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6 Attorneys for  
7 Antelope Valley Watermaster

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

10  
11 Coordination Proceeding,  
Special Title (Rule 1550(b))

Judicial Council Coordination  
Proceeding No. 4408

12 LASC Case No.: BC 325201

13 **ANTELOPE VALLEY  
GROUNDWATER CASES**

Santa Clara Court Case No. 1-05-CV-049053  
Assigned to the Hon. Jack Komar, Judge of  
the Santa Clara Superior Court

14  
15 **STATUS UPDATE ON ZAMRZLA  
SETTLEMENT**

16  
17 \_\_\_\_\_  
18 **AND ALL RELATED ACTIONS**  
19 \_\_\_\_\_

Date: February 18, 2022  
Time: 9:30 a.m.  
Dept: Courtcall

20 At the original hearing on the Watermaster's motion for monetary, declaratory and  
21 injunctive relief against the Zamrzlas, which took place on December 10, 2021, the Court directed  
22 the parties to meet and confer about possible resolution of the matter. On January 14, 2022,  
23 counsel for the Watermaster circulated to counsel for Zamrzlas a proposed draft stipulation and  
24 proposed order for settlement of the Watermaster's motion. The parties then attended another  
25 hearing on January 25, 2022, at which time no response to the Watermasters' draft January 14,  
26 2022 stipulation and order had been received from counsel for the Zamrzlas. Accordingly, the  
27 court continued this matter to February 18, 2022. Since the parties were last before this Court on  
28 January 25th, the following has occurred:

1 On February 8, 2022 counsel for the Zamrzlas responded in writing to the Watermaster's  
2 proposed draft stipulation and proposed order, and Counsel for the Watermaster responded that  
3 same day with comprehensive feedback on all comments by counsel for Zamrzlas. Thereafter,  
4 counsel for the Zamrzlas did not further communicate with counsel for the Watermaster, and  
5 instead filed a Status Update with this Court on February 11, 2022, alleging that the Watermaster  
6 is not cooperating in the settlement negotiations as suggested by the Court.

7 In the Zamrzlas' Status Update, counsel for the Zamrzlas included an excerpt from the  
8 transcript of the December 10, 2021 hearing, indicating that the Court recommended, and the  
9 Watermaster agreed, that the parties should stipulate to a Production Right amount for the  
10 Zamrzlas in order to settle this matter without the need for further costly and time-consuming  
11 litigation. As discussed below, notwithstanding what may have been suggested on December 10,  
12 2021, nothing in the Judgment authorizes the Watermaster to unilaterally stipulate to any  
13 Production Right amount claimed by a Party to the Judgment, other than an amount which is set  
14 forth on the face of the Judgment.

15 Without disclosing the substance of the settlement discussions, the Watermaster is willing  
16 to stipulate to the Court's jurisdiction over the Zamrzlas, thereby avoiding the need for a formal  
17 motion to intervene. This is a fundamental issue that the Court suggested could be easily resolved  
18 by the parties without necessitating extended litigation. However, the Watermaster cannot join the  
19 Zamrzlas in any motion to prove-up a Production Right, nor can the Watermaster unilaterally  
20 stipulate to any amount of Production Rights the Zamrzlas may claim. It is not within the  
21 authority or jurisdiction of the Watermaster to stipulate to or join the Zamrzlas in a claim for such  
22 Production Rights at this stage in the proceedings. A claim for such Production Rights must be  
23 established by the Zamrzlas on their own, and will be subject to objection by any Stipulating  
24 Parties and eventually the approval of the Court.

25 The powers and duties of the Watermaster are set forth in Paragraph 18.4 of the Judgment.  
26 These powers and duties include, but are not limited to, selecting the Watermaster Engineer,  
27 adopting Rules and Regulations, recording transfers of Production Rights, considering  
28 applications for New Production, enjoining conduct that is prohibited by the Judgment, and

1 levying and collecting Assessments. In sum, the Watermaster is charged with the duty to  
2 administer the terms of the Judgment, and granted the powers necessary to do so.

