

Minutes
CHINO BASIN WATERMASTER
APPROPRIATIVE POOL MEETING

February 14, 2013

The Appropriative Pool meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on February 14, 2013, at 9:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Marty Zvirbulis, Chair	Cucamonga Valley Water District
Scott Burton	City of Ontario
Rosemary Hoerning	City of Upland
Curtis Aaron	City of Pomona
Ron Craig	City of Chino Hills
Dave Crosley	City of Chino
Justin Scott-Coe	Monte Vista Water District
Van Jew	Monte Vista Irrigation Company
Sheri Rojo	Fontana Union Water Company
Seth Zielke	Fontana Water Company
Tom Harder	Jurupa Community Services District
Ben Lewis	Golden State Water Company
Teri Layton	San Antonio Water Company

Watermaster Board Members Present

Bob Kuhn	Three Valleys Municipal Water District
Bob Craig	Jurupa Community Services District

Watermaster Staff Present

Peter Kavounas	General Manager
Danielle Maurizio	Assistant General Manager
Joe Joswiak	Chief Financial Officer
Sherri Molino	Recording Secretary

Watermaster Consultants Present

Brad Herrema	Brownstein, Hyatt, Farber & Schreck
Andy Malone	Wildermuth Environmental Inc.

Others Present

Todd Corbin	Jurupa Community Services District
John Bosler	Cucamonga Valley Water District
Jo Lynne Russo-Pereyra	Cucamonga Valley Water District
Mark Kinsey	Monte Vista Water District
Ryan Shaw	Inland Empire Utilities Agency
Eunice Ulloa	Chino Basin Water Conservation District
Curtis Paxton	Chino Desalter Authority
Darron Poulsen	City of Pomona
John Schatz	John J. Schatz, Attorney at Law

Chair Zvirbulis called the Appropriative Pool Meeting to order at 9:05 a.m.

AGENDA - ADDITIONS/REORDER

Mr. Kavounas stated there is a reorder to the agenda which is to take II Business D. Pomona Credit as the first business item, directly after the Consent Calendar.

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the annual Appropriative Pool Meeting held January 10, 2013

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of December 2012
2. Watermaster VISA Check Detail for the month of December 2012
3. Combining Schedule for the Period July 1, 2012 through December 31, 2012
4. Treasurer's Report of Financial Affairs for the Period December 1, 2012 through December 31, 2012
5. Budget vs. Actual Report for the Period July 1, 2012 through December 31, 2012

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 827.390 acre-feet of water from San Antonio Water Company by the City of Upland. This purchase is made from San Antonio Water Company's storage account. The City of Upland is utilizing this transaction to produce its San Antonio Water Company shares. Date of application: January 3, 2013
2. **Consider Approval for Notice of Sale or Transfer** – The purchase of 2,000.000 acre-feet of water from San Antonio Water Company by Monte Vista Water District. This purchase is made from San Antonio Water Company's storage account. Date of application: January 10, 2013
3. **Consider Approval for Notice of Sale or Transfer** – The purchase of 6.922 acre-feet of water from San Antonio Water Company by Monte Vista Water District. This purchase is made from San Antonio Water Company's storage account. Monte Vista Water District is utilizing this transaction to produce its San Antonio Water Company shares. Date of application: January 7, 2013

Motion by Aaron, second by Scott-Coe, and by unanimous vote

Moved to approve Consent Calendar items A through C, as presented

II. BUSINESS ITEMS

II Business Item D. Pomona Credit was taken out of order as the first Business Item.

D. POMONA CREDIT

Mr. Kavounas stated this item is in consideration of a proposed assessment for the Appropriative Pool. The proposed assessment is to allow Watermaster to recover enough money to give the City of Pomona (Pomona) the Pomona credit per the terms of the Peace Agreement as written in the staff letter. That obligation has been carried over the last five years by Three Valleys Municipal Water District (TVMWD), since the Peace II Agreement. At the end of the five-year cycle TVMWD had the option to elect to terminate paying the Pomona credit, which is what they have elected to do. In light of that decision by TVMWD the terms of the agreement are that the Pomona credit then reverts back to the terms as they originally were conceived in the Peace Agreement. Watermaster staff believes this is appropriate and in order to give Pomona their credit for the current fiscal year Watermaster needs to collect money from the appropriators in the same proportions as was the custom before the Peace II Agreement. Mr. Kavounas stated the proposal is to approve Watermaster moving forward with that assessment. The staff letter in the meeting package shows a table that illustrates how that assessment would be allocated among the members of the Appropriative Pool.

