

EXHIBIT E

1 SUPERIOR COURT OF THE STATE OF CALIFORNIA

2 FOR THE COUNTY OF LOS ANGELES

3 DEPARTMENT NO. 1 HON. JACK KOMAR, JUDGE

4 COORDINATION PROCEEDING)

5 SPECIAL TITLE (RULE 1550B))

6 ANTELOPE VALLEY GROUNDWATER CASES) JUDICIAL COUNCIL

7) COORDINATION

8) NO. JCCP4408

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REPORTER'S TRANSCRIPT OF PROCEEDINGS

MONDAY, AUGUST 11, 2008

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(SEE APPEARANCE PAGES)

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1 MR. HAUCK: IS THAT ...

2 THE COURT: YES.

3 MR. HAUCK: ALL RIGHT. THANK YOU.

4 THE COURT: YES. THEY ARE EXCLUDED BY AGREEMENT.

5 WHAT MR. JOYCE SAID HAS SOME MERIT TO IT IN PART. AT
6 SOME POINT WE ARE GOING TO GET HEAVILY INVOLVED IN
7 DECIDING FURTHER REFINEMENTS OF THIS CLASS, AND IT IS
8 GOING TO BE BASED ON EVIDENCE. AND IT IS GOING TO BE
9 BASED ON WHAT THE POTENTIAL RIGHTS AND RESPONSIBILITIES
10 OF THE PARTIES ARE WITH REGARDS TO PUMPING OVER A LONG
11 PERIOD OF TIME. I HAVE NO IDEA AT THIS POINT WHAT THE
12 PURVEYORS ARE GROWING TO TRY TO PRESENT BY WAY OF
13 EVIDENCE.

14 ALL WE ARE TRYING TO DO AT THIS POINT IS TO
15 GET EVERYBODY WHO HAS AN INTEREST IN THIS VALLEY WITHIN
16 THE JURISDICTION OF THE COURT. IT IS IMPORTANT TO DO
17 THAT. I UNDERSTAND THE FEDERAL GOVERNMENT REQUIREMENTS
18 AND THE STATUTORY REQUIREMENTS THAT WOULD BE
19 COMPREHENSIVE ADJUDICATION. WE ARE GOING TO ACHIEVE
20 THAT.

21 NOW WHETHER THE CLASSES ARE TOO BROAD,
22 WHETHER THEY INCLUDE PEOPLE WHO SHOULDN'T BE MEMBERS OF
23 THE CLASS, WHETHER THERE ARE CONFLICTS WITHIN MEMBERS OF
24 THE CLASS AS TO TIME PERIODS OF PUMPING, AND THE LIKE,
25 ARE MATTERS THAT ARE GOING TO BE DETERMINED AS THE
26 EVIDENCE IS PRODUCED AND DISCOVERED IN THIS CASE.

27 THERE ARE COMMONALTY AND TYPICALITY ISSUES
28 THAT SEEM TO BE IN A BROAD GENERAL WAY ESSENTIALLY

1 BEYOND ARGUMENT. AND IT THE ONLY WAY THAT THE COURT CAN
2 GIVE NOTICE TO EVERY PROPERTY OWNER IN THE VALLEY WHO
3 MIGHT HAVE SOME CLAIM OR NOT TO WATER RIGHTS WHETHER IT
4 BE AS A DORMANT OVERLYING LANDOWNER OR ACTUAL PUMPER.

5 SO THAT -- THAT'S THE REASON FOR CERTIFYING
6 THE CLASS IN THE FASHION THAT WE HAVE. WE HAVE BEEN
7 TALKING ABOUT THE -- HOW TO OBTAIN A COMPREHENSIVE
8 ADJUDICATION FOR THESE PURPOSES FOR ABOUT TWO YEARS NOW.

9 ORIGINALLY, THE COURT THOUGHT THAT IF WE
10 COULDN'T GET SOMEONE TO MOVE FORWARD WITH THE PLAINTIFFS
11 CLASS, WE NEEDED TO DO A DEFENDANT CLASS. WE THEN HAD
12 FORTUNATELY TWO VERY GOOD LAWYERS WHO HAVE OFFERED TO
13 STEP IN TO REPRESENT ESSENTIALLY A PLAINTIFFS' CLASS,
14 TWO SEPARATE CLASSES.

15 IT MAY WELL BE THAT THOSE ARE
16 EXTRAORDINARILY BROAD AND MAYBE TOO BROAD. ULTIMATELY,
17 WHEN IT COMES DOWN TO THE ULTIMATE QUESTIONS WHETHER OR
18 NOT RIGHTS HAVE BEEN INTRUDED ON OR INFRINGED UPON.

19 AT THIS POINT I'M SATISFIED TO CERTIFY BOTH
20 OF THESE CLASSES, AND I THINK I WOULD LIKE TO HEAR FROM
21 THE WILLIS CLASS IN TERMS OF THE MODIFICATION THAT HAS
22 BEEN PROPOSED WITH REGARD TO THE FIVE-YEAR PERIOD.

23 MR. ZLOTNICK, DO YOU WANT TO ADDRESS THAT,
24 AND, MR. KALFAYAN, EITHER ONE OR BOTH?

25 MR. ZLOTNICK: YOUR HONOR, DAVID ZLOTNICK FOR
26 PLAINTIFF WILLIS. WE DID NOT OPPOSE THE REQUESTED
27 MODIFICATION. FROM MY PERSPECTIVE IT MAKES THINGS A
28 LITTLE SIMPLER FOR US. SO WE DON'T HAVE ANY OBJECTION

1 TO THAT.

2 THE COURT: ALL RIGHT.

3 MR. KALFAYAN: YOUR HONOR, THE ONLY THING THAT I
4 WOULD ADD IS -- I HOPE TODAY COVERS SOME OF THE
5 DISCOVERY ISSUES, AND I THINK SOME OF THE ISSUES THAT
6 MR. JOYCE RAISED MIGHT BE ADDRESSED TODAY.

