

Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING
Rescheduled from August 9, 2007 to August 15, 2007

The Joint Appropriative and Non-Agricultural Pool Meeting were held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on August 15, 2007 at 2:30 p.m. which was rescheduled from August 9, 2007.

APPROPRIATIVE POOL MEMBERS PRESENT

Raul Garibay, Chair	City of Pomona
Mark Kinsey	Monte Vista Water District
Robert DeLoach	Cucamonga Valley Water District
Charles Moorrees	San Antonio Water Company
Ken Jeske	City of Ontario
J. Arnold Rodriguez	Santa Ana River Water Company

NON-AGRICULTURAL POOL MEMBERS PRESENT

Kevin Sage	Vulcan Materials Company (Calmat Division)
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Watermaster Board Members Present

Sandra Rose	Monte Vista Water District
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Watermaster Staff Present

Sheri Rojo	CFO/Asst. General Manager
Gordon Treweek	Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Tom McCarthy	Wildermuth Environmental Inc.

Others Present

Marty Zvirbulis	Cucamonga Valley Water District
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Chair Garibay called the rescheduled joint Appropriative and Non-Agricultural Pool meeting to order at 2:34 p.m.

AGENDA - ADDITIONS/REORDER

Mr. Manning noted the Consent Calendar item C will be an intervention into the Overlying Non-Agricultural Pool and not the Agricultural Pool as presented on the July agenda. Mr. Manning stated the Profit and Loss statement that is in the meeting packet has been revised and the new copy is on the back table.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Joint Appropriative and Non-Agricultural Pool Meeting held July 12, 2007

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of July 2007
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2006 through June 30, 2007

4. Treasurer's Report of Financial Affairs for the Period June 1, 2007 through June 30, 2007
5. Profit & Loss Budget vs. Actual July 2006 through June 2007

Pulled Item C - San Antonio Winery for separate discussion and motion.

C. INTERVENTION – RIBOLI FAMILY/SAN ANTONIO WINERY

Mr. Manning stated this item was on the agenda last month for consideration and was pulled to hold this item for a month for more investigation by Watermaster staff and the City of Ontario. Mr. Manning stated at last month's meeting it was reported that San Antonio Winery reported to Chino Basin Watermaster staff that they had a meter for all of the water that was being used at their facility. As it turns out, they do not have a meter and are in fact using their well for the entire facilities which is a retail establishment. The winery has a wine tasting room, sells wine, and has a small restaurant with bathroom accommodations. Since the last meeting in July staff has determined the best placement for the San Antonio Winery would be to be placed in the Overlying Non-Agricultural Pool based on the water they are using from their production well. Mr. Manning stated at any point in time they decide to begin doing agricultural endeavors, they can then intervene as an Agricultural Pool member as well; we will make them aware of this. Mr. Jeske confirmed that neither the San Antonio Winery nor the Fuji Natural Food Company has a municipal meter. Mr. Jeske stated Consent Calendar Item D, if any person does drive by the facility and not see any fields it is because all their growing is done hydroponically. Mr. Kinsey inquired about all other restaurants in the area that do have a well or wells becoming parties to the Overlying Non-Agricultural Pool. Mr. Manning stated what staff is saying is that there is an existing well that has some history and that if they are going to continue having a well which is being used in the manner that it is now, they are going to have to be intervened into the Judgment; staff wants to categorize them into the correct category and staff does feel the Overlying Non-Agricultural Pool is the correct place. A discussion ensued with regard to this issue.

Motion by Jeske, second by DeLoach, and by unanimous vote – Non-Ag concurred

Moved to approve entering San Antonio Winery into the Overlying Non-Agricultural Pool, as presented

D. INTERVENTION – FUJI NATURAL FOOD INC.

Intervention into the Chino Basin Watermaster as an Agricultural Pool Party

Motion by DeLoach, second by Kinsey, and by unanimous vote – Non-Ag concurred

Moved to approve Consent Calendar Items A, B, and D, as presented

II. BUSINESS ITEMS

A. LEGAL INSTRUMENTS – Discussion Only

Mr. Manning stated Chino Basin Watermaster has held its first workshop regarding the Legal Instruments and at that workshop staff mentioned we were going to open up a discussion regarding the legal instruments at the next Appropriative Pool meeting. Based on the comments staff receives today on those documents, there will be an amended set of legal instruments available at the second workshop which is going to be held on August 16, 2007; this was the reason for rescheduling this pool meeting today instead of another later date after the scheduled workshop. A few parties have submitted comments in writing and those comments are available on the back table. Counsel Fife stated the documents on the back table are four separate documents; a document that was handed out at the workshop from Monte Vista Water District, we have since received another set of comments from Richards, Watson, Gershon on behalf of the City of Upland, there are some email comments from Tom Bunn on behalf of the City of Pomona, and a proposed revision to the Non-Agricultural Pool Judgment Amendment by Bob Bowcock on behalf of Vulcan Materials. The intention today was to have further discussions on the documents. The discussion at the workshop tomorrow will be on the newly revised documents which incorporate all written comments received and any

comments received at today's meeting. Mr. Kinsey inquired about the quantity of water which is considered pre-allocated by Vulcan to San Antonio. A brief discussion ensued with regard to Vulcan water in storage. Mr. Jeske stated since the members just received some of this paperwork today comments will be given at the workshop tomorrow after further review. Chair Garibay inquired about the timeline for the Peace II process. Counsel Fife stated the court has ordered us to have a hearing on the Peace II documents in November. Counsel has asked the court to schedule the hearing for November 15, 2007 and as to date we have not heard back from the court if that is a set date. The goal is to conduct the discussion of the documents and perform whatever work needs to be done on them both this month and then the first part of September with the goal that we would then take the documents to the Pools in September, then on to the Advisory Committee and Watermaster Board. With the approval of the parties, counsel will be able to file the final documents with the court in the first part of October and that would give us the 30 day notice period that we need; with the hearing in the middle of November. Counsel Fife noted no action is needed today. A discussion ensued with regard to the item.

