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

10 ANTELOPE VALLEY
11 GROUNDWATER CASES

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

14 *Plaintiffs,*

15 v.
16

17 LOS ANGELES COUNTY
18 WATERWORKS DISTRICT NO. 40;
CITY OF LANCASTER; CITY OF
19 PALMDALE; PALMDALE WATER
DISTRICT; LITTLEROCK CREEK
20 IRRIGATION DISTRICT; PALM
RANCH IRRIGATION DISTRICT;
21 QUARTZ HILL WATER DISTRICT;
ANTELOPE VALLEY WATER CO.;
22 ROSAMOND COMMUNITY SERVICE
DISTRICT; PHELAN PINON HILL
23 COMMUNITY SERVICE DISTRICT; and
DOES 1 through 1,000;

24 *Defendants.*
25
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RELATED CASE TO JUDICIAL COUNCIL
COORDINATION PROCEEDING NO. 4408

**WILLIS CLASS' CASE MANAGEMENT
STATEMENT**

Date: January 7, 2015
Time: 9:00 am
Place: Telephonic Hearing
Judge: Hon. Judge Komar

1 The Willis Class respectfully submits the following Case Management Conference
2 Statement in advance of the Court-noticed January 7, 2015, telephonic conference.

3 On December 24, 2014, one day after the filing of the Willis Demand for Inclusion in
4 Settlement Negotiations, the Public Water Suppliers ("PWS") provided an updated draft of the
5 Stipulated Proposed Physical Solution (the "SPPS") to Class Counsel. Although the Willis Class
6 recognizes that the SPPS has yet to be filed with the Court, Class Counsel is compelled to alert the
7 Court that the draft SPPS directly violates the terms of the Willis Stipulation of Settlement and
8 Amended Final Judgment. Additionally, other than as outlined below, the Willis Class was not a
9 participant in any of the sessions that led to the creation, negotiation, and drafting of the soon-to-
10 be-filed SPPS. Indeed, as outlined below, the Class was deliberately excluded from the underlying
11 negotiations in direct contravention of the Willis Class Stipulation of Settlement and Amended
12 Final Judgment.
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15 For three years since the Court entered the Willis Class Amended Judgment (between 2011
16 and 2014), the Willis Class monitored the trial court proceedings and limited its involvement in the
17 proceedings. See, Declaration of Ralph B. Kalfayan, Esq. in Support of Case Management
18 Conference Statement Regarding Willis Class' Demand for Inclusion in Settlement Negotiations
19 (hereafter "Kalfayan Decl."), ¶ 7. In prior Case Management Conference Statements, the Willis
20 Class explained to the parties its reasons for its limited participation. Namely, all Class claims were
21 released and dismissed via a Final Judgment and not a single pumping overlying landowner had
22 asserted a claim challenging the Class' rights to share correlatively in the Native Safe Yield.
23 Furthermore, the PWS insisted on a contractual term in the Stipulation of Settlement that precluded
24 Class Counsel from seeking future attorneys' fees and costs against them except under certain
25 circumstances. *Id.* Also, the Court's Consolidation Order prohibited Class Counsel from seeking
26 attorneys' fees and costs from other landowner parties. Even though the Class limited its
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1 involvement, Class Counsel was ready and willing to negotiate a global settlement consistent with
2 the Willis Stipulation of Settlement. *See*, Kalfayan Decl., ¶ 7. To facilitate a physical solution, in
3 2012, Class Counsel inquired of PWS' counsel whether it was necessary to attend mediation
4 sessions related to a physical solution. Class Counsel was told that the Class' participation was not
5 required in mediation. *Id.*; *See* Willis CMC Statements dated April 25, 2012, June 13, 2012, and
6 October 9, 2012, attached as Exhibit A.
7

