

**Minutes**  
**CHINO BASIN WATERMASTER**  
**WATERMASTER BOARD MEETING**

*September 27, 2007*

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on September 27, 2007 at 11:00 a.m.

**WATERMASTER BOARD MEMBERS PRESENT**

Ken Willis, Chair	West End Consolidated Water Company
Bob Kuhn	Three Valleys Municipal Water District
Terry Catlin	Inland Empire Utilities Agency
Jim Bowman	City of Ontario
Sandra Rose	Monte Vista Water District
Charles Field	Western Municipal Water District
Bob Bowcock	Vulcan Materials Company
Paul Hofer	Agricultural Pool
Geoffrey Vanden Heuvel	Agricultural Pool

**Watermaster Staff Present**

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

**Watermaster Consultants Present**

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

**Others Present**

Dave Crosley	City of Chino Basin Watermaster
Bob Feenstra	Ag Pool – Dairy
Jeff Pierson	Ag Pool – Crops
Henry Pepper	City of Pomona
Steve Kennedy	Brunick Battersby, McElhaney & Beckett
Robert DeLoach	Cucamonga Valley Water District
Marty Zvirbulis	Cucamonga Valley Water District
Boyd Hill	McCormick Kidman & Behrens
Rosemary Hoerning	City of Upland
Anthony La	City of Upland
Bill Kruger	City of Chino Hills
Ron Craig	RBF Consulting
Steve Orr	City of Upland Counsel
Jack Safely	Western Municipal Water District
David DeJesus	Three Valleys Municipal Water District
Raul Garibay	City of Pomona
Ken Jeske	City of Ontario

The Watermaster Board Meeting was called to order by Chair Willis at 11:00 a.m.

**PLEDGE OF ALLEGIANCE****AGENDA - ADDITIONS/REORDER**

There were no additions or reorders made to the agenda.

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

1. Minutes of the Watermaster Board Meeting held August 23, 2007
2. Minutes of the Watermaster Board Conference Call held September 13, 2007

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of August 2007
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2007 through July 31, 2007
4. Treasurer's Report of Financial Affairs for the Period July 1, 2007 through July 31, 2007
5. Profit & Loss Budget vs. Actual July 2007 through July 2007

*Motion by Bowman, second by Rose, and by unanimous vote*

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

**II. BUSINESS ITEMS****A. Dr. SUNDING MICRO-ECONOMIC REPORT**

Mr. Manning stated the Micro-Economic Report has been received from Dr. Sunding and includes the two benchmark runs which were discussed in the scoping meetings. There was a special Watermaster Board conference call meeting held recently and at that meeting the Board authorized Dr. Sunding to provide a third benchmark that would be an addendum to this report and an additional \$5,000 dollars to perform that additional work. This report is complete as it is now submitted to the Watermaster Board today. Mr. Manning noted the Advisory Committee approved this item unanimously this morning.

*Motion by Catlin, second by Rose, and by unanimous vote*

***Moved to receive and file the Dr. Sunding Micro-Economic Report, as presented***

**B. ADOPT RESOLUTION 07-05 (PEACE II LEGAL DOCUMENTS)**

Mr. Manning stated Watermaster staff and counsel have a recommendation for the Board which is included in the meeting packet. Staff is asking the Board to adopt Resolution 07-05 which is the document that then adds the other documents on as exhibits. Mr. Manning stated at the Advisory Committee meeting this morning there was a volume vote taken for this item and there was a 76% vote to forward this item onto the Watermaster Board with approval; it was not the 80% which provides a mandate. Counsel Slater stated the documents before you are documents that have been previously distributed to the Board and have been part of the stakeholder review process. Counsel Slater commented on the recent special conference call held by the Watermaster Board and noted that conference call resulted in additional funds being provided to Dr. Sunding. The call also identified three material subjects that the parties wanted to discuss before the time came for the parties to respond to Watermaster's pleadings at the court at the end of November. There were specific concerns related to the areas of recharge, recycled water, and desalted water with regard to costs in relation to the Peace II measures. There is linkage between the Dr. Sunding Report and those issues; however, they are separate issues. Counsel Slater stated it is staff and counsels understanding that it was the unanimous feel of all parties who participated in the Socio-Economic process, that the Peace II documents would not be held hostage to that process going forward. There would be opportunity to discuss those three areas while getting ready for the court process. Counsel Slater stated we are proceeding in accordance with this Board's earlier direction. Being presented today is a resolution, in form, for adoption and ultimate filing with the court after final review for any typographical or grammatical errors. Counsel Slater stated staff and counsel are

