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BY LANCE S. WILSON
DEPUTY

1 GORDON H. DEPAOLI
Nevada State Bar 00195
2 DALE E. FERGUSON
Nevada State Bar 04986
3 WOODBURN AND WEDGE
6100 Neil Road, Suite 500
4 Post Office Box 2311
5 Reno, Nevada 89511
Telephone: (775) 688-3000

6 Attorneys for Defendant,
7 WALKER RIVER IRRIGATION DISTRICT

8
9 IN THE UNITED STATES DISTRICT COURT
10 FOR THE DISTRICT OF NEVADA

11
12 UNITED STATES OF AMERICA,) In Equity No. C-125-ECR
13) Subfile No. C-125-B
Plaintiff,)
14)
WALKER RIVER PAIUTE TRIBE,) **POSITION PAPER OF THE WALKER**
15) **RIVER IRRIGATION DISTRICT RE:**
Plaintiff-Intervenor,) **MAY 30, 2001, STATUS CONFERENCE**
16)
17 v.)
18 WALKER RIVER IRRIGATION DISTRICT,)
a corporation, et al.,)
19)
20 Defendants.)

21 **I. INTRODUCTION.**

22 **A. Background.**

23 At the status conference held on April 20, 2001, the Court ordered the parties to modify
24 the service documents previously submitted to the Court pursuant to a stipulation among the
25 parties filed on August 31, 2000. The modifications were to include information concerning the
26 following documents adopted by the Court at the April 20, 2001, status conference: 1) *Order*
27 *Regarding Changes in Ownership of Water Right*; 2) *Notice of Change of Ownership of Water*
28 *Right*; 3) *Order - Disclaimer of Interest*; and 4) *Disclaimer and Notice of Change of Ownership*

1 *of Water Right*. The Court also ordered the parties to discuss Paragraph 9 of the Case
2 Management Order, the methods by which the Tribe and United States intend to complete
3 service and the time frames involved, and whether the identification methods used by the Tribe
4 and United States to identify counter-defendants appears to be adequate.

5 The discussion at the status conference suggested three reasons why the United States
6 and Tribe seek to have Paragraph 9 changed. First, they seek advance assurance that any
7 judgment will bind all persons with an interest, apparently even those not named or not served.
8 Second, they wish to avoid a lengthy dispute over the completeness of their "list" out of
9 concern that it will become stale in the process. Third, they desire to complete service in
10 phases.

11 Since the April 20, 2001 status conference, the Tribe and United States served the *Joint*
12 *Motion of the United States of America and the Walker River Paiute Tribe for Certification of*
13 *Defendant Classes* (the "Class Certification Motion") on May 3, 2001. The Class Certification
14 Motion asks the Court to certify as a class: 1) all successors in interest to water right holders
15 under the Walker River Decree; and 2) all domestic groundwater users in Nevada.

16 Paragraph 6 of the Case Management Order requires the Magistrate Judge to establish a
17 schedule for completion of service of process. Paragraph 9 of the Case Management Order
18 provides:

19 After the U.S./Tribe have received the information and compiled the list of
20 parties whom they intend to serve, that list and a description of the procedures
21 by which it was compiled shall be filed and provided to the parties who shall
22 have such period of time as the Magistrate Judge shall determine to file
23 objections indicating whether the list is complete and includes all such water
24 rights claimants within the categories described in paragraph (3) above who can
25 reasonably be identified. The Magistrate Judge shall consider and rule on all
26 such objections. Corrections to the list of intended parties may be made during
27 the period of the service of process upon appropriate notice and approval of the
28 Magistrate Judge.

25 **B. Discussions Since the Last Status Conference.**

26 A conference call concerning these matters took place on April 26, 2001.
27 Participants included counsel for the United States, the Walker River Paiute Tribe (the
28 "Tribe"), the Walker River Irrigation District (the "District"), Lyon County and Nevada.

1 During that conference call the participants discussed the manner in which the United States
2 and the Tribe propose to complete service. As a result of that discussion, it appeared that the
3 United States objects to Paragraph 9 in several respects. The United States was opposed to
4 filing and serving its list and to allowing the parties to object to its completeness. According to
5 the United States the only issue was whether the methods used to identify counterdefendants
6 satisfied due process.

7 The United States also proposed to serve counterdefendants in phases.
8 However, no time frames or groupings for phases were revealed.

