

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

*November 15, 2007*

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on November 15, 2007 at 11:00 a.m.

**WATERMASTER BOARD MEMBERS PRESENT**

Bob Kuhn, Chair	Three Valleys Municipal Water District
Terry Catlin	Inland Empire Utilities Agency
Jim Bowman	City of Ontario
Sandra Rose	Monte Vista Water District
Al Lopez	Western Municipal Water District
Kevin Sage	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**

Scott Slater	Hatch & Parent
Michael Slater	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.
Joe LeClaire	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
Marty Zvirbulis	Cucamonga Valley Water District
Anthony La	City of Upland
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 Kuhn 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 October 25, 2007

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of October 2007
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2007 through September 30, 2007
4. Treasurer's Report of Financial Affairs for the Period September 1, 2007 through September 30, 2007
5. Profit & Loss Budget vs. Actual July 2007 through September 2007

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

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

**II. BUSINESS ITEMS****A. CYCLIC STORAGE AGREEMENT**

Mr. Manning stated this is Watermaster's 8<sup>th</sup> amendment to the Cyclic Storage Agreement. This agreement was discussed at the recent Strategic Planning Conference in October 2007. It is a mutual agreement between Metropolitan Water District, Inland Empire Utilities Agency, and Chino Basin Watermaster. Renewing and utilizing the cyclic storage agreement offers a strategy that will be necessary in the future. Mr. Manning stated this agreement is under Watermaster's control and the ability to get the water into the ground so staff has control of the buy back is very important. The 100,000 storage number was left in this amendment and it was the number used in the original agreement.

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

***Moved to approve the Cyclic Storage Agreement, as presented***

**B. FINAL WILDERMUTH MODELING REPORT**

Mr. Manning stated drafts for this report have been distributed for some time and a workshop was held. All changes have now been made to the report and it is ready to be received and filed as a final report. Staff is seeking a motion to receive and file. Chair Kuhn inquired if any party has contacted Wildermuth on any major concerns or changes. Mr. Wildermuth stated at the workshop and at the pool meetings questions have come up, however, no party has asked for any substantive changes. Mr. Vanden Heuvel stated he has not had enough time to digest this final report in its entirety. Mr. Manning stated the final report is essentially the same report that was presented at the workshop. Mr. Vanden Heuvel will support the receive and file motion, although, he has not had time for a final review. Mr. Manning stated another workshop for the board can be scheduled for another in depth review. A discussion ensued with regard to this matter. Counsel Slater stated that Mr. Wildermuth has declared there are no material changes made to the final report. Chair Kuhn wants it to be noted not all the board members have fully read the report and would like another workshop to be scheduled.

*Motion by Vanden Heuvel, second by Bowman and by unanimous vote*

***Moved to receive and file the final Wildermuth Modeling Report, as presented***

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

1. November 29, 2007 Peace II Hearing

Counsel Slater stated there is a hearing scheduled for November 29, 2007 on the status of or Peace II measures. Counsel Slater stated there are joinders already on file from Monte Vista Water District, San Antonio Water Company, The City of Pomona, Fontana Union Water Company, Inland Empire Utilities Agency, Cucamonga Valley Water District, the City of Chino Hills, the City of Upland, Western Municipal Water District, and the City of Ontario. Counsel expects more joinders filed later today. Watermaster has also received declarations from Metropolitan Water District, SAWPA, Rich Atwater, Ron Craig, Mark Kinsey, Ken Jeske, Ken Manning, John Rossi, and Mark Wildermuth. The record should be complete by the end of the business today. Counsel Slater stated staff is not aware of any opposition; counsel and staff are proceeding with unanimity.

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

***Moved to authorize counsel file the supplemental pleading and the supporting declarations, as presented***

2. November 15, 2007 MZ1 Hearing

Counsel Slater stated there is a hearing scheduled today on the status of the MZ1 Long Term Plan to manage subsidence. A stipulation was filed by the City of Chino Hills regarding the plan and counsel amended the Long Term Plan. The Special Referee has issued her report on this plan and has recommended approval. The expectation today is the hearing will be uneventful and perfunctory.

