

Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING
May 15, 2008

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 May 15, 2008 at 10:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Ken Jeske, Chair	City of Ontario
Raul Garibay	City of Pomona
Robert DeLoach	Cucamonga Valley Water District
Robert Young	Fontana Union Water Company
Charles Moorrees	San Antonio Water Company
Gil Aldaco	City of Chino
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 Staff Present

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	CFO/Asst. General Manager
Danielle Maurizio	Senior Engineer
Janine Wilson	Recording Secretary

Watermaster Consultants Present

Michael Fife	Brownstein, Hyatt, Farber & Schreck
Mark Wildermuth	Wildermuth Environmental Inc.
Tom McCarthy	Wildermuth Environmental Inc.

Others Present

Eunice Ulloa	Chino Basin Water Conservation District
Bob Wagner	Chino Basin Water Conservation District
David DeJesus	Three Valleys Municipal Water District
Bob Lemons	RBF Consulting
Mohamad El-Amamy	City of Ontario
Patrick Shields	Inland Empire Utilities Agency
Martha Davis	Inland Empire Utilities Agency

Chair Jeske called the Joint Appropriative and Non-Agricultural Pool Meeting to order at 10:02 a.m.

AGENDA - ADDITIONS/REORDER

It was noted there was one revision made to the Inland Empire Utilities Agency Agreement and the revised Agreement is on the back table. This will be discussed further when the committee comes to Business Item C on the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Joint Appropriative & Non-Agricultural Pool Meeting held April 10, 2008

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of April 2008
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2007 through March 31, 2008
4. Treasurer's Report of Financial Affairs for the Period March 1, 2008 through March 31, 2008
5. Budget vs. Actual July 2007 through March 2008

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 2,000 acre-feet of water from San Antonio Water Company's storage account to Monte Vista Water District. This lease is made first from SAWC's net underproduction, if any, in Fiscal Year 2007-08, with any remainder to be captured from storage. Date of Application: April 25, 2008
2. **Consider Approval for Notice of Sale or Transfer** – The one-year lease of 3,135 acre-feet of water from the City of Chino's annual production rights to the City of Ontario. Date of Application: May 2, 2008
3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 2,862 acre-feet of water from the City of Chino. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City's net under-production in Fiscal Year 2007-08, with any remainder to be recaptured from storage. Date of Application: May 2, 2008
4. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,000 acre-feet of water from the Santa Ana River Water Company. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from SARWC's net under-production in fiscal Year 2007-2007. Date of Application: May 9, 2008

*Motion by Garibay, second by DeLoach, and by unanimous vote – Non-Ag concurred
Moved to approve Consent Calendar Items A through C, as presented*

II. BUSINESS ITEMS**A. WATERMASTER 2008-2009 BUDGET**

Mr. Manning stated the draft budget is being presented on the May agenda to allow comments and recommendations; the final budget will be brought back on the June agenda for approval. Ms. Rojo stated a budget workshop was held recently and recommendations from that workshop were incorporated into the presentation being given today on the 2008-2009 budget. A discussion on the budget presentation ensued. A discussion on an interim budget being prepared by Watermaster staff to reduce budget category no. 6907 ensued. It was decided to reduce category no. 6907 by 1/3 into the budget and then present the revised budget to the other Pools, Advisory Committee, and Watermaster board for their recommendation. The final budget would then be presented on the June agenda for approval. Before the assessments are finalized, the costs in category no. 6907 will be revisited and if necessary a revised budget will be presented for re-approval. Mr. Atwater offered comment on the Phase II debt service. A discussion ensued with regard to Mr. Atwater's comments.

*Motion by DeLoach, second by Rodriguez, and by unanimous vote – Non-Ag concurred
Moved to instruct Watermaster staff to create an interim budget, bring it to the Pools, Advisory Committee, and Watermaster Board for changing account no. 6907 to only reflect 2/3 of the currently budgeted amount, and to bring the final budget back on the June agenda for approval, as presented*

B. CHINO CREEK WELL FIELD COSTS

Mr. Manning stated letters from Western Municipal Water District, the City of Ontario, and Jurupa Community Services District regarding their plans to expand desalter production to 40,000 acre-feet while at the same time achieving Hydraulic Control in the southern portion of

the basin. Mr. Manning reviewed this matter in detail. Mr. Manning stated Watermaster is requesting direction from the Pools, Advisory Committee, and the Watermaster Board regarding Watermaster taking the lead position in any litigation and in assuming responsibility for costs associated to this task. Counsel Fife stated counsel will provide additional information regarding current discussions with the parties and the County at the meetings scheduled in May.

