

Phelan Piñon Hills Community Services District

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November 19, 2008

Honorable Jack Komar, Judge
Santa Clara County Superior Court
191 North First Street, Department 17
San Jose, CA 95113

Re: Antelope Valley Groundwater Litigation Santa Clara County Superior Court Case No. I-05-CV-04953,
Judicial Council Coordination Proceeding 4408

Dear Judge Komar:

Phelan Piñon Hills Community Services District ("Phelan Piñon Hills CSD") is a community services district recently organized under the Community Services District Law (Government Code section 61000, *et seq.*) On behalf of the 21,000 residents of the unincorporated communities of Phelan and Piñon Hills in western San Bernardino County whom we serve, we write to you to request a delay in Phase 3 proceedings so that we may intervene in the adjudication. Even though we have not been served with a summons in the adjudication, we have recently learned that our principal water supply well, located just over the county line in Los Angeles County, may become subject to your court's injunction. We understand that we must become a party to the pending adjudication as soon as possible and we have directed our counsel to do so.

Phelan Piñon Hills CSD serves the population in a 128-square-mile area of San Bernardino County. The western border of the CSD is on the county line between Los Angeles County and San Bernardino County. The San Bernardino County Local Agency Formation Commission approved formation of Phelan Piñon Hills CSD in March of this year. Phelan Piñon Hills CSD's official date of inception is March 18, 2008. As the successor to certain county services areas previously governed by the San Bernardino County Board of Supervisors, Phelan Piñon Hills CSD's primary tasks and obligations include the provision of municipal water service, street lighting, parks and park maintenance, and recreation

Board of Directors

Mike Adams, Director

Mark Roberts, President

Ken Anderson, Director

Charlie Johnson, Vice President

Al Morrisette, Director

throughout the 128- square mile service area. We are just beginning to operate fully, and have only recently hired a general manager, operations staff, accountant, and general counsel.

One of the first tasks undertaken by the Board of Directors of Phelan Piñon Hills CSD was to review our water supply system. As part of that review, we have now learned that our principal groundwater production well is apparently located within the boundaries of the land area subject to the Antelope Valley Groundwater adjudication pending in your court. Our predecessor, the County of San Bernardino, acquired this land from Los Angeles County in 1999. We believe that the County of Los Angeles did not disclose the pending adjudication to the County of San Bernardino at the time of the sale of land, when the County of Los Angeles knew that the land was being acquired by the County of San Bernardino for the express purpose of constructing the production well now located on that site. Our concern is that the adjudication will curtail or eliminate our present practice of exporting water from that well across the San Bernardino/Los Angeles County line into our service area in San Bernardino County. Should production of water from this well be curtailed or barred, our community would have no substitute water supply to meet our water demand. This is our primary well, and there are no additional rights available for purchase or lease under the Mojave Adjudication. There are also no facilities available for the delivery of water from the State Water Project.

As we understand the adjudication, Phelan Piñon Hills CSD would be considered a “significant producer” as the term is defined in the adjudication. We also understand that you required the County of Los Angeles to name in the litigation and serve all significant producers. We do not believe that the County of Los Angeles has named Phelan Piñon Hills CSD as a significant producer. As of yet, the Clerk of the Board of Directors of Phelan Piñon Hills CSD has not been served with a summons in the adjudication. We believe that our predecessor-in-interest to the production well, the County of San Bernardino, was not notified of the pending adjudication nor served with a summons.

On November 12, 2008, the Board of Directors Phelan Piñon Hills CSD voted to retain special water rights counsel. We understand that the confirmation of water rights in the basin is the primary, if not the sole, issue in the adjudication. As we understand it, the pending adjudication could result in impairment, impediment, or even extinguishing of Phelan Piñon Hill CSD’s water rights. We further understand that all of the other parties to the

adjudication appear to be adverse to Phelan Piñon Hills CSD's water rights and interest. Our interests and water rights are therefore inadequately represented by any of the present parties. We therefore believe that if Phelan Piñon Hills CSD does not immediately enter into the adjudication, we will be unable to advocate on behalf of, and therefore will be unable to protect, our existing water rights.

We therefore write to notify you of our intent to file a petition to intervene, and/or apply for joinder, at the earliest possible date. Given our anticipated attempts to enter into the adjudication, we further request that Phase 3 of the trial be postponed until we have intervened and answered any cross-complaints. Our attorney will also require time to review the issues and the facts, and to evaluate our position.

We respectfully request that you post this letter on the court's website, as soon as possible and before the next Case Management Conference, so as to give notice to the other parties of our intent to evaluate our position, and prepare and file papers to intervene.

Sincerely,



Mark Roberts, President