DECLARATION OF JEFFREY V. DUNN

LAW OFFICES OF BEST BEST & KRIEGER LLP 5 PARK PLAZA, SUITE 1500 IRVINE, CALIFORNIA 92614

DECLARATION OF JEFFREY V. DUNN

I, Jeffrey V. Dunn, declare:

- 1. I am an attorney duly licensed to appear before all courts in the State of California. I am a partner of Best Best & Krieger LLP and counsel for Cross-Complainant LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40 in this matter. I have personal knowledge of the facts stated herein and, if called upon to do so, I could and would competently testify to these facts.
- 2. Attached hereto as Exhibit "A" is a true and correct copy of relevant transcript portions for the August 30, 2011 hearing.
- 3. Attached hereto as Exhibit "B" is a true and correct copy of the relevant transcript portions for the November 15, 2011 hearing.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 4th day of April, 2012, at Irvine, California.

Jeffrey V. Dunn

26345.00009\7368112.2

EXHIBIT "A"

1	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
2	FOR THE COUNTY OF LOS ANGELES	
3	DEPARTMENT NO. 316 HON. JACK KOMAR, JUDGE	
4	GOODDINATION DROGEDDING	
5	COORDINATION PROCEEDING) SPECIAL TITLE (RULE 1550B))	
6) JUDICIAL COUNCIL ANTELOPE VALLEY GROUNDWATER CASES) COORDINATION	
7) NO. JCCP4408) PALMDALE WATER DISTRICT AND) SANTA CLARA CASE NO.	
8	PALMDALE WATER DISTRICT AND) SANTA CLARA CASE NO. QUARTZ HILL WATER DISTRICT,) 1-05-CV-049053	
9	CROSS-COMPLAINANTS,	
10	VS.)	
11	LOS ANGELES COUNTY WATERWORKS,) DISTRICT NO. 40, ET AL,)	
12	CROSS-DEFENDANTS.)	
13)	
14		
15	REPORTER'S TRANSCRIPT OF PROCEEDINGS	
16	TUESDAY, AUGUST 30, 2011	
17		
18	APPEARANCES:	
19	(SEE APPEARANCE PAGES)	
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22		
23		
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26		
27	GINGER WELKER, CSR #5585	
28	OFFICIAL REPORTER	

1 MR. MCLACHLAN: THANK YOU, YOUR HONOR. 2. THE COURT: THANK YOU. 3 MR. DUNN: YOUR HONOR, JUST SO I'M CLEAR, THE 4 CONFERENCE CALL WILL BE BETWEEN THE COURT AND WOOD 5 COUNSEL, WOOD CLASS OR --6 THE COURT: I THINK IT SHOULD BE WITH JUSTICE 7 ROBIE, AND I WILL TALK WITH HIM SO IF YOU WILL AUTHORIZE 8 HIM TO DO THAT. MR. DUNN: YES, NO OBJECTION. 9 MR. MCLACHLAN: YES, WOOD COUNSEL IS FINE WITH 10 THAT. THERE IS REALLY NOTHING IN OUR POSITION THAT 11 HASN'T BEEN PUBLICALLY FILED TO THIS POINT. OUR 12 POSITION IS THE SAME. 13 14 THE COURT: OKAY. THANK YOU. LET'S TALK ABOUT 15 THE WRIT REQUEST. WHERE IS THAT FILED, MR. KALFAYAN? 16 IT WAS POSTED ON THE ANTELOPE WEBSITE, BUT THERE'S NO 17 CASE NUMBER AND RELATED TO THE COORDINATION MATTERS, BUT 18 IT DOES NOT SEEM TO ME THAT -- THAT IS PUTTING IT BEFORE 19 ME, NUMBER ONE. 20 AND SECONDLY, WHY DON'T YOU AMEND THE JUDGMENT SO YOU CAN AMEND THE JUDGMENT SO WE CAN PUT IT 21 22 TO REST? 23 MR. KALFAYAN: LET ME ADDRESS THOSE POINTS, YOUR HONOR. THE FIRST POINT WE DIDN'T FILE THE PETITION AS A 24 25 SECOND ACTION BECAUSE IN THE WILLIS AGREEMENT --26 27 (COURT PROCEEDINGS TEMPORARILY PAUSE PER EXTREMELY LOUD 28 DOG BARKING OF COURT CALL PARTICIPANT.

1 THE COURT: I WANT TO KNOW WHAT KIND OF DOG THAT IS THAT I'M HEARING. 2 3 4 (LAUGHTER) 5 6 THE COURT: WHOSE DOG IS IT? 7 UNIDENTIFIED ATTORNEY: THAT WOULD BE ME, YOUR 8 HONOR. 9 THE REPORTER: WHO IS THAT? 10 UNIDENTIFIED ATTORNEY: IT'S A MIXED BREED. 11 THE REPORTER: YOUR HONOR, I CAN'T TELL WHO THE 12 SPEAKER IS. 13 THE COURT: AND THAT'S MR. ZIMMER'S? 14 MR. ZIMMER: NO, NO, THAT'S NOT MR. ZIMMER'S. I 15 HAVE NO DOG HERE. 16 MR. KEITH LEMIEUX: THIS IS KEITH LEMIEUX. I'M 17 SORRY, YOUR HONOR. 18 MR. ZIMMER: LEMIEUX IS TRYING TO GET ME IN 19 TROUBLE AGAIN. 20 21 (LAUGHTER) 22 23 THE COURT: ALL RIGHT. ALL RIGHT. 24 GO AHEAD, MR. KALFAYAN. 25 MR. KALFAYAN: THANK YOU, YOUR HONOR. WE FILED 26 THE PETITION STRICTLY AS A MEASURE TO PROTECT OR -- OR 27 JUST AN ALTERNATIVE. REALLY, THERE IS A COMPANION 28 MOTION THAT WAS FILED WITH THE PETITION.

1 AND ALL WE ARE LOOKING TO DO IS ENFORCE WHAT 2 THE PUBLIC WATER SUPPLIERS HAVE ALREADY . . . 3 MR. BUNN: YOUR HONOR, COULD YOU ASK MR. KALFAYAN TO SPEAK UP. THIS IS TOM BUNN. I CAN'T HEAR HIM AT 4 5 ALL. 6 MR. KALFAYAN: SURE. 7 THE COURT: ALL RIGHT. WE WILL GIVE HIM A 8 MICROPHONE. 9 MR. KALFAYAN: ALL WE ARE ASKING THE PUBLIC WATER 10 SUPPLIERS TO DO IS REALLY -- WE ARE ASKING THE COURT TO 11 HELP US ENFORCE THE TERMS THAT THE PUBLIC WATER SUPPLIERS AGREED TO IN THE STIPULATION OF SETTLEMENT AND 12 IN THE JUDGMENT. THE JUDGMENT ITSELF -- THE MECHANISM 1.3 14 BY WHICH WE ARRIVED AT THE ATTORNEY FEE COMPONENT WAS --15 THE COURT: YOU HAVE TO REALLY SPEAK UP A BIT. 16 MR. KALFAYAN: CERTAINLY. THE MECHANISM BETWEEN 17 THE PARTIES TO ARRIVE AT ATTORNEY FEES WAS DOCUMENTED IN 18 THE JUDGMENT AND IN THE STIPULATION OF SETTLEMENT. 19 SO IF I COULD OUOTE TO YOU THE TWO SENTENCES 20 IN THE JUDGMENT, PARAGRAPH 21 OF THE JUDGMENT SAYS: 21 "THE COURT RETAINS JURISDICTION TO CONSIDER 22 AN APPLICATION BY PLAINTIFF AND CLASS COUNSEL FOR AN AWARD OF ATTORNEY FEES AND REIMBURSEMENT OF COSTS AS 23 24 WELL AS AN INCENTIVE AWARD TO THE REPRESENTATIVE 25 PLAINTIFF AS WELL AS ANY OTHER COLLATERAL MATTERS. 26 "ANY SUCH MATTERS SHALL BE ADDRESSED BY 27 SEPARATE ORDER. AND THE COURT RETAINS JURISDICTION TO 28 ENTER SUCH FURTHER ORDERS."

1 THAT IS FROM THE JUDGMENT. SO THE MECHANISM THAT THEY AGREED TO FOR THE ATTORNEY FEES -- AND THAT IS 2 3 GENERALLY HOW IT IS DONE IN CLASS ACTIONS. THERE IS A 4 JUDGMENT ON THE MERITS AND THEN THE SEPARATE ORDERS. 5 THE STIPULATION OF SETTLEMENT ITSELF SPEAKS 6 TO HOW THE PAYMENT OF ATTORNEY FEES WHEN IT IS SUPPOSED 7 TO ARRIVE TO COUNSEL. IT SAYS, "IF THE WILLIS CLASS 8 OBTAIN AN AWARD OF FEES, THEN THE SETTLING PARTIES 9 AGREED TO EXERCISE THEIR BEST EFFORT TO PAY THE FEE AWARD WITHIN A REASONABLE PERIOD OF TIME OR AS REQUIRED 10 PURSUANT TO COURT ORDER." 11 12 SO, AGAIN, THE STIPULATION OF SETTLEMENT 13 PROVIDES THAT ANY FEE PETITION AND THE RESULTING ORDER, 14 THE ORDER ITSELF IS THE MANDATE, IF YOU WILL, OF THE 15 COURT TO PAY THE FEES. 16 NOW, THEY COULD HAVE MOVED TO RECONSIDER. 17 THEY COULD HAVE APPEALED THAT ORDER. THAT ORDER ITSELF 18 IS FINAL AND COLLATERAL. THE COURT: YOU KNOW, I THINK THIS IS KIND OF AN 19 20 ARGUMENT ON THE HEAD OF A PIN, IF YOU WILL. IF I CAN 21 SHORT CIRCUIT THAT METAPHOR, GOVERNMENT CODE 984 CITED 22 BY MR. DUNN. AND I'M ASSUMING THAT THE GOVERNMENTAL 23 ENTITIES WANT TO BE ABLE TO PAY PURSUANT TO THAT PROVISION. 24 25 WHY DON'T YOU JUST PUT IT IN THE JUDGMENT SO THAT THEY CAN DO THAT? 26 27 MR. KALFAYAN: BECAUSE, YOUR HONOR, JUST TO GET TO

THE HEART OF IT, THEY HAVE HAD THEIR PERIOD TO APPEAL,

28

1 AND THEY HAVEN'T. THAT ORDER IS A FINAL COLLATERAL 2 ORDER, AND THERE IS NO LAW THAT SAYS THAT THERE IS --3 THERE IS NO LAW THAT SAYS THAT THE JUDGE -- THAT THE 4 ATTORNEY FEE ORDER HAS TO BE IN THE JUDGMENT. 5 THAT IS NOT WHAT WE AGREED TO. 6 THE COURT: WELL, I UNDERSTAND THAT, BUT THAT IS 7 BESIDES THE POINT THAT I'M ASKING YOU ABOUT. I MEAN IF 8 THERE IS A SIMPLE WAY OF DOING IT WHERE YOU GET CONCURRENCE FROM THE OTHER SIDE, WHY NOT DO THAT? 9 10 MR. KALFAYAN: BUT WE ARE HAPPY TO SIT DOWN WITH MR. DUNN. AND BY THE WAY, LET ME BACKTRACK A LITTLE 11 12 BIT. THERE IS NO OPPOSITION TO THE MOTION FOR WRIT BY ANY OTHER PUBLIC WATER SUPPLIER OTHER THAN MR. DUNN. 13 14 IN FACT, FOUR OF THE PUBLIC WATER SUPPLIERS 15 HAVE ALREADY PAID OR AGREED TO PAY THE MAY 4 ORDER. 16 IF THEY WANT THE PROTECTION, SOME 17 PROTECTION, FROM THE GOVERNMENT CODE, FOR EXAMPLE, TO 18 PERIODICIZE (SIC) THE PAYMENT, WE ARE WILLING TO DISCUSS 19 THAT. WE OFFERED THAT TO THE OTHER PUBLIC WATER 20 SUPPLIERS. WHAT THEY WANT IS ANOTHER A -- A SECOND 21 JUDGMENT. THE JUDGMENT THAT WE HAVE SUMMARIZED. 22 THE COURT: AN AMENDED JUDGMENT, NOT A SECOND 23 JUDGMENT. MR. KALFAYAN: OR -- OR -- OR AMENDED JUDGMENT. 24

BUT THE PARTIES REALLY AGREED TO HANDLE THIS BY SEPARATE ORDER.

