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	8	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
	•	FOR THE COUNTY OF SAN BERNARDINO	
	0	CHINO BASIN MUNICIPAL WATER	Case No. RCV 51010
HRE	1	DISTRICT	[Assigned for All Purposes to the
SER SC reet 3101	2	Plaintiff,	Honorable JOHN P. WADE]
TVATT FARBER 21 East Carrillo Speed Sunta Barbara, CA 93101	3	VS.	WATERMASTER TRANSMITTAL OF HEARING OUTLINE
HYAT 21 East Sauta Bar	4	CITY OF CHINO, ET AL. Defendant.	Hearing Date: February 2, 2009 Time: 9:30 AM
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BROWN	7		
	8		
1	9	At the November 13, 2008 hearing, the Court directed Watermaster to appear on February 2	
2	0	and 3, 2009 to address the status of the physical solution and the corresponding effort to recharge	
2	1	and replenish water, and to provide an overview of the Optimum Basin Management Program	
2	2	("OBMP") and its compliance with previously imposed commitments and requirements, including	
2	3	commitments regarding "governance." Watermaster viewed the most appropriate response to the	
	4	Court's request to be the provision of testimony and oral explanations that are intended as a	
	5	substitute for the often voluminous written status reports. Consequently it has advised the parties to	
	6	the Judgment of its intention to present witness and offer testimony in a non-adversarial manner and	
	8	it has encourage parties to cooperate in its approa	

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Moreover, in an effort to provide the parties to the Judgment with a full and fair opportunity to evaluate Watermaster's proposed responses, Watermaster committed to provide the Court and the parties with an outline of its intended witnesses and testimony in preparation of the February 2 and 3 hearing. Consistent with that commitment, an outline of Watermaster's intended presentation is attached to this pleading as Exhibit "A"

In addition, counsel for Watermaster has proposed a number of procedural stipulations that will allow for a more orderly and efficient presentation of information to the Court working with legal counsel to avoid objections. These stipulations have been presented to Counsel for the parties of record electronically. As of the date of this transmittal, Watermaster Counsel has a good faith belief there are no objections to the procedural stipulations.

I. Preparation of Outline and Testimony

16 A first draft of the hearing outline, including a proposed witness list was distributed at the 17 Watermaster Advisory Committee and Board meetings on December 18, 2008 and electronically 18 distributed to the Watermaster attorneys on December 19, 2008. Watermaster scheduled informal 19 conference calls with the parties' attorneys on January 10, 2009, January 16, 2009 and January 26, 20 2009, and an in-person meeting at the Watermaster offices on January 21, 2009 in order to receive 21 comments on the outline and associated intended testimony. All Watermaster witness preparation 22 sessions were open to all parties, and summaries of expected testimony with references to potential 23 24 exhibits were distributed to the parties as they were developed. No exhibits or demonstrative 25 material has been concealed from any party or their counsel. A draft of this pleading was distributed 26 to the parties on January 20, 2009. Filing of the pleading and outline followed a final discussion by 27 the Advisory Committee and Board on January 22, 2009. 28

II. Content and Structure of Watermaster Hearing Presentation

Watermaster believes that its intended February 2 and 3, 2009 presentation will be responsive to the Court's November 13, 2008 description of the intent of the hearing.

Watermaster Counsel will begin by providing an overview through an opening statement. Watermaster will describe the OBMP, and will provide an overview and a status report on Watermaster's progress in implementation of the plan. The OBMP is composed of nine program elements and Watermaster will present testimony on each of these program elements by the person or persons most knowledgeable of these elements. The testimony will present both a historical description of the OBMP and its elements, as well as a summary of where the program currently stands.

During the course of its testimony concerning the OBMP, Watermaster will place special emphasis on testimony concerning the update of the Recharge Master Plan. This is the plan for replenishing the overproduction in the Basin that was of major concern for the Court in its December 21, 2007 Order. As part of the February 2 and 3, 2009 hearing, Watermaster has also submitted for approval, in compliance with Condition Subsequent Number Seven, a revised schedule of the updates for the Recharge Master Plan.

At the November 13, 2008 hearing, the Court observed the allegation that Watermaster may not be in compliance with certain conditions and requirements. Watermaster will present testimony and other evidence to provide a clear report as to the specific requirements established by the Court, by Watermaster on its own motion, by agreement with the parties to the Judgment, or otherwise and the context for achieving the respective requirements. The Court especially noted allegations

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concerning Watermaster's compliance with commitments regarding governance. Watermaster will
 present specific testimony on this subject.

III. Procedural Stipulations

With the exception of Watermaster's motion to approve Condition Subsequent Number Seven, there is no matter presently "at issue" before the Court that require a substantive determination. Consequently, Watermaster and the parties to the Judgment intend to constructively address the Court's request to use the February 2nd and 3rd hearing to provide Watermaster's summary of present status. Watermaster and the parties recognized that to fully articulate all of the details and all parties' views of the numerous OBMP program elements would take much longer than two days. Watermaster's approach to this task is to present the person most knowledgeable about each subject. While the hearing presentation is Watermaster's status report, in some instances the persons testifying are not Watermaster staff. However, in each instance, any party will testify from his or her own perspective. Other parties may disagree with such perspectives and Watermaster has assured the parties that the presentation of these perspectives at this hearing is not intended to foreclose any party's presentation of evidence at a subsequent hearing that controverts the expressed views. Thus, to increase the likelihood that this summary can be provided most effectively and efficiently, Watermaster Counsel has proposed the following procedural stipulations:

The hearing testimony will be structured as a "status report" on the physical solution and
Watermaster's compliance with relevant commitments and requirements.

