

Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

December 20, 2007

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on December 20, 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
Charles Field	Western Municipal Water District
Jim Bowman	City of Ontario
Sandra Rose	Monte Vista 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
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

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

Others Present

Dave Crosley	City of Chino Basin Watermaster
Mark Kinsey	Monte Vista Water District
Mohamad El-Amamy	City of Ontario
Bob Feenstra	Ag Pool – Dairy
Robert DeLoach	Cucamonga Valley Water District
Marty Zvirbulis	Cucamonga Valley Water District
Hank Stoy	Visitor
Robert Tock	Jurupa Community Services District
David DeJesus	Three Valleys Municipal Water District
Raul Garibay	City of Pomona

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.

RECOGNITION OF OUTGOING WATERMASTER BOARD MEMBERS

1. Ms. Sandra Rose, Monte Vista Water District

Chair Willis thanked Ms. Rose for her past two years of service on the Watermaster Board and presented her with a Commendation of Service plaque. Ms. Rose thanked Watermaster staff and counsel for all the assistance in learning Watermaster policies and procedures.

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Watermaster Board Meeting held November 22, 2007
2. Minutes of the Watermaster Board Conference call held November 28, 2007

B. FINANCIAL REPORTS

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

Motion by Kuhn, second by Bowman and by unanimous vote

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

II. BUSINESS ITEMS**A. 2007/2008 ASSESSMENT PACKAGE**

Mr. Manning stated since we have not yet received official notice from the court regarding the Peace II process and that staff has prepared the Assessment Package utilizing the conditions stated in the Peace II Agreement. The Assessment Package that is being presented is predicated on the idea that staff will receive an order from the court by the end of the year. If notification is received by the court authorizing something other than what was presented in Peace II, then the Assessment Package will be revised accordingly. Mr. Manning stated at the recent Appropriative Pool meeting some questions were presented. The first item is the loss factor which is included in the post hydraulic control section of the Peace II Agreement which means hydraulic control has to be achieved prior to being able to use any other number other than the 2% loss factor. The second issue pertains to water costs as it relates to ASR and this is somewhat tied to the Assessment Package. Staff is currently working on a draft policy. The last item concerns costs allocations for capital and O&M costs for recharge facilities and staff is working to resolve this issue. This last item will not affect the current Assessment Package; however, this does need to be addressed. Mr. Manning stated these three items were also presented and discussed at the Advisory Committee meeting this morning. Ms. Rojo referenced the draft 2007/2008 Assessment Package is available on the back table. Ms. Rojo stated the recent Assessment Package Workshop was very well attended. Mr. Manning stated staff is asking for approval of the Assessment Package contingent upon receiving an order from the court. Mr. Vanden Heuvel stated he is uncomfortable approving the Assessment Package absent a court order and asked that the directors consider tabling this item until next month. Mr. Vanden Heuvel stated he has discussed the possibility of having a special board meeting after the receipt of the court order. A discussion ensued with regard to this matter and it was decided a special board conference call will be scheduled for December 31, 2007 at 10:30 a.m. Mr. Manning stated there could be something in the court order that changes how the Assessment Package is calculated which will need board approval. Mr. Vanden Heuvel offered comment regarding this item. A discussion ensued with regard to the comments received.

Motion by Kuhn, second by Bowman and by majority vote, Vanden Heuvel and Hofer voted no

Moved to approve 2007/2008 Assessment Package contingent on the resolution on the three issues which were discussed and approval of Peace II measures by the court, as presented

B. STATE OF THE BASIN REPORT

Mr. Manning stated the State of the Basin Report was developed several months ago and has been internally circulated by the parties and corrections have been made according to comments and suggestions. This report has also been submitted to the Special Referee to provide comments. Reviewed comments made by the Special Referee or the technical

assistant have also been incorporated into the final State of the Basin Report. Staff is asking for approval to receive and file this report with the court.

