

Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING
March 12, 2009

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 March 12, 2009 at 10:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Ken Jeske, Chair	City of Ontario
Robert DeLoach	Cucamonga Valley Water District
Mark Kinsey	Monte Vista Water District
Robert Tock	Jurupa Community Services District
Mike McGraw	Fontana Water Company
Robert Young	Fontana Union Water Company
Charles Moorrees	San Antonio Water Company
Raul Garibay	City of Pomona
Dave Crosley	City of Chino

NON-AGRICULTURAL POOL MEMBERS PRESENT

Kevin Sage	Vulcan Materials Company (Calmat Division)
Mohamad El Amamy	City of Ontario

Watermaster Board Members Present

Michael Camacho	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
Mark Wildermuth	Wildermuth Environmental Inc.
Tom McCarthy	Wildermuth Environmental Inc.

Others Present

Jennifer Novak	State of California Dept. of Justice
Marv Shaw	Inland Empire Utilities Agency
Sandra Rose	Monte Vista Water District
Eunice Ulloa	Chino Basin Water Conservation District
Marty Zvirbulis	Cucamonga Valley Water District
David DeJesus	Three Valleys Municipal Water District
Ben Adlin	Coro

Chair Jeske called the Joint Appropriative and Non-Agricultural Pool Meeting to order at 10:00 a.m.

AGENDA - ADDITIONS/REORDER

Chair Jeske asked that the closed session be moved directly after the Consent Calendar on the agenda.

I. CONSENT CALENDAR**A. MINUTES**

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

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of February 2009
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2008 through January 31, 2009
4. Treasurer's Report of Financial Affairs for the Period January 1, 2009 through January 31, 2009
5. Budget vs. Actual July 2008 through January 2009

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Santa Ana River Water Company hereby transfers to Jurupa Community Services District in the quantity of 1,000 acre-feet of corresponding Operating Safe Yield. Date of Application: February 2, 2009
2. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,800,000 acre-feet of water from the Santa Ana River Water Company. Watermaster will purchase the water at \$295.00 per acre-foot, which is the MWD's replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from SARWC's net under-production in Fiscal Year 2008-09, with any remainder to be recaptured from storage. Date of Application: March 2, 2009
3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 5,085,000 acre-feet of water from the City of Chino. Date of Application: March 2, 2009

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

Chair Jeske closed the regular open meeting at 10:06 a.m. to hold the confidential session.

VI. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Jeske stated the confidential session direction to the chair was allow have him to attend the meeting regarding the Agricultural Pool special projects issue which will be scheduled by Board member, Robert Bowcock, and to obtain a written offer to meet and discuss solutions regarding this matter with the Agricultural Pool representatives.

Chair Jeske dismissed the confidential session at 10:37 a.m. to continue with the open meeting.

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

1. Court Hearing Update
Counsel Fife stated a notice went out regarding the April 16, 2009 hearing; however, that hearing has now been rescheduled to April 9, 2009. Recently the court has contacted legal and informed them that the April 9, 2009, hearing date will not work due to the Judge's vacation schedule and noted another date will be scheduled for later in the month of April. Counsel Fife stated that, once a new date is scheduled another notice will go out.
2. Auction Price Floor Agreement & Storage & Recovery Agreement
Counsel Fife stated a meeting took place recently with Watermaster staff and the Appropriative Pool members. As to date, Western Municipal Water District, does not want to be the floor bidder for the water that will be available for the upcoming auction. Different ways to restructure the auction are being considered and once a more definitive plan is done more information will be given to this Pool. Chair Jeske offered comment on the recent meeting and noted a to-do list was given out at that meeting and another meeting was scheduled.

3. Peace II CEQA Notice of Preparation

Counsel Fife stated in the Peace II Agreement there was commitment to do a CEQA analysis and Mr. Dodson has been hired to perform that work. Inland Empire Utilities Agency (IEUA) is acting as the lead agency and this is in process. The CEQA document is going to review the Peace II agreements and also will be an update to the original PEIR that was done in 2000. A notice of preparation did go out on February 25, 2009 which begins a 30 day comment period. Recently there was a scoping meeting held at IEUA which was attended by IEUA staff and Watermaster staff and no members of the public showed up to make comments which is a very good sign that the CEQA process may proceed smoothly.

