

Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

June 26, 2008

The Annual Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on June 26, 2008 at 11:00 a.m.

WATERMASTER BOARD MEMBERS PRESENT

Bob Kuhn, Vice-Chair	Three Valleys Municipal Water District
Jim Curatalo	Cucamonga Valley Water District
Anthony La	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
Jeff Pierson/Paul Hofer	Agricultural Pool
Geoffrey Vanden Heuvel	Agricultural Pool

Watermaster Staff Present

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	CFO/Asst. General Manager
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

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

Others Present

Dave Crosley	City of Chino Basin Watermaster
David DeJesus	Three Valleys Municipal Water District
Michelle Lauffer	Jurupa Community Services District
Gerry Foote	Chino Basin Water Conservation District
John Vega	Cucamonga Valley Water District
Sandra Rose	Monte Vista Water District
Hank Stoy	Visitor
Raul Garibay	City of Pomona
Mark Kinsey	Monte Vista Water District
Ken Jeske	City of Ontario
Jennifer Novak	Department of Justice/CIM
Michael Hughes	Department of Justice/CIM

The Watermaster Board Meeting was called to order by acting Vice-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 May 22, 2008

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2008
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2007 through April 30, 2008
4. Treasurer's Report of Financial Affairs for the Period April 1, 2008 through April 30, 2008
5. Budget vs. Actual July 2007 through April 2008

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 2,000 acre-feet of water from San Antonio Water Company's storage account to Monte Vista Water District. This lease is made first from SAWC's net underproduction, if any, in Fiscal Year 2007-08, with any remainder to be captured from storage. Date of Application: April 25, 2008
2. **Consider Approval for Notice of Sale or Transfer** – The one-year lease of 3,135 acre-feet of water from the City of Chino's annual production rights to the City of Ontario. Date of Application: May 2, 2008
3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 2,862 acre-feet of water from the City of Chino. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA or OCWD fees). The transfer will be made first from the City's net under-production in Fiscal Year 2007-08, with any remainder to be recaptured from storage. Date of Application: May 2, 2008
4. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,000 acre-feet of water from the Santa Ana River Water Company. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA or OCWD fees). The transfer will be made first from SARWC's net under-production in fiscal Year 2007-2007. Date of Application: May 9, 2008

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

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

II. BUSINESS ITEMS**A. WATERMASTER 2008-2009 BUDGET**

Mr. Manning noted this item was on the agenda last month and the recommendations made by the Appropriative and Non-Agricultural Pools at the May meeting along with recommendations made at the Budget Workshop and Ad-Hoc Board Budget meeting were incorporated in the budget being presented today. Ms. Rojo gave the revised 2008-2009 budget presentation. A discussion regarding the revised budget ensued.

Motion by Bowcock, second by Curatalo, and by unanimous vote

Moved to approve the Chino Basin Watermaster 2008-2009 budget, as presented

B. CONDITION SUBSEQUENT NO. 6

Mr. Manning stated Condition Subsequent No. 6 requires Watermaster to report to the court on the development of standards and criteria by which the Regional Water Quality Control Board (RWQCB) will determine that Hydraulic Control is achieved and maintained. Mr. Manning stated Mr. Thibeault from the RWQCB has written a letter to the court which deals with this issue and will be part of the submittal that Watermaster will make to the court in August. Mr. Vanden Heuvel asked that Watermaster staff put together an update on how we are progressing on the Condition Subsequents to be given at the next Watermaster Board meeting. A discussion with regard to this matter ensued.

No motion was made regarding this item – discussion item only

C. RECHARGE MASTER PLAN DRAFT OUTLINE SCHEDULE

Mr. Manning stated a filing is required by the court regarding the Recharge Master Plan Outline Schedule. Comments were received at the various Pool meetings and were incorporated into the draft outline presented today. Mr. Manning noted the presented draft was approved unanimously by the Pools this month. A discussion regarding the draft ensued.

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

Moved to approve the Recharge Master Plan draft outline schedule, as presented

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. August 21, 2008 Hearing**

Counsel Slater stated there will be a hearing on August 21, 2008 at 2:00 p.m. This is a consolidated hearing including all of the Condition Subsequents that have been completed, and various filings, including water transactions.

Counsel Slater summarized his memo and the Monte Vista stipulation. Counsel Slater reviewed the motion made by the Advisory Committee earlier today where the Advisory Committee agreed to form a committee to further review this matter and then report back through the Watermaster process. It was decided to receive the information pursuant to the stipulation and not state whether it was complete or incomplete. No action will be taken on the information as far as forwarding it to the court or having the Appropriate Pool establish a working group to review and discuss this matter. A discussion regarding this matter ensued.

