

**Minutes**  
**CHINO BASIN WATERMASTER**  
**APPROPRIATIVE POOL MEETING**  
April 7, 2011

The Appropriative Pool Meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on April 7, 2011 at 1:00 p.m.

**APPROPRIATIVE POOL MEMBERS PRESENT WHO SIGNED IN**

John Mura, Chair	City of Chino Hills
Robert Young	Fontana Water Company
Josh Swift	Fontana Union Water Company
Mark Kinsey	Monte Vista Water District
Raul Garibay	City of Pomona
Mohamed El-Amamy	City of Ontario
Marty Zvirbulis	Cucamonga Valley Water District
Tom Harder	Jurupa Community Services District
Charles Moorrees	San Antonio Water Company
Dave Crosley	City of Chino
Anthony La	City of Upland
Ron Craig	City of Chino Hills

**Watermaster Staff Present**

Danni Maurizio	Senior Engineer, Interim CEO
Joe Joswiak	Chief Financial Officer
Ben Pak	Senior Project Engineer
Sherri Molino	Recording Secretary

**Watermaster Consultants Present**

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

**Others Present Who Signed In**

Ken Jeske	California Steel Industries
Kevin Sage	Arrowhead Water Company
Robert DeLoach	DeLoach & Associates
Jill Willis	Best Best and Krieger
Jo Lynne Russo-Pereyra	Cucamonga Valley Water District
Shaun Stone	City of Upland
John Salmon	Monte Vista Water District
Sheri Rojo	Consultant for Fontana Water Company
Chris Berch	Inland Empire Utilities Agency
Curtis Paxton	Chino Desalter Authority
John Schatz	Attorney at Law
Steven G. Lee	Reid & Hellyer

Chair Mura called the Appropriative Pool Meeting to order at 1:00 p.m.

**AGENDA - ADDITIONS/REORDER**

There were no additions or reorders made to the agenda.

**I. CONSENT CALENDAR****A. MINUTES**

1. Minutes of the Appropriative Pool Meeting held March 3, 2011

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of February 2011
2. Watermaster VISA Check Detail for the month of February 2011
3. Combining Schedule for the Period July 1, 2010 through February 28, 2011
4. Treasurer's Report of Financial Affairs for the Period February 1, 2011 through February 28, 2011
5. Budget vs. Actual July through February 2011

**C. WATER TRANSACTIONS**

1. **Consider Approval for Notice of Sale or Transfer** – Fontana Water Company ("Company") has agreed to purchase from Monte Vista Water District water in storage in the amount of 500.000 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2010-2011. Date of Application: February 24, 2011
2. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 4,055.720 acre-feet of water from the City of Chino (Chino). The transfer will be made first from Chino's net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage. Date of Application: March 1, 2011
3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,595.170 acre-feet of water from the City of Pomona. The transfer will be made from the City's Excess Carryover Account. Date of Application: March 1, 2011 (*Page 59*)
4. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 957.102 acre-feet of water from the Santa Ana River Water Company (SARWC). The transfer will be made first from SARWC's net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage. Date of Application: March 1, 2011
5. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 2,233.238 acre-feet of water from the City of Upland (Upland). The transfer will be made first from Upland's net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage. Date of Application: March 1, 2011
6. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 47.855 acre-feet of water from the City of Ontario (Ontario). The transfer will be made first from Ontario's net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage. Date of Application: March 1, 2011

*Motion by El-Amamy second by Zvirbulis, and by unanimous vote  
Moved to approve Consent Calendar items A, through C, as presented*

**II. BUSINESS ITEMS****A. BUDGET AMENDMENT**

Ms. Maurizio introduced this item and noted while reviewing the budget for the this year staff noticed there were going to be some funds available this year, and also noted there was a need to start some modeling work this year rather than next year. Mr. Joswiak noted this budget amendment is being done as an amendment rather than a regular budget transfer. Mr. Joswiak reviewed pages 99 and 100 in the meeting packet in detail. Mr. Kinsey inquired about the model update. Mr. Wildermuth stated Wildermuth Environmental proposed to extend the calibration from 2006 to the present and are doing the safe yield determination as part of that original work for the current fiscal year; however, that was taken out of the budget because there were not good planning projections for the Appropriators due to the Urban Water Management Plans. Mr. Wildermuth explained the methodology for computing safe yield and using the correct pumping numbers. Mr. Wildermuth reviewed the tasks that need to still be completed and the necessity of starting this work now instead of later. A lengthy discussion regarding the model and its costs ensued. Chair Mura inquired into this item being discussed at the Land Subsidence Committee

meetings and noted his concern about this budget reduction not going through the proper channels first.

