

**Minutes**  
**CHINO BASIN WATERMASTER**  
**APPROPRIATIVE POOL MEETING**  
December 11, 2008

The Appropriative Pool Meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on December 11, 2008 at 9:00 a.m.

**APPROPRIATIVE POOL MEMBERS PRESENT**

Robert Tock, Vice-Chair	Jurupa Community Services District
Mohamed El Amamy	City of Ontario
Marty Zvirbulis	Cucamonga Valley Water District
Mark Kinsey	Monte Vista Water District
Mike McGraw	Fontana Water Company
Raul Garibay	City of Pomona
Dave Crosley	City of Chino
Ron Craig	City of Chino Hills

**Watermaster Board Members Present**

Terry Catlin	Inland Empire Utilities Agency
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**Watermaster Staff Present**

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

**Watermaster Consultants Present**

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

**Others Present**

Nathan Mackamul	State of California, CIM/CIW
David DeJesus	Three Valley Municipal Water District
Michael Camacho	Inland Empire Utilities Agency
Martha Davis	Inland Empire Utilities Agency
Sandra Rose	Monte Vista Water District
Eunice Ulloa	Chino Basin Water Conservation District
Martha Davis	Inland Empire Utilities Agency
David Penrice	Aqua Capital Management
Mohamad El Amamy	City of Ontario

Vice-Chair Tock called the Appropriative Pool Meeting to order at 10:05 a.m.

**AGENDA - ADDITIONS/REORDER**

It was noted the Non-Agricultural Pool meeting would be held today at 3:00 p.m.

**I. CONSENT CALENDAR**

**A. MINUTES**

1. Minutes of the Joint Appropriative & Non-Agricultural Pool Meeting held November 18, 2008

**B. FINANCIAL REPORTS**

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

*Motion by Garibay, second by Zvirbulis, and by unanimous vote*

***Moved to approve Consent Calendar Items A through B, as presented***

**II. BUSINESS ITEMS****A. MOU COOPERATIVE EFFORTS FOR MONITORING PROGRAMS BETWEEN THE INLAND EMPIRE UTILITIES AGENCY AND THE CHINO BASIN WATERMASTER – BRIGHT LINE APPROACH**

Mr. Manning stated the original MOU for monitoring programs between Inland Empire Utilities Agency and Chino Basin Watermaster has been revised and a Bright Line agreement was formed and both IEUA and Watermaster has been working under the basis of the Bright Line Agreement since January, 2008. This will be an amendment to the original MOU and the agencies will no longer be operating under a verbal agreement but will be using the presented MOU. Mr. Manning stated both parties will be working together in funding the capital projects as part of this agreement. A discussion regarding this matter ensued.

*Motion by Crosley, second by La, and by unanimous vote*

***Moved to approve the Memorandum of Understanding for Cooperative Efforts for Monitoring Programs between Inland Empire Utilities Agency and the Chino Basin Watermaster Bright Line approach dated December 17, 2008, as presented***

**B. PUBLIC INFORMATION COST SHARING AGREEMENT WITH INLAND EMPIRE UTILITIES AGENCY FOR 2009 COMMUNITY OUTREACH CAMPAIGN**

Mr. Manning stated this is an item Watermaster has been working on with Inland Empire Utilities Agency since 2005. In 2005, IEUA and Watermaster had discussions with the Daily Bulletin regarding developing a public information program that assist our agencies in dealing with issues that would arise; a proactive approach on recycled water, water reliability issues, scarcity outages, and other water related topics. The idea was to purchase a volume of ad space within the newspaper at a reduced cost. This ad campaign was very successful past years. Watermaster has been a contributor of \$10,000 and this is the amount staff is recommending at this time for another 12-month ad campaign. This will also include an on-line campaign. A discussion regarding this ad program ensued.