25

26

27

28

THE COURT: I'M JUST TRYING TO GET TO THE END
RESULT HERE THAT EVERYBODY SEEMS TO THINK WE SHOULD BE

```
AT. AND THERE IS A LONG WAY, AND THERE IS A SHORT WAY.
 1
 2
                MR. DUNN, WHY DON'T YOU TELL US ANY FURTHER
    INFORMATION THAT YOU WANT TO GIVE US.
 3
 4
          MR. DUNN: I'LL BE BRIEF BECAUSE I'M GOING TO NEED
 5
    TO HOPEFULLY CATCH A FLIGHT HERE PRETTY SOON, BUT THE
    COURT HAS PRECISELY IDENTIFIED THE ISSUE. ALL WE ASKED
 6
 7
    IS FOR AN AMENDED JUDGMENT. UNDER THE TERMS OF THE
 8
    GOVERNMENT CODE SECTION 984, IT TALKS ABOUT THE JUDGMENT
 9
    AS THE BASIS FOR THE PAYMENT BY THE GOVERNMENTAL ENTITY.
10
          THE COURT: ALL RIGHT. I WILL SHORT CIRCUIT THIS
11
    COMPLETELY. I WANT YOU, MR. DUNN, TO FILE AN EX-PARTE
12
    APPLICATION FOR AN AMENDED JUDGMENT AND PUT THE FEES IN
13
    THE JUDGMENT. I WILL SIGN IT, AND WE WILL POST IT AND
14
    YOU CAN POST IT AND FILE IT.
15
          MR. DUNN: OKAY. THANK YOU, YOUR HONOR.
16
          THE COURT: DO YOU WANT TO BE HERE FOR THE
    ATTORNEY FEES ARGUMENT OR JUST TALK ABOUT THE CMC FIRST?
17
18
          MR. DUNN: I SHOULD BE HERE FOR THE ATTORNEY FEES.
19
          THE COURT: ALL RIGHT. LET'S DO THAT NEXT. OKAY.
20
                MR. KALFAYAN.
21
          MR. KALFAYAN: THANK YOU, YOUR HONOR. I'LL BE
22
    VERY BRIEF. THIS SUPPLEMENTAL FEE ORDER FROM
23
    JANUARY 1ST TO MAY 13TH, THE DATE OF ENTRY OF JUDGMENT.
24
    THE STIPULATION OF SETTLEMENT AGAIN PROVIDED THAT WE
    WILL SEEK FEES UP TO THE DATE OF ENTRY OF JUDGMENT.
25
26
    WITH THAT PETITION WE CLOSE OUT OUR FEE APPLICATION
    AGAINST THE PUBLIC WATER SUPPLIERS UNLESS THERE IS A
27
28
    TRIGGER OF ONE OF THE ENUMERATED SECTIONS UNDER
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1	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
FOR THE COUNTY OF LOS ANGELES			
3	DEPARTMENT NO. 316 HON. JACK KOMAR, JUDGE		
4	COORDINATION PROCEEDING		
5	COORDINATION PROCEEDING) SPECIAL TITLE (RULE 1550B))		
6) JUDICIAL COUNCIL ANTELOPE VALLEY GROUNDWATER CASES) COORDINATION		
7	PALMDALE WATER DISTRICT AND) SANTA CLARA CASE NO.		
8	QUARTZ HILL WATER DISTRICT,) 1-05-CV-049053		
9	CROSS-COMPLAINANTS,		
10	VS.		
11	LOS ANGELES COUNTY WATERWORKS,) DISTRICT NO. 40, ET AL,)		
12	CROSS-DEFENDANTS.)		
13)		
14			
15	REPORTER'S TRANSCRIPT OF PROCEEDINGS		
16	TUESDAY, NOVEMBER 15, 2011		
17			
18	APPEARANCES:		
19	(SEE APPEARANCE PAGES)		
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26	OTWO-P		
27	GINGER WELKER, CSR #5585 OFFICIAL REPORTER		
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1	CASE NUMBER: JCCP 4408	
2	CASE NAME: ANTELOPE VALLEY	
3	LOS ANGELES, CALIFORNIA, TUESDAY, NOVEMBER 15, 2011	
4	DEPARTMENT NO. 316 HON. JACK KOMAR	
5	REPORTER GINGER WELKER, CSR #5585	
6	TIME: 9:30 A.M.	
7	APPEARANCES: (SEE TITLE PAGE)	
8		
9	THE COURT: GOOD MORNING. WE HAVE SEVERAL MATTERS	
10	ISSUES AT LEAST TO TALK ABOUT. THE FIRST ONE I WANT TO	
11	TALK ABOUT IS THE REQUEST OF THE WILLIS OR BY THE	
12	PUBLIC WATER SUPPLIERS, ACTUALLY, TO MAKE AN ELECTION	
13	UNDER 984(D), I THINK IT'S UNDER THE GOVERNMENT CODE.	
14	MR. DUNN, ANYTHING FURTHER?	
15	MR. DUNN: NO, YOUR HONOR.	
16	THE COURT: IS MR. KALFAYAN	
17	MR. KALFAYAN: GOOD MORNING, YOUR HONOR, RALPH	
18	KALFAYAN. NO, YOUR HONOR, WE SUBMIT ON THE PAPERWORK.	
19	THE COURT: OKAY. IT SEEMS TO ME GIVEN THE	
20	PRESENT STATE OF THE ECONOMY AND OTHER CIRCUMSTANCES IN	
21	VIEW OF THE STIPULATION THAT 984(D) DOES APPLY IN THIS	
22	CASE OR AT LEAST THERE IS NO OBJECTION TO IT I'M	
23	GOING TO APPROVE THE ELECTION MADE BY THE PUBLIC WATER	
24	SUPPLIERS IN PARTICULAR OF THE COUNTY WATER DISTRICT	
25	NUMBER 40 AND ORDER A COMPLIANCE WITH THAT ELECTION.	
26	THE COURT WILL RETAIN JURISDICTION AS	
27	PROVIDED IN THE GOVERNMENT CODE IN THE EVENT IN THE	
28	INTEREST OF JUSTICE IF IF THERE IS A NEED TO MODIFY	

THIS ORDER.

ALL RIGHT. ALL RIGHT. THE SECOND ISSUE

SHOULD BE THE CASE MANAGEMENT CONFERENCE. I HAVE

RECEIVED A LARGE NUMBER OF CASE MANAGEMENT CONFERENCE

STATEMENTS. THEY -- A PREPONDERANCE -- IF WE ARE

COUNTING JUST BY THE NUMBERS WOULD INDICATE THAT COUNSEL

WISH TO CONTINUE WITHOUT HAVING A TRIAL COURT -- TRIAL

DATE SET WITH THEIR DISCUSSIONS WITH JUSTICE ROBIE AND

OTHERS. SEVERAL BELIEVE THAT THE MATTER SHOULD BE SET

FOR TRIAL. THE DATES RANGE FROM 2012 TO 2013.

ESTIMATE -- AND I NEED YOUR HELP ON THAT -- EXACTLY HOW MUCH TIME IS GOING TO BE REQUIRED TO TRY THE CASE, HOW MUCH DISCOVERY IS NEEDED AND WHAT THE ISSUES OUGHT TO BE AND WHETHER THEY WILL BE TRIED IN A SINGLE PROCEEDING AS OPPOSED TO SEVERAL PROCEEDINGS, IN PARTICULAR WITH REGARD TO THE ALLOCATION OF WATER RIGHTS. THAT IS NOT A SIMPLE ISSUE, AND IT SEEMS TO ME THERE IS -- I HAVE ONE RATHER DETAILED SUGGESTION FROM MR. BEZERRA FROM COPA DE ORO BUT NOT A WHOLE OTHER THAN THAT.

MY OWN VIEW IS, AT THIS POINT ANYWAY, IS

THAT IF PARTIES ARE INDEED MAKING PROGRESS IN TERMS OF

SETTLEMENT AND IN PARTICULAR WITH REGARD TO ALLOCATIONS

THAT WE SHOULDN'T INTERRUPT THAT AT -- AT LEAST IN THE

SHORT-TERM. AND BY THAT I'M THINKING I WOULD LIKE TO

SEE WHAT HAPPENS WITHIN THE NEXT 30 DAYS BEFORE I MAKE A

DECISION ABOUT SETTING THE MATTER FOR TRIAL AND WHAT THE

ISSUES AT TRIAL WOULD BE. I WOULD BE HAPPY TO HEAR FROM

EXHIBIT "B"

1	SUPERIOR COURT OF THE STATE OF CALIFORNIA
2	FOR THE COUNTY OF LOS ANGELES
3	DEPARTMENT NO. 316 HON. JACK KOMAR, JUDGE
4	COORDINATION PROCEEDING)
5	SPECIAL TITLE (RULE 1550B)) JUDICIAL COUNCIL
6	ANTELOPE VALLEY GROUNDWATER CASES) COORDINATION NO. JCCP4408
7 8	PALMDALE WATER DISTRICT AND) SANTA CLARA CASE NO. QUARTZ HILL WATER DISTRICT,) 1-05-CV-049053
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20	
21	
22	
23	
24	
2526	
27	GINGER WELKER, CSR #5585
28	OFFICIAL REPORTER

1	APPEARANCES:	
2		Ti de la companya de
3		FFICES OF MICHAEL MCLACHLAN
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6		
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8	(VIA TELEPHONE)	STEFANIE HEDLUND 5 PARK PLAZA, SUITE 1500
9		IRVINE, CA 92614 (949) 263-2600
10		w.
11	LOS ANGELES COUNTY SANITATION	
12	DISTRICTS NOS. 14 & 20	ELLISON, SCHNEIDER & HARRIS
13	(VIA TELEPHONE)	BY: CHRISTOPHER M. SANDERS 2015 H STREET
14 15		SACRAMENTO, CA 95811-3109 (916) 447-2166
16	CITY OF LANCASTER &	MURPHY & EVERTZ
17		BY: KATHERINE K. MELESKI 650 TOWN CENTER DRIVE
18		SUITE 550 COSTA MESA, CA 92626
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20	LITTLEROCK CREEK IRRIGATION	
21	DISTRICT & PALM RANCH IRRIGATI DISTRICT:	LEMIEUX & O'NEILL
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21	ANTELOPE VALLEY GROUNDWATER	
22	AGREEMENT ASSOCIATION (AGWA)	BROWNSTEIN, HYATT, FARBER & SCHRECK
23	(MOWA)	BY: MICHAEL FIFE 21 EAST CARRILLO STREET
24		SANTA BARBARA, CA 93101 (805) 963-7000
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STATE OF CALIFORNIA	DEPARTMENT OF JUSTICE
	OFFICE OF ATTORNEY GENERAL BY: MICHAEL W. HUGHES 300 SOUTH SPRING STREET
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	NORTHROP, GRUMAN & SGS, SEMPRA SERVICE ROCKS, SHEEP CREEK SHEEP CREEK & AV UNITED MUTUAL GROUP CITY OF LOS ANGELES ANTELOPE VALLEY EAST KERN WATER AGENCY STATE OF CALIFORNIA

1	APPEARANCES (CONTINUED):	
2		
3	THE UNITED STATES	U.S. DEPARTMENT OF JUSTICE ENVIRONMENT & NATURAL
4	(VIA TELEPHONE)	RESOURCES DIVISION BY: R. LEE LEININGER
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8	COPA DE ORO LAND	BARTKIEWICZ, KRONICK & SHANAHAN
9	(VIA TELEPHONE)	BY: RYAN BEZERRA (NO ADDRESS GIVEN)
10	9	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
11	WAGAS LAND CO.	HANNA AND MORTON, LLP
12	(VIA TELEPHONE)	BY: EDWARD S. RENWICK 444 S. FLOWER STREET
13		SUITE 1500 LOS ANGELES, CA 90071
14		(213) 628-7132, EXT. 516
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16	SOUTHERN CALIFORNIA EDISON COMPANY	AMY M. GANTVOORT ATTORNEY AT LAW
17	(VIA TELEPHONE)	(NO ADDRESS GIVEN)
18		
19	A.C. WARNACK TRUSTEE OF	POOLE & SHAFFERY BY: JAMES W. LEWIS
20	LITTLEROCK SAND & GRAVEL,	SECOND FLOOR
21	FRANK & YVONNE LANE FAMILY	SANTA CLARITA, CA 91355 (310) 201-8936
22	FAMILY TRUST, AND GEORGE & CHARLENE LANE	
23	NEW ANAVEDDE II.C	DIDQUED NIQUOIS (MEEKS
24	NEW ANAVERDE, LLC	PIRCHER, NICHOLS & MEEKS BY: GISELLE ROOHPARVAR 1925 CENTURY PARK EAST
26	¥F	SUITE 1700 LOS ANGELES, CA 90067
27		(310) 201-8936
28		
20	9	

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1	APPEARANCES (CONTINUED):		
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3	PALMDALE WATER DISTRICT		LAGERLOF, SENECAL, GOSNEY
4			& KRUSE, LLP BY: THOMAS S. BUNN III 301 NORTH LAKE AVENUE
5			10TH FLOOR PASADENA, CA 91101-4108
6	20		(626) 793-9400
7			
8	FOR THE WILLIS CLASS:		KRAUSE, KALFAYAN, BENINK & SLAVENS
9			BY: RALPH B. KALFAYAN 625 BROADWAY, SUITE 635
10	*		SAN DIEGO, CA 92101 (619) 232-0331
11			
12	VAN DAM PARTIES & ANTELOPE VALLEY WATER		YOUNG WOOLDRIDGE, LLP BY: PHILIP W. HALL
13	STORAGE, LLC		(ADDRESS NOT GIVEN) (661) 327-9661
14			
15	L.A. COUNTY WATERWORKS DISTRICT NO. 40		OFFICE OF THE COUNTY COUNSEL, COUNTY OF L.A.
16			BY: WARREN R. WELLEN 500 WEST TEMPLE STREET
17			6TH FLOOR LOS ANGELES, CA 90012
18 19			(213) 974-9668
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21		000)
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1	CASE NUMBER: JCCP 4408		
2	CASE NAME: ANTELOPE VALLEY		
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21	VIEW OF THE STIPULATION THAT 984(D) DOES APPLY IN THIS		
22	CASE OR AT LEAST THERE IS NO OBJECTION TO IT I'M		
23	GOING TO APPROVE THE ELECTION MADE BY THE PUBLIC WATER		