2. Each party reserves their respective rights to, without prejudice, produce evidence to rebut or controvert evidence as to any matter that is at a later time placed "at issue" pursuant to a subsequent order of the Court, a party's motion or review of Watermaster action.

3. At the February 2, 2009 hearing, all parties shall have the opportunity to ask clarifying questions at the conclusion of any witness' testimony. The parties stipulate that any such clarifying questions shall be solely for the purpose of establishing that there may be alternative viewpoints.

4. If any party wishes to produce additional witnesses, a list of such witnesses and there intended testimony shall be distributed to the parties by January 26, 2009. If any party wishes to produce additional witnesses, such witnesses shall be produced at the point in the hearing where that witness' testimony will be most relevant. For example, any additional witnesses whose testimony concerns the issue of desalters will be put on immediately following Watermaster's witness on the issue of desalters. If a witness' testimony cannot be so categorized, then the party putting on such witness agrees to work in good faith with Watermaster prior to the hearing to agree upon an appropriate place for that witness' testimony. Watermaster Counsel reserves the right to present rebuttal testimony to address new material introduced by the party witnesses, if any.

S. No party shall raise evidentiary objections to testimony including but not limited to the
fellewing: (a) lack of foundation as to testimony or exhibits, (b) questions that call for a narrative
answer, (c) hearsay, etc.

6. No party shall be required to qualify any expert witnesses. Any party shall be free to elicit testimony about the background and qualifications of its witness if it believes that such would be helpful to the Court.

7. Any party's failure to raise a objection regarding the matters identified in paragraphs 5 and 6 will not be construed as a waiver of the right to make such an objection at a subsequent hearing.

8. All parties reserve the right to present closing comments in the event that a witness provides surprise testimony and such comments shall be limited to clarifying that there are alternative viewpoints. Any party who intends to provide closing comments shall timely provide notice to the other parties at the conclusion of the testimony that has caused the surprise.

9. It has been represented to Watermaster counsel that discussions among some of the parties are ongoing regarding governance and procedural issues that may result in recommendations to the Court in a separate proceeding in connection with the reappointment of the Watermaster Board in 2011 regarding changes to the Watermaster process.

22 Dated: January 26, 2009

BROWNSTEIN HYATT FARBER SCHRECK, LLP

hud ph

Scott S. Slater Michael T. Fife Attorneys for CHINO BASIN WATERMASTER

Exhibit A

EXHIBIT "A"

Chino Basin Watermaster February 2, 2009 Hearing Outline

I. Opening Statement

II. Governance

- A. Ken Willis, Watermaster Board President.
 Introduction of the 9 Member Board. The Board will be put on the stand as a panel to be introduced and to be available for cross examination or questions from the judge.
- B. Geoff Vanden Heuvel, Watermaster Board Member. History of nine-member Board; Board governance commitments and Board compliance.

Graphics: Organizational chart

III. History

Physical Setting and History

- A. Ken Manning, CEO Chino Basin Watermaster Institutional; context of Chino Basin within CA, funding, etc.
- B. Mark Wildermuth, Wildermuth Environmental Technical; development of OBMP
- C. Sheri Rojo, CFO/Assistant General Manager, Chino Basin Watermaster Watermaster administration; budget and assessments

Graphics: Land use maps; model; location maps

IV. OBMP

- A. Data Collection and the Model: Time History and Cost Program Element 1 – Monitoring Andy Malone, Wildermuth Environmental
- B. Program Element 4 MZ1 Management

Subsidence
 Andy Malone, WEI – data collection; Long Term Plan; costs
 Dave Crosley, City of Chino – Subsidence
 Ron Craig, City of Chino Hills – Subsidence

2. MZ1 Recharge Issues Mark Kinsey, Monte Vista Water District – Recharge Issues

C. Recharge Master Plan
 Program Element 2 – Recharge
 Program Element 5 – Regional Supplemental Water Supply Program
 Mark Wildermuth, WEI

Graphic: Bar chart showing decline in stream bed recharge

D. Storage

Program Element 8 – Groundwater Storage Management Program Element 9 – Storage and Recovery Program Robert Deloach, Cucamonga Valley Water District

E. Water Quality

Program Element 6 – Cooperative Programs with Regional Board Maximum Benefit Industrial Plumes Ken Manning, Chino Basin Watermaster Gerry Thibeault, Executive Director, Regional Water Quality Control Board

Graphic: Map showing plumes

- F. Salt Management/Recycled Water Program Element 7 – Salt Management Rich Atwater, Inland Empire Utilities Agency
- G. Desalters Program Element 3 – Water Supply for Impaired Areas Program Element 7 – Salt Management Ken Jeske, City of Ontario

V. The Future – 15 to 20 year horizon Ken Manning

VI. Closing Statements

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 January 26, 2009 I served the following:

1) WATERMASTER TRANSMITTAL OF HEARING OUTLINE

- I_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 January 26, 2009 in Rancho Cucamonga, California.

Alexandra Perez

Chino Basin Watermaster

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