

Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

February 26, 2009

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on February 26, 2009 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 Curatalo	Cucamonga Valley Water District
Michael Whitehead	Fontana Water Company
Michael Camacho	Inland Empire Utilities Agency
Bob Bowcock	Vulcan Materials Company
Paul Hofer	Agricultural Pool
Geoffrey Vanden Heuvel	Agricultural Pool

Watermaster Staff Present

Ken Manning	CEO
Ben Pak	Senior 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
Andy Malone	Wildermuth Environmental, Inc.
Wen-Hsing Chaing	Wildermuth Environmental, Inc.
Tom McCarthy	Wildermuth Environmental, Inc.

Others Present

Jennifer Novak	State of California Dept. of Justice, CIM
Bob Feenstra	Ag Pool – Dairy
Jeff Pierson	Ag Pool – Crops
Rick Hansen	Three Valleys Municipal Water District
David DeJesus	Three Valleys Municipal Water District
Mark Kinsey	Monte Vista Water District
Ken Jeske	City of Ontario
Robert Tock	Jurupa Community Services District
Ron Craig	City of Chino Hills
Dave Crosley	City of Chino
Raul Garibay	City of Pomona
Mohamad El Amamy	City of Ontario
Terry Catlin	Inland Empire Utilities Agency
Sandra Rose	Monte Vista Water District
Steven Lee	Reid & Hellyer
Eunice Ulloa	Chino Basin Water Conservation District

The Watermaster Board Meeting was called to order by Chair Willis at 11:00 a.m.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

No public comments were made.

AGENDA - ADDITIONS/REORDER

No additions or reorders were made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Watermaster Board Meeting held January 22, 2009

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of January 2009
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2008 through December 31, 2008
4. Treasurer's Report of Financial Affairs for the Period December 1, 2008 through December 31, 2008
5. Budget vs. Actual July 2008 through December 2008

C. CHINO BASIN WATERMASTER INVESTMENT POLICY

Resolution 09-01 – Resolution of the Chino Basin Watermaster, San Bernardino County, California, authorizing the Watermaster's Investment Policy

Motion by Kuhn, second by Camacho, and by unanimous vote

Moved to approve Consent Calendar A through C, as presented

II. BUSINESS ITEM

A. BUDGET TRANSFER

Mr. Manning stated this item has been presented to the Pools and Advisory Committee and was passed unanimously. Quarterly meetings take place with consultants to ensure staff and consultants are on task, both on timing and on funding. In reviewing some of the projects, staff noted some projects had to be shifted around and due to that funds needed to be moved around as well. Staff is asking for a recommendation to approve Budget Transfer Request T-09-02-01 which is detailed in the staff letter provided in the meeting package starting on page 31. Mr. Manning stated one of the items that Watermaster is undertaking is this coordination with three of the pumpers in this basin to better understand the pumping patters that they are working on in order to coordinate that activity better. This was an analysis that staff and consultants did not anticipate but as the modeling was developed it became apparent that it needed to be done. It also needed to be done for the Dry Year Yield Study. This request will not result in an increase in the budget; it is just a matter of moving monies around.

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

Moved to approve Budget Transfer Request T-09-02-01 relating to OBMP, HCMP, Desalters, and Storage Program to Groundwater Level Monitoring Program, Recharge Master Plan, and MZ-3, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Court Hearings

Counsel Slater stated there is another court hearing scheduled on April 9, 2009 at 9:30 a.m. at the San Bernardino Court. Counsel Slater noted at the February 2 hearing the court scheduled a follow up hearing for April 16, 2009; however, due to scheduling issues an ex-parte motion was filed with the court to move the date from April 16, to another date and the court did move that to April 9, 2009. Counsel Slater thanked all the Board members for their attendance at the hearing and noted all information and credentials presented was

very compelling. This allowed the court to see the human side and the stewardship of Watermaster. A discussion about future reporting to the court ensued. A notice of the court hearing was sent out last week and the purpose of the next hearing is to go through Program Elements 1 through 3 of the OBMP thoroughly. The court also wanted a declaration from legal counsel regarding Watermaster's reporting progress and that declaration will be sent out in advance of the April 9, hearing date. Mr. Manning offered comment about court transcripts from the new court.