8 In or about June 2014, PWS' counsel first furnished the Class with a draft of the stipulated
9 proposed physical solution ("SPPS"). *See*, Kalfayan Decl., ¶ 8. By the time Class Counsel received
10 this draft, the parties had finalized their allocations of the Native Safe Yield and the Willis Class
11 was denied a correlative right to the Native Safe Yield free of any replacement assessment. This
12 denial wholly abrogated the groundwater rights of the Class and directly contravened the terms of
13 the Willis Class Stipulation of Settlement.
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15 However, mindful of its obligation to negotiate with the parties on a physical solution
16 consistent with the Willis Stipulation of Settlement, Class Counsel reached out to the PWS after
17 receiving the draft of the SPPS in an attempt to reach a reasonable compromise. *See*, Kalfayan
18 Decl., ¶ 8. Class Counsel provided the PWS with a letter outlining the deficiencies with the SPPS
19 and provided written alternatives for a physical solution that could satisfy the objectives of the
20 parties, including the interests of the United States and the interests of the Class. None of Class
21 Counsel's written letters were responded to by the PWS. *Id.* On or about August 2014, Class
22 Counsel met in person with Mr. Garner and Mr. Dunn, counsel for District 40, at the offices of Best
23 Best & Krieger to discuss the SPPS. At this meeting, each side presented its position and it was
24 agreed that further discussions would take place to resolve the Willis Class issues. *Id.* Class
25 Counsel was hopeful that the PWS would not directly violate the Stipulation of Settlement and
26 would facilitate a compromise acceptable to the Willis Class and consistent with the 2010
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1 Stipulation of Settlement. As the PWS are well aware, the Stipulation of Settlement expressly
2 provides that the Willis Class is entitled to a correlative share of the Native Safe Yield free of
3 replacement assessment and that the PWS may not take any positions that impair the Willis Class
4 Members' right to pump from the Native Safe Yield.

5
6 On August 21, 2014, Class Counsel emailed Mr. Garner requesting comments on alternative
7 proposals for a SPPS. *See*, Kalfayan Decl., ¶ 9. Mr. Garner responded that he was working on
8 some ideas and had calendared next week for a follow up. *See* Email dated August 22, 2014, from
9 Eric Garner, Esq. to Ralph Kalfayan, Esq., attached as Exhibit B. No one from Best Best & Krieger
10 followed up with Class Counsel regarding the interests of the Willis Class in participating in a
11 physical solution. *Id.*

12
13 On or about September 2014, Class Counsel appeared at a telephonic mediation session
14 among all the parties. *See*, Kalfayan Decl., ¶ 10. Shortly after the mediation session started, two
15 landowner counsel requested that Class Counsel not participate in the settlement discussion. Class
16 Counsel was told to leave the call as the mediation was confidential and privileged. *Id.* The PWS
17 were present at this mediation session and expressed no objection to Class Counsel's ouster. We
18 discovered at this mediation that District 40 specifically requested in 2012 and 2013 that the Willis
19 Class not be included in any of the settlement discussions that led to the SPPS. *Id.*

20
21 In October 2014, Class Counsel again reached out to Mr. Garner regarding the status of the
22 SPPS. Mr. Garner responded that the Willis Class issues had not yet been resolved. *See* Email
23 dated October 7, 2014, from Eric Garner, Esq. to Ralph Kalfayan, Esq., attached as Exhibit C.

24 In late October 2014, a Case Management Order was filed with the Court by the United
25 States and landowner parties outlining dates for the filing of a stipulated proposed physical solution.
26 Class Counsel was surprised by this CMO as it confirmed that Best Best & Krieger had no interest
27 in negotiating a compromise with the Willis Class on a physical solution consistent with the Willis
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1 Stipulation of Settlement. The PWS made their deal with the pumping landowners and deliberately
2 excluded Willis Class Counsel, thereby knowingly breaching the Stipulation of Settlement in the
3 process.

