mediation session with Justice Robie having been completed this week and a Case Management Conference set for next Friday, October 12. To that end, PPHCSD proposes the following for Phase Four:

Each party offers admissible evidence to the Court of that party's production history, for any of the following reasons:

- (i) Allocation of the safe yield remains unresolved, whether partially or globally;
- (ii) This process would provide the factual foundation for legal issues to be resolved through settlement *or* by the Court, which inevitably is necessary at some point for settling and non-settling parties, thereby removing this component to resolution of each party's claim to water;
- (iii) This process would not require the Court and the parties to engage now in the complexities of what the Court has correctly and generally recognized as "regional" differences (i.e., differing specifics applicable or related to different regions) within the Basin, and these regional differences must be determined prior to determining the type of water right a party must establish particularly given the Court's statement that the "Court is not making historical findings that would be applicable to specific areas of the aquifer or that could be used in a specific way to determine water rights in particular areas of the aquifer."

(Statement of Decision Phase Three Trial (July 13, 2011) (“Phase Three Decision”), p.4:21-24);

- (iv) Insufficient time now exists before the trial date currently set for February 11, 2013 to prepare for a phase of trial set to determine regional differences in the aquifer which must be done prior to determining prescriptive rights issues; and
- (v) This process would – in addition to providing the basis for allocating the safe yield – assist with physical solution and management issues for multiple reasons including more certainty as to the production rights throughout the Basin.

This proposed process is consistent with the Court’s statement from the Status Conference held on June 19, 2012, wherein the Court indicated that “whether by trial or prove up, the parties have to establish by competent evidence pumping history,” and with the Court’s statements including from the Phase Three Decision and on July 9, 2012 Trial Setting Conference recognizing that the aquifer is not a “bathtub” and that regional differences exist in the aquifer.

Alternatively, perhaps the next phase could address the regional differences in the aquifer, which would determine for the non-settling parties the type of water right to be proved (e.g., appropriative versus prescriptive) *and* would assist with formulating a physical solution for long-term management of this natural resource. Not only would this process for preparation and trial be highly complex, an impediment toward these efforts – as well as the Basin boundary issue along the Los Angeles/San Bernardino County line (PPHCSD’s Eighth Cause of Action (Declaratory Relief – Boundaries of Basin)) – exists until the USGS’s study is released. Public and private discussions with USGS reveal that the study contains information and data relevant to this adjudication, thereby compelling the need for this information and data to best determine existing adjudication issues.

Until this study is publicly available, the study (or the model) should be shared privately with the interested stakeholders (i.e., the parties), consistent with USGS policy. Moreover, until this study is publicly available, the case issues identified above cannot properly be addressed. Thus, the proposed process is the most logical and appropriate set of issues for the next phase of trial.

Irrespective of whether this proposed process is adopted, no lesser standard or burden of proof should apply for settling parties to establish their claims to an allocation of the safe yield, particularly if the settling parties allocate the entire safe yield to the exclusion of non-settling parties (i.e., to the detriment of other parties’ rights). To allow such could produce a legally deficient result under relevant legal authorities, including *City of Barstow v. Mojave Water Agency* (2000) 23 Cal.4th 1224, by permitting a lower standard or burden of proof for approval of a settlement while holding non-settling parties to a different standard at trial. Practically, the

same standard should apply to non-settling and settling parties because of the contingencies inherent with the settlement process, including parties' agreeing to an allocation contingent upon resolution of other issues, as well as many of the parties (public and private) having to seek approval from their respective legislative or governing bodies. Even if these contingencies are successfully navigated, the ultimate contingency rests with the Court's approval, or lack thereof, of a settlement.

Also irrespective of whether this proposed process specifically is adopted, the base period for production would need to be established. During the Status Conference on June 19, 2012, the Court indicated that it does not have a "firm notion in mind" but the Court may want current production. While this notion lends itself to significant practical import for management of the Basin, the Court will need current production information. Recent historical production would also assist to lay the foundation for later establishing (if necessary) an appropriative right, or prescriptive right (and related self-help invoked by overlying parties).

Procedurally, "universal" or "model" discovery, similar in concept to the "Model Answer" employed by the Court earlier in this action, should be employed for the proposed process. In addition, some parties may have yet to even file the "Model Answer" or otherwise avail themselves to the Court's jurisdiction, raising a question of when to move for default (and the effect thereof on the final, single judgment to be entered by the Court).

I look forward to your response.

Very truly yours,

ALESHIRE & WYNDER, LLP

A handwritten signature in black ink, appearing to read 'Wesley A. Miliband', with a stylized, cursive script.

Wesley A. Miliband