

FEE EXEMPT

FILED
SUPERIOR COURT
COUNTY OF SAN BERNARDINO
RANCHO CUCAMONGA DISTRICT

APR 25 2008

BY *[Signature]*
DEPUTY

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5 Attorneys For
6 CHINO BASIN WATERMASTER

7
8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF SAN BERNARDINO

10 CHINO BASIN MUNICIPAL WATER
11 DISTRICT

12 Plaintiff,

13 vs.

14 CITY OF CHINO, ET AL.

15 Defendant.

Case No. RCV 51010

[Assigned for All Purposes to the
Honorable J. MICHAEL GUNN]

**WATERMASTER'S RESPONSE TO
COMMENTS OF SPECIAL REFEREE ON
WATERMASTER COMPLIANCE WITH
DECEMBER 21, 2007 ORDER
CONDITIONS 1 THROUGH 4**

Hearing Date: May 1, 2008
Time: 2:00 pm
Dept: R8

BROWNSTEIN HYATT FARBER SCHRECK, LLP
21 East Carrillo Street
Santa Barbara, CA 93101

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21 **I. INTRODUCTION**

22 On December 21, 2007, the Court issued its *Order Concerning Motion for Approval of Peace*
23 *II Documents* ("Peace II Order"). The Order approved Watermaster's October 27, 2007, *Motion for*
24 *Approval of Peace II Documents* subject to nine conditions subsequent. To a large extent these
25 conditions consolidated substantive commitments made by Watermaster and the Parties through
26 various legal instruments comprising the Peace II Documents.

27 Pursuant to the Order, Conditions One through Four were to be fulfilled by April 1, 2008.
28 Unlike those filings and approvals that were derived from the Peace II Documents, Conditions Two

1 and Three arise solely from the Court Order. This Court set for hearing for May 1, 2008 at 2:00 pm
2 for the purpose of reviewing the responses to the conditions and to approve the responses to
3 Conditions Two and Three.

4 On April 11, 2008, Monte Vista Water District filed its *Response to Watermaster's*
5 *Compliance with Conditions Subsequent Numbers Three and Four, etc.* On April 16, 2008, the
6 Special Referee filed her *Comments of Special Referee on Watermaster Compliance with December*
7 *21, 2007 Order Conditions 1 through 4.* The Special Referee finds no fault with Watermaster's filing
8 regarding Condition 1. Although Watermaster has made timely and responsive filings regarding
9 Conditions 2 and 3, the Special Referee suggests that the filings may not be approved until
10 Watermaster files a motion requesting such relief. As for Condition Number 4, the Special Referee
11 recommends that Watermaster be required to make further showings in the future. The following is
12 Watermaster's Response to these filings.

13 **II. SPECIAL REFEREE COMMENTS REGARDING CONDITIONS SUBSEQUENT**
14 **TWO AND THREE**

15
16 The Special Referee concludes that Watermaster has made timely filings with respect to each
17 of Conditions 2 and 3. The Special Referee also finds that the filings satisfy the substantive
18 elements of the Court's request: ". . . the court should approve those submittals as responsive to
19 those Conditions Subsequent" (Special Referee Comments 8:17.)¹ However, the Special
20 Referee does not recommend that the Court approve Conditions Two and Three, because of a
21 procedural difference of opinion as to whether Watermaster should have proceeded by filing a new
22 motion requesting approval of the filing. ". . . Watermaster has not yet filed its motion for court
23 approval of the documents it submitted in response to Conditions Subsequent 2 and 3." (Special
24 Referee Comments 2:28-3:1.)

25
26 ¹ The Special Referee correctly notes that Table 3-5c from the Wildermuth Condition Number 3
27 Report is inconsistent with the table submitted by Watermaster in response to Condition Number
28 Two. The Referee requests clarification regarding this discrepancy. The table submitted with the
Wildermuth Report is incorrect. Corrected Table 3-5c is attached to this pleading as Exhibit "B."
The corrected Table 3-5c is identical to the table submitted to the Court in satisfaction of Condition
Number 2.

