ELLISON, SCHNEIDER & HARRIS L.L.P. Anne J. Schneider, Esq. (Bar No. 72552) 2 2015 H Street Sacramento, California 95814-3109 3 Telephone: (916) 447-2166 SPECIAL REFEREE 4 5 6 7 SUPERIOR COURT OF THE STATE OF CALIFORNIA 8 COUNTY OF SAN BERNARDINO, RANCHO CUCAMONGA DIVISION 9 10 CHINO BASIN MUNICIPAL WATER CASE NO. RCV 51010 11 DISTRICT, Judge: Honorable J. Michael Gunn 12 Plaintiff. SPECIAL REFEREE'S REPORT AND 13 COMMENTS CONCERNING ٧. WATERMASTER'S TRANSMITTAL 14 OF REVISED RULES AND THE CITY OF CHINO. REGULATIONS 15 Defendants. Date: July 19, 2001 16 Time: 2:00 p.m. 17 Dept: 8 18 I. 19 INTRODUCTION 20 On February 15, 2001, the Watermaster Board and Advisory Committee unanimously 21 approved and adopted a complete revision of the rules and regulations for the basin, entitled "Chino 22 Basin Watermaster Rules and Regulations" (hereinafter "New Rules"). On April 19, 2001, the Court 23 24 tentatively approved the New Rules subject to: (1) Watermaster's adoption of the changes and 25 clarifications discussed in the Special Referee's Report on Workshop and Comments Regarding Watermaster's Revised Rules and Regulations; (2) modification of the New Rules' definition of 26 27 "Minimal Producer" to be consistent with the Judgment or Judgment modification of the definition

of "Minimal Producer;" (3) modification of the New Rules to provide notice to the Court and all

be referenced in and attached to the New Rules. In addition the Order requires that the New Rules be amended to provide notice to the Court of any new or modified policies or procedures adopted by the Board.

In Appendix 2 of the New Rules Watermaster has included two policies and procedures: "Chino Basin Watermaster Agricultural Area Monitoring Program Notification Procedure for Distribution of Groundwater Quality Data" and "Chino Basin Watermaster Procedure, Guidelines and Fee Schedule for Release of Information and Documents." Watermaster represents in its transmittal that "with the exception of those policies and procedures which pertain to wholly internal affairs such as personnel matters" these are the only existing Watermaster policies and procedures.

Section 2.21 of the New Rules, which pertains to the Annual Report, has been modified to state that the Annual Report shall include "a compilation of any amendments to the Rules and Regulations made by Watermaster during the prior twelve (12) months and serve as notice to the Court of the amendments." Section 3.0 of the New Rules, which pertains to the scope of Watermaster's monitoring activities, has been modified to provide that monitoring procedures shall be implemented through the development of appropriate Watermaster policies and procedures. Further, "[a]ny such policies and procedures adopted by resolution or minute action shall be reported to the Court in Watermaster's annual report." Presumably, the parties' intention is that all policies and procedures adopted by Watermaster (which do not pertain to wholly internal affairs), including those unrelated to monitoring activities, shall be reported to the Court in the Annual Report along with any new or modified rules and regulations.

D. OBMP Reports

Section 2.21 of the New Rules, which pertains to the Annual Report, has been modified to provide that the Annual Report "shall generally include an update on the status of the parties' efforts to implement the OBMP." Further, "[o]n a biannual basis, the annual report shall include an engineering appendix which contains a more specific 'state of the Basin' report including an update on the status of individual OBMP related activities such as monitoring results and Watermaster' analysis of Hydrologic Balance.

It is important to note that the OBMP reporting that is to be included in the Annual Report

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                                                     Judge: Honorable J. Michael Gunn
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active parties of new or revised policies and procedures adopted by the Board. The Court set the instant hearing date to consider final approval of the New Rules. Watermaster reports that the requested modifications have been made. The modifications have been submitted to the Court in the form of a redlined copy of the New Rules, along with a transmittal discussing the changes made to the New Rules. The modifications submitted to the Court did not include Appendix 1 forms.

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DISCUSSION

The Special Referee has carefully reviewed the redlined version of the New Rules and notes that nearly all of the recommended changes and clarifications have been made. However, several issues require clarification.

A. Safe Yield and Operating Safe Yield

The parties' commitment to recalculate Safe Yield in year 2010/2011 is included as section 6.5 of the New Rules. In addition, changes have been made to the provisions regarding Annual Production Right and New Yield. As modified, Article VI provides consistency between the New Rules and the Judgment. The Referee notes, however, that in Watermaster's transmittal on page 3, lines 15-28, there is a discussion about New Yield serving as a tool to accommodate adjustments to "Operating Safe Yield." A review of the New Rules reveals that, consistent with the Judgment, any adjustments made would be to "Safe Yield," not "Operating Safe Yield." The Referee assumes that this is a typographical error in the transmittal.

B. Definition of Minimal Producer

The definition of "Minimal Producer" has not been changed to conform to the definition contained in the Judgment, i.e., that a Minimal Producer is one "whose production does not exceed five acre-feet per year." The Court's April 19 Order requires either that the definition be modified or that a Judgment modification be sought. Watermaster's transmittal does not indicate that the parties intend to seek Court approval of a Judgment modification that would change the definition of Minimal Producer to one whose production does not exceed ten acre-feet per year.

C. Policies and Procedures

The Court's April 19 Order requires that all existing Watermaster policies and procedures

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It is important to note that the OBMP reporting that is to be included in the Annual Report

is not intended as a substitute for the ten biannual reports the Court previously ordered to be filed by Watermaster at the end of March and the end of September of each calendar year. The OBMP reporting included in the Annual Report will supplement the biannual reports, which will follow the format prescribed in the Special Referee's Report and Recommendation Concerning Motion to Extend Nine-Member Board.

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CONCLUSION AND RECOMMENDATION

The Special Referee recommends the New Rules be given final approval, subject to the Watermaster committing to revise the definition of "Minimal Producer" to be consistent with the Judgment, and providing Appendix I forms consistent with Special Referee's Report on Workshop and Comments Regarding Watermaster's Revised Rules and Regulations.

Dated: July 16, 2001

Anne A Schneider, Special Referee