

**MINUTES**  
**CHINO BASIN WATERMASTER**  
**APPROPRIATIVE POOL MEETING**

May 9, 2013

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

**APPROPRIATIVE POOL MEMBERS PRESENT**

Scott Burton, Vice Chair

John Bosler

Rosemary Hoerning

Curtis Aaron

Ron Craig

Dave Crosley

Mark Kinsey

Van Jew

Robert Young

Seth Zielke

Tom Harder

Geoff Kamansky

Ben Lewis

Teri Layton

J. Arnold Rodriguez

Todd Corbin

City of Ontario

Cucamonga Valley Water District

City of Upland

City of Pomona

City of Chino Hills

City of Chino

Monte Vista Water District

Monte Vista Irrigation Company

Fontana Union Water Company

Fontana Water Company

Jurupa Community Services District

Niagara Bottling Company

Golden State Water Company

San Antonio Water Company

San Ana River Water Company

Jurupa Community Services District

**Watermaster Board Members Present**

Bob Craig

Steve Elie

Jurupa Community Services District

Inland Empire Utilities Agency

**Watermaster Staff Present**

Peter Kavounas

Danielle Maurizio

Joe Joswiak

Sherri Molino

General Manager

Assistant General Manager

Chief Financial Officer

Recording Secretary

**Watermaster Consultants Present**

Brad Herrema

Mark Wildermuth

Veva Weamer

Brownstein, Hyatt, Farber & Schreck

Wildermuth Environmental Inc.

Wildermuth Environmental Inc.

**Others Present**

Tracy Egoscue

Gene Koopman

Pete Hall

Sheri Rojo

Sandra Rose

Ryan Shaw

Curtis Paxton

Allison Burns

Jack Safely

Egoscue Law Group

Milk Producers Council

State of California, CIM

Fontana Water Company

Monte Vista Water District

Inland Empire Utilities Agency

Chino Desalter Authority

Stadling Yocca Carlson & Rauth for CDA

Western Municipal Water District

Paula Lantz  
 Darron Poulsen  
 Marsha Westropp  
 Chuck Hays  
 Rogelio Mata  
 John Schatz  
 Ken Jeske  
 Bill Thompson  
 Gary Meyerhofer

City of Pomona  
 City of Pomona  
 Orange County Water District  
 City of Fontana  
 City of Fontana  
 John J. Schatz, Attorney at Law  
 California Steel Industries  
 City of Norco  
 Carollo Engineering

Vice Chair Burton called the Appropriative Pool meeting to order at 8:57 a.m.

### **AGENDA - ADDITIONS/REORDER**

Mr. Kavounas recommended two reorders: 1) The confidential session will be taken before Business Item A. CDA Request Re Remediation of Chino Airport Groundwater Plume, and 2) The GM Report Item 1. Personnel Committee Recommendations be taken in advance of Business Item B. Watermaster Fiscal Year 2013-2014 Proposed Budget. Vice Chair Burton asked if the Appropriative Pool had any objections to the reorders and none were heard.

### **I. CONSENT CALENDAR**

#### **A. MINUTES**

1. Minutes of the Agricultural Pool Meeting held April 11, 2013

#### **B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of March 2013
2. Watermaster VISA Check Detail for the month of March 2013
3. Combining Schedule for the Period July 1, 2012 through March 31, 2013
4. Treasurer's Report of Financial Affairs for the Period March 1, 2013 through March 31, 2013
5. Budget vs. Actual Report for the Period July 1, 2012 through March 31, 2013

#### **C. WATER TRANSACTION**

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 2,000,000 acre-feet of water from the City of Upland by Fontana Water Company. This purchase is made from the City of Upland's storage account. Date of Application: April 8, 2013
2. **Consider Approval for Notice of Sale or Transfer** – The purchase of 6,500 acre-feet of water from The Nicholson Trust by Fontana Water Company. This purchase is made from The Nicholson Trust's Annual Production Right/Operating Safe Yield first, then any additional from storage. Date of Application: April 17, 2013
3. **Consider Approval for Notice of Sale or Transfer** – The purchase of 782,000 acre-feet of water from San Antonio Water Company by the City of Ontario. This purchase is made first from San Antonio Water Company's net underproduction in Fiscal Year 2012-13, with any remainder to be recaptured from storage. The City of Ontario is utilizing this transaction to produce its San Antonio Water Company shares. Date of Application: May 1, 2013

*Motion by Aaron, second by Layton, and by unanimous vote*

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

The regular open Appropriative Pool meeting was convened to hold its confidential session at 8:58 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 10:34 a.m. Vice Chair Burton stated the Committee is out of closed session and he read the motion taken in closed session regarding Business Item II A. CDA Request Re Remediation of Chino Airport Groundwater Plume and he noted who made the first and second on the motion.

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

***Moved that the Appropriative Pool make no recommendation to the Watermaster Board on the CDA request at this time to allow time to review the draft Pleading; and further requests that Watermaster evaluates whether Well 18 is required for Hydraulic Control; and further requests that a special meeting of the Appropriative Pool be held on Thursday May 16, 2013 at 8:00 a.m., as presented***

## **II. BUSINESS ITEM**

### **A. CDA REQUEST RE REMEDIATION OF CHINO AIRPORT GROUNDWATER PLUME**

There was no further discussion on this item.

