"EXHIBIT F"

1	SUPERIOR COURT OF THE STAT	TE OF CALIFORNIA
2	FOR THE COUNTY OF I	LOS ANGELES
3	DEPARTMENT NO. 1	HON. JACK KOMAR, JUDGE
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5	COORDINATION PROCEEDING)	
6	SPECIAL TITLE (RULE 1550B))	JUDICIAL COUNCIL
7	ANTELOPE VALLEY GROUNDWATER CASES)	COORDINATION NO. P4408
8		SANTA CLARA CASE NO.
9	QUARTZ HILL WATER DISTRICT,)	1-05-CV-049053
10	CROSS-COMPLAINANTS,)	
11	vs	
12	LOS ANGELES COUNTY WATERWORKS,) DISTRICT NO. 40, ET AL,)	*
13	CROSS-DEFENDANTS.)	
14	,	
15		
16	REPORTER'S TRANSCRIPT	' OF PROCEEDINGS
17	MONDAY, MAY 2	21, 2007
18	APPEARANCES:	
19	(SEE APPEARANCE PAGES)	
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THE COURT: WELL, MR. DUNN, TO THE EXTENT THAT

PLAINTIFF WILLIS IS, AND HAS BROUGHT A CLASS ACTION ON BEHALF

OF NONPUMPERS, WHICH SEEMS TO ME TO BE THE LARGEST GROUP OF

PEOPLE, THERE IS PROBABLY NO NEED FOR A DEFENDANT CLASS

REPRESENTATIVE OF THAT CATEGORY OF SUBCLASS MEMBERS; WOULD YOU

AGREE?

MR. DUNN: I WOULD AGREE WITH THAT, YES. WE HAVE BEEN FOCUSING -- AND I SHOULD HAVE MADE THIS CLEAR AT THE OUTSET -- OUR DISCUSSIONS OR INQUIRIES HAVE BEEN FOCUSED -- WELL, WITH THE ASSUMPTION THAT WE HAVE MISS WILLIS AND COUNSEL MR. ZLOTNICK TO HANDLE THE GROUP THAT THE COURT JUST DESCRIBED, OUR FOCUS HAS BEEN ENTIRELY ON WHAT I WOULD GENERALLY CALL "A PUMPER GROUP," THE SMALLER PUMPERS. AND THERE HAS BEEN DISCUSSIONS BACK AND FORTH ON WHERE THAT THRESHOLD WOULD BE DRAWN. BUT THE FOCUS IS ON CLASS REPRESENTATION OR SUBCLASS FOR A PUMPER GROUP.

AND THAT IS WHERE WE ARE CURRENTLY. WE DON'T

HAVE -- AT LEAST AMONGST THE CURRENT DEFENDANTS IN THIS

CASE -- SOMEONE WHO HAS STEPPED FORWARD AND SAID "I WILL DO

IT" VOLUNTARILY.

AS THE COURT MAY RECALL, THIS IS -- THE DEFENDANT CLASS ASPECT IS MORE UNUSUAL, SHALL WE SAY, THAN THE PLAINTIFF'S CLASS. AS WE HAD EXPLAINED IN EARLIER FILINGS OR POSTINGS, THAT IN SOME CASES COURTS HAVE HAD TO RESORT TO ORDERING A DEFENDANT GROUP, GROUP OF DEFENDANTS. I KNOW THE COURT HAS INDICATED OTHERWISE. AND FOR THAT REASON WE HAVE TRIED TO ENGAGE IN DISCUSSION OR EVEN NEGOTIATION, I GUESS YOU COULD CALL IT, WITH PARTIES TO TRY AND COME UP WITH SOMEONE TO

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YOU MAY HAVE TO GO THROUGH THE WHOLE DATA BASE.

THE COURT: WELL, I DON'T WANT TO TELL YOU WHAT YOU SHOULD BE RECOMMENDING TO THE COURT. I WANT YOU TO RECOMMEND SOMETHING TO THE COURT IN TERMS OF A DEFINITION OF SUBCLASSES OR CLASSES SO THAT WE CAN MAKE AN ORDER APPROPRIATELY, PROVIDE FOR NOTICE, AND RAISE THE ISSUE THAT MR. JOYCE AND OTHERS ARE CONCERNED ABOUT IN TERMS OF WHETHER OR NOT YOU CAN PROVIDE EVIDENCE OF ACTUAL OR CONSTRUCTIVE NOTICE. BUT WITHOUT HAVING SOME DEFINITION, WE ARE JUST SPINNING OUR WHEELS.

MR. DUNN: WELL, ONE OF THE THINGS THAT WE HAVE TRIED TO DO IN PREPARATION FOR THIS HEARING IS TO SEE WHERE WE COULD GO IN THE INTERIM, AT LEAST ON THE INTERIM BASIS. AND SEVERAL THINGS HAVE JUMPED OUT.

ONE IS WE HAVE MR. ZLOTNICK AND MISS WILLIS WHO ARE WILLING CLASS REPRESENTATIVES AND CLASS COUNSEL. IT IS POSSIBLE FOR THE COURT TO INITIALLY OR CONDITIONALLY CERTIFY A CLASS AS PROPOSED BY MR. ZLOTNICK AND ALSO INCLUDE, AT LEAST FOR CERTAIN THRESHOLD ISSUES WITHIN THAT CLASS, AND MAKE IT A SINGLE CLASS. AND THEN AT A LATER POINT IN TIME, AS NECESSARY, SUBCLASS THAT OUT INTO VARIOUS SUBCLASSES AS APPROPRIATE.

