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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SANTA CLARA

ANTELOPE VALLEY GROUNDWATER CASES

Included Actions:

Los Angeles County Waterworks District No. 40 v. Diamond Farming Co. Superior Court of California County of Los Angeles, Case No. BC 325 201 Los Angeles County Waterworks District No. 40 v. Diamond Farming Co. Superior Court of California, County of Kern, Case No. S-1500-CV-254-348Wm. Bolthouse Farms, Inc. v. City of Lancaster Diamond Farming Co. v. City of Lancaster Diamond

Farming Co. v. Palmdale Water Dist. Superior Court of California, County of Riverside, consolidated actions, Case No. RIC 353 840,

RIC 344 436, RIC 344 668

Judicial Council Coordination Proceeding No. 4408

Santa Clara Case No. 1-05-CV-049053 Assigned to The Honorable Jack Komar

ANTELOPE VALLEY GROUNDWATER
AGREEMENT ASSOCIATION'S
RESPONSE TO PLAINTIFF WILLIS'
PARTIAL OBJECTION TO PUBLIC
WATER SUPPLIERS' MOTION TO
AMEND CLASS CERTIFICATION
ORDER

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The Antelope Valley Groundwater Agreement Association ("AGWA") hereby responds to Plaintiff Willis' Partial Objection to Public Water Suppliers' Motion to Amend Class Certification Order ("Partial Objection").

Plaintiff Willis has presented the Court with a [Proposed] Order Modifying Definition of Plaintiff Class ("Proposed Order") asking that the Court certify a modified Class for the limited purposes of determining Basin characteristics and "the validity of the public water suppliers' prescription claims." (Proposed Order, 3:10-12.) Plaintiff Willis asks that the Modified Class exclude Basin landowners with parcels of less than one acre who receive water from a public water supplier. She further asks that the Court certify a sub-class (essentially the Class as it exists now), consisting of all members of the Modified Class who have not pumped groundwater on their properties at any time since January 18, 2001. Finally, Plaintiff Willis asks that the Court restrict the Class Counsel's representation of the Modified Class during settlement negotiations to representation of only the proposed sub-class. (Proposed Order, p. 3.)

The Court should not follow Plaintiff Willis' proposal and should not grant the Proposed Order, as doing so would create a Modified Class with internally conflicting interests, would benefit the purveyors and non-pumpers to the detriment of those pumpers included in the class, and would prevent a final and binding adjudication of the issues in this case. AGWA again urges the Court to maintain a class of non-pumpers and require the purveyors to name and serve all landowners pumping from the Basin.

I. PLAINTIFF WILLIS' PROPOSAL WOULD RESULT IN A CONFLICTED CLASS

As described in Antelope Valley Groundwater Agreement Association's Response to Motions to Amend Class Definition, any class that includes both pumpers and non-pumpers will contain members with conflicting interests in this litigation. This is the case even as to what some counsel assume are objective issues upon which all landowners could agree. As described by AGWA counsel at the most recent hearing in this case, pumpers and nonpumpers may desire different outcomes in the determination of the Basin's yield, as pumpers may actually wish that the

Court find that the purveyors have obtained a prescriptive right in this case. 1 In any determination of 1 2 3 4 5 6 7 8 9 10 11 12 II. 13 14 15 16 17 18 19 Mr. Fife: 20 21

yield and consequent determination of prescription, the pumpers are faced with the prospect of losing a portion of the Basin's yield through a successful showing of prescription, or losing some of their water through correlative sharing with dormant overlyers if no prescription is shown. The pumping landowners may prefer to have prescription shown if the amount of water they would lose by having their rights defined by self-help is less than the amount they would lose by sharing correlatively with the now dormant landowners. The dormant landowners do not share this interest at all - since they cannot show any self-help, the only logical approach for them is to defend against the claims of prescription. Further, these are not interests that will not arise until some later point in this litigation, but are conflicting interests that go to the heart of the initial determinations that Class Counsel and the purveyors urge can be done with a unified landowner class.