B. HANSON AGGREGATES

Mr. Manning stated over a year ago during the period of time that staff thought we were getting snow melt coming down following some heavy rains of the previous winter, staff noticed we were receiving into our Lower Day Basin a quality of water that was not the quality that we would normally get during a non-rain event and/or snow melt. With some investigation working with Inland Empire Utilities Agency (IEUA), staff followed the trail of debris back to Hanson Aggregates and immediately notified them that their ponds had breached and that their debris was finding its way into our Lower Day Basins. Water was shut off going into those basins, however; enough of the silt from Hanson Aggregates clogged the basins and we were not able to recharge any water from that point forward. Staff and counsel have been working with Hanson Aggregates, the County of San Bernardino to some degree, and a number of different agencies. It is staffs understanding that the District Attorneys office is in the position of filing something against Hanson Aggregates in the future. In speaking with IEUA, staff has discussed that it would be prudent to file action against Hanson Aggregates since they are making no ovations about wanting to settle this issue. Mr. Manning stated it is important that this be moved quickly to get some sort of resolve in a timely manner. Counsel Fife stated IEUA's Counsel Mr. Cihigoyenette is the lead attorney on this issue on behalf of IEUA because they are the party that owns the basin and who also paid for the clean up; Watermaster would be on the pleading as a co-plaintiff with IEUA. Counsel Fife stated staff is asking for action today since IEUA is ready to file the complaint and Watermaster will still have to go through the Watermaster process and seek the courts approval to file against a non-party to the Judgment. A discussion ensued with regard to the filing of the complaint and the total costs this will include.

Motion by DeLoach, second by Rodriguez, and by unanimous vote – Non-Ag concurred

Moved to approve filing of the complaint against Hanson Aggregates, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. MZ1 Filing

Counsel Fife stated the MZ1 Pleading was filed with the court and there is a hearing set for September 13, 2007 regarding this pleading.

Added Comment:

Counsel Fife stated there is another filing on the back table; this was handed out for the first time at the recent Legal Instrument Workshop. It is called a Supplemental Filing regarding the May 24, 2007 order. Counsel has gone back and reviewed the May 24, 2007 court order from the last conference that was held with the judge and Watermaster was ordered within 30 days of that hearing to provide an explanation of the connection between

Hydraulic Control and the Basin Plan Amendments. Counsel Fife stated it was an oversight that this was not responded to and counsel and staff is now rectifying this with this supplemental filing; there will not be a hearing on this filing.

2. Hanson Aggregates

This item was moved to Business Item "B".

Motion by Jeske, second by DeLoach, and by unanimous vote – Non-Ag concurred

Moved to approve moving Hanson Aggregates from Reports/Updates and enter it as Business Item "B", as presented

B. ENGINEERING REPORT

1. State of the Basin Report Update

Mr. McCarthy stated copies of the new State of the Basin Report (SOB) will be available to all the parties shortly. A full presentation on the SOB will be given by Mr. Wildermuth at the Advisory Committee and Watermaster Board meetings. Chair Garibay inquired as to how often the SOB is published and at what cost. Mr. McCarthy stated every two years with costs being in the hundreds of thousands because of combining everything that transpires within those two years into one report. A brief discussion ensued with regard to the timing of this report and whether or not this report could be generated at longer intervals such as five years because not a whole lot changes in the two years. Counsel Fife stated he believes this may be a Peace Agreement item that was agreed to by Watermaster to do every two years. Mr. Kinsey stated it is a court requirement and that possibly after Peace II is incorporated and we are at a status quo we can approach the court and extend the requirement from every two years to every five years.

C. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated the State of California is in a budget stalemate, they are one vote short from having a budget and that vote is in the Senate which is now seven weeks overdue. There does not appear to be any action going on publicly about making the changes that the Republicans are demanding before they will vote. All the effort is being made by the Governor to try and get the budget approved and he stated he will use his veto power to eliminate the expenses the Republicans have complained about. A real struggle for power is taking place in Sacramento presently.

2. Recharge Update

Mr. Manning stated there is no recharge taking place other than some minor water that finds its way into our basins.

3. Assessment Package Update

Ms. Rojo stated invoices were sent out recently to bill for one half of the prior year's assessment. As far as tying out the numbers that go into the Assessment Package this year, staff is all but finished with the land use conversions and the assignments. Staff has entered almost all of the production from each of the parties and the water activity reports will hopefully be able to be sent out to the parties by the end of the month. Staff does need the 85/15 sales figures that are being waited on from some of the parties; we have received about half to date. Ms. Rojo stated all in all the assessment process has been moved up several months, but as a result of the Peace II discussions, the Assessment Package will not be finalized for a while.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

August 9, 2007	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
August 21, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
August 23, 2007	9:00 a.m.	Advisory Committee Meeting
August 23, 2007	11:00 a.m.	Watermaster Board Meeting

The rescheduled Appropriative and Non-Agricultural Pool committee meeting was dismissed at 3:10 p.m.

Secretary: _____

Minutes Approved: September 13, 2007