Mr. Scott-Coe stated he appreciates the reorder of the agenda; the reorder was asked to have this discussion before the Mid-Year Review and Budget Transfer business item. Mr. Scott-Coe stated he understands that there is a certain allocation that must take place in order to distribute this additional expense; however, in the Mid-Year Review item it is anticipated there will be less expenses in certain budget categories and money that will be available and held in reserves.

Mr. Scott-Coe stated he wanted this to be carried over as an unbudgeted expense, and to find the funds in the current budget. Mr. Scott-Coe inquired if that was even a possibility. Mr. Kavounas stated anything can be considered as an option and if that is the direction the Appropriative Pool wants to take then staff can take a look at that. Mr. Kavounas stated if that option is approved it will be followed by a very lengthy administrative exercise. Money would be taken that has been put into reserves by others that are not responsible to pay for the Pomona Credit. Mr. Kavounas stated our CFO is capable of tracking that money and to ensure no one is harmed by this transaction, but at the same time we would be creating a much larger headache for ourselves than if the special assessment practice was put into place. Mr. Kavounas stated the largest impact for this is for the City of Ontario, and that it would be an unplanned expense as opposed to the whole exercise of recalculating whose contributed, how much is taken out of reserves, and how to adjust for that in the following budget. Mr. Scott-Coe stated the administrative effort would be more to do that calculation than to issue a special assessment. Mr. Kavounas stated he believes so; however, he has not run the numbers on this specifically.

Mr. Burton inquired if Watermaster was to pull money out of reserves would that be a more complicated administrative effort, and is there enough unspent money in what was budgeted this fiscal year to fund this item. Mr. Kavounas stated yes. Mr. Burton inquired if that would be paid based on the same percentages; money that was already budgeted this year and already assessed but not spent could cover this cost. Mr. Kavounas stated he is not sure of that because money budgeted this year is based on all the assessments on everyone including the Non-Agricultural Pool. The Non-Agricultural Pool is not part of the Pomona Credit; meaning some of the money in reserves is theirs. Mr. Kavounas stated it is staff's recommendation to leave the reserve money alone and apply a special assessment to cover this debt.

Ms. Layton stated the reserves are then recalculated into the assessment for next year. Mr. Kavounas stated yes, and the Watermaster policy over the last couple years has been to return excess reserves back to the parties. Mr. Kavounas stated that is one of the reasons this assessment needs to come in on its own and paid out on its own, and stays out of that particular calculation.

Chair Zvirbulis asked if there is anyone in the Appropriative Pool that is not affected by this action. Mr. Kavounas stated if the parties take a look at the table it shows how that is being allocated and the parties who are not being affected by this. Chair Zvirbulis offered comment on the return of reserve money and inquired if this could all be done that the same time reserve money is returned. Mr. Kavounas stated at the end of the year staff could look at the monies that would be coming back.

Ms. Layton inquired if the City of Pomona needs to be paid back right now. Mr. Kavounas stated yes, they need to be paid in this fiscal year. Ms. Layton inquired if Watermaster has that payment amount right now. Mr. Kavounas stated yes, and in a way it would be fronting those reserves until the money can be replaced.

Mr. Scott-Coe stated he would make a motion for what Mr. Kavounas just stated.

Chair Zvirbulis stated what the motion is asking for is to defer assessment of the Pomona Credit to the parties until such time the reconciliation of reserves of the Appropriators has been established, and make any adjustments at that time. Mr. Kavounas stated he wanted to double check with the Watermaster CFO to make sure he is comfortable with this arrangement. Mr. Joswiak stated this arrangement is fine; however, he would like to remind the parties that the refunds of that would be calculated in November and then done in the January assessments.

Ms. Layton stated this will actually be done twice during the assessment process. Mr. Joswiak stated that is correct. Mr. Kavounas stated this assessment will be embedded in the next year's assessment.