9 Counsel for the District expressed concern about whether the Court could make
10 rulings on due process which would bind persons who have not been identified to the Court,
11 who have not been served with process and who have had no opportunity to appear and be
12 heard on the issue. Counsel for the District also expressed concerns about how service in
13 phases would impact the period of time needed for service and the need to update
14 identifications previously made of persons or entities to be served in later phases.

15 At the conclusion of the conference call, counsel for the United States agreed to
16 prepare a proposal to amend Paragraph 9 of the Case Management Order. She also agreed to
17 prepare an initial draft of modifications to previously approved service documents.

18 **C. The Submission of the United States and Tribe.**

19 By facsimile dated May 16, 2001, counsel for the United States submitted
20 proposed modifications to the service documents and to Paragraph 9 of the Case Management
21 Order. Counsel for the District and the United States have discussed these proposed
22 modifications. The District has no objection to the modifications to the service documents as
23 proposed by the United States. As set forth below, the District does, however, object to the
24 modifications to Paragraph 9 of the Case Management Order proposed by the United States.

25 With one exception, Paragraph 9 of the Case Management Order is taken from
26 the proposed order submitted by the United States and the Tribe on or about January 20, 2000.
27 See Para. 7 of United States and Tribe Case Management Order. In response to that submittal
28 the District argued that the United States and Tribe should report on the manner in which they

1 identified the parties to be served. It also objected to having to provide information on the
2 completeness of the list with respect to persons on whom the District had little or no
3 information, *i.e.*, claimants to underground water and claimants to surface water outside the
4 boundaries of the District. *See* District's Opposition to Motion of the United States and Walker
5 River Paiute Tribe to Adopt Case Management Order at pgs 10-11, Feb. 22, 2000. As can be
6 seen Paragraph 9 of the Case Management Order included the requirement of a "description of
7 the procedures" by which the list of defendants was compiled.

8 The United States and the Tribe propose to modify Paragraph 9 to read as
9 follows:

10 Prior to the initiation of service of process, the Magistrate Judge shall review the
11 documents proposed to be served and the methods by which the U.S./Tribe have
12 identified the persons and entities described in Paragraph 3 of this Case
13 Management Order and determine if they are reasonable and satisfy due process.
14 Following the Court's determination that such documents and methods of
15 identification are reasonable and satisfy due process, the U.S./Tribe may
16 commence service. Upon notice to the Court, the U.S./Tribe may conduct
17 service in phases (e.g., by Case Management Order category) in a manner to be
determined by the U.S./Tribe. Following their completion of any phase of
service, the U.S./Tribe shall provide a list of persons and entities for which they
have attempted or have made service to the Court. Any objections or
corrections to the list shall be made by any other party within 30 days thereafter.
The Magistrate Judge shall consider and rule on all such objections.

18 Paragraph 9 of the Case Management Order should not be modified as proposed by the United
19 States and the Tribe.

20 **II. THE COURT SHOULD CONSIDER POSTPONING ANY RESOLUTION OF**
21 **THESE ISSUES UNTIL AFTER A DECISION ON THE CLASS**
22 **CERTIFICATION MOTION.**

23 It is the District's position that the outcome of the Class Certification Motion could
24 impact the need for and extent of any modifications to Paragraph 9. If the Court grants the
25 Class Certification Motion, it is possible that the Tribe and United States will be allowed to
26 serve representatives of the certified classes and to give notice to class members. This may
27 have an impact on how Paragraph 9 must be modified. It could also affect the manner in which
28 the Tribe and United States proceed to effect service on the counterdefendants. Under these

1 circumstances, it is the District's position that the Court consider postponing any modifications
2 to Paragraph 9 until it decides the Class Certification Motion.

3 **III. PARAGRAPH 9 OF THE CASE MANAGEMENT ORDER DOES NOT NEED**
4 **TO BE MODIFIED TO ALLOW SERVICE IN PHASES.**

5 There is nothing in Paragraph 9 of the Case Management Order which prevents service
6 in phases. That does not mean, however, that the United States and Tribe should be allowed to
7 conduct service in phases without regard to a time frame for completion of service. Service in
8 phases should not be allowed without consideration of its impact on the need to update the
9 "list" of persons or entities to be served in subsequent phases.

10 The District does not object to allowing the United States and Tribe to complete service
11 in phases. However, any order allowing such service must address issues related to the time for
12 completion of service and must insure that consideration is given to updating the identification
13 of persons or entities to be served in subsequent phases.

