Exhibit A

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT 1 — HON. JACK KOMAR, JUDGE

COORDINATION PROCEEDING SPECIAL TITLE (RULE 1550(B)) ANTELOPE VALLEY GROUNDWATER CASES	JUDICIAL COUNCIL COORDINATION NO. JCCP4408
	SANTA CLARA CASE NO. 1-05-CV-049053

PALMDALE WATER DISTRICT AND QUARTZ HILL WATER DISTRICT,

CROSS-COMPLAINANTS,

VS.

LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40, ET AL.,

CROSS-DEFENDANTS.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

FRIDAY, NOVEMBER 9, 2012

APPEARANCES:

FOR LOS ANGELES COUNTY WATERWORKS DISTRICT 40, ET. AL.	LEMIEUX & O'NEILL BY: WAYNE LEMIEUX, ESQ. 4165 E. THOUSAND OAKS BLVD, SUITE 350 WESTLAKE VILLAGE, CALIFORNIA 91362 (805) 495-4770
FOR CITY OF PALMDALE:	RICHARDS WATSON & GERSHON BY: STEVEN R. ORR, ESQ. 355 SOUTH GRAND AVENUE, 40TH FL. LOS ANGELES, CALIFORNIA 90071-3101 (213) 626-8484
FOR ANTELOPE VALLEY GROUNDWATER ASSOCIATION:	BROWNSTEIN HYATT FARBER SCHRECK BY: MICHAEL FIFE, ESQ. 21 EAST CARRILLO STREET SANTA BARBARA, CALIFORNIA 93101 (805) 882-1453

(APPEARANCES CONTINUED ON NEXT PAGE.)

FOR RICHARD A. — LAW OFFICES OF MICHAEL MC LACHLAN

WOOD:	BY: MICHAEL MC LACHLAN, ESQ. 10490 SANTA MONICA BOULEVARD LOS ANGELES, CALIFORNIA 90025 (310) 954-8270
FOR LOS ANGELES COUNTY WATERWORKS DISTRICT 40:	BEST BEST & KRIEGER BY: JEFFREY V. DUNN, ESQ. 5 PARK PLAZA, SUITE 1500 IRVINE, CA 92614 (949) 263-2600
FOR ROSAMOND RANCH; ELIAS SHOKRIAN; SHIRLEY SHOKRIAN:	LAW OFFICES OF FRANK SATALINO BY: FRANK SATALINO, ESQ. 19 VELARDE COURT RANCHO SANTA MARGARITA, CA. 92688 (949) 735-7604
FOR UNITED STATES:	U.S. DEPARTMENT OF JUSTICE ENVIRONMENT AND NATURAL RESOURCES DIVISION BY: R. LEE LEININGER, ESQ. 999 18TH STREET, SUITE 370 DENVER, CO 80202 (303) 844-1364

APPEARANCES BY TELEPHONE:
SHELDON BLUM
WILLIAM BRUNICK
MARLENE ALLEN
THEODORE CHESTER
JANET GOLDSMITH
KATRINA GONZALEZ
STEFANIE HEDLUND
BRAD HERREMA
JOSEPH HUGHES
BOB JOYCE
RALPH KALFAYAN
ROBERT KUHS
SCOTT KUNEY
JAMES LEWIS
ANTHONY LEGGIO
EMILY MADUENO
WESLEY MILLIBAND
MANUEL RIVAS
CHRISTOPHER SANDERS
WILLIAM SLOAN
JENNIFER SPALETTA
JOHN TOOTLE
JOHN UKKESTAD
JAMES WORTH
RICHARD ZIMMER

SANDRA GECO, CSR NO. 3806
OFFICIAL REPORTER

SUPERIOR COURT OF THE STATE OF CALIFORNIA

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REPORTER'S CERTIFICATE

STATE OF CALIFORNIA)
) SS
COUNTY OF LOS ANGELES)

I, SANDRA GECO, OFFICIAL REPORTER OF THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF LOS ANGELES, DO HEREBY CERTIFY THAT THE FOREGOING PAGES, 1 THROUGH 57, INCLUSIVE, COMPRISE A FULL, TRUE AND CORRECT TRANSCRIPT OF THE PROCEEDINGS HELD IN THE ABOVE-ENTITLED MATTER, REPORTED BY ME ON FRIDAY, NOVEMBER 9, 2012.

