

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

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4 CHINO BASIN MUNICIPAL WATER DISTRICT,)
5)
6 vs.) Case No. RCVRS51010
7 CITY OF CHINO, et al.,)
8 Defendants.)
9 _____)

10 REPORTER'S TRANSCRIPT OF ORAL PROCEEDINGS

11 BEFORE HON. STANFORD E. REICHERT, JUDGE

12 DEPARTMENT C-1
13 CHINO, CALIFORNIA
14 Friday, January 21, 2011

15 APPEARANCES:

16 For Chino Basin Watermaster: BROWNSTEIN, HYATT, FARBER, SCHRECK
17 BY: MICHAEL FIFE
18 Attorney at Law
21 East Carrillo Street
Santa Barbara, California 93101

19 For the Agricultural Pool: REID & HELLYER
20 BY: STEVEN G. LEE
21 Attorney at Law
3880 Lemon Street, 5th Floor
Post Office Box 1300
Riverside, California 92502-1300

22 For Monte Vista Water District: MCCORMICK, KIDMAN & BEHRENS
23 BY: JONATHAN D. SALMON
24 Attorney at Law
650 Town Center Drive, Ste. 100
Costa Mesa, California 92626

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26 (Appearances continued on following page.)
27

28 Reported by: VICTORIA E. VILLEGAS, CSR NO. 9843
Official Reporter

1 (Appearances Continued:)

2 For Three Valleys BRUNICK, MCELHANEY & BECKETT
3 Municipal Water BY: STEVEN M. KENNEDY
4 District: Attorney at Law
1839 Commercenter West
San Bernardino, California 92408

5 For Cucamonga Valley BEST, BEST & KRIEGER
6 Water District: BY: JILL N. WILLIS
7 Attorney at Law
300 S. Grand Avenue, 25th Floor
Los Angeles, California 90071

8 For the City of JAMES E. ERICKSON
9 Chino: Attorney at Law
12616 Central Avenue
Chino, California 91710

10 Also Present: KEN MANNING
11 DAVID CROSLEY
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1 CHINO, CALIFORNIA; FRIDAY, JANUARY 21, 2011

2 A.M. SESSION

3 DEPARTMENT C-1

HON. STANFORD E. REICHERT, JUDGE

4 (Appearances as heretofore noted on the title page)

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6 THE COURT: Okay. All right. Let me call, it's
7 actually matters number four and five on our calendar this
8 morning, for the Chino Basin Municipal Water District versus
9 City of Chino case.

10 Come on up, please, Mr. Fife.

11 MR. FIFE: Good morning, your Honor. Michael Fife
12 for Chino Basin Watermaster.

13 THE COURT: Thank you.

14 And we have appearances by everybody else so let me
15 just get them all on the record. Let me start here and then
16 we'll work back.

17 MR. LEE: Steven Lee of Reid and Hellyer on behalf
18 of the Agricultural Pool.

19 THE COURT: Okay. Thank you.

20 MR. SALMON: Jonathan Salmon from McCormick, Kidman
21 and Behrens on behalf of Monte Vista Water District.

22 THE COURT: Okay. Thank you.

23 MR. KENNEDY: Morning, your Honor. Steve Kennedy on
24 behalf of Three Valleys Municipal Water District.

25 THE COURT: Got it. Thank you.

26 MS. WILLIS: Good morning, your Honor. Jill Willis
27 on behalf of Cucamonga Valley Water District.

28 THE COURT: Thank you.

1 MR. ERICKSON: Good morning, your Honor. Jim
2 Erickson on behalf of the City of Chino.

3 THE COURT: All right. Thank you.

4 MR. MANNING: Your Honor, I'm not an attorney. CEO
5 at Watermaster, Ken Manning.

6 THE COURT: Thank you, Mr. Manning, appreciate that.
7 Thank you.

8 And?

9 MR. CROSLY: My name is David Crosley. I'm the
10 water manager for the city of Chino.

11 THE COURT: Okay. Thank you very much. All right.
12 I think we've got everyone identified for the record.

13 On the calendar for today is the motion to reappoint
14 the nine-member Watermaster Board for a further five-year
15 term. The court has read the motion and considered it. The
16 court has received no opposition and is not aware of any, so
17 the court's ready to grant the motion.

18 Is there any additional argument, Mr. Fife?

19 MR. FIFE: No, your Honor, there is no opposition.
20 Watermaster also knows of no opposition.

21 THE COURT: All right. Thank you. And I take it
22 there is no opposition from any of the attorneys appearing
23 this morning. Any hands? All right. No hands.

24 All right. The motion's granted and the nine-member
25 Watermaster Board is reappointed for a further five-year term.

26 MR. FIFE: Thank you, your Honor.

27 THE COURT: You're welcome. Is there anything else
28 I need to do today, Mr. Fife?

1 MR. FIFE: Nothing else, except there were a couple
2 of matters that we had at the last hearing talked about
3 discussing at this hearing, and I thought I'd give you an
4 update on those.