1 Watermaster's rationale for not proceeding by new motion has its genesis in the December
2 21, 2007 Order of the Court and the characterization of the follow-up filings as conditions
3 subsequent to the Court's approval of the *initial motion*. Watermaster understood that its submittals
4 to the requirements were within the context of the original Motion and the conditions do not
5 expressly require the filing of a separate motion unless the Peace II instruments and the expectations
6 of the Parties contemplate it. In relevant part, the December 21 Order provides:

7
8 2. By February 1 2008, Watermaster shall *prepare and submit* to
9 the Court for approval a corrected initial schedule to replace
10 Resolution No. 07-05 Attachment "E", together with an explanation of
11 the corrections made.

12 3. By March 1, 2008, Watermaster shall *prepare and submit* to
13 the Court for approval a new Hydraulic Control technical report that
14 shall address all factors included in the Special Referee's Final Report
15 and Recommendations. The new Hydraulic Control report shall
16 include technical analysis of the projected decline in safe yield, and a
17 definition and analysis of "new equilibrium" issues. (December 21,
18 2007 Order Concerning Motion for Approval of Peace II Documents a
19 p. 8, emphasis added.)

20 The very nature of these submittals was more ministerial in character. No Parties' individual
21 rights or obligations were expanded or contracted by the filings. No Parties gained new rights or
22 remedies by clarifying a discrepancy between the initial schedule that was transmitted to the Court
23 prior to the completion of the Wildermuth Final Report and therefore obsolete and the one that was
24 subject to Watermaster's closing briefing. The same can be said of Mr. Wildermuth's independent
25 expert report to the Court as requested in fulfillment of Condition Three. Consequently, Watermaster
26 believed it was proceeding under the earlier order and that no "new relief" was being requested.
27 (See Declaration of Michael T. Fife, ¶ 3, attached to this pleading as Exhibit "A.") That is, the very
28 nature of a condition subsequent relates to the earlier Motion for Court approval.

29 Watermaster's filing with respect to Condition Two explicitly referenced the Court's Order
30 directing that Condition Two was to be submitted for approval. (Watermaster's January 31, 2008
31 Filing 3:9-11.) Moreover, Watermaster specifically requested Court approval of the Wildermuth
32

1 report in its submittal. ("Watermaster respectfully requests that the Court approve this report."
2 Watermaster's March 3, 2008 Filing 1:21-22.)

3 Watermaster's method of proceeding also appeared proper given that a hearing date had been
4 scheduled for May 1, 2008 for the express purpose of reviewing and approving the submittals. The
5 act of scheduling a motion for the purpose of having its submittals approved seemed redundant and
6 unnecessary.

7 Similarly, Monte Vista Water District's "Response to Watermaster's Compliance with
8 Conditions Subsequent" and its "Request for Additional Time" were not made by noticed motion,
9 but were rather framed within the context of Watermaster's October 27, 2008 Motion. With the vast
10 service and the open character of the Watermaster process, no person can fairly claim surprise or
11 prejudice by the absence of the word "motion" from the pleading caption.

12 Nevertheless, if the Court prefers that Watermaster proceed by new motion, Watermaster
13 respectfully requests the Court to deem its timely and responsive submittals as motions. There is no
14 prejudice to the Court or any of the parties. All of the reports were timely filed; there is a hearing
15 date on calendar, all of the parties received notice and at least one party has filed a responsive
16 pleading. (See Declaration of Michael T. Fife, ¶ 4, attached to this pleading as Exhibit "A.") No
17 party has raised any procedural objection concerning the identification of the requests for approval
18 as "responses" rather than "motions." (See *Generally Fundin v. Chicago Pneumatic Tool Co.*, 152
19 Cal. App. 3d 951, 955 (1984).)