24	SUPPLIERS IN PARTICULAR OF THE COUNTY WATER DISTRICT		
25	NUMBER 40 AND ORDER A COMPLIANCE WITH THAT ELECTION.		
26	THE COURT WILL RETAIN JURISDICTION AS		
27	PROVIDED IN THE GOVERNMENT CODE IN THE EVENT IN THE		
28	INTEREST OF JUSTICE IF IF THERE IS A NEED TO MODIFY		

THIS ORDER.

ALL RIGHT. ALL RIGHT. THE SECOND ISSUE SHOULD BE THE CASE MANAGEMENT CONFERENCE. I HAVE RECEIVED A LARGE NUMBER OF CASE MANAGEMENT CONFERENCE STATEMENTS. THEY -- A PREPONDERANCE -- IF WE ARE COUNTING JUST BY THE NUMBERS WOULD INDICATE THAT COUNSEL WISH TO CONTINUE WITHOUT HAVING A TRIAL COURT -- TRIAL DATE SET WITH THEIR DISCUSSIONS WITH JUSTICE ROBIE AND OTHERS. SEVERAL BELIEVE THAT THE MATTER SHOULD BE SET FOR TRIAL. THE DATES RANGE FROM 2012 TO 2013.

ESTIMATE -- AND I NEED YOUR HELP ON THAT -- EXACTLY HOW MUCH TIME IS GOING TO BE REQUIRED TO TRY THE CASE, HOW MUCH DISCOVERY IS NEEDED AND WHAT THE ISSUES OUGHT TO BE AND WHETHER THEY WILL BE TRIED IN A SINGLE PROCEEDING AS OPPOSED TO SEVERAL PROCEEDINGS, IN PARTICULAR WITH REGARD TO THE ALLOCATION OF WATER RIGHTS. THAT IS NOT A SIMPLE ISSUE, AND IT SEEMS TO ME THERE IS -- I HAVE ONE RATHER DETAILED SUGGESTION FROM MR. BEZERRA FROM COPA DE ORO BUT NOT A WHOLE OTHER THAN THAT.

MY OWN VIEW IS, AT THIS POINT ANYWAY, IS

THAT IF PARTIES ARE INDEED MAKING PROGRESS IN TERMS OF

SETTLEMENT AND IN PARTICULAR WITH REGARD TO ALLOCATIONS

THAT WE SHOULDN'T INTERRUPT THAT AT -- AT LEAST IN THE

SHORT-TERM. AND BY THAT I'M THINKING I WOULD LIKE TO

SEE WHAT HAPPENS WITHIN THE NEXT 30 DAYS BEFORE I MAKE A

DECISION ABOUT SETTING THE MATTER FOR TRIAL AND WHAT THE

ISSUES AT TRIAL WOULD BE. I WOULD BE HAPPY TO HEAR FROM

COUNSEL WHO HAVE OPINIONS ABOUT THOSE ISSUES.

ANYBODY? NOBODY HAS AN OPINION?

MR. ZIMMER: WE HAVE AN OPINION; HOWEVER, IF THE COURT'S INCLINATION IS TO DO WHAT WAS INDICATED, I HAVE NO COMMENTS AT THIS POINT. I THINK THAT IS APPROPRIATE.

THE COURT: I WANT TO SEE IF, IN FACT, THE PARTIES BELIEVE THAT YOU CAN MAKE REAL PROGRESS TO CLOSE THE GAPS THAT CURRENTLY EXIST. THE GAPS AS I UNDERSTAND IT RELATE TO PUMPING NEEDS -- WHAT PUMPING REQUIREMENTS ARE.

THE WOOD'S CLASS HAS SERIOUS ISSUES

CONCERNING TRYING TO FIGURE OUT WHAT THEIR REQUIREMENTS

ARE, AND I HAVE A REQUEST FOR A JOINTLY PROPOSED ORDER

REQUIRING EVERYBODY WHO HAS ANY CLAIMS AT ALL TO MAKE

SUCH CLAIMS WHICH HAS SOME MERIT TO IT, I THINK. AND SO

THAT -- IT IS A LITTLE BIT HARD FOR ME TO EVALUATE

WHETHER WE SHOULD CONTINUE ON. THIS CASE IS VERY OLD.

(LAUGHTER)

MR. ZIMMER: LOOK AT ME. I HEAR YOU.

I'M GETTING OLD, AND SO ARE YOU.

THE COURT: I THINK WE HAVE GOT TO DO SOMETHING TO SEE IF WE CAN PUT SOME CLOSURE HERE. AND WHETHER THERE'S A REAL PROSPECT OF THAT WITHOUT GETTING INTO FULL-BLOWN LITIGATION DEALING WITH SUCH THINGS AS PRESCRIPTIVE RIGHTS, FIRST IN TIME APPROPRIATIONS, SOMETHING THAT I THINK IS EUPHEMISTICALLY CALLED

SELF-HELP WHICH REALLY IS NOTHING MORE THAN PUMPING YOUR MAXIMUM RIGHTS UNDER THE -- IN THE GROUNDWATER THAT YOU MIGHT HAVE.

SO, YOU KNOW, WITH THAT IN MIND, I WOULD LIKE TO HEAR WHAT OUR CHANCES OF SUCCESS ARE HERE WITHOUT GOING INTO WHAT YOUR ACTUAL NEGOTIATIONS ARE WHICH OBVIOUSLY ABSENT A TOTAL STIPULATION I COULD NOT HEAR.

MR. ZIMMER: I WOULD BE HAPPY TO COMMENT ON THAT.

I REMAIN OPTIMISTIC THAT WE CAN PUT SOMETHING TOGETHER.

AS THE COURT WILL RECALL, WE HAD LOTS OF YEARS OF

LITIGATION AND NOTHING HAPPENED REALLY, AND A COUPLE OF

PROCEDURAL TRIALS. THEN WE HAD THE COURT PROCESS AND

THE ROBIE PROCESS, AND THERE WAS A DIFFERENCE OF OPINION

ON THE SAFE YIELD. THE COURT SET A CONSERVATIVE SAFE

YIELD NUMBER.

THE LANDOWNERS AGREED TO GO TO JUSTICE ROBIE AT THE COURT'S URGING, AND THAT WAS THE CURRENT SETTLEMENT JUDGE THAT WAS OVERSEEING THE LANDOWNERS AND THE CLASSES WITH SOME RESERVATIONS BECAUSE WE HADN'T BEEN INVOLVED IN THE BEGINNING OF THAT PROCESS. BUT I DO HAVE TO SAY THAT THAT PROCESS HAS BEEN EXTREMELY HELPFUL. JUSTICE ROBIE HAS BEEN VERY FAIR.

HE HAS DISCUSSED WITH US WHAT HIS VIEWS ARE
IN TERMS OF THE WAY THIS MATTER CAN WORK, AND HE HAS
TACKLED ISSUES THAT WE NEED TO DISCUSS AS A GROUP AND
INDIVIDUALLY IN TERMS OF REACHING THAT GOAL.

I THINK THAT WE ARE NOW IN A SITUATION WHERE WE HAVE DISCUSSED AN ALLOCATION, AND MOST OF THE PARTIES HAVE BEEN INVOLVED IN THAT PROCESS DISCUSSING THE ALLOCATION. BUT WE CONTEMPORANEOUSLY AT JUSTICE ROBIE'S URGING -- RATHER ENGAGING DISCOVERY, THEN LOOKING AT THE POTENTIAL TERMS OF A STIPULATED JUDGMENT AND PHYSICAL SOLUTION. SO IF WE GET THE ALLOCATION PUT TOGETHER, I THINK IT WILL BE AN EASIER ROAD TO GETTING A STIPULATED JUDGMENT AND PHYSICAL SOLUTION PUT IN PLACE.

THERE IS STILL SOME GAP TO BE CLOSED ON THE ALLOCATION; AND COMPARED TO WHERE WE STARTED, THAT GAP IN MY VIEW IS VERY SMALL AT THIS POINT. AND THERE IS CONTINUING PRESSURE BETWEEN THE PARTIES IN TERMS OF THOSE NUMBERS. YOU HAVE HEARD SOME THINGS ON THE FRINGE. I WON'T GET INTO THE DETAILS ON THAT. BUT WE ARE CLEARLY MAKING PROGRESS, AND WE ARE MAKING THE ISSUES CLEAR, AND WE'RE GETTING FACTS CLARIFIED. AND I THINK THAT IS LEADING IN THE RIGHT DIRECTION.

NOW, ONE THING THAT WE ABSOLUTELY NEED IS

THAT THE CLOSE -- TO CLOSE THE GAP -- WE HAVE A GAP.

AND NOBODY IS REALLY GOING TO MAKE THAT LAST STEP IN MY

VIEW UNTIL WE KNOW THAT WE HAVE THE ENTIRE UNIVERSE OF

CLAIMED PUMPING. BECAUSE WE CAN'T GET TO A FINAL

RESOLUTION WHICH EACH PARTY AGREES TO AN ALLOCATION

UNLESS WE KNOW THAT THERE ARE NOT GOING TO BE NEW

PARTIES IN LATER MAKING CLAIMS.

WE KNOW WHAT THE CURRENT PRODUCTION IS. WE KNOW HOW MUCH PARTIES HAVE TO CUT BACK TO MAKE THAT

PRODUCTION, AND THAT IS SUBSTANTIAL TO MAKE THAT HAPPEN WITHIN THAT CERTAIN SAFE YIELD.

TO MAKE THAT FINAL STEP, WE NEED TO KNOW

THAT THESE ARE THE PARTIES THAT ARE MAKING CLAIMS; THAT

THIS IS THE TOTAL AMOUNT WE'RE DEALING WITH AND THIS IS

GOING TO BE GOOD AND THIS IS GOING TO BE BINDING; AND

THAT WE ARE NOT GOING TO HAVE CLAIMS MADE AT A LATER

TIME.

TO MAKE THAT HAPPEN WITHOUT GETTING INTO GREAT DEAL OF DISCOVERY. WE DISCUSSED IT WITH JUSTICE ROBIE, AND I THINK IT WAS HIS VIEW THAT WE COULD POTENTIALLY DO THAT PROCEDURALLY AS OPPOSED TO GETTING INTO VOLUMINOUS DISCOVERY WHICH WOULD DELAY THE CASE AND CAUSE THE PARTIES TO SPEND A LOT OF MONEY.

THAT LED TO DISCUSSIONS BETWEEN THE
PURVEYORS AND THE LANDOWNERS, AND I HAVE TO SAY I HAVE
NEVER HAD BETTER COMMUNICATION WITH ALL THE PEOPLE IN
THIS ROOM, MR. DUNN AND MR. BUNN, OR, YOU KNOW, ANY OF
THE PARTIES THAT HAVE BEEN ATTENDING THESE PROCEEDINGS.
AND IT HASN'T BEEN EASY BECAUSE THERE HAS BEEN UPS AND
DOWNS. AND WHENEVER YOU ARE NOT IMMEDIATELY IN THE
DISCUSSION, YOU THINK SOMETHING IS GOING ON AND SOMEONE
IS TRYING TO ACT ADVERSELY TO YOUR RIGHTS.

BUT WHAT HAS HAPPENED IS THAT I THINK THERE
IS A CERTAIN TRUST LEVEL THAT HAS BEEN DEVELOPED THAT WE
ARE ALL HEADED IN THE SAME DIRECTION. BUT WE NEED
PROCEDURALLY FOR ALL PARTIES TO MAKE CLAIMS OR WAIVE

THEM OR FORFEIT THEM, AND THAT IS -- THE PROPOSED ORDER IS NOT BY ANY MEANS MEANT TO TRY TO USURP YOUR FUNCTIONS. YOU'VE MADE YOUR INPUT ON IT, BUT IT IS SOMETHING THAT WE HAVE COLLECTIVELY DISCUSSED WITH BOTH PURVEYORS' LAWYERS AND LANDOWNERS' LAWYERS, AND THAT IS -- THAT IS CRITICAL TO MAKE THAT HAPPEN.

IN MY VIEW WHAT WILL HAPPEN IS WE WILL
PROBABLY END UP WITH A SETTLEMENT THAT EITHER HAS
EVERYBODY OR HAS MAYBE A COUPLE OF DISCREET ISSUES THAT
NEED TO BE TRIED, AND THAT IS WHY I WOULD URGE THE COURT
NOT TO SET THE TRIAL DATE BECAUSE WE DON'T KNOW EXACTLY
WHAT WOULD NEED TO BE TRIED. IF WE CAN NARROW THIS DOWN
AND WE KNOW THERE IS -- THERE IS -- MY HOPE IS THAT
EVERYBODY WOULD BE INVOLVED.

MR. MCLACHLAN AND I SPAR BACK AND FORTH. I ENCOURAGE HIM TO BE AT THESE -- AT THE TABLE AND AVEC AT MEDIATION BECAUSE WE NEED THEIR PARTICIPATION. WE NEED THE AGREEMENT TO WORK FOR THEM JUST LIKE IT WORKS FOR EVERYBODY ELSE.

WHAT I SEE HAPPENING IS WE WILL GO THROUGH
THIS PROCESS, AND I THINK WE CAN GET IT DONE. I THINK
IF WE KNOW THIS IS -- I THINK WE CAN BRIDGE THAT GAP
WITH A LITTLE WORK BY ALL PARTIES. ONCE THAT HAPPENS
THEN WE ARE GOING TO NEED A PHYSICAL SOLUTION THAT BINDS
ALL PARTIES, THAT LIMITS -- THAT USES THE ALLOCATION TO
LIMIT PRODUCTION TO THE CURRENT SAFE YIELD AND THAT
PROVIDES A MECHANISM THAT WE COULD MANAGE THE BASIN
APPROPRIATELY IN THE FUTURE.

WE HAVE MADE MORE PROGRESS IN THE
DISCUSSIONS THAT WE HAVE HAD THAN IN TEN YEARS OF
LITIGATION BY ANYONE'S ACCOUNTS EVEN IF YOU THINK THERE
ARE SOME HURDLES WE NEED TO CROSS. BY ANYBODY'S
ACCOUNT, I THINK WE HAVE MADE TREMENDOUS PROGRESS. WE
HAVE A MEETING SCHEDULED WITH AVEK ON FRIDAY.

CLAIMS IN THERE AND (2) MAKE SURE THAT ALL CLAIMS ARE -AND ALL PARTIES ARE BOUND BY THE PHYSICAL SOLUTION AND
THE ALLOCATION THAT IS DETERMINED. SO THE FIRST STEP OF
THAT IS THIS PROCEDURAL ISSUE OF HOW TO MAKE SURE THAT
ALL CLAIMS ARE MADE, FORFEITED, OR WAIVED; AND I THINK
WE NEED SOME TYPE OF ORDER FOR THE COURT TO DO THAT IF
THE COURT IS COMFORTABLE WITH USING THAT MECHANISM.
THOSE ARE MY GENERAL COMMENTS.

WOULD TAKE US COMPLETELY IN THE WRONG DIRECTION. I HAVE BEEN TRYING CASES FOR 30 YEARS. AND I KNOW WHEN IT IS GOING TO HELP PARTIES TO PUSH TO SETTLEMENT, AND I KNOW WHEN IT IS GOING TO BE DISRUPTIVE. AND THE AMOUNT OF TIME THAT I'VE SPENT IN JUST TALKING WITH TOM OR JEFF OR WARREN OR ANYBODY ELSE ON THE PHONE ABOUT THE CASE OR GOING TO AVEK MEETINGS IS TAKING A HUGE AMOUNT OF TIME ALREADY IN TRYING TO FILE DISCOVERY ON TOP OF THAT.

I THINK IT WOULD SEND US IN AN OPPOSITE