4 The only other communications between Class Counsel and the PWS regarding a physical
5 solution after the Court's entry of the November 4, 2014 Case Management Order related to District
6 40's email to outside counsel for the Archdiocese of Los Angeles, Mr. Allan Graf. *See*, Kalfayan
7 Decl., ¶ 11. In that email, District 40's counsel informed Mr. Graf that he wanted to discuss "the
8 existing Willis Class and the Archdiocese" and "the representation of the Archdiocese of Los
9 Angeles in the Antelope Valley Groundwater Adjudication." *See*, Email dated December 15, 2014
10 from Jeff Dunn, Esq. to Allan Graf, Esq., attached hereto as Exhibit D. As this Court knows,
11 District 40 is vigorously opposing Class Counsel's motion to add the Archdiocese of Los Angeles
12 as a class representative for the Willis Class. After Mr. Graf promptly informed Class Counsel of
13 District 40 counsel's email to him, Class Counsel immediately sent an email to District 40's counsel
14 informing them that Class Counsel must be included in any and all communications with outside
15 counsel for the Archdiocese of Los Angeles. *See*, Email dated December 16, 2014, from Ralph
16 Kalfayan, Esq. to Jeff Dunn, Esq., attached hereto as Exhibit E. District 40's counsel never
17 contacted Class Counsel and Mr. Graf to follow up on the December 15, 2014, email. *Id.*

18 The Joint Case Management Conference Statement filed by the PWS and landowners on
19 December 31, 2014, states that the Willis Class "rejected critical components that were essential to
20 a comprehensive settlement among the parties." What the Joint Statement does not reveal is that
21 those "critical components" rejected by Class Counsel were the specific terms that denied the Willis
22 Class its correlative right to the Native Safe Yield free of any replacement assessment. Consenting
23 to the SPPS by Class Counsel would have constituted a breach of the Stipulation of Settlement and
24 a derogation of Class Counsel's fiduciary duties to the Class.

1 In its Case Management Statement, the City of Los Angeles states that it “participated in
2 numerous negotiations sessions, discussions, drafting sessions and other written communications
3 with a large group of parties over at least the past year in order to formulate terms and form of a
4 proposed Judgment and Physical Solution...”. The Willis Class was not invited to these sessions
5 and was never privy to “other written communications with a large group of parties over at least
6 the past year in order to formulate terms and form a proposed Judgment and Physical Solution.”
7
8 *See, Kalfayan Decl., ¶ 12.*

9 Simply put, the Willis Class was denied access to the negotiations that led to the proposed
10 physical solution. Further, the PWS have failed to fulfill their obligation to negotiate a physical
11 solution that is consistent with the Willis Stipulation and Judgment. In short, the PWS and other
12 parties have forced the Willis Class into a position of opposing the SPPS and incurring a significant
13 amount of legal fees and costs to enforce the Willis Stipulation of Settlement (including the pursuit
14 of remedies for the PWS’ willful breach of the Stipulation).
15

16 Equally disturbing is the fact that Willis Class members have received no notice that their
17 rights may be reduced or taken away in this physical solution proceeding. Obviously, Class
18 Counsel cannot allow the significant rights obtained in the Stipulation of Settlement (deemed
19 “significant benefits” by this Court) for the 65,000 class members to be stripped away by the PWS
20 during backdoor negotiations that led to a SPPS which illegally prioritized every other parties’
21 interest over and above the correlative overlying landowner rights of the Willis Class members.
22

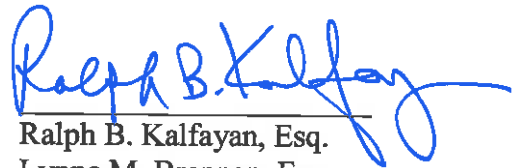
23 Finally, this proposed physical solution is not merely a breach of contract by the PWS, but
24 it also violates the Court’s September 22, 2011 Amended Final Judgment approving the Stipulation
25 of Settlement. Consistent with well-established rules of res judicata and the integrity of judgments,
26 this Court cannot approve the present proposed physical solution. Hence, the PWS’ exclusion of
27 the Willis Class from negotiations and their support of a proposal that is inconsistent with the 2011
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1 Stipulation of Settlement and Amended Final Judgment will only further lengthen and complicate
2 this already protracted proceeding. Consistent with the 2011 Amended Final Judgment, the Court
3 should direct the PWS not to propose or participate in any physical solution that is inconsistent with
4 the Stipulation of Settlement to which they agreed in 2010 and which this Court approved in its
5 Amended Final Judgment in 2011.
6

7 Dated: January 5, 2015

KRAUSE KALFAYAN BENINK & SLAVENS, LLP

8
9 By:



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Class Counsel for the Willis Class