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SUPERIOR COURT OF CALIFORNIA

COUNTY OF SANTA CLARA

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COORDINATION PROCEEDING SPECIAL TITLE (Rule 1550(b))	Judicial Council Coordination Proceeding No. 4408
ANTELOPE VALLEY GROUNDWATER CASES	CASE NO. 1-05-CV-409053
INCLUDED ACTIONS:	
LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40 v. DIAMOND FARMING COMPANY, et al., Los Angeles Superior Court Case No. BC325201	**BOLTHOUSE PROPERTIES, LLC'S AND WM. BOLTHOUSE FARMS, INC.'S CASE MANAGEMENT CONFERENCE STATEMENT**
LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40 v. DIAMOND FARMING COMPANY, et al., Kern County Superior Court Case No. S-1500-CV-254348	**DATE: July 15, 2010** **TIME: 9:00 a.m.**
DIAMOND FARMING COMPANY, and W.M. BOLTHOUSE FARMS, INC., v. CITY OF LANCASTER, et al., Riverside Superior Court Case No. RIC 344436 [c/w case no. RIC 344668 and 353840]	**DEPT: 12**

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TO ALL PARTIES AND TO THEIR ATTORNEYS OF RECORD:

BOLTHOUSE PROPERTIES, LLC and WM. BOLTHOUSE FARMS, INC. (hereinafter collectively referred to as "Bolthouse") file this Case Management Conference Statement.

BOLTHOUSE PROPERTIES, LLC, and WM. BOLTHOUSE FARMS, INC., hereby joins in the Case Management Conference Statements filed by City of Lancaster and AGWA on July 13, 2010.

STATUS OF SETTLEMENT NEGOTIATIONS

As the Court is aware, settlement negotiations were conducted between Los Angeles County, and a very limited number of parties, by Judge Robie. Since then, the principals of almost all of the parties with the exception of Los Angeles County, City of Los Angeles and Littlerock, have been involved in numerous and in depth discussions and settlement negotiations with Jim Waldo. Contrary to Mr. Lemieux's assertion in his Case Management Statement that the "landowners do not agree quantification is a scientific question nor do they offer a scientific support for an amount," the truth is to the contrary. The principals consisting of both Municipal entities and Landowners, through the mediation process, hired two independent experts to evaluate safe yield and other aspects of the settlement being discussed.

Most of the principals now have reached an agreement to settlement terms with Jim Waldo. The settlement terms are very comprehensive, including safe yield, management, monitoring of the supply, provisions for adjustment to the supply as necessary, etc.

Given the fact that most all of the parties have agreed to settlement terms, it appears appropriate to order all parties to a settlement conference with Judge Robie in hopes of reaching a comprehensive settlement including Los Angeles County, City of Los Angeles and Littlerock. These responding parties suggest that the Phase 3 trial date be vacated and reset as deemed appropriate by the Court, to allow this settlement process to occur with Judge Robie. If the settlement process is successful, the settlement can be reduced to a comprehensive stipulated judgment and physical solution.

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REQUEST FOR CLARIFICATION OF PHASE 3 ISSUES

Discussions between various parties has revealed confusion as to the issues which will be tried in the Phase 3 Trial. A lengthy discussion occurred regarding Phase 3 Trial issues during the Case Management Conference on June 14, 2010. A wide variety of potential issues were discussed at length. A copy of the pertinent portion of that transcript is attached hereto as Exhibit "A."

Following the June 14, 2010 discussion, this Court issued its Order regarding the issues to be tried in Phase 3. A copy of the Order is attached hereto as Exhibit "B." It appears the Court considered the discussion of potential issues at the June 14, 2010 Case Management Conference and set forth in the Order the limited issues the Court decided would be tried at the Phase 3 Trial. The pertinent portion of the Order, Page 4, Lines 3 through 14 is quoted below:

> "The public water provider parties have essentially alleged that the basin is in overdraft, that extraction of water on an annual basis exceeds recharge, and that the basin will suffer serious degradation and damage unless the Court exercises its equitable jurisdiction. In this third phase of trial, the Court will hear evidence to determine whether the basin, as previously defined by the Court in trial phases one and two, is in such overdraft and to determine whether there is a basis for the Court to exercise its equitable jurisdiction, including the implementation of a "physical solution," as prayed for by the public water provider parties. The public water providers have the burden of proof.
>
> "The Court will not hear any evidence concerning prescription claims nor does it expect to hear evidence of individual pumping of water by any party within the basin; rather, it expects to hear evidence concerning total pumping and total recharge from all sources, with a further breakdown showing the amount of imported water on an annual basis."

This Order indicates that the issues to be tried include alleged overdraft for the purpose of determining whether the Court should exercise equitable jurisdiction. The Court specifically advised that it would not hear evidence regarding prescription claims or evidence of individual pumping of any party within the Basin. The Court further advised that it intended to hear "evidence concerning total pumping and total recharge from all sources, with a further breakdown showing the amount of imported water on an annual basis."

Based upon the Order, it seems clear the court only intends to hear evidence regarding whether the Basin is in overdraft to determine whether a physical solution is necessary and regarding total pumping and total recharge from all sources, including imported water, to

determine the safe yield. As is evident from the transcript attached as Exhibit "A," the issues earlier discussed were much broader and unnecessary to a determination of overdraft and safe yield. Some parties have indicated an intention to present evidence of inter-basin pumping and the effects thereof. While this type of testimony potentially would be relevant to prescription and/or management issues, based upon the Court's Order, it does not appear the Court intends to hear this evidence in the Phase 3 Trial.

In summary, this request for clarification requests the Court clarify that its Order is controlling on the issues to be tried and that the only issues to be tried in the Phase 3 Trial are overdraft and safe yield as described in the Order. It is respectfully submitted that failure to clarify these issues will result in a rather confused expert deposition process and rebuttal process, as well as confusion at trial with multiple parties presenting evidence on a variety of different issues.

DATED: July 13, 2010

Respectfully submitted.

CLIFFORD & BROWN

By: _____
RICHARD G. ZIMMER, ESQ.
Attorneys for BOLTHOUSE PROPERTIES, LLC and WM. BOLTHOUSE FARMS, INC

Exhibit "A"

LOS ANGELES, CALIFORNIA; MONDAY, JUNE 14, 2010

9:10 A.M.

DEPARTMENT NO. 1 HON. JACK KOMAR, JUDGE

THE COURT: GOOD MORNING, EVERYBODY. THIS IS THE CASE MANAGEMENT CONFERENCE AND HEARING ON A NOTICED MOTION IN THE ANTELOPE VALLEY CASE. I'M ASSUMING ALL COUNSEL HAS CHECKED IN WITH THE CLERK, AND SO WE ARE NOT GOING TO ASK YOU THAT AGAIN. ONE THING I WILL ASK YOU TO DO IS PLEASE AS YOU SPEAK IDENTIFY YOURSELF BY NAME, AND WE'LL PROCEED IN THAT FASHION.

THERE ARE ESSENTIALLY TWO THINGS THAT I WANT TO TAKE UP HERE THIS MORNING. ONE IS THE MOTION NOTIFICATION OF TRANSFEREES AND OBTAINING JURISDICTION. THAT WAS FROM THE ORIGINAL PROPOSED MOTION THAT WAS FILED BY TEJON IN 2008. AND I'D LIKE AN UPDATE WITH REGARD TO SOME OF THE ISSUES THAT HAVE BEEN BROUGHT TO MY ATTENTION WITH REGARD TO JUSTICE ROBIE.

