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September 26, 2008

FILE NO.
27175-02

POSTED VIA COURT WEBSITE

Honorable Jack Komar
Superior Court of California
County of Santa Clara
Historic Courthouse
161 N. First Street
Dept. D17
San Jose, CA 95113-1090

Re: *Antelope Valley Groundwater Litigation*
Santa Clara County Superior Court Case No. 1-05-CV-049053
Judicial Council Coordination Proceeding 4408

Dear Honorable Komar:

On Tuesday, September 22, 2008, parties in this case appeared before you telephonically pursuant to Anaverde LLC.'s ("Anaverde") ex parte Motion relating to discovery. In that discussion, considered a court supervised "meet and confer," you requested that Anaverde and the District conduct an in-person discussion relating to the outstanding discovery.

Further discussion has occurred between Anaverde and the District regarding the discovery that the District has yet to provide. The attached letter was sent out on September 26, 2008 (inadvertently misdated September 18, 2008) to the District requesting further clarification of the recent excel spreadsheet provided by them. Anaverde also requested the names of the employees of the District responsible for working with the spreadsheet, as well as other documents referenced by the District but not produced thus far.

In addition to our discovery requests, a deposition is requested of the PMQ for the excel spreadsheet of data provided by the District. Inconsistencies in the updated excel sheet as

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September 26, 2008

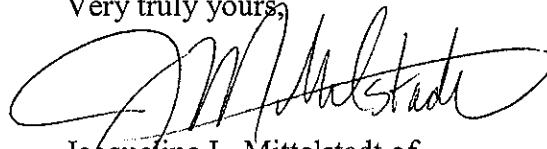
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compared to the previously provided one have raised concern as to the credibility of the document, and Anaverde would like to discuss this with those involved in creating and maintaining the spreadsheet. Anaverde also requested that documents surrounding the creation of the document such as well data and forms to the Department of Health and Service ("DH&S") regarding the original creation of the wells, be produced at the deposition. Should such a production not be possible, Anaverde requested that we be allowed to further peruse and copy documents both before and after 1998 regarding the District's wells in the hopes of obtaining a more complete set of data.

In addition to the issues being discussed with the District, Anaverde has also submitted a letter requesting further discovery from Quartz Hill Water District ("QHWD"), which is also attached. Thus far QHWD has provided only two documents in response to our discovery requests. This issue was not referenced in the ex parte conference as it came to light afterwards, but Anaverde would like to make the court aware of it. A letter dated September 26, 2008 was sent to QHWD requesting more extensive responses and refuting the objections made to many of the discovery requests.

In conclusion, we continue to discuss discovery issues with both the District and QHWD and hope to come to a mutual agreement without the necessity of court intervention. This letter is meant to keep you apprised of all ongoing negotiations.

Very truly yours,

A handwritten signature in black ink, appearing to read "J. Mittelstadt", written over a horizontal line.

Jacqueline L. Mittelstadt of
LEWIS BRISBOIS BISGAARD & SMITH LLP

JLM:me

Enclosures

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September 18, 2008

FILE NO.
27175-02

VIA E-MAIL

Stefanie D. Hedlund, Esq.
Daniel S. Roberts, Esq.
Best Best & Krieger LLP
5 Park Plaza, Suite 1500
Irvine, CA 92614

Re: *Antelope Valley Groundwater Litigation*
Santa Clara County Superior Court Case No. 1-05-CV-049053
Judicial Council Coordination Proceeding No 4408

Dear Counsel:

Thank you for meeting with us on Wednesday, September 23, 2008, regarding outstanding discovery issues. On that date, you provided us an excel spreadsheet which you represented was an "update" to the previously provided excel spreadsheet. As you explained, though no "database" exists containing this data and therefore cannot be produced, the Excel spreadsheet is a "living document" which is continually updated. Each printout of the spreadsheet is a "snapshot" of the "living document" on the date of printing. We are somewhat unclear about this concept because the subsequent version was significantly and materially different than the first in a variety of ways.