DIRECTION. IF IT GOES ON ONE SIDE, THEN IT'S GOING TO

GO ON THE OTHER SIDE. THEN WE WILL BE TAKING YOUR TIME

DISCUSSING THINGS THAT MAY OR MAY NOT NEED TO BE

LITIGATED AT ALL IF WE CAN RESOLVE IT.

THE COURT: OKAY. MR. DUNN, DO YOU WANT TO SAY ANYTHING?

MR. DUNN: YES, YOUR HONOR. I AGREE WITH

MR. ZIMMER. I THINK THAT THE PROGRESS THAT WE HAVE BEEN

ABLE TO MAKE WITH JUSTICE ROBIE'S ASSISTANCE HAS BEEN

REMARKABLE. AND I -- AND I AGREE WITH MR. ZIMMER AS

WELL THAT WITH THE COURT'S ASSISTANCE PERHAPS WE CAN

GATHER ADDITIONAL INFORMATION PARTICULARLY FROM SOME OF

THE NONPARTICIPATING PARTIES IN THE ADJUDICATION TO SORT

OF GIVE US THE COMPLETE PICTURE OF WHAT THE OVERALL

PUMPING CLAIMS IN THE BASIN LOOK LIKE SO THAT WE CAN

EVALUATE THOSE CLAIMS.

THE COURT: ARE THERE ANY LARGE PRODUCERS THAT HAVE NOT COME TO THE SETTLEMENT CONFERENCES?

MR. DUNN: NOT THAT WE KNOW OF. THERE HAS BEEN GOOD PARTICIPATION BY ALL THE MAJOR --

THE COURT: SO THE PARTIES WHO HAVE NOT

PARTICIPATED ARE ESSENTIALLY THE PEOPLE WHO HAVE FILED

THE STANDARD ANSWER BUT WHO HAVE NOT OTHERWISE ACTIVELY

APPEARED IN THE CASE; IS THAT CORRECT?

MR. DUNN: FOR THE MOST PART, YES. THERE IS NO
PARTICULARLY LARGE PARTY THAT WE COULD IDENTIFY THAT IS
NOT PARTICIPATING. IT IS A LARGER GROUP OF SMALLER
PARTIES THAT FROM THE BEGINNING DECIDED TO -- IN A SENSE
STAY ON THE SIDELINES ESSENTIALLY WAITING FOR THIS TYPE
OF EVENT OR DAY TO HAPPEN WHERE THERE IS A SETTLEMENT
AGREEMENT IN THE WORKS OR UNDER DISCUSSION THAT THEY

WOULD POTENTIALLY BE A PARTY OF.

THE COURT: HAS THERE BEEN ANY REQUESTS OF THEM INFORMALLY TO PROVIDE THEIR OWN PUMPING DATA TO THE EXTENT THAT THEY ARE PUMPING?

MR. DUNN: WELL, ONLY TO THE EXTENT THAT ALL

PARTIES I BELIEVE HAVE BEEN ADVISED THAT THIS SETTLEMENT

PROCESS IS UNDER WAY WITH JUSTIFY ROBIE. AND AS PART OF

THAT PROCESS, WE ARE TO PROVIDE OUR CLAIMS TO JUSTICE

ROBIE AS A MEDIATOR IN CONFIDENTIALITY SO THAT WE CAN

EVALUATE ALL THE CLAIMS IN THE BASIN AND UNDER THAT

UMBRELLA OF MEDIATION AND CONFIDENTIALITY.

MR. ZIMMER: JUST TO ADD TO THAT, I THINK IT'S

BEEN DONE IN TWO WAYS: ONE, THE COURT HAS ISSUED A -
THE MINUTE ORDER IS INDICATING THAT THE SETTLEMENT

PROCESS IS CONTINUING. MEDIATION WITH JUSTICE ROBIE ARE

CONTINUING. THAT HAS BEEN DONE SEVERAL TIMES. IN

ADDITION TO TAKE, MR. ORR HAS SENT OUT A LETTER TO THE

PARTIES INDICATING THAT, YOU KNOW, THESE -- THE

MEDIATION WAS CONTINUING, AND THEY NEED TO MAKE CLAIMS

IF THEY ARE GOING TO MAKE THEM.

MR. DUNN: AND I SUSPECT THAT THE ACTIVE PARTIES
THAT ARE PARTICIPATING IN THE MEDIATION WOULD PROBABLY
AGREE THAT IF THERE ARE THESE LARGE NUMBERS OF SMALLER
PARTIES OUT THERE, IT PROBABLY IS NOT COST BENEFICIAL
FOR THEM TO FLY UP TO SACRAMENTO AND SPEND A DAY OR TWO
IN THESE OVERALL DISCUSSIONS. IT IS PROBABLY BEST AT
SOME POINT THAT -- I BELIEVE WITH MR. ZIMMER AT THAT
POINT WHERE THEY BE NOTIFIED THAT THERE ARE SETTLEMENT

DISCUSSIONS THAT HAVE REACHED A LEVEL OF PROGRESS WHERE WE NEED TO EVALUATE EVERYBODY'S CLAIM ON THE BASIN. SO WE NEED SOME TYPE OF FORMAL PROCESS EITHER FROM THE COURT OR INITIATED BY THE PARTIES TO REQUIRE EVERYONE ESSENTIALLY TO SUBMIT THAT DATA OR BE DETERMINED NOT TO HAVE A CLAIM IN THE BASIN.

ULTIMATELY, WE NEED TO BE ABLE TO COME BACK
TO THE COURT WITH A COMPREHENSIVE PHYSICAL SOLUTION THAT
HAS AN ALLOCATION OF WATER RIGHTS THAT IS SATISFACTORY
TO THE PARTIES BY STIPULATION. OR IF THERE IS SOME
PARTIES THAT ARE NOT GOING TO BE A PART OF THAT
STIPULATION TO BE TRIED BY THE COURT.

AND THEN ALSO I WILL QUICKLY ADD THAT IN
THESE DISCUSSIONS WE HAVE TO KEEP IN MIND THAT BECAUSE
THE UNITED STATES IS INVOLVED THERE IS THIS
COMPREHENSIVENESS REQUIREMENT, AND WE HAD DISCUSSIONS
WITH THE UNITED STATES IN TERMS OF HOW IT IS THAT WE
WILL ULTIMATELY WRAP UP THAT ALLOCATION OF WATER RIGHTS.

SO IT IS IMPORTANT THAT AT SOME POINT HERE
WE GET ALL OF THE PARTIES TO PARTICIPATE IN THE
SETTLEMENT PROCESS NOT NECESSARILY BY BEING THERE IN
SACRAMENTO BUT BY SUBMITTING TO THE COURT AND ALL THE
PARTIES WHAT THEIR PUMPING CLAIMS ARE.

THE COURT: IS IT FAIR TO SAY, MR. DUNN, THAT

THERE ARE -- WITHIN THAT GROUP OF PEOPLE WHO ARE NOT

ACTIVELY PARTICIPATED WHO ALTHOUGH COURT HAS

JURISDICTION OF THIS MATTER --

MR. DUNN: YES.

THE COURT: -- BUT THEY FALL INTO TWO TYPES?

2 MR. DUNN: YES.

THE COURT: ONE WHO IS NOT PUMPING BUT IS NOT THE MEMBER OF THE WILLIS CLASS, AND I HAVE NO IDEA HOW MANY THAT MIGHT BE. I DON'T KNOW IF YOU DO KNOW OR NOT, BUT IT WOULD BE HELPFUL TO KNOW. AND, SECONDARILY, THE OTHER FACET OF THAT WOULD BE PEOPLE WHO ARE NOT MEMBERS OF THE WOOD'S CLASS BUT WHO ARE, IN FACT, PUMPING RATHER, I GUESS, DISPARATE AMOUNTS, I DON'T KNOW.

MR. DUNN: YES TO BOTH OF THOSE QUESTIONS.

THE COURT: OKAY. HOW MANY PEOPLE ARE WE TALKING ABOUT?

MR. DUNN: I USED TO KNOW THE ANSWER TO THAT, YOUR HONOR. WE HAVE A SERVICE LIST OF PEOPLE WHO WERE INDIVIDUALLY SERVED AND WHO HAVE RESPONDED AND SOME WHO DID NOT AND DEFAULTED AND SOME THAT HAVE DONE THE STANDARD ANSWER, BUT I THINK IT IS IN THE LOW HUNDREDS.

THE COURT: OKAY.

MR. DUNN: IT IS NOT A DOZEN OR TWO. WE ARE TALKING MAYBE SEVERAL HUNDREDS.

THE COURT: OKAY. THEN WE ALSO HAVE THE WOOD'S CLASS WHO AT THIS POINT ARE FACING THEIR CLAIM ON THE OVERALL ESTIMATES THAT WERE MADE AT THE TIME THAT WE HAD THE TRIAL ON THE OVERDRAFT ISSUES AND SAFE YIELD. AND THEY DON'T KNOW IF THAT IS SOMETHING THEY SHOULD RELY ON OR NOT. HOW DO WE DEAL WITH THAT?

MR. DUNN: WELL, I THINK THAT FOR ANY PUMPER, ANY OVERLYING USER IN THE BASIN, THEY WOULD BE IN A POSITION

TO BE ABLE TO TESTIFY AS TO THEIR OWN PARTICULAR WATER USE. AND WHETHER OR NOT IN THE CLASS CONTEXT, THE CLASS REPRESENTATIVE CAN PROVIDE THAT INFORMATION. I PERSONALLY BELIEVE HE OR SHE COULD. AND THAT IS PERHAPS PART OF THE FUNCTION OF BEING A CLASS REPRESENTATIVE. BUT IF THAT IS NOT THE CASE, THEN THERE ARE DEVICES AVAILABLE TO IMPLEMENT IN A CLASS ACTION THAT COULD GATHER INFORMATION FROM CLASS MEMBERS. AND, ALTERNATIVELY, THERE IS JUST THE RECOGNITION THAT IF YOU LOOK AT THE SMALL CLASS -- OR CLASS OF SMALL PUMPERS, EXCUSE ME, BY DEFINITION THEY

CLASS OF SMALL PUMPERS, EXCUSE ME, BY DEFINITION THEY
ARE SMALL PUMPERS, AND THEY ARE OUT IN THE SAME
ESSENTIALLY GEOGRAPHIC AREA OF ANTELOPE VALLEY, IT IS
POSSIBLE TO ESTIMATE THE AMOUNT OF WATER USE FOR THEM.

THE COURT: THERE WAS SOME NUMBER THROWN OUT OF 3800 ACRE-FEET PER YEAR FOR ALL THE -- WHOSE NUMBER WAS THAT?

MR. DUNN: WELL, I DON'T WANT TO GET INTO SETTLEMENT DISCUSSIONS.

THE COURT: I DON'T WANT YOU TO. I DON'T WANT TO
HEAR ABOUT SETTLEMENT DISCUSSIONS, BUT THAT IS A NUMBER
I'VE SEEN REFLECTED IN PAPERS. I WANT TO KNOW WHOSE
NUMBERS THAT IS.

MR. DUNN: I DON'T THINK IT CAME FROM MR. MCLACHLAN, I'M PRETTY CONFIDENT OF THAT.

THE COURT: I'M SURE OF THAT.

(LAUGHTER)

MR. MCLACHLAN: THERE WOULD HAVE BEEN A NOTICE OF ME BEING FIRED BY MR. WOOD IF THEY DID.

MR. DUNN: I THINK IT REFLECTS AN ALLOCATION BASED ON ESTIMATE OF WATER ACROSS THE BOARD TO ALL THE CLASS MEMBERS.

THE COURT: OKAY. WELL, LET ME JUST OBSERVE THAT

I THINK THE NOTION OF GETTING ON RECORD EVERYBODY'S

CLAIMED AMOUNT WHETHER THEY WERE PUMPING OR NOT IS

NECESSARY IN ORDER TO GET THIS CASE CLOSED UP.

AS FAR AS THE FORM THAT THAT NOTICE SHOULD

TAKE, I'M CONCERNED ABOUT TWO THINGS. I'M CONCERNED

ABOUT DUE PROCESS, AND I'M CONCERNED ABOUT ACTUAL NOTICE

TO THE INDIVIDUALS THAT WOULD BE SUBJECT TO AN ORDER.

AND I WOULD PROBABLY RATHER THAN PHRASING IT AS A

STRAIGHT ORDER PROBABLY AN ORDER TO SHOW CAUSE AND TO

ASSERT THE CLAIMS.

AND I SUPPOSE IT WOULD BE USEFUL TO HAVE SOME INPUT FROM THOSE PEOPLE. I DON'T KNOW IF ANY OF THEM ARE HERE IN THE COURTROOM TODAY, BUT EVERYBODY IS ON NOTICE THAT THE CASE MANAGEMENT CONFERENCE WAS SCHEDULED, AND IF THE COURT WAS GOING TO MAKE ORDERS CONCERNING THE PROGRESS IN THIS CASE.

BUT I WOULD LIKE TO SEE SOME PROPOSALS WITH REGARD TO BEYOND WHAT YOUR JOINT PROPOSED ORDER IS CONCERNING HOW TO PROCEED TO GET THAT INFORMATION. I WOULD LIKE TO HAVE IT BY THE TIME OF -- I WOULD LIKE TO HAVE THE ORDER OUT AND A REQUIREMENT THAT THERE BE A RESPONSE TO THE ORDER BY THE NEXT HEARING WHICH I AM

THINKING IS PROBABLY GOING TO BE ABOUT A MONTH FROM NOW.

MR. DUNN: WE CAN CONTINUE TO MEET AND CONFER AS COUNSEL ON THAT. AT SOME POINT I WOULD LIKE TO ADDRESS THE COURT ON THE TRIAL DATE ISSUE.

THE COURT: GO AHEAD.

MR. DUNN: AGAIN, NOT GETTING INTO THE SUBSTANCE OF THE SETTLEMENT DISCUSSIONS WHICH I AGREE HAVE BEEN PRODUCTIVE AND PARTICULARLY WITH JUSTICE ROBIE'S ASSISTANCE, BUT WE HAVE -- AT LEAST FOR THE MOMENT, WE HAVE A GAP THAT WE STILL NEED TO CLOSE. I WILL SAY WE WERE NOT ABLE TO MAKE MUCH OF ANY PROGRESS AT THE LAST MEDIATION SESSION WITH JUSTICE ROBIE ON CLOSING THERE GAP.

IN OTHER WORDS, THE GAP HAS NOW CONTINUED.

THAT IS NOT TO SAY THAT WE WILL NOT CLOSE THE GAP. IT

IS A RECOGNITION THAT I THINK THAT LOOKING FORWARD WE

ARE GOING TO HAVE TO COME BACK BEFORE THE COURT EITHER

WITH A SETTLEMENT THAT MOST IF NOT ALL PARTIES WILL BE A

PART OF, AND IT WILL BE PRESENTED TO THE COURT FOR COURT

APPROVAL WITH EVIDENCE ESTABLISHING THE PHYSICAL

SOLUTION AND THE REQUIREMENTS THAT THE -- THAT ARE SET

TO PROVE THAT UP.

AND THERE WILL BE SOME PARTIES PERHAPS THAT WILL NOT. IN A CASE LIKE THIS, CANDIDLY, IT IS VERY DIFFICULT TO GET AN OVERALL AGREEMENT. WE ARE WORKING VERY HARD TO ACHIEVE THAT. BUT AT THE END OF THE DAY, WE MAY NOT BE ABLE TO HAVE THAT. AND THAT WILL NOT BE FOR LACK OF EFFORT OR PARTICIPATION BY ANY PARTY. IT'S