*Motion by Harder second by El-Amamy, and by unanimous vote*

***Moved to approve the Budget Amendment A-11-04-01 in the amount of \$145,000, as presented***

#### **B. BUDGET TRANSFERS**

Mr. Joswiak noted this item is for actual transfers and not amendments, and reviewed each of the transfers in detail. Mr. Crosley asked that account 6909 be reviewed in more detail, and Mr. Joswiak gave further explanation on that account. A lengthy discussion regarding the Regional Board fine, budget issues, and engineering services ensued.

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

***Moved to approve the Budget Transfer T-11-4-01, as presented***

Added Comment:

Counsel Fife stated with regard to the Watermaster CEO negotiations, staff and counsel has gone back and forth with the candidate who was selected by the Board with regard to a Term Sheet on his contract. There has been an agreement between the Board and Mr. Alvarez on that Term Sheet and it is now in the process of being completed.

### **III. REPORTS/UPDATES**

#### **A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Paragraph 31 Appeal

Counsel Fife stated the Non-Agricultural Pool and California Steel Industries have filed their opening briefs. Counsel Fife stated Watermaster now has 45 days to file its briefs. The process from there will be that the court will gather all the briefs and then make a determination internally and will notify the parties of their decision and only if there is a split decision will a hearing be scheduled. Counsel Fife stated all parties are looking for a quick decision from the Applet Court.

2. Court Hearing Update

Counsel Fife stated a hearing was scheduled for April 22, 2011, and the purpose of that hearing was to discuss the Desalter Resolution; however, that is not ready to go to the court so this date was taken off calendar that hearing was rescheduled to July 8, 2011 at 10:30 a.m. in the Chino Courthouse.

#### **B. ENGINEERING REPORT**

1. GE Application for Recharge Description and Status

Mr. Wildermuth offered comment on what the GE application for recharge is and reviewed a map of the GE Flatiron in detail. Mr. Wildermuth noted GE wants to take their treated water from the Flatiron plume and inject it into wells in the City of Ontario. Wildermuth Environmental is in the process of doing this analysis. Mr. Wildermuth examined the item in detail. A discussion regarding nitrates, injection, and blending water ensued.

#### **C. FINANCIAL REPORT**

1. 2011-2012 Draft Budget

Ms. Maurizio stated Mr. Joswiak is going to present the draft budget today; however, this is being presented as a draft and once all the meetings have taken place and changes are made, the budget will go through the regular Watermaster process. Ms. Maurizio noted the Budget Workshop time has changed from 2:00 p.m. to 2:30 p.m. Mr. Joswiak gave the 2011-2012 draft budget presentation. Mr. Joswiak discussed the Watermaster draft assumptions for each of the budget categories. A lengthy discussion regarding the budget presentation ensued. Mr. Joswiak noted the comments and suggestions will be

incorporated into another draft budget which will be presented at the Budget Workshop on April 12, 2011 from 2:30 to 4:30 p.m.

#### **D. CEO/STAFF REPORT**

1. Recharge Update

Ms. Maurizio stated the most recent recharge spreadsheet is on the back table. Ms. Maurizio reviewed the Recharge Update in detail. Ms. Maurizio noted there has been some rain in April and another storm is supposed to come today so those numbers are rising for 2011.

2. SBX7-6 California Statewide Groundwater Elevation Monitoring Program (CASGEM)

Ms. Maurizio noted this item has been discussed for many years now and most parties are familiar with this item. Ms. Maurizio stated it is being called optional; however, if you don't do the monitoring and provide the groundwater level monitoring results then funding may be cut. It has been requested that Watermaster provide this information whenever possible. Watermaster will be reporting on behalf of the Chino Basin and the Cucamonga Basins. Ms. Maurizio stated this is basically an expanded data request and is not controversial in any way. The deadline was around the first of the year; however, Watermaster had logged into their system and made a conditional commitment and staff is now submitting an actual letter of commitment. The draft letter is in the meeting package and after the Board has approved it the letter will be sent out at the end of the month.