7 THE COURT: ALL RIGHT. RIGHT NOW, THOUGH, I AM
8 CONCERNED ABOUT GIVING THE CLASS DEFINITIONS AND BOTH OF
9 THESE CLASSES FIXED FOR NOW, RECOGNIZING THAT EVERYTHING
10 THAT WE ARE DOING IS PROBABLY A WORK IN PROGRESS.

11 MR. DUNN.

12 MR. DUNN: I HAVE BEEN LISTENING TO THE COMMENTS
13 OF COURT AND COUNSEL. AND JUST ON THIS ISSUE, I PROPOSE
14 THE FOLLOWING:

15 THAT THERE BE TWO CLASSES CERTIFIED BY THE
16 COURT. THE WOOD CLASS REPRESENTED BY MR. MCLACHLAN
17 WOULD BE ALL LANDOWNERS IN THE BASIN IN EITHER COUNTY
18 WHO PUMP 25-ACRE FEET OR LESS OR REGARDLESS IF THEY ARE
19 IN PUBLIC WATER SUPPLIERS SERVICE AREA OR NOT.

20 THE OTHER CLASS -- THIS IS GENERAL. THE
21 OTHER CLASS WOULD BE THE WILLIS CLASS, AND THESE WOULD
22 BE PEOPLE WHO HAVE NEVER PUMPED. AND I THINK IT WAS
23 BOLTHOUSE FARMS THAT I THINK SOMEONE PROPOSED THIS
24 ORIGINALLY. I THINK MR ZIMMER DID.

25 BUT I THINK IT HAS A CERTAIN ELEGANCE AND
26 SIMPLICITY TO IT, AND THEN IT CAN BE REFINED AS
27 INDICATED BY THE COURT COUNSEL, BUT I THINK THAT SORT OF
28 GETS TO THE COMPREHENSIVENESS ISSUE THAT WE ARE LOOKING

1 FOR.

2 THE COURT: ALL RIGHT. MR. MCLACHLAN, DID YOU
3 HEAR THAT?

4 MR. MCLACHLAN: NO. MR. DUNN'S VOICE SEEMS TO
5 DROP A LITTLE BIT WHEN HE TALKS.

6 THE COURT: WILL YOU RESTATE THAT.

7 MR. DUNN: YES. I APOLOGIZE. I'M GOING TO SPEAK
8 DIRECTLY INTO THIS MICROPHONE. GENERALLY, THERE HAVE
9 BEEN TWO CLASSES: THE WOOD CLASS WOULD BE LANDOWNERS
10 WHO PRESENTLY PUMP OR AT ANY TIME HAVE PUMPED 25-ACRE
11 FEET OR LESS. THE WILLIS CLASS WOULD BE LANDOWNERS WHO
12 TODAY DO NOT PUMP AND HAVE NEVER PUMPED. THAT IS
13 GENERALLY IT. AND THAT WOULD NOT EXCLUDE PEOPLE WITHIN
14 PUBLIC WATER SUPPLIERS SERVICE AREAS.

15 THE COURT: ALL RIGHT. MR. MCLACHLAN, WERE YOU
16 ABLE TO HEAR THAT?

17 MR. DUNN: ON THE PUMPING SIDE.

18 MR. MCLACHLAN: YEAH, I WAS ABLE TO HEAR THAT. I
19 THINK MR. JOYCE -- IT WAS CUTTING OUT, BUT I HAVE A
20 SENSE OF WHAT HE SAID. AND MY ONE CAVEAT WOULD BE THAT
21 THE NOTICE SHOULD PROBABLY GIVE PEOPLE SOME GUIDANCE AS
22 FAR AS THE TIME PERIOD. LET'S SAY YOU GET SOME GUY --
23 YOU KNOW, A GUY 90-YEARS OLD AND THE PROPERTY HAS BEEN
24 IN HIS FAMILY FOREVER, YOU KNOW, HE COULD SAY, WELL, HE
25 DIDN'T -- "IN 1920 WE WERE PUMPING LIKE CRAZY ON THIS
26 PROPERTY; AND EVERY SINCE, WE HAVEN'T BEEN." I MEAN, WE
27 NEED A TIME FRAME, A CUTOFF. IS IT 40 YEARS OR 50 YEARS
28 OR WHAT?

1 SUPERIOR COURT FOR THE STATE OF CALIFORNIA

2 COUNTY OF LOS ANGELES

3 DEPARTMENT NO. 1 HON. JACK KOMAR, JUDGE

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

14

15 I, GINGER WELKER, OFFICIAL REPORTER OF THE

16 SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE

17 COUNTY OF LOS ANGELES, DO HEREBY CERTIFY THAT THE

18 TRANSCRIPT DATED AUGUST 11, 2008 COMPRISES A FULL, TRUE,

19 AND CORRECT TRANSCRIPT OF THE PROCEEDINGS HELD IN THE

20 ABOVE ENTITLED CAUSE.

21 DATED THIS 12TH DAY OF AUGUST, 2008.

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OFFICIAL REPORTER, CSR #5585

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