Motion by Rose, second by Field and by unanimous vote

Moved to approve receiving and filing the State of the Basin Report with the court, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Peace II Approval Process

Counsel Fife commented on the recently held hearing regarding a go forward schedule from the court on the Peace II Agreement. Judge Gunn did not give a schedule at the hearing, however, noted an order would be forthcoming shortly. Counsel Fife stated a retort has been created in response to the Special Referee's report and it was filed with the court last Friday. Mr. Wildermuth's office has also prepared a technical report which was discussed at the hearing and that was served to all the parties on Tuesday. Counsel Fife stated Judge Gunn clearly indicated if Watermaster did not receive an order by the end of the year he would extend the deadlines. A discussion with regard to this matter ensued.

B. ENGINEERING REPORT

1. Engineering Update

Mr. Wildermuth presented a time history with regard to safe yield and how it is calculated in the Chino Basin and reviewed it in detail. Mr. Wildermuth stated if water is pumped out of the basin over a ten year period and that total volume is added to the change in storage and divided by ten, which will give you the estimate of yield in the basin. This was one of the methods used to formulate the operating safe yield numbers for the Judgment; however, a few minor errors were detected at a later date in the calculations used.

C. FINANCIAL REPORT

1. Financial Update

No comment was made regarding this item.

D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated the state legislature was called back into special session by the governor to cover the health issue and the bonds for water; neither of which were resolved at the special session. Mr. Manning referenced a handout entitled, California's Fiscal Outlook by the Legislative Analyst's Office. Mr. Manning reviewed the handout and stated he was able to sit down with Senator Bob Margett and Michael Cohen, who is the director of the state administrative department for the Legislative Analyst Office to talk about some of the projections for the state's economy. Mr. Manning encouraged the parties to get in contact with their local representatives right now regarding pressing issues in legislature. A discussion ensued with regard to legislative issues.

2. Recharge Update

Mr. Manning stated the updated chart reflecting the water captured is now available. Recharge did happen in the month of November which included water that was captured from one storm. Mr. Manning stated it appears there is another storm on its way for December which means we are hopeful we will capture more storm water. It is still predicted by the weather analysts that overall California will still have a less than average year of rainfall.

3. AB 303 Grant

Mr. Manning stated several of the parties were contacted regarding writing support letters for the AB 303 grant and several have been received and submitted. Watermaster is hopeful to receive funds from this \$250,000 grant application. Wildermuth Environmental

has been working with Watermaster staff on the grant proposal. Mr. Manning stated a copy of the grant application can be made available. A brief discussion ensued with regard to the submittals of support.

4. Wildermuth Environmental Contract

Mr. Manning stated over the last few months, discussions have taken place on how to improve efficiencies at Watermaster. One of the items discussed was for staff to get a better understanding and develop a more structured working arrangement with Wildermuth Environmental and staff is in the process of working with them on developing a master contract. This contract will outline the procedures that will be used and the relationship with Watermaster and other parities within the basin. A draft of that contract should be available in early 2008.

5. Personnel Committee Meeting

Mr. Manning stated Watermaster will hold a Personnel Committee meeting in January as staff prepares to make the changes in the reorganization. The Personnel Committee will change based upon who is representing the Pools, Advisory Committee, and Watermaster Board.

6. January 2008 Reorganization

Mr. Manning stated there will be elections at the annual meetings for the yearly reorganizations for the Pools, Advisory Committee, and Watermaster Board. Mr. Manning noted Jim Curatalo will be joining the Watermaster Board from Cucamonga Valley Water District.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. BOARD MEMBER COMMENTS

Chair Willis thanked every party that was involved in the Peace II process for a wonderful job done.

VI. OTHER BUSINESS

Mr. Kuhn stated two meetings have taken place regarding the IEUA invoicing matter.

VII. FUTURE MEETINGS

January 10, 2008	9:30 a.m.	Annual Non-Agricultural Pool Elections
January 10, 2008	10:00 a.m.	Annual Appropriative Pool Elections
January 10, 2008	10:15 a.m.	Annual Joint Non-Ag & Appropriative Pool Meeting
January 15, 2008	9:00 a.m.	Annual Agricultural Pool Meeting @ IEUA
January 23, 2008	9:00 a.m.	GRCC Meeting
January 24, 2008	9:00 a.m.	Annual Advisory Committee Meeting
January 24, 2008	11:00 a.m.	Annual Watermaster Board Meeting

The Watermaster Board meeting was dismissed by Chair Willis at 11:45 a.m.

Secretary: _____