| 1  | SUPERIOR COURT OF THE STATE OF CALIFORNIA          |
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| 2  | FOR THE COUNTY OF SAN BERNARDINO                   |
| 3  | DEPARTMENT H HON. J. MICHAEL GUNN, JUDGE           |
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| 5  | CHINO BASIN MUNICIPAL )                            |
| 6  | WATER DISTRICT, )                                  |
| 7  | PLAINTIFF, )                                       |
| 8  | vs.  |
| 0  | ) SUPERIOR COURT<br>) CASE NO: RCV-51010           |
| 9  | CITY OF CHINO,                                     |
| 10 | )  |
| 11 | DEFENDANT. )                                       |
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| 13 | REPORTER'S TRANSCRIPT OF ORAL PROCEEDINGS          |
| 14 | THURSDAY, NOVEMBER 5, 1998                         |
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| 16 | APPEARANCES:                                       |
| 17 | LEMIEUX & O'NEILL                                  |
| 18 | BY: WAYNE LEMIEUX<br>200 N. WESTLAKE BLVD          |
| 19 | SUITE 100<br>WESTLAKE VILLAGE, CA                  |
| 20 | 91362-3755   |
| 21 | BEST BEST & KRIEGER                                |
| 22 | BY: ARTHUR L. LITTLEWORTH 3750 UNIVERSITY AVENUE   |
|    | RIVERSIDE, CALIFORNIA<br>92502                     |
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| 26 | REPORTED BY: COLLEEN C. SOUTHWICK CSR-RPR NO. 9949 |

1 APPEARANCES CONTINUED: 2 BRUNICK, ALVAREZ 3 & BATTERSBY BY: STEVEN M. KENNEDY 4 1839 COMMERCENTER WEST SAN BERNARDINO, CA 5 92412 6 MCCORMICK, KIDMAN & BEHRENS 7 BY: DAVID D. BOYER IMPERIAL BANK BUILDING 8 695 TOWN CENTER DRIVE SUITE 1400 9 COSTA MESA, CALIFORNIA 92626-1924 10 STATE OF CALIFORNIA 11 DEPARTMENT OF JUSTICE BY: MARILYN H. LEVIN 12 300 S. SPRING STREET SUITE 500 13 LOS ANGELES, CALIFORNIA 90013 14 15 16 17 18 19 20 21 22 23 24 25 26

RANCHO CUCAMONGA, CALIFORNIA; THURSDAY, NOV. 5, 1998 1 DEPARTMENT H 2 HON. J. MICHAEL GUNN, JUDGE APPEARANCES: 3 Counsel for Watermasters WAYNE LEMIEUX, Attorney 5 at Law; Counsel for Rancho Cucamonga Water District ARTHUR L. LITTLEWORTH, Attorney at Law; 6 Counsel for Monte Vista Water Distrct DAVID D. 7 BOYER, Attorney at Law; Counsel for the State of California MARILYN H. LEVIN, Attorney at Law; 9 Counsel for Three Valleys Water District STEVEN M. 10 11 KENNEDY, Attorney at Law. 12 (Colleen C. Southwick, CSR-RPR, No. 9949) 13 14 Okay. Let's go on the record in THE COURT: the matter of Chino Basin Municipal Water District 15 versus City of Chino, et al, RCV-51010. I quess we'll 16 **1**7 start with you and go through Mr. Kennedy. 18 Is that the only attorneys we have? 19 MR. LEMIEUX: We have all these attorneys. 20 THE COURT: Okay. Let's start with Mr. Lemieux and let everybody announce their presence 21 22 for the record. 23 MR. LEMIEUX: Good morning, your Honor. Wayne Lemieux of Lemieux & O'Neill for the 24 25 Watermasters.

MR. LITTLEWORTH: Art Littleworth of Best

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1 | Best & Krieger for Rancho Cucamonga Water District.

MR. BOYER: David Boyer for Monte Vista Water District.

MS. LEVIN: Marilyn Levin Deputy Attorney General representing the State of California and the Department of Corrections.

MR. KENNEDY: Good morning. Steve Kennedy on behalf of Three Valleys Municipal Water District.

