With respect to the issues for the next phase of trial, Palmdale Water District agrees with County Waterworks District No. 40 that the next phase of the trial should be limited to a determination of the safe yield of the basin and whether the basin is or has been in overdraft, and offers the following additional points in support of that position.

First, Palmdale Water District believes that a judicial determination of safe yield will materially assist the parties in settlement negotiations. It has become apparent that the lack of agreement on safe yield poses a substantial impediment to the parties' efforts to reach agreement on the remaining issues and to craft a physical solution.

Second, the determination of overdraft and safe yield requires only expert testimony and can be done on a basin-wide basis. Much of the underlying technical work has already been done.

Third, some parties have requested a jury trial on issues of prescriptive rights. Palmdale Water District does not concede that the parties are entitled to a jury trial on these issues. But, in any case, it makes sense to separate issues to be tried to the Court from those potentially to be tried to a jury.

Fourth, overdraft and safe yield can be tried much more expeditiously than prescription. As previously mentioned, the evidence will likely consist entirely of expert testimony. The underlying data has already been made available to the parties. Other than expert depositions, there should not be much additional discovery necessary. By contrast, claims of prescriptive rights will require considerable discovery and percipient witness testimony. A trial on the issues of overdraft and safe yield could be scheduled much sooner and involve much less trial time, and be a more efficient use of the parties' and the Court's resources.

If the issues in Phase 3 are limited to overdraft and safe yield, as suggested herein, Palmdale Water District believes that the trial should be scheduled as soon as reasonably possible. The District believes that an October trial date, as suggested by the federal government, is too far out and will not maintain sufficient pressure for settlement. On the other hand, the District believes than an April trial date, as suggested by County Waterworks District No. 40, is too aggressive. It would require the parties to concentrate their efforts immediately on trial preparation, and would not leave sufficient time for meaningful settlement discussions. In addition, the District believes that the concentrated, last-minute discovery in Phase 2, while perhaps unavoidable, led to an inefficient use of the Court's time as

1	well as the parties' time. There needs to be sufficient time to prepare and exchange expert reports and		
2	to conduct meaningful de	epositions.	
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4	Dated: November 21, 20	008	Respectfully submitted,
5			LAGERLOF, SENECAL, GOSNEY & KRUSE, LLP
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7			Ву:
8			Thomas S. Bunn III Attorneys for Palmdale Water District
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