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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

ANTELOPE VALLEY
GROUNDWATER CASES

This Pleading Relates to Included Action:
REBECCA LEE WILLIS, on behalf of herself
and all others similarly situated,

Plaintiff,

vs.

LOS ANGELES COUNTY WATERWORKS
DISTRICT NO. 40; CITY OF LANCASTER;
CITY OF LOS ANGELES; CITY OF
PALMDALE; PALMDALE WATER
DISTRICT; LITTLEROCK CREEK
IRRIGATION DISTRICT; PALM RANCH
IRRIGATION DISTRICT; QUARTZ HILL
WATER DISTRICT; ANTELOPE VALLEY
WATER CO.; ROSAMOND COMMUNITY
SERVICE DISTRICT; MOJAVE PUBLIC
UTILITY DISTRICT; and DOES 1 through
1,000;

Defendants.

) RELATED CASE TO JUDICIAL
) COUNCIL COORDINATION
) PROCEEDING NO. 4408
)

) **THE WILLIS' CLASS' STATUS**
) **CONFERENCE STATEMENT**
)

) Date: July 15, 2010
) Time: 9:00 a.m.
) Place: Dept. 12?? (Santa Clara)
) Judge: Hon. Jack Komar
)

The Court has asked the parties to report as to the status of settlement negotiations. Unfortunately, those negotiations remain in a state of uncertainty and flux. We recommend that the Court require all significant parties to attend a

1 mandatory settlement conference (preferably before Justice Robie if he is available).
2 We further suggest that the Court defer any sty of the trial date pending that
3 conference.

4 As the Court is aware there have been two parallel tracks of settlement
5 negotiations. One has been between the Willis Class and the Public Water
6 Suppliers (the Suppliers). The other has been a more comprehensive effort that has
7 involved landowners and many of the Public Water Suppliers and other entities.
8 Significant progress has been made in both settlement tracks over the past few
9 weeks. Most notably, the Los Angeles County Board of Supervisors has approved
10 the Willis Class action settlement that was originally mediated by Justice Robie.
11 Further, the Waldo mediation process has resulted in a draft Accord that addresses
12 many of the fundamental matters at issue.

13 **I. Status of Willis Class Settlement With Public Entities**

14 The status of the proposed settlement between the Willis Class and the
15 Suppliers, though now approved by L.A. County, remains uncertain. To summarize
16 the relevant history:

- 17 a. Last September the Willis Class entered into an agreement in principle
18 with the Suppliers following mediation before Justice Robie.
- 19 b. After considerable effort, in March 2010, the settling parties agreed on the
20 terms of a proposed settlement (the Settlement), subject to appropriate
21 approvals (including that of this Court).
- 22 c. Last month, we were advised that all Suppliers had approved the terms of
23 the proposed Settlement other than L.A. County, the Board of Supervisors
24 of which had not yet considered the matter.
- 25 d. Yesterday, we were advised (1) that the L.A. County Board had approved
26 the Settlement, but (2) that other Suppliers – most notably, Palmdale
27 Water District – were considering approving the Antelope Accord, the
28 terms of which are inconsistent in material respects with the Settlement.

1 Because the proposed Settlement contemplates that all Suppliers would
2 participate, it could not be effectuated if Palmdale refuses to participate.

3 **II. Status of the Waldo Mediation**

4 We have participated in the Waldo Mediation because of our uncertainty
5 whether the Settlement between Willis and the Suppliers would be approved, as
6 well as the fact that the Settlement was not a comprehensive resolution of this
7 litigation. The Waldo Mediation group has made substantial progress towards a
8 comprehensive resolution of the litigation, but is flawed in that it has not included
9 two of the more significant parties – L.A. County and the United States. Further,
10 in our judgment, the draft Antelope Accord is neither complete nor acceptable in its
11 present form. Nonetheless, the Accord could well form the basis for further
12 settlement efforts.

13 The most significant obstacle remains a substantial disagreement as to the
14 Basin's safe yield. This issue has perplexed the parties and has been an obstacle in
15 every settlement negotiation. The opposing sides have taken extreme views of the
16 actual amount of the safe yield and neither side has been willing to compromise. In
17 part that has been because there is no credible scientific evidence that supports a
18 compromise position. Hence, the Willis Class continues to believe that a Court-
19 appointed neutral expert would significantly assist an appropriate resolution of this
20 issue. Further, the appointment of such a neutral expert might well facilitate
21 settlement discussions by enhancing the possibility that the Court would find the
22 yield to be somewhere in the middle of the parties' extreme positions.

23 **III. A Mandatory Settlement Conference Is Appropriate.**

24 We suggest that the Court require all significant litigants to appear at a
25 mandatory settlement conference before Justice Robie (subject, of course, to his
26 willingness to handle that role). That should include United States and the
27 Suppliers, as well as the parties that have participated in the Waldo Mediation.

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1 **IV. The Court Should Defer Any Stay of the Litigation.**

2 The decision whether to stay the litigation is a close call. To be sure, the
3 conventional wisdom is that the pendency of an imminent trial facilitates
4 settlement. But this is not the typical case. It involves numerous parties and many
5 complex and difficult issues. Hence, an imminent trial date may be
6 counterproductive at some point. Assuming the Court orders a mandatory
7 settlement conference, we respectfully suggest that the Court defer any decision on
8 a stay of the Phase III trial pending a report as to settlement prospects following
9 the initial session of that settlement conference.

10 Dated: July 14, 2010

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