THE COURT: Okay. Great. Shouldn't take that long today. My intention is to grant the motion to extend the filing date of the 21st Annual Report to January 31st.

MR. LEMIEUX: Thank you, your Honor.

THE COURT: Mr. Gutierrez is present.

Record should reflect he's walking in.

Grant the motion to approve the Scope and

Level of Detail of the Optimum Basin Management Program
with the proviso that Watermaster provide to the

Special Referee any draft section that becomes
available in the interim between now and the next time
we come to court and immediately upon receiving same or
producing same.

Two matters that I'd like to discuss. One, the last time when you were here we discussed this; the issue of the appropriateness of the Court's communications with certain people. Until I hear

otherwise, I'm going to assume that everybody is in agreement that I can talk with Ms. Schneider.

I noted that Mr. Scalmanini was -- a couple
Thursdays ago was here locally. I actually -- I know I
said last time I didn't think I should talk to him, but
actually I thought it might be nice since he's
appointed by the Court to be able to talk to him too.
I don't know if anybody has objections to that.

MR. LEMIEUX: We have no objections to that.

As a matter of fact, since our last meeting the Special Referee and Mr. Scalmanini have attended a couple of Advisory Committee meetings, Watermaster meetings and workshops, and I think the process has benefited a great deal as a result of that.

And we hope -- I think we're kind of groping here, but we hope we're developing a way of passing information along that will be very successful and efficient. So I think it's a good idea for you to be in contact with the Referee and the engineer, Mr. Scalmanini, and we'll try to be in contact with them also.

THE COURT: I notice -- well, I have the watermaster web site up on my computer there, but I know that he was -- noticed he was here on, I believe, it was a Thursday when I went over the web site. Gosh, I would have liked to have met him since he was down

there. I'm not going to waste the county's money to go to Sacramento or wherever to shake his hand, but I thought while he was down here, it actually might have been --

MR. LITTLEWORTH: Well, both Mr. Scalmanini and Anne Schneider have been involved in the process and this report, so I think there's a developing of a good cooperation.

THE COURT: Yeah, I hear things are going well. I have discussed it with Anne Schneider and she thinks great progress has been made. One question I have for you on the minutes on the web site, and that's one of the ways I keep abreast of what's happening with watermaster, is I would like the minutes to be more current.

Now, is that wishful thinking on my part? Is it impractical? I notice there's a section for draft minutes and approved minutes.

MR. LEMIEUX: You share that desire with the Watermaster and the Watermaster is in the process -- has approved some additional staff and is in the process of trying to staff up a little more and make the minutes more current. That's been a problem and something that several watermaster's members have commented on and something we're trying to address, but it has kind of a ripple up and down effect.

It's a small staff, and to make the minutes more current and not spend an inordinate amount of money and staffing on that, we have to move people around, so we're working on that and we share your concern.

THE COURT: Might be a matter of priorities and where they are at on watermaster's time.

MR. LEMIEUX: I'll take that message back. I know Traci Stewart is here right now.

MS. STEWART: Could I interject, sir. It's because of the way the process is working. Essentially we finish a meeting, and then we have to prepare a notice for the next meeting. Then what we do is we do minutes from that prior meeting, so that's why there's that lag time in the minute process.

It takes two people and myself to put together the package plus the consultants we're using in order to be prepared for the next scheduled meeting. We basically have a two week turnaround time, so with the 96 hours by mail, there isn't really any way to get focused on minutes until after that's taken care of. And as soon as we have them draft, our intention is to get them up on the web, but they are not approved until they are taken back to the process.

THE COURT: I was noticing there was one section on the web site where the draft minutes were --

1 | the most current draft minutes were July.

MS. STEWART: Yeah, and I think we put a note up there more recently regarding that particular dilemma. It's because we weren't able to convene meetings of those particular pools, so we had to leave the minutes in draft form until we can get their approval of the minutes and turn them into approved minutes.

THE COURT: Well, anyway, this is an area of concern to me. And the reason that I -- there's a number of reasons, I alluded to them last time, the web is technology that I think in the long run might save money as far as notices once everybody gets up to speed.

MR. LEMIEUX: We haven't forgotten about the discussion we had last time about modernizing the notice process. It's simply that was priority number three compared to the other things.

