

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

*January 24, 2008*

The Annual Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on January 24, 2008 at 11:00 a.m.

**WATERMASTER BOARD MEMBERS PRESENT**

Ken Willis, Chair	City of Upland
Bob Kuhn	Three Valleys Municipal Water District
Charles Field	Western Municipal Water District
Jim Bowman	City of Ontario
Terry Catlin	Inland Empire Utilities Agency
Jim Curatalo	Cucamonga Valley 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**

Scott Slater	Brownstein, Hyatt, Farber & Schreck
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
Jeff Pierson	Ag Pool – Crops
Sandra Rose	Monte Vista Water Company
Robert DeLoach	Cucamonga Valley Water District
Marty Zvirbulis	Cucamonga Valley Water District
Jennifer Novak	Ag Pool – State of California
Rosemary Hoerning	City of Upland
Gerry Foote	Chino Basin Water Conservation District
David DeJesus	Three Valleys Municipal Water District
Raul Garibay	City of Pomona
Tom Crowley	Western Municipal Water District
Bob Lemons	RBF/Chino Hills

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.

**INTRODUCTIONS - CALENDAR YEAR 2008 WATERMASTER BOARD MEMBERS**

Bob Bowcock	Non-Agricultural Pool
Jim W. Bowman	City of Ontario
Terry Catlin	Inland Empire Utilities Agency
James Curatalo	Cucamonga Valley Water District
Charles Field	Western Municipal Water District
Paul Hofer	Agricultural Pool (Crops)
Bob Kuhn	Three Valleys Municipal Water District
Geoffrey Vanden Heuvel	Agricultural Pool (Dairy)
Ken Willis	City of Upland

**I. CALENDAR YEAR 2008 OFFICERS – Action**

**A. ELECTION OF OFFICERS**

1. Nominations will be heard for Watermaster Board Chair  
Mr. Ken Willis from the City of Upland was voted in as the 2008 Watermaster Board Chair
2. Nominations will be heard for Watermaster Board Vice-Chair  
Mr. Bob Kuhn from Three Valleys Municipal Water District was voted in as the 2008 Watermaster Board Vice-Chair
3. Nominations will be heard for Watermaster Board Secretary/Treasurer  
Mr. Jim Curatalo from Cucamonga Valley Water District was voted in as the 2008 Watermaster Board Secretary

**II. CONSENT CALENDAR**

**A. MINUTES**

1. Minutes of the Watermaster Board Meeting December 20, 2007
2. Minutes of the Watermaster Board Conference Call December 31, 2007

**B. FINANCIAL REPORTS**

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

**C. CHINO BASIN WATERMASTER INVESTMENT POLICY**

Resolution 08-01 – Resolution of the Chino Basin Watermaster, San Bernardino County, California, re-authorizing the Watermaster's Investment Policy

**D. LOCAL AGENCY INVESTMENT FUND**

Resolution 08-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF)

**E. LEVYING REPLENISHMENT & ADMINISTRATIVE ASSESSMENTS**

Resolution 08-03– Resolution of the Chino Basin Watermaster Levying Replenishment and Administrative Assessments for Fiscal Year 2007-2008

**F. NOTICE OF INTENT**

Annual Filing of Notice of Intent Regarding the Determination of Operating Safe Yield

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

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

**III. BUSINESS ITEMS****A. IEUA CONTRACT FOR TECHNICAL SERVICES FOR DRY YEAR YIELD**

Mr. Manning stated this item pertains to a contract between Chino Basin Watermaster and Inland Empire Utilities Agency (IEUA) for technical services to provide the services of Wildermuth Environmental Inc. for the purposes of working on the Dry Year Yield (DYY) study. Mr. Manning stated originally this contract was going to come under the contract with Black & Veatch. However, Watermaster is working on developing a new contract with Wildermuth Environmental for Watermaster that will have some language regarding Wildermuth's relationships with other parties within the basin in order to protect Watermaster and Wildermuth. This contract as it is presented today, will allow that to occur. IEUA has taken this contract before their board and it was approved. Staff is asking for approval and to also approve, which was initiated by the Appropriate Pool, the financial budget changes to reflect the income and the expenditure; the Pools and Advisory Committee approved this item unanimously.