## **III. REPORTS/UPDATES**

### **A. GM REPORT**

#### **1. Personnel Committee Recommendations**

Mr. Kavounas stated the items staff intends to take to the Watermaster Board for approval have been included in the meeting package for information purposes for this Committee. Mr. Kavounas stated in terms of staffing levels, staff is proposing to keep the staffing level similar to this year with one half of a fulltime employee lower. It is possible that in the following year of 2014/2015 staff may recommend the addition of one person. Mr. Kavounas offered comment on the need for another staff member. Mr. Kavounas stated in looking at the Recharge Master Plan Update (RMPU) Amendment, staff may have to do a number of projects which may be collaborative with Inland Empire Utilities Agency (IEUA) and Watermaster needs to participate in administering or shepherding these projects through; Watermaster currently does not have the staff capacity to do that. Mr. Kavounas stated the ads for a new field technician position were just placed, and once that person starts at Watermaster we will then see how that redistributes the workload among staff. Mr. Kavounas stated the other items relate to adjusting compensation and pay; some adjustments have not been made in a long time, and this discussion has not been held at Watermaster for awhile. Staff is proposing a cost-of-living adjustment (COLA) that is matching the CPI. Staff is proposing realigning with CalPERS over a three-year period of time, meaning at the end of the three-years the employees will pick up the full 8% contribution, with an offset to the employees take home pay reduction. This would also give the employees, over the course of three-years, three holiday – only compensation days that they could use over holiday schedules. Mr. Kavounas stated staff has included pay schedules that would be adjusted according to the COLA and realignment for CalPERS; these pay schedules have adjustments taking staff members who are maxed out in their steps and moving them from step E to step C, which is giving the General Manager discretion, over time, as merit warrants to have the option to increase their pay. Staff is looking at establishing a health benefit that is different from what Watermaster currently has in place. Mr. Kavounas explained what Watermaster health allowance now has in place and has fallen behind over the years. Staff is proposing the Health Policy change to 90% of the cost of the lowest medical plan for an employee plus their family, including dental and vision. The other portion of the health benefit, which is the portion the employee does not use, is shared between Watermaster and the employee and that would remain unchanged. Staff is also proposing a change in the provider to the 457 Plan, which is deferred compensation; this is not a dramatic change and just a reestablishment with a company which was previously used at one time. Mr. Kavounas stated staff is also bringing to the Watermaster Board Section 3 of the Administration Policy Manual (APM). The APM had been developed by Mr. Ken Manning with professional help from an outside firm. None of the sections have been approved by the Watermaster Board;

however, many of the sections have been reviewed in various meetings. Staff is intending to go through these sections one section at a time, and then bring them periodically through the Watermaster process until the entire APM is approved. Mr. Kavounas stated the Employee Manual (EM) has been kept up as laws have changed with updates, but has not been approved in a while. Mr. Kavounas stated those are the Personnel Committee recommendations which were reviewed at a lengthy meeting recently and these changes are also embedded into the budget presentation.

Mr. Aaron noted he has concerns over the items just mentioned and stated the City of Pomona's employees are taking mandatory furloughs and are not receiving any pay increases; he can't support any of these proposed employee recommendations right now.

Ms. Layton inquired about the one person that Watermaster plans on adding next year, what position would that be. Mr. Kavounas stated that would depend on the work that Watermaster has for them to do and he noted his approach is to hire people for the long-term. There is a list of classifications in the meeting package; however, this person would either be a water resource engineer, a senior engineer, a senior project engineer, or a senior environmentalist and would be assigned in the group that Ms. Maurizio, the Assistant General Manager, oversees. Ms. Layton inquired which positions are filled now. Mr. Kavounas stated all are filled except for the field technician position.

Ms. Layton inquired if Watermaster had looked into doing a compensation and benefit analysis that could review pay ranges around this area, and also look the EM and what may and may not need to be added. Mr. Kavounas stated the EM has been reviewed by staff and staff has used the advice of our legal counsel which is appropriate and meets all the legal requirements. Mr. Kavounas stated his personal view on doing a compensation survey is that it is an appropriate tool to establish salaries and benefits; however, it is not a universal tool that applies to everyone. Mr. Kavounas stated one of the things he is learning is the distortion in scale when it comes to a very small organization. A survey would not be particularly useful in the case of Watermaster. Mr. Kavounas stated the approach taken is the most expeditious way to move forward through this process and surveys drain time and money. Mr. Kavounas stated for an organization that is very small, a survey just does not seem to be an effective use of time and resources. Ms. Layton stated she disagrees with those statements because there are only ten employees at her organization and they have had a compensation and benefit study performed, which was very beneficial and a useful tool. Ms. Layton stated she has a problem when Watermaster salaries are being taken from the high end and are now being made the middle end; which shows an inflated rate, and she would like to see a comparison from her company to Watermaster. Mr. Kavounas stated he would like to point out that Watermaster having additional scales does not mean that the people are entitled to that and they do not automatically advance, and it is his view that people would only advance on merit. Mr. Kavounas stated having that flexibility does not mean staff is going to increase employees' pay. Ms. Layton offered information on what is done at her company regarding caps and positions that reach those caps, and noted there are other ways to motivate employees other than money.

Mr. Crosley stated he has some questions with regard to the health insurance. It is his understanding that the proposal is to shift from a current fixed dollar amount to a 90% of lowest insurance plan available, and then the employee can choose from among several plans. Mr. Crosley inquired If the Watermaster Board decides to approve that proposal, which was referred to as a policy decision, and then in the future the Board should change its mind and wants to go back to a fixed dollar figure, is there then an issue that may develop with respect to employee contracts, and how would

Watermaster handle that. Mr. Crosley asked for more information on this change with regard to past and future employees. Mr. Kavounas stated he does not believe there should be any issues with changing it again and he noted that all Watermaster employees are At Will and there are no employee contracts, and this is not part of CalPERS; this is at the discretion of the Watermaster Board and they may choose to change the benefits at any point. Mr. Kavounas stated what staff is trying look at is better equity, and a little better treatment to our employees as to how they have been treated in the past.

Mr. Kinsey stated this matrix shows the top step in salaries up by 10%, and noted it is a five step matrix. Mr. Kinsey stated then potentially two years from now employees could be eligible for a 10% increase in compensation. Mr. Kavounas stated potentially it could be a month from now, as well two years, and as well as ten years from now. Mr. Kinsey stated then what is being proposed is what amounts to a 4.5% COLA where 3% is given back. Mr. Kinsey stated that is practically identical to what Monte Vista Water District (MVWD) is doing. Mr. Kinsey stated the current health care cost is \$980, which is on the low end of what a lot of agencies are providing; however, the health plan benefit is planning to go to \$1,400+ in January. Mr. Kavounas stated staff is planning on \$1,200 in July and in January there is no change, it will trail by six months, and whatever the cost changes are in January the allowance would go up to 90% of that the following July; the employees would always lag six months. Mr. Kinsey stated he thought the staff letter stated \$1,400. Mr. Kavounas noted if the staff letter states that then there was an error.