14 **IV. THE COURT NEED NOT CURTAIL ITS ROLE AND ELIMINATE THE ROLE**
15 **OF THE PARTIES AS CONTEMPLATED BY PARAGRAPH 9 IN ORDER TO**
16 **INSURE THAT THE LIST OF COUNTERDEFENDANTS DOES NOT**
17 **BECOME STALE.**

18 Pursuant to the original language contained in Paragraph 9 of the Case Management
19 Order, the United States and Tribe were to file with the Court and serve on the parties a list of
20 counterdefendants whom they intend to serve and a description of the procedures by which that
21 list was compiled. The parties were then afforded an opportunity to file any objections
22 indicating whether, in their judgment, the list is complete and includes all water claimants
23 within the categories described in Paragraph 3 of the Case Management Order. Paragraph 9
24 then required the Magistrate to rule on the objections and make corrections as necessary.
25 Without question, it is possible that during that process ownerships and thus counterdefendants
26 would change.

27 That does not mean, however, that the parties should have no role in the Court's
28 evaluation of the methods employed by the United States and the Tribe in identifying

1 counterdefendants. It does not mean that neither the Court nor the parties should be allowed to
2 even see the results of those methods until after service is complete.

3 It is the District's position that the Court has already ruled that participation by all
4 parties and the Court in the identification process is warranted. The Court has ruled as follows
5 with respect to Mineral County's efforts to identify parties:

6 Normally, it is true that a plaintiff exercises a fair degree of control over what
7 entities or individuals are named as defendants in a case. In many respects,
8 Mineral County is in the position of a plaintiff--it has been required to serve all
9 defendants with notice of its claims. However, we cannot allow Mineral County
10 complete freedom here to determine who the proper defendants are or should be.
11 This case is essentially an action in rem to quiet title to property--that property
12 being the water (or rather, the right to take the water) of the Walker River and its
13 tributaries . . . Without all the owners of the property properly joined in the case
14 as defendants, any reallocation of water rights that might result from the case
15 could be subject to future attack.

16 Sub-file C-125-C at Docket No. 257 at 4. The District believes that this approach is also
17 warranted with respect to the claims of the Tribe and United States.

18 The reasonableness of the methods employed to identify counterdefendants cannot be
19 adequately reviewed without at least seeing the results produced by those methods, *i.e.*, the
20 caption. Rule 10 of the Federal Rules of Civil Procedure requires a complaint to "include the
21 names of all the parties." As such, the captions on the amended counterclaims of the Tribe and
22 United States should include the names of all of the counterdefendants when those documents
23 are served on the various individuals and entities with water rights.

24 That does not mean, however, that the review process should become a substitute for a
25 motion under Rule 19 of the Federal Rules. A brief period could be allowed for any objections
26 to the methods employed to identify counterdefendants. Assuming the methods are found
27 reasonable, service could begin at once. As noted in Paragraph 9 of the Case Management
28 Order, "corrections to the list . . . may be made during the period of service . . . upon
appropriate notice and approval of the Magistrate Judge." This application of Paragraph 9
requires little or no changes to it.

1 **V. PARAGRAPH 9 OF THE CASE MANAGEMENT ORDER DOES NOT AFFECT**
2 **THE PROCESS FOR APPROVING THE DOCUMENTS TO BE SERVED.**

3 Paragraph 9 of the Case Management is not concerned with the approval of documents
4 to be served. That subject is covered by Paragraphs 3 and 4 of the Case Management Order.
5 The parties have thus far been able to stipulate on those issues. If at some point they are unable
6 to agree, Paragraph 4 of the Case Management Order includes a process to resolve the
7 disagreement.

8 **VI. THE COURT CANNOT DECIDE NOW THAT PERSONS NOT YET NAMED**
9 **OR PERHAPS NOT EVER NAMED AS COUNTERDEFENDANTS WILL BE**
10 **BOUND BY ANY FINAL JUDGMENT IN THIS MATTER.**

11 The District also questions the nature of and ramifications resulting from the due
12 process ruling to which the United States refers in its proposed Paragraph 9. Apparently, the
13 United States requests a due process ruling, based on the adequacy of the methods used to
14 identify counterdefendants, that would prevent any water right holder from alleging that he or
15 she did not receive adequate notice. In other words, the United States asks the Court to
16 determine in advance that all water rights holders were notified of the claims of the Tribe and
17 United States, sufficient to satisfy due process, regardless of the facts surrounding the service
18 or lack thereof on any particular water right holder. The District believes that the Court cannot
19 make a due process determination in advance of knowing the particular facts that may apply to
20 some future challenge, based on due process considerations, that notice was insufficient.