THE PROPOSAL WILL BENEFIT EVERYONE BUT PUMPER CLASS MEMBERS

As described above, through the Partial Objection and Proposed Order, Plaintiff Willis urges the creation of a class of landowners, including both pumpers and non-pumpers, but Class Counsel would represent only the interests of a portion of the Modified Class in settlement negotiations and would not continue to represent those pumpers within the Modified Class once two issues - Basin

> Mr. Zlotnick, if he represents both pumpers and nonpumpers, is going to have an impossible time participating in the settlement negotiations because a central issue in those negotiations is how to reconcile the rights of the pumpers versus the nonpumpers.

> I represent pumpers. Our biggest concern is not the water purveyors, it's the nonpumpers. And most of our participation in the settlement negotiations - which are underway right now, this isn't something in the future – our principal concern is to get a settlement that protects us from the nonpumpers. If we can get a settlement, then these phases of trial such as basin characteristics, prescription, et cetera, may become moot. Maybe we can avoid them altogether. If we have a proper settlement in the works, perhaps we can have stipulations about those things, we can reach consensus.

(January 14, 2008 Hearing Transcript, 30:3-20.)

RESPONSE TO WILLIS' PARTIAL OBJECTION TO MOTION TO AMEND CLASS CERTIFICATION ORDER

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characteristics and the purveyors' claims of prescription – have been resolved. ² This proposal would benefit the purveyors and the nonpumpers (dormant overlyers) but work to the detriment of the pumpers.

Remarkably, though proposed by landowner counsel, Plaintiff Willis' proposal will succeed in accomplishing the purveyors' objective for the use of a class structure in this case — landowner participation will be minimized. All non-party landowners, including pumpers, whom it would be assumed would have a particularly strong interest in the outcome of this case, will be shoehorned into one Modified Class. Though the Antelope Valley is made up of tens of thousands of small parcels, only a handful of landowners are presently active in this case, and there is only one group of local landowner farming interests (AGWA), countering the more than 6 law firms representing the purveyors. Due to their small size, it is unrealistic to think that small pumpers would attempt to participate individually in this action. Rather, they would band together in to groups, just as they have done in other adjudications. Plaintiff Willis' proposal would prevent any additional landowner groups from forming and leave the proposed class to bear the primary responsibility for defending the lawsuit on behalf of all non-party landowners.

By preventing the formation of additional landowner groups in this case, the purveyors will be benefited by the consolidated representation of a vast number of landowners in one attorney and his law firm. The class representative will face a David versus Goliath scenario in opposing the large group of purveyors counsel. In the Santa Maria Groundwater Basin adjudication, because of the large number of groups of landowners, and their respective counsel, participating in the trial, a rough parity between counsel existed. This allowed the landowners to successfully defend the case in Phase III, which eventually led to the settlement entered into by the overwhelming majority of parties to that adjudication. Placing all landowners in one class in this case will benefit the purveyors, by consolidating the parties whose interests they oppose. It will also benefit the dormant

² This request to limit Class Counsel's representation in settlement negotiations to only the interests of the sub-class leaves one to wonder why Class Counsel wishes to have pumpers as part of the Modified Class in the first place.

overlyers by preventing the formation of any further pumper groups. This is not only the case in the trial of this matter, but additionally in the presently ongoing settlement negotiations.

In support of Plaintiff Willis' proposal, Class Counsel indicates that he will vigorously defend the Class' interest in this case. The initial trial phase for which Class Counsel proposes to represent the Modified Class – determination of the Basin's characteristics – will be intensely technical. To AGWA's knowledge, Class Counsel has not hired an expert to represent the interests of Plaintiff Willis or the existing Class in this action. In order to adequately vet the Class Counsel's claims, it would be appropriate for the Court to inquire of him as to his plans to hire an expert and other technical support in this case.

Finally, and perhaps most importantly, Plaintiff Willis' proposal would leave all of landowners within the Modified Class, but outside the proposed sub-class, without representation in the present settlement negotiations. AGWA wonders who the Class Counsel believes will represent the Modified Class members that are not within the sub-class and why they should be in the Modified Class at all if their interests are not being represented by Class Counsel. The Partial Objection does not answer these questions, but assumes someone else will carry the torch of these unrepresented pumpers:

To the extent the interests of the small pumpers diverge from those of the non-pumpers, the reality is that the "pumper interests" are already being aggressively advanced and protected. Thus, there is no need for Class counsel to represent those persons in settlement negotiations. The interests of pumpers are already well represented in such negotiations and the small pumpers in the Class will presumably be treated similarly to other pumpers.

