

Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

February 28, 2008

The Annual Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on February 28, 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
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	Brownstein, Hyatt, Farber & Schreck
Michael Fife	Brownstein, Hyatt, Farber & Schreck
Mark Wildermuth	Wildermuth Environmental, Inc.
Joe LeClaire	Wildermuth Environmental, Inc.

Others Present

Dave Crosley	City of Chino Basin Watermaster
Ken Jeske	City of Ontario
John Anderson	Inland Empire Utilities Agency
Mark Kinsey	Monte Vista Water District
John Bosler	Cucamonga Valley Water District
Bill Kruger	City of Chino Hills
Eunice Ulloa	Chino Basin Water Conservation District
Robert Tock	Jurupa Community Services District
Bob Feenstra	Ag Pool – Dairy
Jeff Pierson	Ag Pool – Crops
Sandra Rose	Monte Vista Water Company
Jennifer Novak	Ag Pool – State of California
Rosemary Hoerning	City of Upland
David DeJesus	Three Valleys Municipal Water District
Raul Garibay	City of Pomona
Bob Lemons	RBF/Chino Hills

The Watermaster Board Meeting was called to order by Chair Willis at 11:05 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 Annual Watermaster Board Meeting held January 24, 2008

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of January 2008
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2007 through December 31, 2007
4. Treasurer's Report of Financial Affairs for the Period December 1, 2007 through December 31, 2007
5. Budget vs. Actual July 2007 through December 2007

Motion by Bowman, second by Field, and by unanimous vote

Moved to approve Consent Calendar Item A through B, as presented

II. BUSINESS ITEMS**A. BUDGET AMENDMENT, BUDGET TRANSFER, AND PURCHASING POLICIES**

Mr. Manning stated staff has been working on developing documents and policies which will strengthen our internal processes while continuing to improve transparency in the Watermaster process. What are being presented today are the proposed budget transfer and amendment policies and procedures and a purchasing policy. Watermaster staff reviewed several other agencies policies to see what was being done elsewhere based on the size of their organizations. Mr. Manning stated Watermaster has a small accounting staff and therefore we are presenting a policy that is reflective of our limited staff size. Mr. Catlin inquired whether staff had time to consider the proposed changes to the purchasing policy based on IEUA's recommendations. Staff noted that since the changes were sent late the evening before, they were not considered for inclusion in the document before the Board today. Watermaster staff offered to bring the purchasing policy back the following month after there has been time to consider the proposed changes. It was noted the purchasing policy will be brought back at a future date after further review by Watermaster staff.

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

Moved to approve the budget amendment and budget transfer policies, and procedures, as presented. The purchasing policy will be brought back for consideration at a future date as discussed.

B. CAROLLO ENGINEERS CONTRACT

Mr. Manning stated this contract is an extension to an existing contract Watermaster has with Carollo Engineers to provide the services of Mr. Meyerhofer. Mr. Manning stated in April 2007 the Watermaster Board approved the original contract in the amount of \$75,000 to hire Carollo Engineers to provide the services of Mr. Meyerhofer who would coordinate the Chino Desalter Authority Expansion Program and maintain the schedule that Watermaster had developed for both the court and for the Regional Board. The original \$75,000 agreed to by Watermaster was invoiced to Inland Empire Utilities Agency, Three Valleys Municipal Water District, and Western Municipal Water District for \$25,000 each. This contract extension would be for \$50,000 which would be reimbursed by WMWD. Mr. Meyerhofer has been doing an outstanding job, but, there is still a lot of work to be done. Staff originally tried to anticipate the amount of time it would take for this to transition over to allow Western Municipal Water District to become a part of the CDA where we would then transfer this contract over to the CDA and WMWD; that has not yet taken place which is why staff is seeking an extension to the original contract to allow that still to happen.

Motion by Vanden Heuvel, second by Catlin, and by unanimous vote

Moved to approve the extension to the contract with Carollo Engineers and the budget amendment, as presented

C. WILDERMUTH ENVIRONMENTAL INC. CONTRACT

Mr. Manning stated this item was discussed at the pool meetings and was passed unanimously by the pools. There were some slight language changes discussed and the contract in today's meeting packet reflects those changes. The main difference is the elimination of Schedule A and the language in there that makes it clear that anything that Watermaster pays for, Watermaster owns, including the model. Mr. Manning stated staff is asking for approval from the presented contract. A lengthy discussion regarding the contract, task orders, and ownership ensued.