During our meeting, we indicated we would likely require a PMK deposition to further explore the process by which the "living document" is made and who will authenticate the document at trial. You replied that you believed your trial team would be amenable to such a deposition in the event we could narrowly, or more precisely than the previous PMK notice, specifically define the scope of information sought. We expect that scope to also explore the nature of the data used to fill in the spreadsheet, retention and maintenance policies of that data and corresponding production of specific categories of documents as further described below. Please provide a date upon which this PMK deposition may be held which is convenient to you and your client representative. We anticipate that it will not be very long in duration. If you need

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additional clarity please contact me as soon as possible, and I will endeavor to provide additional details.

At the conclusion of our meeting, you indicated that despite your busy calendar, you would follow-up with your client to obtain available information regarding our inquiries. As a follow-up to our discussion, Ms. Huangfu sent a synopsis of our questions on Sept. 25, 2007. Later that evening at approximately 7:30 p.m., we received Ms. Hedlund's reply to the inquiries. For clarity purposes, I would like to address each one specifically below. Should we need to meet and confer further in person please contact us as soon as possible. We would be available to do so on Monday or Tuesday, or other convenient day you specify.

1. Regarding when well coordinates were maintained: Ms. Hedlund's response was that the District fills out a form for the Department of Health and Safety ("DH&S") when a new well is drilled. We need to see the original forms filed with the DH&S for the District's wells.

2. Regarding the underlying data relied upon to create the spreadsheet: According to Ms. Hedlund's response, although Anaverde's Request for Production called for both pre-1998 and post-1998 data, your client apparently only "produced" the pre-1998 data. Inexplicably, none of the current data, which apparently is in the District's Antelope Valley field office, was provided. Copies of these documents should be produced immediately.

As to the pre-1998 data that was produced, unfortunately, due to issues outside of Anaverde's control, but within the control of your client, there was insufficient time to review the documents for purposes of identifying all documents needed. Anaverde's counsel arrived at the designated time of 9 a.m. Upon arrival, our representatives were forced to wait approximately two hours prior to commencing a review of the documents. As a result, only two of the anticipated five hours were available to Mr. Salazar, counsel for Anaverde, to review a voluminous amount of data before he needed to catch his return flight home. As a result, it appears we do not have copies of this pre-1998 data. We would either request an opportunity to peruse the documents again, and are available on Friday Oct. 3, 2008, in Los Angeles or Costa Mesa to do so, or we request that the District produce the specific categories of documents at the PMK deposition pursuant to an RFP for that deposition. I would appreciate your response at your earliest convenience.

3. Regarding a sample field measurement form: Although Ms. Hedlund attached a field measurement form "sample," it is not helpful. We hoped to receive a relevant sample. The

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field notes she provided pre-date both of the two spreadsheets produced by the District. As a result, it holds no value to our ability to view a field note which was used as underlying data to create the "living document" spreadsheet. We assume that these field notes are included in the binders referred to by Ms. Hedlund in No. 2 above. As such, production at the PMK deposition, or on Friday Oct. 3, 2008, at a mutually convenient location, should allay our concerns. If they are not included in the binders, please provide a relevant sample as well as specify whether the documents will be produced at the PMK deposition, or on Friday, Oct. 3, 2008.

4. Regarding the person who can authenticate the spreadsheet, and who is responsible for data entry: Ms. Hedlund merely replied "District staff." Given that it is a document created and maintained by the District, this is a response we could have surmised on our own. Please identify the names, classification level, department and department supervisors of all individuals whose job requirements include responsibility at any level for the creation, maintenance, data entry and quality control of the spreadsheet, and for any documents upon which it is based. In this fashion, we can ascertain whether one PMK deposition will suffice or not.

5. Finally, the spreadsheet which the District provided two days ago references Southern California Edison Well Efficiency Tests. These test documents are responsive to Anaverde's RFPs and have not been provided. Anaverde copied a document labeled a "Waterworks District Well Edison Efficiency Test & Summary" with 1999 interposed in handwriting in the title at the prior document review mentioned above. However, this document is not in fact an Efficiency test with a summary. Please produce all well efficiency test results and summaries in the District's possession which are referenced in any way in the Sept. 24, 2008 spreadsheet.