Mr. Jew stated the staff letter states the medical will go up 15% in January which is \$1,400. Mr. Kavounas stated there may be some misunderstanding of that; the Personnel Committee recommended for budgeting purposes that staff should expect insurance costs to increase by 15%, so that is the figure used for budgeting. Mr. Kavounas offered comment on the increase of insurance costs whether it is 5%, 10%, or 15% - the proposal is that the employees allowance will be at 90% of whatever that cost is. Mr. Kavounas stated the way that will be administered is that this would happen in July of each year and it would not be retroactive. Mr. Jew stated he reads the staff letter differently and that it appears that 6.5% is being given to the employees for CalPERS offset, 2% for COLA in year one, and potentially the same COLA in year two and three, which equals a 6% COLA, and the re-slotting places from level C to a potential level E which is 10%; it all adds up to 6.5% for CalPERS, a potential 6% for COLA, and a potential 10% for merit within a three-year period. Mr. Jew stated and then on top of that there is the health care benefit going from \$980 to \$1,200, to potentially whatever it is in year three, on top of that getting the three holiday days. Mr. Jew stated when the City of Pomona states they can't support this, he understands that, and he thinks many of us want staff to be fairly treated and fairly paid; however, if potentially someone's salary goes up 22.5% in three-years, gets paid three extra holidays, and then receives the new health care benefit - it does feel a bit lavish.

Mr. Kavounas stated he appreciates all the comments; however, he would like to point out that the employees at Watermaster have received no increase in their medical insurance costs for the last six or seven years, no COLA for the last six or seven years, and they received no salary adjustments for the last six or seven years; staff is here today trying to adjust which appears to be a big gap, and numbers can be added in a variety of ways to seem lavish. Mr. Kavounas stated he does take exception to that comment, and he has stated more than once that he has no intention giving employees a 10% increase; however, he would like as a manager, the option. If CalPERS is going to be portrayed as something that is a salary increase for employees without any consideration that the 6.5% that was mentioned is, in fact, an 8% cut in their pay, we then have the option of not doing that at all. Mr. Kavounas stated when the CalPERS alignment is done it actually brings the cost down for the employer and the proposal has

been characterized in some circles as being harsh; the COLA has been criticized as being meager compared to what it probably should be. Mr. Kavounas stated from his point of view this proposal balances the need to be conservative and at the same time, trying to make up for some of the distance that has been made in the past few years with regard to compensation.

Ms. Layton stated what she would support is giving the COLA adjustment and even the health insurance benefit, however, she would like to see a compensation and benefits analysis done first before any adjustment to the CalPERS or to the step ranges is done because she is not sure if this is in alignment with what other agencies are doing. Ms. Layton stated that CalPERS does not have to go up until 2018 and she inquired if there was a reason staff is ramping that up so quickly and then adjusting the amounts now; there are options that are not being looked at, and she is not hearing support from the whole Appropriative Pool. Ms. Layton stated she would not support the budget at this point in time.

Mr. Kavounas stated our process at Watermaster provides for the Board to make that decision. Mr. Kavounas stated his hope is that there will be some transparency in the decision, and the Watermaster Board has looked for input; staff will be more than happy to convey your thoughts to the Personnel Committee and the Board before the Board actually makes that decision.

Vice Chair Burton stated it seems this Committee is getting into more and more specific and detailed questions, and he would like to keep the discussion to what a lot of the agencies feel. Vice Chair Burton stated as far as the City of Ontario sees this, he has been involved with Watermaster for a good degree for the last year and a half and he is really happy with the way the staff performs, so his comments don't have anything to do with the staff performance at all. It is more that the City of Ontario is a member of multiple Joint Power Authority's (JPA) and we have a review role here at Watermaster and at Inland Empire Utilities Agency (IEUA), and collectively we try and be consistent with one group to the next group. He does feel that Watermaster's employees are doing a very good job; he also feels that the employees that work for him at the City of Ontario do a very good job, and he knows that the City of Ontario will not come close to matching these changes. Vice Chair Burton offered comment on how the City of Ontario looks at other JPA's or agencies when making these types of decisions. Vice Chair Burton inquired on page 94 of the meeting package; he wants to understand what the fiscal impacts of these changes are to the budget, including taking all the benefits and pay changes, which he believes is being proposed is the top step with the 10% increase. Mr. Kavounas stated that is correct. Vice Chair Burton stated the actual question is that he would like to understand how we go from a total of decrease in dollar amount for payroll and benefits; however all the benefits identified are all increases. Mr. Kavounas stated for some of these he has a specific dollar amount that he can provide; however, for others he would have to ask that the Committee members use their imagination; if the totals are looked at for burden and rates it is approximately 60%, which you would then take that percentage away and it leaves 1% to 2% increase in the COLA, then it would be 2% of that. Mr. Kavounas stated that total cost of the increase in medical that is reflected in this budget is \$22,381.00 and of that \$1.46M, there is \$22,000 that are in it that reflect the increase from the \$982 monthly allowance to the 90% of employee plus family. Vice Chair Burton stated his understanding is that staff is reducing by a half full-time employee; however, in the 2012/2013 budget there was a higher level position that has been removed. Mr. Kavounas stated that was reallocated. Vice Chair Burton stated if one looks at the compensation changes that have been discussed today, to try and understand what that really means if we accept or decline those recommendations or even if it remained at status quo with whatever changes in staff, there is a certain cost. And then if staff implements all these changes, there is another cost, and even if you take the 10% payroll increase, which is in the budget, the

payroll is approximately \$950,000 so he would assume that would have a \$95,000 impact on the budget. Vice Chair Burton stated this is what I am trying to find out; where this is today with all these changes that are being proposed, and what are the dollar amounts.

Mr. Joswiak stated the COLA is 1.95% and in dollars is \$13,095. The 2.5% increase for CalPERS and in dollars is \$21,789, and those two combined is \$34,884. The potential 15% increase on medical, which was factored in and could happen January 1, 2014; staff does not know what that CalPERS rate will be at until July or August of this year and if there was an increase by 15% that would calculate to \$58,000 for the first six months because Watermaster uses a fiscal year instead of an annual year. The difference in between the \$982 and the \$12,034 for medical is \$22,381.

Mr. Craig inquired if all those numbers are included the 2013/2014 burden line item. Mr. Joswiak stated yes, they are, and the \$1.4M number for salaries and burden is everything that the Personnel Committee approved, it is in those numbers. Mr. Kavounas stated the burden is also reduced by the 3% employee pickup of the CalPERS.

Vice Chair Burton stated for the 10% step increase the ballpark number is \$95,000. Mr. Joswiak stated yes, and that number is already factored in the payroll numbers. Vice Chair Burton stated then in ballpark numbers, it may be the impact of these benefit decisions is in the magnitude of \$160,000. Vice Chair Burton stated there are two decisions and that is the fiscal impact to the budget; however, the numbers and tables don't really show that which is why the question was asked. The second question is more of a policy level in which the Personnel Committee has reviewed, and will eventually go to the Watermaster Board. What a number of agencies has expressed today is whether or not they can support these types of changes.