going to continue to meet with the parties with regard to the Socio-Economic process and we are going to be developing a pleading. The importance of a pleading is that the pleading will come back to this Board. A discussion ensued with regard to this item. Ms. Rose commented on what took place at the Advisory Committee meeting this morning and stated she felt it was a good idea that this Board did not take action on this item today and use the time to further review the process. Counsel Slater offered comment regarding Ms. Rose's comment and reviewed the short timeline for the November court date. Mr. Manning stated it is staffs recommendation to move this forward today and noted that any party is not precluded in having an impact on the final documents. A process has been outlined by all the parties and an anticipation to move this process forward on a timely basis and moving this out further will put everybody into a very difficult time crunch at the end of October. Mr. Manning stated there is a meeting scheduled for tomorrow along with keeping 2:00 p.m. at the Strategic Planning Conference for further discussion. A lengthy discussion ensued with regard to pushing this item off for one month, the final process, and the needed volume of signatories.

*Motion by Bowcock, second by Bowman, and by majority vote – one no vote from Ms. Rose*  
***Moved to adopt Resolution 07-05, the staff report, and direct legal counsel to file with the court, as presented***

#### **C. 20-GALLON CHALLENGE**

Mr. Manning stated the resolution being presented today is very similar to the resolution recently adopted by Inland Empire Utilities Agency. This type of resolution has also been approved by San Diego County Water Authority and Metropolitan Water District of Southern California. This challenge is asking people within the Chino Basin to conserve water and will be putting Chino Basin Watermaster on record as supporting that voluntary water conservation effort.

*Motion by Catlin, second by Kuhn, and by unanimous vote*  
***Moved to adopt Resolution 07-04 encouraging residents and businesses to help drought-proof the Chino Basin by participating in the 20-Gallon Challenge for voluntary water conservation in the Chino Basin, as presented***

#### **D. ELIMINATION OF SECRETARY II POSITION**

Mr. Manning stated this is an item that is coming strictly to the Watermaster Board. It is an elimination of a position that is on the Chino Basin Watermaster salary schedule. Mr. Manning stated the Secretary II position is not necessary and it is staffs recommendation that it be eliminated. When the time comes for replacement of a clerical person for the Chino Basin Watermaster, this would be handled through the Personnel Committee.

*Motion by Kuhn, second by Catlin, and by unanimous vote*  
***Moved to adopt the elimination of the Chino Basin Watermaster Secretary II position, as presented***

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

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

##### **1. Court Approval re Subsidence Long Term Plan**

Counsel Slater stated there is a court workshop scheduled for October 3, 2007 at 10:00 a.m. at the Chino Basin Watermaster office and the Special Referee and the technical assistant will be in attendance. A court reporter will be present and the workshop will allow the parties to present witnesses to offer testimony related to the subject of the Long Term Plan for subsidence in management zone 1. This is the result of the earlier objection that had been filed by the City of Chino Hills to the adoption of the Long Term Plan and this was the courts method to keep the parties on task and yet allow full and fair opportunities for the parties to present witnesses and review documents. Counsel Slater stated Watermaster will present its set of witnesses and set of documentations in support of the Long Term Plan and we do expect the City of Chino Hills to present evidence and testimony

suggesting that the Long Term Plan is not appropriate. All parties are welcome to come and offer comment. After that workshop we will expect the Special Referee to write a report which will then go through the Watermaster process to allow comments prior to the court hearing on November 15, 2007 for a final opportunity to present live witnesses as it relates to the Referee's report. There is a subsidiary issue related to Watermaster's filing and whether the confidentiality of the MZ1 process has been breached and Watermaster expects to present the earlier confidentiality agreement to the court at the beginning of next week so that the Special Referee has in front of her the earlier document and can judge on its face whether we breached any expectations of confidentiality. A brief discussion ensued with regard to Counsel Slater's comments.

