# SUPERIOR COURT FOR THE STATE OF CALIFORNIA FOR THE COUNTY OF SAN BERNARDINO

CHINO BASIN MUNICIPAL WATER DISTRICT,

Plaintiff,

VS.

CITY OF CHINO, et al.,

Defendants

CASE NO. RCV 51010

ORDER TO SHOW CAUSE WHY COURT SHOULD NOT CONTINUE THE HEARING ON MOTION FOR APPROVAL OF PEACE II DOCUMENTS

Date: Nov. 15, 2007

Dept: 8

Time: 1:30 p.m.

Introduction

On October 25, 2007, Chino Basin Watermaster filed a Motion for Approval of Peace II Documents. The motion has three exhibits: A, B & C. Exhibit A consists of a four-page resolution, with twelve attachments (Watermaster Resolution No. 07-05 and Attachments A – L). One of those attachments, Attachment K, has three exhibits (Peace II Agreement and Exhibits 1-3). Exhibit B consists of the Draft – 2007 CBWM Groundwater Model Documentation and Evaluation of the Peace II Project Description, dated October 2007 (hereinafter "Draft Technical Report"). Exhibit C is the

28 ///

Declaration of Mark Wildermuth. The motion, with all of its exhibits and attachments (Peace II documents), consists of hundreds of pages.

It is an extraordinary effort that was made to get the motion and all of the documents filed before the end of October so the hearing on the motion could be held before the end of the year. It is obvious that everyone involved in the "Peace II" process has been working diligently to reach a consensus. The Court appreciates all of your efforts.

### Discussion

From the Court's review of the motion and attached documents, the question arises whether or not there is sufficient time for a thorough consideration of the motion before the end of the year. The Peace II documents include three documents that propose amendments to the Judgment. Attachments "H" and "I" are proposed Judgment amendments to address the problem of continued underutilization of Non-Agricultural Pool rights by allowing additional transferability options. Attachment "J" is a proposed Judgment amendment that will authorize Watermaster to initiate Basin Re-operation strategy, which would include an additional 400,000 acre-feet of "controlled overdraft" over and above the 200,000 acre-feet allowed by the Judgment in 1978. Watermaster's motion indicates this proposed amendment is of foremost importance to the Court's analysis. (Motion, p. 14, Ins. 1-3.) Review of these proposed Judgments is brought under Paragraph 15 of the Judgment.

The Peace II documents also include a document that proposes amendments to the Peace Agreement, Attachment "L." These amendments propose to (1) increase the 50,000 acre-foot Peace Agreement cap on local supplemental water storage to 100,000 acre-feet, and (2) limit the availability of OBMP credits available through Rules and Regulations Form 7, to activities whose purpose is to address subsidence issues. Review of these proposed Peace Agreement amendments is brought under Paragraph 31 of the Judgment.

28 || ///

A number of other documents are included that propose a variety of miscellaneous actions. These are to be reviewed under Paragraph 31 of the Judgment. These documents include: (1) the Purchase and Sale Agreement for water from the Non-Agricultural Pool; (2) the Supplement to the OBMP Implementation Plan; (3) the Peace II Agreement; and (4) proposed amendments to Watermaster's Rules and Regulations.

Other documents have been submitted to assist the Court in its review. These include the Project Description and two reports from Dr. David Sunding, analyzing the economic consequences of the Peace II measures.

It is apparent that a considerable amount of time will be spent analyzing the Peace II documents. Moreover, it appears that there are several distinct orders sought by Watermaster in this filing (i.e., several motions have been combined in one). When Watermaster sought Court approval of the Peace Agreement in 2000, three separate metions were filed: one seeking Court approval of Watermaster's commitment to act in accordance with the Peace Agreement; one seeking Court approval of the proposed Judgment Amendments; and one seeking Court approval of amendments to Watermaster Rules and Regulations.

The Court also is concerned that the technical review supporting Basin Reoperation is not yet complete. The Draft Technical Report is "... labeled a draft report, because we [Wildermuth Engineering] intend to continue to refine and develop our analysis as we move forward over the next few months." (Declaration of Mark Wildermuth, p. 9, Ins. 16-17.) "As of the date of this declaration, additional work is being done to refine the model projections and this additional work will be included in a final report." (Id. at p. 2, Ins. 14-15.)