Mr. Kinsey stated when all of this is added together it seems to be too much too soon compared to what other agencies have. Mr. Kinsey stated Monte Vista Water District (MVWD) has very much mirrored what Watermaster is proposing; however, it appears to be too large of a catch up at any one time. Mr. Kinsey discussed salaries being set based at market place for a small group which was researched by a firm, or even through Watermaster's own HR Department doing that study. Mr. Kinsey stated he does not fully understand why this was done in this manner and he noted that MVWD also has employees topped out for several years, but this is too much too soon and the parties are looking at a \$50 a month increase in our cafeteria plan. Mr. Kinsey stated MVWD would not approve these proposals and this is too big of an impact.

Mr. Craig stated in regards to the comments the City of Ontario made with regard to Mr. Kavounas' comment about there being a lot of catch up for Watermaster to do; Mr. Craig stated he really does not have a clear understanding the perspective on other agencies giving incremental adjustments over the last five or six years, this is not really fair or comparing apples to apples, and he wants a better understanding of what all the parties have been doing over the years. Mr. Craig stated it just seems this proposal needs to look in comparison to what other parties have been doing over the last several years.

Vice Chair Burton stated he is looking back to what the Water Facilities Authority (WFA) did as well as what the City of Ontario did, which is to have COLA increases and merit increases frozen for a while, and is probably very similar as to what other agencies have done. Vice Chair Burton stated the WFA considered this issue a couple of years ago and the City of Ontario's elected official on that board was not in favor of that. Vice Chair Burton offered further comment on the discussions that the WFA had when reviewing this same matter. Vice Chair Burton stated he would like to make a

suggestion is to see if this component can be taken back to the Personnel Committee and give them the Appropriative Pool's input, and to also give this Committee the opportunity to show up and provide that input to them, and after that takes place, bring this piece back through the process again.

Mr. Kavounas stated this is the first time he has gone through this process and the challenge at Watermaster is, if staff listens to every individual voice that make up Watermaster, staff can't have an increase here because another agency has not given one, and then staff can't change the health benefit because some other agency has not changed their health benefit; you are led down the primrose path that Watermaster should have the absolute lowest pay and benefits. Mr. Kavounas stated Watermaster has not adjusted its employee's compensation in a very long period of time. Mr. Kavounas stated it is his task as the new manager to take a look at that and tell the parties that, as the General Manager of Watermaster, what he thinks. Mr. Kavounas stated he does not think what is being proposed is better than any component of anyone else's plan. Mr. Kavounas offered comment on what other agencies have done with their CalPERS realignment and with consultant surveys. Mr. Kavounas stated the most prominent feature that he sees at Watermaster is that Watermaster is a small and specialty organization and we don't have treatment plant operators that can be replaced easily, Watermaster is a different type of organization, and the type of employee it requires is a person that is willing to come and stay. Mr. Kavounas stated he has looked at the WFA and the Chino Desalter Authority (CDA), but the type of employee that they have is an employee more easily replaced and up to speed fairly quickly; however, there are positions at Watermaster that require long term service and staff is more difficult to replace. Mr. Kavounas stated he is trying to strike a balance between all of that, and the way the rules work is since the parties fund everything the parties get to fund the budget, and the parties get to voice their opinion on what is appropriate – the General Manager needs to balance all of that and present it to the Watermaster Board who gets to approve the policy of how Watermaster's employees are to be hired and treated once they are here. That was the first step Watermaster took in trying to get the budget put together, staff provided this information to the Personnel Committee who is comprised of Pool chairs, Advisory chair, and Watermaster officers, who are all exposed to the public world. Mr. Kavounas stated they also have history on the compensation at Watermaster; this is not a careless or thoughtless proposal and staff felt it to be very reasonable and appropriate for the organization. Mr. Kavounas stated he has a job to do and he is the General Manager of this organization and that is his job to do this, and he needs to have this leverage. Mr. Kavounas stated he has put in a lot of thought and poling into this, and this proposal is within the middle of the road.

Ms. Hoerning stated she is the chair of Advisory Committee and she did sit in the Personnel Committee meeting as Mr. Kavounas presented his recommendations to the committee. The first one was the COLA with the transition with respect to employee paying the currently funded CalPERS program which results in a negative .5% and that is reasonable, and a reasonable step forward in terms of transitioning employees to pay their portion of the CalPERS, which currently is funded by the organization. A number of agencies are taking those steps where the company is not paying and the employee is paying for the CalPERS portion which does have an impact on the employee labor group having to take that kind of cut. Ms. Hoerning stated there are some benefits included in this proposal that potentially could be a little premature given the current economic climate. Generally speaking, the Personnel Committee thought this proposal was a move in the right direction; however, at the conclusion of that meeting the question was presented if this proposal should this go through the Appropriative Pool and solicit comment, and her comment back was it is important because the Appropriative Pool pays these obligations. The Advisory Committee chair is representation of the collective group of the Pools, and the Watermaster Board officer was at that meeting, and she thinks that the comments heard today need to be taken to



heart and maybe go back and reconvene the Personnel Committee for a second review that might be more palatable in consideration of the comments made today.

Vice Chair Burton stated the parties need to keep in mind the overall budget because of this one item, and maybe it is something that can be thought about while moving on to the next item, and having this portion brought back to the Personnel Committee.

Mr. Kavounas stated he would be more than happy to go back to the Personnel Committee; however, he is concerned because of what he has heard from some, is that they are not willing to support anything, and that is a real challenge for Watermaster.

Mr. Kinsey stated he did not hear that and he did not hear that from MVWD. Mr. Kinsey stated what was proposed is that maybe there is a happy medium point there and other agencies may be reacting to where we are at and this is where Watermaster wants to go, and maybe if there was someplace more in the middle then staff would not have heard those types of comments.

Mr. Crosley stated he made comments during the budget workshop and some of those comments were focused on these personnel related costs, and he does not need to repeat those comments, and the City of Chino does not object to all of the elements of this proposal. Mr. Crosley stated there is really one component that concerned the City of Chino.

Mr. Bosler stated for Cucamonga Valley Water District (CVWD) as well, we are in favor of all the items, and the only item that was new to him was the 10%, and CVWD had a representative on the Personnel Committee who was supportive of the recommendations provided today.