BUT TO SORT OF GET RIGHT TO THE POINT, ONE OF THE THINGS THAT IS POSSIBLE IS THE CLASS CAN BE CREATED OR A CLASS OF THE REMAINING PROPERTY OWNERS BROUGHT BY MR. ZLOTNICK -- I HAVE TO APOLOGIZE TO MR. ZLOTNICK. I CAN T REMEMBER IF HIS PROPOSED ACTION IS SIMPLY LIMITED TO NON-PUMPERS. I DON'T THINK -- MR. ZLOTNICK?

THE COURT: I THINK IT IS.

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MR. ZLOTNICK: ACTUALLY IT IS NOT, YOUR HONOR. BUT

AGAIN, I THINK UNTIL WE HAVE OUR PLEADINGS AT ISSUE -- I MEAN,

THAT IS WHY I'VE DEFERRED FILING A MOTION FOR CLASS

CERTIFICATION UNTIL THE PLEADINGS ARE AT ISSUE.

THE COURT: IT WOULD BE PREMATURE TO FILE A MOTION AT THIS POINT.

MR. ZLOTNICK: EXACTLY.

THE COURT: SO YOU REALLY NEED TO WAIT UNTIL IT IS AT ISSUE. BUT AT THIS POINT THE QUESTION IS GOING TO BE AN ADEQUATE REPRESENTATIVE OF THAT CLASS, AND THERE IS NO QUESTION THAT MISS WILLIS IS NOT A PUMPER. SO THAT WHETHER SHE CAN ADEQUATELY REPRESENT A CLASS OF PUMPERS IS ANOTHER QUESTION THAT WILL HAVE TO BE DETERMINED. AT THIS POINT I'M NOT GOING TO MAKE THAT DETERMINATION OBVIOUSLY.

MR. DUNN: JUST FOR CONSIDERATION PURPOSES, THERE ARE ISSUES THAT ARE -- THAT WOULD BE RESOLVED THAT WE BELIEVE ARE EQUALLY APPLICABLE TO PUMPERS AND NONPUMPERS. FOR EXAMPLE, WE HAVE GONE THROUGH A DETERMINATION OF THE ADJUDICATION AREA. AND FOR THAT REASON, FOR THAT DETERMINATION, IT REALLY DIDN'T MATTER WHETHER YOU WERE A PUMPER OR NOT. THERE ARE OTHER ISSUES THAT ARE OUT THERE AS WELL.

THERE ARE CERTAIN BASINWIDE DETERMINATIONS THAT ARE GOING TO BE APPLICABLE WHETHER YOU ARE A PUMPER OR NOT. THE NATIVE YIELD OF THE BASIN, FOR EXAMPLE. THE SAFE YIELD DETERMINATIONS. AND THOSE ARE DETERMINATIONS THAT ARE GOING TO HAVE TO BE MADE BY THE COURT, AND WE BELIEVE THOSE ARE EQUALLY APPLICABLE.

SOME OF THE ISSUES THAT HAVE SORT OF BEEN RAISED

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AND SO THAT IS JUST ONE IDEA.

THE COURT: WELL, I THINK THAT IS A GOOD IDEA. I WOULD LIKE TO HEAR OTHERS CONCERNING THAT, BUT IT DOES SEEM TO ME THAT AT THIS POINT, CERTAINLY IN TERMS OF GETTING A DESCRIPTION OF THE BASIN, WHETHER THERE ARE SUBBASINS, THE STATE OF THE AQUIFER.

MR. JOYCE POINTS OUT THAT HE BELIEVES THAT THERE IS EVIDENCE SHOWING OVERDRAFT IN ONE AREA AND MAY NOT SHOW OVERDRAFT IN ANOTHER AREA. I DON'T HAVE ANY EVIDENCE CONCERNING THAT. WE HAVE NOT MADE ANY DETERMINATIONS CONCERNING THAT. AND THOSE ARE IMPORTANT ISSUES THAT HAVE TO BE DECIDED.

I THINK WE NEED TO DECIDE WHAT THE SAFE YIELD OF THE BASIN IS AND PERHAPS THERE IS MORE THAN ONE SAFE YIELD DETERMINATION THAT HAS TO BE MADE, DEPENDING ON THE NATURE OF THE AQUIFER.

SO I AGREE WITH YOU AND, YOU KNOW, I WOULD LIKE TO GET THE MATTER AT ISSUE AND GET AS MANY PEOPLE ON NOTICE WHO HAVE TO BE ON NOTICE. AND TO THE EXTENT THAT THE -- AND I WANT TO SEE THE FINAL PLEADING THAT MR. ZLOTNICK FILES ON BEHALF OF MISS WILLIS. BUT IT MAY WELL BE THAT WE CAN PROVIDE ADEQUATE NOTICE OF THE PROCEEDINGS FOR THAT CLASS ONCE THE MATTER IS AT ISSUE AND MAKE SOME DETERMINATIONS AS TO THE STATE OF THE AQUIFER. SO THAT OBVIOUSLY IS ONE OF THE FIRST ORDERS OF BUSINESS HERE.

SO I THINK WHAT WE HAVE TO HAVE IS THE MATTER AT ISSUE. AND I DON'T KNOW IF MR. ZLOTNICK -- DO YOU INTEND TO FILE AN AMENDMENT TO YOUR PLEADINGS ON INVERSE CONDEMNATION?