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

Moved to approve the Wildermuth Environmental Contract between Chino Basin Watermaster and Wildermuth Environmental Inc., as presented

D. BUDGET AMENDMENT/TRANSFER ACTION ITEMS

Mr. Manning summarized the discussions and actions taken by each Pool and by the Advisory Committee. A discussion ensued with regard to the different actions taken at the various meetings. Mr. Manning noted he had discussed this matter with the chairman of the Agricultural Pool noted Mr. Feenstra agreed to have a separate meeting with others for review and discussion on the Ag Pool legal bills. A lengthy discussion regarding this matter ensued. The board members approved the budget amendments/transfer, approved to move the \$50,000 transfer request from the Ag legal and technical category into the OBMP account, and requested a meeting with the Agricultural and Appropriative Pool and Advisory Committee chairs regarding this matter take place. It was noted the request for Agricultural Pool funds for legal expenses will be brought back through the Watermaster process next month.

Motion by Bowman, second by Catlin, and by majority vote – Vanden Heuvel and Hofer abstained from the vote

Moved to approve the budget amendments/transfer request, as presented. Moved to approve moving the \$50,000 from the Agricultural legal and technical amount to the OBMP account, as presented. Moved to have Watermaster staff, Appropriative Pool chair, and the Agricultural Pool chair and Advisory Committee chair to meet to discuss costs and the budget to ensure accounts are appropriately charged and budgeted and to have this request for additional funds be brought through the Watermaster process next month, as presented

E. CHINO BASIN WATERMASTER OFFICE ASSISTANT AND OFFICE SPECIALIST POSITIONS

Mr. Manning stated the Personnel Committee met recently and approved staff's recommendation to create two positions one being an office assistant and the other an office specialist. The job descriptions and salary schedules are provided in the meeting packet. The position of office specialist is in the budget for this year and staff intends to hire the receptionist who has been a temporary with Watermaster for the past several months for that position. The other position will not be filled until we have the funds in the budget.

Motion by Vanden Heuvel, second by Willis, and by unanimous vote

Moved to approve the Watermaster Office Assistant and Office Specialist positions, as presented

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

1. Temporary Urgency Application to SWRCB Regarding Santa Ana River from San Bernardino Valley Municipal Water District and Western Municipal Water District
Counsel Slater stated this temporary urgency application comes from Western Municipal Water District and San Bernardino Valley Municipal Water District with regard to the Santa Ana process from the hearing that took place in May 2007. A decision from that hearing has not been received from the State Board and because of the recent wet weather; WMWD and SBVMWD are thinking there could be as much as 43,000 acre-feet in the Santa Ana River that they would be able to divert. This can't be done until a decision has been received on their application by the State Board which is why the temporary urgency application has been filed. This should not be an issue for the Chino Basin Watermaster; however, there will be some technical review from Wildermuth to assure there will be no impact on the basin. Counsel Slater stated the State Board did issue that permit and a copy is on the back table.
2. Chino Basin Water Supply Assessment Committee
Counsel Slater stated John Schatz is currently writing a water supply assessment and has asked for any willing volunteers to help draft boilerplate language. He is trying to get together a few people to help draft some language about the Chino Basin and why the Chino Basin provides a reliable supply of water that can be put into a water supply assessment. A few parties have already agreed to help with this project. A discussion regarding this matter ensued.
3. March 1, 2008 Court Filing
Counsel Slater stated this item is a conditions subsequent filing. The legal counsel portion of this will be a single paragraph transmittal to the court indicating that Mr. Wildermuth has completed the clarifications and are prepared to meet the filing date by March 1, 2008.

