

**EXHIBIT 3**

**Portions of  
March 8, 2010  
CMC Transcript**

1 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
2 FOR THE COUNTY OF LOS ANGELES  
3 DEPARTMENT NO. 1 HON. JACK KOMAR, JUDGE

4 COORDINATION PROCEEDING )  
5 SPECIAL TITLE (RULE 1550B) )  
6 ANTELOPE VALLEY GROUNDWATER CASES ) JUDICIAL COUNCIL  
7 ) COORDINATION  
8 ) NO. JCCP4408  
9 )  
10 ) PALMDALE WATER DISTRICT AND ) SANTA CLARA CASE NO.  
11 ) QUARTZ HILL WATER DISTRICT, ) 1-05-CV-049053  
12 )  
13 ) CROSS-COMPLAINANTS, )  
14 )  
15 ) VS. )  
16 )  
17 ) LOS ANGELES COUNTY WATERWORKS, )  
18 ) DISTRICT NO. 40, ET AL, )  
19 )  
20 ) CROSS-DEFENDANTS. )  
21 )  
22 )  
23 )  
24 )  
25 )  
26 )  
27 )  
28 )

REPORTER'S TRANSCRIPT OF PROCEEDINGS

MONDAY, MARCH 8, 2010

APPEARANCES:

(SEE APPEARANCE PAGES)

GINGER WELKER, CSR #5585  
OFFICIAL REPORTER

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9 BECAUSE LIKE IN MANY REAL ESTATE DEVELOPERS IT IS A VERY  
10 DIFFICULT TIME FOR OUR CLIENTS FINANCIALLY, AND BEING  
11 ABLE TO NOT EXPEND ATTORNEY FEES UNNECESSARILY IS ALWAYS  
12 AN IMPORTANT PRIORITY.

13 THE COURT: WELL, I'M NOT SURE WHAT TYPE OF  
14 RESPONSE I CAN GIVE YOU ABOUT THAT, MISS MCKEITH. I  
15 MEAN, I REMEMBER THE EVIDENCE AS TO ANAVERDE, AND I  
16 REMEMBER YOUR ARGUMENTS. AND THE FACT THAT THERE WAS  
17 CONDUCTIVITY -- AND I DON'T KNOW WHAT THE FULL  
18 CONSEQUENCE OF THAT CONDUCTIVITY IS -- MEANS THAT I NEED  
19 TO HEAR SOME EVIDENCE ABOUT IT.

20 I DON'T KNOW AT THIS POINT TO WHAT THE  
21 SIGNIFICANCE -- EVEN RECHARGE IS FROM THAT AREA THAT  
22 GOES INTO THE AQUIFER ITSELF WHETHER BY THE MOVEMENT OF  
23 UNDERGROUND WATER OR NOT.

24 UNIDENTIFIED ATTORNEY: RIGHT.

25 THE COURT: PARDON?

26 MS. MCKEITH: I DIDN'T SAY ANYTHING. SOMEONE ELSE  
27 WAS WEIGHING IN, YOUR HONOR.

28 THE COURT: I KNOW. I'M TRYING TO FIGURE OUT WHO.

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1 IN ANY EVENT, I'M TRYING TO TELL YOU WHAT DIRECTION TO  
2 GIVE YOU IF I COULD, BUT I WANT TO HEAR WHATEVER  
3 EVIDENCE THERE IS THAT ESTABLISHES WHATEVER CONDITIONS  
4 OF THE ENTIRE AQUIFER MIGHT BE. AND IF I RECOLLECT  
5 CORRECTLY, ONE OF THE THINGS THAT I WAS CONCERNED ABOUT  
6 WAS THE AMOUNT OF RECHARGE CONTRIBUTION FROM THE  
7 ANAVERDE AREA INTO THE AQUIFER ITSELF BECAUSE OF  
8 PRECIPITATION AND STREAMS.

9 BUT AT THIS POINT, I CAN'T REALLY GO BEYOND