

**Minutes**  
**CHINO BASIN WATERMASTER**  
**WATERMASTER BOARD MEETING**  
*September 23, 2010*

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on September 23, 2010 at 11:00 a.m.

**WATERMASTER BOARD MEMBERS PRESENT**

Ken Willis, Chair  
Michael Camacho  
Charles Field  
David DeJesus  
Robert Young  
Bob Bowcock  
Tom Haughey  
Bob Feenstra  
Paul Hofer

West End Consolidated Water Company  
Inland Empire Utilities Agency  
Western Municipal Water District  
Three Valleys Municipal Water District  
Fontana Water Company  
Vulcan Materials Company  
City of Chino  
Agricultural Pool  
Agricultural Pool

**WATERMASTER BOARD MEMBERS ABSENT**

Bob Kuhn  
Michael Whitehead  
Geoffrey Vanden Heuvel

Three Valleys Municipal Water District  
Fontana Water Company  
Agricultural Pool

**Watermaster Staff Present**

Kenneth R. Manning  
Joe Joswiak  
Danielle Maurizio  
Ben Pak  
Sherri Lynne Molino

Chief Executive Officer  
Chief Financial Officer  
Senior Engineer  
Senior Project Engineer  
Recording Secretary

**Watermaster Consultants Present**

Scott Slater  
Michael Fife  
Mark Wildermuth

Brownstein, Hyatt, Farber & Schreck  
Brownstein, Hyatt, Farber & Schreck  
Wildermuth Environmental, Inc.

**Others Present Who Signed In**

Jack Safely  
Mark Kinsey  
Dave Crosley  
Ron Craig  
Ben Lewis  
Ryan Shaw  
Terry Catlin  
Andy Campbell  
Steven G. Lee  
Jeff Pierson  
Josh Swift  
Ben Lewis  
Raul Garibay  
Ken Jeske  
Anthony La  
Eunice Ulloa  
Rick Hansen

Western Municipal Water District  
Monte Vista Water District  
City of Chino  
City of Chino Hills  
Golden State Water Company  
Inland Empire Utilities Agency  
Inland Empire Utilities Agency  
Inland Empire Utilities Agency  
Reid & Hellyer for the Agricultural Pool  
Ag Pool – Crops  
Fontana Union Water Company  
Golden State Water Company  
City of Pomona  
Visitor  
City of Upland  
Chino Basin Water Conservation District  
Three Valleys Municipal Water District

Steve Kennedy  
Mohamed El-Amamy  
Gary Meyerhofer  
Karen Johnson

Three Valleys Municipal Water District  
City of Ontario  
Carollo Engineering  
Water Resources Planning

Chair Willis called the Watermaster Board meeting to order at 11:02 a.m.

**PLEDGE OF ALLEGIANCE**

**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 August 26, 2010

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of July 2010
2. Watermaster Visa Check Detail for the month of July 2010
3. Combining Schedule for the Period July 1, 2009 through July 31, 2010
4. Treasurer's Report of Financial Affairs for the Period July 1, 2010 through July 31, 2010
5. Budget vs. Actual July 2010 through July 2010

**C. WATER TRANSACTION**

1. **Consider Approval for Notice of Sale or Transfer** – Monte Vista Water District will purchase 1,000 acre-feet of water from the City of Upland. This purchase is made first from the City of Upland's net underproduction in Fiscal Year 2009-10, with any remainder from the Excess Carryover Account – Date of Notice: July 2, 2010
2. **Consider Approval for Notice of Sale or Transfer** – Fontana Water Company will purchase 10,000 acre-feet of water from the City of Upland's annual production right, then any additional from Excess Storage – Date of Notice: July 2, 2010
3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 500,000 acre-feet of water from West Valley Water District (WVWD). The transfer will be made from WVWD's storage account – Date of Notice: July 2, 2010
4. **Consider Approval for Notice of Sale or Transfer** – Monte Vista Water District will purchase 4,000 acre-feet of water from the City of Upland. This purchase is made first from the City of Upland's net underproduction in Fiscal Year 2010-11, with any remainder from the Excess Carryover Account – Date of Notice: July 29, 2010

