

Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING
November 8, 2007

The Joint Appropriative and Non-Agricultural Pool Meeting were held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on November 8, 2007 at 10:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Raul Garibay, Chair	City of Pomona
Mark Kinsey	Monte Vista Water District
Robert Young	Fontana Union Water Company
Charles Moorrees	San Antonio Water Company
Robert Tock	Jurupa Community Services District
Ken Jeske	City of Ontario
Rosemary Hoerning	City of Upland
Dave Crosley	City of Chino

NON-AGRICULTURAL POOL MEMBERS PRESENT

Kevin Sage	Vulcan Materials Company (Calmat Division)
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Watermaster Board Members Present

Sandra Rose	Monte Vista Water District
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Watermaster Staff Present

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	CFO/Asst. General Manager
Gordon Treweek	Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

Chair Garibay called the joint Appropriative and Non-Agricultural Pool meeting to order at 10:05 a.m.

AGENDA - ADDITIONS/REORDER

No additions or reorders were made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Joint Appropriative and Non-Agricultural Pool Meeting held October 11, 2007

B. FINANCIAL REPORTS

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

A discussion ensued with regard to the Statement of Revenues and Expenses on page 19 of the meeting packet with regard to expenses that are over budget. Ms. Rojo stated the information services included the annual license renewal fee that is paid at the first of the year and the Agricultural legal and technical are for the Peace II effort and a report on that topic is going to be put together shortly addressing this issue. OBMP expenses include the costs for the special referee and her technical referee are over budget, Dr. Sunding which was budgeted for as well as the modeling results; there are going to be other reports on this expense category as well others regarding budget overages. Mr. Manning stated in January Watermaster staff is going to be doing an update and revising the budget based upon the current status as of January 2008.

*Motion by Kinsey, second by Hoerning and by unanimous vote – Non-Ag concurred
Moved to approve Consent Calendar items A through B, as presented*

II. BUSINESS ITEMS

A. **CYCLIC STORAGE AGREEMENT**

Mr. Manning stated this is Watermaster's 8th amendment to the Cyclic Storage Agreement. This agreement was discussed at the recent Strategic Planning Conference in October 2007. Staff needs the flexibility of this agreement to take water in advance of demand if water is available; it is a mutual agreement between Metropolitan Water District, Inland Empire Utilities Agency, and Chino Basin Watermaster. Staff feels this is a good strategy and will be necessary in the future. Staff is asking for approval of for this agreement. A discussion ensued with regard to this item.

*Motion by Kinsey, second by Jeske and by unanimous vote - Non-Ag concurred
Moved to approve the Cyclic Storage Agreement, as presented*

III. REPORTS/UPDATES

A. **WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. November 29, 2007 Peace II Hearing

Counsel Fife stated there was a conference call regarding this item yesterday. Counsel and staff are in the process of gathering joinders and declarations in order to support the motion that Watermaster filed on November 26, 2007; that motion is available on the Watermaster ftp site. Counsel Fife stated Watermaster is hopeful to be receiving joinders from all the parties who participated in the Peace II process. Metropolitan Water District will be providing a declaration supporting the 80% reliability number that was used in the Wildermuth Modeling Report. SAWPA will be providing a declaration praising the great benefits of all that Watermaster is doing for the Chino Basin. The hearing is still scheduled for November 29, 2007 at 1:30 p.m. A discussion ensued with regard to the hearing.

2. November 15, 2007 MZ1 Hearing

Counsel Fife stated the hearing for the MZ1 Long Term Plan is still scheduled for November 15, 2007 at 1:30 p.m.; counsel and staff are not anticipating any opposition.

3. Hanson Aggregates

Counsel Fife stated Hanson Aggregates has been notified a complaint is about to be filed against them. Hanson Aggregates has come back with a settlement offer of \$100,000.00; the actual cost to clean up the basin was greater than the settlement amount offered. Inland Empire Utilities Agency did take Hanson's offer to their board; and the rejected the offer. Counsel Fife stated with the rejection of the offer in place a complaint will now be filed against Hanson Aggregates.

