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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

DEPARTMENT NO. 4 HON. JACK KOMAR, JUDGE

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|------------------------------------|---|----------------------|
| COORDINATION PROCEEDING |) | |
| SPECIAL TITLE (RULE 1550B) |) | |
| ANTELOPE VALLEY GROUNDWATER CASES) |) | JUDICIAL COUNCIL |
| |) | COORDINATION |
| |) | NO. JCCP4408 |
| |) | |
| PALMDALE WATER DISTRICT AND |) | SANTA CLARA CASE NO. |
| QUARTZ HILL WATER DISTRICT, |) | 1-05-CV-049053 |
| |) | |
| CROSS-COMPLAINANTS, |) | |
| |) | |
| VS. |) | |
| |) | |
| LOS ANGELES COUNTY WATERWORKS, |) | |
| DISTRICT NO. 40, ET AL, |) | |
| |) | |
| CROSS-DEFENDANTS. |) | |
| |) | |

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, JUNE 16, 2011

APPEARANCES:

(SEE APPEARANCE PAGES)

GINGER WELKER, CSR #5585
OFFICIAL REPORTER

1 APPEARANCES:

2
3 RICHARD A. WOOD
4 (MR. WOOD PRESENT)
5 SMALL PUMPER CLASS

OFFICES OF MICHAEL MCLACHLAN
BY: MICHAEL D. MCLACHLAN
10490 SANTA MONICA BLVD.
LOS ANGELES, CA 90025
(310) 954-8270

6
7 L.A. COUNTY WATERWORKS
8 DISTRICT NO. 40
9 (VIA TELEPHONE)

BEST, BEST & KRIEGER, LLP
BY: JEFFREY V. DUNN
STEFANIE HEDLUND
5 PARK PLAZA, SUITE 1500
IRVINE, CA 92614
(949) 263-2600

10
11 L.A. COUNTY WATERWORKS
12 DISTRICT NO. 40

OFFICE OF THE COUNTY
COUNSEL, COUNTY OF L.A.
BY: WARREN R. WELLEN
500 WEST TEMPLE STREET
6TH FLOOR
LOS ANGELES, CA 90012
(213) 974-9668

13
14
15 LOS ANGELES COUNTY SANITATION
16 DISTRICTS NOS. 14 & 20

ELLISON, SCHNEIDER &
HARRIS
BY: CHRISTOPHER M. SANDERS
2015 H STREET
SACRAMENTO, CA 95811-3109
(916) 447-2166

17 (VIA TELEPHONE)
18
19
20 CITY OF LANCASTER &
21 ROSAMOND CSD
22 (VIA TELEPHONE)

MURPHY & EVERTZ
BY: DOUGLAS J. EVERTZ
650 TOWN CENTER DRIVE
SUITE 550
COSTA MESA, CA 92626
(714) 277-1700

23
24 LITTLE ROCK CREEK IRRIGATION
25 DISTRICT & PALM RANCH IRRIGATION
26 DISTRICT:

LEMIEUX & O'NEILL
BY: W. KEITH LEMIEUX
2393 TOWNSGATE ROAD
SUITE 201
WESTLAKE VILLAGE, CA 91361
(805) 495-4770

27 (VIA TELEPHONE)
28

1 APPEARANCES (CONTINUED)

2

3 BOLTHOUSE PROPERTIES, INC.

4 (VIA TELEPHONE)

5

6

7

8 CITY OF LOS ANGELES

9

10 (VIA TELEPHONE)

11

12 THE UNITED STATES

13

14 (VIA TELEPHONE)

15

16

17 U.S. BORAX

18

19 (VIA TELEPHONE)

20

21

22 QUARTZ HILL WATER DISTRICTS

23

24 (VIA TELEPHONE)

25

26

27 DIAMOND FARMING COMPANY
AND CRYSTAL ORGANIC

28

(VIA TELEPHONE)