2. Dry Year Yield Agreement

Counsel Slater stated the agreement with Metropolitan Water District (MWD) regarding the Dry Year Yield Expansion of the 100,000 acre-foot account needs to be executed by September, 2009; due to the arrangement between MWD and Inland Empire Utilities Agency (IEUA) with regard to the LRP Funding for the desalters. One of the conditions for the expansion was that agreement then gets executed by September, 2009. Staff has asked IEUA to prepare an application for that storage account along with the submitting of it. Once the draft agreement is ready, it will go through the Watermaster process for approval.

3. Non-Agricultural Pool Water Auction

Counsel Slater stated this item was on the agenda last month and was discussed in great detail; this is a non action item. Since the last set of meetings counsel has been talking with Western Municipal Water District (WMWD). Currently the understanding from WMWD is that they are not interested in the entire 36,000 acre-feet of water. The proposed agreement that has been distributed assumed that WMWD would be the base bidder for the entire amount and would be bidding on the 36,000 acre-feet of water; however, that has now changed and counsel is now looking at ways to restructure the deal accordingly. One option is to divide the 36,000 acre-feet into four buckets of 9,000 acre-feet each; WMWD has indicated they would be more inclined to participate in smaller acre-foot breakdown. Mr. Vanden Heuvel commented on this item which he had only heard about last month. Mr. Vanden Heuvel offered comments on the possible ramifications on this large amount of water and money, including potential policy implications for the Watermaster. Mr. Vanden Heuvel stated he has several questions and Counsel Slater stated the Board is at any time completely within its rights providing leadership guidance to staff and counsel as to things that are working its way through the process. A series of questions were presented to staff and counsel and a lengthy discussion regarding current water obligations, replenishment water availability and cost, analysis of current water availability trends, the export of the water that will possibly be auctioned, storage and recovery account, and broad public benefit ensued. Counsel Slater discussed the differences between a onetime annual purchase of this water versus the benefits of selling the water to the highest possible bidder. A discussion on how this water is going to be marketed for bid ensued. It was noted this item will be discussed in closed session on the March agenda.

B. ENGINEERING REPORT

1. Wildermuth Environmental Engineering Update

Mr. McCarthy stated the Hydraulic Control and Monitoring Report is what they are working on now and it is on schedule for April 15, 2009 delivery to the Regional Board. Wildermuth Environmental is also working on the State of the Basin Report and this is on schedule for completion by the end of this fiscal year. With regard to the Recharge Master Plan work, meetings have taken place with consultants and all consultants have reported to be on schedule with their tasks. Mr. McCarthy stated the majority of the data has been collected for the Well Optimization work and all Appropriators that pump over 1,000 acre-feet have been contacted; data collection should be completed this month and the modeling updated in the month of March. A Recharge Master Plan Workshop has been scheduled for March 26, 2009 following the Watermaster Board meeting.

Mr. Manning introduced Andy Malone and Wen-Hsing Chaing who will be giving a presentation on the 3D presentation which was given to Judge Wade at the recent hearing, Mr. Manning noted he discussed this presentation with Mr. Wildermuth about giving the same presentation to the Advisory Committee and Watermaster Board members. Mr. Malone stated this presentation will focus more on Hydraulic Control than the one given at the recent hearing. Mr. Malone stated this presentation will be reviewing some of the modeling results that demonstrate Hydraulic Control. Mr. Malone asked the parties to think about questions to be asked about specific parts of the basin that they are interested in seeing and possibly how they would want Wildermuth to construct the 3D visualizations to demonstrate water level changes or flow directions in the model results in the future. Mr. Malone reviewed several 3D scenarios using Wildermuth's simulation model and discussed the display detail. A lengthy discussion regarding Mr. Malone's presentation, water losses, and water reduction & demand ensued.

