

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

*April 23, 2009*

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on April 23, 2009 at 11:00 a.m.

**WATERMASTER BOARD MEMBERS PRESENT**

Ken Willis, Chair	City of Upland
David De Jesus	Three Valleys Municipal Water District
Charles Field	Western Municipal Water District
Jim Curatalo	Cucamonga Valley Water District
Robert Young	Fontana Union Water Company
Michael Camacho	Inland Empire Utilities Agency
Bob Bowcock	Vulcan Materials Company
Paul Hofer	Agricultural Pool
Bob Feenstra	Agricultural Pool

**Watermaster Staff Present**

Ken Manning	CEO
Sheri Rojo	CFO/Asst. General Manager
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
Mark Wildermuth	Wildermuth Environmental Inc.
Andy Malone	Wildermuth Environmental Inc.

**Others Present**

Robert DeLoach	Cucamonga Valley Water District
John Bosler	Cucamonga Valley Water District
Mark Kinsey	Monte Vista Water District
Anthony La	City of Upland
Dave Crosley	City of Chino
Raul Garibay	City of Pomona
Bill Kruger	City of Chino Hills
Ron Craig	City of Chino Hills
Ken Jeske	City of Ontario
Mohamad El-Amamy	City of Ontario
Rick Hansen	Three Valleys Municipal Water District
Jennifer Novak	State of California Dept. of Justice, CIM
Jeff Pierson	Ag Pool
John Rossi	Western Municipal Water District
Sandra Rose	Monte Vista Water District
Steven Lee	Reid & Hellyer
Eunice Ulloa	Chino Basin Water Conservation District
Rich Atwater	Inland Empire Utilities Agency
Terry Catlin	Inland Empire Utilities Agency
Marv Shaw	Inland Empire Utilities Agency
Ben Adlin	Coro/Chino Basin Watermaster

The Watermaster Board Meeting was called to order by Chair Willis at 11:06 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 March 26, 2009

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of March 2009
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2008 through February 28, 2009
4. Treasurer's Report of Financial Affairs for the Period February 1, 2009 through February 28 2009
5. Budget vs. Actual July 2008 through February 2009

**C. WATER TRANSACTION**

1. **Consider Approval for Notice of Sale or Transfer** – Santa Ana River Water Company hereby transfers to Jurupa Community Services District in the quantity of 1,000 acre-feet of corresponding Operating Safe Yield. Date of Application: February 2, 2009
2. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,800.000 acre-feet of water from the Santa Ana River Water Company. Watermaster will purchase the water at \$295.00 per acre-foot, which is the MWD's replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from SARWC's net under-production in Fiscal Year 2008-09, with any remainder to be recaptured from storage. Date of Application: March 2, 2009
3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 5,085.000 acre-feet of water from the City of Chino. Date of Application: March 2, 2009

*Motion by Hofer, second by Camacho, and by unanimous vote*

***Moved to approve Consent Calendar A through C, as presented***

**II. BUSINESS ITEM**

**A. BUDGET TRANSFER T-09-04-01**

Mr. Manning stated this item comes before this committee with a unanimous vote from all the Pools and the Advisory Committee. Mr. Manning stated this is a budget transfer request for moving funds into the budget for the farming portion of the TMDL Study. Several discussions have taken place over matter for the last few months and staff is recommending approval for this budget transfer. Mr. Bowcock stated the terms of this Pool dispute resolution are written out in a submitted memorandum developed by the Special Joint Pool Committee, dated April 11, 2009, and submitted to the Board of Directors. Mr. Feenstra thanked Mr. Bowcock for his efforts to schedule and attend meetings regarding this matter.

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

***Moved to approve budget transfer T-09-04-01 for the funding of the farming portion of the middle Santa Ana Watershed TMDL Study and to included the terms of agreement memorandum dated April 11, 2009***

**B. BUDGET TRANSFER T-09-04-02**

Mr. Manning stated this item comes before this committee with a unanimous vote from the Pools and the Advisory Committee. Mr. Manning stated this is a budget transfer request for moving funds into the budget for Agricultural Pool legal and technical services to pay expenses through the end of the fiscal year. Staff is recommending approval for this budget transfer in the amount of \$30,000.

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

***Moved to approve budget transfer T-09-04-02 for Agricultural Pool Legal and Technical***

**C. STATUS REPORT 2008-2**

Mr. Manning stated this item comes before this committee with a unanimous vote from the Pools and the Advisory Committee. Mr. Manning stated it used to be standard practice for Judge Gunn to receive these status reports; however, when Judge Wade took over the case he indicated he no longer wanted to receive them. At the last hearing the Judge stated he would like to resume receiving the status reports and the one being presented today needs approval for it to be submitted to the court. Mr. Manning commented on the new format change and noted the newly revamped Status Report has taken on more of a public relations feel to it as well as it sharing what has taken place technically. Staff is recommending approval to forward this report to the court.