SO LET'S FIRST TALK ABOUT THE PROPOSED ORDER AND JURISDICTION. I HAVE READ EVERYBODY'S OPPOSITION AS WELL AS THE REPLY AND THE RESPONSE TO THE REPLY THAT A COUPLE OF YOU HAVE FILED. IS THERE ANYTHING NEW THAT ANYBODY WANTS TO ADDRESS AT THIS POINT?

ALL RIGHT. HEARING NONE, LET ME JUST MAKE AN OBSERVATION ABOUT THIS.

WITH REGARD TO THE ORIGINAL PROPOSED ORDER, IT MAKES SENSE TO ME THAT THAT ORDER BE MODIFIED AND SIGNED. THE ONLY ISSUE THAT I'M CONCERNED ABOUT WITH REGARD TO THAT IS FIRST OF ALL, INCLUDING THE REQUIREMENT THAT THE CROSS-COMPLAINANT SHOULD THEN BE SERVED UPON ANY TRANSFER AND

NOTICE, BUT SECONDLY, THE CLASS MEMBERS.

AND IT DOES SEEM TO ME THAT GIVEN THE STATE OF FLUX WITH REGARD TO THE SETTLEMENT OR SETTLEMENTS OF THE CLASS MEMBERS, I REALLY DON'T WANT TO MAKE AN ORDER CONCERNING TRANSFEREES AT THIS POINT WITH REGARD TO THE CLASS MEMBERS.

AND RECOGNIZING THAT, UNDOUBTEDLY, IN PARTICULAR WITH REGARD TO THE NUMBERS OF DORMANT CLASS MEMBERS UNDOUBTEDLY HAVE BEEN TRANSFERRED AND PROBABLY A SIGNIFICANT NUMBER OF THEM, THOSE PEOPLE MAY WELL BE CLASSIFIED FOR PURPOSES OF THIS ADJUDICATION AS DE MINIMUS INSOFAR AS THE MCCARRAN ACT AND OTHER ISSUES THAT ARE CONCERNS.

SO AT THIS POINT, I WANT TO RESERVE MAKING ANY ORDERS CONCERNING THOSE CLASS MEMBERS AND NOTIFICATION TO TRANSFEREES.

IN TERMS OF THE WOOD CLASS, HOW MANY ROUGHLY DO WE BELIEVE ARE MEMBERS OF THAT CLASS?

MR. MCLACHLAN, ARE YOU ON THE LINE?

MR. MCLACHLIN: YES, YOUR HONOR. THIS IS MIKE MCLACHLAN SPEAKING. I JUST RECENTLY, I THINK ACTUALLY ON FRIDAY RECEIVED FROM BEST, BEST & KRIEGER THE DOWNLOADED DATABASE WE HAVE. THAT SHOULD BE FINE. MY PARALEGAL'S OFFICE IS ANALYZING THAT TO FIGURE OUT THE EXACT NUMBER. THERE IS QUITE A BIT OF WORK TO BE DONE TO BE ABLE TO WEED OUT PEOPLE THAT EXCLUDED THEMSELVES FROM THE CLASS.

SO I DON'T KNOW. ROUGHLY, IT'S SOMEWHERE BETWEEN 4,000 AND 5,000. THE EXACT NUMBER I CAN'T TELL YOU. AND I PROBABLY WON'T BE ABLE TO TELL YOU FOR PROBABLY FIVE OR

SIX DAYS, I GUESS.

THE COURT: OKAY. I AM ASSUMING THAT THOSE PEOPLE THAT EXCLUDED THEMSELVES FROM THAT CLASS HAVE BEEN SERVED?

MR. MCLACHLAN: MY UNDERSTANDING IS MOST OF THEM HAVE BEEN, ALTHOUGH WE WILL KNOW THE EXACT ANSWER TO THAT WHEN WE GO TO THE DATABASE. AND AFTER I HAVE LOOKED THROUGH THE THING MYSELF, I FIND A PILE OF DECLARATIONS SETTING FORTH THE INFORMATION RELATIVE TO SERVICE AND WHO'S IN THE CLASS NUMBERS AND SO FORTH AFTER, OF COURSE, I DISCUSS WITH BEST, BEST & KRIEGER TO MAKE SURE THAT WE DON'T HAVE ANY GLITCHES.

THE COURT: YEAH, OKAY. ALL RIGHT. WELL, MY TENTATIVE DECISION HERE IS TO SIGN AN ORDER THAT IS ESSENTIALLY THE ORDER THAT WAS FILED BY TEJON, PROPOSED BY TEJON IN 2008, EXCLUDING AND RESERVING THE ISSUE AS TO CLASS MEMBERS AND NOTIFICATION OF CLASS MEMBERS, TRANSFEREES AND SERVICE AS TO THOSE PEOPLE.

AGAIN, I THINK THERE IS A DIFFERENCE BETWEEN THE LOWEST CLASS AND THE WOOD CLASS IN THAT REGARD IN TERMS OF OUR ABILITY TO DO A PROPER AND COMPREHENSIVE ADJUDICATION.

ALL RIGHT. SO THAT'S MY TENTATIVE. AND I AM GOING TO ASK MR. DUNN, ARE YOU ON THE LINE?

MR. DUNN: YES, I AM, YOUR HONOR.

THE COURT: I'M NOT SURE WHICH OF THE LAWYERS PREPARED YOUR RESPONSE. BUT WHAT I WOULD LIKE YOU TO DO IS TO GO BACK TO THE TEJON PROPOSED ORDER AND ESSENTIALLY, YOU CAN ELIMINATE ALL OF THE PRELIMINARY LANGUAGE DEALING WITH DISCUSSIONS AND SO ON, AND ESSENTIALLY, IN THE LANGUAGE OF THE COURT FIND GOOD CAUSE AND ESSENTIALLY ADOPT THE LANGUAGE

FROM THAT ORDER, EXCLUDING CLASS MEMBERS.

MR. DUNN: YES, YOUR HONOR.

THE COURT: IF YOU CAN GET THAT AND POST IT WITHIN THE NEXT FIVE DAYS, THEN I WILL SIGN IT.

MR. DUNN: YES.

THE COURT: ALL RIGHT. NOW --

MR. DUBOIS: YOUR HONOR, THIS IS MR. DUBOIS. ARE THE REST OF THE PARTICIPANTS GOING TO HAVE AN OPPORTUNITY TO SEE THAT PROPOSED REVISED ORDER BEFORE IT ACTUALLY GETS SIGNED AND GOES FINAL?

THE COURT: YOU'LL SEE IT WHEN I SEE IT. AND I'LL WAIT A COUPLE OF DAYS BEFORE I SIGN IT.

MR. DUBOIS: THANK YOU, YOUR HONOR.

THE COURT: OKAY.

MR. KUNEY: YOUR HONOR, THIS IS SCOTT KUNEY.

THE COURT: YES.

MR. KUNEY: I APPRECIATE THAT, YOUR HONOR. IF I UNDERSTAND YOU CORRECTLY, BACK IN THE ORIGINAL TEJON ORDER, THE 7TH PARAGRAPH HAD EXPRESSED DIRECTIVES THAT THEY WOULD PROMPTLY SERVE THE CROSS-COMPLAINT ON THESE TRANSFEREES. AND IT IS THAT LANGUAGE THAT YOU ARE REINSTATING AS COMPARED TO THE CURRENT PROPOSAL?