THE COURT: I can appreciate that.

MR. LEMIEUX: And perhaps by the end of the year or shortly -- whoops, we're getting close to that. Perhaps shortly after the first of the year we'll have some suggestions to make to the Court in that regard.

THE COURT: I'm not suggesting that everyone go out and buy a computer. I'm thinking there's a lot of people and if they have one --

MR. LEMIEUX: Just turn them on.

THE COURT: It would save postage and paper, but I'm not going to say hey, everybody is going to go out and buy a computer. I get no commission. I'm not -- that's not what I'm getting at. There's plenty of people that don't care. I got a letter from one guy that said, "Please take me off the mailing list." That was way back when, a couple years ago, if I recall.

Okay. So on minutes, though, I would like those to be more current because that's how I inform myself of what's going on down there. And I assume -- well, it was the intent of the order that's how a lot of people would inform themselves on what was going on down there.

The meetings being at 3:00 in the afternoon are probably inconvenient for a great number of people and so if they get home from their day jobs as Forest Gump said, they could look at the computer and find out what's going on. But the way it is right now they could look at their computer for a couple months before they would find out what was going on.

All right. So enough said on that. I don't see anything else that we need.

Yes?

MR. LEMIEUX: We do have one problem, your Honor. The scheduling of this current motion was such

after the motion was filed. As you pointed out a moment ago, we had a meeting last Thursday. At that meeting some concern was expressed about some of the language in the supplemental motion, and I'll try to provide the context of that. We're here to describe the scope and level of detail of the program OBMP.

We're not here to describe the substance of the OBMP.

This document of necessity, I think, to provide context to the presentation on the scope and level of detail talked a little bit about the substance of the OBMP. And what we discovered at the Watermaster and Advisory Committee meetings last Thursday was some people are concerned that this incidental discussion of substance become writ, become approved at this time.

So I think it's very important that we emphasize today and in your order that you're approving the scope and level of detail. You're -- we've identified problems but you're not certainly --

THE COURT: I'm not saying the dairies have to leave the area.

MR. LEMIEUX: Took the words right out of my mouth.

MR. BOYER: Well, your Honor, there were also references to possible reduction in production of water which Monte Vista Water District of course is very

concerned about.

THE COURT: Or reduction in what goes down in the Santa Ana Water Project authority because they want to raise the level. I saw all that in there and I agree with Mr. Lemieux. I'm approving the scope of it.

MR. LITTLEWORTH: And I think the discussion was clear at that Thursday meeting that there wasn't intent in any of that language to really lay out solutions, and everyone agreed although some people thought we had then changed the language at that point perhaps not realizing it had already been filed.

But everyone I think understood the points that were made. There wasn't any effort in any of that language to forecast what the ultimate solution had to be.

MR. LEMIEUX: And, yeah, to emphasize, at the Thursday meeting I don't think there was disagreement other than there was general agreement that this document was a little too definite as far as the substance of the OBMP, and there's wasn't anything beyond that.

MS. LEVIN: And, your Honor, what was represented at the meeting was that at this court hearing Mr. Lemieux or anyone else who was here, you know, would request that that be reflected specifically in the order that's issued by the Court; that it's not

meant to accept any solutions; that you're really just approving the scope and level.

THE COURT: Okay. You'll put that in the order?

MR. LEMIEUX: I'll put it in the draft order. And if your Honor wishes, I'll circulate it among my colleagues and bring something back to you that's a consensus.

THE COURT: For approval as to form and content in five business days, then to get it back to you. If they don't, then we assume they that approved it.

One final thing, although there was really nothing on the counter last time, I indicated an interest -- I have a personal interest in going down and actually seeing -- actually I presume it's down on the prison grounds, the desalter.

MS. LEVIN: It's close, yes.

THE COURT: Close. Some of these maps -
I've tried to figure out some of Mr. Wildermuth's maps.

And I'm trying to visualize and everything what I'm

looking at when you got total dissolved salt and

whatever, but I wouldn't mind seeing that, but I don't

know if that's going to step on anybody's toes.

MS. LEVIN: Mr. Wildermuth is here.