20 **III. SPECIAL REFEREE'S COMMENTS REGARDING CONDITION SUBSEQUENT**
21 **NUMBER FOUR**

22
23 Condition subsequent number four provides:

24
25 By April 1, 2008, Watermaster shall report of the Court on the status
26 of CEQA documentation, compliance, and requirements, and provide
27 the Court with assurances that Watermaster's approval and
participation in any project that is a "project" for CEQA purposes has
been or will be subject to all appropriate CEQA review.

28 (December 21, 2007 Order Concerning Motion for Approval of Peace II Documents a p. 8.)

1 In compliance, Watermaster reported on the status of CEQA documentation for projects to
2 date. The report included determinations made by the lead agencies under CEQA – Western
3 Municipal Water District and Inland Empire Utilities Agency. The Special Referee opines that,
4 “Watermaster’s Response to Condition Subsequent 4 does not provide assurances to the court that
5 Watermaster’s approval and participation in the Peace II project will be subject to all appropriate
6 CEQA review.” (Special Referee Comments 7:14-16.)

7 The Special Referee acknowledges that Watermaster reported that CEQA review is
8 underway and partially completed for the entire desalter expansion including increased groundwater
9 pumping for the desalters. (Special Referee Comments 6:19-7:9.) The Special Referee also
10 acknowledges that CEQA review has been initiated for “further items” relating to Peace II, including
11 Basin Re-Operation and Hydraulic Control and that sufficient funds have been budgeted for this
12 purpose, but calls in to question “what these further items are.” (Special Referee Comments 7:10-
13 13.)

14 It bears pointing out that Watermaster itself is not conducting CEQA review. As an arm of
15 this Court, functioning as a special master, it leaves the decisions regarding CEQA compliance to the
16 parties to the Judgment that are subject to CEQA. No person has suggested that IEUA or Western is
17 not properly designated as “Lead Agency” within the meaning of CEQA. No party to the Judgment
18 or member of the public has contested the timing or the adequacy of any aspect of the CEQA process
19 related to the implementation of the Peace II Measures. Accordingly, there is no claim or any
20 evidence that CEQA has not or will not be satisfied.

21 Watermaster does have a standard against which it may evaluate claims of CEQA
22 compliance or non-compliance. The full scope of the Peace II measures is described in the “Project
23 Description” which is attachment “A” to Watermaster Resolution 07-05 which is attached to the
24 Peace II Agreement as Exhibit “1.” Attachment “A” provides that the Project Description set forth
25 therein will be used in, “any environmental impact report to be prepared as part of the expansion of
26 the desalters.” (Project Description for the 2007 Amendment to the Chino Basin Optimum Basin
27 Management Program at p. 1.) The Special Referee’s Report overlooks the fact that the “Project
28 Description” for the “Project” that is the subject Condition Number Four has already been written,

1 and that under the Peace II Agreement this is the Project Description that is to be used for the
2 appropriate CEQA review. Accordingly, under the Court's December 21, 2007 Order, Watermaster
3 must assure that in any appropriate CEQA review, this is the Project Description that will be used at
4 least insofar as Watermaster has review or approval authority.

5 The Special Referee recommends that, "The court should require Watermaster to report back
6 . . . to further explain action to be taken in compliance with CEQA for the entire desalter expansion,
7 increased groundwater pumping for the desalters, hydraulic control and basin reoperation activities,
8 and the overall changes that are to proceed under the auspices of the Peace II order." (Special
9 Referee Comments 7:16-20.) Watermaster has no objection to keeping the Court apprised of the
10 procedural processing and analysis, either through a report on CEQA compliance or referenced and
11 encompassed within other Watermaster filings.