2. Hanson Aggregates Litigation

No comment was made regarding this item. This item will be discussed in closed session.

3. Chino Airport Potential Litigation

No comment was made regarding this item. This item will be discussed in closed session.

4. Recharge Permits

Counsel Slater stated there will be a hearing on August 21, 2008 at 2:00 p.m. This is a consolidated hearing including all of the Condition Subsequents that have been completed, and various filings, including water transactions.

B. ENGINEERING UPDATES**1. Condition Subsequent No. 5 Recharge Master Plan**

Mr. McCarthy stated Condition Subsequent No. 5 is still being worked on by both Wildermuth Environmental, legal counsel, and the parties that will be filed with the court.

2. Condition Subsequent No. 6 Hydraulic Control

Mr. McCarthy reviewed the contents of Condition Subsequent No. 6 and gave an update on the status of each requirement within Condition Subsequent No. 6. Wildermuth Environmental staff has had several discussions with the Regional Board regarding the word "robustness" and how it affects Hydraulic Control.

3. Analysis of Residual Agricultural Pumping

Mr. Manning stated there is a letter from Wildermuth Environmental regarding the analysis that was done on the residual pumping for Agricultural along with a chart that shows the minimum/maximum aggregate production from the Agricultural pool at build-out, a memo from Scott Slater regarding the Monte Vista stipulation, and several charts regarding Agricultural production at build-out. Mr. McCarthy stated this item pertains to the requirement stemming from Monte Vista Water District's stipulation regarding the analysis

of residual agricultural pumping. Mr. McCarthy noted a working committee is going to be formed by the Appropriative Pool parties to review this item further. A discussion regarding Agricultural pumping ensued.

C. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning commented on AB2046/Jones which is regarding eliminating the use of impaired water sources for use in Urban Water Management Plans. Mr. Manning commented on AB2270/Laird which is sponsored by Inland Empire Utilities Agency and is moving through the legislature presently relates to water softener issues.

2. Recharge Update

Mr. Manning stated there was a late year storm in May which allowed for the capture of about 1,000 acre-feet of storm water. The Recharge handout is available on the back table for review.

3. Agreement for O&M of Facilities to Improve the Recharge Master Plan

Mr. Manning stated this item was on the Pool agendas but was asked to be held over until next month in order to give other parties a chance to review the agreement.

4. Personnel Matter

Mr. Manning stated in April, 2008 Gordon Treweek had retired and the vacant position of Project Engineer was placed in several publications for approximately four weeks. A screening committee was formed and the panel interviewed several candidates. One candidate stood out and was approached with an offer of employment at Watermaster. Mr. Ben Pak who is currently employed with Inland Empire Utilities Agency and will be starting at Watermaster on July 7, 2008 and staff is looking forward to working with him as our new Senior Project Engineer.

5. Strategic Planning Conference

Mr. Manning stated the next Strategic Planning Conference has been scheduled for September 28-30, 2008, at the Lake Arrowhead Resort. The format will mirror the Strategic Planning Conference of 2006; however, we will be focusing on the Recharge Master Plan this time. A golf tournament will be held on Sunday afternoon and a kick-off reception will be held Sunday evening. Monday will be a full day of meetings and Tuesday will be a half day of meetings. Mark your calendars for this upcoming conference.

IV. INFORMATION

1. IEUA Supports Governor's Emergency Drought Declaration

No comment was made regarding this item.

2. Newspaper Articles

No comment was made regarding this item.

V. COMMITTEE MEMBER COMMENTS

A discussion regarding holding Chino Basin Watermaster summer meetings ensued. Mr. Manning stated he would review the agenda items for August to see if they can be held over to the September agenda.

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 three items:

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

No comment was made regarding item 1 and 2.

3. Personnel Matters

This item was for the parties to review the CEO evaluation and to discuss the extension of the existing contract with Mr. Ken Manning.

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

Moved to approve extension of the Chief Executive Officer of Chino Basin Watermaster for Ken Manning to include the increase of the vehicle allowance and the salary increases according to the schedule outline, as presented

VII. FUTURE MEETINGS

June 19, 2008	3:00 p.m.	Personnel Committee Meeting
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
July 10, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
June 15, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
July 24, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
July 24, 2007	9:00 a.m.	Advisory Committee Meeting
July 24, 2007	11:00 a.m.	Watermaster Board Meeting

The Watermaster Board meeting was dismissed by Vice-Chair Kuhn at 12:30 p.m.

Secretary: _____

Minutes Approved: July 24, 2008