

## CITY OF NOVI MONTHLY ATTORNEY REPORT

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**SUBMITTED BY: ROSATI SCHULTZ JOPPICH & AMTSBUECHLER**

**August 2026**

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### **I. PENDING LITIGATION**

#### **A. CASES BEING HANDLED BY OUR OFFICE**

- ***Villas at Stonebrook Condominium Association v City of Novi and Avalon Investment Group***, Oakland County Circuit Court Case No. 2026-223396-CC; Hon. Yasmine Poles

General: This Complaint relates to the Villas at Stonebrook Condominium Association's effort to get out from under the obligations that the PSLR Development Agreement for their property imposes on them with respect to allowing the public to have ingress and egress across their private entrance drive (Stonebrook Drive) to Wildlife Woods Park and a similar easement to the private property to the north (Avalon/Camelot Parc) for access for both road and utility purposes. The Villas have been complaining about both obligations for some time, contending that it is "unfair" for their private Stonebrook Drive to be burdened with a public access easement and a private access easement without any corresponding requirement on the part of either the public (City) or the adjacent private property owner (Avalon) to "pay for" that access.

City Council has so far resisted the efforts by Stonebrook to either compensate them for the access or simply take over a portion of Stonebrook Drive as a public road. City Council's position has been that the developer of the Villas (Pulte Homes) received significant benefit from the City's approval of the 84-unit condominium project under the PSLR Option in the Zoning Ordinance. Specifically, Pulte received a significant amount of public taxpayer dollars to clean up the property (up to approximately \$940,000 potentially), several ordinance deviations, and the right to build a residential project on property not zoned for residential use. In return, the City got access over a small portion of Stonebrook Drive to Wildlife Woods Park, the existing "Comerica" gas well, and the property to the north. This was a benefit to the City because it reduced the potential for three curb cuts onto Wixom Road down to one curb cut onto Wixom Road. That is, frankly, almost the only benefit to the City from this project. And that is what the Villas is asking the Court to do away with.

The Complaint included a claim for inverse condemnation/takings, a nuisance claim, a trespass claim, an unjust enrichment claim, and a claim for declaratory judgment as to the form or validity of the easement to the Avalon property to the north. The Complaint seeks money damages in an unspecified amount.

Status: Because the Complaint sought money damages, the City submitted the Complaint to the insurance company at the time, Travelers. But because the City did not hear back from Travelers in a timely manner, our office went ahead and filed an Answer and Affirmative Defenses to the Complaint, along with a Counterclaim asking the Court to confirm the validity of the PSLR Development Agreement between the City and Pulte that contains the easement obligations.

While the City did eventually hear from Travelers that insurance counsel has been assigned (as expected, Tim Ferrand from the Cummins McClorey firm), no other attorney has yet entered an Appearance in the case on behalf of the City. Therefore, our office has also gone ahead and prepared the Initial Disclosures required by court rule for both the original Complaint and the City's Counterclaim. These documents are fairly *pro forma*: descriptions of what the case is about from the party's perspective, what the legal basis for the party's position is generally, and what sort of documents and witnesses the party expect to produce. The information contained in the Initial Disclosures is not generally expected to be a final statement of the party's position in the case.

~~Typically, a case would move into discovery at this point, and we are beginning to work on that. As indicated to Council in a recent closed session, though, it is also our expectation that we will file a motion for summary disposition asking the Court to dismiss the case even before the completion of discovery on various legal grounds.~~

~~Finally, this week w~~We received an email from Plaintiff's counsel a couple of weeks ago asking if the City is interested in an early mediation or settlement discussion and indicating that if not they will begin the discovery process. We have not responded to that, but based upon the previous conversations with Council and the fact that this Complaint attacks the City Council's very authority to enforce development agreements—of which there are hundreds throughout the City—we would not expect to take the Plaintiff up on this offer.

This past week (first week of August) we have heard from insurance counsel's office asking for records and information from the City,

which we have provided. There still has been no appearance filed by the firm in the Circuit Court, however.

Plaintiff's initial disclosures with regard to the City's counterclaim were due on August 4<sup>th</sup> and haven't yet been filed. Once those are filed (and we get some indication of their potential defenses to the counterclaim), we'll likely start working on both discovery and a motion for summary disposition.

- ***DuPont and 3M PFAS Settlements – Great Lakes Water Authority (GLWA) Wholesale Customers***

General: DuPont and 3M have agreed to settle a class action lawsuit for claims against them relating to PFAS/PFOA that have entered public water systems and have required treatment for removal. 3M and DuPont have provided a settlement fund to pay municipal water systems for any and all PFAS claims that they may have against 3M or DuPont.