12 However, the Special Referee additionally recommends that, "Watermaster should return to
13 the court with a full description of what its analysis of 'further items relating to Peace II, including
14 Basin Re-Operation and Hydraulic Control' means, including submitting to the court for its review
15 the scope of work now being proposed. Watermaster should also provide to the court a full
16 discussion of what it views as the 'project', and whether and on what basis it concurs with the WEI
17 Final Response Report with respect to definition of the project to be analyzed for CEQA purposes,
18 and the baseline to be used in CEQA analysis." (Special Referee Comments 8:8-14.) Watermaster
19 respectfully disagrees.

20 Although Watermaster is not a party to the Peace II Agreement, by Resolution and by order
21 of this Court, Watermaster is bound to follow the project definition set forth in the Peace II
22 Measures. It has no right to expand, contract or to modify what it has previously pledged to respect
23 and use. Watermaster itself offered the WEI Final Response Report in satisfaction of its obligations
24 under the Court's Order. It can hardly disavow its contents. There is little mystery as to views of
25 Watermaster.

26 Watermaster easily spent more than a million dollars in technical analysis and modeling of
27 potential adverse impacts that may be attributable to the Peace II measures. It subjected its work to
28 review by the assistant to the Special Referee, all independent of CEQA, for the purpose of

1 providing assurances to the parties, to the Court and to the public generally that adverse impacts
2 were insignificant or avoided. Thus, in many ways, Watermaster has already completed a technical
3 review of impacts similar or the functional equivalent of CEQA.

4 Another reason this extensive review and analysis was undertaken by Watermaster was for
5 the very purpose of providing the Court with a reservoir of information and analysis regardless of
6 what was forthcoming from CEQA. As this Court is aware, Watermaster is not the entity
7 responsible for conducting CEQA review.

8 Under CEQA, the "lead agency" is "the public agency which has the principal responsibility
9 for carrying out or approving [a] project which may have a significant effect upon the environment."
10 (Cal. Pub. Res. Code § 21067.) Historically, Watermaster has not expressed advisory opinions on
11 which agency should be "lead agency" or expressed opinions on the adequacy of environmental
12 review. The lead agency determination is set forth in the CEQA Guidelines. (CEQA Guidelines §§
13 15051, 15052.) "Each public agency must meet its own responsibility under CEQA and shall not
14 rely on comments from other public agencies or private citizens as a substitute for work...a Lead
15 Agency is responsible for the adequacy of its environmental documents." (CEQA Guidelines §§
16 15020.)

17 Watermaster has accepted the determinations of each lead agency, subject to the rights of any
18 member of the public or party to the Judgment to challenge the determinations within the applicable
19 statute of limitations. Where there is no comment or challenge and when the statute of limitations
20 have run, there is no case of controversy before Watermaster regarding CEQA and substantial
21 evidence supports a finding of CEQA compliance.

22 For the purpose of CEQA review, Watermaster views the "Project" as what is described in
23 the "Project Description." The Project Description describes Basin Re-Operation, Hydraulic Control,
24 and further items such as expanded desalter capacity. Watermaster has assured that CEQA review
25 has been or will be subject to all appropriate CEQA review. As reported previously, this review is
26 underway and Watermaster is further assisting this process by providing sufficient funding.

27 If this Court wishes Watermaster to dictate to the lead agency *how* it should conduct its
28 CEQA review, Watermaster will of course comply. However, we respectfully submit that requiring

1 Watermaster to act in this way, rather than report the actions of others, may have consequences
2 beyond the Peace II measures and may establish precedent for virtually any project that intersects
3 with Watermaster's review and regulation.

4 **IV. MONTE VISTA WATER DISTRICT'S RESPONSE**

5 On April 11, 2008, Monte Vista Water District filed its *Response to Watermaster's*
6 *Compliance with Conditions Subsequent Numbers Three and Four of the Court's 12/21/2007 Order;*
7 *Request for Additional Time to Evaluate Watermaster's Compliance with Condition Subsequent*
8 *Number Three; and Withdrawal of Monte Vista Water District's Joinder to Watermaster's Motion*
9 *for Approval of Peace II Documents.*

10 On April 24, 2008, the Watermaster Advisory Committee and Board voted unanimously to
11 authorize legal counsel to execute the stipulation with Monte Vista Water District attached hereto
12 and incorporated herein by this reference as Exhibit "C." As presented, the executed stipulation
13 resolves the concerns expressed by Monte Vista Water District in its Response pursuant to the terms
14 of the stipulation.