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

***Moved to approve the contract for services for Dry Year Yield and to amend the 2007/2008 Watermaster budget for receipt of revenue from Inland Empire Utilities Agency and the expenditure of a similar amount for services by Wildermuth Environmental, Inc., as presented***

**B. WATERMASTER RESPONSE TO CONDITIONS SUBSEQUENT FROM THE COURT ORDER GRANTING WATERMASTER'S MOTION FOR APPROVAL OF PEACE II DOCUMENTS**

Mr. Manning stated there are two different tables available. One matrix lists all of the items that are included in the court order and some of the translations from the Special Referee's report. The second item is the New Technical Report put together by Mr. Wildermuth. Counsel Slater stated the nature of this report is also embodied in our filing. The order from the Court included two conditions subsequent that needed to be filed with the court on February 1, 2008.

The first condition is a brief to the court explaining the amendments to judgment Paragraph 8 and Judgment "G" relating to the transfer of Non-Agricultural Pool water. Counsel has prepared a brief which is responsive to that request and further summarizes the responses to the questions that were raised in the underlying Special Referee report. The second condition subsequent related to the preparation and submittal to the court for approval of a corrected initial schedule to replace Resolution No. 07-05, Attachment "E", with an explanation of the changes.

Mr. Wildermuth explained the necessity for the new initial schedule. He went on to mention that this initial schedule will not be the final schedule. He reiterated this is the best prediction from what we know today and it will need to be revised again by the end of 2008. Counsel Slater stated that once a discussion ensues between Western Municipal Water District and the Appropriate Pool regarding the ultimate drawdown the schedule may need to be changed to reflect any negotiated changes. Counsel and staff feels Watermaster has complied with the courts directions with regard to the initial schedule

Mr. Vanden Heuvel commented on the Special Referee's report regarding the new yield induced from the Santa Ana River that included an overstated amount for storm water and new yield. He inquired as to when and where these issues will be addressed. Counsel Slater stated the 400,000 acre-feet is not available to address other accounting issues; the 400,000 acre-feet is available for the specific purpose of being deployed for production from the desalters. Counsel Slater reiterated that the overstated amount is a real issue, although, the court chosen to defer

the Watermaster response until the end of the year, giving the Watermaster an opportunity to take into consideration a comprehensive approach to offsetting circumstances in the accounting.

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

***Moved to approve and submit to the court a brief to explain the amendments to the Judgment paragraph 8 and exhibit "G" and corrected initial schedule to replace resolution No. 07-05 attachment "E," together with an explanation of the corrections made, as presented***

#### **IV. REPORTS/UPDATES**

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

1. Peace II Order

Counsel Slater stated Watermaster now has an order and we are moving on the conditions in that order. Counsel Slater noted there is a matrix on the back table prepared by Mr. Manning which contains the nine conditions and their due dates.

2. SWRCB Order re Permit 19895

Counsel Slater stated a copy of this order is in the meeting packet. Several months ago Watermaster received an order from the State Board revoking permit 19895 for failure to proceed with diligence on the project; even though the project is complete. A petition for reconsideration was immediately filed and we got a favorable filing from the State Board and they did acknowledge there were many factual inconsistencies within their own order; the petition for reconsideration was granted. The State Board has contacted Watermaster staff and counsel and would like to schedule a meeting to sit down and talk about the project.

3. Hanson Aggregate Litigation

Counsel Slater stated things are moving forward with Hanson Aggregate; conversations are taking place and they appear to want to settle the case. Counsel Fife stated discussions regarding non-binding mediation are in progress.

##### **B. ENGINEERING UPDATES**

1. Engineering Update

Mr. Wildermuth referenced a handout and stated the handout is a summary of the technical work required by the conditions subsequent in the December 21, 2007 court order. Mr. Wildermuth reviewed the chart and the section titled; "New Technical Report" that completes the record for the Peace II order. The next section titled; "Annual Report of the Quantification of New Yield" provided an annual accounting of the new storm water and SAR recharge into the Chino Basin. This will be used to annually refine the re-operation schedule, assessment package determinations and to compute replenishment. He then reviewed the next section titled; "Hydraulic Control Articulation and Compliance Report" that formalizes the quantitative definition of hydraulic control and demonstrates concurrence of the Regional Water Quality Control Board. Lastly he reviewed the section titled; "Recharge Master Plan Process" that purposes to periodically update the Recharge Master Plan and clearly map out how Watermaster will implement plans to meet future replenishment demands.

