

Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING
May 22, 2008

The Annual Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on May 22, 2008 at 11:00 a.m.

WATERMASTER BOARD MEMBERS PRESENT

Jim Curatalo, Acting Chair	Cucamonga Valley Water District
David DeJesus	Three Valleys Municipal Water District
Tom Thomas	City of Upland
Jim Bowman	City of Ontario
Charles Field	Western Municipal Water District
Terry Catlin	Inland Empire Utilities Agency
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
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.

Others Present

Dave Crosley	City of Chino Basin Watermaster
Eunice Ulloa	Chino Basin Water Conservation District
Robert DeLoach	Cucamonga Valley Water District
Jeff Pierson	Ag Pool – Crops
Bob Feenstra	Ag Pool - Dairy
Sandra Rose	Monte Vista Water District
Hank Stoy	Visitor
Rick Rees	Geomatrix Consultants, Inc./CIM
Jack Safely	Western Municipal Water District
Raul Garibay	City of Pomona
Mark Kinsey	Monte Vista Water District
Ken Jeske	City of Ontario

The Watermaster Board Meeting was called to order by acting Chair Curatalo 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 on April 24, 2008

B. FINANCIAL REPORTS

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

C. KCO, LLC ("KOLL") INTERVENTION

1. Consider Approval of Application of Intervention by KCO, LLC ("Koll") to become a Member of the Overlying Non-Agricultural Pool

D. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The Cucamonga Valley Water District has an agreement with West Valley Water District, formerly known as West San Bernardino County Water District, whereby Cucamonga Valley Water District will purchase 500 acre-feet of West valley Water District's stored Chino Basin groundwater. Date of Application: March 13, 2008
2. **Consider Approval for Notice of Sale or Transfer** – Sunkist Growers ("Transferor") hereby permanently transfers to KCO, LLC – "Koll" ("Transferee") the quantity of 22,000 acre-feet per year of corresponding Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment. Date of Application: March 4, 2008

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

Moved to approve consent calendar items A through D, as presented

A. WATERMASTER 2008-2009 BUDGET

Ms. Rojo gave a presentation on the 2008-2009 budget. Mr. Manning stated the Pools and Advisory Committee all approved unanimously reducing budget category no. 6907 for legal fees by 25%. The 25% reduction in the budget would be approved through the Watermaster process in June, and then in November the budget would be revisited with more refined numbers in the 6907 category. The budget will be updated before the finalization of the Assessment Package. A discussion regarding the requested reduction and the special referee ensued. It was noted to reduce category 6907 by 25% and bring it back in June for final approval.

No action was taken on this item.

B. CHINO CREEK WELL FIELD COSTS

Mr. Manning stated letters have been received from Western Municipal Water District, the City of Ontario, and Jurupa Community Services District regarding their plans to expand desalter production to 40,000 acre-feet while at the same time achieving Hydraulic Control in the southern portion of the basin and noted that this item has gone to the Pools and Advisory Committee and has had unanimous approval. Mr. Manning stated Watermaster is requesting direction from the Watermaster Board regarding Watermaster taking the lead position in any litigation and in assuming responsibility for costs associated to this task. A discussion regarding this item ensued.

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

Moved to approve the request to take an active role in the litigation and remediation of the VOC plume emanating from the Chino Airport, as presented

C. AGREEMENT WITH IEUA FOR REIMBURSEMENT FOR CEQA COSTS

Mr. Manning stated the proposed agreement provides Inland Empire Utilities Agency (IEUA) as the lead agency for the CEQA review associated with the Peace II Agreement and that Watermaster will agree to reimburse IEUA for the costs of this review. The proposed scope of work estimates the costs of analysis at \$63,000. Mr. Manning noted this amount is within the \$200,000 allocated in Watermaster's proposed budget. Mr. Manning stated this item has gone to the Pools and Advisory Committee and has had unanimous approval. Staff is recommending approval of this agreement.

Motion by Thomas, second by Catlin, and by unanimous vote

Moved to approve the agreement with Inland Empire Utilities Agency for reimbursement for CEQA costs, as presented

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. July 24, 2008 Hearing**

Counsel Slater stated there was a hearing scheduled in May, however, the court moved that hearing date to July, and has now delayed the hearing a second time to August 21, 2008. Counsel Slater stated a few of the administrative items to be heard at the May hearing were the recent interventions and the Watermaster filing of the Thirtieth Annual Report and a very brief hearing might be set prior to the August 21st hearing to move those few items through the court system more timely.

2. Santa Ana River Permits

Counsel Slater stated on Tuesday the State Board unanimously approved the City of Riverside's Waste Water Change Petition. This was the first of many needed approvals coming out of last May's hearing on the Santa Ana River Permits. Counsel Slater stated it was anticipated permits will be drafted for other related applications within the next 30 to 60 days.

B. ENGINEERING UPDATES**1. Conditions Subsequent 5 and 6 Update**

Mr. Wildermuth stated excellent progress has been made on both Conditions Subsequent 5 and 6. Condition Subsequent no. 5 is the preparation of a detailed outline to do a recharge master plan update; this must be filed with the court by July 1, 2008. Subsequent no. 6 is a request directed by the court to have staff go to the Regional Board and get clarification on what is meant by Hydraulic Control. Staff has been working with the Regional Board on this item. A definitive statement will be coming from the Regional Board on Hydraulic Control shortly which will be filed with the court. A discussion regarding Hydraulic Control ensued.

2. Changes in the Characteristics in the Santa Ana River Flow

Mr. Wildermuth reviewed the chart regarding Baseflow changes and the characteristics in the Santa Ana River flow in detail. Mr. Wildermuth reviewed the surface water monitoring locations which included the HCMP surface water sampling sites, USGS gauging stations, and recycled water discharge locations in detail. A discussion regarding Mr. Wildermuth's presentation ensued.

C. CEO/STAFF REPORT**1. Legislative Update**

Mr. Manning stated there is a detailed legislative update provided by IEUA in the meeting packet for review. The governor has submitted a number of items that did not show up in the May revise that were of interest to water agencies. Mr. Manning reviewed several bills relevant to the water industry. Mr. Manning noted the Farm Bill did pass which has some implications for the water industry, but that bill was then vetoed by President. Mr. Manning

noted there were enough votes in the senate and house to override the President's veto; more details will follow when additional information is released.

2. Recharge Update

Mr. Manning stated the most recent recharge update is on the back table. Mr. Manning noted 260 acre-feet of mostly recycled water was recharged in April.

3. OIA Update

Mr. Manning stated at a recent meeting Mr. Treweek advised the group that GeoTrans is working on behalf of the parties involved in the plume and that they were working on drilling four monitoring wells in the Chino Basin in order to provide more information as to their involvement within the Ontario Airport plume. The drilling of those wells has already started and staff will keep the parties apprised as to the progress of those wells and the information the wells provide.

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 12:07 p.m. to convene the Confidential Session

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session will be held during the Watermaster Board meeting for the purpose of discussion and possible action regarding two items:

1. Hansen Aggregates Litigation
2. Potential litigation re Chino Airport VOC plume

No comment was made regarding this item.

VII. FUTURE MEETINGS

May 22, 2008	9:00 a.m.	Advisory Committee Meeting
May 22, 2008	11:00 a.m.	Watermaster Board Meeting
May 29, 2008	10:00 a.m.	Recharge Master Plan Meeting
June 12, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
June 17, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
June 26, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
June 26, 2007	9:00 a.m.	Advisory Committee Meeting
June 26, 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: June 26, 2008