Where's the desalter?

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MR. WILDERMUTH: Adjacent to the prison, the southeast corner I think.

MS. LEVIN: It's adjacent to the prison.

THE COURT: So if I come out there some day, if I don't talk to anybody --

MR. LITTLEWORTH: Your Honor, you probably need a guide. I would think we could work out a solution where one or two people could go and help you see what you need to see.

THE COURT: It's probably more personal, but who knows. When you try a case and you go out to the scene of the accident or scene of the crime, you learn a lot.

MS. LEVIN: What I would suggest is since the parties have accepted your abilities to speak with Anne Schneider and Mr. Scalmanini, perhaps through them they could organize something through the Watermaster so that you would have an appropriate access to that when you wanted to.

THE COURT: Okay. Perhaps the next time when they are down. I don't see having them come all the way out from northern California, airfare and everything, but when they are down. I thought it would have been nice the other day when Mr. Scalmanini was here to have talked to him about some of the more technical aspects. Some of the technical aspects are

kind of interesting, but perhaps not necessary for a judge to know, but still interesting.

MR. LEMIEUX: We'll work with them to try and put a program together that will be worth your time and figure out a way of doing it and not step on any party's toes.

THE COURT: The last thing I want to do is offend somebody or have them think I'm trying to micromanage them which I'm not above but --

MS. LEVIN: Your Honor, there's a meeting next week, I believe on the 12th, a work shop, and perhaps under other business, you know, it could be brought up at the beginning of the meeting that you would like to do what you've mentioned and, therefore, there could be parties there who could assist in that.

MR. LITTLEWORTH: Your Honor, you may want to see more than just the desalter. It's probably better for you to get a general feel for the basin and other things added.

than when I started this case, but that's when I was reading a book and got Anne Schneider's name and they were quoting her in the footnotes, I think I mentioned that to you sometime back, and lo and behold we had her on one of the Kaiser problems before so it became an easy decision.

But anyway it can't hurt to have a lot of 1 knowledge, and it can hurt not to know certain things. 2 I don't know how it would benefit this case. 3 I can't really say it would, but I don't think it can hurt 4 5 either so, okay. Anything else, Mr. Gutierrez? You came in a 6 7 little late. 8 MR. GUTIERREZ: No, I don't have anything to 9 add, your Honor. 10 THE COURT: Mr. Kennedy? 11 MR. KENNEDY: No, your Honor. Three Valley 12 supports the efforts of the Chino Basin Watermaster and 13 supports your tentative decision. 14 THE COURT: Mr. Lemieux will prepare the 15 order then. 16 MR. LEMIEUX: Thank you, your Honor. 17 THE COURT: So you'll file in January? 18 We expect to have another MR. LEMIEUX: filing with you in January for some of the things that 19 were left dangling last time such as an amendment on 20 21 Watermaster compensation, amendment on the date of filing the annual report, and maybe a couple of other 22 things, but probably file it in January, that's right. 23 24 Okay. Good enough. THE COURT: That's it I think. 25

MS. LEVIN: Thank you, your Honor.

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| 1  | MR. BOYER: Thank you, your Honor.       |     |
| 2  | MR. LEMIEUX: Thank you, your Honor.     |     |
| 3  | MR. LITTLEWORTH: Thank you, your Honor. |     |
| 4  | (Proceedings concluded.)                |     |
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| 3  | REPORTER'S CERTIFICATE                                 |
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| 5  | STATE OF CALIFORNIA ) ss.                              |
| 6  | COUNTY OF SAN BERNARDINO )                             |
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| 9  | I, COLLEEN C. SOUTHWICK, Official Reporter of the      |
| 10 | Superior Court of the State of California, for the     |
| 11 | County of San Bernardino, do hereby certify that the   |
| 12 | foregoing pages 1 through 14 comprise a full, true and |
| 13 | correct computer-aided transcription to the best of my |
| 14 | ability in the above-entitled matter on November 5,    |
| 15 | 1998.  |
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| 20 | Dated this 17th day of November, 1998.                 |
| 21 | Callee Southwise CSR, RPR                              |
| 22 | OFFICIAL REPORTER, C-9949                              |
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