JUST THAT THERE ARE MANY INTERESTS IN THIS CASE, AND IT IS VERY DIFFICULT TO GET THEM ALL LINED IN A -- IN AN AGREEMENT. THEN RECOGNIZING THAT -- AGAIN BECAUSE WE DO HAVE THE UNITED STATES INVOLVED, THERE ARE SOME REQUIREMENTS THAT WILL COME INTO PLAY HERE FOR ALL OF US TO ALLOCATE THAT WATER AND TO PROVE THAT UP.

WATER SUPPLIERS, THAT ONE OF THE BEST WAYS TO MOTIVATE
THE PARTIES TO GET THIS CASE RESOLVED IS TO SET A TRIAL
DATE. WE'VE BEEN WITHOUT A TRIAL DATE NOW SINCE THE
CONCLUSION OF PHASE III. AND WE ARE GOING TO CONTINUE
TO MEDIATE WITH JUSTICE ROBIE, BUT THERE'S A CONCERN ON
OUR PART THAT WE DON'T WANT THIS PROCESS TO
UNNECESSARILY DRAG OUT. WE ARE NOT ACCUSING ANYONE OF
DRAGGING IT OUT, BUT A TRIAL DATE HAS A WAY OF
ENCOURAGING THE PARTIES TO WORKING TOWARDS SOME FINALITY
AND I THINK WE NEED THAT.

I THINK IT WILL BENEFIT ALL OF THE PARTIES

AND JUSTICE ROBIE. I'M NOT SAYING IT NEEDS TO BE SET IN

THE NEXT MONTH, BUT WHAT WE PROPOSE THAT WHEN WE COME

BACK TO THE COURT WITH PROPOSALS ON WHAT THAT PROVE-UP

OR TRIAL WOULD LOOK LIKE, AND PROBABLY BE A COMBINATION

OF BOTH.

AND WE WOULD PARTICULARLY LIKE TO DISCUSS IT WITH THE UNITED STATES AND THEIR VIEWS ON HOW THIS SHOULD BE DONE, AND SOME OF THE OTHER ISSUES THAT ARE OUT THERE. OUR OTHER CONCERN, THOUGH, IS THAT WE WOULD LIKE TO GET THAT SCHEDULED SOON. BECAUSE EVEN IF IT'S

JUST A PROVE UP, ALL THE ATTORNEY CALENDARS HERE GET
FULL PRETTY QUICKLY, AND WE WOULD LIKE TO GET THAT ON A
CALENDAR AT LEAST. SO WHETHER IT'S A PROVE UP AND/OR A
TRIAL, WE THINK WE SHOULD GET SOMETHING SCHEDULED.

THE COURT: YOU KNOW, OUR EXPERIENCE HAS BEEN THAT

IF A MAJORITY OF THE PARTIES IN LITIGATION OF THIS SORT

COME TO AN AGREEMENT, THAT AGREEMENT CAN BE APPROVED

VIS-A-VIS THEMSELVES AS TO EACH PARTY, NOT BINDING

PARTIES WHO HAVE NOT ENTERED INTO THE AGREEMENT. AND TO

THE EXTENT THAT THAT IS WORKABLE, THE COURT CAN THEN

PROCEED TO TRY THE ISSUES WITH REGARD TO THE

NONSTIPULATING PARTIES. BECAUSE THE STIPULATION DOES

NOT AND CANNOT BIND THEM.

AND IT OCCURS TO ME AND HAS OCCURRED TO ME
THAT THE PARTIES WHO ARE VERY CLOSE BUT WHO STILL HAVE A
GAP IN TERMS OF THEIR ALLOCATION REQUIREMENTS, IF YOU
CAN CLOSE THAT GAP AND ENTER INTO WHATEVER KIND OF A
STIPULATION YOU CAN VIS-A-VIS EACH OTHER, THE BALANCE OF
THE TRIAL WITH THE NONSTIPULATING PARTIES CAN BE HEARD
CONCURRENT WITH THE PROVE-UP.

AND WE HAVE DONE THAT IN THE PAST, AND IT
SEEMS TO ME THAT THAT IS A VERY WORKABLE WAY SOMETIMES
OF MOTIVATING PEOPLE TO PARTICIPATE AND HELPS THE COURT
TO GET A RESOLUTION OF THE CASE WITH OR WITHOUT A TRIAL.

SO I REALLY WOULD ENCOURAGE YOU TO DO THAT.

I KNOW THAT THERE IS -- I THINK THERE'S A SETTLEMENT

CONFERENCE WITH JUSTICE ROBIE ON THE 7TH OF DECEMBER? I

WOULD THINK THAT -- GET MY OWN CALENDAR. IF WE COULD

HAVE A FURTHER HEARING HERE ON THE 13TH OR 14TH OF
DECEMBER, AND I THINK THIS TIME I WILL MAKE IT AT
10 O'CLOCK RATHER THAN 9 O'CLOCK. GIVE YOU A CHANCE TO
GET HERE.

MR. MCLACHLAN: WHICH DAY, YOUR HONOR?
THE COURT: 13TH OR 14TH OF DECEMBER.

MR. DUNN: THAT IS FINE. EITHER DATE IS FINE FOR ME.

MR. WELLEN: 13TH IS BETTER FOR MY OFFICE.

THE COURT: WE WILL DO THAT. WE ARE NOT DONE
HERE. OBVIOUSLY WE HAVE GOT A LOT OF THINGS TO TALK
ABOUT YET. AND ONE OF THE THINGS THAT I WANT TO TALK
ABOUT IS, MR. MCLACHLAN, YOUR NEEDS. YOU HAVE -- HOW
MANY CLASS MEMBERS, ABOUT 3800?

MR. MCLACHLAN: APPROXIMATELY 3800, AND I HAD A COUPLE POINTS. AND THE FIRST ONE, I THINK, DUCKTAILS INTO THAT ISSUE THERE -- WHICH I THINK IT NEEDS TO BE ON THE TABLE AND HAS BEEN DISCUSSED A LITTLE BIT; BUT AS THE COURT RECALLS, THERE WAS INITIALLY SOME DEBATE OVER THE DEFINITION OF THE CLASS IN TERMS OF THE WATER USE. AND COUNSEL HAD PUSHED FOR SOMETHING SMALLER AROUND THE 5 ACRE-FOOT RANGE. AND ULTIMATELY IT ENDED UP BEING 28 ACRE-FEET.

AND SO THE CLASS BY DEFINITION HAS A NUMBER OF -- WE -- PEOPLE WHO ARE NOT PURELY DOMESTIC USERS LIKE MR. WOOD. MR. WOOD HAS NO NONDOMESTIC USE SUCH AS AGRICULTURAL OR ANIMAL HUSBANDRY TYPE OF USES.

THERE'S NO WAY TO REALLY KNOW EXACTLY HOW

MANY OF THOSE PEOPLE ARE, SAY, ABOVE THE 5 ACRE-FEET
PEOPLE. I DON'T THINK IT IS A LARGE NUMBER, BUT IT
COULD BE ONE OR 200. I THINK WE SHOULD ALL FLAG THE
ISSUE OF THE FACT THAT EVENTUALLY THEY WILL GET A CLASS
NOTICE OF WHAT -- IF THERE IS A SETTLEMENT OF SOME TYPE
THAT INVOLVES WATER RIGHTS, THEY WILL GET A CLASS
NOTICE. AND THAT IS ALMOST CERTAINLY GOING TO INVOLVE
WHATEVER THEIR RESIDENTIAL USAGE IS. IT IS UNDERSTOOD
AND BELIEVED THAT ALL THESE PARCELS DO HAVE A RESIDENCE
ON THEM. AND SO THERE IS SOME RESIDENTIAL COMPONENT
WHICH IS WHAT WE HAVE BEEN NEGOTIATING AND DEALING WITH.

WELL, I SUSPECT THAT MOST OF THOSE PEOPLE
WHEN THEY GET THIS AND IT SAYS, YOU KNOW, YOU ARE GOING
TO BE ALLOTTED 3 ACRE-FEET OR 2 ACRE-FEET OR WHATEVER
THE NUMBER IS, THEY ARE GOING TO WANT TO OPT-OUT OF THE
CLASS AND TRY TO PROVE UP THEIR OWN RIGHTS.

AND SO THERE IS ANOTHER GROUP OF PEOPLE WHO MAY BAIL OUT OF THE WOOD CLASS, PROBABLY NOT A BIG GROUP, BUT THEY DO EXIST. AND IT COULD BE SEVERAL HUNDRED ACRE-FEET OR MORE. IT COULD BE AS MUCH AS 1,000 ACRE-FEET. I'M NOT SURE, BUT IT DOES EXIST.

I DID HAVE A -- ON THE ACTUAL NOTICE ISSUE
THAT THE COURT RAISED, I WOULD SUGGEST THAT GIVEN THE
FACT THAT MR. DUNN BELIEVES THAT THERE IS JUST SEVERAL
HUNDREDS OF THESE PEOPLE THAT WOULD BE EITHER OPT-OUTS
FROM THE WILLIS CLASS OR OPT-OUTS FROM THE WOOD CLASS OR
THE OTHER SMALL PARTIES THAT HAVE FILED THE ANSWERS.
THAT MAYBE IN ADDITION TO THE POSTING OF THE COURT'S

ELECTRONIC WEBSITE THAT THE COURT GIVES SOME

CONSIDERATION SINCE WE HAVE ADDRESSES OF THESE PEOPLE TO

ACTUALLY MAIL THEM A NOTICE. BECAUSE I CAN TELL YOU

HAVING DEALT WITH A LOT OF THESE PEOPLE, BOTH INSIDE AND

OUTSIDE THE WOOD CLASS, THESE PEOPLE DISCONNECTED FROM

THIS PROCESS. AND IT IS A FAIRLY IMPORTANT ISSUE, AND

IT IS A LITTLE UNUSUAL SINCE THE COURT DOES HAVE

JURISDICTION AND PEOPLE SHOULD TECHNICALLY BE CHECKING

THE WEBSITE. THE PLAIN FACT OF THE MATTER IS, I THINK

THAT IS NOT THE CASE, AND MAILED NOTICE, YOU KNOW, THE

COST OF THE STAMPS IS 44 CENTS. IT MIGHT NOT BE A BAD

IDEA IN ADDITION TO THAT TO TELL PEOPLE.

THE COURT: WHEN COURT MAKES AN ORDER OR SOMETHING IS POSTED, THERE SHOULD BE AN EMAIL ALERT TO EACH OF THE PEOPLE THAT DO HAVE EMAIL WHO ARE PARTIES TO THIS LAWSUIT SO -- SO THERE IS ACTUAL NOTICE IN THAT SENSE. THEY DO HAVE TO OPEN IT UP. BUT I THINK THE LEGISLATURE HAS DEALT WITH THAT ISSUES FAIRLY RECENTLY SINCE THERE WAS AN ISSUE IN SANTA MARIA CASE THAT AROSE.

MR. MCLACHLAN: THAT WAS PURELY A SUGGESTION, YOUR HONOR.

THE COURT: WELL, IT IS A GOOD ONE BECAUSE WE WANT TO MAKE SURE THAT WE HAVE THEIR ATTENTION.

MR. MCLACHLAN: I WILL JUST SAY FOR SOME OF THESE
PEOPLE I DEALT WITH THEY ARE NOT IN THE LIVING IN THE
SAME ELECTRONIC AGE A LOT OF US BELIEVE EVERYONE IS
LIVING IN. SOME OF THESE PEOPLE, FOR EXAMPLE, HAD TO GO
TO PUBLIC LIBRARIES TO FILE THEIR ANSWERS. YOU NOTICED

MANY OF THEM WERE HANDWRITTEN. I'M NOT SAYING IT'S A
HUGE NUMBER, BUT I'M SAYING I HAVE PERSONALLY SPOKEN TO
A NUMBER OF THEM, PARTICULARLY CLASS MEMBERS, WHO DIDN'T
HAVE THE MEANS, NO FAX, NO COMPUTER AT THE HOME, ET
CETERA.

AND THAT DOES -- THERE IS A COMPONENT WITH

THE -- ANTELOPE VALLEY DOES LIVE IN THAT SORT OF A WORLD

A 1970S AND "WE DON'T HAVE A COMPUTER TYPE OF WORLD.

IN TERMS OF THE ISSUE YOUR HONOR RAISED

WITH -- RELATIVE TO THE CLASS WATER USE, I GUESS, AS

LONG AS THERE IS NOT A TRIAL DATE SET, THE DEALS OF

ALLOCATION OR SELF-HELP OR ANY OF THOSE ISSUES, WE CAN

CONTINUE TO BE IN THE STATUS QUO. AND IT IS, OF COURSE,

DIFFICULT FOR US TO NEGOTIATE ANY SORT OF MEANINGFUL

SENSE BECAUSE WE ARE JUST GOING ON ANECDOTAL ISSUES.

AND I CERTAINLY WOULD ENTERTAIN A

STIPULATION THAT WE COULD PROVE UP MR. WOOD'S PERSONAL

WATER USE; AND IF EVERYBODY IS WILLING TO STIPULATE THAT

HIS WATER USE WILL SUFFICE FOR THE PURPOSES OF

ESTABLISHING A DOMESTIC USE AND EVERYBODY ELSE IN THE

CLASS, I'M SURE WE WOULD AGREE TO THAT. I SUSPECT THAT

THEY WON'T DO THAT BECAUSE MR. WOOD USES A LITTLE MORE

THAN WHAT WE THINK THE AVERAGE PERSON USES, NOT BY A LOT

BUT . . .

THE COURT: THAT MIGHT PRESENT AT LEAST FORMAT FOR DISCUSSION.

MR. MCLACHLAN: I KNOW MR. DUNN SUGGESTED I JUST RAISE IT; AND IF EVERYBODY WAS AGREED TO IT, THEN THAT

MIGHT SOLVE THE PROBLEM.

THE COURT: OKAY. YOU SHOULD TALK ABOUT THAT
AMONG YOURSELVES, AND I WOULD ENCOURAGE YOU,
MR. MCLACHLAN, TO PARTICIPATE IN ALL OF THE SETTLEMENT
DISCUSSIONS THAT ARE GOING ON HENCEFORTH.

MR. MCLACHLAN: WELL YOUR HONOR, WE DID

PARTICIPATE AS WE INDICATED ON AUGUST 31. WE PRESENTED

OUR POSITION, AND WE DID IN WRITING IN FACT PRESENT OUR

COUNTER PROPOSAL WHICH IS ALSO ATTACHED. THERE HAS BEEN

NO RESPONSE WHATSOEVER. I PRESUME THAT MAYBE THERE -
THE LARGER FISH ARE DEALING AMONG THEMSELVES AND

ORGANIZING THINGS. I HAVE BEEN WATCHING IT.

BUT IT STRIKES ME AS A VERY SIGNIFICANT
WASTE OF RESOURCES TO HAVE US SITTING AROUND FOR EIGHT
OR TEN HOURS IN THESE VARIOUS SESSIONS WHEN IT REALLY
HAS NOTHING WHATSOEVER TO DO WITH THE CLASS. THE CLASS
ISSUES ARE VERY SIMPLE. MOST OF EVERYTHING THAT THE
LIST OF DEAL (PHONETIC) POINTS WHICH IS 16 OR 15 OR 20
LONG, OR WHATEVER IT IS, MOST OF THOSE DON'T AFFECT US,
AND WE ARE ON BOARD WITH THESE ISSUES. THE REAL ISSUE
FOR THE CLASS IS IF THERE IS GOING TO BE A WATER RIGHT
THAT IS -- THAT NEEDS TO BE RESOLVED.

SO IT IS FAIRLY SIMPLE. ANYONE CAN PICK UP
THE PHONE AND CALL US AND SAY, HEY, WE WANT TO HAVE A
