

# **“EXHIBIT G”**

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT NO. 1

HON. JACK KOMAR, JUDGE

COORDINATION PROCEEDING )  
SPECIAL TITLE (RULE 1550B) )

ANTELOPE VALLEY GROUNDWATER CASES )

JUDICIAL COUNCIL  
COORDINATION NO. P4408

PALMDALE WATER DISTRICT AND )  
QUARTZ HILL WATER DISTRICT, )

SANTA CLARA CASE NO.  
1-05-CV-049053

CROSS-COMPLAINANTS, )

VS )

LOS ANGELES COUNTY WATERWORKS, )  
DISTRICT NO. 40, ET AL, )

CROSS-DEFENDANTS. )

REPORTER'S TRANSCRIPT OF PROCEEDINGS

FRIDAY, JULY 20, 2007

APPEARANCES:

(SEE APPEARANCE PAGES)

**ORIGINAL**

CHARLOTTE NICHOLAS MOHAMED, CSR #2384  
OFFICIAL REPORTER

1 CLASS.

2 MR. DUNN: YES. OUR THOUGHT IS IF AT SOME POINT IN  
3 TIME --

4 THE COURT: IT ALSO SEEMS TO ME THAT GIVEN THE  
5 DIFFICULTY OF FINDING A DEFENDANT CLASS REPRESENTATIVE, IF IT  
6 IS POSSIBLE TO CREATE A PLAINTIFF'S CLASS OR A  
7 CROSS-COMPLAINANT'S CLASS, THAT IT WOULD CERTAINLY MAKE FOR  
8 MORE EFFICIENT MANAGEMENT AND PROVIDE A BETTER LEVEL OF  
9 JUSTICE.

10 MR. DUNN: AND WHEN WE GIVE -- WHEN THE COURT WANTS THE  
11 STATUS OF THE SERVICE REPORT, WE BELIEVE THAT BASED ON THE  
12 INFORMATION WE CAN PRESENT TO THE COURT, IT WOULD CAUSE THE  
13 COURT AND THE PARTIES TO FURTHER THINK ABOUT USING THE  
14 ZLOTNICK CLASS.

15 JUST AS A PREVIEW, IF YOU LOOK AT THE PARTIES WE  
16 HAVE IDENTIFIED NOW, BASED ON THE RECENT INFORMATION THAT WE  
17 RECEIVED FROM OTHER PARTIES AND INDIVIDUALS, WE HAVE OVER FOUR  
18 HUNDRED PARTIES IN KERN AND L.A. COUNTIES WHO OWN MORE THAN 4  
19 HUNDRED ACRES -- EXCUSE ME -- MORE THAN A HUNDRED ACRES. SO  
20 ALREADY JUST WITH THAT HIGHER THRESHOLD OF PROPERTY OWNERSHIP,  
21 WE HAVE CREATED A VERY LARGE GROUP OF PARTIES WHO ARE IN THE  
22 PROCESS OF BEING INDIVIDUALLY SERVED.

23 AND I THINK IT GOES BACK TO WHAT THE COURT SAID  
24 EARLIER, PROBABLY BASED ON WHAT WE HAVE HEARD FROM SOME OF  
25 THESE FOLKS AND JUST THE SHEER NUMBER, IT IS WORTH SERIOUSLY  
26 LOOKING AT ALLOWING THEM TO PARTICIPATE IN THE CLASS AS WELL.

27 THANK YOU.

28 THE COURT: DO YOU THINK THERE ARE AN ADDITIONAL 4

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1 INDIVIDUAL BASIS, AND WERE TO BE MORE, SOME EVEN AFTER, IT  
2 CREATES SOME CASE MANAGEMENT PROBLEMS FOR US WHICH WILL  
3 PROBABLY COME UP IN ANOTHER PORTION OF THE DISCUSSION THIS  
4 MORNING ABOUT SETTLEMENT EFFORTS.

5 THE COURT: YOU MIGHT RUN OUT OF AVAILABLE LAWYERS.

6 MR. DUNN: WE MAY DO THAT. IT CERTAINLY CREATES  
7 ADDITIONAL COMPLICATIONS OR BURDENS WHEN WE TRY TO GET PEOPLE  
8 TOGETHER TO RESOLVE THIS.

9 THE COURT: DO YOU HAVE ANY SENSE OF HOW MANY OF THOSE  
10 PARTIES ARE ACTUALLY PUMPING WATER?

11 MR. DUNN: OUT OF ALL THE ONES THAT WE HAVE HEARD BACK  
12 FROM, AND THERE HAS BEEN QUITE A FEW, THERE WAS ONLY ONE.

13 THE COURT: OTHERWISE THE LAND IS LYING FALLOW?

14 MR. DUNN: YES. IN ALMOST EVERY CASE, THEY HAVE TOLD  
15 US THAT THE LAND IS FALLOW; IT IS VACANT, RAW LAND, BEING HELD  
16 FOR INVESTMENT PURPOSES. THERE IS NO PLAN TO DEVELOP IT FOR  
17 AGRICULTURE. IT IS TO SELL IT OFF FOR SOME TYPE OF URBAN OR  
18 RESIDENTIAL OR COMMERCIAL DEVELOPMENT. IT IS INVESTMENT  
19 PROPERTY.

20 THE COURT: ALL RIGHT. WELL, IT SEEMS TO ME AT THIS  
21 POINT THAT IT WOULD BE USEFUL FOR COUNSEL TO CONFER WITH  
22 MR. ZLOTNICK TO SEE IF IT IS POSSIBLE TO ARRIVE AT SOME  
23 UNDERSTANDING AS TO WHAT A REASONABLE CLASS CERTIFICATION,  
24 PLAINTIFF'S CLASS CERTIFICATION, MIGHT BE. AND IF IT IS  
25 POSSIBLE TO AVOID A DEFENDANT CLASS, THEN I THINK THAT MAKES  
26 SOME SENSE TO ME; CERTAINLY IN TERMS OF GETTING THIS MATTER  
27 ADJUDICATED MORE PROMPTLY.

28 SO I WOULD THINK THAT I WOULD LIKE TO SEE SOME