GLWA's wholesale customers—like Novi—are designated as “Tier 2” class members. Typically, the settlement funds in this case would go to the entity that treated the water to remove the PFAS—in this case GLWA as the Tier 1 class member/supplier. However, GLWA did not file a timely claim for recovery as a Tier 1 member. As a result, its wholesale customers may have a right to claim any of the settlement funds GLWA may otherwise have been entitled. GLWA and its legal counsel Stag Luizza, are assert that they believe such claims by Tier 2 customers will in fact be successful.

GLWA, through Stag Luizza, is making an effort to help communities like Novi to claim the funds that GLWA would otherwise have been entitled to. It is doing this by working with Stag Luizza, as national counsel for the lawsuit, and local counsel for the communities who choose to take advantage of the opportunity to make a claim to do all the things necessary to make that claim. What that primarily entails is testing GLWA's “source water” for the level of PFAS/PFOA at GLWA's source. This test is required to make a claim. Stag Luizza hired a testing company to do that work. Once that testing is done, filing a claim primarily entails filling out claim-related paperwork and submitting it to the court (as discussed in more detail below).

While it's not yet clear exactly how substantial those amounts might be, GLWA and Stag Luizza have indicated that if received those funds would be unrestricted and can be used for any public purpose. There is no requirement that funds secured be used in the Water Fund, or be used to conduct further testing or water source improvements. But as

the term “settlement” implies, 3M and DuPont would have no further liability to GLWA or Novi.

The size of any community’s settlement is based on the City actual flow rates for the years 2013 through 2025 combined with the amount of PFAS/PFOA that is found at GLWA’s treatment plant intake. In order to obtain a settlement, the source water has to have some PFAS/PFOA contamination. GLWA has agreed to allow its wholesale customers to use testing from its source to participate in the settlement. Again, the settlement will resolve all PFAS/PFOA claims against 3M and DuPont for any PFAS/PFOA contamination now and in the future. Novi is included in DuPont and 3M’s list of class members.

Status: In June, Council approved participating in this process by signing up with Stag Luizza as National Counsel (and our firm as local counsel). ~~As of this writing, we can confirm that the testing required for claims purposes has been completed and the July 1 deadline was met. National Class Action Counsel has confirmed that the City is on track to fulfil all remaining requirements and to file an action fund claim on behalf of the City of Novi by the July 31 deadline.~~

~~We will let you know when that has been completed. Attached is the email received from the national class counsel indicating that the City’s “Public Water System baseline testing and action fund claim” were timely submitted. There is nothing further to be done at this time.~~

**B. CASES BEING HANDLED BY OTHER ATTORNEYS FOR INSURANCE COMPANIES**

None this report.

**C. CASES BEFORE THE MICHIGAN TAX TRIBUNAL (MTT)**

None this report.

**II. OTHER MATTERS OF NOTE**

None this report.

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**Subject:** Novi, MI – 3M/Dupont Phase 2 Claim Filed

Good news! Your PFAS Public Water System baseline testing and action fund claim have been submitted to the 3M and DuPont settlements in advance of the July 31, 2026 deadline. No other action is needed for this claim at this time.

### **What does this mean for my public water system?**

Any detection of PFAS in your water system should make you eligible for an allocation under the settlements. However, the amount of the settlement funds due varies greatly based on the level of PFAS detected, the annual flow rates of sources impacted by PFAS, and the maximum flow rates. The settlement amounts are also impacted by the number of participating public water system class members.

### **How much will my public water system receive?**

**We cannot tell you how much you will receive at this time.** The settlement administrator will contact us with an allocation in the next few months. We will contact you immediately once a settlement allocation amount is determined.

### **When will settlement payments occur?**

The 3M settlement is scheduled to be paid over 10 years starting in summer of 2027. These payments will be frontloaded with the first 3 years making up the majority of the payments. The DuPont settlement will be paid in 1 year in summer 2027.

### **What if you find PFAS in your public water system in the future?**

If your system has a PFAS detection at any level in the future (in treated or raw water), it is important that you let us know immediately. As part of your claim, we filed your baseline values with the settlement administrator. In each of your water sources, a change in PFAS from a non-detect to a detection or detection below 4ppt to above 4ppt could qualify you for supplemental funds. Supplemental funds can be applied for through December 31, 2030.

***No additional action is needed from you at this time.*** However, it is essential that you notify us immediately if PFAS is detected in your public water sources above the previous levels so we can take action on your behalf.

Thank you for trusting us to assist with your public drinking water claims.

Let us know if you have any questions.

All the best,

***Michael G. Stag, Partner***

***Ashley Liuzza, Partner and COO***

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