#### **IV. INFORMATION**

1. Cash Disbursements for March 2011

No comment was made regarding this item.

2. Newspaper Articles

No comment was made regarding this item.

#### **V. POOL MEMBER COMMENTS**

Mr. Garibay inquired about the status of the water auction. Ms. Maurizio stated there is nothing going on with the water auction presently and Watermaster is waiting on its new CEO for direction; however, the Oversight Committee stated there were issues to be worked out first which is why this is not scheduled for this upcoming year's budget. Ms. Maurizio noted that with all the rainfall from this year it seemed best to postpone the water auction for another year. Mr. Zvirbulis inquired about the Oversight Committee. Counsel Fife stated this ad-hoc committee was created when Sheri Rojo stepped in as interim while Watermaster went through the new CEO process, and it was reinstated when Danni Maurizio took over as interim; the committee oversees Watermaster business. Mr. Zvirbulis stated the parties want to know what steps need to be taken in the future. Ms. Maurizio stated the committee only made a recommendation to put off the water auction for another year; however, if the parties want the water put back into those accounts that is easily accomplished. A discussion regarding the water auction ensued. Mr. Garibay inquired about the contract with the auction firm. Counsel Fife stated the contract is over and there are no monies owed or obligations on it. Counsel Fife stated he believes Mr. Manning was still in contact with the individual who was running the auction so that, if at some point in time the water auction was put back into play, Watermaster could renew the contract with FTI. Mr. Zvirbulis stated he understood the company which was originally hired dissolved and they did complete what was needed; however, there might be a need to clearly cancel the contract with FTI by putting that action on the next agenda to formally complete or revoke the contract. Counsel Fife stated legal will look up the language of the contract; however, Watermaster understood the contract was fulfilled because the work was completed and all payments were finalized to FTI.

**VI. OTHER BUSINESS**

Chair Mura stated he handed out a two page document regarding follow up from the 2010 Strategic Planning Conference. Chair Mura reviewed the document in detail and noted this is a starting point for the Appropriative Pool to get together to prioritize some of the common themes and issues that were identified. A discussion regarding this matter ensued. Chair Mura stated two dates have been chosen for a possible off-site Appropriative Pool Strategic Planning Workshop and it was noted the recording secretary will send out the two dates, May 24, 2011 or May 25, 2011, to see which would work best for all the parties to attend and then advise Chair Mura.

The regular open Appropriative Pool meeting was convened to hold its confidential session at 1:23 p.m.

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

Pursuant to the Appropriative Pool Rules & Regulations, a Confidential Session may be held during the Watermaster Pool meeting for the purpose of discussion and possible action.

- 1. Paragraph 31 Motion

The confidential session concluded at 2:00 p.m.

There was no reportable action from the confidential session.

**VIII. FUTURE MEETINGS**

Thursday, April 7, 2011	1:00 p.m.	Appropriative Pool Meeting @ CBWM
Thursday, April 7, 2011	2:30 p.m.	Non-Agricultural Pool Conference Call Meeting
<b>Tuesday, April 12, 2011</b>	<b>2:30 p.m.</b>	<b>2<sup>nd</sup> Budget Workshop @ CBWM</b>
Thursday, April 14, 2011	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, April 21, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
Thursday, April 21, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, April 21, 2011	10:30 a.m.	Land Subsidence Committee Mtg. @ CBWM
Thursday, April 28, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
<b>*Friday, July 8, 2011</b>	<b>10:30 a.m.</b>	<b>Court Hearing</b>

**\* Changed from Friday, April 22<sup>nd</sup> at 10:30 a.m. to Friday, July 8<sup>th</sup> at 10:30 a.m.**

The Appropriative Pool Committee meeting was dismissed by Chair Mura at 2:01 p.m.

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

Minutes Approved: May 5, 2011