5 THE COURT: Okay. Thank you.

6 MR. FIFE: And then we would like to schedule our
7 next hearing for sometime in late April, and I'll cover that
8 when we get to that item.

9 THE COURT: Okay.

10 MR. FIFE: The first issue is a restatement of the
11 judgment. At the last hearing you asked Watermaster to
12 prepare a restatement that would put all of the amendments
13 that have happened since 1978 into one document.

14 THE COURT: Yes.

15 MR. FIFE: We are in the process of doing that.
16 That process is nearly complete. I'd say it's 90 to
17 95 percent complete.

18 THE COURT: Okay.

19 MR. FIFE: In the course of doing it, we did come
20 upon some issues that were a little bit more complicated than
21 we thought they were. An example of that, just so that you
22 can get a sense of it, is one of the attachments to the
23 judgment is a list of all of the members of the Agricultural
24 Pool. That has never been updated since 1978.

25 THE COURT: Okay.

26 MR. FIFE: And so you can imagine that most of the
27 people on that list are no longer in the basin, and instead
28 there are a lot of people who have purchased the property,

1 inherited the property, etcetera, who are in the basin.

2 THE COURT: Okay.

3 MR. FIFE: And so we need to figure out who should
4 not be on that list and who should be on that list. It's a
5 lengthy list with literally hundreds of names on it, so
6 something like that takes time.

7 THE COURT: I understand.

8 MR. FIFE: And a committee of the Agricultural Pool
9 has been created. They're working with Watermaster diligently
10 to complete that task.

11 THE COURT: Okay.

12 MR. FIFE: And so it is things of that nature that
13 we want to make sure are complete so that when we come to the
14 court with the full -- with the restated judgment, it's a
15 complete document and will be in a position for the court to
16 approve it. So that's why we don't have it today.

17 THE COURT: I understand completely. As a practical
18 matter, how do you go about doing that? I mean, are you going
19 through property records or the old grantor/grantee indexes
20 that I remember from when I first started out practicing as a
21 -- how do you actually approach a task like that?

22 MR. FIFE: And I have the luck of not being involved
23 in that committee.

24 THE COURT: Okay.

25 MR. FIFE: So I'm not exactly sure how they are
26 going to. I think Mr. Manning could --

27 THE COURT: Thank you.

28 MR. MANNING: Your Honor, yes. It is a very lengthy

1 process. We asked for assistance from the Agricultural Pool.
2 We are very fortunate that the members of the Agricultural
3 Pool have a very long history in this basin, and we can
4 acquire the names of those who are owners by going to the
5 assessor's parcel maps and doing it through a database search
6 of parcels that are currently used by the Agricultural Pool.
7 The problem is is that most of those or a lot of the members
8 who -- people who own property are not those who are actually
9 pumping. We need to know the names of people who are actually
10 pumping water along with the owners. So we're working with
11 the Agricultural Pool. And we've set up a series of five
12 meetings -- we've held two already -- where we are
13 systematically going through every property in the basin that
14 is agriculturally used that we have record of wells being on
15 and determining -- we supply the name of the owner and the Ag
16 Pool because of their long history in the basin is supplying
17 us with what they know about who's actually occupying and
18 pumping the water.

19 THE COURT: Okay.

20 MR. MANNING: So we're comparing this but it takes
21 hours and hours. So we've had two meetings so far and we've
22 covered about 30, 40 percent of the basin so far.

23 THE COURT: Congratulations for making that
24 progress.

25 MR. MANNING: It's something we needed to do a long
26 time ago and your order has provided us the impetus to get
27 that done.

28 THE COURT: Once you get it done will we have a

1 process in effect to routinely update this so we don't find
2 ourselves in this position again of having to go back years
3 and years and years? Because as times change institutional
4 knowledge diminishes and it could be a problem in the future.
5 So are we, you, someone, thinking of a mechanism to keep this
6 updated routinely?

7 MR. MANNING: Yes. That's part of the discussion.
8 And we're fortunate then that we have the -- technology allows
9 us to do that now effectively. Going back to 1978 and the
10 early part of the 80's, you know, 90's, all the way up to
11 there, there was no database or technology that would allow
12 for you to do that. You'd have to have done hand searches.
13 You'd have to have gone down to the courthouse, pull up the
14 maps, do all those kinds of things. Today you can do all of
15 that by subscribing to services that provide you with the
16 names and then cross-checking that against. And then we have
17 people who go out in the field. So we're putting together a
18 process working with the Ag Pool on a basis -- a continual
19 basis to continually update that database so that it stays
20 accurate.

21 THE COURT: Thank you. I do appreciate that.

22 I remember as a young lawyer trying to track down
23 the title of property when I was actually in the recorder's
24 office in Los Angeles County going through the grantor/grantee
25 indexes.

26 MR. MANNING: Painful.

27 THE COURT: It took forever. And that was through
28 just one piece of property.

1 And I also remember visiting Title Insurance and
2 Trust on Spring Street and advising them that the records were
3 wrong, and they were -- that was an unusual experience as well
4 having done the leg work myself. So I appreciate the time and
5 effort you're putting in. Congratulations on the progress
6 you've made so far. Keep up the good work.