Mr. Vanden Heuvel inquired as to the report from Dennis Williams which was given to each of the Watermaster Board members in their meeting packet. Counsel Slater stated the City of Chino Hills offered and the judge ordered that the City of Chino Hills had expert testimony that they were going to submit, that it be made available by September 21, 2007; this is the report that was filed for the City of Chino Hills. It argues that the Long Term Plan is inappropriate and Watermaster is prepared to respond to his report. Counsel Slater noted this item can be discussed now or at the workshop next week. Counsel Slater stated, in summary staff and counsel believes the Long Term Plan that has been prepared comports expressly with the requirements set forth in the OBMP. A lengthy discussion ensued with regard to Dennis Williams report and it was noted this item can be discussed further and in greater detail at the workshop on October 3, 2007.

## **B. ENGINEERING REPORT**

### **1. Status Report on Basin Modeling Work**

Mr. Manning stated there is a scheduled workshop on October 9, 2007 for the full review of the Basin Modeling work performed by Wildermuth Environmental. Mr. Wildermuth stated the report will be complete and posted to his web site shortly. Mr. Wildermuth stated there are three alternatives which are being proposed. The first alternative would be the expansion of the Desalters to 40,000 acre-feet of groundwater pumping from the current capacity without the benefit of re-operation and then we would superimpose the existing 100,000 acre-foot Dry Year Yield Program. The next step would be to superimpose re-operation and there are two alternatives to do that. From the groundwater perspective they are not going to look much different. The third alternative is the same as the second only we are expanding the Dry Year Yield to 150,000 acre-feet. Mr. Wildermuth stated all three alternatives will initially look like they are creating some yield but without re-operation it goes away and with re-operation the yield will expand. Mr. Wildermuth noted many of our evaluations will include looking at the water levels all over the basin, the changes of storage locally in the basin, the impact on subsidence by comparing it against what we think the metrics are on subsidence on the west side, and we are going to be analyzing for hydraulic control. We will also look at the surface water discharge projection for the Santa Ana River at Prado. We have all historical discharges in the calibration but on a go forward basis, we have all the projections for dischargers and its futuristic hydrology. Mr. Wildermuth stated we will also be looking at the water balance and from that we can determine exactly how much water is going out of the basin from Chino North into Prado and it will hopefully be a negative number and subject to tweaking the well field. We are also going to look at the change in the movement of known plumes. A lengthy discussion ensued with regard to the presentation given by Mr. Wildermuth and it was noted a Recharge Master Plan must be done.

## **C. FINANCIAL REPORT**

### **1. Water Activity Report Status**

Ms. Rojo stated the Water Activity Reports have been sent out and we are anticipating receiving them back in a timely manner.

**D. CEO/STAFF REPORT**

1. Legislative Update

Mr. Manning stated the Governor has called for a special session of the Legislature to deal with two issues; first is health care and the other is water. The democrats in Sacramento have made a measure for a new bond measure that would be on the February ballot. It is SB 378; the democrat's proposal is for a \$5 billion dollar bond and has a number of provisions in it that is different from what the Governor's response is. The democrats have put an amendment to the SB 378 on the table and the Governor's proposal is for an \$8.3 billion dollar bond and there are differences in each amendment. Mr. Manning reviewed the differences between the two provisions in the amendments.

2. Recharge Update

Mr. Manning stated Chino Basin Watermaster is still recharging the water that is made available to us which is all in the way of recycled water and some storm water; approximately 250 acre-feet. No recharge water is available from Metropolitan Water District.

**IV. INFORMATION**

1. Newspaper Articles

No comment was made regarding this item.

**V. BOARD MEMBER COMMENTS**

No comment was made regarding this item.

**VI. OTHER BUSINESS**

No comment was made regarding this item.

**VII. FUTURE MEETINGS**

September 27, 2007	9:00 a.m.	Advisory Committee Meeting
September 27, 2007	11:00 a.m.	Watermaster Board Meeting
October 1, 2007	11:30 a.m.	Golf Tournament Tee Off
October 1, 2007	5:00 p.m.	Kick off Reception for Strategic Conference
October 2, 2007	7:30 a.m.	Strategic Planning Follow Up Conference
October 3, 2007	10:00 a.m.	MZ1 Workshop w/ Special Referee
October 11, 2007	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
October 16, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
October 25, 2007	9:00 a.m.	Advisory Committee Meeting
October 25, 2007	11:00 a.m.	Watermaster Board Meeting

The Watermaster Board meeting was dismissed by Chair Willis at 12:15 p.m.

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

Minutes Approved: October 25, 2007