THE COURT: YES.

MR. KUNEY: THANK YOU. AND THEN WHAT DO WE DO -- THIS WILL BE A GOING FORWARD ORDER, OF COURSE, TO AFFECT AND NOTIFY PEOPLE. BUT WHAT DO WE DO ABOUT THE HIATUS THAT HAS OCCURRED THIS LAST YEAR AND A HALF WITH TRANSFEREES? AND WE PRESENTED TO THE COURT EVIDENCE THAT OBVIOUSLY, THERE HAVE

BEEN SUBSTANTIAL TRANSFERS. HOW ARE WE GOING TO RECTIFY THAT

DEFICIENCY IN OUR JURISDICTION?

THE COURT: HOW WOULD YOU LIKE TO RECTIFY IT?

MR. KUNEY: I THINK IT IS THE COUNTY'S OBLIGATION TO IDENTIFY THOSE PARTIES AND TO SERVE THEM. THEY HAVE TO RECEIVE SERVICE OF THE COMPLAINT.

THE COURT: LET ME ASK YOU THIS, MR. KUNEY. ALL OF THOSE PEOPLE THAT YOU ARE TALKING ABOUT FOR THE MOST PART ARE REPRESENTED BY COUNSEL IN THIS PROCEEDING. THOSE ARE THE PEOPLE WE'RE TALKING ABOUT BECAUSE IT SEEMS TO ME WITH THE EXCEPTION OF A COUPLE THAT HAVE FALLEN THROUGH THE CRACKS, THERE HAS BEEN SERVICE ON VIRTUALLY ALL OF THE SIGNIFICANT LAND OWNERS IN THE VALLEY. AND MOST OF THOSE PEOPLE, ONCE THEY HAVE BEEN SERVED, HAVE FILED AN ANSWER THROUGH COUNSEL, PARTICULARLY I'M TALKING ABOUT SIGNIFICANT PARCELS OF LAND.

AND I'M ASSUMING THAT IF COUNSEL REPRESENTS A PARTY WHO HAS TRANSFERRED THE PROPERTY, SO THAT THEY ARE NO LONGER A PARTY TO THIS LAWSUIT, COUNSEL WOULD BE UNDER SOME OBLIGATION TO NOTIFY THE COURT; IS THAT CORRECT?

MR. KUNEY: I DON'T KNOW IF THAT'S CORRECT OR NOT. BUT I MEAN --

THE COURT: WELL, AS AN OFFICER OF THE COURT, DON'T YOU THINK THAT COUNSEL HAS AN OBLIGATION TO NOTIFY THE COURT WHEN THE PARTIES THEY REPRESENT ARE NO LONGER INTERESTED IN THE LAWSUIT?

MR. FIFE: MICHAEL FIFE, YOUR HONOR. IF I CAN COMMENT ON THAT?

THE COURT: I WANT MR. KUNEY TO COMMENT ON IT FIRST.

MR. KUNEY: WELL, I DON'T KNOW THAT THAT'S BEEN THE CASE. I HAVE NEVER SEEN IN THIS PROCEEDING ANY SUCH

NOTIFICATION BY ANY COUNSEL IN THIS CASE OF THAT KIND OF A NOTIFICATION, YOUR HONOR. SO I'M NOT CERTAIN OF THAT.

THE COURT: WELL, I HAVEN'T EITHER. AND THAT'S WHY I'M ASSUMING THAT THERE HAS BEEN NO SUCH REMOVAL.

MR. FIFE, YOU WANT TO SAY SOMETHING?

MR. FIFE: YES, YOUR HONOR. I REPRESENT A NUMBER OF LARGE LAND OWNERS WHO OWN MULTIPLE PARCELS OF PROPERTY. AND OVER THE COURSE OF THE PAST COUPLE YEARS, MANY OF THEM HAVE SOLD PORTIONS OF THEIR PROPERTY TO OTHER PEOPLE. THEY ARE STILL PARTIES TO THIS CASE. THEY STILL OWN PROPERTY. THEY ARE STILL MY CLIENTS. BUT THERE ARE NOW OTHER PEOPLE WHO ARE PROPERTY OWNERS WHO OWN PROPERTY WHERE WATER PRODUCTION HAS OCCURRED AND IS CONTINUING TO OCCUR WHO ARE NOT PARTIES TO THE CASE.

AND I NOTICE THAT THAT'S THE CASE WITH SOME OF MY CLIENTS. AND I BELIEVE THAT THAT'S THE CASE WITH OTHER LAND OWNERS WHO ARE NOT MY CLIENTS. SO JUST BECAUSE THERE HAS BEEN A TRANSFER AND THERE ARE NOW PARTIES OUT THERE WHO ARE NOT PARTIES TO THIS CASE, THAT WOULDN'T NECESSARILY APPEAR IN THE FORM OF AN ATTORNEY WITHDRAWING FROM THE CASE BECAUSE THEIR CLIENT IS NO LONGER --

THE COURT: NOT TALKING ABOUT NECESSARILY WITHDRAWING. BUT WHEN YOUR REPRESENTATION CHANGES AND THERE ARE NEW PARTIES INVOLVED IN A LAWSUIT, IT SEEMS TO ME THAT FIRST OF ALL, THE TRANSFEROR OF THE PROPERTY, THE GRANTOR IS UNDER SOME OBLIGATION TO NOTIFY THE BUYER OF ANY SUCH PROPERTY.

AND CERTAINLY, I THINK COUNSEL, AS AN OFFICER OF THE COURT PROBABLY OUGHT TO NOTIFY THE COURT OR AT LEAST THE OTHER PARTIES THAT THERE HAS BEEN THE ELIMINATION OF SOME OF

THE PROPERTY. HOW ABOUT IF I MAKE AN ORDER THAT DO YOU THAT?

MR. FIFE: WELL, UNTIL THE FINDING OF THE COURT'S ORDERS TODAY, AND I THINK IT IS THE SUBSTANCE OF MR. KUNEY'S QUESTIONS, GOING FORWARD NOW, THAT'S THE CASE. BUT PREVIOUSLY, THAT'S NOT BEEN THE CASE.

AND THERE HAVE BEEN A NUMBER OF VERY LARGE LAND TRANSACTIONS, NOT ALL FROM MY CLIENTS, BUT FROM OTHER LAND OWNERS SO THAT THERE ARE NOW VERY LARGE LAND OWNERS OUT THERE WHO HAVE NOT BEEN MADE PARTIES TO THIS CASE.

THE COURT: WELL, THEY NEED TO BE, DON'T THEY?

MR. FIFE: I BELIEVE SO. AND I THINK MR. KUNEY HAS IDENTIFIED SOME OF THOSE. IN OUR PLEADINGS, I BELIEVE MARCH 15TH, WE PROVIDED ANECDOTAL EVIDENCE OF SEVERAL LARGE SOLAR PROJECTS, FOR EXAMPLE.

THE COURT: THOSE HAVE SUBSEQUENTLY BEEN SERVED, AS I UNDERSTAND IT, BASED UPON THE DECLARATION OF THE CROSS-COMPLAINANT.