Mr. Scott-Coe stated that is his motion and Mr. Craig stated he would second that motion.

Motion by Scott-Coe, second by Craig, and by unanimous vote

Moved to defer assessment of the Pomona credit to the parties until such time the reconciliation of reserves of the Appropriators has been established, and make adjustments at that time, as presented

A. NINTH AMENDMENT TO THE CHINO BASIN CYCLIC STORAGE AGREEMENT

Mr. Kavounas stated this is a long standing agreement and has been in effect since the Judgment was approved by the court in 1979. Mr. Kavounas stated the storage agreement itself was approved by the court when it was first enacted and it has been extended on a number of occasions, as well as slightly modified over the years. The ability by Metropolitan Water District (MWD) to store water in the Chino Basin has been exercised only once in the time the agreement has been in place and it is viewed by MWD, according to conversations that have taken place with MWD staff, that this is their least preferred option of storing water in the basin. Their preferred option is a Dry Year Yield (DYY) Program. The ability for MWD to store water is given only with written consent by Inland Empire Utilities Agency (IEUA) and Chino Basin Watermaster. The program itself is under control by the local agencies. Mr. Kavounas stated in Watermaster's view this program presents a good option for the basin to have; it costs nothing and it provides an opportunity that, at a time when there is plenty of water available, the water could be added to storage in the basin. This agreement does have provisions for losses and the losses would apply according to the Judgment provisions at 6%. It is staff's recommendation to the Advisory Committee to recommend to the Watermaster Board to approve the ninth extension of the Cyclic Storage Agreement.

Ms. Rojo stated the terms of the agreement have changed, and there have been DYY Committee meetings which took place; what is the difference for the basin and for MWD if Watermaster has the Cyclic Storage Agreement or the DYY Program. Mr. Kavounas stated the DYY is a program that when MWD decides it has extra water, it can be put in the basin and they are actually selling the water to IEUA, and through IEUA to its members at that time. Cyclic Storage is a program that MWD may decide they have excess water, and they need IEUA and Watermaster's written permission to store water in the basin. They can put the water in the basin and the water is available for parties in the basin to extract later, at a later price, and that mechanism is at that later time when IEUA goes to MWD and states how much water they want to purchase out of the MWD Cyclic Storage Account.

Mr. Burton inquired if these are two different storage accounts and if they are interchangeable; can the DYY Storage and Cyclic Storage move the water back and forth. Mr. Kavounas stated he is not 100% sure if they are interchangeable; however, he is sure they would need approval through the Watermaster process to do that.

Chair Zvirbulis stated he believes that happened when the program was originally established; there was water in the Cyclic Storage Account that was moved to the DYY Account, so there is precedent for doing that.

Mr. Kinsey stated during that period MWD essentially had 30-35,000 acre-feet in their Cyclic Storage Account and the only way that could be tapped was for replenishment purposes, and there wasn't a need for replenishment purposes then, so it had been sitting in that account idle for many years; this is before we started assessing losses. The solution to that was the intent to get rid of the Cyclic Account and move that into the DYY Account because MWD was interested in building up that storage account.

Mr. Kavounas stated that may have been the arrangement when the DYY Program was established, but moving forward if MWD has enough water to put into Cyclic Storage then moving it over to the DYY Program would be a conscious decision by the Watermaster process.

Mr. Burton stated he would think that it would also require the individual participants in the DYY Program to approve that because it has performance ramifications.

Mr. Crosley stated several of the appropriators have filed applications with Watermaster for Local Storage Agreements which have not been acted on yet, and if this Cyclic Storage Agreement were to be approved it is a five-year reservation of space, what impact if any, would that have on those pending applications. Mr. Kavounas stated Watermaster has the complete discretion to decline any water to be put in storage, we would make decisions that would favor our own parties putting water into their own Local Storage Accounts before we allow MWD to put water in.