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

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

**II. BUSINESS ITEMS**

**A. PEACE II AGREEMENT AND PHASE III DESALTER EXPANSION**

Mr. Manning stated this item is being introduced today to allow dialogue prior to the item coming back in October through the Watermaster process for approval. Counsel Slater noted a workshop regarding this item was held recently to present the draft resolution. Counsel Slater stated the Pools and the Advisory Committee have received all the documents related to this item during their prospective meetings this month for review and discussion. Counsel Slater stated a meeting took place recently with the non-participating Appropriative Pool members who are not part of the expansion efforts or part of the CDA to receive their feedback. Counsel Slater stated counsel will meet with the State of California and the Agricultural Pool prior to another revision of the resolution being vetted. Counsel Slater stated the Watermaster process will begin in October for this item; no objections have been received. Mr. Bowcock inquired about what the Watermaster Board is looking at today. Counsel Slater stated a hearing will be held and the Board has a duty under the Judgment, the Peace Agreement and the Peace II

Agreement to make findings. Facts are going to be presented to this Board. The Board will then be asked to make findings based upon those facts and certain conclusions. Once that is done, the entire package will be taken to the court and the court will issue an order. Counsel Slater stated the court order will provide two things: 1) Direction for the parties who are proceeding with the expansion project, to proceed without concern that somebody has a lingering claim about the legitimacy of what is being done, and, 2) Will provide certain assurance and clearance to the Watermaster family as a whole for the reasons that relate to the original OBMP. Counsel Slater stated the original OBMP said to do 40,000 acre-feet of desalting capacity and the court affirmed the agreement saying that once this round is complete, it is finished and Watermaster will receive a release/waiver to that fact; that portion of the OBMP will have come to conclusion.

*No action taken.*

### **III. REPORTS/UPDATES**

#### **A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. September 24, 2010 Hearing

Counsel Slater stated the September 24<sup>th</sup> hearing has been postponed to October 8, 2010 and a notice has been distributed. Counsel Slater stated the primary focus of this hearing is to make a showing on the proposed Recharge Master Plan context. Counsel Slater stated the other item being presented is the Non-Agricultural volume vote motion, which is unopposed.

2. Non-Agricultural Pool Appeal

Counsel Slater stated the Non-Agricultural Pool's appeal is continuing to move forward. The court of appeal has filed a request for further information from the Overlying Non-Agricultural Pool regarding the nature of the appeal. Counsel Slater stated staff and counsel are waiting to see the response from the Non-Agricultural Pool and if necessary to augment the filing which will first be presented through the Watermaster process with a recommendation.

#### **B. ENGINEERING REPORT**

1. Basin Plan Amendment Update

Mr. Wildermuth stated this particular Basin Plan Amendment covers subjects which include a new wasteload allocation for the waste discharges on the Santa Ana River and the maximum reclamation plans. Mr. Wildermuth stated that with maximizing reclamation in the watershed, there are no issues, which is good for Inland Empire Utilities Agency (IEUA) as well as the other dischargers. Mr. Wildermuth stated one of the controversial parts for the Watermaster and IEUA is that there are certain monitoring obligations which are expensive that are in the Basin Plan as it exists today; that is going to be completely lifted from the Basin Plan. This does not mean the monitoring for Maximum Benefit purposes is going to go away, it means the monitoring is going to be substantially reduced. The Basin Plan is going to be rewritten to say that the Max Benefit parties are going to be asked to submit monitoring plans to the Regional Water Quality Control Board and it will be up to the executive officer to approve them. The Regional Board is developing a monitoring plan for the entire watershed and some, not all, parties will be asked to perform some monitoring. The Regional Board is still working on their CEQA process which is not complete to date. Mr. Manning stated it is Watermaster's estimate that approximately a full year's benefit in the next fiscal year of about \$200,000 will be saved with the reduction of monitoring requirements.

#### **Added Comment:**

Mr. Manning stated a copy of a letter written on behalf of the Association of Groundwater Agencies is available on the back table. Mr. Manning stated there were concerns regarding the Metropolitan Water Districts IRP process and this letter address that issue as well as some other items.

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

Mr. Manning stated the governor has until the end of the month to sign bills or veto them, or they go into law without his signature. There have been discussions regarding the long awaited budget.

2. Recharge Update

Mr. Manning stated there has been some urban runoff along with a good quantity of recycled water, and there is still no imported water available. In working with Inland Empire Utilities Agency, Three Valleys Municipal Water District and Western Municipal Water District, if any additional water to put into the basins Watermaster will take advantage of that.

3. GRCC Recharge Improvement Activities Ahead of Recharge Improvement Implementation

Mr. Pak gave the GRCC Update presentation. Mr. Pak noted the GRCC Committee is meeting on a regular basis. Mr. Pak stated the committee has discussed planning activities that would improve or enhance recharge in the near future which would be of no cost, or low cost to the existing budget, or by grants or other possibilities. Mr. Pak reviewed the current conditions, solutions, and costs and benefits in detail for the Grove Basin, the Etiwanda Basin, the Jurupa Basin, the Eastern Drainage Channel, the Wineville Basin, the Turner Basin, the North Milliken Grade separation Project, and Turbid Water. Mr. Pak also discussed the Total Added Recharge numbers for the presented basins/projects in detail. A brief discussion regarding the Grove Basin ensued.