ALL RIGHT. I THINK THAT YOU'VE RAISED A GOOD POINT. I THINK THERE IS AN ISSUE THAT WE NEED TO ADDRESS BY COURT ORDER. AND WHAT I'M GOING TO DO IS INQUIRE OF EACH COUNSEL WHO REPRESENTS A LAND OWNER WHO HAS TRANSFERRED PROPERTY TO A THIRD PARTY WHO IS NOT A PARTY TO THIS LITIGATION TO FIRST OF ALL, POST NOTICE OF THAT TRANSFER. AND I'M GOING TO DIRECT THAT THE CROSS-COMPLAINANT SERVE EACH PARTY.

MR. DUBOIS: YOUR HONOR, I ASSUME THAT THIS ADDITIONAL PROVISO WILL BE INCLUDED IN THE PROPOSED ORDER?

THE COURT: YES.

MR. DUBOIS: THANK YOU.

MR. ZIMMER: RICHARD ZIMMER, YOUR HONOR.

THE COURT: YES, MR. ZIMMER.

MR. ZIMMER: I THINK PART OF THE PROBLEM, AT LEAST FROM MY PERSPECTIVE, IS I'M NOT SURE ANYBODY REALLY KNOWS WHO IS NOT INCLUDED. THE COURT MADE THE COMMENT EARLIER THAT YOU THINK THAT ALL SIGNIFICANT PARTIES ARE IN THE CASE AND THEREFORE, THE LAWYERS WOULD KNOW IF THEIR PROPERTY HAS BEEN TRANSFERRED.

BUT I HAD ASKED SOMETIME AGO IF THE SUPPLIERS OR THE COUNTY SPECIFICALLY WOULD PROVIDE AN INDICATION OF WHO HASN'T BEEN SERVED, HOW MANY PIECES OF PROPERTY ARE THERE OUT THERE AND WHO HASN'T BEEN SERVED.

THE COURT ALSO MADE THE COMMENT THAT ANYBODY WITH ANY SIGNIFICANT INTEREST HAS BEEN SERVEDM AND THAT DE MINIMUS PEOPLE MAY EXIST OUT THERE. BUT THE PROBLEM IS NO ONE, I DON'T THINK ANYONE REALLY KNOWS WHO HASN'T BEEN SERVED.

I HAVEN'T SEEN ANYTHING FROM THE COUNTY THAT INDICATES HOW MANY PIECES OF PROPERTY THERE ARE OUT THERE, HOW MANY PEOPLE OWN THOSE PROPERTIES, AND HOW MANY OF THOSE PEOPLE HAVE BEEN SERVED WHO ARE EITHER IN THE CLASS OR HAVE BEEN SERVED INDEPENDENTLY. AND I JUST DON'T THINK WE HAVE ANY IDEA OF WHO HASN'T BEEN SERVED. THAT'S JUST A FUNDAMENTAL PROBLEM.

THE COURT: WELL, THE QUESTION OBVIOUSLY AROSE VERY EARLY ON IN THIS LITIGATION AND INDICATED THAT WE RECEIVED INFORMATION FROM THE CROSS-COMPLAINANTS REPRESENTING TO THE COURT THAT THEY BELIEVE THAT THEY HAVE IDENTIFIED AND SERVED EVERY SIGNIFICANT WATER PRODUCER IN THE VALLEY.

NOW IF SOMEBODY HAS EVIDENCE TO THE CONTRARY, IT SEEMS TO ME THAT THE BURDEN SHIFTS AT THAT POINT. AND I'D LIKE TO HEAR IF THERE ARE PEOPLE WHO ARE SIGNIFICANT WATER PRODUCERS WHO HAVE NOT BEEN SERVED.

YOU TRIED, WE TRIED TO MAKE IT DOWN SO THAT WE HAVE A COMPREHENSIVE ADJUDICATION, VIRTUALLY, AND I SAY VIRTUALLY BECAUSE YOU ARE NEVER GOING TO BE 100 PERCENT. WE'VE GOT THE DORMANT CLASS, AT SOME POINT WE THOUGHT MIGHT HAVE TO BE THE INCENTIVE CLASS. BUT WE HAVE THE GOOD FORTUNE OF MISS WILLIS OR COUNSEL INITIATING THAT CLASS REPRESENTING ALL OF THOSE PEOPLE.

MR. MCLACHLAN HAS INITIATED CLASS ACTION ON BEHALF OF THE SMALL CLASS. AND I AM ASSUMING THAT EVERYBODY ESSENTIALLY ABOVE THAT LEVEL HAS NOW BEEN SERVED AS AN INDIVIDUAL DEFENDANT. THOSE PEOPLE WHO DECIDED THAT THEY WANTED TO OPT OUT OF THE CLASS, I'M ASSUMING BASED UPON THE INFORMATION THAT'S PROVIDED TO THE COURT, WERE SERVED. AND A NUMBER OF THEM DECIDED TO OPT BACK INTO THE CLASS.

AND SO IT SEEMS TO ME AT THIS POINT THAT ABSENT SOME EVIDENCE, FOR EXAMPLE, AS PROVIDED TO THE COURT, VIRTUALLY EVERYBODY WHO SHOULD HAVE BEEN SERVED IS IN THE LITIGATION. AND THOSE THAT MR. KUNEY INDICATED HAVE NOT BEEN SERVED HAVE NOW BEEN SERVED.

MR. ZIMMER: YOUR HONOR, ONE MORE COMMENT. WHEN YOU SAY THAT EVERYONE THAT IS SIGNIFICANT HAS BEEN NAMED AND SERVED, I DON'T THINK -- EVEN IF THE COUNTY DID DO A DECLARATION THAT SAID ANYONE WHO IS SIGNIFICANT HAS BEEN NAMED AND SERVED, IT WOULDN'T MEAN ANYTHING. WHAT'S SIGNIFICANT? WHAT'S DE MINIMUS?

I HAVEN'T SEEN ANYTHING FROM THE COUNTY INDICATING HOW MANY LAND OWNERS ARE OUT THERE AND WHAT THE PERCENTAGE IS OF THOSE THAT THEY SERVED, AND IF THEY ARE EXCLUDING THEM, WHETHER THEY ARE EXCLUDING THEM BASED UPON A CERTAIN AMOUNT OF PUMPING OR A CERTAIN AMOUNT OF ACREAGE.

I DO RECALL WHEN THIS ISSUE FIRST CAME UP THAT THE LAND OWNERS WERE PRESENTED WITH THE OPPORTUNITY TO DO DISCOVERY TO FIND OUT HOW MANY LAND OWNERS ARE THERE, HOW MANY HAVE YOU SERVED, HAVE YOU MADE ANY EXCLUSIONS. AND THAT DISCOVERY WAS NEVER ALLOWED. AND WE KEEP GETTING AROUND IT, SO THESE BIG DECLARATIONS.

BUT THERE HAS NEVER BEEN -- I MEAN CERTAINLY A LOT OF LAND OWNERS HAVE BEEN SERVED, THERE IS NO QUESTION. BUT WE HAVE NO IDEA WHAT THAT IS PERCENTAGE-WISE TO THE WHOLE BASIN. WE HAVE NO IDEA WHAT THAT BEARS ON IN TERMS OF THEIR WATER USAGE OR ACREAGE IN COMPARISON TO THE WHOLE BASIN.

THE COURT: I THINK COUNSEL MADE REPRESENTATIONS TO THE COURT ABOUT WHO HAS BEEN SERVED AND CATEGORIES OF THE PARTIES WHO HAVE BEEN SERVED. AND IF THERE IS CONTRARY EVIDENCE, THAT NEEDS TO BE PRODUCED TO THE COURT.

