

SUMMARY OF LITIGATION BACKGROUND

- **November 9, 1998:** The BayKeeper filed a \$549 million federal lawsuit in the U.S. District Court - Central District Court. The lawsuit is based on sewer overflows from 1993 to 1995, the overwhelming volume of which was caused by the El Nino rains in 1998.
- **February 2, 1999:** The City filed a motion to dismiss the plaintiffs' complaints based on the fact that the Cease and Desist Order (CDO) and the corresponding Administrative Civil Liability issued by the Regional Board already imposed penalties and injunctive relief for all the sewer overflows since 1993. Alternatively, the City sought a stay of the action pending completion of the CDO project.
- **August 17, 1999:** The Court stayed the action until further notice. In the interim, the Court encouraged the parties to establish a dialogue relating to plaintiffs' concerns, and required the City to provide the plaintiffs with access to the City's documents. The City complied providing thousands of pages of materials.
- **January 8, 2001:** While settlement negotiations continued, the EPA, through the Department of Justice, and the State of California through the Attorney General's office, filed a similar lawsuit against the City based on overflows since 1995. Meanwhile, several homeowners associations located in the South Central and Baldwin Hills areas of Los Angeles (intervenor) filed a motion to intervene in the government action.
- **January 29, 2001:** Judge Pregerson consolidated the BayKeeper and the government actions, continued the stay, and ordered the parties, including the government plaintiffs and the intervenors, to continue settlement negotiations
- **July, 2001:** After several months of settlement discussions, the Court entered three separate orders:
 - (1) Granting the intervenors' motion;
 - (2) Requiring the City to implement its fats, oil and grease program and requiring an independent review of the City's odor control program (titled "Stipulated Case Management Order" or "CMO"); and
 - (3) Ordering the parties to mediate.

The Odor Control Advisory Committee was formed as a result of the CMO.

- **April 12, 2002:** Over the next several months, the parties participated in a number of mediation sessions that were ultimately unsuccessful. Eventually, the plaintiffs filed a motion requesting relief from mediation order.
- **June 7, 2002:** Judge Pregerson granted the plaintiffs' motion. The consolidated cases were reassigned to Judge Ronald s. W. Lew. Since that time, litigation activities are proceeding.