Mr. Scott-Coe stated he noticed that the last amendment to the Cyclic Storage was signed a month after the Peace II Agreement, and Peace II has a great deal to say about storage losses. Mr. Scott-Coe stated Mr. Kavounas mentioned Watermaster agreed to this Cyclic Storage Agreement to be consistent with the second tier of 6% losses which would then provide that benefit to the desalter replenishment through the Peace II Agreement. Mr. Scott-Coe inquired if it would be a good idea to add some language to this amendment to confirm its consistency with the agreements, particularly the Peace II Agreement in terms of storage losses, and maybe even the Peace Agreement as far as this agreement stands as being a Storage and Recovery Program as opposed to a Local Storage Program. Mr. Scott-Coe inquired if such language could be added to this amendment so that there is no confusion going forward as to how this Cyclic Storage Account relates to other storage accounts through the Peace agreement process. Mr. Kavounas stated we could add that language or at least propose that language and IEUA and MWD would have to find it acceptable and agree with it, and there is a chance that they would find that acceptable including spelling out the losses at 6%. The agreement is pretty clear that there are losses to be assessed, and that their losses are to be assessed according to the Judgment. Mr. Kavounas stated he believes the best chance of this agreement getting adopted by all three parties is by not making any amendments. Mr. Scott-Coe referenced one of the agreements mentioning the MWD replenishment rate for recovery of that water by Watermaster parties; would that need to be clarified or is the agreement sufficient and clear. Mr. Kavounas stated he thinks it's functional as is; although, there is room for discussion since there is no MWD replenishment rate at this time. The MWD rate structure may change again in the next five years and, as noted previously, he does not see taking a chance on not getting this approved by making changes at this time.

Mr. Kinsey stated part of his concern is the existing agreement was crafted in 1978 and allowed for negotiation of losses. The Peace II Agreement was explicit in terms of establishing the two tier loss criteria, and set the framework for which the higher and lower losses be assessed. Mr. Kinsey stated our concern is moving an amendment forward which is inconsistent with an agreement which allows for discretion on what loss factor to assess. Mr. Kinsey stated there is a reason why there is a two tier loss factor, and managing the basin for minimizing the lower losses is a great expense to the parties. The higher loss factor was negotiated and agreed upon among the parties. Mr. Kinsey stated we are concerned to move an agreement forward which is inconsistent with Peace II, and at the time the water is available Watermaster may choose to move forward with a different loss criteria that was defined in Peace II. Mr. Kinsey offered further comment on his concerns over the loss factor.

Mr. Kavounas stated he understands Mr. Kinsey's position and, from his point of view, we are talking about a situation that's not likely to happen, and if it does happen Watermaster holds the upper hand. Going to the extent of clarifying provisions now could jeopardize this agreement.

Chair Zvirbulis stated as to understand this now, we have the ability to say no collectively through the Pool process, and if provided that opportunity then work out the specifics details at that time. Mr. Kavounas stated it is more than having the opportunity to say no, we have to say yes in writing, before a drop of water can be put in the basin. Putting water into storage in the basin comes with benefits for the appropriators as well in the form of higher water levels.

Mr. Aaron stated he would move this item, and Ms. Layton stated she would second the motion.

Mr. Scott-Coe inquired if we were moving staff recommendation. Chair Zvirbulis stated yes, it is to move staff recommendation.

Mr. Jew stated his concern is if we don't make these clarifications now in this amendment we are inviting a future dispute, whether it's about water losses or on the price of water at the time the water is sold. Those clarifications should be worked out now.

Ms. Layton stated it is not worth the administrative work to keep going back and try and get an agreement on this when it's probably not going to even happen. Ms. Layton stated she is all for getting water into the basin.

Mr. Kinsey stated you can't negotiate the 6%, it's explicit in the Peace II Agreement.

Counsel Herrema stated from Watermaster's legal counsel's perspective we do not believe there is any inconsistency and its clear there is ambiguity. The ambiguity is simply a result of the fact this agreement is from 1979, and it is noted there is ambiguity now as to what MWD may do with this replenishment rate; that is unknown. Even if we establish with some certainty today what that rate should be, it may be different in the next five years. Counsel Herrema stated the way the agreement is set up now in the proposed amendment, as Mr. Kavounas indicated, there is a specific requirement that there be written consent from Watermaster and IEUA before any water can be placed into storage. At that time there is an opportunity and probably the mandate to propose requirements on that storage that is consistent with the guidance documents. Counsel Herrema stated he sees no inconsistencies with this amendment or those guidance documents.