AS I INDICATED, MR. KUNEY DID PROVIDE SOME. BOTH BLANKS WERE FILLED IN, I THINK, OF THE PARTIES SERVED.

AND I THINK THAT I'M SATISFIED THAT WE HAVE A SUFFICIENT NUMBER OF PARTIES TO DO A VERY COMPREHENSIVE ADJUDICATION IN THIS MATTER. SO I'M NOT GOING TO MAKE FURTHER ORDERS BEYOND WHAT I'VE JUST INDICATED.

MR. KUNEY: YOUR HONOR, THIS IS SCOTT KUNEY AGAIN, AND I APPRECIATE THIS. WHAT WE WERE ABLE TO DO IS IDENTIFY FOUR LAND OWNERS THAT WE WERE AWARE OF IN THE COURSE OF OUR

BUSINESS, AND IT AMOUNTED TO OVER 5,000 ACRES. BUT I CAN'T REPRESENT TO THE COURT THAT THOSE ARE THE ONLY FOUR. THOSE ARE SIMPLY THE FOUR THAT I KNEW OF.

BUT I THINK IT IS INDICATIVE OF THE PROBLEM THAT SOME OF THESE WERE TRANSFEREES. BUT THE MAJORITY OF THAT ACREAGE WAS NOT THE SUBJECT OF TRANSFEREES. SO I THINK IT IS EVIDENCE INDICATING THAT THERE IS DEFICIENCY IN THE SERVICE, NOTWITHSTANDING THE GOOD FAITH EFFORTS AND REPRESENTATIONS OF THE COUNTY'S COUNSEL.

AND IT REALLY IS INCUMBENT ON THE COUNTY TO IDENTIFY WITH SOME CERTAINTY THAT THEY HAVE, IN FACT, SERVED EVERYONE THAT IS NECESSARY FOR THIS PROCEEDING. AND WE JUST HAVEN'T RECEIVED, AND WE HAVE NO WAY OF VERIFYING THE ACTUAL SERVICE OF THE OTHER PARTIES. AND I THINK THAT'S --

THE COURT: AS I INDICATED, MR. KUNEY, I'M NOT GOING TO MAKE ANY FURTHER ORDERS CONCERNING THAT AT THIS TIME. NOW WE'VE HAD VARIOUS INDICATIONS THAT THERE ARE SETTLEMENT CONFERENCES GOING FORWARD, THAT THERE IS A MEDIATOR WHO IS ASSISTING THE PARTIES. AND BASED UPON THOSE REPRESENTATIONS AND THE REPRESENTATION THAT THERE WAS SOME VERY GREAT LIKELIHOOD OF SUCCESSFUL SETTLEMENT NEGOTIATIONS, I'VE

MODIFIED THE CASE MANAGEMENT ORDER REGARDING THE DISCLOSURES AND SO ON AT THAT HEARING.

AND I'D LIKE TO KNOW IF THOSE SETTLEMENT NEGOTIATIONS ARE STILL GOING ON, NUMBER ONE. NUMBER TWO, I DID AUTHORIZE JUSTICE ROBIE TO ENGAGE IN FURTHER MEDIATION AND SETTLEMENT DISCUSSIONS WITH -- I'M ASSUMING IT WAS THE CLASS MEMBERS OR THE CLASS COUNSEL THAT ASKED FOR THAT SETTLEMENT.

AND THEN I WAS INFORMED BY JUSTICE ROBIE THAT THERE WAS ANOTHER INQUIRY CONCERNING THE POTENTIAL OF EXPANDING HIS ROLE IN BEYOND JUST THE CLASS MEMBERS. HIS CONCERN IS THAT IF THERE IS ANOTHER MEDIATION GOING ON, HE DOESN'T WANT TO DO ANYTHING THAT WOULD IMPACT ON THAT UNTIL THAT MEDIATION HAS BEEN CONCLUDED SUCCESSFULLY OR OTHERWISE.

SO MAYBE COUNSEL CAN ADVISE THE COURT AS TO WHAT'S GOING ON IN THAT REGARD.

MR. ZLOTNICK: YOUR HONOR, THIS IS DAVID ZLOTNICK. AS CLASS COUNSEL, I HAVE BEEN PARTICIPATING IN THAT WHAT'S KNOWN AS THE WALDO MEDIATION PROCESS ON BEHALF OF THE CLASS. I AM SPEAKING BECAUSE MOST OTHER COUNSEL HAVE NOT PARTICIPATED.

GENERALLY, THAT PROCESS HAS INVOLVED PRINCIPALS OR REPRESENTATIVES OF PRINCIPALS RATHER THAN COUNSEL OF RECORD IN THE LITIGATION. BUT THAT PROCESS HAS BEEN CONTINUING. VIRTUALLY ALL OF THE PARTICIPANTS MET THIS PAST WEDNESDAY AND THURSDAY IN PALMDALE. AND THERE IS ANOTHER SESSION SCHEDULED NOT THIS WEEK, BUT NEXT WEEK IN PALMDALE.

THE COURT: ARE YOU SPEAKING EXCLUSIVELY OF THE WILLIS CLASS?

MR. ZLOTNICK: NO. THAT INVOLVES A LARGE NUMBER OF PARTIES, INCLUDING MANY OF THE PUBLIC WATER SUPPLIERS, INCLUDING MANY OF THE OVERLYING LAND OWNERS. THE UNITED STATES HAS PARTICIPATED AT TIMES IN THAT. AND YOU KNOW, MOST OF THE MAJOR LAND OWNERS HAVE SOME OF THE PUBLIC WATER SUPPLY, SO IT'S BEEN A TENSE COMPREHENSIVE RESOLUTION.

OBVIOUSLY I CAN'T TALK ABOUT THE SUBSTANCE OF THINGS BECAUSE OF THE MEDIATION PRIVILEGE AND BECAUSE OF THE FACT THAT CERTAIN PARTIES ARE NOT PARTICIPATING. BUT I WILL

SAY THAT I THINK THERE HAS BEEN SUBSTANTIAL PROGRESS. IT IS FAR FROM COMPLETE. THERE HAS BEEN SIGNIFICANT PROGRESS ON A NUMBER OF MAJOR ISSUES AMONG THE PARTICIPANTS.

THE COURT: NOW THIS DOES NOT INCLUDE JUSTICE ROBIE'S MEDIATION EFFORTS; IS THAT CORRECT?

MR. ZLOTNICK: THAT'S CORRECT. THIS IS TOTALLY INDEPENDENT OF JUSTICE ROBIE'S MEDIATION EFFORTS. THIS EFFORT STARTED IN MARCH OF THIS YEAR WITH A GROUP OF LAWYERS FROM A WASHINGTON LAW FIRM GORDON -- FORGET THE FULL NAME OF THE FIRM. BUT JIM WALDO IS THE LEAD LAWYER. HE HAS SUCCESSFULLY MEDIATED A NUMBER OF CALIFORNIA BASINS. SO HE'S FAMILIAR WITH CALIFORNIA WATER LAW.

AND ALSO, A NUMBER OF THE PARTIES HAVE WORKED WITHIN THE PUBLIC ENTITIES, SOME OF THE PUBLIC ENTITIES IN THE PAST, IN ANY EVENT.