B. ENGINEERING UPDATES

1. Regional Board Letter
Mr. Wildermuth stated the Regional Board letter dated January 15, 2008 which requests that both Chino Basin Watermaster and Inland Empire Utilities Agency, who are the maximum benefit proponents, to submit a status report on deliverables required under Max Benefit. Watermaster and IEUA staff got together and doled out assignments to get this request taken care of. Mr. Wildermuth also noted the schedule that was submitted to the Regional Board a year ago relating to obtaining Hydraulic Control is not 100% on track and that needs to be reported to the Regional Board. Mr. Wildermuth stated a request has been made to the Regional Board for an additional week's time to allow staff to finish the report.
2. Monitoring Status to Date
Mr. Wildermuth stated there is a table on the back counter that summarizes the actions from the start of the OBMP implementation. The table does somewhat understates some of the monitoring, however, it gives a pretty complete description of what has been done along with what percentage of the budget has been used to date.
3. March 1, 2008 Conditions Subsequent
Mr. Wildermuth stated the court's December 21, 2007 order required Watermaster to produce a report to answer certain questions. Mr. Wildermuth stated a draft report has been completed and has been put on the Wildermuth and Watermaster ftp sites. Most of the report is a repackaging of the report to create a certain record that the court wanted to see. The only substantially new item in the report is section 5 where it looks at specific questions that were articulated by the Special Referee and attempts to answer those. Mr. Wildermuth handed out several tables that came from this report and then he reviewed them in detail. A lengthy discussion ensued with regard to this matter. It was noted the

conditions subsequent due March 1, 2008 will be filed with the court by March 3, 2008 since March 1 is a Saturday.

C. FINANCIAL REPORT

1. Review of Consultant Services

Mr. Manning stated a couple members of the board requested a report that would look at all the different consultants that Watermaster utilizes in our services including their services and expenditures and then compare them to budget. Ms. Rojo gave her presentation on Watermaster Consultants which included comparison costs from 2004 to 2008. A discussion regarding this matter ensued.

D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated the water bond issue in California is not over and is still in discussion mode in Sacramento, both the Governor and the senate have different ideas where they want to see this bond issue go. The Chamber of Commerce has four alternatives to the bond measures that were originally drafted in concept following the pattern on the senate version of the bond but also incorporates items that the Governor is looking for. Mr. Manning will keep the parties apprised at future meetings.

Mr. Manning stated the ACWA conference will take place at the end of the month and he will be attending that conference by will be back for the Board meeting.

Mr. Manning stated the AGWA conference took place recently in Ontario and it was very well attended. It turned out to be an excellent conference from speaking to others who attended. At that conference Mr. Manning was voted in as the new AGWA Chairman taking the place of Mr. Rossi who had been chair for the past several years.

2. Recharge Update

Mr. Treweek stated there have been two fairly good storms in January in which 4,500 acre-feet of storm water was recharged. When adding the 3,500 acre-feet of recharge that took place in December the total for this year is approximately 8,000 acre-feet of storm water captured and 1,000 acre-feet of recycled water.

Recently the Rialto Pipeline was shut down and during that down time two new valves were installed in CB14 and CB20. A lot of capacity was brought on board by installing these two new valves.

Mr. Treweek discussed the progress on the Phase II project and all the work is looking at being complete by October 2008.

3. Semi-Annual Status Report

Mr. Manning stated a copy of the Semi-Annual Status Report is in the meeting packet and is ready for review and comment. Next month this item will come through the Watermaster process for approval to file with the court.

4. Personnel Committee Update

Mr. Manning stated the Personnel Committee did meet recently and at that meeting the committee approved two new positions and authorized Watermaster staff to move forward with obtaining approval. One of the positions that was approved was the Office Assistant placement and that will be going to the Watermaster Board today. A search will begin for a replacement for Mr. Treweek who will be retiring in April. Dr. Mathis will be assisting Watermaster staff with this task as well as looking at salary schedules and assisting in doing the CEO evaluation.

5. Prop 218 Opinion

Mr. Manning stated this was put on the agenda to see if there was interest in Watermaster staff to do a foundational type of opinion on Prop 218 including the fees that are paid to Watermaster. All the parties do have legal staff to provide your own legal opinions as to what Watermaster fees are and how they relate to Prop 218. Watermaster staff is interested in assisting the parties if needed and if there is a significant interest in staff doing this, then Watermaster staff will start the process. A discussion ensued with regard to this matter. Mr. Manning stated this cost to provide information is not currently in the Watermaster budget.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. COMMITTEE 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 12:26 p.m. to convene the Confidential Session

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

No comment was made regarding this item.

VIII. FUTURE MEETINGS

February 28, 2007	9:00 a.m.	Advisory Committee Meeting
February 28, 2007	11:00 a.m.	Watermaster Board Meeting
March 13, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
March 18, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
March 27, 2007	9:00 a.m.	Advisory Committee Meeting
March 27, 2007	11:00 a.m.	Watermaster Board Meeting

The Watermaster Board meeting was dismissed by Chair Willis at 12:35 p.m.

Secretary: _____

Minutes Approved: March 27, 2008