15
16
17 Dated: April 25, 2008

BROWNSTEIN HYATT FARBER SCHRECK, LLP

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19 By: 

20 Scott S. Slater
21 Michael T. Fife
22 Amy M. Steinfeld
23 Attorneys for Chino Basin Watermaster
24
25
26
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9 FOR THE COUNTY OF SAN BERNARDINO

10 CHINO BASIN MUNICIPAL WATER
11 DISTRICT

12 Plaintiff,

13 vs.

14 CITY OF CHINO, ET AL.

15 Defendant,

Case No. RCV 51010

[Assigned for All Purposes to the
Honorable MICHAEL GUNN]

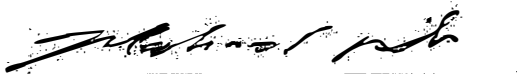
DECLARATION OF MICHAEL T. FIFE IN
SUPPORT OF WATERMASTER'S
RESPONSE TO COMMENTS OF
SPECIAL REFEREE ON WATERMASTER
COMPLIANCE WITH DECEMBER 21,
2007 ORDER CONDITIONS 1 THROUGH
4

Hearing Date: May 1, 2008
Time: 2:00 pm
Dept: R8

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BROWNSTEIN HYATT FARBER SCHRECK, LLP
21 East Camino Street
Santa Barbara, CA 93101

1 On April 24, 2008, I, Michael T. Fife, declare as follows:
2 1. I am an attorney licensed to practice law before the courts of the state of California. I am an
3 attorney with Brownstein, Hyatt, Farber, & Shreck, counsel for Chino Basin Watermaster. I have
4 personal knowledge of the following, and, if called as a witness, I would and could testify
5 competently thereto.
6 2. I reviewed the Order of this Court issued on December 21, 2007 which approved
7 Watermaster's Motion for Approval of Peace II Documents.
8 3. The Order set forth nine conditions subsequent that derived exclusively from Watermaster's
9 Motion and consequently, General Counsel assumed that no new motion needed to be filed as the
10 relief being requested was within the scope of the original motion.
11 4. The pleadings filing the Conditions Subsequent 2 and 3 were timely, served on the parties
12 and a hearing has been set for May 1, 2008 to provide the parties with notice and opportunity to be
13 heard regarding the same.
14 5. The pleadings expressly referenced the need for Court approval of Conditions Subsequent 2
15 and 3.
16 6. I am aware of no party that has claimed they did not received notice of the Watermaster
17 filings.
18
19 I declare under penalty of perjury under the laws of the State of California that the foregoing is true
20 and correct.
21
22 Executed on April 24, 2008 at Santa Barbara, California.



Michael T. Fife

Table 3-5c
Alternative 1C Desalter Replenishment with Most Rapid Depletion of the Reoperation Account and
New Yield Estimated through Simulation
 (acre-ft/yr)