21 Although Rule 4 is liberally construed, a federal court does not have jurisdiction over a
22 defendant unless the defendant has been served properly under the Rule. Without substantial
23 compliance with the Rule, "neither actual notice nor simply naming the defendant in the
24 complaint will provide personal jurisdiction." *Direct Mail Spec. v. Eclat Computerized Tech.*,
25 840 F.2d 685, (9th Cir. 1988). The Court simply cannot make that determination in a factual
26 vacuum and certainly cannot make it without allowing the defendant to be affected by it an
27 opportunity to be heard.

28 Paragraph 9 of the Case Management Order already contemplates consideration of the
procedures used by the United States and the Tribe to identify counterdefendants. It provides

1 the parties and the Court an opportunity to judge the reasonableness of those procedures. It
2 does not provide and should not be construed or amended to provide for an advance due
3 process ruling intended to bind counterdefendants not yet named or served.

4 Dated this 25 day of May, 2001.

5 WOODBURN AND WEDGE
6 6100 Neil Road, Suite 500
7 Post Office Box 2311
8 Reno, Nevada 89511

9 By: Gordon H. DePaoli

10 GORDON H. DEPAOLI
11 Nevada State Bar 00195
12 DALE E. FERGUSON
13 Nevada State Bar 04986

14 Attorneys for WALKER RIVER
15 IRRIGATION DISTRICT

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CERTIFICATE OF MAILING

I certify that I am an employee of Woodburn and Wedge and that on this date, I deposited in the United States Mail, postage prepaid, a true and correct copy of the foregoing ***POSITION PAPER OF THE WALKER RIVER IRRIGATION DISTRICT RE: MAY 30, 2001, STATUS CONFERENCE*** in envelopes addressed to and where indicated by an asterisk by facsimile also:

Shirley A. Smith
Assistant U.S. Attorney
100 West Liberty Street, #600
Reno, NV 89509

William Quinn
Department of the Interior
Two North Central Avenue, #500
Phoenix, AZ 85004

George Benesch*
P.O. Box 3498
Reno, NV 89505

Western Nevada Agency
Bureau of Indian Affairs
1677 Hot Springs Road
Carson City, NV 89706

Kenneth Spooner*
General Manager
Walker River Irrigation District
P.O. Box 820
Yerington, NV 89447

Hugh Ricci, P.E.
Division of Water Resources
State of Nevada
123 West Nye Lane
Carson City, NV 89710

Garry Stone
United States District Court Water Master
290 South Arlington Avenue
Third Floor
Reno, NV 89501

Alice E. Walker*
Greene, Meyer & McElroy
1007 Pearl Street, Suite 220
Boulder, CO 80302

John Kramer
Department of Water Resources
1416 Ninth Street
Sacramento, CA 95814

Matthew R. Campbell, Esq.
David Moser, Esq.
McCutchen, Doyle, Brown & Enerson
Three Embarcadero Center
San Francisco, CA 94111

Michael W. Neville*
California Attorney General's Office
455 Golden Gate Avenue
Suite 11000
San Francisco, CA 94102-3664

Ross E. de Lipkau
Marshall, Hill, Cassas & de Lipkau
P.O. Box 2790
Reno, NV 89505

1 Susan Schneider*
Indian Resources Section
2 U.S. Department of Justice
999 18th Street
3 Suite 945, North Tower
4 Denver, CO 80202

Marta Adams*
Deputy Attorney General
State of Nevada
100 North Carson street
Carson City, NV 89701

5 Mary Hackenbracht
Deputy Attorney General
6 State of California
1515 Clay Street, 20th Floor
7 Oakland, CA 94612-1413

Treva J. Hearne*
Zeh, Spoo, & Hearne
575 Forest Service
Reno, NV 89509

8 Roger Bezayiff
9 Water Master
U.S. Board of Water Commissioners
10 P.O. Box 853
Yerington, NV 89447

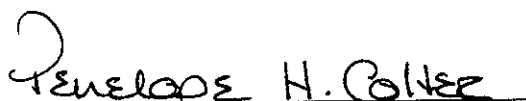
Hank Meshorer
United States Department of Justice
Natural Resources Division
Ben Franklin Station
P.O. Box 7611
Washington, D.C. 20044

12 Kathryn E. Landreth
13 United States Attorney
100 West Liberty Street
14 Suite 600
15 Reno, NV 89501

Linda Bowman*
540 Hammill Lane
Reno, NV 89511

16 Kelly R. Chase
17 P.O. Box 2800
Reno, NV 89423

18 Dated this 25th day of May, 2001.

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20 Penelope H. Colter
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