(Partial Objection, 5:15-20.) AGWA takes issue with Class Counsel's assumption that because other counsel presently represent the interests of certain pumpers in this action, that the interests of the pumpers Class Counsel proposes be included in the Modified Class will be adequately protected in settlement negotiations. In the Santa Maria Groundwater Litigation, in which many of the counsel participating in this action also participated, the various groups of pumpers have ended-up situated much differently from one another. It is likely that the same result will occur in this case, with

different landowners situated differently according to the choices they make in the negotiations. Class Counsel assumes an outcome in the settlement negotiations that likely will not occur and should not be relied upon.³

Unfortunately, the inclusion of pumpers in the Modified Class would prevent any further pumper landowner representation in settlement negotiations and increase the cost and the difficulty to the other pumping landowners to participate. This would have the effect of benefiting the dormant overlyers (as well as the purveyors) who are adverse to the interests of the small pumpers in those negotiations.

Should the Court, for whatever reason, determine to accept Plaintiff Willis' proposal and issue the Proposed Order, the notice used to inform members of the Modified Class of this action must make excruciatingly clear the limitations that the Class Counsel has asked be placed on him: The Class Notice must make clear to those members of the Modified Class outside the sub-class that they will not be represented in settlement negotiations – that, in fact, the Class Counsel will be negotiating against their interests – and that by remaining in the class they will cause detriment to the interests of the landowners who pump.

III. PLAINTIFF WILLIS' PROPOSAL WOULD PREVENT A COMPLETE AND BINDING JUDGMENT IN THIS MATTER

Plaintiff Willis' proposed modification would leave the Court unable to make a binding and final judgment in this case and would effectively leave a large portion of the proposed class without representation. The subject of the lack of compliance with the requirements of the McCarran Amendment, should a landowner class in this action fail to include those landowners receiving public water service, received extensive treatment in the Antelope Valley Groundwater Agreement Association's Response to Motions to Amend Class Definition and the United States' Response to Public Water Suppliers' Motion to Amend or Modify September 11, 2007 Order Certifying Plaintiff

³ If Class Counsel is correct in his assumptions, one may also wonder why the purveyors require six separate law firms to represent their interests in the lawsuit and settlement negotiations since purveyors are already being aggressively represented by LA County and purveyors "will presumably be treated similarly" to other purveyors. In this regard, the presence of six separate law firms would appear to constitute a waste of public funds.

Class. AGWA incorporates by reference the relevant portions of those Responses as if they were set forth here in their entireties.

IV. CONCLUSION

For the reasons described above, and those described in its Response to Motions to Amend Class Definition, AGWA repeats its request that the Court maintain a non-pumpers class in this action, that it require the purveyors to individually name and serve all landowners known to be pumping from the Basin, and that the Court require that the notice of class action provide a pumper the opportunity to indicate such status, allowing the purveyors to name and serve that landowner.

Dated: February _______, 2008

BROWNSTEIN HYATT FARBER SCHRECK, LLP

ARCHAEL Z. FIFE

BRADLEY J. HERREMA ATTORNEYS FOR AGWA

RESPONSE TO WILLIS' PARTIAL OBJECTION TO MOTION TO AMEND CLASS CERTIFICATION ORDER

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF SANTA BARBARA

I am employed in the County of Santa Barbara, State of California. I am over the age of 18 and not a party to the within action; my business address is: 21 E. Carrillo Street, Santa Barbara, California 93101.

On February 20, 2008, I served the foregoing document described as:

ANTELOPE VALLEY GROUNDWATER AGREEMENT ASSOCIATION'S RESPONSE TO PLAINTIFF WILLIS' PARTIAL OBJECTION TO PUBLIC WATER SUPPLIERS' MOTION TO AMEND CLASS CERTIFICATION ORDER

on the interested parties in this action.

By posting it on the website at 2.20 p.m./a.m. on February 20, 2008. This posting was reported as complete and without error.

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

Executed in Santa Barbara, California, on February 20, 2008.

TYPE OR PRINT NAME

SIGNATURE