SO THERE HAVE BEEN THREE ATTORNEYS FROM HIS FIRM WHO HAVE BEEN ACTIVELY MEETING WITH THE PARTIES EVERY OTHER WEEK AND MEETING IN PALMDALE SINCE MARCH. AND THEY ARE BEING PAID A SIGNIFICANT AMOUNT BY A NUMBER OF PARTICIPANTS. NOT

EVERYONE HAS AGREED TO PAY THEM, BUT I THINK 14 OR 15 OF THE PARTICIPANTS ARE PAYING A SIGNIFICANT AMOUNT ON A MONTHLY BASIS TO THAT LAW FIRM TO TRY TO GET TO A RESOLUTION OF THIS ON A COMPREHENSIVE BASIS. AND THERE HAS BEEN SUBSTANTIAL PROGRESS.

I CAN'T SAY THAT, YOU KNOW, I MEAN IT'S CERTAINLY FAR FROM CONCLUDED AT THIS POINT. BUT THE HOPE IS THAT IT WILL BE RESOLVED AT LEAST IN PRINCIPLE ON MAJOR ISSUES WELL BEFORE THE UPCOMING TRIAL DATE.

THE COURT: OKAY. I'M ASSUMING THAT THESE DISCUSSIONS

AND THESE POTENTIAL SETTLEMENTS IF THEY COME TO PASS WILL THEN FLOW RIGHT INTO THE NECESSITY OF ADJUDICATION?

MR. LEMIEUX: YOUR HONOR, THIS IS KEITH LEMIEUX. TO MY KNOWLEDGE, THE COUNTY IS NOT PARTICIPATING. THE LITTLEROCK CREEK GROUP IS NOT PARTICIPATING. I DON'T BELIEVE THE FEDERAL GOVERNMENT IS PARTICIPATING. SO I DON'T THINK ANYTHING WITH THIS WALDO PROCEDURE IS GOING TO HAVE ANY BEARING ON THE TRIAL DATE.

THE COURT: WELL, THAT'S WHAT I MEANT. WE WOULD THEN PROCEED WITH THE TRIAL BECAUSE THAT'S GOING TO BE AN IMPORTANT FINDING OF FACT THAT NEEDS TO BE MADE BY THE COURT.

MR. FIFE: YOUR HONOR, MICHAEL FIFE. AND I WOULD DISAGREE WITH THAT. I BELIEVE THAT PART OF THE MEDIATION THAT'S GOING ON IS A TECHNICAL MEDIATION ALSO CONCERNING THE BASIC FACTS THAT WOULD BE THE SUBJECT OF PAGE 3, AND THAT ONE POSSIBILITY COMING OUT OF THIS MEDIATION PROCESS IS THAT THE PHASE 3 TRIAL WOULD NOT BE NECESSARY.

MR. DUNN: THIS IS MR. DUNN, YOUR HONOR. AS MR.

LEMIEUX INDICATED, THE COUNTY OF LOS ANGELES AND OTHER KEY PARTIES IN THIS LITIGATION ARE NOT PARTICIPATING IN THE WALDO MEDIATOR PROCESS. WE WILL GO FORWARD WITH THE PHASE 3 TRIAL AND WE WOULD OPPOSE ANY EFFORT ON THE PART OF ANY PARTY --

MR. EVERTZ: YOUR HONOR, DOUG EVERTZ FOR THE CITY OF LANCASTER. I AGREE WITH MR. FIFE. MOST OF THE PARTIES ARE PARTICIPATING IN WHAT WE CALL THE WALDO PROCESS. FROM OUR STANDPOINT, I THINK THAT WE SHOULD HAVE MOST OF THE PARTIES STIPULATE TO THE PROPOSED JUDGMENT, BRING IT TO THE COURT AND AT LEAST FROM THE PARTIES PARTICIPATING, OBVIATE THE NEED FOR THIS UPCOMING TRIAL.

THE COURT: WELL, WE'LL DEAL WITH THAT IF AND WHEN WE REACH THAT POINT, OKAY? SO INSOFAR AS JUSTICE ROBIE'S FURTHER INVOLVEMENT HEREIN, HE SET ASIDE A COUPLE OF DATES TOWARD THE END OF THE MONTH. AND I'M ASSUMING THAT THE ONLY PARTIES THAT ARE GOING TO BE INVOLVED IN THOSE DISCUSSIONS ARE THE CLASS MEMBERS; IS THAT CORRECT?

MR. BUCK: MIKE BUCK, YOUR HONOR. WHEN THOSE DATES WERE OBTAINED, THEY WERE OBTAINED -- MY UNDERSTANDING IS I INQUIRED OF MR. DUNN ABOUT THAT. NOW I'M TOLD THAT THOSE DATES WERE NOT FOR THE CLASS. THEY WERE RESERVED FOR SOME COMPETING PROCESS FOR THE WALDO, FOR OTHER LAND OWNERS IF THEY WANTED TO MEDIATE WITH JUSTICE ROBIE.

SO AS FAR AS I KNOW, THE CLASSES ARE NOT MEDIATING ANY FURTHER, AND WE HAVE NO INDICATION OF THAT. IT SOUNDS TO ME LIKE -- NOTHING IS GOING ON WITH IT. TRYING TO PROCEED, BUT IT'S NOT GOING ANYWHERE. SO I WOULD NOT COUNT ON THE SMALL MEMBER CLASSES SETTLING OUT. (TELEPHONIC STATIC

INTERRUPTION)

MR. KALFAYAN: RALPH KALFAYAN, YOUR HONOR. WITH RESPECT TO THE MEDIATION THAT WAS INITIATED BEFORE JUSTICE ROBIE, I BELIEVE WE ARE STILL, WE ARE WAITING FOR WORD FROM THE PUBLIC WATER SUPPLIERS AS TO WHETHER OR NOT THAT DEAL WILL BE FINALIZED AND EXECUTED.

THE COURT: OKAY.

MR. KALFAYAN: SO WE'RE STILL WAITING ON THAT PROCESS. BUT WE WON'T BE GOING IN FRONT OF JUSTICE ROBIE FOR ANYTHING FURTHER ON THAT.

MR. DUNN: JEFF DUNN, YOUR HONOR. COUNSEL IS CORRECT. FUTURE MEDIATION DATES ARE ANTICIPATED, MEDIATION WITH

PRIVATE LAND OWNER PARTIES. OTHER KEY PLAYERS WHO ARE NOT PARTICIPATING IN THE WALDO PROCESS THAT ARE LOOKING FOR ANOTHER APPROACH TO --

THE COURT: WELL, NOT EVERYBODY HAS TO SETTLE ON THE SAME BASIS. WHAT I'M GOING TO DO IS TELL JUSTICE ROBIE TO GO AHEAD, WITH THE UNDERSTANDING HE'S NOT REALLY INTERFERING WITH THE WALDO PROCESS. HE'S SEPARATE FROM IT. AND IF HE'S WILLING TO DO THAT, I WOULD ENCOURAGE YOU TO PARTICIPATE WITH HIM.

ALL RIGHT. IS THERE ANYTHING FURTHER WE SHOULD TAKE UP THIS MORNING?

MR. MCLACHLAN: YOUR HONOR, THIS IS MIKE MCLACHLAN. I HAVE ONE OTHER POINT I WANTED TO BRING UP WHICH I THINK I FAILED TO RAISE IN MY BRIEF, BUT IT DIDN'T DAWN ON ME UNTIL FRIDAY.