DATED THIS 12TH DAY OF NOVEMBER, 2012.

_____, CSR NO. 3806
OFFICIAL REPORTER

CASE NUMBER: JCCP4408
CASE NAME: COORDINATION PROCEEDING SPECIAL TITLE (RULE 1550(B)) ANTELOPE VALLEY GROUNDWATER CASES
LOS ANGELES, CA; FRIDAY, NOVEMBER 9, 2012

DEPARTMENT NO. 1 HON. JACK KOMAR, JUDGE
REPORTER: SANDRA GECO, CSR NO. 3806
TIME: 09:00 A.M.
APPEARANCES: (AS NOTED ON TITLE PAGE.)

(THE FOLLOWING PROCEEDINGS WERE HELD IN OPEN COURT:)

THE COURT: GOOD MORNING. THIS IS THE CASE, I BELIEVE, CALLED THE ANTELOPE VALLEY COORDINATED CASES. ALSO CONSOLIDATED.

OKAY. I UNDERSTAND THAT ROLL CALL HAS BEEN MADE OF THOSE ON THE TELEPHONE.

I WOULD JUST REMIND YOU, IF YOU'RE ON THE TELEPHONE AND YOU WISH TO BE HEARD, BE SURE EACH TIME YOU IDENTIFY YOURSELF BY NAME SO THE REPORTER WILL BE ABLE TO KEEP TRACK OF WHO'S TALKING, AS WILL I.

@ THOSE IN THE COURTROOM, I WOULD EXPECT YOU TO IDENTIFY YOURSELVES EACH TIME YOU SPEAK FOR THE BENEFIT OF THE COURT REPORTER. AND THAT WAY WE'LL HAVE A CLEAR RECORD.

MR. BLUM: YOUR HONOR, IF I MAY SAY. THIS IS SHELDON BLUM. I WAS NOT PRESENT WHEN ROLL CALL WAS MADE, BUT I AM CURRENTLY ON THE PHONE.

THE COURT: ALL RIGHT. THANK YOU, MR. BLUM.

MR. TOOTLE: YOUR HONOR, THIS IS JOHN TOOTLE. AND I WAS NOT ON THE PHONE WHEN ROLL CALL WAS CALLED. AND I AM PRESENT AS WELL.

THANK YOU, YOUR HONOR.

THE COURT: THANK YOU.

MS. GOLDSMITH: YOUR HONOR, THIS IS JAN GOLDSMITH

EVENT THAT ALL MATTERS HAVE TO BE -- THERE ARE NO EVEN PARTIAL SETTLEMENTS.

AND I'VE REVIEWED THOSE SUGGESTIONS. AND FRANKLY, THERE'S A LOT OF COMMONALITY TO THE VARIOUS PROPOSALS.

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AND IT DOES SEEM TO ME THAT ONE OF THE THINGS THAT WILL HELP US TO HAVE A TRIAL DURING THAT PERIOD OF TIME THAT WILL BE EFFECTIVE TO RESOLVE A NUMBER OF THE ISSUES WILL BE IF THE COURT MAKES AN ORDER FOR SOME FORM DISCOVERY, AS I INDICATED THE LAST TIME WE WERE IN SESSION.

AND I HAD ASKED THAT SOME OF THE ADVERSARIES TO MEET AND CONFER. WE TOOK A BRIEF RECESS. AND WHEN I TOOK THE BENCH AGAIN FOLLOWING THE RECESS, I WAS TOLD THAT THERE WAS NO AGREEMENT AND THERE COULDN'T BE.