Chair Zvirbulis stated between now and then there could be discussions and negotiations among the parties which could change that and increase those losses; there is a lot of different things that could happen. Chair Zvirbulis stated if there is no further discussion he will call for the question.

Motion by Aaron, second by Layton, and by majority vote – City of Chino, Monte Vista Water Company, and Monte Vista Irrigation Company voted no

Moved to approve the ninth amendment to the Chino Basin Cyclic Storage Agreement, as presented

B. WATERMASTER MID-YEAR REVIEW AND BUDGET TRANSFERS

Mr. Joswiak gave the Mid-Year Review Fiscal Year 2012-2013 presentation.

Mr. Craig inquired about the Annotated Judgment expenses. Mr. Joswiak stated the budget for the Annotated Judgment for the entire fiscal year was \$57,000.

Counsel Herrema stated the Annotated Judgment item was a catch-all for the Restated Judgment, Annotated Judgment, and updated Rules and Regulations.

Mr. Craig inquired when all of what counsel just mentioned will be done. Counsel Herrema stated counsel will be done with that portion in this fiscal year.

Mr. Joswiak continued with the presentation.

Mr. Burton inquired, if he understands Mr. Joswiak's statements on this category, if this budget is not just for Wildermuth Environmental Inc. (WEI) – then why do we call it the Wildermuth budget? Mr. Joswiak stated this budget is for WEI, but it includes if WEI hires their consultants. Mr. Joswiak stated there has been some confusion over this budget amount in the past and he just wanted to make sure the parties were clear on what was entailed in this budgeted category. Mr. Joswiak stated each quarter Watermaster receives a report from WEI that explains what has

been budgeted, what has been actually spent, and where they think they are going to be in the next three months, six months, and nine months.

Mr. Scott-Coe stated he had a question in the category named Comprehensive Recharge Plan, is it actually the Recharge Master Plan Update (RMPU.)? Mr. Joswiak stated yes, and explained budget transfers. Mr. Scott-Coe inquired if the RMPU is a single budget category that is spread over multiple budget categories. Mr. Joswiak stated that is correct.

Mr. Joswiak continued with the presentation. Mr. Joswiak reviewed the Budget Transfer sheet.

Mr. Scott-Coe inquired with some of the categories being added to the RMPU, including comprehensive recharge planning and workshops, is there a process at the end to potentially evaluate the success of initiatives like the workshop to assess the value that is generated from these activities and also from potential additional expenses that may occur after such activities? Mr. Scott-Coe stated he is not sure if these types of questions should be for legal counsel or the general manager, particularly if questions come out of such sessions that would require additional miscellaneous legal expense. Is there some sort of evaluative process afterwards to assess how well that worked for the parties? Mr. Kavounas stated the ultimate assessment will be whether we managed to resolve some of the long-term issues that we all seem to want to resolve. Mr. Kavounas stated Watermaster has not formed any formal evaluation process at this time. Mr. Kavounas stated he would be happy to meet with Mr. Scott-Coe and get some suggestions with that regard.

Mr. Scott-Coe inquired about the Annotated Judgment that is being carried over, and noted it was his understanding that the Restated Judgment has been completed and taken to the court; has additional work on annotating the Judgment been authorized through the Watermaster process? Counsel Herrema stated initially, as a point of clarification, the \$25,000 is not a new number; there is a budget of \$57,000 for the year which was authorized as part of the budgeting process. That \$25,000 is remaining funds that are still within that approved budget item. Counsel Herrema stated that budget item has a long narrative description that goes with that which was in the legal budget memo; and there are three pieces to that. The first is the Restated Judgment which is done and approved. The second is the Annotated Judgment and the third is the updated Rules and Regulations. Counsel Herrema stated he can at this time go straight into his legal report.