Watermaster asserts that the technical review is an essential part of the motion. "Perhaps the most important document that has been submitted to assist the Court is the technical review of the Basin Re-operation strategy that has been prepared by Wildermuth Environmental [Draft Technical Report]" (Motion, p. 10, Ins. 1-5.) Because

of the significance of this document, the Court must see the final report before issuing its ruling on the motion.

Finally, the Court is aware of the magnitude of its decision. Watermaster asserts that the Basin Re-operation strategy "is the centerpiece of the Peace II measures" (Motion, at p. 11, ln. 4) and "has far reaching implications." (Id. at p. 6, ln. 10.) "The Basin Re-operation strategy is a very large project with significant consequences that will have impacts for future generations. The initiation of a project of this magnitude necessitates a high degree of caution." (Id. at p. 12, lns. 8-10.) The Court agrees wholeheartedly that the highest degree of caution must be exercised in considering the implications of the Basin Re-operation strategy.

The Special Referee's report may allay some of the Court's concerns; However, the Special Referee's report may engender additional concerns that the Court will want addressed at the hearing on November 29, 2007. Therefore, it is suggested that Mr. Wildermuth be present, prepared to be sworn, and take the witness stand to testify regarding the concerns expressed herein and such further questions as may be raised in the Special Referee's report, which, hopefully, will be filed prior to the November 29, 2007 hearing herein.

## <u>Order</u>

The Court anticipates that a significant investment of time will be necessary to carefully review the documents. The Court also is most interested in receiving the Special Referee's Report. Finally, the Court has not yet received Wildermuth Environmental's final technical analysis and report. For these reasons and because of the importance of the decision, the Court motu proprio intends to continue the hearing on Watermaster's motion, absent sufficient cause being shown by, among other things, testimony of Mark Wildermuth elicited on November 29, 2007. To aid the Court in its preparation for the November 29, 2007 hearing, a declaration by Mark Wildermuth, showing all of the changes made in the final Technical Report or a red-lined version of the report, would be helpful.

Therefore, any and all interested parties are hereby ordered to appear on November 29, 2007, at 1:30 p.m. to show cause why the Court should not continue the hearing on Watermaster's Motion for Approval of Peace II Documents to a mutually agreed upon date in early 2008 or, in the alternative, be prepared to have Mr. Wildermuth present to address the concerns of the Court as hereinbefore stated.

IT IS SO ORDERED.

Dated: November 15, 2007

J. Michael Gunn, Judge

# CHINO BASIN WATERMASTER Case No. RCV 51010 Chino Basin Municipal Water District v. The City of Chino

#### **PROOF OF SERVICE**

#### I declare that:

I am employed in the County of San Bernardino, California. I am over the age of 18 years and not a party to the within action. My business address is Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California 91730; telephone (909) 484-3888.

On November 15, 2007 I served the following:

1)	ORDER TO SHOW CAUSE WHY COURT SHOULD NOT CONTINUE THE HEARING ON
	MOTION FOR APPROVAL OF PEACE II DOCUMENTS

/_x_/	BY MAIL: in said cause, by placing a true copy thereof enclosed with postage thereon fully prepaid, for delivery by United States Postal Service mail at Rancho Cucamonga, California, addresses as follows:  See attached service list: Mailing List 1
//	BY PERSONAL SERVICE: I caused such envelope to be delivered by hand to the addressee.
//	BY FACSIMILE: I transmitted said document by fax transmission from (909) 484-3890 to the fax number(s) indicated. The transmission was reported as complete on the transmission report, which was properly issued by the transmitting fax machine.
/_x_/	BY ELECTRONIC MAIL: I transmitted notice of availability of electronic documents by electronic transmission to the email address indicated. The transmission was reported as complete on the transmission report, which was properly issued by the transmitting electronic mail device.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on November 15, 2007 in Rancho Cucamonga, California.

Janine Wilson

Chino Basin Watermaster

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