

EXHIBIT D

1 SUPERIOR COURT OF THE STATE OF CALIFORNIA

2 FOR THE COUNTY OF LOS ANGELES

3 DEPARTMENT NO. 4

HON. JACK KOMAR, JUDGE

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

6 ANTELOPE VALLEY GROUNDWATER CASES)

JUDICIAL COUNCIL
COORDINATION
NO. JCCP4408

7 PALMDALE WATER DISTRICT AND)
8 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 THURSDAY, JUNE 16, 2011

17
18 APPEARANCES:

19 (SEE APPEARANCE PAGES)
20
21
22
23
24
25
26

27 GINGER WELKER, CSR #5585
28 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 LOS ANGELES COUNTY SANITATION
15 DISTRICTS NOS. 14 & 20
16 (VIA TELEPHONE)

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

17

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

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

21

22 LITTLEROCK CREEK IRRIGATION
23 DISTRICT & PALM RANCH IRRIGATION
24 DISTRICT:

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

25 (VIA TELEPHONE)

26

27

28

1 APPEARANCES (CONTINUED)

2

3 BOLTHOUSE PROPERTIES, INC.
4 (VIA TELEPHONE)

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

7

8 CITY OF LOS ANGELES
9 (VIA TELEPHONE)

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

10

11 THE UNITED STATES
12 (VIA TELEPHONE)

U.S. DEPARTMENT OF JUSTICE
ENVIRONMENT & NATURAL
RESOURCES DIVISION
BY: R. LEE LEININGER
1961 STOUT STREET, 8TH FLOOR
DENVER, CO 80294
(303) 844-1364

15

16 U.S. BORAX
17 (VIA TELEPHONE)

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

18

19
20 QUARTZ HILL WATER DISTRICTS
21 (VIA TELEPHONE)

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

22

23
24 DIAMOND FARMING COMPANY
25 AND CRYSTAL ORGANIC
26 (VIA TELEPHONE)

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

27

28

1 APPEARANCES (CONTINUED)

2	PHELAN PINON HILLS, CSD	ALESHIRE & WYNDER, LLP
3	(VIA TELEPHONE)	BY: WESLEY A. MILIBAND
4		18881 VON KARMAN AVENUE
5		SUITE 400
6		IRVINE, CA 92612
7		(949) 223-1170
8		
9	CALIFORNIA WATER SERVICES	JOHN S. TOOTLE
10	COMPANY	CORPORATE COUNSEL
11	(VIA TELEPHONE)	2632 W. 237TH STREET
12		TORRANCE, CA 90505-5272
13		(310) 257-1488
14		
15	TEJON RANCH CORP	KUHS & PARKER
16	(VIA TELEPHONE)	BY: ROBERT G. KUHS
17		1200 TRUXTUN AVENUE
18		SUITE 200
19		BAKERSFIELD, CA 93301
20		(661) 322-4004
21		
22	CITY OF PALMDALE	RICHARDS WATSON GERSHON
23	(VIA TELEPHONE)	BY: JAMES L. MARKMAN
24		1 CIVIC CENTER CIRCLE
25		POST OFFICE BOX 1059
26		BREA, CA 92822-1059
27		(714) 990-0901
28		
29	ANTELOPE VALLEY GROUNDWATER	BROWNSTEIN, HYATT, FARBER
30	AGREEMENT ASSOCIATION	& SCHRECK
31	(AGWA)	BY: BRADLEY J. HERREMA
32	(VIA TELEPHONE)	21 EAST CARRILLO STREET
33		SANTA BARBARA, CA 93101
34		(805) 963-7000
35		
36	VAN DAM FARMS	YOUNG WOOLDRIDGE
37	(VIA TELEPHONE)	BY: SCOTT K. KUNEY
38		1800 30TH STREET
39		4TH FLOOR
40		BAKERSFIELD, CA 93301-5298
41		(661) 327-9661
42		
43	SOUTHERN CALIFORNIA	AMY M. GANTVOORT,
44	EDISON COMPANY	ATTORNEY AT LAW
45	(VIA TELEPHONE)	(NO ADDRESS GIVEN)
46		
47		
48	NORTHROP, GRUMAN &	ALSTON & BIRD, LLP
49	SEMPRA	BY: NEAL P. MAGUIRE
50	(VIA TELEPHONE)	(NO ADDRESS GIVEN)

1 APPEARANCES (CONTINUED)

2 ANTELOPE VALLEY COVINGTON & CROWE, LLP
3 UNITED MUTUAL GROUP (NO ATTORNEY APPEARANCE)
4 (VIA TELEPHONE) CLIENT, JOHN UKKESTAD
5 1131 WEST SIXTH STREET
6 SUITE 300
7 ONTARIO, CA 91762
8 (909) 983-9393

7 WAGAS LAND CO. HANNA AND MORTON, LLP
8 (VIA TELEPHONE) BY: EDWARD S. RENWICK
9 444 S. FLOWER STREET
10 SUITE 1500
11 LOS ANGELES, CA 90071
12 (213) 628-7132, EXT. 516

11 COPA DE ORO LAND BARTKIEWICZ, KRONICK &
12 SHANAHAN
13 BY: RYAN BEZERRA

13 SERVICE ROCKS, SHEEP CREEK GRESHAM, SAVAGE, NOLAN &
14 SHEEP CREEK & AV UNITED TILDEN
15 MUTUAL GROUP BY: MARLENE L. ALLEN

16 --000--
17
18
19
20
21
22
23
24
25
26
27
28

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