## II. BUSINESS ITEMS

### B. WATERMASTER FISCAL YEAR 2013-2014 PROPOSED BUDGET

Mr. Joswiak gave the fiscal year 2013/2014 budget presentation.

Mr. Kavounas stated he would like to add one thing to the budget presentation which was at the second budget workshop; staff was asked to put together a proposal for evaluating the Sunding Report. Mr. Kavounas stated staff has contacted Dr. David Sunding and asked him if he was to go back to his report and reevaluate the assumptions and compare them to what has actually happened; how much would that effort cost and how long would it take. Dr. Sunding responded that this was something that he could do this summer, and the level of effort he estimated was \$50,000. Mr. Kavounas stated the \$50,000 is not in the 2013/2014 budget or the presentation just given, and direction from the Appropriative Pool would be appreciated.

Ms. Layton inquired what is going to be done with this information and where would he go to get this information; is this information going to be provided to him from Wildermuth Environmental Inc. (WEI), and why can't Mr. Wildermuth provide this information to us directly. Mr. Kavounas stated he is not intimately familiar with the Sunding Report and it is his understanding that Dr. Sunding would need to go back and look at the assumptions that he made in terms of pumping, and WEI will be providing actual pumping data. Dr. Sunding would look at the assumptions he made about how much recycled water is being spread and Watermaster would be providing him with that information. Dr. Sunding would come back with his opinion on the cost benefit.

Mr. Kinsey stated the Sunding Report was done to look at the costs and benefit allocation of implementing the Peace I Agreement and Peace II Agreement; there is a whole which basically said, for what we are contributing and getting additional recycled water reuse, etc. what is the benefit of all that. Mr. Kinsey stated the idea is, and MVWD is in support of this report, to update that information to more accurately reflect what is really happening versus what was projected to happen. Mr. Kinsey stated when parties look at the Peace Agreements and look at all the tasks

and activities, and they all have a cost or benefit associated with them which helps the parties to go back to their agencies and justify making the contractual commitments that are being made.

Ms. Layton inquired to Mr. Kinsey if he agreed with moving forward with this report and with the first report that Dr. Sunding did. Mr. Kinsey stated yes, he does, and in using the criteria that was established the numbers will be different than what they are now; it is just knowledge.

Vice Chair Burton inquired if this is a requirement to go back and look at the previous assumptions and see where they are at today. Mr. Kavounas stated he has not seen where that has been made a requirement and has only seen this action when the nine member board was formed and there was an authority given to Watermaster to go and conduct a socio-economic study such as this one. Mr. Kavounas stated from his perspective it makes sense to redo the Recharge Master Plan Amendment and that is very likely to come up with obligations that the Appropriative Pool will have to consider, and it would be beneficial for parties to know this and to have more updated cost benefit assessment. Mr. Kavounas stated as this is not a requirement he does see a value in this.

Vice Chair Burton inquired if this study is to just look at the Peace II Agreement deal points or does it go back further in time; clarification is needed as to the purpose of doing this study.

Counsel Herrema stated Mr. Kinsey is one of the parties that have asked for this study to be done. Counsel Herrema stated he is the one that contacted Dr. Sunding and he referenced pages 97 and 98 of the meeting package, there is a summary of what Dr. Sunding responded to us as to what he understood his charge would be and what the cost would be. This study would be to look at the distribution of benefits related to Peace I and Peace II Agreements and Counsel Herrema read portions of what Dr. Sunding will be working on.

Mr. Bosler stated Cucamonga Valley Water District (CVWD) would also like to see that study done, and he believes CVWD requested the report the last time. Mr. Bosler stated he would like to see the results of this report being updated.

Vice Chair Burton asked for clarification that the \$50,000 was not in the 2013/2014 budget and Mr. Kavounas stated it is not. Mr. Joswiak stated to add the \$50,000 it would increase the assessment by \$0.35; for every \$100,000 increase, it increases the assessment by \$0.70. Vice Chair Burton inquired if legal fees increases are in that as well or is that just the \$50,000. Mr. Joswiak stated it is just the \$50,000.

Ms. Layton stated based on last year's production, how much would the assessments have gone up this year. Mr. Joswiak stated last year's actual production was 118,000 acre-feet and based on the first two quarters, staff is estimating production around 142,000 acre-feet which is what staff is using to estimate the assessment. However, the actual assessment is calculated in November using the actual production number for those calculations. Mr. Joswiak stated if staff went with the same of 118,000 acre-feet instead of the assessment being \$38.00 it would be \$46.00 which comes out to about \$4.13 less if comparing all the same items.

Ms. Hoerning stated she has a question for Mr. Wildermuth on the engineering work project number 7103.3 on page 116 of the package, it looks to be very similar to project 7104.3 on page 118, almost like a subset and it appears to be a lot of money when you combine the two together. Ms. Hoerning inquired if there is a way to get the \$50,000 out of that number and reduce that value or maybe she is just misunderstanding the scope of work associated with both of those projects. Mr. Wildermuth stated they are completely different efforts. Mr. Wildermuth stated one of the projects is for a water sampling program and the other project is for a water level program. Mr. Wildermuth gave a further detailed description of the two projects.

Ms. Layton stated Mr. Moorrees was at the last budget workshop and it is her understanding that he had a problem with the discretionary funds which totaled to approximately \$440,000.

Mr. Moorrees felt that these discretionary funds are for when something else comes up and that Watermaster staff should come back to the Appropriative Pool to explain why the funds are going up.

Mr. Kavounas stated this heading is kind of different because discretionary can mean so many different things to different people, and Watermaster staff actually discussed using a different title. Mr. Kavounas stated in this case, discretionary does not mean the fund can be used at any time for anything somebody wants to use it for, and he asked that Mr. Wildermuth provide amplification.

Mr. Wildermuth stated Watermaster asked WEI to find a way to explain that term better; however, he can't find anything to explain that term better. Historically, maybe three or four years ago, the Appropriative Pool questioned WEI to look at what is the bare minimum that WEI has to do and what else should WEI do. Mr. Wildermuth stated the bare minimum is based on commitments made by court orders that implement the OBMP, which is better explained starting on page 107 of the meeting package. Mr. Wildermuth stated in looking at the word discretionary, it is probably a poor choice of words. Mr. Wildermuth explained that whenever that title shows up a footnote is added to explain what the work constitutes. Mr. Wildermuth offered comment on WEI's staff attendance at various Watermaster meetings which have saved money in them not attending all of them and just the ones where engineering is addressing a topic.

