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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
SACRAMENTO DIVISION

13 In re:
 14 CITY OF STOCKTON, CALIFORNIA,
 15 Debtor.

Case No. 2012-32118
 Chapter 9
 DC No. BB-001

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COALITION FOR A SUSTAINABLE
 DELTA, BELRIDGE WATER STORAGE
 DISTRICT, BERRENDA MESA WATER
 DISTRICT, CAWELO WATER DISTRICT,
 NORTH OF THE RIVER MUNICIPAL
 WATER DISTRICT, WHEELER RIDGE-
 MARICOPA WATER STORAGE
 DISTRICT, AND DEE DILLON,

**DECLARATION OF JOSHUA A.
 BLOOM IN SUPPORT OF MOTION OF
 THE COALITION FOR A
 SUSTAINABLE DELTA AND OTHER
 PARTIES FOR LIMITED RELIEF
 FROM AUTOMATIC STAY PURSUANT
 TO 11 U.S.C. § 362(d)(1)**

Date: July 1, 2014
 Time: 9:30 a.m.
 Location: U.S. Bankruptcy Court
 Sacramento Division
 501 I Street, 6th Floor
 Courtroom 35
 Judge: Christopher M. Klein

23 Movants,
 24 v.
 25 CITY OF STOCKTON, CALIFORNIA,
 26 Respondent.

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1 I, JOSHUA A. BLOOM, declare:

2 1. I am attorney at law licensed to practice before this court, and counsel for all of
3 the plaintiffs the Coalition for a Sustainable Delta, Belridge Water Storage District, Berrenda
4 Mesa Water District, Cawelo Water District, North of the River Municipal Water District,
5 Wheeler Ridge-Maricopa Water Storage District, and Dee Dillon (the "Movants"), in the
6 pending litigation entitled *Coalition for a Sustainable Delta, et al. v. City of Stockton and*
7 *County of San Joaquin*, United States District Court, Eastern District of California, Case No.
8 Case No. 2:09-CV-00466-JAM-KJN.

9 2. The Movants assert claims against the City of Stockton, California ("City") and
10 the County of San Joaquin ("County") for declaratory relief, injunctive relief, and civil penalties
11 for violations of the federal Clean Water Act ("CWA") and Endangered Species Act ("ESA").
12 The gravamen of the Complaint, which was filed in February of 2009, is that the City and the
13 County have been discharging storm water in violation of the City and County's joint Municipal
14 Separate Storm Sewer ("MS4") Permit, and that these activities have negatively impacted the
15 quality and aesthetics of the Sacramento-San Joaquin Delta ("Delta"), resulted in the "take" of
16 certain species protected by the ESA native to the Delta, and has caused economic harm to
17 Coalition members and the water districts. A true and correct copy of the complaint is filed
18 concurrently as Exhibit A.

19 3. Based upon discovery that has been conducted in the action, the Movants believe
20 they have an evidentiary foundation to seek partial summary judgment on components of their
21 CWA claim that address continuing violations of the MS4 permit, and which violations have
22 caused, and are continuing to cause, impacts to the detriment of the Delta, native species, and
23 the users that rely on the Delta.

24 4. In February 2011, the Movants agreed to a stay of the action and to refrain from
25 further discovery while they engaged in substantive settlement discussions in an effort to resolve
26 the litigation. Those discussions and settlement efforts continued through April 2012. In the
27 course of those settlement efforts, the parties made some progress, including entering into an
28 Interim Agreement in May 2011 that provided for an assessment of the City's and the County's

1 stormwater programs by an independent third party confidential expert, who then developed
2 recommendations that provided a basis of subsequent settlement negotiations. Settlement
3 discussions continued subsequent to the independent report without resolution of certain
4 significant issues.

5 5. The District Court entered an order on April 3, 2012, stating that no further stay
6 would be granted and setting a status conference for August 22, 2012.

7 6. Prior to the August 22, 2012 status conference, the City filed for protection under
8 Chapter 9 of the Bankruptcy Code (11 U.S.C. § 101, et seq.) on June 28, 2012.

9 7. A Notice of Automatic Stay was filed by the City on July 10, 2012, and the
10 District Court vacated the August 22, 2012 status conference on July 24, 2012.

11 8. The District Court's docket reflects the entire action as "Stayed."

12 9. Movants were prepared in the fall of 2012 to file this Motion but as the parties
13 were in discussions in attempt to seek agreement to mediate the matter, Movants agreed to defer
14 filing this Motion in order to provide an opportunity to resolve the matter through mediation.
15 However, as a result of the City's decision not to share in the cost of a private mediator, and due
16 to the restrictive schedule of the Magistrate Judge of the Northern District's Sacramento
17 Division that prevented the opportunity to have the Magistrate serve as a mediator, the parties'
18 discussions transitioned to trying to schedule a meeting with the parties' principals in an attempt
19 to resolve the matter. That meeting took place on December 2, 2013.

20 10. As a result of that meeting, the Coalition was hopeful that a resolution to the
21 litigation would be forthcoming. Despite the Coalition's good faith efforts to effect a
22 settlement, it does not appear that the City either willing and/or able to take steps necessary to
23 resolve the matter. More specifically, at the December 2, 2013 meeting, the Parties agreed on a
24 general set of elements that would comprise a comprehensive settlement agreement, and further
25 agreed that the Parties' respective consultants would meet and provide joint recommendations to
26 counsel with regard to technical elements of the settlement (e.g., injunctive stormwater
27 monitoring and performance milestone elements). The consultants did meet, and the Coalition's
28 consultant provided to the City's consultant, on April 3, 2014 and April 11, 2014, his part of the

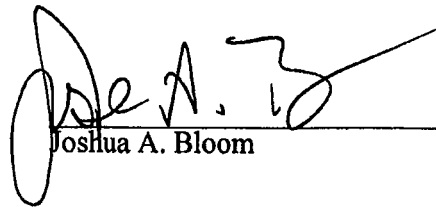
1 proposals. The City's consultant has not provided any material or proposal to the Coalition's
2 consultant as of the date of this Declaration. Further, on March 28, 2014, I had provided, on
3 behalf of the Coalition, a draft settlement agreement to the City's counsel. No response to that
4 draft has been provided as of the date of this Declaration.

5 11. The Coalition has also requested on more than one occasion that the City
6 stipulate to limited relief from the stay, but the City has not agreed to such stipulation. As a
7 result, the Coalition finds it necessary to make the underlying Motion for Limited Relief from
8 Stay.

9 12. In the event the Bankruptcy Court grants the Movants' motion, the Movants
10 agree to move for partial summary judgment on the component of their CWA claim to which
11 they believe is ripe for summary judgment prior to conducting any further discovery on their
12 remaining CWA and ESA claims. Subject to the approval of the District Court judge, the
13 Movants also agree to a reasonable period for mediation or other settlement activities following
14 the partial summary judgment ruling before engaging in extensive additional discovery, and to
15 continue to seek a resolution of the Movant's claims with the City.

16 I declare under penalty of perjury under the laws of the United States of America that the
17 foregoing is true and correct.

18 Executed this 2 day of June, 2014.

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Joshua A. Bloom