

Exhibit E

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December 3, 2014

VIA EMAIL

Mr. Eric Garner
Best Best & Krieger
300 South Grand Avenue, 25th Floor
Los Angeles CA, 90071

RE: Antelope Valley Groundwater Litigation

Dear Eric,

We still have not heard from you regarding how District 40 plans to provide the Court with a Physical Solution that is consistent with the Stipulation of Settlement and Judgment that was entered into between all the Public Water Suppliers ("PWS") and the Willis Class. On November 4, 2014, District 40 agreed to provide the Court with a Proposed Physical Solution for the Basin by January 15, 2015. However, we have had little to no communication regarding the impact of the physical solution on the Willis Class. We remain ready to work with District 40 and other PWS in drafting a Physical Solution that is fair for all parties concerned.

As you know, the Class consists of persons who own approximately 65,000 parcels totaling approximately 500,000 acres. That acreage constitutes the bulk of the land in the Basin and is approximately 65-75% of the privately owned land. In July 2010, the Willis Class reached a Stipulation of Settlement (the "Stipulation") with the Public Water Suppliers which settlement was approved by Judge Komar of the Superior Court in February 2011 *and entered as a Final Judgment in our case on September 22, 2011* ("Judgment"). That Stipulation resolved all claims that the Willis Class had asserted in this matter.

The Stipulation and Judgment provides the following material terms to which all PWS are bound:

1. The Willis Class and the PWS may Pump the NSY Free of Any Replacement Assessment

"The Settling Parties agree that the Willis Class Members have an Overlying Right to a correlative share of 85% of the Federally Adjusted Native Safe Yield for reasonable and beneficial uses on their overlying land *free of any Replacement Assessment.*" [Emphasis added].

"The Settling Parties agree that the Settling Defendants collectively have the right to produce up to 15% of the Basin's Federally Adjusted Native Safe Yield *free of any Replacement Assessment.*" [Emphasis added].

2. PWS Agree Not to Impair Those Rights

"The Settling Defendants will not take any positions or enter into any agreements that are inconsistent with the exercise of the Willis Class Members' Overlying Right to produce and use their correlative share of 85% of the Basin's Federally Adjusted Native Safe Yield."

3. PWS Agree to Cooperate with Willis Class

"The Settling Parties agree to cooperate and coordinate their efforts in any such trial or hearing so as to obtain entry of judgment consistent with the terms of this Stipulation..."

4. The Willis Settlement will be Incorporated into the Future Physical Solution

"Physical Solution means a mechanism that comprehensively resolves the competing claims to the Basin's water and provides for the management of the Basin. The Settling Parties anticipate that this Settlement will later be incorporated into a Physical Solution."

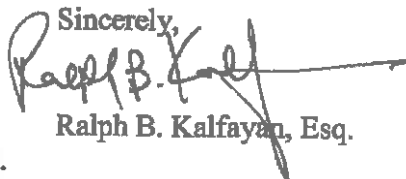
5. Any Physical Solution must be Consistent with the Willis Settlement

"The Settling Parties agree to be part of such a Physical Solution to the extent it is consistent with the terms of this Stipulation..."

The latest draft of the proposed Physical Solution does not respect the Willis Class' correlative rights under the Stipulation and Judgment.

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outcome is unfair and inconsistent with the Stipulation and Judgment. redacted
redacted | This was not the deal we struck back in 2010 and
it violates the enforceable Judgment we obtained in 2011. We will be forced to oppose the draft
of the Physical Solution if it contains those inequitable terms. In addition, please place your clients
on notice that agreeing to the terms in the draft Physical Solution will expose them and other Public
Water Suppliers to claims for breach of the Stipulation and violation of the Judgment. Your
respective Boards should be made aware of these consequences.

We believe it is in everyone's best interest, and in the best interests of the Basin, that a fair and amicable resolution that is consistent with the terms of our Stipulation and Judgment be presented to the Court. Please let me know if you wish to work with us in arriving at such a resolution.

Sincerely,

Ralph B. Kalfayan, Esq.

cc: All Public Water Suppliers via email.