A. LEGAL COUNSEL REPORT

Annotated Judgment and Updated Rules and Regulations

Counsel Herrema these items have been budgeted and the Watermaster Board has continued to direct counsel and staff that they go forward. Counsel Herrema stated in terms of process, because there is a budget and legal believes they have the time and resources to move forward with the Annotated Judgment and the updated Rules and Regulations, including going forward with the Refresh, Recharge, and Reunite (RRR) this entire process dovetails nicely the work on the annotation process and with the updating of the Rules and Regulations process. Counsel Herrema stated the questions that staff and legal counsel are hearing as we go into that educational venue is, "How do all those things fit together?" and that process is really what is intended to give us the opportunity to pick up a copy of the Annotated Judgment and see how all the pieces fit together, and be able to quickly see each section and/or amendment that goes directly to each segment of the Judgment. This is what will be discussed during the first half of the RRR process. Counsel Herrema stated each of the Pools counsels' have budgeted money to go forward with the Annotated Judgment process; it is anticipated by the end of this month to have Watermaster legal counsel sit down with the Pool's counsel to circulate an initial strawman; the Annotated Judgment process is not intended to be a top-down driven Watermaster legal counsel document saying this is what the Annotated Judgment is; it is intended to be a collaborative process with input from all the Pools and stakeholders individually if they feel they would like to participate in that process. Counsel Herrema stated in terms of the Rules and

Regulations, Watermaster has Rules and Regulations that were adopted by the Watermaster Board in 2001, and there have been changes made to them that were ordered by the court as part of the Peace II Agreement that have yet to find their way into the Rules and Regulations. Counsel Herrema stated as we have the time and budget, we feel this is a good time to move forward with those, and of course we are always subject to the Watermaster Board's continuing direction on what to move forward on.

Mr. Scott-Coe stated we are always hesitant to move forward processes that are either directly ordered by the Watermaster Board or have not gone through the entire Watermaster process. Mr. Scott-Coe stated we will continue to express our concern with that.

Mr. Kavounas stated he needs clarification on that point because he needs to be able to function well and serve the Pools well. Mr. Kavounas stated as he sees the Watermaster budget, the budget was approved with this these item being completed this fiscal year and when the work was interpreted to be done, it was looked at as an approved item that needs no further confirming process and he inquired to Mr. Scott-Coe if it is his interpretation that it does. Mr. Scott-Coe stated he would like to be part of the process and decision making or on what needs to be done and what does not need to be done on a go forward basis. Mr. Kavounas stated the parties were part of the budget process and he needs that approved budget as a point of clarification in order for him to function. Mr. Kavounas stated if what is being said is that Watermaster needs to come through the Watermaster process to do everything that's already previously approved, he needs to know that. Mr. Scott-Coe stated no, that is not needed. Mr. Scott-Coe stated he remembers ongoing conversations about what the court actually asked Watermaster to do in terms of restated versus annotated. Mr. Scott-Coe stated he is still uncertain what the court asked us to do.

Mr. Zielke stated he was looking at the descriptions and the tasks for the accounts and he noted he was expecting to see something on the safe yield recalculation in one of these accounts; is that going to be part of miscellaneous engineering function accounts because it does not look like it is an individual task. Mr. Kavounas stated the answer to Mr. Zielke's question can be found in the staff letter as an attachment by WEI on page 107 of the meeting package.

Chair Zvirbulis stated it is staff's recommendation to receive and file the Mid-Year Review report for the budget and approve the Budget Transfer request.

Motion by Burton, second by Aaron, and by unanimous vote

Moved to approve (1) Staff recommendation that the Mid-Year Review Report for the Period July 1, 2012 through December 31, 2012 be received and filed as presented, and (2) Staff recommendation for approval of the Budget Transfer Form T-13-02-01, as presented

C. 2013 AMENDMENT TO THE 2010 RECHARGE MASTER PLAN UPDATE SECTION 6

Mr. Kavounas stated this is an item where the Committee is being asked to review and recommend approval of Section 6. Mr. Kavounas stated the write-up on Section 6 describes how the table of projects came together; the projects that will be considered as recharge options in moving forward with the RMPU amendment. The text has been presented to the Steering Committee and comments were asked for, and as of this morning no comments have been received on that piece of work. Mr. Kavounas stated comments were received on the work that is going on with Task 5, but not specifically on the Section 6 write up. The first draft of Section 6 is what is being recommended for approval today.

Mr. Harder inquired about figure 6.1 which was discussed during the Steering Committee meetings regarding the coloring of some of the basins which causes some confusion. Mr. Harder asked if that had changed. Mr. Kavounas stated that has not been changed because

his understanding was that we were simply indicating basins as they are today and projects on this chart, and it would be the write up on Section 8 that would show the change.