DISCUSSION, MEET IN MY OFFICE, OR WHATNOT. IT JUST
DOESN'T STRIKE ME AS VERY EFFICIENT FOR ME AND
MR. O'LEARY SPENDING 12 HOURS OF BILLABLE TIME SITTING
IN SACRAMENTO READING THE NEWSPAPER WHICH IS REALLY WHAT

HAPPENS.

WE MET AND WE PRESENTED OUR POSITION. IT IS SIMPLE. AND IF WE ARE GOING TO BE UP, THEN WE ARE JUST PADDING OUR BILLS, FRANKLY.

THE COURT: WELL, EVERY SETTLEMENT CONFERENCE, I'M

AWARE OF REQUIRES A LOT OF SITTING AROUND AND READING

NEWSPAPERS. BUT, UNFORTUNATELY, I UNDERSTAND YOUR

INABILITY TO DEVOTE THAT KIND OF TIME TO READING THE

PAPER.

(LAUGHTER)

THE COURT: BUT I DO WANT YOU TO CONTINUE TO

PARTICIPATE TO THE EXTENT THAT YOU CAN AND TO CONFER

WITH THE PARTIES. I'M WONDERING -- ONE OF THE CONCERNS

THAT YOU HAVE OBVIOUSLY IS ESTABLISHING SOME STANDARD

THAT YOU CAN USE TO REFLECT THE WATER USAGE OF YOUR

CLASS. AND IF YOU HAVE 3800 PEOPLE AND EACH ONE OF

THOSE PEOPLE CONTRIBUTED \$20 TO THE COST OF AN EXPERT,

YOU COULD PROBABLY EMPLOY AN EXPERT TO GIVE YOU GOOD

ADVICE.

YOU KNOW, CLASS PARTICIPATION SHOULD COME
WITH SOME RESPONSIBILITIES, IT SEEMS TO ME, AS WELL
AS -- OTHERWISE, THEY ARE FORTUNATE THAT THEY ARE NOT
INDIVIDUALLY REPRESENTING THEMSELVES. SO THAT EACH ONE
OF THEM HAS THEIR INDIVIDUAL RESPONSIBILITY, BUT IT
SEEMS TO ME THAT THE COLLECTIVE RESPONSIBILITY OF THE
CLASS IS TO ASSIST IN DOING WHATEVER IS NECESSARY TO

FURTHER THE INTEREST OF THE CLASS.

AND UNLESS YOU DO HAVE YOUR OWN EXPERT, YOU ARE NOT GOING TO BE IN A POSITION TO SETTLE THE CASE IN THE WAY THAT YOU WOULD LIKE TO. YOU MAY END UP HAVING TO TRY THE CLASS ISSUES INDEPENDENTLY.

AT SOME POINT IF THE COURT GETS CONCERNED ENOUGH ABOUT IT, THE COURT MAY APPOINT ITS OWN EXPERT TO PROVIDE EVIDENCE TO THE COURT WHICH WOULD THEN BE AVAILABLE TO ALL THE PARTIES. I DON'T WANT TO DO THAT UNLESS I HAVE TO.

MR. MCLACHLAN: WELL, YOUR HONOR HAS ALREADY DONE THAT TO BE CLEAR.

THE COURT: I HAVE DONE IT PARTIALLY, BUT NOT IN

THE WAY THAT IS GOING TO HAVE TO OCCUR IF THERE IS GOING

TO BE A TRIAL IN THIS CASE.

MR. MCLACHLAN: WELL, THE EXPERT'S BEEN APPOINTED.

THERE IS AN ORDER OUT THERE THAT EXISTS THAT YOUR HONOR

HAS RESCINDED.

THE COURT: THE COURT'S EXPERT.

MR. MCLACHLAN: SURE.

THE COURT: I HAVE NOT ASKED THE EXPERT TO DO
ANYTHING BEYOND WHAT WAS ALREADY DONE, THE STATISTICAL
ANALYSIS THAT WOULD SERVE FOR SOME LIMITED PURPOSES.
WHAT I'M TALKING ABOUT IS IF WE GO TO TRIAL. AND THEN
YOUR CLASS IS INTERESTED IN ESTABLISHING WHAT ITS RIGHTS
ARE AND PRESENTS EVIDENCE. AND IF THE COURT IS NOT
SATISFIED, THEN I'M GOING TO ASK THE EXPERT TO ASSIST
THE COURT. THAT IS DIFFERENT THAN YOUR NEEDS,

OBVIOUSLY, BECAUSE YOU ARE NOT GOING TO HAVE AN ADVOCATE. YOU ARE GOING TO HAVE THE COURT'S ADVOCATE.

SO -- BUT BE THAT AS IT MAY, IT SEEMS TO ME
THAT THERE ARE BETTER WAYS OF DOING THAT OF ESTABLISHING
WHATEVER THOSE NUMBERS ARE, AND IT SEEMS TO ME GIVEN THE
MEMBER OF THE CLASS, IT IS -- IT IS NOT A GREAT EXPENSE
FOR EACH CLASS MEMBER TO BE CONCERNED WITH.

MR. MCLACHLAN: THE OTHER OPTION, OF COURSE, IS
TO -- WOULD HAVE BEEN TO DEAL WITH THE CLASS ISSUE WHICH
IS THE CLASS -- THE CLASS COMPLAINT WAS FILED TO DEFEAT
THE CLAIMS OF PRESCRIPTION AGAINST THE -- PURSUED BY THE
WATER SUPPLIERS. AND THE OTHER OPTION, OF COURSE, WOULD
BE TO EFFECTUATE THE SETTLEMENT OF THE CLASS CLAIMS THAT
IS ON THE TABLE, AND THAT DOES NOT AS IT CURRENTLY
STANDS AND IN ITS CURRENT FORM DEAL WITH THE WATER
RIGHTS OF THE CLASS. IT JUST SAVES THE SMALL PUMPERS
FROM THE PRESCRIPTIVE RIGHT CLAIMS.

AND THAT WOULD SOLVE CERTAINLY THE CLASSES'
ISSUES, AND THEN THE COURT CAN IF IT NEEDS TO AT SOME
LATER POINT IN TIME DEAL WITH THE WATER RIGHTS
ALLOCATION ISSUE AS THE COURT DEEMS FIT.

THE COURT: I DON'T DISAGREE WITH THAT. MR.

MCLACHLAN, I THINK ABOUT FOUR YEARS AGO I ASKED MR. DUNN
HOW SERIOUS THEY WERE ABOUT PRESCRIPTION CLAIMS AT LEAST
WITH REGARDS TO THE WILLIS CLASS AND PERHAPS THE WOODS
CLASS IS DIFFERENT, BUT MAYBE NOT.

IF PRESCRIPTION IS NOT AN ISSUE IN THE CASE,
IT SEEMS TO ME IT GOES A LONG WAYS IN MOVING TOWARD A

RESOLUTION THAT ELIMINATES THE ALLOCATION PROBLEM THAT YOU HAVE THAT IS CREATED BY PRESCRIPTION OR THE CLAIM OF PRESCRIPTION.

SO I'M SURE THAT ALL COUNSEL MUST BE TALKING
ABOUT THAT REGULARLY -- PARTICULARLY SINCE THERE WAS A
PROPOSED STIPULATION TO SETTLE YOUR CLASS WHICH ONLY HAD
SOME -- IT'S CALLED DEFICIENCIES. BUT IN ANY EVENT,
THAT PRECLUDES THE COURT FROM APPROVING IT.

IN ANY EVENT, I LEAVE THAT DISCUSSION TO
YOU. I TELL YOU WHAT I WOULD LIKE TO DO NOW -- THERE
ARE OTHER ISSUES THAT I WANT TO -- THAT YOU WANTED ME TO
ADDRESS.

MR. BEZERRA: YOUR HONOR, THIS IS RYAN BEZERRA FOR COPA DE ORO. ON THE ISSUE OF HAVING PARTIES SUBMIT THEIR CLAIMS, WE DO HAVE A PENDING SET OF RATHER EXTENSIVE DISCOVERY THAT WILL REQUIRE RESPONSES WITHIN 30 DAYS AND NOT -- LET ME CLARIFY, COPA DE ORO RECEIVED THAT DISCOVERY AMONG MANY, MANY PARTIES. AND IF WE ARE GOING DOWN THE ROAD OF HAVING AN ORDER TO SHOW CAUSE TO ADDRESS THIS, A DISCOVERY STAY, WOULD FORMAL DISCOVERY STAY -- WOULD BE APPROPRIATE IN MY OPINION SO THAT WE DON'T START SERVING EACH OTHER WITH DISCOVERY SO WE CAN ADDRESS THE ISSUE OF FLUSHING OUT WHATEVER CLAIMS THERE ARE IN A MORE ORDERLY FASHION.

THE COURT: ANYBODY WANT TO RESPOND TO THAT?

MR. ZIMMER: I WAS JUST STANDING UP TO AGREE WITH

THAT, YOUR HONOR. I ASSUME THAT IS WHAT WE ARE GOING TO

DO. I THINK CERTAIN DISCOVERY RIGHT NOW IF WE CAN DO

THIS WITH AN ORDER TO SHOW CAUSE -- THE ORDER TO SHOW CAUSE WOULD BE THE MOST DIRECT WAY TO DO IT.

AND THE DISCOVERY THAT HAS BEEN SERVED IS

FAIRLY VOLUMINOUS. SO IT IS ONLY ON CERTAIN ISSUES THAT

MIGHT RELATE TO THE PURVEYORS'S SIDE OF IT AND FORCE

DISCOVERY ON THE LANDOWNERS' SIDE OF IT, AND I THINK WE

NEED TO STAY OUT OF THE BATTLE UNTIL WE KNOW WHAT THE

ISSUES OF THE NEXT PHASE OF TRIAL WILL BE.

THE COURT: MR. WEEKS.

MR. WEEKS: I --

THE REPORTER: I'M SORRY, MR. WEEKS, I COULDN'T UNDERSTAND YOU.

MR. WEEKS: I AM THE ONE WHO SERVED THE DISCOVERY.

THE COURT: IS THAT AN APOLOGY?

(LAUGHTER)

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MR. WEEKS: NO. WE HAVE MADE GREAT PROGRESS, AND
THE GAP AND ALLOCATION IS SUBSTANTIALLY NARROWED. THIS
STILL HAS A SUBSTANTIAL NUMBER, AND I BELIEVE THE WAY TO
HAVE THAT GAP DISAPPEAR IS TO HAVE ALL THE PARTIES KNOW
WHAT OTHER PARTIES' PUMPING IS, AND ALSO HAVE ALL THE
PARTIES KNOW WHO ACTUALLY HAS A CLAIM AND WHO DOESN'T.

SO I JUST REQUEST FOR ADMISSIONS, AND I
ANTICIPATE MANY, MANY OF THOSE REQUESTS FOR ADMISSIONS
WILL NOT BE ANSWERED. SO THEN THE COURT HAS A PROCEDURE
THAT IS -- WE'RE ALL USED TO THAT THE COURT CAN SIMPLY
HAVE IT DEEMED ADMITTED THAT IF PARTIES DO NOT RESPOND

TO -- DO NOT HAVE ANY WATER RIGHTS. SO IT WILL SOLVE THAT PROBLEM THAT WE HAVE.

AND IF WE MOVE ON THAT, I'LL MOVE ON THAT,
THEN WE SIMPLY HAVE AN ANSWER TO THAT QUESTION IN A
MONTH AND A HALF OR TWO MONTHS.

THE COURT: ALL RIGHT. SO DO YOU WANT TO EXTEND

TO THE PARTIES UPON WHO YOU HAVE SERVED YOUR DISCOVERY A

STAY?

MR. WEEKS: I WILL EXTEND A -- GIVE AN EXTENSION

TO ALL THE PARTIES WHO ASK FOR IT, BUT I'M CERTAIN THAT

THERE ARE MANY, MANY, MANY, MANY PARTIES WHO ARE NOT

EVEN GOING TO ASK.

THE COURT: LET ME SAY, I'M NOT INCLINED AT THIS

POINT TO ISSUE A STAY ORDER, BUT I THINK THAT -- THAT -
THE REASON OUGHT TO INDUCE YOU TO EXTEND THAT BLANKET

PERIOD -- EXTENSION OF TIME IN WHICH TO RESPOND PENDING

WHAT WE ARE ABLE TO DO HERE.

AND WHAT I WANT TO DO NOW AT THIS POINT

IS -- I WANT COUNSEL -- I WILL TAKE ABOUT A TEN-MINUTE

RECESS OR 15-MINUTE RECESS. I WANT YOU TO DEAL WITH

THAT JOINT ORDER THAT WAS PROPOSED AND SEE IF YOU CAN

COME UP SOME LANGUAGE THAT EVERYBODY IS AGREEABLE TO.

AND I'LL APPROVE THAT APPROPRIATELY, AND WE WILL GET IT

OUT, AND I WOULD LIKE TO HAVE THESE PEOPLE RESPONDING

SOON.

SO FIGURE OUT A TIME LIMIT TO DO THE SAME PLEASE.

MR. ZIMMER: YOUR HONOR, YOU WANT THAT FRAMED UP

AS AN ORDER TO SHOW CAUSE?

THE COURT: I WOULD.

MR. ZIMMER: STEMMING FROM THE PREVIOUS CASE MANAGEMENT CONFERENCE?

THE COURT: YEAH. GIVEN THE AGE OF THIS CASE AND HOW LONG THIS HAS BEEN GOING ON WITH PEOPLE ADDRESSING THE ISSUES AND RATHER IN A PIECEMEAL SORT OF WAY. AND THAT IS NOT A CRITICISM BECAUSE I THINK IT IS THE WAY IT HAD TO BE DEALT WITH IN THAT FASHION, BUT IT TOOK A LONG TIME TO GET THIS CASE AT ISSUE. WE WEREN'T AT ISSUE UNTIL ABOUT I THINK ABOUT TWO YEARS AGO AT THE LATEST OR EARLIEST SO . . .

SO NO ONE IS DRAGGING THEIR FEET HERE EXCEPT
I THINK THERE WAS SOME DRAGGING OF THE FEET TO GET THE
MATTER AT ISSUE. ONCE AT ISSUE I THINK IT HAS MOVED
ALONG WELL AND PARTICULARLY GIVEN THE -- THE EFFECTIVE
SETTLEMENT DISCUSSIONS THAT HAD BEEN GOING ON, AND WE
ALL OWE A HUGE DEBT TO JUSTICE ROBIE, HUGE DEBT.

AND -- I MEAN HE DID THAT AT MY REQUEST

BECAUSE OBVIOUSLY I COULDN'T DO THE SETTLEMENT

CONFERENCE AS I WOULD LIKE TO HAVE.

BUT HE IS A VERY KNOWLEDGEABLE AND A WISE JUDGE, AND YOU WERE VERY FORTUNATE TO HAVE THE BENEFIT OF HIM. OKAY. NOW, ANYBODY ELSE WANT TO SAY ANYTHING BEFORE I TAKE A TEN OR 15 MINUTES BREAK?

MR. DAVIS: YES, YOUR HONOR. WITH RESPECT TO THE

THE REPORTER: I'M SORRY, COUNSEL, BUT COULD YOU

PLEASE REMIND ME OF YOUR NAME, PLEASE.

MR. DAVIS: I'M SORRY, MICHAEL DAVIS. JUST WITH RESPECT TO THE COURT'S USE OF THE PHRASE "ON THE RECORD" WHEN IT COMES TO THE CLAIM, THE COURT WILL RECALL THAT JUSTICE ROBIE HAD ASKED THE PARTIES TO PROVIDE INFORMATION. AND I THINK THERE WERE FOUR OR FIVE QUESTIONS THAT WERE TO BE ANSWERED. AND THOSE PARTIES HAVE DONE THAT, AND JUSTICE ROBIE HAS ESSENTIALLY BEEN TALLYING THAT INFORMATION.