THE COURT: YES.

MR. MCLACHLAN: WE DID TWO ROUNDS OF MAIL BECAUSE WE HAD THAT ADDRESS AND SO FORTH. QUITE A NUMBER OF PEOPLE WE WERE ABLE TO ULTIMATELY GET SERVICE ON. THERE ARE 160 SMALL UPPER CLASS MEMBERS THAT NEVER RECEIVED ANY NOTICE. AND I HAVE BEEN WRESTLING IN MY HEAD WHAT TO DO ABOUT THAT.

IT STRIKES ME THAT GIVEN THE IMPORTANCE OF THIS CASE, THIS IS NOT LIKE, YOU KNOW, A SMALL BANK FRAUD CASE, CONSUMER CLASS ACTION OR SOMETHING LIKE THAT INVOLVING, YOU KNOW, A $25 ISSUE OR SOMETHING. IT'S A PRETTY SIGNIFICANT ISSUE.

AND I HAVE A GREAT CONCERN ABOUT INCLUDING THOSE 160 PEOPLE IN THE CLASS AND CONSIDERING THEM BOUND TO JUDGMENT WITHOUT FURTHER STEPS BEING TAKEN AND ACTUALLY

NOTIFYING THEM. SO WHEN I FILE MY PAPERS, MY POSITION IS THAT THOSE PEOPLE SHOULD BE EXCLUDED FROM THE CLASS, ABSENT ADDITIONAL EFFORTS TO NOTIFY THEM. AND THE NUMBER AGAIN IS 160.

THE COURT: MR. DUNN, DO YOU WANT TO RESPOND?

MR. DUNN: I'M NOT SURE I FOLLOWED THE WHOLE COMMENT. BUT IF IT'S A QUESTION OF SENDING OUT CLASS NOTICE TO AN ADDITIONAL 160 MEMBERS OF THE CLASS, WE SHOULD BE ABLE TO GET THAT CLASS NOTICE OUT TO THEM. THOSE ARE --

MR. MCLACHLAN: WE HAD NOTICES RETURNED BECAUSE OF BAD ADDRESSES. THAT'S AFTER WE DID THE TITLE COMPANY SEARCH. SO IT MAY TAKE A LITTLE BIT MORE THAN JUST A POSTAGE STAMP.

MR. DUNN: I HAVE TO THINK ABOUT THAT. MAYBE WE CAN TALK WITH MR. MCLACHLAN:

MR. MCLACHLAN: YEAH, WE CAN TALK. I WANTED TO RAISE

THE ISSUE TO THE COURT JUST TO SEE IF WE HAD ANY STRONG FEELINGS ON THAT ISSUE.

THE COURT: WELL, I THINK THEY OUGHT TO BE SERVED AND GIVEN NOTICE. WELL, WHY DON'T YOU DISCUSS THAT WITH THE OTHER WATER PRODUCERS AND SEE HOW THAT CAN BE RESOLVED.

LET ME ASK THIS OTHER QUESTION WITH REGARD TO THE WALDO MEDIATION EFFORTS. IS THE COUNTY OF LOS ANGELES GOING TO PARTICIPATE IN THAT MEDIATION WITH JUSTICE ROBIE?

COUNSEL: YOUR HONOR, WE WILL PARTICIPATE IN MEDIATION WITH JUSTICE ROBIE, BUT NOT WITH MR. WALDO.

THE COURT: OKAY, THAT'S FINE. THEN I THINK, THE OTHER THING THAT I WOULD URGE TO HAPPEN, WHEN YOU TELL ME THAT THE WOODS CLASS IS BASICALLY STATIC AND NOTHING IS HAPPENING, I THINK THAT FURTHER DISCUSSIONS NEED TO GO

FORWARD WITH REGARD TO THAT CLASS AND AT LEAST MAKE AN EFFORT.

JUSTICE ROBIE IS CERTAINLY AVAILABLE AND WILLING TO PARTICIPATE IN THAT DISCUSSION. SEE IF HE CAN ASSIST THE PARTIES IN COMING TO A SOLUTION. AND GIVEN THE OTHER SETTLEMENT DISCUSSIONS, THAT MAY BE OCCURRING WITH MR. WALDO. AND SEEMS TO ME THAT'S AN IMPORTANT THING TO DO. IT WOULD BE A REAL SHAME TO HAVE TO LITIGATE A SMALL PORTION. BUT OF COURSE WE'RE WILLING TO DO THAT IN THE EVENT IT'S NECESSARY.

WITH THAT, MR. DUNN, IF YOU'LL GET THAT ORDER PREPARED FOR THE COURT AND POST IT WITHIN FIVE DAYS, I'LL APPRECIATE IT.

MR. DUBOIS: MR. DUBOIS SPEAKING, YOUR HONOR. WITH RESPECT TO THE 160 SMALL MEMBERS THAT APPARENTLY HAVE NOT

EFFECTIVELY BEEN GIVEN NOTICE OR OTHERWISE SERVED, CAN THE COURT REQUIRE THAT THE REST OF US PARTICIPANTS BE KEPT APPRISED AS TO THE SOLUTION OF THAT PROBLEM SO THAT WE AT LEAST HAVE SOME SENSE OF HOW IT'S GOING TO BE RESOLVED?

THE COURT: THAT'S APPROPRIATE.

MR. DUBOIS: THANK YOU, YOUR HONOR.

THE COURT: MR. DUNN, YOU CAN DO THAT?

MR. DUNN: YES, YOUR HONOR. THANK YOU.

THE COURT: ALL RIGHT. THANK YOU.

ALL RIGHT. I'M SURE THAT SOMEWHERE ALONG THE LINE HERE, I'LL BE SCHEDULING ANOTHER CMC, AND I INVITE COUNSEL TO PARTICIPATE. UNFORTUNATELY, IT'S PROBABLY GOING TO HAVE TO BE, AT LEAST FOR THE NEXT COUPLE OF WEEKS, TELEPHONICALLY IF IT OCCURS THEN. I'M NOT ABLE TO TRAVEL AND I CANNOT -- I'M NOT VERY AMBULATORY AT THIS POINT.

SO MY APOLOGIES FOR THAT BECAUSE I HAD HOPED THAT WE COULD HAVE AN IN-PERSON CASE MANAGEMENT CONFERENCE. AND I'M GOING TO TRY AND SET ONE OF THOSE CERTAINLY WELL IN ADVANCE OF THE TRIAL DATE.

OKAY. ANYTHING FURTHER?

MR. DUNN: NO, YOUR HONOR.

THE COURT: ALL RIGHT. THANK YOU VERY MUCH.

ALL COUNSEL: THANK YOU, YOUR HONOR.

THE COURT: THAT'S THE CONCLUSION.

