

“EXHIBIT O”

1 SUPERIOR COURT OF THE STATE OF CALIFORNIA

2 FOR THE COUNTY OF LOS ANGELES

3 DEPARTMENT NO. 1

HON. JACK KOMAR, JUDGE

4
5 COORDINATION PROCEEDING)
SPECIAL TITLE (RULE 1550B))

6 ANTELOPE VALLEY GROUNDWATER CASES)

JUDICIAL COUNCIL
COORDINATION NO. P4408

7
8 PALMDALE WATER DISTRICT AND)
QUARTZ HILL WATER DISTRICT,)

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

9 CROSS-COMPLAINANTS,)

10 VS)

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

13 CROSS-DEFENDANTS.)
14

15 REPORTER'S TRANSCRIPT OF PROCEEDINGS

16 **MONDAY, MARCH 3, 2008**

17
18 APPEARANCES:

19 (SEE APPEARANCE PAGES)

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21
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23 ORIGINAL

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27 CHARLOTTE NICHOLAS MOHAMED, CSR #2384
28 OFFICIAL REPORTER

1 AVAILABLE.

2 THE COURT: OKAY. I THINK THAT IS THE ONLY WAY I COULD
3 THINK OF TO GET THIS CASE MOVING. AND I THINK THAT IT IS WITH
4 A CLEAR UNDERSTANDING THAT THE COURT RECOGNIZES THAT THERE
5 WOULD BE A VERY CLEAR CONFLICT BETWEEN A PUMPING CLASS,
6 HOWEVER SMALL, AND A NONPUMPING CLASS. AND CERTAINLY WITHIN
7 THE PUMPING CLASS THERE WILL BE CONFLICTS OF INTEREST BETWEEN
8 THE VARIOUS PUMPERS AT VARIOUS LEVELS. BUT IT SEEMS TO ME
9 THAT IS SOMETHING THE COURT CAN ADDRESS THROUGH A PROPER
10 ADJUDICATION PROCESS WHEN WE HAVE ASCERTAINED WHO THOSE PEOPLE
11 ARE.

12 SO THAT IS THE WAY I WANT TO PROCEED ON THIS
13 MATTER. I THINK IT IS THE ONLY WAY WE CAN PROCEED. AND I
14 THINK THAT THAT WILL GIVE US AN OPPORTUNITY TO MOVE AHEAD.

15 MR. DUNN: FOR PROCEDURAL PURPOSES, WOULD THE COURT
16 REQUEST FROM A PROPOSED ORDER, OR WOULD THE COURT PREPARE ITS
17 OWN ORDER ARISING OUT OF THE PROCEEDINGS THIS MORNING IN TERMS
18 OF THE AMENDED CLASS CERTIFICATION ORDER?

19 THE COURT: WELL, IT IS CUSTOMARY FOR COUNSEL TO
20 PREPARE THE ORDER AND SUBMIT IT TO ALL COUNSEL FOR APPROVAL AS
21 TO FORM. AND THE COURT WILL REVIEW IT AND MAKE WHATEVER
22 APPROPRIATE MODIFICATIONS IT THINKS NECESSARY.

23 MR. DUNN: AS THE MOVING PARTY ON THE MOTION TO AMEND
24 OR CERTIFY THE -- EXCUSE ME -- AMEND OR MODIFY THE EXISTING
25 CERTIFICATION ORDER, WE WILL POST A PROPOSED ORDER BEFORE THE
26 END OF THIS WEEK.

27 THE COURT: ALL RIGHT. NOW IN TERMS OF YOUR ACTUAL
28 MOTION TO AMEND, LET'S TALK ABOUT THAT FOR JUST A MOMENT HERE.

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1 OF THE AMENDED OR MODIFIED CLASS TO PARTICULAR ISSUES. AND I
2 HAVE THAT LANGUAGE, IF THE COURT WOULD LIKE.

3 THE COURT: WELL, IF I UNDERSTAND CORRECTLY, WHAT YOU
4 WANT TO DO -- AND I THINK IT IS APPROPRIATE -- IS TO STRIKE
5 THE REST OF THE SENTENCE AFTER THE WORD "ADJUDICATED" IN THE
6 SECOND SENTENCE OF THE ORDER.

7 MR. DUNN: YEAH. AND I APOLOGIZE. I DON'T HAVE THE
8 ENTIRE COURT ORDER WITH ME.

9 THE COURT: IT WOULD READ THIS WAY: "ALL PRIVATE I.E.
10 NONGOVERNMENTAL PERSONS AND ENTITIES THAT OWN REAL PROPERTY
11 WITHIN THE BASIN AS ADJUDICATED. THE CLASS INCLUDES THE
12 SUCCESSORS-IN-INTEREST BY WAY OF PURCHASE, GIFT, INHERITANCE
13 OR OTHERWISE OF SUCH LANDOWNERS."

14 MR. DUNN: I THINK THAT IS RIGHT, YES.

15 THE COURT: OKAY. THEN THE COURT EXCLUDES "THE
16 DEFENDANTS HEREIN. ANY PERSON, FIRM, TRUST, CORPORATION, OR
17 OTHER ENTITY IN WHICH ANY DEFENDANT HAS A CONTROLLING INTEREST
18 OR WHICH IS RELATED TO OR AFFILIATED WITH ANY OF THE
19 DEFENDANTS," ET CETERA.