29

30

31

CLIFFORD & BROWN

BY: RICHARD G. ZIMMER
BANK OF AMERICA BUILDING
1430 TRUXTON AVENUE
SUITE 900
BAKERSFIELD, CA 93301
(661) 322-6023

LOS ANGELES CITY ATTORNEY

BY: JULIE RILEY
111 NORTH HOPE
LOS ANGELES, CA 90051
(213) 367-4513

U.S. DEPARTMENT OF JUSTICE
ENVIRONMENT & NATURAL
RESOURCES DIVISION

BY: R. LEE LEININGER
1961 STOUT STREET, 8TH FLOOR
DENVER, CO 80294
(303) 844-1364

MORRISON & FOERSTER, LLP
BY: WILLIAM M. SLOAN
425 MARKET STREET
SAN FRANCISCO, CA 94105
(415) 268-7209

CHARLTON WEEKS

BY: BRADLEY T. WEEKS
1007 W. AVE. M-14, SUITE A
PALMDALE, CA 93551
(661) 265-0969

LEBEAU, THELEN, MCINTOSH &
CREAR

BY: BOB H. JOYCE
5001 EAST COMMERCENTER DR.
P.O. BOX 12092
BAKERSFIELD, CA 93389-2092
(661) 325-8962

| | | |
|-----|--------------------------------|----------------------------|
| 1 | <u>APPEARANCES (CONTINUED)</u> | |
| 2 | PHELAN PINON HILLS, CSD | ALESHIRE & WYNDER, LLP |
| 3 | (VIA TELEPHONE) | BY: WESLEY A. MILIBAND |
| 4 | | 18881 VON KARMAN AVENUE |
| 5 | | SUITE 400 |
| | | IRVINE, CA 92612 |
| | | (949) 223-1170 |
| 6 | CALIFORNIA WATER SERVICES | JOHN S. TOOTLE |
| 7 | COMPANY | CORPORATE COUNSEL |
| 8 | (VIA TELEPHONE) | 2632 W. 237TH STREET |
| 9 | | TORRANCE, CA 90505-5272 |
| 10 | | (310) 257-1488 |
| 11 | TEJON RANCH CORP | KUHS & PARKER |
| 12 | (VIA TELEPHONE) | BY: ROBERT G. KUHS |
| 13 | | 1200 TRUXTUN AVENUE |
| 14 | | SUITE 200 |
| 15 | | BAKERSFIELD, CA 93301 |
| 16 | | (661) 322-4004 |
| 17 | CITY OF PALMDALE | RICHARDS WATSON GERSHON |
| 18 | (VIA TELEPHONE) | BY: JAMES L. MARKMAN |
| 19 | | 1 CIVIC CENTER CIRCLE |
| 20 | | POST OFFICE BOX 1059 |
| 21 | | BREA, CA 92822-1059 |
| 22 | | (714) 990-0901 |
| 23 | ANTELOPE VALLEY GROUNDWATER | BROWNSTEIN, HYATT, FARBER |
| 24 | AGREEMENT ASSOCIATION | & SCHRECK |
| 25 | (AGWA) | BY: BRADLEY J. HERREMA |
| 26 | (VIA TELEPHONE) | 21 EAST CARRILLO STREET |
| 27 | | SANTA BARBARA, CA 93101 |
| 28 | | (805) 963-7000 |
| 29 | VAN DAM FARMS | YOUNG WOOLDRIDGE |
| 30 | (VIA TELEPHONE) | BY: SCOTT K. KUNEY |
| 31 | | 1800 30TH STREET |
| 32 | | 4TH FLOOR |
| 33 | | BAKERSFIELD, CA 93301-5298 |
| 34 | | (661) 327-9661 |
| 35 | SOUTHERN CALIFORNIA | AMY M. GANTVOORT, |
| 36 | EDISON COMPANY | ATTORNEY AT LAW |
| 37 | (VIA TELEPHONE) | (NO ADDRESS GIVEN) |
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26
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28