SO AT THIS POINT, I THINK I'M GOING TO HAVE TO MAKE SOME SPECIFIC ORDERS CONCERNING WHAT THAT DISCOVERY OUGHT TO BE.

AND I'M PREPARED TO DO THAT.

AND I WILL TELL YOU THAT I THINK IN THAT PHASE OF TRIAL, I WILL BE INTERESTED IN KNOWING WHAT PRODUCTION OF WATER IS CLAIMED BY EACH PARTY -- IRRESPECTIVE OF CLAIMS OF PRESCRIPTION, IRRESPECTIVE OF WHETHER PARTIES ARE APPROPRIATORS OR OVERLYING LANDOWNERS, WHETHER THEY ARE GOVERNMENTAL ENTITIES, OR FARMERS, OR SOUP COMPANIES OR ANYTHING ELSE -- SO THAT I'M GOING TO EXPECT THAT WE HAVE ENOUGH INFORMATION SO THAT PARTIES CAN DECIDE WHETHER OR NOT THEY WISH TO DISPUTE ANY OF THE PARTICULAR CLAIMS.

CLAIMS ARE.

THERE ARE LEGAL ISSUES. THERE HAVE BEEN, IN THE PAST, CONCERNS THAT IT'S INAPPROPRIATE FOR THE GOVERNMENT TO OBTAIN RIGHTS AS A RESULT OF PRESCRIPTION.

THERE ARE A NUMBER OF CLAIMS THAT THAT SHOULD BE, AT THE VERY LEAST, INVERSE CONDEMNATION, OR EXPRESS CONDEMNATION.

AND I'M NOT RULING ON THOSE THINGS. BUT THOSE ARE LEGAL ISSUES THAT ULTIMATELY ARE GOING TO HAVE TO BE DECIDED IF THEY'RE RAISED.

AND AT THIS POINT IN TIME, I'M TELLING YOU THAT I'M NOT GOING TO CONSIDER THOSE IN THE NEXT PHASE OF

THE TRIAL.

MR. LEMIEUX: OKAY.

THE COURT: WE'RE GOING TO TRY AND CONSIDER EVERYTHING ELSE OTHER THAN THAT. AND THEN WE'LL PROBABLY HAVE TO -- IF THE PARTIES REQUIRE IT -- IMPANEL A JURY TO DEAL WITH PRESCRIPTION CLAIMS.

MR. LEMIEUX: OKAY. THANK YOU, YOUR HONOR.

MR. MILIBAND: YOUR HONOR, THIS IS WEST MILIBAND FOR PHELAN PINON HILLS CSD.

THE COURT: YES.

MR. MILIBAND: GOING BACK TO THE HISTORICAL PERIOD OF 2000 TO 2004, WE BECAME A PARTY AT THE END OF 2008. SO I'D REQUEST THAT THE COURT ALLOW HISTORICAL PRODUCTION OF INFORMATION TO INCLUDE THE PERIOD AFTER 2004. IN OTHER WORDS, FROM 2005 TO 2011.

THE COURT: WELL, I'LL MAKE THAT DECISION AT THE APPROPRIATE TIME.

IF YOU HAVE THE INFORMATION THAT YOU WISH TO PROVIDE, YOU SHOULD DO SO.

AND I'M NOT SURE THAT IT'S GOING TO MAKE A LOT OF DIFFERENCE.

OBVIOUSLY, THIS MAY HAVE TO BE BRIEFED AT AN APPROPRIATE TIME. BUT IT DOES OCCUR TO ME THAT -- THE CLAIM OF PRESCRIPTION IS BASICALLY A CLAIM OF ADVERSE POSSESSION. AND THE TIME FOR THE PERIOD TO RUN COMMENCES AT THE TIME WHEN THERE IS OVERDRAFT, WHENEVER THAT WAS. AND THE PERIOD OF THE STATUTE OF LIMITATIONS DETERMINES WHEN THE RIGHT ACCRUES.