NOTE: No action was taken on this item

C. AGREEMENT WITH IEUA FOR REIMBURSEMENT FOR CEQA COSTS

Mr. Manning stated the proposed agreement provides that Inland Empire Utilities Agency (IEUA) will act as the lead agency for the CEQA review associated with the Peace II Agreement and that Watermaster will agree to reimburse IEUA for the costs of this review. The proposed scope of work estimates the costs of analysis at \$63,000. Mr. Manning noted this amount is within the \$200,000 allocated in Watermaster's current proposed budget. Staff is recommending approval of this agreement. A discussion regarding this item ensued.

*Motion by Moorrees, second by Young, and by unanimous vote – Non-Ag concurred
Moved to approve the agreement with Inland Empire Utilities Agency for reimbursement for CEQA costs, as presented*

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. July 24, 2008 Hearing

Counsel Fife stated there was a hearing scheduled for May, however, the court moved that hearing date to July 24, 2008, and it was noted it might be moved out again. Counsel Fife stated a few of the administrative items to be heard at the May hearing the recent interventions and the Watermaster Thirtieth Annual Report and a very brief hearing might be set prior to the July 24th hearing to move those few items through the court system in a more timely manner.

2. Santa Ana River Permits

Counsel Fife commented that the City of Riverside's Waste Water Change Petition that was a part of the Santa Ana River hearing and Watermaster's permit process last May has been developed and distributed in draft form. Watermaster did comment on that draft and those comments can be made available for the parties who want to see them. The City of Riverside's order is on the State Board's consent calendar for next Tuesday. It is understood by speaking to staff at the State Board that Orange County's and Watermaster's order will be next.

B. ENGINEERING UPDATES

1. Conditions Subsequent 5 and 6 Update

Mr. Wildermuth stated conditions subsequent no. 5 is the preparation of an outline to do the Recharge Master Plan update. The plan is to be filed with the court on July 1, 2008. Progress is being made on this plan. Mr. Wildermuth stated conditions subsequent no. 6 is required by the court to definitely define what Hydraulic Control means and how it is measured. There is a strawman moving between Watermaster staff and the Regional Board staff and more information on the strawman will be given at the Watermaster Board meeting.

2. Changes in the Characteristics in the Santa Ana River Flow

Mr. Wildermuth reviewed the Recycled Water and Base Flow Discharge in the Santa Ana River in the Reach between MWD Crossing and Below Prado Dam chart in detail. Mr. Wildermuth reviewed the Base Flow of the Santa Ana River at Prado and Wastewater Discharge to the River chart in detail. A discussion regarding Mr. Wildermuth's presentation ensued.

C. FINANCIAL REPORT

- 1. Financial Update
No comment was made regarding this item.

D. CEO/STAFF REPORT

- 1. Legislative Update
Mr. Manning stated there are several things happening legislatively and a detailed report will be given at the Advisory Committee and Watermaster Board meeting.
- 2. Recharge Update
Mr. Manning stated the most recent recharge update is on the back table. Mr. Manning noted 260 acre-feet of mostly recycled water was recharged in April.
- 3. OIA Update
Mr. Manning stated at a recent meeting Mr. Treweek talked about GeoTrans on behalf of the agencies involved in the plume issues and that they were working on the drilling of four monitoring wells in the Chino Basin in order to provide more information as to their involvement within the Ontario Airport plume. Those wells have already started to be drilled and staff will keep the parties apprised as to the progress of those wells and the information the wells provide.

IV. INFORMATION

- 1. Newspaper Articles
No comment was made regarding this item.

V. POOL MEMBER COMMENTS

Mr. Garibay asked staff and the parties present some questions and offered a few comments on the topics discussed today.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

May 15, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
May 15, 2008	11:00 a.m.	Recharge Master Plan Follow Up Meeting
May 20, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
May 22, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
May 22, 2007	9:00 a.m.	Advisory Committee Meeting
May 22, 2007	11:00 a.m.	Watermaster Board Meeting

The Joint Appropriative and Non-Agricultural Pool meeting was dismissed by Chair Jeske at 11:05 a.m.

Secretary: _____

Minutes Approved: June 12, 2008