APPEARANCES (CONTINUED)

ANTELOPE VALLEY
UNITED MUTUAL GROUP
(VIA TELEPHONE)

COVINGTON & CROWE, LLP
(NO ATTORNEY APPEARANCE)
CLIENT, JOHN UKKESTAD
1131 WEST SIXTH STREET
SUITE 300
ONTARIO, CA 91762
(909) 983-9393

WAGAS LAND CO.
(VIA TELEPHONE)

HANNA AND MORTON, LLP
BY: EDWARD S. RENWICK
444 S. FLOWER STREET
SUITE 1500
LOS ANGELES, CA 90071
(213) 628-7132, EXT. 516

COPA DE ORO LAND

BARTKIEWICZ, KRONICK &
SHANAHAN
BY: RYAN BEZERRA

SERVICE ROCKS, SHEEP CREEK
SHEEP CREEK & AV UNITED
MUTUAL GROUP

GRESHAM, SAVAGE, NOLAN &
TILDEN
BY: MARLENE L. ALLEN

1 CASE NUMBER: JCCP 4408
2 CASE NAME: ANTELOPE VALLEY
3 LOS ANGELES, CALIFORNIA, THURSDAY, JUNE 16, 2011
4 DEPARTMENT NO. 2D HON. ELIA WEINBACH
5 REPORTER GINGER WELKER, CSR #5585
6 TIME: 8:38 A.M.
7 APPEARANCES: (SEE TITLE PAGE)
8

9 THE COURT: WE HAVE A NUMBER OF PEOPLE WHO ARE ON
10 COURT CALL. HAVE THEY BEEN IDENTIFIED?

11 THE CLERK: YES, THEY HAVE, YOUR HONOR.

12 THE COURT: IF ANYBODY ON COURT CALL WISHES TO
13 ARGUE, COMMENT, OR ADDRESS THE COURT, MAKE SURE YOU
14 STATE YOUR NAME EACH TIME YOU SPEAK SO THAT THE REPORTER
15 AND I WILL KNOW WHO YOU ARE.

16 WE HAVE SEVERAL ACTIONS AND MATTERS TO TAKE
17 CARE OF THIS MORNING. THE PRIMARY ONE IS THE MOTION FOR
18 PRELIMINARY APPROVAL OF THE WOOD'S CLASS SETTLEMENT
19 PROPOSED. AND THE COURT HAS READ AND CONSIDERED THAT
20 APPLICATION AS WELL AS A NUMBER OF PARTIES WHO HAVE
21 FILED WRITTEN OPPOSITION TO THAT.

22 I WILL TELL YOU I HAVE SOME CONCERNS. AND I
23 THINK WE NEED TO ADDRESS THOSE HERE THIS MORNING.
24 BEFORE I DO THAT, IS THERE SOMETHING AS MOVING PARTY,
25 MR. MCLACHLAN, THAT YOU WANT TO STATE?

26 MR. MCLACHLAN: NO. I THINK MAYBE THE TIME IS
27 BEST SPENT ADDRESSING WHATEVER CONCERNS THE COURT IS
28 ALLUDING TO.

1 THE COURT: ALL RIGHT. THE FIRST CONCERN I HAVE
2 RELATES TO THE ESTABLISHMENT OF THE RIGHTS OF THE CLASS
3 MEMBERS AND THE DEFINITION THAT THE ALLOCATION FOR EACH
4 MEMBER WILL BE AS TO PER HOUSEHOLD RATHER THAN TO THE
5 CLASS MEMBERS AS THEY WERE DEFINED IN THE ORDER
6 ESTABLISHING THE CLASS.

7 IT SEEMS TO ME THAT THERE IS POTENTIAL HERE
8 FOR SOME CONTRADICTIONS IN TERMS. FOR EXAMPLE, A
9 HOUSEHOLD MAY OWN SEPARATE PARCELS. EACH PARCEL OF
10 WHICH WOULD HAVE OVERLYING RIGHTS. THAT IS MY FIRST
11 CONCERN BECAUSE IT IS INCONSISTENT WITH THE DEFINITION
12 OF THE CLASS.