Mr. Burton stated on the tables there seems to be duplication of projects and he thinks it has to do with who originally recommended the project. Mr. Burton asked that the members turn to page 134 of the meeting package and offered comment on the duplication of projects concern. Mr. Burton noted he thought it was discussed to merge those tables at some point. Mr. Kavounas stated Mr. Burton is correct and staff has tried to avoid duplication. Mr. Kavounas stated page 130 of the meeting package shows an investigation and offered further comment on the columns. Mr. Burton gave further examples of duplications.

Ms. Rojo stated one of the issues that the Steering Committee has been discussing is having the engineers develop a cost benefit analysis for the different projects, and she noted that it might be premature or even prudent to list costs or projected yield if they haven't been proven or tested, or looked at by the engineers. Ms. Rojo offered further comment on what was developed in the original Recharge Master Plan. Ms. Rojo stated if we are undergoing the effort of doing a cost benefit analysis maybe the document that gets brought forward should just list all of the dollars and all of the recharge as unknown for now to be determined by the engineers. Mr. Kavounas stated that is an excellent observation and his suggestion would be to show all the costs as to be calculated. Mr. Kavounas stated it is his understanding that in doing the work for Task 8 all the costs will be re-evaluated so it is not appropriate to show the dollars that are shown now. Mr. Kavounas stated staff will change that.

A lengthy discussion regarding this table, the parties concerns, and what staff will do to make changes to the documents/tables that will accommodate the parties requests ensued.

Motion by Craig, second by Rojo, and by unanimous vote

Moved to approve the 2013 amendment to the 2010 Recharge Master Plan Update Section 6: "Recharge Options to Improve Yield and Assure Sustainability" including the changes to Table 6-1 which were to remove project cost estimates; remove duplicate project descriptions; and re-order project descriptions by project facility, as presented

D. POMONA CREDIT

II Business Item D. Pomona Credit was taken out of order as the first Business Item.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Annotated Judgment and Updated Rules and Regulations

Item A. Legal Counsel Report was taken out of order during Business Item B. Watermaster Mid-Year Review and Budget Transfers.

B. ENGINEERING REPORT

1. Demonstration on HydroDaVE

Mr. Malone gave the HydroDaVE presentation.

C. GM REPORT

1. Save the Date – Refresh, Recharge, and Reunite

Mr. Kavounas stated Watermaster has chosen March 12, 2013 for this event and noted emails will go out with the invitation to our distribution list. Watermaster is looking forward to this RRR event.

Mr. Kavounas stated Watermaster is in the process of reissuing the Guidance Documents, referred to as the Watermaster bible which contains the Judgment, the Peace Agreement, the Peace II Agreement, and other documents that pertain to the legal framework. Watermaster will be sending out an email as to which size the parties would like to receive.

Mr. Kavounas noted the Guidance Documents will be available on the Watermaster FTP site for download once they are completed.

2. Website Survey

Mr. Joswiak gave the Website Survey presentation.

IV. INFORMATION

1. Cash Disbursements for January, 2013

No comment was made.

V. POOL MEMBER COMMENTS

No comment was made.

VI. OTHER BUSINESS

No comment was made.

The regular open Appropriative Pool meeting was convened to hold its confidential session at 10:40 a.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.

The confidential session concluded at 11:07 a.m.

No action was reported.

VIII. FUTURE MEETINGS AT WATERMASTER

Thursday, February 14, 2013	9:00 a.m.	Appropriative Pool Meeting
Thursday, February 14, 2013	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, February 14, 2013	1:30 p.m.	Agricultural Pool Meeting
Thursday, February 21, 2013	8:00 a.m.	IEUA DYY Meeting
Thursday, February 21, 2013	9:00 a.m.	Advisory Committee Meeting
Thursday, February 21, 2013	10:00 a.m.	CB RMPU Steering Committee Meeting
Thursday, February 28, 2013	11:00 a.m.	Watermaster Board Meeting

Chair Zvirbulis adjourned the Appropriative Pool meeting at 11:08 a.m.

Secretary: _____

Minutes Approved: March 14, 2013