3. Hanson Aggregates

Counsel Slater stated this is the issue over the debris released from Hanson property which caused damage to the spreading grounds. There have been ongoing discussions with Hanson Aggregates, Inland Empire Utilities Agency, and Chino Basin Watermaster. Counsel had indicated in the past that there might be litigation regarding the damages associated with the debris and the clean up. Staff has been presented with a settlement offer by Hanson Aggregates in the amount of \$100,000 dollars and that offer was made to the Inland Empire Utilities Agency board and was rejected. Inland Empire Utilities Agency is preparing to prosecute a case with Chino Basin Watermaster as co-counsel; this complaint has been prepared by IEUA general counsel. A discussion ensued with regard to the actual cost of clean up and lost recharge.

4. Water Right Permit 19895

Counsel Slater stated is an order from the State Water Resources Control Board. That order denies a petition for an extension of time that was filed three years ago on Watermaster's permit 19895. The Santa Ana River hearing was recently conducted and Watermaster has two permits to perform diversions. Those two permits were obtained by the Flood Control District with regard to the Day Creek Project and the San Sevaine Project when those projects were started in the late 1980's. Those permits have been under the control of the Flood Control District and were transferred a few years ago when Watermaster completed the Facilities Improvement Project. During the time they were held by the Flood Control, the Flood Control did all the reporting on them and had all the contact with the State Board. Over that period with regard to permit 19895, the reports that the Flood Control District filed were not consistent in their using the correct permit numbers on their reports. Construction on some of the other permits was proceeding much slower than the construction on permit 19895. This reporting has lead to inconsistent reporting on the projects status. Counsel Slater stated due to this situation the State Board declared the project for permit 19895 has not proceeded with due diligence and therefore revoked the permit. Counsel stated staff had no knowledge this consideration was taking place. Counsel has submitted a request to the State Board asking them to reconsider their decision; this pleading was filed recently with the board. Counsel stated the pleading points out the Flood Control's errors in their reports and also stated this project not only proceeded in a timely manner but that this project has been completed for several years. A discussion ensued with regard to this matter.

**B. ENGINEERING REPORT**

1. Engineering Update

No comment was made regarding this item.

**C. FINANCIAL REPORT**

1. Assessment Package Update

Ms. Rojo stated all of the Water Activity Reports have been sent out and several have been received back. Ms. Rojo noted staff has now had opportunities to work out discrepancies in numbers and are currently missing five different Water Activity Reports submitted. Once

the last few are received staff will be able to run the Assessment Package. Ms. Rojo stated that Mr. Jeske at the last Appropriators meeting suggested that Watermaster should consider assessing the party a penalty.

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

##### **1. Legislative Update**

Mr. Manning stated Congress has passed the WRDA Act, and has been sent the bill on to the president. There was a great deal of dissention at the administrative level about the WRDA Bill, most of that was centered around the idea that the house passed a bill that was \$13 billion dollars and the senate passed a bill that was \$14 billion dollars and then they had a joint committee to resolve the differences and ended up with a bill that was \$23 billion dollars. This was then sent on to the president who did not like it and vetoed it. Congress has enough votes in the both the house and senate, and as of last week both the house and senate overrode the veto; WRDA is now the law of the land in terms of the ability to get money. Mr. Manning stated there is money in that bill for projects in the Chino Basin. Regarding state legislature, the governor put together an extraordinary session of the assembly to deal with health care issues and water; no rulings have come out of this assembly to date. Mr. Manning stated he attended a Policy Briefing and Hearing last week and was able to offer comments to the parties regarding water projects for the Chino Basin. The parties at that hearing discussed in length the arguments over surface storage versus groundwater storage.

##### **2. Recharge Update**

Mr. Manning stated this month has been the same as the last few months with only a few hundred acre-feet of urban run off being captured.

#### **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.

The regular Board meeting was dismissed at 11:31 a.m. to convene the Confidential Session

#### **VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

Scott Slater stated the Board has directed legal counsel to initiate a meet and confer process under the agreement entitled, "Agreement for Cooperative Efforts in Support of the Common Monitoring Programs between Chino Basin Watermaster and Inland Empire Utilities Agency."

#### **VIII. FUTURE MEETINGS**

November 8, 2007	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
* November 13, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
* November 15, 2007	9:00 a.m.	Advisory Committee Meeting
* November 15, 2007	11:00 a.m.	Watermaster Board Meeting
December 13, 2007	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
December 18, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
* December 20, 2007	9:00 a.m.	Advisory Committee Meeting
* December 20, 2007	11:00 a.m.	Watermaster Board Meeting

\* Notes a change in the normal monthly meeting date

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

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

Minutes Approved: December 20, 2007