13 AND AS I UNDERSTAND IT -- AND WE WILL TALK
14 ABOUT THIS IN A FEW MOMENTS -- PART OF THE REASON FOR
15 THAT IS TO ESTABLISH DOMESTIC USE. AND THAT IS ALSO NOT
16 PART OF THE CLASS DESCRIPTION. AND IT IS NOT A
17 LIMITATION OF THE CLASS DESCRIPTION. SO IT IS A
18 NARROWER DESCRIPTION, IT SEEMS TO ME, THAN THE CLASS
19 DESCRIPTION.

20 AND I GUESS WHAT I CAN DO IS JUST GO THROUGH
21 THESE AND TELL YOU WHAT MY CONCERNS ARE, AND WE CAN
22 START ADDRESSING THEM SERIATIM.

23 ON PAGE 11 OF THE AGREEMENT STARTING AT LINE
24 FOUR, "THE SETTLING PARTIES AGREE THAT THE WOOD CLASS
25 MEMBERS MAY EACH PUMP UP TO 3 ACRE-FEET PER HOUSEHOLD
26 FOR REASONABLE AND BENEFICIAL USE ON THEIR OVERLYING
27 LAND," ET CETERA, ET CETERA. AND THAT IF THE COURT DOES
28 NOT APPROVE THIS PROVISION, THIS AGREEMENT IS VOID.

1 THE PROBLEM THAT I HAVE WITH THAT IS NOT
2 THAT THE PARTIES WHO ARE SETTLING THE CASE CANNOT AGREE
3 AMONG THEMSELVES. THE DIFFICULTY IS THAT WHAT YOU ARE
4 DOING IS ATTEMPTING TO ESTABLISH, AS I READ THIS
5 AGREEMENT, THE 3 ACRE-FEET PER YEAR ALLOCATION AS A --
6 AS A STANDARD THAT IS GOING TO BIND ALL THE NONSETTLING
7 PARTIES. AND I DON'T THINK YOU CAN DO THAT.

8 YOU HAVE TO ACKNOWLEDGE THE FACT THAT AS TO
9 OTHER PARTIES THE COURT HAS TO MAKE FINDINGS BASED UPON
10 EVIDENCE. I CAN'T DO THAT BASED UPON AN AGREEMENT OF
11 SOME OF THE PARTIES, BUT NOT ALL OF THE PARTIES.

12 AND I UNDERSTAND THAT THE CONCERN THAT YOU
13 HAVE IS THAT YOU CAN'T SETTLE THIS CASE WITHOUT THAT
14 KIND OF A FINDING BINDING EVERYBODY, BUT I CAN'T MAKE
15 THAT KIND OF A FINDING WITHOUT EVIDENCE AND AN
16 OPPORTUNITY FOR THE PARTIES TO DISPUTE IT. IT MAY WELL
17 BE REASONABLE, BUT I HAVE NO WAY OF KNOWING THAT AT THIS
18 POINT.

19 LET ME JUST GO THROUGH HERE: YOU ARE
20 ATTEMPTING TO BIND A WATER MASTER AND A WATER MASTER
21 DECISION AND DETERMINATION OF ALLOCATION OF WATER RIGHTS
22 AND PREVENTING THE COURT AND THE WATER MASTER FROM DOING
23 ANYTHING OTHER THAN WHAT YOU HAVE AGREED AMONG
24 YOURSELVES.

25 WELL, AS TO YOURSELVES, THAT IS FINE. AND
26 IF YOU WANT TO AGREE THAT THE WATER PRODUCERS, PURVEYORS
27 HERE, WILL NOT TAKE A POSITION THAT YOU ARE NOT ENTITLED
28 TO A 3 ACRE-FEET PER YEAR, THAT IS FINE. THEY CAN DO