(PROCEEDINGS CONCLUDED)

Exhibit "B"

SUPERIOR COURT OF CALIFORNIA

COUNTY OF LOS ANGELES

ANTELOPE VALLEY GROUNDWATER CASES

Included Consolidated Actions:

Los Angeles County Waterworks District No. 40 v. Diamond Farming Co.
Superior Court of California
County of Los Angeles, Case No. BC 325 201

Los Angeles County Waterworks District No. 40 v. Diamond Farming Co.
Superior Court of California, County of Kern,
Case No. S-1500-CV-254-348

Wm. Bolthouse Farms, Inc. v. City of Lancaster
Diamond Farming Co. v. City of Lancaster
Diamond Farming Co. v. Palmdale Water Dist.
Superior Court of California, County of Riverside, consolidated actions, Case Nos. RIC 353 840, RIC 344 436, RIC 344 668

Rebecca Lee Willis v. Los Angeles County Waterworks District No. 40
Superior Court of California, County of Los Angeles, Case No. BC 364 553

Richard A. Wood v. Los Angeles County Waterworks District No. 40
Superior Court of California, County of Los

Judicial Council Coordination Proceeding No. 4408

Lead Case No. BC 325 201

ORDER AFTER CASE MANAGEMENT CONFERENCE ON MAY 6, 2010

Hearing Date(s): May 6, 2010
Time: 9:00 a.m.
Location: Department 1, LASC

Judge: Honorable Jack Komar

SUPERIOR COURT OF CALIFORNIA

COUNTY OF LOS ANGELES

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Judicial Council Coordination Proceeding No. 4408

Lead Case No. BC 325 201

ORDER AFTER CASE MANAGEMENT CONFERENCE ON MAY 6, 2010

Hearing Date(s): May 6, 2010
Time: 9:00 a.m.
Location: Department 1, LASC

Judge: Honorable Jack Komar

Angeles, Case No. BC 391 869

The matter came on as a regularly scheduled telephonic Case Management Conference on May 6, 2010 in Department One in the above entitled Court. All parties appeared by telephone. Those parties appearing are listed in the minutes of the Court prepared by the Clerk of Court.

The parties having briefed and argued the issues, good cause appearing, the Court makes the following Case Management order:

ORDERS AMENDING THE MARCH 22, 2010 ORDER AFTER CASE MANAGEMENT CONFERENCE

The Third Phase of Trial remains scheduled for September 27, 2010 at 9:00 a.m. in Department One of this Court. The time of trial remains estimated at 10 court days. The Court will be in session for trial Monday through Thursday of each week. If additional days of trial are required, the Court will schedule such after conferring with the parties.

The Request of Grimmway Enterprises, Inc., Lapis Land Company, LLC, Crystal Organics, LLC and Diamond Farming Company to Modify the March 22, 2010 Case Management Order, posted on April 30, 2010, is granted as follows: the time for parties to comply with the provisions of Code of Civil Procedure Section 2034.210 and engage in a simultaneous disclosure and exchange of expert information, including any reports prepared by such experts, is extended from July 1, 2010 to **July 15, 2010**. The time for any supplemental disclosures and exchange of information is extended from July 15, 2010 to **July 29, 2010**. The time for expert depositions to be conducted is amended to **between July 29, 2010 and September 13, 2010**.

On July 15, 2010, any party who intends to call non-expert witnesses to provide percipient testimony shall file a statement listing such witness, the subject matter of their testimony, and an estimate of the amount of time required for their testimony on direct.

All discovery shall be completed in compliance with the Code of Civil Procedure 30 days before trial and all motions shall be heard no later than 15 days before trial.

Trial briefs and motions in limine shall be filed no later than September 15, 2010 and any responses or opposition shall be filed no later than September 24, 2010.

The public water provider parties have essentially alleged that the basin is in overdraft, that extraction of water on an annual basis exceeds recharge, and that the basin will suffer serious degradation and damage unless the Court exercises its equitable jurisdiction. In this third phase of trial, the Court will hear evidence to determine whether the basin, as previously defined by the Court in trial phases one and two, is in such overdraft and to determine whether there is a basis for the Court to exercise its equitable jurisdiction, including the implementation of a "physical solution," as prayed for by the public water provider parties. The public water providers have the burden of proof.

The Court will not hear any evidence concerning prescription claims nor does it expect to hear evidence of individual pumping of water by any party within the basin; rather, it expects to hear evidence concerning total pumping and total recharge from all sources, with a further breakdown showing the amount of imported water on an annual basis.

WOOD PLAINTIFFS' MOTION TO DISQUALIFY

The Motion by the Wood Plaintiffs to Disqualify the Law Firm of Lemieux & O"Neill is denied based upon the information provided to the Court.

WOOD PLAINTIFFS' MOTION FOR ALLOCATION OF EXPERT WITNESS FEES

On March 25, 2010, the Wood Plaintiffs submitted a Proposed Order re Motion for Allocation of Expert Witness Fees, providing that the twelve named "Public Water Suppliers" equally share the costs of Entrix in the amount of $4,784.68. Objections thereto were filed by the Cities of Lancaster and Palmdale. After considering the pleadings filed by all parties, the Court finds the fees incurred to date by Entrix, in the amount of $4,784.68 are reasonable, but modifies the order to exclude the Cities of Lancaster and Palmdale from obligation as neither of those parties are making claims against the these landowners.

The Court hereby orders the following public water suppliers to pay this bill directly to Entrix within fourteen days (14) of this order. The following ten public water suppliers are

ordered to pay this bill, in equal shares: Rosamond Community Services District, Los Angeles County Waterworks District No. 40, Littlerock Creek Irrigation District, Palm Ranch Irrigation District, North Edwards Water District, Desert Lake Community Services District, California Water Service Company, Quartz Hill Water District, Palmdale Water District and Phelan Pinon Hills Community Services District.

Further, the request of Richard Wood to authorize the court-appointed expert to commence the work outlined in the proposal from Entrix, which was attached to the moving papers, is denied without prejudice based on the decision that no evidence of individual pumping will be heard at the Phase III trial, as set forth in the Court's March 22, 2010 Order.

TRANSFEREE/TRANSFEROR OBLIGATION

Regarding the Proposed Order submitted by Tejon Ranchcorp on January 4, 2008 re Jurisdiction over Transferees of Property, previously granted by the Court in open hearings, the Court hereby confirms that it will defer signing said Order until further briefing and hearing of the issues by the parties. The Court requests that the proponent of this transfer document file by May 24, 2010, a formal motion to modify it and apply it appropriately; briefing deadlines shall be per Code of Civil Procedure; the hearing date is set for **June 14, 2010 at 9:00 a.m. in Department 1, Los Angeles County Superior Court**.

SO ORDERED.

Dated: May 25, 2010

Honorable Jack Komar
Judge of the Superior Court

PROOF OF SERVICE (C.C.P. §1013a, 2015.5)

Antelope Valley Groundwater Cases

Judicial Counsel Coordination Proceeding No. 4408

Santa Clara County Superior Court Case No. 1-05-CV-049053

I am employed in the County of Kern, State of California. I am over the age of 18 and not a party to the within action; my business address is 1430 Truxtun Avenue, Bakersfield, CA 93301.

On July 13, 2010, I served the foregoing document(s) entitled:

BOLTHOUSE PROPERTIES, LLC'S AND WM. BOLTHOUSE FARMS,INC.'S CASE MANAGEMENT CONFERENCE STATEMENT

__ by placing the true copies thereof enclosed in sealed envelopes addressed as stated on the attached mailing list.

__ by placing _ the original, _ a true copy thereof, enclosed in a sealed enveloped addressed as follows:

X **BY SANTA CLARA SUPERIOR COURT E-FILING IN COMPLEX LITIGATION PURSUANT TO CLARIFICATION ORDER DATED OCTOBER 27, 2005.**

Executed on July 13, 2010, at Bakersfield, California.

X (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

__ (Federal) I declare that I am employed in the office of a member of the Bar of this Court at whose direction the service was made.

Nanette Maxey

NANETTE MAXEY
2455-2