

Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING
June 12, 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 June 12, 2008 at 10:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Robert Tock, Vice-Chair	Jurupa Community Services District
Mohamad El-Amamy	City of Ontario
Raul Garibay	City of Pomona
Marty Zvirbulis	Cucamonga Valley Water District
Rich Atwater	Inland Empire Utilities Agency
Mike McGraw	Fontana Water Company
Robert Young	Fontana Union Water Company
Dave Crosley	City of Chino
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)
------------	--

Watermaster Staff Present

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

Watermaster Consultants Present

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

Others Present

Eunice Ulloa	Chino Basin Water Conservation District
Bob Wagner	Chino Basin Water Conservation District
Gerald Thibeault	Regional Water Quality Control Board
Gil Aldaco	City of Chino
David DeJesus	Three Valleys Municipal Water District
Ben Pak	Visitor
Rick Rees	State of California Department of Justice/CIM
Michael Hughes	State of California Department of Justice/CIM
Jocelyn Pease	Brownstein, Hyatt, Farber & Schreck
Martha Davis	Inland Empire Utilities Agency

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

AGENDA - ADDITIONS/REORDER

It was noted the 2008-2009 Watermaster Budget in the packet did not reflect the most recently recommended changes and that the revised budget is on the back table.

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Joint Appropriative & Non-Agricultural Pool Meeting held May 15, 2008

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2008
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2007 through April 30, 2008
4. Treasurer's Report of Financial Affairs for the Period April 1, 2008 through April 30, 2008
5. Budget vs. Actual July 2007 through April 2008

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Cucamonga Valley Water District has agreed to lease 4,500 acre-feet of water from the City of Pomona. This lease is to be taken first from the FY 2007/08 allocation from the City of Pomona's net underproduction, if any, with any remainder from Pomona's local storage account. Date of Application: May 9, 2008
2. **Consider Approval for Notice of Sale or Transfer** – Cucamonga Valley Water District (CVWD) has agreed to the transfer of 8,530.000 acre-feet of water from San Antonio Water Company (SAWCO). This transfer is made from SAWCO's annual production right. Date of Application: May 30, 2008

D. OPEN NEW CHECKING ACCOUNT

1. Open a New Checking for Chino Basin Watermaster with Vineyard National Bank

Motion by Garibay, second by Crosley, and by unanimous vote – Non-Ag concurred
Moved to approve Consent Calendar Items A through C1, C2, and D, as presented

Item C3 was pulled for a discussion.

3. **Consider Approval for Notice of Sale or Transfer** – Attachment G of the Chino Basin Watermaster Peace II documents allows for a one-time special water transfer of 8,530.000 acre-feet from Vulcan Materials to San Antonio Water Company (SAWCO). SAWCO is purchasing the transferring 8,530.000 acre-feet of Vulcan Material's water in storage. Date of Application: May 30, 2008

A discussion on C3 regarding the 85/15 rule ensued.

Motion by El-Amamy, second by Garibay, and by unanimous vote – Non-Ag concurred
Moved to approve Consent Calendar Item C3, as presented

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

Mr. Manning asked that the committee members use the updated budget on the back table rather than the one in the meeting packet. Mr. Manning noted this item was on the agenda last month and the recommendations made by the Appropriative and Non-Agricultural Pools at the May meeting along with recommendations made at the Budget Workshop and Ad-Hoc Board Budget meeting were incorporated in the budget being presented today. Ms. Rojo gave the revised 2008-2009 budget presentation. A discussion regarding the revised budget ensued.

Motion by Garibay, second by Moorrees, and by unanimous vote – Non-Ag concurred
Moved to approve the Watermaster 2008-2009 budget, as presented

B. AGREEMENT FOR O & M OF FACILITIES TO IMPLEMENT THE RECHARGE MASTER PLAN

Mr. Manning stated in section VIII 8.1(a) of the Peace II Agreement calls for modification to the agreements that are in place for O&M for the basins. The agreement that was agreed upon in the Peace II process calls for a pro-rata share of costs to be paid by Inland Empire Utilities Agency for the amount of recycled water that they put into the basin. The first amendment to the original agreement will then memorialize this. This agreement will be signed by four parties, one of whom is Chino Basin Water Conservation District and they are asking that this item be pulled from the agenda for them to have time to review it and approve it by their board. A discussion regarding this agreement and it being pulled from the June agenda ensued.

*Motion by Moorrees, second by El-Amamy, and by unanimous vote – Non-Ag concurred
Moved to pull this item from the June calendar, as presented*

C. CONDITION SUBSEQUENT NO. 6

Mr. Manning stated in the court documents given to Watermaster in December, Condition Subsequent No. 6 requires Watermaster to report to the court on the development of standards and criteria by which the Regional Water Quality Control Board (RWQCB) will determine that Hydraulic Control is achieved and maintained. Mr. Manning stated Mr. Thibeault from the RWQCB has written a letter to the court which deals with this issue and will be part of the submittal that Watermaster will make to the court in August. Counsel Fife stated with regard to Condition Subsequent No. 6 it is simply to provide to the court what kind of progress is being made on the development of standards and criteria. Mr. Thibeault offered comment on the content of the letter written by him regarding Condition Subsequent No. 6 and the fact that it appears that the parties are falling behind on the schedule that they had submitted. A discussion with regard to this matter ensued.