##### **C. FINANCIAL REPORT**

1. Budget Update

Ms. Rojo stated the Assessment Package was approved last month and the invoices have been mailed out. Ms. Rojo stated the Watermaster's budget preparation process is starting for the 2008/2009 year which begins by working with consultants and in going through the projects that they work on annually. The figures and/or updates for the various projects are reviewed quarterly with Wildermuth staff; an update is now available for your review. This handout has been updated since the Appropriative Pool meeting. Ms. Rojo reviewed the Status of Engineering Tasks cost categories in detail. Ms. Rojo referred to the handout

regarding potential policies that Watermaster might adopt. This item will be brought back as an action item next month. Ms. Rojo asked that the committee members to review the policy handouts and to get back to her with any feedback as quickly as possible. Ms. Rojo stated the first policy is a budget transfers and amendments policy and the second is a purchasing policy. Ms. Rojo reviewed the handouts in detail. A discussion regarding this item ensued.

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

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

Mr. Manning stated because this is a presidential election year Washington's normal events have pretty much come to a halt. Mr. Manning stated the ACWA Conference is coming up in February which is always interesting but with it being a presidential election year, the conference will be especially interesting. At the state level the governor's budget is prepared and is almost ready to be given to the legislature and in the governor's recent speech he did talk a lot about water. Some of his speech talked about a possible reduction in staff which was confusing because most of the field agencies are running without field positions filled and it does not appear there would be much savings in doing that. Mr. Manning stated he will be going to meeting later this month that will be discussing bond measures and he will keep the parties up to date on what is going on.

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

Mr. Treweek stated there is an updated supplemental and storm water recharge handout now available which summarizes the first six months of recharge. 4,000 acre-feet of storm water has been captured. Staff has calculated the storm in January and it appears approximately 2,000 acre-feet of storm water was captured then which is a very good number. Mr. Treweek stated he feels this high number of storm water capture is due to all the improvements made to the basins over the summer and our reactions to storms when they come in.

##### **3. Wildermuth Contract**

Mr. Manning stated Watermaster staff is working with Wildermuth staff to put together a draft contract; a copy of the first draft is now available. This will allow staff to be able to have in a formal contract for the work that is done with Wildermuth Environmental. Mr. Manning noted one of the biggest changes that will be taking place will be management of projects by task number and managing by task order will allow staff to have greater management control.

##### **4. CBWM Web Site**

Mr. Manning stated there is a handout regarding the Watermaster web site depicting web site hits from November 16, 2007 to December 16, 2007. This counter will give staff information as to where people are located that are entering the Watermaster web site. During the dates noted, the web site had 481 hits and it was interesting that some of the hits came from other countries.

##### **5. National Research Council**

Mr. Manning stated the National Research Council recently came out with a new study titled, "The Prospects for Managed Underground Storage for Recoverable Water." Watermaster received an advance copy because Chino Basin Watermaster is one of the sponsors of this study along with the USGS, Cal-Fed, the City of Phoenix, Inland Empire Utilities Agency, and the Sanitations Districts of Los Angeles County. Mr. Manning stated this is a very informative publication and has some interesting conclusions and recommendations in it.

##### **6. Replenishment Water Purchase**

Mr. Manning stated there have been internal staff discussions about how Watermaster is going to meet the replenishment obligations for this year. Watermaster has an outstanding

obligation of approximately 3,900 acre-feet of water that needs to be replenished. Metropolitan Water District is not making water available for replenishment. Mr. Manning stated staff is looking at purchasing water out of storage accounts from producers in the basin. Please let staff know if you have water that you would consider selling to Watermaster. A letter regarding this same announcement will be going out shortly.

7. Personnel Committee Meeting

Mr. Manning stated a Personnel Committee meeting will be scheduled for February with the newly appointed chair heads to discuss Watermaster personnel issues.

V. INFORMATION

1. Hatch & Parent Merger with Brownstein, Hyatt, Farber, and Schreck, January 2008 and Amendments to Agreement for Legal Services  
No comment was made regarding this item.

2. Newspaper Articles  
No comment was made regarding this item.

VI. COMMITTEE MEMBER COMMENTS

No comment was made regarding this item.

VII. OTHER BUSINESS

No comment was made regarding this item.

VIII. FUTURE MEETINGS

January 23, 2007	9:00 a.m.	GRCC Meeting
January 23, 2007	8:50 a.m.	Special Appropriative Pool Meeting
January 24, 2007	9:00 a.m.	Annual Advisory Committee Meeting
January 24, 2007	11:00 a.m.	Annual Watermaster Board Meeting
February 12, 2008	9:00 a.m.	Water Quality Committee Meeting
February 14, 2008	8:00 a.m.	MZ1 Technical Committee Meeting
February 14, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
February 19, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
February 28, 2008	9:00 a.m.	Advisory Committee Meeting
February 28, 2008	11:00 a.m.	Watermaster Board Meeting

The Watermaster Board meeting was dismissed by Chair Willis at 12:00 p.m.

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

Minutes Approved: February 28, 2008