*Motion by Kinsey, second by La, and by unanimous vote*

***Moved to approve Cost Sharing Agreement with Inland Empire Utilities Agency for the 2009 community outreach campaign with the Daily Bulletin in the amount of \$10,000, as presented***

**C. CONDITION SUBSEQUENT NO. 5**

Mr. Manning stated this item is a follow through on the second phase of Condition Subsequent No. 5. Included on the back table is a draft legal document that would be filed with the court and a copy of a new schedule that Wildermuth Environmental has put together. Watermaster is required as the first update to Condition Subsequent No. 5, and by the end of the year to submit to the court this update along with the new schedule. At the upcoming hearing on February 2<sup>nd</sup> and 3<sup>rd</sup> the court has asked that Watermaster make a presentation on the physical solution. Counsel Fife stated there is a draft pleading on the back table in order to begin receiving comments from the parties. This is only on Condition Subsequent No. 5 and it will be revised prior to filing it with the court by January 1, 2009. A discussion regarding this matter ensued.

Counsel Fife stated the Exhibit A schedule is what needs to be approved under this agenda item. Mr. Wildermuth stated the schedule is virtually identical as to the tasks that were presented previously. The changes relate to who is accountable to perform the various tasks. WE have been replaced with Black & Veatch and the Conservation District for different tasks. Other dates have been tried up after discussions with Black & Veatch and the Conservation District. A discussion regarding the schedule ensued.

*Motion by Zvirbulis, second by Crosley, and by unanimous vote*

***Moved to approve July 1, 2008 progress report on Watermaster's Recharge Master Plan Update pursuant to Condition Subsequent 5 updated schedule, as presented***

#### **D. AGRICULTURAL POOL REALLOCATION PROCEDURE**

Mr. Manning stated pursuant to its stipulation with Monte Vista Water District dated April 25, 2008, Watermaster committed to include in its submittal to Condition Subsequent No. 8, a comprehensive analysis and explanation of how and whether Watermaster will calculate replenishment obligations, in light of the model's predicted safe yield decline over time. The Stipulation further required Watermaster to produce certain information regarding an expected future range of Agricultural Pool production prior to July 1, 2008. Watermaster produced this information and at the June 26, 2008 Appropriative Pool meeting, the Appropriative Pool decided to convene a subcommittee to discuss the development of a procedure to respond to this information. At the August 6, 2008 meeting of this subcommittee, staff and legal counsel were asked to put together information for consideration by the subcommittee members. Staff and legal counsel were asked to memorialize a proposed resolution of the method of allocation of water in the event of a reduction in Safe Yield, and to create spreadsheets that document the results of a range of other methods. On September 8, 2008, Watermaster distributed these materials to the subcommittee and requested comments. Mr. Manning stated the recommendation provided comes from the sub-committees decision and it was noted two parties were in opposition to the sub-committees recommendation; the City of Chino and Jurupa Community Services District. A discussion regarding this matter ensued.

*Motion by Kinsey, second by La, and by majority vote – City of Chino and Jurupa Community Services District voted no*

***Moved to approve the procedures and instruct counsel to include a description of these procedures in the filing to be made in compliance with Condition Subsequent No. 8, as presented***

#### **E. WATERMASTER PURCHASE AND SALE AGREEMENT – PROPOSED PRICE FLOOR AUCTION**

Mr. Manning stated Mr. Slater will provide comment on this item and noted that staff is looking for direction to move forward with this endeavor. Counsel Slater stated there is a detailed staff report provided in the meeting packet and this item has been presented to this committee previously. Counsel Slater stated the concept of storage and recovery has been a topic of discussion for several years and staff has attempted on several occasions to put the storage space in the basin to use since 2000. Counsel Slater offered comment on an auction process and how it might take place if the members agree to proceed in this manner. A discussion ensued with regard to this matter. Mr. Manning stated with the approval of the recommendations as stated in the staff report and in Counsel Slater's report, this is not the last time this pool will have a chance to review this item. Providing direction to move forward gives staffs a chance to stay with the schedule that was outlined. Counsel Slater stated a special meeting regarding this item will be scheduled. A discussion regarding this item ensued.

