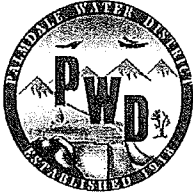


EXHIBIT B

PALMDALE WATER DISTRICT

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FOR IMMEDIATE RELEASE

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PALMDALE WATER DISTRICT SIGNS SETTLEMENT OF GROUNDWATER ADJUDICATION

After 15 years of negotiating the use of water in the Antelope Valley, a settlement has been signed by water producers representing the vast majority of groundwater production from the basin, including public water suppliers, agricultural producers, public entities, the United States government, and the small pumper class.

The Palmdale Water District was one of the first water agencies to sign the agreement.

The pact follows earlier partial settlements with the non-pumper and small pumper classes. The settlement establishes a physical solution for sustaining the basin's aquifer by providing for management techniques such as water storage and transfers. This on-going process will be governed by a five member watermaster, while the courts will retain jurisdiction in matters that may arise in the future.

"This process has been both educational and necessary to ensure that everyone in the Antelope Valley will have clean, useable water now and into the future," said Kathy Mac Laren, President of the Palmdale Water Board. "Sometimes it takes a process like this to bring everyone to the table so we can all better understand each other's view points and needs."

The lawsuit, first filed in 1999 by two carrot growers against the public water suppliers, was later converted into a basin-wide adjudication of all groundwater rights in 2004. Then, Judge Jack Komar from Santa Clara County, was assigned the lawsuit by the Chief Justice of California. He has since retired, but still continues to serve as judge by special permission of the Chief Justice.

Five phases of the trial have occurred which includes rulings on basin boundaries, whether the Antelope Valley is a single basin or considered multiple basins, what amount of water can be pumped sustainably from the basin, and amounts pumped during 2011 and 2012. Phase five, revolving around federal water rights and return flows, is yet to be ruled upon. Judge Komar eventually suspended proceedings once the parties were close to a settlement to allow them to negotiate the form of the judgment.

Many obstacles throughout the settlement process existed including the federal government being a critical party because of its groundwater use at Edwards Air Force Base. Under federal law, the U.S. government can

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only participate in a "comprehensive adjudication" which meant that all potential water rights holders had to be identified and brought into the lawsuit. This included all landowners outside of the service areas of public water suppliers which totaled over 85,000.

Two class action lawsuits were created to help solve this problem; one for landowners who never pumped water, and the other for small, mostly domestic pumpers. This was the first time a class action lawsuit has been used in water rights adjudication.

Lastly, under federal law, the U.S. government is required to have assurances that enough water is granted for existing and foreseeable future use. However, involved parties did not want to have water rights go unused. This issue was resolved by allocating unused federal rights to public water suppliers.

"Signing this agreement provides the business community, private industry, agriculture, government, and the residents of the Antelope Valley with assurances that the amount of water in our basin will be available for all our uses well into the future," said Dennis LaMoreaux, General Manager, Palmdale Water District. "Being one of the last remaining locations to develop in Los Angeles County, this settlement will provide a blueprint for planning efforts and economic diversity that allows everyone to thrive and prosper."

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