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**Antelope Valley Groundwater Cases, Judicial Council
Coordination Proceeding No. 4408**

To All Parties and All Attorneys of Record Herein:

There have been significant developments in the adjudication. First, the Court has issued the Phase 3 trial statement of decision. It can be found at http://www.scefilng.org/filingdocs/194/39250/63777_2011x07x13xSODxStatementxofxDecisionxPhasexThreexTrialxxsignedx.pdf. Second, some of the parties have commenced settlement talks in Sacramento before Justice Ronald B. Robie (<http://www.courts.ca.gov/2653.htm>). Significant progress was made during the first settlement conference held on June 28-29, 2011.

It is important for all to know that the next settlement conference will take place in Sacramento on July 26, 2011. The parties will be discussing, among other issues, the division of rights to pump groundwater. You are invited to attend, and are invited to begin conferring with others about the potential settlement. We will be meeting in the offices of the Court of Appeal, Third Appellate District, 621 Capitol Mall, 10th Floor, Sacramento, California 95814.

If you desire to pump groundwater in the future, you should begin participating in these settlement negotiations. This includes parties who have not been active in the litigation. The settlement expected to be reached will include an allocation of who has the right to pump how much groundwater from the basin. You should assemble, but do not have to disclose, information evidencing your pumping history, as that information will no doubt be requested to support your claim to a share of the groundwater.

Very truly yours,

Steven R. Orr