*Motion by Zvirbulis, second by Crosley, and by unanimous vote*

***Moved to proceed to have counsel and staff start a process for making a recommendation to Watermaster for an auction proposal for the Non-Agricultural Pool Water, as presented***

**III. REPORTS/UPDATES****A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. February 2, 2009 Hearing  
Counsel Fife stated with regard to the upcoming February 2<sup>nd</sup> and 3<sup>rd</sup> hearing an outline is being prepared and it will be distributed in draft form. The outline will be distributed for discussion and it is anticipated it will change a few times before being submitted to the court.
2. Condition Subsequent No. 7 Pleading  
No comment was made regarding this item.

**B. ENGINEERING REPORT**

1. Oral Progress Report on Engineering Activities November 2008  
Mr. Wildermuth stated with regard to monitoring, there are two different monitoring programs; one was HCMP and one was from the semi-annual program. Water levels were measured in a few hundred wells. Two rounds of surface water monitoring took place which is a very complicated monitoring program and very labor intensive. With regard to the Recharge Monitoring Program, at a staff level, information was updated for our models and for our ability to predict recharge from storm water. In the DYY expansion work, about a year ago when WE was producing its engineering work for Peace II, it was pointed out that there was some sustainability problems with production and that problem did show up in our work efforts. Mr. Wildermuth stated this will need to be dealt with in the Recharge Master Plan. In the Hydraulic Control Monitoring Program a letter was drafted for Watermaster and Mr. Manning forwarded the letter onto the Regional Board. This letter has now kicked off a lot of informal discussions with the Regional Board staff; to reduce or eliminate some monitoring programs. Any changes must be reflected in the Basin Plan Amendment. Wildermuth staff will be working with others to get that accomplished as quickly as possible. The Dry Year Yield Expansion work has been worked on by the Inland Empire Utilities Agency, the Dodson Group, and Black & Veatch in trying to produce an initial study. The final projections were received in the middle of September with a deadline in the middle of October to get the projections for pumping; a draft report was sent out a few days ago and it will be finalized and then sent to IEUA and the Dodson Group today. Mr. Wildermuth stated the deadline to get a draft contract back to the State was successful last week with help from the City of Chino Hills. There is a draft Terms of Agreement for Watermaster's participation which has been submitted to the City of Chino Hills for their consideration. The draft contract submitted to the State should come back shortly which we would then be followed up with an agreement with the City of Chino Hills to participate in the project both financially and technically.
2. Progress Report on the AB303 Grant ASR Pilot Project in MZ3  
Mr. Wildermuth stated Watermaster was successful in obtaining an AB303 grant from the State to do some water quality investigations in the MZ3 area and work for that is being completed this month. A report on this will be brought back at a future meeting.

**C. CEO/STAFF REPORT**

1. Legislative Update  
Mr. Manning stated the State is spending money faster than they can raise money. With regard to the Federal side of legislation, they are printing money faster than we can send taxes to them; not much else going on in Sacramento and Washington at this time.
2. Recharge Update  
Mr. Manning stated there is an updated Recharge spreadsheet on the back table that shows the November water recharge. There was one minor storm in November which did recharge a small amount of storm water. There is a good size storm projected to hit this area next week.

3. California Groundwater Coalition (CGC)

Mr. Manning stated Chris Frahm is heading this newly formed coalition and she will be here at the Advisory Committee and Watermaster Board meeting to give a full report on this item.

**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**

December 11, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
December 16, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
December 12, 2008	9:00 a.m.	IEUA Dry Year Yield Meeting @ IEUA
December 18, 2008	9:00 a.m.	Advisory Committee Meeting
December 18, 2008	11:00 a.m.	Watermaster Board Meeting
January 8, 2009	9:30 a.m.	Annual Non-Agricultural Pool Elections
January 8, 2009	9:45 a.m.	Annual Appropriative Pool Elections
January 8, 2009	10:00 a.m.	Annual Joint Appropriative & Non-Agricultural Pool Meeting
January 20, 2009	9:00 a.m.	Annual Agricultural Pool Meeting @ IEUA
January 22, 2009	9:00 a.m.	Annual Advisory Committee Meeting
January 22, 2009	11:00 a.m.	Annual Watermaster Board Meeting

The Appropriative Pool meeting was dismissed by Chair DeLoach at 11:35 a.m.

Secretary: \_\_\_\_\_

Minutes Approved: January 8, 2009