7 MR. MANNING: Thank you.

8 THE COURT: And we will address that at the next
9 hearing then.

10 MR. FIFE: Thank you.

11 THE COURT: All right. Thank you.

12 MR. FIFE: The other item is the next phase of the
13 desalter project.

14 THE COURT: Okay.

15 MR. FIFE: And this, again, was something we
16 discussed at the last hearing and we discussed it in our
17 paperwork for the reappointment of the nine-member board. The
18 completion of the desalter project as described in the Optimum
19 Basin Management Program has always been of great interest to
20 the court.

21 THE COURT: Yes.

22 MR. FIFE: And so we want to make sure you're aware.
23 Though we were not ready to bring that for court approval at
24 this hearing, we have been making diligent progress. There
25 are a set of agreements in place that will accomplish that
26 third phase of the project. The primary issue from a timing
27 sense that is outstanding is that there are some funding
28 issues that require commitments from the Metropolitan Water

1 District of southern California.

2 THE COURT: Okay.

3 MR. FIFE: That's outside of our control. We do
4 believe that the commitments that we need to be made will be
5 made by Metropolitan, but they haven't been made yet. And so
6 we're still waiting on that. The consensus of the desalter
7 group, and that's the parties who are involved in the Chino
8 Desalter Authority, is that by the end of April we should have
9 all of that in place and be ready for a court hearing for
10 approval of the agreements --

11 THE COURT: Okay.

12 MR. FIFE: -- that are necessary to have court
13 approval. And that will finalize the institutional side of
14 the third phase of the desalter project.

15 THE COURT: Okay.

16 MR. FIFE: And it can then move forward to
17 implementation. So we'd like to schedule a hearing right now
18 for the end of April. I understand you want to keep these
19 hearings on Fridays.

20 THE COURT: I do. It's best for me. Given all the
21 other calendar matters I handle, Fridays at 10:30 is still
22 best for me. I take it -- I see general nodding in the
23 audience -- that's still acceptable with counsel, at least for
24 those who have appeared today. And so -- but I might be gone
25 one day on Friday. Give me just a moment.

26 MR. FIFE: Sure.

27 THE COURT: One Friday in April. Give me just a
28 moment. Yes, April 8 would not be good for me, but any other

1 Friday.

2 MR. FIFE: Okay. I think we were thinking end of
3 April anyway. I see that April 22nd is Good Friday. Is that
4 a court day, the 22nd?

5 THE COURT: Yeah, we're open on that day.

6 MR. FIFE: How about April 22nd?

7 THE COURT: April 22nd it is. Okay. We'll schedule
8 the next status hearing, then, on this matter for -- and any
9 other motions that you have for April the 22nd, 10:30 a.m.
10 here in this department, and order Watermaster then to give
11 notice in its usual procedure.

12 MR. FIFE: Thank you.

13 THE COURT: Anything further?

14 MR. FIFE: Nothing further.

15 THE COURT: Anything further from any of the members
16 of the audience? Seeing no hands, thank you all for coming
17 and we'll see you back in April.

18 MR. FIFE: Thank you, your Honor.

19 THE COURT: Thank you very much.

20 MR. FIFE: Did we submit a proposed order?

21 THE COURT: I was looking for one. Give me just a
22 moment.

23 MR. FIFE: And I actually can't remember whether we
24 submitted it.

25 THE COURT: No.

26 MR. FIFE: Okay. We can either at your pleasure
27 draft an order for you to sign, or we can simply do a notice
28 of your oral ruling.

1 THE COURT: Probably a written order would be best
2 given the fact that this is a significant decision we'll have
3 effective for years rather than just a minute order. So if
4 you will -- you will draft one, I'll sign it.

5 MR. FIFE: Okay.

6 THE COURT: Okay. That will conclude the hearing.

7 (Proceedings in the above-entitled matter
8 were continued until Friday, April 22, 2011,
9 at 10:30 a.m.)

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


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4 CHINO BASIN MUNICIPAL WATER DISTRICT,)
5 Plaintiff,)
6 vs.) Case No. RCVRS51010
7 CITY OF CHINO, et al.,) REPORTER'S
8 Defendants.) CERTIFICATE
9

10 I, VICTORIA E. VILLEGAS, CSR, Official Reporter of
11 the above-entitled court, do hereby certify:

12 That I am a Certified Shorthand Reporter of the
13 State of California, duly licensed to practice; that I did
14 report in Stenotype oral proceedings had upon hearing of the
15 aforementioned cause at the time and place hereinbefore set
16 forth; that the foregoing pages numbered 1 through 10,
17 inclusive, constitute to the best of my knowledge and belief a
18 full, true, and correct computer-aided transcription from my
19 said shorthand notes so taken for the date of Friday, January
20 21, 2011.

21 Dated at Chino, California, this 27th day of
22 January, 2011.

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24
25
26  CSR
27 Official Reporter, CSR No. 9843
28