Fiscal Year	Desalter Pumping	New Yield	Re-Operation			Residual Replenishment Obligation
			Replenishment Allocation for Desalter III	Replenishment Allocation to CDA	Balance	
2006 / 2007	26,350	0	0	26,350	400,000	0
2007 / 2008	26,350	0	0	26,350	373,650	0
2008 / 2009	26,356	0	0	26,356	347,300	0
2009 / 2010	26,356	0	0	26,356	320,944	0
2010 / 2011	28,965	0	0	28,965	294,588	0
2011 / 2012	31,574	75	0	31,500	265,622	0
2012 / 2013	34,182	442	5,000	28,740	234,123	0
2013 / 2014	36,791	962	10,000	25,829	200,383	0
2014 / 2015	39,320	1,629	10,000	4,554	164,554	0
2015 / 2016	39,320	2,255	10,000	0	150,000	23,137
2016 / 2017	39,320	2,771	10,000	0	140,000	27,065
2017 / 2018	39,320	3,275	10,000	0	130,000	26,549
2018 / 2019	39,320	3,767	10,000	0	120,000	26,045
2019 / 2020	39,320	4,283	10,000	0	110,000	25,553
2020 / 2021	39,320	4,764	10,000	0	100,000	25,037
2021 / 2022	39,320	5,198	10,000	0	90,000	24,556
2022 / 2023	39,320	5,570	10,000	0	80,000	24,122
2023 / 2024	39,320	5,854	10,000	0	70,000	23,750
2024 / 2025	39,320	5,959	10,000	0	60,000	23,466
2025 / 2026	39,320	5,834	10,000	0	50,000	23,361
2026 / 2027	39,320	5,698	10,000	0	40,000	23,486
2027 / 2028	39,320	5,546	10,000	0	30,000	23,622
2028 / 2029	39,320	5,479	10,000	0	20,000	23,774
2029 / 2030	39,320	5,594	10,000	0	10,000	23,841
					0	23,726
Totals	866,045	74,953	175,000	225,000		391,091

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Attorneys For
CHINO BASIN WATERMASTER

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

CHINO BASIN MUNICIPAL WATER
DISTRICT

Plaintiff,

vs.

CITY OF CHINO, ET AL.

Defendant.

Case No. RCV 51010

[Assigned for All Purposes to the
Honorable J. MICHAEL GUNN]

**Stipulation Addressing Monte Vista Water
District's Comments in Response to
Watermaster's Submittals in Satisfaction of
Conditions Subsequent Three and Four**

Hearing Date: May 1, 2008
Time: 2:00 pm
Dept: R8

IT IS HEREBY STIPULATED by and between Watermaster and Monte Vista Water District
("Monte Vista") as follows:

RECITALS

A. WHEREAS, October 25, 2007, Watermaster filed a Motion for Approval of Peace II Documents ("Watermaster Motion"), which referenced a Preliminary Technical Report in which model runs predicted among other things, a substantial decline in safe yield may occur unless steps were taken to mitigate the causes.

B. WHEREAS, Watermaster, through its counsel, has previously acknowledged its concern over projected declines in Operating Safe Yield.

C. WHEREAS, on December 21, 2007 the Court issued an Order approving the Peace II Measures and instructing Watermaster to proceed in accordance with its terms, subject to the satisfaction of specific conditions subsequent.

D. WHEREAS, Watermaster filed timely submittals with the Court regarding its compliance with Conditions Subsequent Three and Four.

E. WHEREAS, on April 10, 2008, Monte Vista timely filed its comments to Watermaster's compliance with Conditions Subsequent Three and Four.

F. WHEREAS, Watermaster has represented to the parties to the Judgment and the Court in open court and in previous filings that it will address the decline predicted by the model in safe yield through a comprehensive Recharge Master Planning effort that would consider measures that can mitigate any declines and offset the effects.

G. WHEREAS, Section 8.1 of the Peace II Agreement expressly provides that the Recharge Master Plan must address, "how the Basin will be contemporaneously managed to secure and maintain Hydraulic Control and subsequently operated at a new equilibrium at the conclusion of the period of reoperation."

H. WHEREAS, Section 8.3 of the Peace II Agreement expressly conditions the availability of "any portion" of the 400,000 acre-feet upon Watermaster's maintaining full compliance with its Recharge Master Planning efforts.