I'M NOT MAKING AN ORDER CONCERNING THAT. I'M NOT MAKING A DECISION. I'M OPINING.

GENERALLY, I WILL EXPECT THE PARTIES TO PROVIDE ME WITH BRIEFING AT THE APPROPRIATE TIME CONCERNING WHAT THE PERIOD OF THE STATUTE OF LIMITATIONS MIGHT BE. BUT IT'S NOT AS IF YOU TAKE THE TIME OF THE FILING OF THE COMPLAINT AND THEN GO BACK FIVE YEARS.

THAT IS NOT THE WAY ADVERSE POSSESSION IS ESTABLISHED AS I UNDERSTAND THE LAW, NOR IS IT THE WAY PRESCRIPTION IS ESTABLISHED AS I UNDERSTAND THE LAW.

BASICALLY, PRESCRIPTION AND ADVERSE POSSESSION ARE NOTHING MORE THAN A PERIOD WHERE THE STATUTE OF LIMITATIONS ON A CLAIM IS RUN.

NOW, THERE ARE PROBABLY SOME EXCEPTIONS TO THAT. AND CERTAINLY WHEN THE RIGHT IS ESTABLISHED MAY BE AT ISSUE, AS IT CLEARLY WILL BE IN THIS CASE.

IT'S NOT TOTALLY CLEAR AS TO WHAT FORM THE PRESCRIPTION CLAIM TRIAL WILL TAKE AT THIS POINT.

MR. FIFE, YOU'RE STANDING THERE PATIENTLY.

MR. MILIBAND: YOUR HONOR, MAY I JUST PROVIDE A QUICK RESPONSE? WEST MILIBAND FOR PHELAN CSD.

THE COURT: YES.

MR. MILIBAND: I UNDERSTAND EVERYTHING THE COURT IS SAYING. AND IT'S PRECISELY FOR THOSE REASONS THAT I JUST WANTED TO MAKE IT CLEAR, OR ASK FOR CLARIFICATION, THAT A PARTY SUCH AS MY CLIENT IS NOT PRECLUDED FROM PROVIDING ADDITIONAL INFORMATION BEYOND THE 2004 PERIOD ARTICULATED BY THE COURT.

THE COURT: MR. MILIBAND, THAT'S TRUE. AND YOU'RE CERTAINLY ENTITLED TO PROVIDE AS MUCH INFORMATION AS YOU CAN, RECOGNIZING THAT THERE ARE SOME, I THINK, HAZY ISSUES CONCERNING THE LOCATION OF YOUR PRODUCTION IN THAT PORTION OF THE VALLEY, GIVEN THE MOJAVE LITIGATION, WHICH IS ADJACENT TO IT.

ALL RIGHT. NOW, MR. FIFE.

MR. FIFE: GOOD MORNING, YOUR HONOR. MICHAEL FIFE FOR THE ANTELOPE VALLEY GROUNDWATER AGREEMENT ASSOCIATION.

TWO ISSUES. ONE ON RETURN FLOWS AND ONE ON THE FEDERAL RIGHTS.

THE RETURN FLOWS WERE ACTUALLY VERY CONTESTED IN PHASE THREE. SO I JUST WANT TO CORRECT THAT. THERE WAS A LOT OF CROSS-EXAMINATION ON THAT.

BUT MORE --

THE COURT: CROSS-EXAMINATION DOESN'T NECESSARILY ESTABLISH CONFLICT OR DISPUTE. IT MAY BE AN ATTEMPT.

MR. FIFE: I'LL SIMPLY STATE, THERE WAS -- WE DISPUTE THEM.

BUT MORE IMPORTANTLY, THE CALCULATIONS THAT WERE DONE IN PHASE THREE WERE DONE ON A GROSS BASIS. SO SIMPLY LOOKING AT THE GROSS TOTAL OF WATER THAT WAS IMPORTED AND APPLYING A PERCENTAGE TO IT.