C. FINANCIAL REPORT

1. Watermaster Budget

Mr. Manning stated staff is working with consultants on the first stages of preparing the upcoming budget. A Budget Workshop will be scheduled in April and all are invited to attend.

D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated the ACWA legislative conference is taking place right now but because of the Advisory and Board meetings he was not able to attend that conference. Mr. Manning stated he recently spent two days in Sacramento with Chris Frahm and Paul Bauer visiting with members of the Senate and several legislators. Meetings were scheduled with Senator Cogdill, Senator Huff, Senator Kehoe, Senator Padilla, Senator Simitian, and Senator Wolk, Assembly Members, Huffman, Caballero, Lowenthal, and Salas. These legislators are members of the respective water committees. Mr. Manning stated they also met with Assembly Members Curren-Price, Duvall, Huber, and with SWRCB member Baggett; it was a very busy two days. Now that the state budget is resolved, water issues generally, and groundwater specifically, are front and center in the Capitol. While there is significant disagreement on the timing and components of a water bond and Delta fix, a lot of ideas will be on the table Friday, which is the bill introduction deadline. Mr. Manning stated he will be scheduling another round of legislative visits in March.

2. Recharge Update

Mr. Manning stated the most current Recharge update is available on the back table. Mr. Manning stated there have been some significant storms in February and in working with IEUA there has been a lot of effort to capture as much storm water as possible. Mr. Manning commented on the San Sevaine basin # 5, with regard to one of the berms that needed strengthening and hardening that blew out in the recent storm and crews have been working with sand bags trying to fortify that broken berm.

3. Fontana Barrier Study

Mr. Manning stated Watermaster has been asked to act as the project manager for a study that will look at whether or not water is moving across the Rialto/Colton barrier into the Chino Basin. Mr. Manning has spoken to the parties who are involved in this study and have indicated there is an interest for Watermaster to act as the project manager under two conditions; 1) it does not cost Watermaster any money, and 2) will be granted accessibility to the data collected to use in our modeling. Final dialog or any agreements have not yet taken place or been presented. A brief discussion regarding this matter ensued. Mr. Manning stated they are interested in having Watermaster as a disinterested party to handle all of the data. Mr. Pak will be the project manager and will handle the administrative issues and Joe LeClaire will handle the scientific issues from Wildermuth; those salaries

and time would be covered by that project. Fred Fudacz representing Fontana Water Company was the person who approached Watermaster regarding this study and additional discussions are scheduled. Mr. Manning noted this study will also help greatly in our modeling efforts.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. COMMITTEE MEMBER COMMENTS

Mr. Curatalo commented on the amount of time between the Advisory Committee meeting and the Watermaster Board meeting.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

No comment was made regarding this item.

VIII. FUTURE MEETINGS

February 26, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
February 26, 2009	9:00 a.m.	Advisory Committee Meeting
February 26, 2009	11:00 a.m.	Watermaster Board Meeting
March 10, 2009	9:00 a.m.	GRCC Meeting
March 12, 2009	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
March 17, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
March 26, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
March 26, 2009	9:00 a.m.	Advisory Committee Meeting
March 26, 2009	11:00 a.m.	Watermaster Board Meeting
April 9, 2009	9:30 a.m.	Chino Basin Watermaster Hearing, San Bernardino Court
April 14, 2009	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
April 21, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
April 23, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
April 23, 2009	9:00 a.m.	Advisory Committee Meeting
April 23, 2009	11:00 a.m.	Watermaster Board Meeting

The Watermaster Board meeting was dismissed by Chair Willis at 12:15 p.m.

Secretary: _____

Minutes Approved: March 26, 2009