I. WHEREAS, Condition Subsequent Number Eight of the Court's Order approving the Peace II Measures further established time requirements and incorporated the Special Referee recommendations to clarify Watermaster's obligations to aggressively guard against declines in Operating Safe Yield.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED THAT:

1. Watermaster's Recharge Master Planning effort, which is now underway, will fully and fairly consider each of the issues raised by Monte Vista in its comments on Conditions Subsequent Three and Four. Prior to its adoption of a final Recharge Master Plan jointly with the Inland Empire Utilities Agency

and submittal of the Recharge Master Plan to the Court for approval, and upon request by any party, Watermaster will provide a fair written summary to the parties of its rationale for the inclusion and rejection of any action or recommendation.

2. No Party to the Judgment, including Monte Vista, shall be deemed to have waived any objections or responses to objections regarding: (a) the adequacy of any element of the Recharge Master Plan for any reason, including, but not limited to, the issues raised in Monte Vista's comments; and (b) access to the 400,000 acre-feet.

3. Pursuant to Special Referee's recommendation, Watermaster shall include in its submittal in compliance to Condition Subsequent Eight, a comprehensive analysis and explanation of how and whether Watermaster will schedule redetermination of safe yield and calculate replenishment obligations, in light of the model's predicted safe yield decline over time, mitigation measures reasonably anticipated under the Recharge Master Plan, the priorities to unallocated agricultural pool water and other considerations consistent with the Judgment as amended. To assist in a determination of an appropriate baseline condition, prior to July 1, 2008 Watermaster will compile credible information and complete a reasonable range of analysis, including a best case and worst case, regarding the quantity of water that is unproduced by the Agricultural Pool. Watermaster will then apply the range of projections of agricultural pool production against the predicted declines in Safe Yield. Using the procedures provided in the Peace II Measures Watermaster will calculate the potential impacts on the Operating Safe Yield and individual parties' share thereof. In interim filings with the Court regarding the Recharge Master Plan, Watermaster will adhere to a commitment to provide a holistic approach and the requirement that the Final Recharge Master Plan must address the issues described in this paragraph, in the Special Referee Recommendations incorporated into the December 21, 2007 Order and in the Peace II Measures.

4. Watermaster shall update the court within a reasonable period of time the further actions to be taken in compliance with CEQA for the entire desalter expansion, increased groundwater pumping for the desalters, hydraulic control and basin reoperation activities, and the overall changes that are to proceed under the auspices of the Peace II order or as the Court may otherwise order.

5. Consistent with the obligation of Watermaster to obtain Court approval of groundwater storage agreements constituting a Storage and Recovery Agreement, Watermaster will request Court approval for any changes to any Storage and Recovery Agreements and address any contractual inconsistencies between a proposed or amended Storage and Recovery Agreement and the Peace I and Peace II Measures.

6. Monte Vista acknowledges that under the terms of this Stipulation, the concerns raised in its filing will be addressed, and it therefore withdraws its comments and any relief requested therein, provided, however, all parties to the Judgment including Monte Vista reserve their rights, whatever they may be, to request legal or equitable relief to address Watermaster's compliance with the Judgment, the Orders of the Court, Peace I and the Peace II measures.

7. Any party to the Judgment may seek the Court's review of compliance with any obligation set forth herein in response to any Watermaster filing related to the preparation and approval of the Recharge Master Plan.

Dated: April 24, 2008

BROWNSTEIN HYATT FARBER SCHRECK, LLP

By: 

Scott S. Slater

Michael T. Fife

Amy M. Steinfeld

Attorneys for Chino Basin Watermaster

Dated: April 25, 2008

MONTE VISTA WATER DISTRICT

By: 

Arthur G. Kidman

McCormick, Kidman & Behrens

Attorney for Monte Vista Water District

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 April 25, 2008 I served the following:

1) WATERMASTER'S RESPONSE TO COMMENTS OF SPECIAL REFEREE ON WATERMASTER COMPLIANCE WITH DECEMBER 21, 2007 ORDER CONDITIONS 1 THROUGH 4

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.

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 April 25, 2008 in Rancho Cucamonga, California.



JANINE WILSON
Chino Basin Watermaster

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