*Motion by DeJesus, second by Feenstra, and by unanimous vote*

***Moved to approve Status Report 2008-2 for filing with the court***

**D. PERS AMENDMENT – RESOLUTION NO. 09-04**

Mr. Manning stated this item is coming before this Board with a recommendation from the Watermaster Personnel Committee. Mr. Manning stated currently the Watermaster offers a PERS retirement benefit of 2% at 55. Nearly all of the other agencies in the Watermaster service area offer a PERS benefit of at least 2.5% at 55 as depicted in the staff report. In order to recognize the contribution that staff makes to the organization, and to remain competitive in the Watermaster service area, staff recommends adopting the change in retirement benefits to 2.5% at 55 as of July 1, 2009. Mr. Manning stated a recent PERS contract amendment analysis has determined that a change from 2.0% to 2.5% would increase the Watermaster employer contribution rate by 1.931% and the employee contribution rate by 1%, for a total increase of 2.931% of payroll. At the Personnel Committee meeting on March 2, 2009, it was the recommendation of the committee to process the plan amendment provided that Watermaster staff pays the combined employer and employee increase of 2.931% from their respective payroll. PERS requires that Watermaster staff hold a secret ballot election to determine if staff approves of the change. Mr. Manning noted if the majority of the employees approve the change, the next step in this process is to hold a public hearing where the Board will vote on the final resolution to adopt the PERS amendment. A board adopted final resolution is required by PERS to process the plan amendment. Staff recommends that the Watermaster Board of Directors adopt Resolution No. 09-04 declaring a resolution of intent to amend the PERS formula from 2.0% at 55 to 2.5% at 55. Mr. Manning stated the fiscal impact of this change is a 1.931% increase in the employee PERS rate and a 1% increase in the employer PERS rate which will be paid fully by staff. As recommended, and if voted for by the majority of staff, staff will assume the entire 2.931% of the cost related to this amendment to the plan. Mr. Manning noted the estimated annual cost is less than \$30,000 per year based on current salary levels.

*Motion by DeJesus, second by Camacho, and by unanimous vote*

***Moved to approve Resolution No. 09-04 declaring its intent to change the Public Employee Retirement (PERS) formula from 2.0% at 55 to 2.5% at 55***

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

1. April 27, 2009 Hearing  
Counsel Slater stated there is a hearing scheduled for next Monday, April 27, 2009, at 9:30 a.m.; there is additional information on the back table that describes some of what is going to be discussed/presented at this hearing. Counsel Slater briefly described the handouts. Counsel Slater noted this hearing will be much different from the last hearing because Jude Wade has informed us exactly what it is he wants to be presented including four questions that he wants answered.
2. Hanson Aggregates Update  
Counsel Slater stated this litigation case has now been resolved and Watermaster has received the first of the four scheduled installment payments. The next check will be due on July 1, 2009, then July 1, 2010, with the final check on July 1, 2011.
3. Notice Application for Storage Account by Inland Empire Utilities Agency, Three Valleys Municipal Water District, and Western Municipal Water District on behalf of Metropolitan Water District of Southern California for an additional 74,000.000 acre-feet in addition to the 100,000.000 acre-feet existing DYY Storage Account  
Counsel Slater stated this is an information only item this month and will be on a future agenda as a business item.
4. Development and Use of the City of Upland's Storm Drains Agreement  
Counsel Slater stated this is an information only item this month and will be on a future agenda as a business item.

**B. ENGINEERING REPORT**

1. Recharge Master Plan Update and Schedule  
Mr. Wildermuth stated as the Recharge Master Plan is progressing there are a lot of parallel activities going on behind the scenes. The production optimization work continues and as a practical matter the Peace II CEQA is occurring concurrently and both items will wrap up around the same time at the end of the month. The storm water recharge component is being done by Wagner and Bonsignore and the Conservation District; however, there are some data collection issues with some of the cities and the county. A workshop regarding groundwater production projections and what our estimate of supplemental water recharge capacity was held recently.
2. Summary of Findings from Max Benefit/Hydraulic Control Monitoring Report  
Mr. Malone stated this year Watermaster is getting ready to publish a number of reports on the monitoring programs being conducted. Mr. Malone noted he is going to discuss Hydraulic Control and some of the subsidence monitoring that has been taking place Basin-wide. Mr. Malone stated Hydraulic Control is Watermaster and IEUA's attempt to hydraulically isolate the Chino Basin from impacts to downstream beneficial users, specifically Orange County Water District. Mr. Malone reviewed several maps in detail. The Regional Board is requiring IEUA and Watermaster to demonstrate through pumping at the Desalter well fields that we are modifying our groundwater flow directions and lowering groundwater levels to minimize the impact of rising groundwater on the water quality of the Santa Ana River. Groundwater levels are monitored specifically at all the noted wells and then an annual groundwater contour map is made from all the collected data. Mr. Malone reviewed the data received which is shown on the maps being presented. Mr. Malone stated it does not appear there is hydraulic control on the west side where the Desalter wells that exist are perforated in the deep part of the aquifer system and there is not much shallow groundwater production in that region. Mr. Wildermuth stated Orange County Water District staff came to him two years ago and asked what was going on in the Santa Ana River because there was a clear reduction in discharge/base flow and when you review the desalters shown on the map, including the Corona desalters, it can be explained. When

all the wastewater is factored out, the Santa Ana River is recharging more; the physical evidence is starting to show not just in the groundwater contours but the River flow is actually going down. A discussion regarding Mr. Wildermuth's comments ensued.