No motion was made regarding this item – discussion item only

D. RECHARGE MASTER PLAN DRAFT OUTLINE SCHEDULE

Mr. Manning stated a filing is required by the court regarding the Recharge Master Plan Outline Schedule will be due to the court. Comments at the meeting prior to the meeting this morning were received and those suggestions will be incorporated into the outline prior to filing it with the court. Staff is asking for comments from this committee and is seeking approval for this outline which will include comments/recommendations received to be presented to the Advisory Committee and Watermaster Board meeting later this month.

*Motion by Zvirbulis, second by Garibay, and by unanimous vote – Non-Ag concurred
Moved to approve the Recharge Master Plan draft outline schedule, as presented*

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. August 21, 2008 Hearing**

Counsel Fife stated there is a hearing scheduled for August 21, 2008 which will be a consolidated hearing for various items that need court approval. If there are any comments on the pleading which will accompany the filing, you need to submit those to counsel or staff as soon as possible; the final pleading will go to the Advisory Committee and Watermaster Board meeting at the end of June.

2. Hanson Aggregates Litigation

Counsel Fife stated Watermaster is in litigation with Hanson Aggregates over the contamination in the Lower Day Basin. A closed session did take place with the Watermaster board last month on this matter. Litigation is proceeding with Hanson Aggregates and requests for documents have been made by Hanson staff. Counsel and staff are hopeful there will be a settlement made shortly; however, counsel is proceeding currently as if a hearing will take place on this issue.

3. Chino Airport Potential Litigation

Counsel Fife stated there was discussion on this item last month regarding a letter written by three of the Chino Desalter Expansion group members asking Watermaster to get involved in the dispute with the county over the Chino Airport Plume. This matter went to the Watermaster Board in closed session last month and there was no formal action taken by the board except to give direction for counsel to work with the Chino Desalter Authority on what their needs are. An update will be made next month on this issue.

B. ENGINEERING UPDATES

1. Condition Subsequent No. 5 Recharge Master Plan

Mr. Wildermuth stated Condition Subsequent No. 5 is still being worked on by both Wildermuth Environmental and counsel that will be filed with the court.

2. Condition Subsequent No. 6 Hydraulic Control

Mr. Wildermuth gave a report titled, "Recovery of Hydraulic Control after a Six-Month Shut Down of Desalters I and II." Mr. Wildermuth reviewed the contents of Condition Subsequent No. 6 and gave an update on the status of each requirement. Several maps regarding failure scenarios using the model were reviewed in detail. A discussion regarding Mr. Wildermuth's presentation ensued.

3. Analysis of Residual Agricultural Pumping

Mr. Wildermuth stated this item pertains to the requirement stemming from Monte Vista Water District's stipulation regarding the analysis of residual agricultural pumping. A draft report addressing this issue will be sent out next week for review and/or comment.

C. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning commented on AB2046/Jones which is regarding eliminating the use of impaired water sources for use in Urban Water Management Plans. Mr. Manning commented on AB2270/Laird which is sponsored by Inland Empire Utilities Agency and is moving through the legislature presently; this bill relates to water softener issues.

2. Recharge Update

Mr. Manning stated there was a late year storm in May which allowed for the capture of 1,000 acre-feet of recharge water. The Recharge handout is available on the back table for review.

3. Personnel Matter

Mr. Manning stated in April, 2008 Gordon Treweek had retired and the vacant position of Project Engineer was placed in several publications for approximately four weeks. A screening committee was formed and the panel interviewed several candidates. One candidate stood out and was approached with an offer of employment at Watermaster. The candidate has accepted our offer; Mr. Ben Pak who is currently employed with Inland Empire Utilities Agency. Mr. Pak will be starting at Watermaster on July 7, 2008 and staff is looking forward to working with him as our new Senior Project Engineer.

4. Strategic Planning Conference

Mr. Manning stated the next Strategic Planning Conference has been scheduled for September 28-30, 2008, at the Lake Arrowhead Resort. The format will mirror the Strategic Planning Conference of 2006; however, we will be focusing on the Recharge Master Plan this time. A golf tournament will be held on Sunday afternoon and the kick-off reception will be held at the golf course in the club house Sunday evening. Monday will be a full day of meetings and Tuesday will be a half day of meetings. Mark your calendars for this upcoming conference.

IV. INFORMATION

1. IEUA Supports Governor's Emergency Drought Declaration
No comment was made regarding this item.

2. Newspaper Articles
No comment was made regarding this item.

V. POOL MEMBER COMMENTS

Mr. Garibay offered comment on a statement from Governor Schwarzenegger regarding the drought allocation.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

June 12, 2008	9:00 a.m.	Recharge Master Plan Follow Up Meeting
June 12, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
June 17, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
June 19, 2008	3:00 p.m.	Personnel Committee Meeting
June 26, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
June 26, 2007	9:00 a.m.	Advisory Committee Meeting
June 26, 2007	11:00 a.m.	Watermaster Board Meeting

The Joint Appropriative and Non-Agricultural Pool meeting was dismissed by Vice-Chair Tock at 11:13 a.m.

Secretary: _____

Minutes Approved: July 10, 2008