Thomas S. Bunn III (CSB #89502) LAGERLOF, SENECAL, GOSNEY & KRUSE, LLP 2 301 N. Lake Avenue, 10th Floor 3 Pasadena, CA 91101-4108 Telephone: (626) 793-9400 (626) 793-5900 4 Facsimile: Attorneys for Defendant and Cross-Complainant. 5 Palmdale Water District 6 7 8 SUPERIOR COURT OF THE STATE OF CALIFORNIA 9 FOR THE COUNTY OF LOS ANGELES - CENTRAL DISTRICT 10 11 Coordination Proceeding **Judicial Council Coordination** Special Title (Rule 1550 (b)) Proceeding No. 4408 12 ANTELOPE VALLEY GROUNDWATER [Assigned to The Honorable Jack Komar] 13 CASES Santa Clara Court Case No. 1-05-CV-049053 14 PUBLIC WATER SUPPLIERS' CASE 15 MANAGEMENT STATEMENT 16 Date: August 30, 2011 17 Time: 8:00 a.m. Dept: 316, Central Civil West 18 19 20 21 22

H. Jess Senecal (CSB #026826)

EXEMPT FROM FILING FEES UNDER **GOVERNMENT CODE § 6103**

The Public Water Suppliers have been participating in the settlement discussions before Justice Robie, and agree that progress is being made toward a comprehensive settlement. As suggested at the last case management conference, a notice was posted on the court's web site advising all parties of the settlement discussions and the opportunity to participate. As a result, several new parties have joined the discussion. Most of the discussion so far has focused on the central issue of water rights. The Public Water Suppliers believe that if a settlement can be reached on water rights, the remaining issues will likely be settled as well. However, there are also proposals circulating regarding other issues, including a proposal for the role of the watermaster in the management of the basin. At this point, it appears that there is a good possibility that the parties will reach agreement on this issue.

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One issue hampering settlement has been the lack of participation by the Wood class. In the reply memorandum for their motion to authorize expert witness work, class counsel stated that they had stated their position to Justice Robie in numerous briefs addressing the pertinent topics. That may be true, but those briefs have not been furnished to the other parties, nor has any representative from the Wood class been present at the settlement negotiations.

The court requested proposals about how evidence should be presented with respect to the watermaster issues, if agreement could not be reached. Given the evolving nature of the settlement discussions to date, it is difficult to make specific proposals at this time. Ideally, any trial would present a proposal and evidence to support it, and focus on areas of disagreement. The Public Water Suppliers suggest another case management conference in 30 days, during which proposals can be further developed and areas of disagreement identified.

In the meantime, the Public Water Suppliers suggest the court consider setting a trial next year on the key issue of water rights. A trial date could motivate parties to resolve the their differences on the allocation of groundwater in the basin.

Dated: August 26, 2011

LAGERLOF, SENECAL, GOSNEY & KRUSE, LLP

By:

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Palmdale Water District