3. Results of InSAR Work

Mr. Malone reviewed a map of subsidence, which is pre-OBMP conditions, and discussed the map in detail. When the Peace Agreement was constructed there were two major elements that were associated with subsidence to develop, eliminate, or minimize subsidence or ground fissuring could occur in the future. InSAR gives us a cost-effective way to give us a snapshot of what subsidence is doing across the entire Basin. Mr. Malone showed some more recent maps and discussed them in detail. Mr. Malone noted that in agricultural areas there is little to no data from the radar satellites. Mr. Malone reviewed the Management Zones and their subsidence occurrences which are displayed in more recent InSAR capture. Mr. Manning noted the InSAR costs are going to be absorbed by Watermaster and be just a part of the MZ1 budget because staff feels this technology is going to tell us a lot across the Basin, not just in the MZ1 area.

**C. FINANCIAL REPORT**

1. Budget Workshop and Related Items

Ms. Rojo stated last Tuesday the Budget Workshop was held and noted at that workshop a draft budget was distributed. At that workshop there were some questions presented that were related to the MZ1 work; those numbers after discussions are what is being presented in the current budget. Ms. Rojo noted there are still a few different account numbers being worked on regarding Recharge O&M and debt service. Ms. Rojo stated overall administrative costs remain unchanged and there are budgeted decreases for OBMP and the implementation projects. Ms. Rojo noted some of the questions brought up at the workshop dealt with the MZ1 issue that Mr. Malone was just reporting on and how those costs are in the budget; there is a breakdown of costs for this in the meeting packet. Another item that came up at the workshop that will affect several parties is the Current Unmet Replenishment Obligation (CURO); meaning Watermaster has the obligation to get water and put it in the ground if an agency overproduces and on any given year that party is charged for that assessment. Ms. Rojo commented on MWD's increasing replenishment rates. Watermaster is working diligently on coming up with ways to meet our replenishment obligation. Staff is anticipating bringing back a final budget next month through the Watermaster process of approval.

Added Presentation:

Mr. Manning introduced Ben Adlin from the Coro Foundation who did an intern/apprenticeship at Chino Basin Watermaster for five weeks. Mr. Adlin thanked the Watermaster staff for all their assistance in making him feel part of the staff over these last few weeks and Chair Willis for his effort in getting him placed at Watermaster. Mr. Adlin gave a brief overview of what the Coro Foundation is and how he came to be working at Watermaster. Mr. Adlin reviewed the draft Watermaster presentation that he has been working on and will eventually be put on the Watermaster website that will provide information on who and what Watermaster is and does. Chair Willis thanked Mr. Adlin for a great job on the presentation and offered comment on the Coro Foundation.

**D. CEO/STAFF REPORT**

1. Legislative Update

Mr. Manning stated on the back table there is a spreadsheet that shows the five different bond proposals that are being looked at in Sacramento. Mr. Manning offered comment on the different proposals and noted there is money in these proposals for local projects including the Desalters and recycled water. Mr. Manning referenced the member agency legislative section of the meeting packet starting on page 119 which is always very detailed and informative. Mr. Manning noted there is a second handout that lists of bills that were

submitted in both houses having to do with water and water-related issues. Mr. Manning reviewed some of the bills in detail. Mr. Manning noted there are a lot of really good things going on in Washington that could have a positive effect on the Chino Basin and future projects.

2. Recharge Update

Mr. Manning stated the most updated spreadsheet is available on the back table. There was 296 acre-feet of storm water recharge capture. This could be the last month of rainfall for the year; this was a less than average rainfall year.

3. Zone 1 Repair to San Sevaine Channel Agreement

Mr. Manning stated this item is referenced with the 2003 Christmas Day storm; however, this is a separate issue to repair portions of the San Sevaine Channel. An agreement will come through the Watermaster process at a future meeting with 25% of the cost shared by Watermaster, 25% shared cost by IEUA, and the balance of 50% by Chino Basin Conservation District.

**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.

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

No confidential session was held and no comment was made regarding this item.

**VIII. FUTURE MEETINGS**

April 14, 2009	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
April 21, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
April 21, 2009	2:00 p.m.	Budget Workshop
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
April 23, 2009	1:00 p.m.	WE Workshop #2 Task 6.1
April 27, 2009	9:30 a.m.	Chino Basin Watermaster Hearing, San Bernardino Court
April 28, 2009	9:00 a.m.	GRCC Meeting
May 14 2009	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
May 19, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
May 28, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
May 28, 2009	9:00 a.m.	Advisory Committee Meeting
May 28, 2009	11:00 a.m.	Watermaster Board Meeting
May 28, 2009	1:00 p.m.	WE Workshop #3 Tasks 8.2 through 8.5

The Watermaster Board meeting was dismissed by Chair Willis at 12:16 p.m.

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

Minutes Approve: May 28, 2009