

EXHIBIT N

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

FRIDAY, APRIL 24, 2009

APPEARANCES:

(SEE APPEARANCE PAGES)

GINGER WELKER, CSR #5585

OFFICIAL REPORTER

1 I GUESS THAT IS ADDRESSED TO YOU, MR. DUNN,
2 AND OTHERS.

3 MR. DUNN: MR. DUNN FOR THE ROSAMOND COMMUNITY
4 SERVICES AND WATER DISTRICT NO. 40.

5 I THINK THE BEST THING THAT I CAN TELL YOU
6 AT THIS POINT IS THAT MR. MCLACHLAN AND I HAVE HAD
7 EXTENSIVE CONVERSATION OVER EXACTLY THAT ISSUE, AND I
8 DON'T KNOW IF IT WOULD BE APPROPRIATE FOR ME TO GO ANY
9 FURTHER ON THAT WITHOUT --

10 THE COURT: WELL, YOU KNOW, YOU COULD CERTAINLY
11 MAKE WHATEVER REPRESENTATIONS TO THE COURT THAT YOU WANT
12 CONCERNING THAT ISSUE. BUT I'M REALLY ASKING YOU THE
13 QUESTION: DO YOU REALLY WANT TO PRESCRIBE AGAINST THE
14 SMALL PUMPING WHO IS PUMPING IN HIS BACKYARD TO TAKE
15 CARE OF HIS OWN WATER NEEDS WHEN HE IS OUTSIDE THE AREA
16 OF ANY OF THE PURVEYORS?

17 MR. DUNN: WELL, IF I --

18 THE COURT: IF THAT WERE THE CASE, THAT WOULD
19 CERTAINLY ELIMINATE A REAL CONCERN HERE ON BEHALF OF
20 THAT CLASS. THAT IS NOT TO SAY THAT IF THE COURT FINDS
21 THERE IS OVERDRAFT THAT THERE MIGHT BE SOME IN TERMS OF
22 THE CASE MANAGEMENT OR WATER MANAGEMENT PLAN THE NEED TO
23 REDUCE PUMPING THROUGHOUT, BUT THAT WOULD HAVE NOTHING
24 TO DO WITH THE QUESTION OF PRESCRIPTION.

25 MR. DUNN: I THINK, YOUR HONOR, WHAT WE HAVE BEEN
26 TALKING, MR. MCLACHLAN AND I, IS SOME KIND OF
27 ARRANGEMENT THAT WOULD ACCOMMODATE HIS CLASS MEMBERS
28 WHILE AT THE SAME TIME PROTECT THE OVERALL HEALTH OF THE

1 BASIN.

2 AND THAT IS SORT OF A COMPETING INTEREST, IF
3 I CAN PUT IT THAT WAY, THAT WE RECOGNIZE ON ONE HAND
4 THAT WITHIN HIS CLASS YOU ARE GOING TO HAVE SMALL
5 DOMESTIC USERS. THESE ARE SMALL HOMEOWNERS WHO ARE NOT
6 CONNECTED TO A PUBLIC WATER SUPPLIERS SERVICE AREA,
7 GENERALLY BECAUSE THEY ARE OUT IN A RURAL AREA. AND
8 THEY NEED WATER FOR DOMESTIC PURPOSES. WE ACKNOWLEDGE
9 THAT.

10 THE CONCERN THAT ALL OF US -- MANY OF US
11 HAVE IN THIS CASE IS THAT, LIKE, ANY BASIN IT IS A ZERO
12 SUM GAIN. SO WHEN YOU START ALLOCATING WATER TO ONE
13 GROUP OF INDIVIDUALS, THAT MAY NECESSARILY REQUIRE THAT
14 THERE ARE OTHER INDIVIDUALS WHO MAY HAVE TO GO WITHOUT.

15 AND WE CAN -- I DON'T THINK IT'S APPROPRIATE
16 FOR ANY OF US TO SORT OF BRING TO YOU RIGHT NOW SORT OF
17 AN ISSUE DOWN THE ROAD IN TERMS OF HOW MUCH WATER IS
18 REALLY AVAILABLE. BUT I THINK IT IS SAFE TO SAY THAT
19 THERE IS A STRONG DEBATE THAT HAS BEEN GOING ON FOR SOME
20 TIME BOTH AS TO HOW MUCH WATER IS AVAILABLE TO DIVIDE
21 AND THEN HOW TO DIVIDE THAT.

22 SO THESE DISCUSSIONS ON WHAT YOU HAVE
23 ADDRESSED SORT OF HAVE TO BE RESOLVED IN SORT OF A
24 LARGER SCHEME'S OF THINGS. THE UNITED STATES ALSO HAS
25 AN INTEREST IN THE QUESTIONS THAT YOU PROPOSE BECAUSE
26 UNDER THE MCCARRAN AMENDMENT -- YOU KNOW, THE
27 COMPREHENSIVENESS OF THE ADJUDICATION AND THE
28 QUANTIFICATION OF RIGHTS AND HEALTH AND BASIN. AGAIN, I

1 DON'T WANT TO SPEAK FOR THE UNITED STATES, BUT THEY ALSO
2 HAVE A CONCERN ON THIS.

3 BUT, ULTIMATELY, IT COMES BACK TO WHAT CAN
4 WE DO IN TERMS OF ACCOMMODATING THE NEEDS THAT ARE OUT
5 THERE WITHIN THE PARAMETERS THAT WE HAVE THAT WE KNOW TO
6 BE THE WATER AVAILABLE. AND THAT IS A DIFFICULT
7 CHALLENGE. IF IT WEREN'T, I DON'T THINK WE WOULD BE IN
8 FRONT OF YOU THESE MANY MONTHS AND NOW YEARS IF IT WAS
9 JUST SORT OF THAT SIMPLE.

10 SO I UNDERSTAND YOUR QUESTION, BUT I DON'T
11 THINK I CAN GIVE YOU THE -- A SIMPLE ANSWER AT THIS
12 POINT.

13 THE COURT: WELL, UNDERSTAND THAT ULTIMATELY IF
14 THE COURT FINDS THAT THERE IS AN OVERDRAFT HERE, WHETHER
15 THERE IS PRESCRIPTION OR NOT, THE COURT IS GOING TO HAVE
16 TO DETERMINE WHAT THE PUMPING RIGHTS ARE OF EACH OF THE
17 PARTIES. AND WE WILL DO THAT BASED UPON THE EVIDENCE AS
18 PRESENTED BY MOTION OF THE PARTIES OR BY SOME OTHER
19 METHOD.

20 BUT, ULTIMATELY, IF THERE IS OVERDRAFT AND
21 THERE IS A WATER MANAGEMENT ORDERED THAT IS A PHYSICAL
22 SOLUTION TO THE PROBLEM, THAT IS GOING TO AFFECT
23 EVERYBODY WHETHER THEY HAVE BEEN PRESCRIBED AGAINST OR
24 NOT.

25 MR. DUNN: UH-HUH.

26 THE COURT: WHEN YOU ARE TALKING ABOUT THE SMALL
27 BACKYARD PUMPER, IT JUST SEEMS TO ME THAT THE CASE WOULD
28 BE MUCH SIMPLIFIED -- AND I DON'T THINK IT AFFECTS THE