3         Nothing in the Judgment, however, confers on the Watermaster the power or the authority  
4 to unilaterally grant or stipulate to any amount of Production Right that may be claimed by a  
5 Party, other than as set forth on the face of the Judgment (specifically in Paragraph 5.1 and  
6 Exhibits 3 and 4). Rather, it is solely the obligation of the Zamrzlas to either attempt to prove-up a  
7 Production Right subject to the objection of any and all Stipulating Parties and the approval of the  
8 Court, or otherwise submit an application for New Production. Any attempt by the Watermaster  
9 to stipulate to a Production Right claimed by the Zamrzlas—a Production Right which does not  
10 appear on the face of the Judgment—would alter the Watermaster’s role as neutral arbitrator of  
11 the Court’s Judgment and place the Watermaster into a role expressly reserved for the Court.

12         A similar—albeit substantially factually different—situation arose recently in the case of  
13 SCI California Funeral Services, Inc. (“SCI”), whereby a non-Party sought to intervene in the  
14 Judgment as a Non-Stipulating Party, and thereafter filed a motion, subject to opposition by  
15 various Stipulating Parties, to prove-up a Production Right pursuant to Paragraph 5.1.10 of the  
16 Judgment. In accordance with its limited power and authority as discussed above, the  
17 Watermaster did not participate in the proceedings relative to SCI’s attempt to prove-up a  
18 Production Right, nor did the Watermaster join SCI in its motion or stipulate to any claimed  
19 Production Right prior to SCI litigating the matter with all objecting Stipulating Parties. The  
20 Watermaster did eventually sign-off on a joint stipulation as to SCI’s claimed Production Right  
21 after observing the proceedings from the sidelines, and allowing the Stipulating Parties the  
22 opportunity to object and reach an agreement with SCI as to an acceptable Production Right.

23         Although the facts relative to the Zamrzlas are substantially different than SCI, and the  
24 Watermaster does not suggest that the procedures utilized by SCI are appropriate for the  
25 Zamrzlas, the fundamental concept that the Watermaster cannot unilaterally stipulate to a  
26 Production Right at this stage of the proceedings remains the same. Any request by the Zamrzlas  
27 that the Watermaster so stipulate at this stage of the proceedings is inconsistent with the terms of  
28 the Judgment.

1 The Watermaster has made every effort to settle this matter on terms consistent with the  
2 purpose and intent of the Judgment, and the Zamrzlas and their counsel have proven to be the sole  
3 impediment to expeditiously settling this matter as suggested by the Court. The Watermaster  
4 looks forward to the Court's comments and recommendations on all these matters at the February  
5 18th hearing.

6 Respectfully submitted,

7 Dated: February 15, 2022

PRICE, POSTEL & PARMA LLP

8  
9 By:   
10 \_\_\_\_\_  
11 CRAIG A. PARTON  
12 TIMOTHY E. METZINGER  
13 CAMERON GOODMAN  
14 Attorneys for  
15 Antelope Valley Watermaster  
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1 **PROOF OF SERVICE**

2 STATE OF CALIFORNIA, COUNTY OF SANTA BARBARA

3 I am employed in the County of Santa Barbara, State of California. I am over the age of  
4 eighteen (18) and not a party to the within action. My business address is 200 East Carrillo Street,  
Fourth Floor, Santa Barbara, California 93101.

5 On February 15, 2022, I served the foregoing document described **STATUS UPDATE ON**  
6 **ZAMRZLA SETTLEMENT** on all interested parties in this action by placing the original and/or  
true copy.

7  
8  **BY ELECTRONIC SERVICE:** I posted the document(s) listed above to the Santa Clara  
County Superior Court Website @ [www.scefilng.org](http://www.scefilng.org) and Glotrans website in the action of  
9 the Antelope Valley Groundwater Cases.

10  (*STATE*) I declare under penalty of perjury under the laws of the State of California that  
the foregoing is true and correct.

11  (*FEDERAL*) I hereby certify that I am employed in the office of a member of the Bar of  
12 this Court at whose direction the service was made.

13  
14 Executed on February 15, 2022, at Santa Barbara, California.

15  
16   
17 \_\_\_\_\_  
Signature  
Elizabeth Wright