IS THE COURT TALKING ABOUT A DIFFERENT

PROCESS NOW OR A CONTINUATION OF THAT PROCESS TO FINISH

THE PRESENTATION OF DATA THAT JUSTICE ROBIE -- SO THAT

WE CAN IN THAT MEDIATION CONTEXT, AS MR. ZIMMER SAID,

CLOSE THE GAPS?

THE COURT: MR. DAVIS, I'M NOT THINKING OF
MEDIATION PROPOSALS. WHAT I'M INTERESTED IN IS WHAT IS
THE AMOUNT OF THE CLAIM THAT YOU HAVE AS TO WATER RIGHTS
ON YOUR LAND TO THE EXTENT THAT YOU HAVE NOT
PARTICIPATED IN ANY OF THE SETTLEMENT NEGOTIATIONS AND
HAVE BEEN STANDING BY ESSENTIALLY WITH THE COURT'S
JURISDICTION.

MR. DAVIS: OKAY. SO THE PARTIES WHO HAVE NOT BEEN PARTICIPATING ARE THE PARTIES THAT YOU ARE FOCUSING ON?

THE COURT: THAT IS CORRECT.

MR. DAVIS: THANK YOU, YOUR HONOR.

THE COURT: I THINK THAT UNLESS YOU KNOW WHAT
EVERYBODY ELSE'S CLAIM IS, IT IS VERY HARD TO COME TO A

RESOLUTION AS TO YOUR INDIVIDUAL CLAIMS. SO I THINK THE FEDERAL GOVERNMENT IS CERTAINLY INTERESTED IN KNOWING WHAT IS OUT THERE BECAUSE THE ULTIMATE JUDGMENT IN THIS CASE IS GOING TO BE DETERMINATIVE AT LEAST TO SOME EXTENT OF THE PERCENTAGES OF WATER RIGHTS.

YES, MR. BUNN.

MR. BUNN: THOMAS BUNN. THE JOINT ORDER THAT WAS SUBMITTED TO YOUR HONOR WAS IN FACT A JOINT ORDER AND WAS NEGOTIATED BY REPRESENTATIVES OF BOTH SIDES, AND WE DID -- DIDN'T SPEAK ABOUT THAT ORDER IN THE MEDIATION SESSION BEFORE JUSTICE ROBIE. SO, PERHAPS, IF WE COULD GET AN INDICATION OF HOW YOUR HONOR FEELS THAT ORDER NEEDS TO BE FIXED, THEN WE CAN SIT DOWN DURING THIS BREAK AND DO WHAT NEEDS TO BE DONE.

THIS ORDER SETS FORTH THE INFORMATION THAT
WE THINK WE NEED TO SEE WHO IS MAKING THE CLAIM AND THE
CONSEQUENCES THAT WE THINK THAT WE NEED IF SOMEBODY DOES
NOT SUBMIT AN ANSWER.

AND IT IS -- IT IS SHORT AND SWEET WHICH WE THINK IS NECESSARY TO GET TO PEOPLE SUCH AS MR. MCLACHLAN DESCRIBED AS WHO MAY NOT BE VERY AWARE WHAT IS GOING ON IN THIS LAWSUIT.

MR. ZIMMER: I THINK -- I THINK WHAT THE COURT IS SUGGESTING IS THAT WE BRING THAT UP AS AN ORDER TO SHOW CAUSE FOR ANY PARTY THAT HAS NOT PARTICIPATED IN THE MEDIATION TO COME TO COURT AND PRESENT THAT INFORMATION OR PRESENT THAT INFORMATION TO THE COURT AS AN ORDER TO SHOW CAUSE. IF THAT IS NOT COMPLIED WITH, WE CAN DEAL

WITH THAT.

MR. BUNN: THAT IS FINE. IS THERE ANYTHING ELSE?

THE COURT: NO. THE OTHER ASPECT OF IT WAS WHAT

WE TALKED ABOUT A LITTLE EARLIER WITH MR. DUNN, AND THAT

IS THAT GROUP OF PEOPLE WHO ARE NOT PUMPING WHO ARE NOT

MEMBERS OF THE WILLIS CLASS WHO OPTED OUT WHO DO HAVE

WATER RIGHTS, AND WE NEED TO ADJUDICATE THAT POSITION,

DON'T WE?

MR. ZIMMER: WOULDN'T WE BE DOING THE SAME THING
AS TO BOTH PUMPERS AND NONPUMPERS BY ISSUING AN ORDER TO
SHOW CAUSE IF NOT INVOLVED IN THE MEDIATION, PRESENT
THIS INFORMATION TO THE COURT BY SUCH AND SUCH A DATE?
AND THAT WILL PICK UP BOTH PUMPERS AND NONPUMPERS IF
THEY HAVEN'T BEEN PUMPING.

THE COURT: THAT'S CORRECT. THIS FORM SUBMITTED TO ME ONLY DEALS WITH PUMPING. IT DOES NOT DEAL WITH THE OTHER -- MAY HAVE A CLAIM.

MR. ZIMMER: I THINK WE CAN ADJUST THAT AS WELL.

THE COURT: OKAY. WELL, ALL RIGHT.

MR. ZIMMER: I THINK IT'S A GOOD IDEA TO DO IT ON THE BREAK AND GET IT DONE.

THE COURT: YEAH, I WOULD LIKE TO SEE IT DONE SO
WE CAN HAVE AN AGREEMENT, AND I CAN GET THE ORDER OUT.
AND I WOULD LIKE YOU TO THINK ABOUT WHAT DATE IS THE
LAST DATE FOR THAT SUBMISSION BY THESE PARTIES.

MR. BUNN: I WOULD ALSO LIKE TO MAKE THE COMMENT ON THE NOTICE BECAUSE I BELIEVE THERE ARE PARTIES WHO HAVE FILED ANSWERS THAT ARE NOT ON THE ELECTRONIC MAIL

SERVICE LIST THAT THE COURT MENTIONED.

NOW YOU PROBABLY ORDERED THAT THEY PUT

THEMSELVES ON IT, BUT THE FACT IS THAT THEY -- THERE

WERE PARTIES THAT ARE NOT ON THERE. I THINK I AGREED

WITH MR. MCLACHLAN'S SUGGESTION THAT THIS ORDER SHOULD

GO OUT BY MAIL.

THE COURT: I DON'T DISAGREE WITH THAT. I'M SURE THAT THERE ARE SOME WHO DON'T EVEN HAVE ELECTRICITY.

MR. ZIMMER: PONY EXPRESS.

THE COURT: TEN MINUTES.

(A RECESS WAS TAKEN.)

(A DISCUSSION WAS HELD OFF THE RECORD.)

THE REPORTER: YOUR HONOR, ARE WE BACK ON THE RECORD YET?

THE COURT: YES, BACK ON THE RECORD NOW. IF THE INFORMATION HAS ALREADY BEEN PROVIDED TO JUSTICE ROBIE AND IT HAS FORMED THE BASIS FOR THE DISCUSSIONS AND THE TENTATIVE AGREEMENTS AND ALLOCATIONS THAT YOU HAVE ARRIVED AT, THEN THIS ORDER SHOULD NOT APPLY TO THOSE PEOPLE.

MR. DUNN: THE CONCERN WE HAVE, YOUR HONOR, IS THE APPEARANCE OF SORT OF SELECTIVELY TARGETING SOME PARTIES IN THE CASE ALBEIT THE ONES THAT ARE NOT PARTICIPATING.

THE OTHER PROBLEM -- AND I DON'T KNOW IF PROBLEM IS THE RIGHT WORD; BUT WITHIN THE MEDIATION

ITSELF, PEOPLE HAVE PROVIDED INFORMATION. IT IS IN

DIFFERENT FORMS AND SOME -- THERE IS MORE HERE OR LESS

THERE AND SOME NOT AT ALL. AND SO IT IS HARD TO DEFINE

THAT CARVE-OUT FOR THE MEDIATION.

FROM MY PERSPECTIVE IS TO MAKE IT ALL INCLUSIVE SO THAT IT'S ALL OUT ON THE TABLE SO EVENTUALLY WHATEVER FUTURE PROCEEDINGS WE HAVE WE HAVE ESTABLISHED A FOUNDATION OF DISCLOSURE FOR ALL PARTIES SO THAT ALL PARTIES ARE ABLE TO SAY, YOU KNOW, I WAS REQUIRED, I COMPLIED, AND THIS PARTY DID NOT. SO THAT TYPE OF FAIRNESS THING.

MR. ZIMMER: THE PROBLEM WITH THAT, YOUR HONOR -AND I DISCUSSED THAT WITH MR. DUNN. AND I UNDERSTAND
THE CONCERN, BUT THE PROBLEM IS THAT THE PARTIES THAT
ARE IN THE JUSTICE ROBIE PROCESS HAVE DETERMINED A TIME
FRAME THAT THEY ARE USING FOR DETERMINATION OF THEIR
WATER RIGHTS AND HAVE GONE THROUGH THAT ENTIRE PROCESS
WITH JUSTICE ROBIE.

SO YOU CAN'T GET AROUND THE FACT THAT YOU WILL BE SEGREGATING THIS GROUP OF PEOPLE WHO ARE BEGINNING THE SETTLEMENT PROCESS. AND ALL THESE OTHER PEOPLE -- AND WE NEED TO KNOW FROM THESE OTHER PEOPLE IF THEY HAVE ANY WATER RIGHTS DURING ANY TIME FRAME, AND THAT'S WHAT NEEDS TO BE DONE.

THE COURT: WELL, THE DIFFERENCE HERE THAT THE
PEOPLE WHO ARE PARTICIPATING ARE GOING TO COME TO AN
AGREEMENT. THOSE PEOPLE WHO HAVE NOT PARTICIPATED MAY
OR MAY NOT COME TO AN AGREEMENT. SO IT REALLY DOESN'T

REALLY MATTER, BUT IT IMPORTANT FOR THOSE WHO ARE AGREEING TO KNOW WHAT IS OUT THERE.

MR. ZIMMER: RIGHT.

THE COURT: TO MY MIND THAT IS THE REASON TO
LIMITING TO THOSE PEOPLE. ALSO, IT WILL GET DONE A LOT
FASTER AND APPROPRIATELY SO.

WHAT OTHER ISSUES DO YOU HAVE?

MR. ZIMMER: THE ONLY ISSUE, YOUR HONOR -- I THINK
WE CAN CHANGE THE LAST PARAGRAPH IN THERE AND PUT IN
THERE THESE PARTIES ARE ORDERED TO PROVIDE THIS
INFORMATION BY SUCH AND SUCH A DATE OR APPEAR ON ANOTHER
DATE TO SHOW CAUSE WHY THEIR MATTER -- WHY THEIR
CLAIM --

THE COURT: I THINK -- THE LANGUAGE THAT YOU SHOULD USE IS THAT IT SHOULD BE EITHER FILED TO THE COURT OR POSTED. AND FAILURE TO DO SO, THEY ARE REQUIRED TO SHOW CAUSE WHY THE COURT SHOULD NOT MAKE A FINDING THEY ARE NOT ENTITLED TO. THEY CURRENTLY HAVE NO PUMPING AND NO RIGHTS TO PUMP.

MR. ZIMMER: WOULD YOU LIKE THE DATES IN THERE FOR THE ORDER TO SHOW CAUSE? THERE WERE TWO NUMBERS AND TWO DATES.

THE COURT: YES, I WANT THAT ORDER TO SHOW CAUSE TO BE ON THE 13TH.

MR. ZIMMER: THEN THE DATE OF THE HEARING ON THE ORDER TO SHOW CAUSE -- WHAT ABOUT THE FILING AND POSTING DATE?

THE COURT: WELL, THE POSTING DATE, WHAT DO YOU

1 RECOMMEND, COUNSEL? 2 MR. DUNN: IDEALLY IT WOULD BE BEFORE WE GO BACK 3 TO JUSTICE ROBIE. THE COURT: WHY DON'T YOU HAVE IT OCCUR ON THE 4 5 7TH? 6 MR. WEEKS: POSTED IN THE EVENING? 7 THE COURT: OKAY. SIX -- 12 O'CLOCK P.M. ON THE 8 6TH. 9 MR. JOYCE: YOUR HONOR, IF I COULD? 10 THE COURT: JUST ONE SECOND. ONE OTHER THING THAT I THINK THAT YOU NEED TO ALTER IS -- I'M LOOKING AT THE 11 12 EXISTING ORDER. FAILURE TO PROVIDE THIS INFORMATION TO 13 THE COURT AND POST THE INFORMATION ON THE COURT WEBSITE. 14 I THINK IT SHOULD SAY "MAY RESULT IN A WAIVER OF YOUR RIGHT TO CLAIM ANY SPECIFIC WATER RIGHTS." BECAUSE I 15 16 THINK THAT -- THAT DOESN'T MEAN THAT UNDER ALL 17 CIRCUMSTANCES THERE WILL BE NO RIGHTS OF ANY KIND. 18 MR. MCLACHLAN: YOUR HONOR, ONE CLARIFYING POINT, 19 IF THEY CHOOSE THE OPTION TO FILE IT WITH THE COURT, 20 WOULD THAT BE FILED WITH THE LA SUPERIOR COURT OR UP IN 21 SANTA CLARA? 22 THE COURT: IT WILL BE FILED HERE -- WELL, LET'S 23 HAVE IT FILED HERE BECAUSE THAT IS WHERE EVERYTHING ELSE 24 IS FILED, BUT IT COULD BE POSTED SO THAT EVERYBODY WILL 25 HAVE ACCESS TO IT.

MR. MCLACHLAN: BUT IF IT WAS ONLY FILED IN THE LA SUPERIOR COURT, THEN I WONDER WHETHER ANY OF THE REST OF US ARE GOING TO GET NOTICE OF IT BEING FILED TO BE AWARE

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OF IT.

THE COURT: WELL, DEBORAH, CAN WE MAKE SURE THAT IT GETS UP TO ROWENA WHEN IT IS FILED SO THAT SHE CAN POST IT RIGHT AWAY. I THINK IT WOULD BE CUMBERSOME TO TRY TO HAVE POSTING OR FILING IN SANTA CLARA COUNTY SINCE THE ORDER -- PREVIOUS ORDER -- EVERYTHING IS POSTED HERE, AND THAT IS RIGHT ON THE WEBSITE.

MR. WEEKS: YOUR HONOR, THERE IS -- THE -- WHEN I POST ON THE WEBSITE, IT IS -- IS THAT YOU CAN POST IT AS TO THE DISCOVERY PORTION OF THE WEBSITE WHICH IS PUBLICALLY AVAILABLE EXCEPT TO PEOPLE WHO LOGIN THAT WAY.

THE COURT: PUBLICALLY AVAILABLE.

MR. WEEKS: SO IT WOULD BE IN THAT PORTION OF THE WEBSITE.

THE COURT: YES.

MR. WEEKS: ARE THESE GOING TO BE UNDER PENALTY OF PERJURY?

MR. DUNN: ACTUALLY THAT WAS A POINT RAISED IN MY DISCUSSIONS WITH THE UNITED STATES. I'M SURE THEY ARE BACK ON THE LINE, BUT ASSUMING MANY OF THESE PARTIES ARE NOT REPRESENTED BY LEGAL COUNSEL, WE WILL NEED IT ESSENTIALLY SIGNED UNDER PENALTY OF PERJURY.

THE COURT: ALL RIGHT. PUT THAT IN THE ORDER.

