

Exhibit D

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, AUGUST 20, 2007

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18 APPEARANCES:

19 (SEE APPEARANCE PAGES)

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23 ORIGINAL

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27 CHARLOTTE NICHOLAS MOHAMED, CSR #2384
28 OFFICIAL REPORTER

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1 LOS ANGELES, CALIFORNIA; MONDAY, JANUARY 14, 2008; 9:02 A.M.

2 DEPARTMENT NO. 1 HON. JACK KOMAR, JUDGE

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

4 CASE NAME: ANTELOPE VALLEY GROUNDWATER CASES

5 APPEARANCES: (AS NOTED ON TITLE PAGE)

6
7 (CHARLOTTE NICHOLAS MOHAMED, CSR #2384)

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9 THE COURT: ALL RIGHT. GOOD MORNING.

10 (ALL ANSWER "GOOD MORNING, YOUR HONOR")

11 THE COURT: WE ARE HERE ON THE ANTELOPE VALLEY
12 COORDINATED CASES.

13 LET'S HAVE APPEARANCES FROM ALL COUNSEL WHO
14 INTEND TO APPEAR. AND LET ME JUST REMIND YOU THAT EACH TIME
15 YOU SPEAK YOU SHOULD IDENTIFY YOURSELF.

16 AND ON THIS FIRST GO-AROUND, STATE YOUR NAME AND
17 SPELL YOUR LAST NAME.

18 MR. DOUGHERTY: GOOD MORNING.

19 ROBERT DOUGHERTY, YOUR HONOR, FOR THE A V UNITED
20 MUTUAL GROUP.

21 D-O-U-G-H-E-R-T-Y.

22 MR. ZLOTNICK: YOUR HONOR, DAVID ZLOTNICK,
23 S-L-O-T-N-I-C-K, FOR REBECCA WILLIS AND THE CLASS.

24 MR. JOYCE: GOOD MORNING, YOUR HONOR.

25 BOB JOYCE APPEARING ON BEHALF OF DIAMOND FARMING
26 COMPANY AND CRYSTAL FARMS -- EXCUSE ME -- CRYSTAL ORGANIC LLC.

27 THAT IS J-O-Y-C-E.

28 MR. ZIMMER: GOOD MORNING, YOUR HONOR.

1 FRANKLY I THINK MAYBE IT HAS GOT TO BE A SUBCLASS, BUT I THINK
2 WE WILL HAVE TO FILE A MOTION AS HE REQUESTED. AND THIS IS
3 SUBJECT TO HEARING FROM OTHER COUNSEL HERE THIS MORNING, BUT
4 IT SEEMS TO ME THAT IT IS POSSIBLE FOR MR. ZLOTNICK TO
5 REPRESENT NONPUMPERS AND SMALL PUMPERS UP TO A POINT. AND AT
6 THE POINT WHERE THE INTERESTS DIVERGE, WE CAN SEEK OTHER
7 COUNSEL TO CARRY ON REPRESENTING THE SMALL PUMPERS. NOW THAT
8 MAY BE ONE APPROACH TO IT.

9 AND I UNDERSTAND THAT FROM COUNSELS' STANDPOINT
10 YOU WOULD BE NERVOUS ABOUT NOW REPRESENTING ONE AGAINST THE
11 OTHER, ASSUMING THAT THAT IS THE CASE. BUT DIVERGENCE IS NOT
12 NECESSARILY CONFLICT.

13 MR. DOUGHERTY: WELL, THAT IS TRUE, YOUR HONOR. BUT
14 I'VE BASICALLY HAD MY SAY, SO I'LL --

15 THE COURT: ALL RIGHT. WELL, I APPRECIATE THAT VERY
16 MUCH, MR. DOUGHERTY.

17 I THINK MR. FIFE WOULD LIKE TO ADDRESS US ON
18 THIS.

19 MR. FIFE: GOOD MORNING.

20 MICHAEL FIFE, ANTELOPE VALLEY GROUNDWATER
21 AGREEMENT ASSOCIATION.

22 I AGREE WITH MR. DOUGHERTY THAT IT IS DIFFICULT
23 TO KNOW WHERE TO START. WE HAVE THIS SAME DISCUSSION EVERY
24 TIME WE COME HERE. I THINK WE HAVE HAD IT NOW FOUR OR FIVE
25 TIMES.

26 WE WANT THIS CASE TO MOVE FORWARD. THE ONLY
27 WAY -- AND YOU ARE RIGHT -- THE ONLY WAY THIS CASE IS GOING TO
28 END IS THROUGH SETTLEMENT; THIS CASE CAN'T GO TO TRIAL. AND

1 ANYTHING THAT INTERFERES WITH SETTLEMENT IS INTERFERING WITH
2 THIS CASE MOVING FORWARD.

3 MR. ZLOTNICK, IF HE REPRESENTS BOTH PUMPERS AND
4 NONPUMPERS, IS GOING TO HAVE AN IMPOSSIBLE TIME PARTICIPATING
5 IN THE SETTLEMENT NEGOTIATIONS BECAUSE A CENTRAL ISSUE IN
6 THOSE NEGOTIATIONS IS HOW TO RECONCILE THE RIGHTS OF THE
7 PUMPERS VERSUS THE NONPUMPERS.

8 I REPRESENT PUMPERS. OUR BIGGEST CONCERN IS NOT
9 THE WATER PURVEYORS, IT'S THE NONPUMPERS. AND MOST OF OUR
10 PARTICIPATION IN THE SETTLEMENT NEGOTIATIONS -- WHICH ARE
11 UNDERWAY RIGHT NOW, THIS ISN'T SOMETHING IN THE FUTURE -- OUR
12 PRINCIPAL CONCERN IS TO GET A SETTLEMENT THAT PROTECTS US FROM
13 THE NONPUMPERS. IF WE CAN GET A SETTLEMENT, THEN THESE PHASES
14 OF TRIAL SUCH AS BASIN CHARACTERISTICS, PRESCRIPTION, ET
15 CETERA, MAY BECOME MOOT. MAYBE WE CAN AVOID THEM ALTOGETHER.
16 IF WE HAVE A PROPER SETTLEMENT IN THE WORKS, PERHAPS WE CAN
17 HAVE STIPULATIONS ABOUT THOSE THINGS; WE CAN REACH CONSENSUS.
18 BECAUSE IF PEOPLE KNOW WHERE THE RESOLUTION IS GOING, THEN
19 THEY CAN BE LESS CONCERNED ABOUT WHETHER WE HAVE SUBBASINS OR
20 NON-SUBBASINS.

21 THE COURT: HOW DO YOU HAVE STIPULATIONS WITH PARTIES
22 WHO ARE NOT PARTIES TO WHICH THE COURT HAS NOT OBTAINED
23 JURISDICTION?

24 MR. FIFE: RIGHT. SO THE QUESTION IS HOW TO GET THOSE
25 PEOPLE IN. AND THE POSITION THAT THE COURT HAS GOTTEN TO AT
26 THE END OF EVERY SINGLE ONE OF OUR PAST HALF DOZEN HEARINGS IS
27 THAT THERE SHOULD BE THE ZLOTNICK CLASS FOR THE NONPUMPERS --
28 AND THERE ARE ABOUT 3 HUNDRED THOUSAND PEOPLE IN THE ANTELOPE