Ms. Layton picked a topic such as salt management, and noted there was no requirement for that topic; however, there is \$181,000 allotted for this type of discretionary funds. Ms. Layton noted what she finds when she asks a question about something is she usually gets the same answer, and that is, it is in the budget, so is questioning the budget more now.

Mr. Kinsey stated the Watermaster budget is somewhat related to financial guidance documents, and there are individual elements in there that, before the parties actually initiate an activity, it goes through the Watermaster approval process to the Board. Mr. Kinsey stated this is certainly not a new comment; it is made every year. Mr. Kinsey offered comment on the monitoring of wells and the hope that the monitoring of those wells will be tailored back. Mr. Kinsey offered comment on engineering and legal expenditures.

Mr. Wildermuth stated WEI does not monitor 900 wells; WEI monitors and collects data for a total of over 900 wells, and half of those wells happen to be located in the Stringfellow area. Mr. Wildermuth noted he has typed up some notes on this which he does not have here, and he believes there are approximately 200 wells being monitored, and those are pretty well distributed across the basin. A discussion regarding the monitoring wells ensued.

Mr. Burton stated there have been two workshops on this topic and asked that the discussion start winding down.

Ms. Layton noted the SCADA for Inland Empire Utilities Agency is not in the budget for this year. Mr. Joswiak stated that is correct, the SCADA Project is not in the budget this year. Ms. Layton stated the only thing that she recommends from San Antonio Water Company's point of view, is to take out the discretionary funds and require the communication be taken to the Watermaster Board members on the engineering budget, and to take out the personnel portion which was discussed today.

Mr. Young stated he is not sure about all the adjustments and how they will be made; however, something needs to be left in there for the discretionary item. Mr. Young stated as far as the personnel side of this is handled he has no problem with the COLA and having the other items taken back to the Personnel Committee; so to totally remove it completely may not be the best choice.

Mr. Craig stated with regard to the discretionary funds, he thought there was some point when that item will circle back. Mr. Craig stated he would consider leaving the discretionary in the overall budget so that the budget amendments do not have to be done later down the road, and then have some appropriative protocols for the approval of the activities as they go through the Watermaster process.

Vice Chair Burton stated for the most part Watermaster is pretty clear when they embark on a discretionary effort and it usually comes at the direction of the Pools. Vice Chair Burton stated as of right now the \$50,000 is not currently in the budget.

Mr. Kavounas stated that is correct about the approval process, and the way the Wildermuth Environmental contract proceeds their staff cannot proceed without Watermaster's express say so. Mr. Kavounas stated if this Committee takes out all the discretionary items and Watermaster can only have Mr. Wildermuth here six times, he does not think the parties would enjoy having to approve that every time Mr. Wildermuth or one of his staff comes here. Mr. Kavounas stated Wildermuth Environmental does show its expenses every month by item.

Vice Chair Burton stated if that was the case then the Well 18 item would be coming out of the discretionary fund. Mr. Kavounas stated that would hit the discretionary item.

Vice Chair Burton stated there are two questions before we go back to the personnel matter that needs to be answered before this item moves forward. The \$50,000 is currently not in the budget which needs to be discussed if it is going to be put into this budget. Vice Chair Burton stated he did not realize it was in the package. It is a concern of what the intent is of going back and looking at past agreements and whether or not they fared well for one agency versus another, and to try and see how we move forward in the future is a heavy issue. This seems harmless at a \$50,000 effort; it is really the start of something potentially much bigger. Vice Chair Burton stated he looked at the Dr. Sunding write-up and he is talking about looking at the Peace I and Peace II Agreements, and the parties can say, why stop there. If that is going to happen then why stop there, have him go back to the Judgment and look at all those agreements and move forward and see what has actually taken place. Vice Chair Burton stated there are agreements set in place and any individual party can go back and look at them. Vice Chair Burton noted we would be having Dr. Sunding go back to documents that are already approved and implemented, and there are going to be so many different variations on what could be looked at and what is considered equitable. Vice Chair Burton stated there he is concerned that we are opening up something more than \$50,000.

Mr. Kinsey stated we are not talking about going back to the start of time. Collectively we made a series of agreements and there are financial expectations and assumptions, we all made decisions based on that information. It is reasonable to update what we all thought was going to happen. Taking on this effort does not mean anything more than we will have more up to date knowledge; however, if we are starting to negotiate other things, that comes into play. Mr. Kinsey stated when you go back to the fiscal solution, its quantity, quality, and economic considerations. It is nothing more than providing all the parties with more updated information that may or may not be used in future decisions.

Vice Chair Burton inquired to the committee members is it wise to have Watermaster do this due diligence on something like this. Every agency is able to go back and do their own analysis, because it is putting the responsibility on Watermaster to do that due diligence and it really is a never ending process. Vice Chair Burton stated he is concerned this will be a document to be used to say the deals did not work out like we thought – we want to now change the deal, and there are already executed agreements that are done.

Mr. Crosley stated whether or not we choose to put \$50,000 in the budget for this possible effort, he assumes we will receive a written proposal and review the scope of work from Dr. Sunding. Counsel Herrema stated we have asked Dr. Sunding to provide a ballpark estimate based on the

request staff received at the second budget workshop. Mr. Kavounas stated the essence of the scope is in the staff letter as to what he would be doing.

Mr. Crosley inquired if the work Dr. Sunding is going to be doing, will that include the effort on the RMPU Amendment since that is not yet complete. Mr. Kavounas stated he was thinking of that in a different way, in that while we are working on the RMPU Amendment; there will be obligations that will be coming apparent to the Appropriative Pool, and the Sunding Report will give the parties a sense of what is your cost benefit from that. After that, the parties can make your decisions as to the level of investment you all want to make. Mr. Crosley inquired about Dr. Sunding's timeframe to do this work. Mr. Kavounas stated the report needs to come out and be done before the RMPU Amendment's final stages and then to court. The RMPU Amendment will have a list of projects that there is commitment to fund and implement; to make that commitment the parties would want to know the cost benefit.

Vice Chair Burton stated that Mr. Kavounas is talking about cost benefit moving forward, so in order to determine how much an agency may or may not want to invest in the RMPU Amendment, and are we looking at the cost benefit just for that program. Mr. Kavounas stated it is of the entire program. Vice Chair Burton stated the question he still has is that Dr. Sunding will be looking at Peace I and Peace II Agreements cost benefit and looking forward for cost benefits. Vice Chair Burton noted his concern over rehashing things that have already been done and possibly going to be re-discussed; this is a bigger effort than \$50,000. Mr. Kavounas stated staff and other parties he has spoken to feel this is added value.