20 MR. DUNN: YES. THE BALANCE OF THE COURT'S EXISTING
21 CERTIFICATION ORDER WE ARE NOT ASKING FOR ANY CHANGE,
22 CORRECTION, MODIFICATION OF ANY KIND.

23 THE COURT: I'M A LITTLE CONCERNED, AS I HAVE BEEN
24 EVERY TIME WE HAVE TALKED ABOUT THIS, OF THE EXCLUSION OF
25 PEOPLE WITHIN THE WATER SERVICE AREAS, RECOGNIZING THAT THE
26 AVERAGE HOMEOWNER IS A SIXTY BY A HUNDRED LOT. I'M NOT SURE
27 HOW MANY OF THOSE THERE ARE. BUT THOSE FOLKS ARE PROBABLY NOT
28 GOING TO BE DRILLING A WELL OR SEEKING TO USE THE WATER ASIDE

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1 SUBMIT THAT PROPOSED ORDER WITHIN -- CAN YOU DO IT WITHIN FIVE
2 DAYS?

3 MR. DUNN: I CAN DO IT BY THIS FRIDAY, YOUR HONOR.

4 THE COURT: ALL RIGHT. THANK YOU.

5 MR. FIFE: AND I JUST WANT TO NOTE FOR THE COURT, THIS
6 A LITTLE DIFFICULT DOING THIS OUTSIDE THE CONTEXT OF AN
7 EVIDENTIARY HEARING BECAUSE WE ARE TALKING ABOUT FACTUAL
8 SITUATIONS. I DO KNOW ANECDOTALLY OF PEOPLE WHO ARE CONNECTED
9 TO WATER SERVICE PROVIDERS FOR THEIR POTABLE USE BUT THEN USE
10 GROUNDWATER WELLS FOR WATERING ORCHARDS OR WHATEVER CROPS THEY
11 ARE GROWING. SO THERE ARE PEOPLE WHO ARE CONNECTED TO THE
12 MUNICIPAL SERVICES BUT WHO USE THE --

13 THE COURT: TO THE EXTENT THAT THEY EXCEED 25 ACRES,
14 THEY ARE GOING TO BE SERVED IN ANY EVENT.

15 MR. FIFE: AND I DON'T KNOW FACTUALLY HOW MANY OF THOSE
16 LESS THAN 25 ACRES THERE ARE.

17 THE COURT: I'M SURE THEY ARE SOME.

18 MR. FIFE: JUST NOTING IT.

19 THE COURT: THANK YOU.

20 MR. DOUGHERTY?

21 MR. DOUGHERTY: THANK YOU, YOUR HONOR.

22 ROBERT DOUGHERTY.

23 THE BIG PROBLEM I HAVE WITH THE PUBLIC WATER
24 SUPPLIERS, YOUR HONOR, IS THEY WANT TO BIND EVERYBODY BUT THEY
25 DON'T WANT TO LET EVERYBODY KNOW THEY ARE BEING SUED.

26 AND I AGREE WITH THE COURT, I THINK IF THEY ARE
27 GOING TO PROCEED THIS WAY THEY NEED TO GIVE EVERYONE WHO OWNS
28 LAND UP THERE NOTICE THEY ARE SUBJECT TO BEING SUED. AND IF

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1 COURT TODAY ABOUT WHERE THE LINE IS TO BE DRAWN.

2 AND THEN WHEN IT IS A MATTER OF WHEN THE NOTICE
3 IS TO BE SENT, I AGREE WITH MR. DUNN AND MR. ZLOTNICK THAT WE
4 CAN WORK OUT THAT NOTICE IN SHORT ORDER AS LONG AS WE KNOW TO
5 WHOM THE NOTICE IS GOING TO BE SENT.

6 THE COURT: ALL RIGHT. MR. DUNN?

7 MR. DUNN: JUST ONE PROCEDURAL HOUSEKEEPING MATTER THAT
8 AROSE OUT OF THE COLLOQUY WITH MY COLLEAGUE MR. BUNN: IF I
9 COULD SUGGEST TO THE COURT THAT FOR PROCEDURAL PURPOSES, UNDER
10 RULE 3.764 AND 3.765 THAT THE MOTION BE GRANTED AS MODIFIED BY
11 THE COURT. THE COURT HAD RECENTLY INDICATED A DENIAL. AND I
12 THINK THAT WOULD.

13 THE COURT: YEAH. I WAS CONCERNED ABOUT THE PORTIONS
14 THAT WERE UNACCEPTABLE.

15 MR. DUNN: YES.

16 THE COURT: BUT IT WILL BE GRANTED AS MODIFIED BY THE
17 COURT.

18 MR. DUNN: THANK YOU.

19 THE COURT: OKAY. MR. DOUGHERTY.

20 MR. DOUGHERTY: ROBERT DOUGHERTY.

21 YOUR HONOR, I DON'T KNOW HOW MANY OTHERS WERE
22 UNDER THE IMPRESSION THAT WE BASICALLY ENTERED DISCOVERY
23 STANDDOWN AND RESOLVED ALL OF THESE ITEMS, BUT I WOULD
24 CERTAINLY REQUEST, ON BEHALF OF MY CLIENTS, THAT YOU DISSOLVE
25 ANY DISCOVERY STANDDOWN AND LET US GO AT IT.

26 THE COURT: THE ONLY DISCOVERY STANDDOWN RELATED TO THE
27 QUESTION OF NOTICE AND OVERDRAFT AND PRESCRIPTION, NOT IN
28 TERMS OF CLASS CERTIFICATION OR THE CONSTITUENT MEMBERS OF THE

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