4. Discussion on Closed Session Rules for Policy Manual

Mr. Manning stated Watermaster staff is working on putting together the Policy Manual and one of the elements that are being worked on first is the section having to do with meetings, and rules for meetings. There are currently rules in our Rules and Regulations regarding meetings; however, since that was adopted, and especially more recently, there have been many closed sessions called. What is currently in the Policy Manual regarding this matter reflects what actually occurring in the Pools. Mr. Manning stated he as tasked Counsel Fife to coordinate with the attorneys of the Pools to help Watermaster understand and put down in writing what rules they apply; not dictating what rules Watermaster wants them to apply, but to ask what rules they currently apply so those can be captured as part of what goes into the Policy Manual. Counsel Fife has been in contact with all three attorneys and is working with them on this matter.

5. Auction Oversight Committee

Mr. Manning stated during the recent Appropriative Pool meeting, there was a reaffirmation of the Auction Oversight Committee and there is a meeting of that committee scheduled in the near future.

6. Assessment for Regional Board Fine

Mr. Manning stated the Appropriative Pool asked Watermaster staff to come up with a variety of ways that Watermaster parties could approach the Regional Board fine. Mr. Manning noted he explained at their last meeting that Watermaster has only one method by which Watermaster can assess the parties unless there is a voluntary agreement amongst those parties other than the one method. If the Appropriative Pool wants to have some other formula other than what would normally be used, they need to begin dialog within themselves. Mr. Manning stated that other ways were presented to the Pool members and they have been meeting on this issue. Mr. Manning stated staff is putting together the Assessment Package and changes can be made to it if the Appropriative Pool comes up with a different formula.

**IV. INFORMATION**

1. Cash Disbursements for August 2010 as of August 25, 2010  
No comment was made regarding this item.
2. Newspaper Articles  
No comment was made regarding this item.

**V. BOARD MEMBER COMMENTS**

Chair Willis stated there is a flyer on the back table for the upcoming Coro Foundation Program. Chair Willis offered comment on the Coro Foundation, the speakers presenting, and the topics which will be discussed at the program.

**VI. OTHER BUSINESS**

No comment was made regarding this item.

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster committee meeting for the purpose of discussion and possible action.

No confidential session was called.

**VIII. FUTURE MEETINGS**

- |                                      |                   |   |
|--------------------------------------|-------------------|---|
| Thursday, September 23, 2010         | 11:00 a.m.        | Watermaster Board Meeting @ CBWM                  |
| <b>*Tuesday, September 28, 2010</b>  | <b>10:00 a.m.</b> | <b>Water Auction Sub-Committee Meeting @ CBWM</b> |
| <b>*Thursday, September 30, 2010</b> | <b>1:30 p.m.</b>  | <b>Assessment Package Workshop @ CBWM</b>         |
| Monday, October 4-5, 2010            | 7:30 a.m.         | CBWM Strategic Planning Conference - Frontier     |
| Thursday, October 7, 2010            | 1:00 p.m.         | Appropriative Pool Meeting @ CBWM                 |
| Thursday, October 7, 2010            | 2:30 p.m.         | Non-Agricultural Pool Conference Call Meeting     |
| <b>**Friday, October 8, 2010</b>     | <b>10:30 a.m.</b> | <b>CBWM Hearing @ Chino Courthouse</b>            |
| Thursday, October 7, 2010            | 1:00 p.m.         | Appropriative Pool Meeting @ CBWM                 |
| Thursday, October 14, 2010           | 9:00 a.m.         | Agricultural Pool Meeting @ IEUA                  |
| Thursday, October 21, 2010           | 8:00 a.m.         | IEUA DYY Meeting @ CBWM                           |
| Thursday, October 21, 2010           | 9:00 a.m.         | Advisory Committee Meeting @ CBWM                 |
| <b>**Thursday, October 21, 2010</b>  | <b>11:00 a.m.</b> | <b>Water Quality Meeting @ CBWM</b>               |
| Thursday, October 28, 2010           | 11:00 a.m.        | Watermaster Board Meeting @ CBWM                  |

**\* New Scheduled Meetings**

**\*\* New Dates**

The Watermaster Board meeting was dismissed by Chair Willis at 11:40 a.m.

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

Minutes Approved: October 28, 2010