Ms. Layton stated since there is \$440,000 of discretionary funds for engineering, putting \$50,000 in there for the future and have this done, we can always discuss this again with the proposal comes through the Watermaster process. Ms. Layton stated with it coming back for a final approval we should just go ahead and put it in there and just move on.

Mr. Harder offered comment on the Sunding Report and noted revisiting agreements that have already been looked at and having Dr. Sunding provide valuable information on how they benefited this basin is a good idea. Mr. Harder stated he would like to see the final cost proposal and perhaps a discretionary fund can be put in for that.

Mr. Young stated he would support that.

Vice Chair Burton stated the next item will be to go back to the personnel, payroll, and benefits budget.

Mr. Kavounas stated a lot of the proposals that are being presented today such as the COLA, the realignment for CalPERS, and the health benefit, which are the cost related items, come from discussions with parties and they are truly between the ranges. There seems to be a real issue by the parties in the stretching of the pay scales by taking staff from Step E to Step C which is something he feels is in lieu of doing a salary survey; if that is the stumbling block and that is the 10%, one suggestion for this committee to consider in order to move the budget forward would be to reduce the labor budget by that \$95,000, and staff will readjust the pay scales to leave staff topped out at Step E. Mr. Kavounas stated he will thoroughly convey comments/concerns brought up today. Mr. Kavounas stated the option is to knock down the budget by the \$95,000 and that portion will be set aside for another year.

Ms. Layton stated so staff will still up the salary by 4.5% and then have staff pay 3%. Mr. Kavounas stated, yes. Ms. Layton stated so staff would still get 1.95% COLA plus the 4.5%. Mr. Kavounas stated plus 2.5%. Ms. Layton stated then that is almost 4% increase and then staff pays in 3%. Mr. Joswiak stated, yes, 3%. Ms. Layton stated by raising that percentage if staff is at the top of their pay scale, staff would be changing their range. Mr. Kavounas stated the salary matrixes that Watermaster has today, which is coming up on the GM Report, and staff would move them up by that 4.5% and then take the 3% from employees pay and put that toward

CalPERS, which would decrease the benefit expense. Ms. Layton asked what other agencies are doing with CalPERS right now. Ms. Layton noted she really thinks there should be more discussion on this matter.

Mr. Kinsey stated what Watermaster is proposing is almost identical to what MVWD is doing. Mr. Kinsey offered further comment on MVWD benefits.

Mr. Kavounas offered further comment on the breakdown of the number and percentages being presented today. A discussion regarding the proposed changes ensued.

Vice Chair Burton stated in listening to all the discussions today he thinks, yes, the part about the CalPERS contribution and the COLA is higher than what some agencies are doing but not all, and some are doing exactly this and maybe even higher; however, right now it seems we are really overly micro-managing what Watermaster does and it is not always going to be what all the parties want. Vice Chair Burton stated for that part he agrees with Watermaster staff's recommendation. Vice Chair Burton stated the suggestion about the 10% without doing a salary study is the part, for the City of Ontario, of being something that we could not agree with. And to have Watermaster staff try and match exactly what all our agencies are doing just can't be done. Vice Chair stated with a little bit of compromise the 10% would not even go back to the Personnel Committee right now and just be totally taken out of this budget and revisited down the road.

Mr. Aaron stated he could support what Vice Chair Burton just stated; however, his biggest concern was that it just seemed insensitive to approve all of these changes in light of what the City of Pomona's employees are going through. Mr. Aaron offered further comments on the cuts and various happenings at the City of Pomona and stated there just needs to be a compromise somewhere in the middle.

Ms. Layton offered final comment on raising the pay scales.

Vice Chair Burton stated a lot of agencies are now addressing the CalPERS issues and are trying to implement that CalPERS changes without having a deduction from the employee's paycheck.

Mr. Kavounas stated the contribution to CalPERS was negotiated for in the years' past, and they were negotiated in lieu of salary increases and this just does not seem right. Mr. Kavounas stated he feels for the cities; however, this is not fair to the employees who gave it up then and now it is being taken away again after it was negotiated. Mr. Kavounas stated he has been approached by others asking why Watermaster would take .5% away from the employees to do this adjustment when Watermaster does not have to do this adjustment; this is not mandatory for Watermaster. Mr. Kavounas stated it seems appropriate and responsive while trying not to hurt the employees while trying to do it and pass a little bit of savings for Watermaster.

Vice Chair Burton stated there are a couple of approaches the committee can take today. The first would be to take 10% pay ranging increase off the table and approve the rest of the personnel changes as is, then another is to approve the budget but request that all personnel changes go back to the Personnel Committee for further consideration based on the input here today.

Mr. Craig stated he proposed to make a motion on the former not the latter. Vice Chair Burton stated he agrees with that motion.

Mr. Kavounas stated all concerns will be conveyed to the Personnel Committee and prior to the Advisory Committee meeting the revised pay schedules will be finalized by topping out salaries at Step E and staff will also include the \$50,000 for the Sunding Report. Mr. Kavounas stated the

other item will be the recommendation to the Advisory Committee to payoff of the CalPERS Side Fund.

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

***Moved to move the budget forward to the Advisory Committee with a commitment on the removal of the proposed broadening of pay schedules, and the addition of \$50,000 to update the Sunding report; and to authorize payoff of the CalPERS Side Fund, as presented***

**C. OVERLYING (AGRICULTURAL) POOL MOTION TO MODIFY FEBRUARY 19, 1998 RULING APPOINTING NINE-MEMBER WATERMASTER BOARD**

Mr. Kavounas stated this is an information item only for the Pool. Mr. Kavounas stated this item will be presented by the Agricultural Pool's counselor, Ms. Tracy Egoscue.

