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9 **UNITED STATES BANKRUPTCY COURT**
10 **EASTERN DISTRICT OF CALIFORNIA**
11 **SACRAMENTO DIVISION**

12
13 In re:
14 CITY OF STOCKTON, CALIFORNIA,
15 Debtor.

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

16
17 COALITION FOR A SUSTAINABLE
DELTA, BELRIDGE WATER STORAGE
18 DISTRICT, BERRENDA MESA WATER
DISTRICT, CAWELO WATER DISTRICT,
19 NORTH OF THE RIVER MUNICIPAL
WATER DISTRICT, WHEELER RIDGE-
20 MARICOPA WATER STORAGE
DISTRICT, AND DEE DILLON,

**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

21 Movants,
22 v.
23 CITY OF STOCKTON, CALIFORNIA,
24 Respondent.
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1 The Coalition for a Sustainable Delta, Belridge Water Storage District, Berrenda Mesa
2 Water District, Cawelo Water District, North of the River Municipal Water District, Wheeler
3 Ridge-Maricopa Water Storage District, and Dee Dillon (collectively, the “Movants”) hereby
4 move this Court for an order modifying the automatic stay under 11 U.S.C. §362(d) of the
5 Bankruptcy Code to permit the Movants, who are plaintiffs in the suit entitled, *Coalition for a*
6 *Sustainable Delta, et al. v. City of Stockton, and County of San Joaquin.*, Case No. 2:09-CV-
7 00466-JAM-KJN pending in the United States District Court, Eastern District of California, to
8 pursue the litigation to final judgment (but not collection of any monetary damages or penalties)
9 on their claims against the debtor, the CITY OF STOCKTON, CALIFORNIA (“City”) for
10 declaratory relief, injunctive relief, and civil penalties for violations of the federal Clean Water
11 Act (“CWA”) and Endangered Species Act (“ESA”).

12 Cause exists to modify the automatic stay based upon the following:

- 13 1. The City and the County of San Joaquin (“County”) are joint holders of a MS4
14 Permit, which regulates the discharge of storm water;
- 15 2. The gravamen of the Complaint is that the City and the County have been
16 discharging storm water in violation of the City and County’s joint MS4 Permit, the CWA and
17 ESA, and that these activities have negatively impacted the quality and aesthetics of the
18 Sacramento-San Joaquin Delta (“Delta”);
- 19 3. Since the commencement of the District Court case in 2009, the parties have
20 made some progress towards reaching a final resolution, but the filing of this bankruptcy case
21 has halted meaningful settlement progress;
- 22 4. The District Court is the appropriate forum for these claims;
- 23 5. The Movants believe they have evidence that the City, as well as the County,
24 have violated and are continuing post-petition to violate the MS4 Permit, causing the City to
25 continue incurring civil penalties, which has a direct impact on the bankruptcy estate; and
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6. Allowing the District Court case to proceed to judgment will result in a liquidation of the claims of the Movants and the other plaintiffs, but allow payment for any monetary judgment in this bankruptcy case.

WHEREFORE, the Movants respectfully request that this Court issue an order as follows:

- 1. That relief be granted to the Movants and the other plaintiffs to pursue the matter to judgment, but not enforcement of any pre-petition monetary penalties or attorney’s fees;
- 2. Allowing Movants to file and prosecute a partial summary judgment motion on a key component of their claim before engaging in further discovery with respect to the remainder of their claims; and
- 3. For such other and further relief that is just, fair, and appropriate.

Except for the above partial summary judgment motion, the Movants will agree to a reasonable period for mediation following the partial summary judgment ruling before engaging in extensive additional discovery, subject to the approval of the District Court Judge.

Date: June 12, 2014

Respectfully submitted,
BELDEN BLAINE, LLP

By: 
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Attorneys for Movants