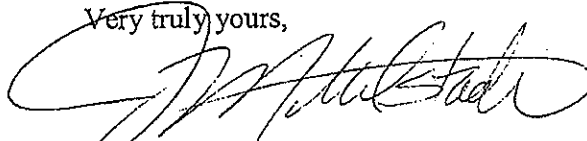
We are hopeful that further court intervention will not be required. To this end, we have offered to provide an RFP for these specific categories of documents, which the District would provide at the PMK deposition (but which contemplates receipt of the information regarding responsible individuals in No. 4 above in advance of that time), or that we would accept an opportunity to review all the documents discussed in this letter on Friday Oct. 3, 2008, along with a separate PMK deposition for authenticity and manner of creation of documents and the spreadsheet more fully discussed above. I respectfully request that on or before Monday, Sept. 29, 2008, 5 p.m., you provide a proposed date for the PMK deposition, and selection of one of the two methods of document production which you prefer.

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Stefanie D. Hedlund, Esq.
Daniel S. Roberts, Esq.
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Please feel free to contact me with any questions or concerns. I look forward to hearing from you on Monday.

Very truly yours,

A handwritten signature in black ink, appearing to read 'J. Mittelstadt', with a large, sweeping flourish at the end.

Jacqueline L. Mittelstadt of
LEWIS BRISBOIS BISGAARD & SMITH LLP

JLM:me

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September 26, 2008

FILE NO.
27175-02

VIA E-MAIL

Bradley Weeks, Esq.
Quartz Hill Water District
1007 W. Ave. M-14, Suite A
Palmdale, CA 93551-1443

Email: brad@charltonweeks.com

Re: *Antelope Valley Groundwater Litigation*
Santa Clara County Superior Court Case No. 1-05-CV-049053
Judicial Council Coordination Proceeding No. 4408

Dear Mr. Weeks:

This letter represents our attempt to meet and confer on discovery and to obtain adequate discovery responses and documents. To date, we have received a PDF image copy of the 2007-2008 standing water levels for the nine identified Quartz Hill Water District ("QHWD") wells, attached hereto as Exhibit 1. We previously discussed the non-responsive nature of your discovery responses and agreed that upon receipt of production well data, in amounts pumped per acre feet for 2007-2008, groundwater elevation levels for 2007-2008, and production capacity, your discovery responses would be complete.

Unfortunately, QHWD did not provide *responsive* documents to Anaverde's Request for Production of Documents ("RFP"), Sets One and Two. We requested that all responsive documents be produced in "standard database format, such as DBF; Microsoft Access; or any ODBC compatible format." (Anaverde's RFP, Sets One at 3:24-26; Anaverde's RFP, Set Two at 3:25-27.)

On September 9, 2008 and September 16, 2008, you provided two PDF image file attachments, including a document entitled "Exhibit One", reflecting production well data, and a document entitled "Wells 2007/Wells 2008", reflecting water levels for 2007 and 2008. These documents are attached hereto as Exhibit 1 and Exhibit 2. QHWD produced PDF attachments rather than database format. As

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Bradley Weeks, Esq.
September 26, 2008
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a result, it is difficult, time consuming, and costly for Anaverde's expert to accurately recreate the data in a usable format.

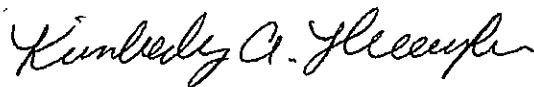
We respectfully request that you provide these two attachments in database format as requested. Our previous agreement regarding the data timeframe, as well as the person most knowledgeable deposition, was contingent upon, and contemplated a production in usable format.

In RFP, Set One, Nos. 29 and 30, we requested information on the chemistry of the water. QHWD made blanket assertions that "this interrogatory [sic] as fully compliance with this interrogatory [sic] would impose an unreasonable burden on the responding party in that responding party would be required to research thousands of wells and provide information not within its personal knowledge." (See generally, Anaverde's RFP, Set One, Nos. 21-31). This objection is inaccurate. Anaverde's requests are limited to those wells "identified in [QHWD's] response to Special Interrogatory No. 2, [Set One] served concurrently with this Request for Production." (*Id.*) QHWD's response to that special interrogatory was to identify nine wells. Consequently, QHWD must simply provide data for merely nine wells which are within QHWD's control.

As to RFP, Set One, No. 30, QHWD asserted the same objection. For the same reason described above, the objection fails. This boiler objection is without merit in this instance given that experts were designated over one month before QHWD responses were served.