B. ENGINEERING REPORT

1. Recharge Master Plan Progress Report

Mr. Wildermuth stated the work on the Recharge Master Plan is proceeding on schedule. A technical consultant meeting took place recently and was a very informative meeting. The production optimization work is currently underway and is on schedule. Supplemental water recharge requirements and facilities availability have been completed. Safe yield methodology description is complete and staff is wrapping up the planning criteria. There are four task memorandums that are going to be made available next week on our web site. Those four documents will be the content for the March 26, 2009 Workshop.

2. Storage Loss Calculation Update

Mr. Wildermuth stated the calculations for the storage losses are complete and an initial set of loss rate computations will be produced shortly and will present these findings at the next Advisory Committee meeting. Wildermuth is preparing a technical memorandum for staff to review in the near future.

3. Budget Schedule Update

Mr. Wildermuth stated this will be presented in detail at the next Advisory Committee meeting on March 26, 2009.

C. FINANCIAL REPORT

1. Dry Year Yield Financial Update

Ms. Rojo stated the Dry Year Yield Program that was entered into between Chino Basin Watermaster, Metropolitan Water District, with Inland Empire Utilities Agency acting as the lead agency started last fiscal year 2007-2008. MWD originally agreed to reimburse Watermaster \$400,000 and some of that has been received and the balance will be received this fiscal year. The project was completed in December, 2008, and staff is now anticipating receiving the final reimbursements between Watermaster and IEUA.

D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated there are a number of bills being introduced in Sacramento and the deadline for introduction was two weeks ago. There were about a third less bills introduced this year than in previous years. In Washington there are a lot of bills going through the congress and the senate under a variety of different names; mostly under stimulus kinds of activities. IEUA sends out a detailed list of current legislation status which is always very informative.

2. Recharge Update

Mr. Manning stated staff has not received the most current numbers to formulate the Recharge Update so it will be provided to the parties at the Advisory Committee meeting in a few weeks.

Mr. Manning introduced Ben Adlin who is a Coro Foundation fellowship member and he will be with Watermaster for the next four to five weeks. Mr. Adlin will be constructing a Power Point presentation that will go onto the Watermaster web site while he is here.

3. Watermaster Consolidated Schedule of Reporting Due Dates
Ms. Maurizio gave the Consolidated Schedule of Reporting Due Dates presentation. Ms. Maurizio stated the request for this information was made by an Appropriative Pool member and noted that requests from Watermaster staff often get confused, especially at the end of the fiscal year. This schedule is in the form of a consolidated single-sheet which is easily distributed among staff and will be sent to each party. Ms. Maurizio reviewed the reporting sheet in detail. A discussion regarding the presentation ensued.
4. PERS Retirement Plan
Mr. Manning stated the Personnel Committee met recently and at that meeting the PERS retirement plan that Watermaster currently has in place was reviewed and a proposal for a revised plan was presented. Mr. Manning stated the revision regarded changing the percentage number from 2.0% at 55 years of age to 2.5% at 55 years of age. The Personnel Committee made the recommendation that Watermaster can hold an election with staff of 2.5% at 55, if the Watermaster staff picked up the increase in cost between the 2.0% and the 2.5% which is approximately 3% of their payroll. This recommendation was taken to staff and staff via an election voted to move to 2.5% with staff paying the difference. This recommendation will be coming to the board in March for a July, 2009 start date.

III. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

IV. POOL MEMBER COMMENTS

No comment was made regarding this item.

V. OTHER BUSINESS

No comment was made regarding this item.

VI. CONFIDENTIAL SESSION - POSSIBLE ACTION

Moved to after the Consent Calendar Item.

VII. FUTURE MEETINGS

March 10, 2009	9:00 a.m.	GRCC Meeting
March 12, 2009	8:00 a.m.	MZ1 Technical Committee Meeting
March 12, 2009	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
March 17, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
March 26, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
March 26, 2009	9:00 a.m.	Advisory Committee Meeting
March 26, 2009	11:00 a.m.	Watermaster Board Meeting
March 26, 2009	1:00 p.m.	Wildermuth Environmental Workshop

The Appropriative Pool meeting was dismissed by Chair Jeske at 11:00 a.m.

Secretary: _____

Minutes Approved: April 14, 2009