MR FIFE: YOUR HONOR, CAN I ASK FOR A
CLARIFICATION ABOUT YOUR RECOMMENDED DIVISION OF
CHANGING THE WORD "WILL" TO "MAY" AND THEN SPECIFIC
WATERS RIGHTS. CAN YOU EXPLAIN WHAT YOU MEAN BY THAT?

THE GOAL IS TO SHUT THE DOOR.

THE COURT: WELL, IT IS, BUT WHEN YOU SHUT THE DOOR, YOU KNOW, THERE IS ALWAYS A CRACK UNDER THE DOOR, AND I'M NOT INTERESTED IN THE FORFEITURE, FOR EXAMPLE, THE LANGUAGE IN THE ORDER. I DON'T THINK THAT IS APPROPRIATE BECAUSE IT IS NOT A FORFEITURE, BUT YOUR WATER RIGHTS WILL BE SUBJECT TO WHATEVER ORDERS THE COURT MIGHT MAKE. FOR EXAMPLE, IF THEY DON'T FILE A STATEMENT OF CLAIM, AND THEY ASK FOR A TRIAL AND WE GO TO TRIAL ON THEIR CLAIMS, HAVE THEY ENTERED INTO A FORFEITURE? THEY CAN AFFECT YOUR PORTION IF YOU SETTLE THE CASE, BUT I AM NOT CONVINCED THAT WE SHOULD HAVE IT THAT PRECIPITOUS.

MR. JOYCE: YOUR HONOR, EVERYONE THAT HAS BEEN ACTIVELY PARTICIPATING IN MEDIATION KNOWS WHO HAS BEEN PARTICIPATING. BUT THE KEY IS I THINK THAT THOSE THAT HAVE PARTICIPATED SHOULD RESPOND IF NOTHING MORE THAN TO SAY THAT THE INFORMATION SOUGHT HAS BEEN PROVIDED IN THE COURSE OF THE MEDIATION.

THAT WAY YOU WILL HAVE THE ENTIRE UNIVERSE

OF ALL PARTIES RESPONDING IN ONE FORM OR THE OTHER. SO

THAT SOMEONE CAN'T CLAIM WHILE EVEN THOUGH I DIDN'T FILE

A RESPONSE TO THE ORDER TO SHOW CAUSE, I DID PROVIDE IT

WHEN IN FACT THEY DID NOT.

THE COURT: ARE YOU GOING BACK TO THE QUESTION THAT MR. DUNN RAISED?

MR. JOYCE: IN PART.

MR. WEEKS: THERE IS ANOTHER ISSUE THAT SOME

PEOPLE PARTICIPATED VERY BRIEFLY, AND INFORMATION THEY
PROVIDED AT THE MEDIATION WAS, EVEN BY THEIR OWN
ADMISSIONS, WAS SORT OF AN ESTIMATE. I MEAN --

THE COURT: MR. WEEKS, IF EVERYBODY WANTS TO HAVE EVERYBODY RESPOND WHETHER THEY HAVE PARTICIPATED IN THE MEDIATION OR NOT, THAT IS FINE WITH ME. I DON'T CARE. OKAY. IT REALLY DOESN'T MATTER TO ME. WHAT I'M INTERESTED IN IS PUTTING THIS INTO A FORM THAT WE CAN KIND OF LOOK FOR SOME CLOSURE.

AND LET ME RESPOND A LITTLE FURTHER TO YOUR CONCERN, MR. FIFE. THE COURT MAY AT THE TIME OF THE HEARING ON THE ORDER TO SHOW CAUSE IF THEY HAVE NOT SO PROVIDED MAKE WHATEVER ORDERS ARE APPROPRIATE THAT WILL FORECLOSE ANY FURTHER CLAIMS, BUT I DON'T THINK THAT I WANT TO MAKE IT AUTOMATIC WITHOUT A HEARING.

MR FIFE: OKAY. THANK YOU.

MR. ZIMMER: THAT IS HOW I UNDERSTOOD.

THE COURT: THAT IS A DUE PROCESS ISSUE AS FAR AS I'M CONCERNED.

MR. ZIMMER: RIGHT. ORDER TO SHOW CAUSE AND COME IN AND SHOW SOME EXCUSE OR SOMETHING.

MR. DUNN: IN CONJUNCTION WITH ALL OF THIS AS PART OF THE MEDIATION WHAT WE HAVE ALSO BEEN TRYING TO DO IS THERE IS -- THERE IS AN ELEMENT OF TRUST THAT MR. ZIMMER REFERRED TO EARLIER, AND THAT HAS PRIMARILY BEEN DEVELOPED BY OPENNESS AND CANDOR AS TO WHAT THE PUMPING IS AND BEING ABLE TO SORT OF EVALUATE IT.

WE HAVE BEEN ABLE TO DO THAT AND CONFIRM

THAT THE NUMBERS IN MANY INCIDENCES ARE ACCURATE. ONE 1 2 OF THE CONCERNS THAT HAS BEEN RAISED IS, WHEN WE GET ALL 3 THESE CLAIMS COMING IN, WE HOPE PEOPLE WILL RESPOND, WE 4 ARE GOING TO -- WE MAY NEED TO AT SOME POINT EVALUATE 5 IT. IT HAS BEEN SUGGESTED IN MY CONVERSATIONS WITH THE UNITED STATES THAT PERHAPS WE ALSO REQUEST FOR THE 7 BACKUP OF HOW THAT CLAIM IS DEVELOPED, AND I KNOW THAT 8 IT REQUIRES A MORE SUBSTANTIVE --THE COURT: PUT IN THAT LANGUAGE IN THE ORDER AND

THE -- AND THE BASIS FOR YOUR CLAIM.

MR. DUNN: OKAY.

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THE COURT: IT IS ALL WORDS. THAT IS WHAT LAWYERS DO.

MR. ZIMMER: YOUR HONOR, WOULD YOU LIKE US TO KEEP WORKING ON THAT THIS MORNING AND LET YOU GO ON TO OTHER THINGS, AND WE COULD MOVE TO ANOTHER ROOM, PERHAPS, AND LET YOU KNOW WHAT WE --

THE COURT: WELL, I'M NOT GOING TO BE HERE WHEN YOU COME BACK SO YOU CAN EMAIL IT TO ROWENA AND POST IT AND AS A PROPOSED ORDER, AND I'LL REVIEW IT. AND I MIGHT OR MIGHT NOT MAKE CHANGES TO IT, BUT I WOULD LIKE TO SEE YOUR PROPOSAL. AND IF IT ALL IS SOMETHING THAT YOU HAVE ALL AGREED TO, THAT IS FINE.

MR. JOYCE: I PROPOSE THAT MR. ZIMMER AND MR. DUNN BE CHARGED WITH THE LEAD RESPONSIBILITY TO ACQUIRE --THAT WAY WE DON'T HAVE TOO MANY HANDS IN THE PIE.

> THE COURT: I THINK THEY COULD ASSUME THAT MANTLE. MR. ZIMMER: WE CAN DO THAT, YOUR HONOR. THE

OTHER QUESTION WAS, WE WERE GOING TO DISCUSS SOME OTHER 1 ISSUES ANYWAY. IS THERE ANY PLACE HERE AT THE COURTHOUSE THAT WE COULD HAVE A ROOM THAT WE COULD 3 POTENTIALLY USE? 4 5 THE COURT: YOU CAN DO IT HERE. THIS COURTROOM IS NOT BEING USED. I DON'T KNOW IF THERE'S ANOTHER 6 7 CONFERENCE ROOM? THE CLERK: NOT REALLY, 17TH FLOOR HAS ONE, BUT 8 9 PROBABLY PEOPLE ARE IN THERE ALREADY. THERE'S AN ATTORNEY CONFERENCE ROOM IN THERE. 10 THE COURT: OKAY. ALL RIGHT. LET ME JUST COMMEND 11 YOU ALL FOR THE HARD WORK THAT YOU HAVE DONE. JUSTICE 12 13 ROBIE HAS CERTAINLY KEPT ME INFORMED TO THE EXTENT THAT 14 HE CAN WITHOUT VIOLATING ANYBODY'S PRIVILEGES OR RIGHTS. AND I AM NOT SURPRISED AT HOW EFFECTIVELY AND DILIGENTLY 15 YOU HAVE BEEN WORKING. BUT I PERSONALLY REALLY 16 17 APPRECIATE IT, AND I CAN TELL YOU THAT YOU HAVE DONE 18 GREAT WORK FOR YOUR CLIENTS. I HOPE YOU ARE ABLE TO CONCLUDE IT IN THAT FASHION, BUT THANK YOU VERY MUCH. 19 20 I, APPRECIATE IT VERY MUCH. OKAY. 21 MR. BUNN: AND WE ALL SHARE THE GRATITUDE THAT YOU 22 EXPRESSED ABOUT JUSTICE ROBIE A FEW MINUTES AGO. I THINK THAT IS UNANIMOUS. 23 THE COURT: OKAY. THANK YOU. ALL RIGHT. 24 25 MR. ZIMMER: MAKE SURE HE UNDERSTANDS THAT. HE IS

MR. ZIMMER: MAKE SURE HE UNDERSTANDS THAT. HE IS
DOING IT ON HIS OWN TIME. HE HASN'T CHARGED US --

THE COURT: HE DOESN'T GET OVERTIME FOR IT. ALL RIGHT. SO I WILL SEE YOU ON THE 13TH.

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UNIDENTIFIED ATTORNEY: AS A PROPOSED ORDER THAT WE GET AS WELL VIA EMAIL --THE REPORTER: YOUR HONOR, I NEED A NAME. THE COURT: YEAH, BUT IDENTIFY YOURSELF, PLEASE. MS. MELESKI: THIS IS KATHY MELESKI WITH MURPHY AND EVERTZ WITH THE CITY OF LANCASTER. THE COURT: ALL RIGHT. WHATEVER IS DEVELOPED IS GOING TO BE SENT OUT AS A PROPOSED ORDER, AND YOU WILL GET A COPY OF IT, THE POSTING. OKAY. THANK YOU. (SEVERAL ATTORNEYS JOIN IN SAYING "THANK YOU.") (THE PROCEEDINGS WERE THEN CONCLUDED.)

1	SUPERIOR COURT FOR THE STATE OF CALIFORNIA	
2	COUNTY OF LOS ANGELES	
3	DEPARTMENT NO. 316 HON. JACK KOMAR,	
4	COORDINATION PROCEEDING) SPECIAL TITLE (RULE 1550B)) JUDICIAL COUNCIL	
5		
6	ANTELOPE VALLEY GROUNDWATER CASES) COORDINATION NO. JCCP4408	
7		
8	PALMDALE WATER DISTRICT AND) SANTA CLARA CASE NO. QUARTZ HILL WATER DISTRICT,) 1-05-CV-049053	
9	CROSS-COMPLAINANTS,	
10	Vs.	
11	LOS ANGELES COUNTY WATERWORKS,) DISTRICT NO. 40, ET AL,)	
12	CROSS-DEFENDANTS.	
13	CROSS-DEFENDANTS.)	
14		
15	STATE OF CALIFORNIA)) SS.	
16	COUNTY OF LOS ANGELES)	
17		
18	I, GINGER WELKER, OFFICIAL REPORTER OF THE	
19	SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE	
20	COUNTY OF LOS ANGELES, DO HEREBY CERTIFY THAT THE	
21	TRANSCRIPT DATED NOVEMBER 15, 2011 COMPRISES A FULL,	
22	TRUE, AND CORRECT TRANSCRIPT OF THE PROCEEDINGS HELD IN	
23	THE ABOVE ENTITLED CAUSE.	
24	DATED THIS 1ST DAY OF DECEMBER, 2011.	
25		
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27		
28	OFFICIAL REPORTER, CSR #5585	

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LAW OFFICES OF BEST BEST & KRIEGER LLP 5 PARK PLAZA, SUITE 1500 IRVINE, CALIFORNIA 92614

PROOF OF SERVICE

I, Kerry V. Keefe, declare:

I am a resident of the State of California and over the age of eighteen years, and not a party to the within action; my business address is Best Best & Krieger LLP, 5 Park Plaza, Suite 1500, Irvine, California, 92614. On April 4, 2012, I served the within document(s):

DECLARATION OF JEFFREY V. DUNN IN SUPPORT OF LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40'S OPPOSITION TO WILLIS CLASS' MOTION FOR RECONSIDERATION OF THE COURT'S NOVEMBER 16, 2011 ORDER RE ELECTION FOR PERIODIC PAYMENTS OF THE AMENDED FINAL JUDGMENT APPROVING WILLIS CLASS ACTION SETTLEMENT OR, IN THE ALTERNATIVE, FOR RELIEF PURSUANT TO CCP SECTION 984(e)(4)

×	by posting the document(s) listed above to the Santa Clara County Superior Court website in regard to the Antelope Valley Groundwater matter.
	by placing the document(s) listed above in a sealed envelope with postage thereor fully prepaid, in the United States mail at Irvine, California addressed as set forth below.
	by causing personal delivery by ASAP Corporate Services of the document(s) listed above to the person(s) at the address(es) set forth below.
	by personally delivering the document(s) listed above to the person(s) at the address(es) set forth below.
	I caused such envelope to be delivered via overnight delivery addressed as indicated on the attached service list. Such envelope was deposited for delivery by Federal Express following the firm's ordinary business practices.
Service on that am aware that	I am readily familiar with the firm's practice of collection and processing ce for mailing. Under that practice it would be deposited with the U.S. Postal at same day with postage thereon fully prepaid in the ordinary course of business. It on motion of the party served, service is presumed invalid if postal cancellation
date or postag	ge meter date is more than one day after date of deposit for mailing in affidavit. I declare under penalty of perjury under the laws of the State of California that the

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above is true and correct.

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Executed on April 4, 2012, at Irvine, California.