Finally, as to a variety of your responses, QHWD objects on the grounds that these requests seek information that is "irrelevant to the subject matter of Phase 2 trial." We disagree and believe Anaverde is entitled to responses. However, in light of the fact that trial is within ten days, if you waive, in writing, any challenge to subsequent duplicate requests in Phase 3, then we will forgo the immediate production of responsive documents as to any requests other than RFP, Set One, Nos. 29 and 30. Absent receipt of the written waiver and the data in database format, on or before Tuesday, September 30, 2008, by 5 p.m., we will schedule an in-person meet and confer.

Very truly yours,



Kimberly A. Huangfu of
LEWIS BRISBOIS BISGAARD & SMITH LLP

KAH:me

EXHIBIT ONE

Name	Location	Well depth	Owner	USGS Well ID	UTM Coordinates	Casing size(inch)	Screen Interval (Ft)	Test Flow (GPM)	Elv. (Ft.)
Well #5a	43156 50th St. West	670 ft.	QHWD	25M02S	7N/13W	16	365-650	500	2425
Well #6a	3201 West Ave L.	608 ft.	QHWD	30Q02S	7N/12W	16	399-608	450	2450
Well #7a	42964 Sachs	570 ft.	QHWD	30K02S	7N/12W	16	390-560	900	2425
Well#8	3050 West Ave K-8	620 ft.	QHWD	30J01S	7N/12W	14	300-612	750	2400
Well #9	43339 40th St. West	622 ft.	QHWD	25H01S	7N/13W	16	295-500	1250	2400
Well #12	43349 45th St. West	660ft	QHWD	25F01S	7N/13W	16	295-545	1000	2400
Well #14	43245 51st St. West	720 ft	QHWD	26H01S	7N/13W	16	400-700	250	2400
Well #15	43402 West Ave. K-4	650 ft.	QHWD	25-S	07N/13W	16	420-620	500	2400
Well #16	4766 West Ave. K	650ft.	QHWD	25-S	07N/13W	16	350-640	450	2375

EXHIBIT ONE

WELLS 2007

WELL #	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTALS
5A	13.4	5.46	11.66	13.44	16.68	26.84	38.58	40.65	18.68	21.86	5.12	0.48	212.9
6a	3.9	0.63	0	0	0	0	0	0	0	3.12	1.91	0	9.6
7A	8.4	11.05	27.67	29.08	40.13	48.92	52.32	46.22	30.21	22.04	16.6	34.95	367.6
8	15.6	13.11	15.69	20.77	30.85	38.54	47.66	38.58	16.62	15.59	16.6	23.61	293.2
9	10.99	8.14	31.33	41.31	57.92	63.36	72.05	74.7	30.46	33.07	21.12	36.44	480.9
12	7.8	10.96	16.2	20.76	30.02	31.45	33.68	32.92	7.91	17.85	8.66	11.37	229.6
14	0.87	2.88	6.05	6.56	8.6	13.82	19.45	20.21	9.7	11.36	4.04	10.07	113.6
15	9.4	5.86	12.21	13.01	17.06	27.17	35.14	40.04	19.04	22.76	8.26	19.28	229.2
16				4.87	12.68	20.05	26.6	26.15	13.91	13.98	5.82	12.6	136.7
Total	70.36	58.08	120.81	149.80	213.94	270.15	325.48	319.47	146.53	161.63	88.13	148.80	2073.2

WELLS 2008

WELL #	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTALS
5A	2.74	12.50	11.91	19.41	32.04	39.95	40.57	37.16					196.3
6a	0	2.86	1.54	0	0.04	0	0	7.63					12.1
7A	25.63	21.52	27.17	32.1	47.9	68.64	61.71	57.18					341.9
8	19.86	15.75	22.21	21.27	52.37	64.37	60.12	67.29					323.2
9	41.83	31.37	14.45	30.34	64.45	70.78	87.41	85.53					426.2
12	10.71	7.81	9.32	5.41	21.77	28.32	38.64	39.42					161.4
14	6.08	5.71	6.76	8.86	15.89	20.95	19.66	18.73					102.6
15	12.64	13.27	10.74	12.17	32.95	45.44	41.05	39.1					207.4
16	8.31	7.57	8.53	11.8	21.29	27.36	25.92	24.44					135.2
Total	127.80	118.36	112.63	141.36	288.70	365.81	375.08	376.48	0.00	0.00	0.00	0.00	1906.2