4. Water Right Permit 19895

Counsel Fife stated on the back table there is an order from the State Water Resources Control Board and a response that Chino Basin Watermaster filed yesterday to that order. The order denies a petition for an extension of time that was filed three years ago on Watermaster's permit 19895. The Santa Ana River process was recently conducted and in order to get a permit to divert storm flows for recharge purposes; Watermaster already has two permits to perform the diversion. Those two permits were obtained by the Flood Control District with regard to the Day Creek Project and the San Sevaine Project when those projects were started in the late 1980's. Those permits have been under the control of the Flood Control District and a few years ago when Watermaster did the Facilities Improvement Project, those permits were transferred to Chino Basin Watermaster. During the time they were held by the Flood Control they did all the reporting on them and had all the contact with the State Board. Over that period with regard to permit 19895, the reports that the Flood Control District filed were not consistent in their using the correct permit numbers on their reports. Construction on some of the other permits was proceeding much slower than the construction on 19895. This wrong reporting has lead to inconsistent reporting on the projects status. Counsel Fife stated due to this situation the State Board declared the project for permit 19895 has not proceeded with due diligence and therefore revoked the permit. Counsel stated staff had no knowledge this was taking place. Counsel has submitted a request to the State Board asking them to reconsider their decision; this is the pleading that is on the back table and was filed yesterday with the board. Counsel stated the pleading points out the Flood Control's errors in their reports and also stated this project not only proceeded in a timely manner but that this project has been completed for several years. A discussion ensued with regard to this matter.

B. ENGINEERING REPORT

1. Engineering Update

Mr. Wildermuth stated his staff is to producing a final version of the new model documentation and the analysis of Peace II instruments. The final section was posted on Wildermuth's and Watermaster's ftp site yesterday. All final documents should be up on those ftp sites by next week. Mr. Wildermuth stated there was a slight change in the technical work on the item of Balance of Recharge and Discharge; a report on this is to be filed every other year. A discussion between Mr. Wildermuth and Mr. Scalmanini took place regarding this report and Mr. Scalmanini understood a tool needed to be complete prior to the report being released. Mr. Wildermuth stated the tool is now complete and the report will be out shortly. Mr. Tock inquired as to the tentative schedule for the Recharge Master Plan. Mr. Manning stated Watermaster staff is working with Black & Veatch and with Wildermuth Environmental on putting that plan together. There is a kick off meeting scheduled on November 20, 2007 for this plan and after that meeting staff will have a more definitive time line.

C. FINANCIAL REPORT

1. Assessment Package Update

Ms. Rojo stated all the Water Activity Reports have been sent out and several have been received back. Ms. Rojo noted staff has now had opportunities to work out discrepancies in numbers and are currently missing five different Water Activity Reports submitted. Once the last few are received staff will be able to run the Assessment Package. Mr. Jeske stated if the parties do not submit the requested paperwork on time. Watermaster should consider assessing the party a penalty.

D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated on the federal level in looking at the WRDA Act, congress has passed this bill and has sent it on to the president. There was a great deal of dissention at the administrative level about the WRDA Bill, most of that was centered around the idea that the house past a bill that was \$13 billion dollars and the senate passed a bill that was \$14

billion dollars and then they had a joint committee to resolve the differences and ended up with a bill that was \$23 billion dollars. This was then sent on to the president who did not like it and vetoed it. Congress has enough votes in the both the house and senate, and as of yesterday both the house and senate overrode the veto; WRDA is now the law of the land in terms of the ability to get money. Mr. Manning stated there is money in that bill for projects in the Chino Basin. On the state legislative side the governor put together an extraordinary session of the assembly to deal with health care issues and water; no rulings has come out of this assembly to date. Mr. Manning stated he attended a Policy Briefing and Hearing last night and was able to offer comments to the parties regarding water projects for the Chino Basin. The parties at that hearing discussed in length the arguments over surface storage versus groundwater storage.

2. Recharge Update

Mr. Manning stated this month has been the same as the last few months only gaining a few hundred acre-feet of urban run off. Mr. Manning stated Ms. Hoerning is here to present a slide show on the progress being made at the Upland Basin.

Ms. Hoerning stated the slide show represents the progression of construction that has occurred on the Upland Basin Project which is approximately 50% complete. Ms. Hoerning reviewed the slides and offered comment on the progress. Ms. Hoerning extended an invitation to a viewing of the Upland Basin on November 27, 2007 at 11:00 a.m.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

November 8, 2007	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
* November 13, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
* November 15, 2007	9:00 a.m.	Advisory Committee Meeting
* November 15, 2007	11:00 a.m.	Watermaster Board Meeting

* Notes a change in the normal monthly meeting date

The Appropriative and Non-Agricultural Pool committee meeting was dismissed at 10:48 a.m.

Secretary: _____

Minutes Approved: December 13, 2007