

## **EXHIBIT 3**

# **Portions of March 8, 2010 CMC Transcript**

1 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
2 FOR THE COUNTY OF LOS ANGELES  
3 DEPARTMENT NO. 1 HON. JACK KOMAR, JUDGE

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

14  
15 REPORTER'S TRANSCRIPT OF PROCEEDINGS  
16 MONDAY, MARCH 8, 2010  
17

18 APPEARANCES:  
19 (SEE APPEARANCE PAGES)  
20

21  
22  
23  
24  
25

26  
27 GINGER WELKER, CSR #5585  
28 OFFICIAL REPORTER

9 BECAUSE LIKE IN MANY REAL ESTATE DEVELOPERS IT IS A VERY  
10 DIFFICULT TIME FOR OUR CLIENTS FINANCIALLY, AND BEING  
11 ABLE TO NOT EXPEND ATTORNEY FEES UNNECESSARILY IS ALWAYS  
12 AN IMPORTANT PRIORITY.

13 THE COURT: WELL, I'M NOT SURE WHAT TYPE OF  
14 RESPONSE I CAN GIVE YOU ABOUT THAT, MISS MCKEITH. I  
15 MEAN, I REMEMBER THE EVIDENCE AS TO ANAVERDE, AND I  
16 REMEMBER YOUR ARGUMENTS. AND THE FACT THAT THERE WAS  
17 CONDUCTIVITY -- AND I DON'T KNOW WHAT THE FULL  
18 CONSEQUENCE OF THAT CONDUCTIVITY IS -- MEANS THAT I NEED  
19 TO HEAR SOME EVIDENCE ABOUT IT.

20 I DON'T KNOW AT THIS POINT TO WHAT THE  
21 SIGNIFICANCE -- EVEN RECHARGE IS FROM THAT AREA THAT  
22 GOES INTO THE AQUIFER ITSELF WHETHER BY THE MOVEMENT OF  
23 UNDERGROUND WATER OR NOT.

24 UNIDENTIFIED ATTORNEY: RIGHT.

25 THE COURT: PARDON?

26 MS. MCKEITH: I DIDN'T SAY ANYTHING. SOMEONE ELSE  
27 WAS WEIGHING IN, YOUR HONOR.

28 THE COURT: I KNOW. I'M TRYING TO FIGURE OUT WHO.

□

36

1 IN ANY EVENT, I'M TRYING TO TELL YOU WHAT DIRECTION TO  
2 GIVE YOU IF I COULD, BUT I WANT TO HEAR WHATEVER  
3 EVIDENCE THERE IS THAT ESTABLISHES WHATEVER CONDITIONS  
4 OF THE ENTIRE AQUIFER MIGHT BE. AND IF I RECOLLECT  
5 CORRECTLY, ONE OF THE THINGS THAT I WAS CONCERNED ABOUT  
6 WAS THE AMOUNT OF RECHARGE CONTRIBUTION FROM THE  
7 ANAVERDE AREA INTO THE AQUIFER ITSELF BECAUSE OF  
8 PRECIPITATION AND STREAMS.

9 BUT AT THIS POINT, I CAN'T REALLY GO BEYOND