Ms. Egoscue stated she is the general counsel for the Agricultural Pool and she noted Mr. Gene Koopman is here as one of the committee members. Ms. Egoscue stated this is brought forward today as an informational item and is in the meeting package starting on page 171. Ms. Egoscue stated what the Agricultural Pool is trying to do is to move the court provided that our Pool votes to direct her accordingly to change the proposed order that allocates membership on the Watermaster Board. Ms. Egoscue stated the Agricultural Pool would like to come in line with how the Non-Agricultural Pool is treated. In the documents in the meeting package you can see when the proposed was originally signed, the Non-Agricultural Pool had declining membership, and it was also anticipated that the Agricultural Pool would have declining membership; however, at the time of this order that was signed by the Judge, the Agricultural Pool had provisions that aligned it with the Appropriative Pool. For the last ten years have had a pattern and practice of an alternate sitting in for the Watermaster Board membership that also sat concurrently on the Pool or the Advisory Committee. The Agricultural Pool has decided that the orders should change so that our pattern and practice comes into conformity, and that is essentially what our motion will do.

Vice Chair Burton asked for any questions or comments.

Mr. Kinsey stated he is not sure what the Agricultural Pool is proposing. Essentially at that time the Non-Agricultural Pool had one active party and because you have to have a Non-Agricultural Pool representative at the Advisory Committee to conduct a meeting, the census was that because there was only one member we needed to give them the discretion to allow that individual to sit on the Board. Mr. Kinsey does not know if the Agricultural Pool is proposing that the alternate to the Watermaster Board can also sit concurrently on the Advisory Committee or that anybody can concurrently sit on both the Advisory Committee and Watermaster Board.

Ms. Egoscue stated right now the alternates are appointed and voted by the Agricultural Pool in a manner that can be read to not be strictly in conformity with the order. In looking at the fact that the Pool has done this for the last ten years and perhaps being fairly confident that we could proceed for the next ten years in the same fashion, but preferring to change the order so that there are no questions.

Mr. Kinsey stated what the Agricultural Pool wants is that the Agricultural Pool members could also sit as Agricultural Pool/Advisory Committee representatives. Ms. Egoscue stated that is correct. Mr. Kinsey stated he wants to put the Non-Agricultural Pool aside because he believes the Non-Agricultural Pool practice to have the Board member sit on the Advisory Committee doesn't apply any longer. Mr. Kinsey stated our belief is that the intent of the Watermaster Board is independent oversight of the Judgment and separate from the Pools and the Advisory Committee. Mr. Kinsey stated if we now have representatives on the Watermaster Board and the Advisory Committee, then it's that kind of that independent oversight concept that gets muddled. Mr. Kinsey stated he is sure many Appropriative Pool members would like to have that

opportunity because of knowledge and if the Agricultural Pool wants to move forward with this that is fine but then maybe the Appropriative Pool should also consider this same flexibility.

Ms. Egoscue stated she will express the comments heard today to the Agricultural Pool.

Vice Chair Burton asked if what is being proposed is that the Appropriative Pool could move forward at the same time the Agricultural Pool does and Mr. Kinsey stated, yes.

### III. REPORTS/UPDATES

#### A. LEGAL COUNSEL REPORT

##### 1. CalPERS Appeal

Counsel Herrema stated he has one report which is out of the Watermaster Board's closed session which was held on April 19, 2013. At that time the Watermaster Board took action to direct legal counsel to appeal a CalPERS determination that related to pension benefit of Mr. Desi Alvarez who was the former CEO of Watermaster. CalPERS made a determination in February that Mr. Alvarez's pension benefit, for which he applied, should not be based on his contracted salary that he was paid while he was at Watermaster. The basis for that determination was that CalPERS has interpreted a regulation that was enacted midway through Mr. Alvarez's tenure here regarding how pay rates are to be publically made available, and CalPERS has interpreted to say that his pay rate while he was here at Watermaster did not comply with part of that regulation and therefore they will not use his Watermaster salary for the basis of his pension benefit. Counsel Herrema stated Mr. Alvarez has appealed that determination and Watermaster Board directed legal counsel to appeal that as well. The basis for Watermaster's appeal is that same regulation, while it dictates the manner in which pay rates will be publically be made available, it also states that if a pay rate was not made publically in that manner that CalPERS has the discretion to look at the totality of the circumstances in determining what the pay rate was. Watermaster paid Mr. Alvarez the contracted salary and paid to CalPERS the employer contribution on that salary and reported every month what that salary was to CalPERS. On that basis Watermaster is intending to uphold its portion of its contract with Mr. Alvarez ensuring to every extent possible he can be paid his pension benefits. Counsel Herrema stated a copy of the appeal can be made available. The next steps are that CalPERS will take a look at the appeals and determine whether to change his recommendation or to go forward with an administrative hearing. Counsel Herrema stated CalPERS has indicated because of all the CalPERS activity that is going on right now in evaluating pension benefit claims, that they have a fairly long timeframe and a long queue in getting to hearings so it could be several months before we hear back from them on their decision.

#### B. ENGINEERING REPORT

##### 1. State of the Basin Part II Presentation

It was noted this item will come back again in June.

#### C. GM REPORT

##### 1. Personnel Committee Recommendations

This item was taken out of order earlier in the agenda

##### 2. CBWM Prior Compensation Schedules

Mr. Kavounas stated in light of the CalPERS issue that Watermaster staff felt it would be very prudent to have publically adopted and available for review the 2011/2012 and 2012/2013 salary matrices that are in effect at Watermaster. Mr. Kavounas stated a lot of the personnel items at Watermaster have really not followed any sort of public process, public review, adoption in an open setting, or anything like that. Mr. Kavounas stated what staff is going to be bringing to the Watermaster Board is what is shown on pages 197 and 198 for existing salaries and the Board will be asked to adopt those in open session.



**IV. INFORMATION**

1. Cash Disbursements for April 2013  
No comment was made.

**V. POOL MEMBER COMMENTS**

No comment was made.

**VI. OTHER BUSINESS**

No comment was made.

**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 was taken out of order earlier in the agenda.

**VIII. FUTURE MEETINGS AT WATERMASTER**

Thursday, May 9, 2013	9:00 a.m.	Appropriative Pool Meeting
Thursday, May 9, 2013	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, May 9, 2013	1:30 p.m.	Agricultural Pool Meeting
Thursday, May 16, 2013	8:00 a.m.	IEUA DYY Meeting
Thursday, May 16, 2013	9:00 a.m.	Advisory Committee Meeting
Thursday, May 16, 2013	10:00 a.m.	RMPU Amendment Steering Committee Meeting
Thursday, May 23, 2013	11:00 a.m.	Watermaster Board Meeting
Tuesday, May 28, 2013	9:00 a.m.	GRCC Meeting

Chair Burton adjourned the Appropriative Pool meeting at 12:41 p.m.

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

Minutes Approved: June 13, 2013