

Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING
December 13, 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 December 13, 2007 at 10:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Raul Garibay, Chair	City of Pomona
Robert DeLoach	Cucamonga Valley Water District
Mark Kinsey	Monte Vista Water District
Charles Moorrees	San Antonio Water Company
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 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
Tom McCarthy	Wildermuth Environmental Inc.
Joe LeClaire	Wildermuth Environmental Inc.

Others Present

David DeJesus	Three Valleys Municipal Water District
Marty Zvirbulis	Cucamonga Valley Water District

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 November 8, 2007

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of November 2007
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2007 through October 31, 2007
4. Treasurer's Report of Financial Affairs for the Period October 1, 2007 through October 31, 2007

5. Budget vs. Actual July 2007 through October 2007

Ms. Hoerning asked for a clarification of time on the minutes for the Upland tour.

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

II. BUSINESS ITEMS**A. 2007/2008 ASSESSMENT PACKAGE**

Mr. Manning stated there is no official notice from the court regarding the Peace II process and that staff has prepared the Assessment Package utilizing the outline stated in the Peace II Agreement. If notification is received by the court authorizing something other than what was presented in Peace II, then the Assessment Package will be revised accordingly. Ms. Rojo noted a copy of the draft 2007/2008 Assessment Package is available on the back table. Ms. Rojo stated the recent Assessment Package Workshop was very well attended and gave a presentation which was given at the workshop. Mr. Kinsey inquired as to the reserve levels. Chair Garibay inquired into production numbers as we move forward with Metropolitan Water District. A discussion ensued with regard to the presentation and the 2% loss factor. Recharge basin maintenance cost allocation was discussed. Mr. McCarthy stated Wildermuth Environmental has done the math on the 2% loss factor and it was not documented in this evaluation. Mr. McCarthy stated a memo could be drafted to document this number after staff has evaluated the numbers. Mr. Kinsey inquired into the replenishment which was accomplished through groundwater injection and asked what the basis is for determining that cost. Mr. Kinsey asked if Watermaster had a policy on replenishment costs as they relate to injection. A discussion ensued with regard to Mr. Kinsey's comments and inquiry. Mr. Manning stated staff can put together a draft policy which can be presented in the future for consideration. Mr. Jeske stated there are now three issues to be addressed regarding this item; 1) A policy regarding replenishment costs for injection water, 2) the 2% loss factor, and 3) recharge basin maintenance cost allocation.

Motion by Jeske, second by DeLoach and by unanimous vote – Non-Ag concurred
Moved to approve 2007/2008 Assessment Package contingent on the resolution on the three issues which were discussed and approval of Peace II measures by court, as presented

B. STATE OF THE BASIN REPORT

Mr. Manning stated the State of the Basin Report was developed several months ago and has been internally circulated by the parties and corrections have been made according to comments and suggestions. This report has also been submitted to the Special Referee to provide comments. Any comments made by the Special Referee or the technical assistant have also been incorporated into the final State of the Basin Report. Staff is asking for approval to receive and file this report with the court.

Motion by Jeske, second by Hoerning and by unanimous vote – Non-Ag concurred
Moved to approve receiving and filing the State of the Basin Report with the court, as presented

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**1. Peace II Approval Process

Counsel Fife commented on the recently held hearing regarding a go forward schedule from the court on the Peace II Agreement. Judge Gunn did not give a schedule at the hearing, however, noted an order would be forthcoming shortly. Counsel Fife stated a retort has been created in response to the Special Referee's report. Staff is anticipating filing the response this week to respond to the comments made by the referee in her report. Mr. Wildermuth's office is also preparing a technical report which was discussed at the

hearing. Counsel Fife stated Judge Gunn clearly indicated if Watermaster did not receive an order by the end of the year he would extend the deadlines. Counsel Fife stated the transcript was received at the beginning of this week on the Peace II hearing which is the reason the response was not written sooner. A copy of the transcript is available on the Watermaster ftp site. A discussion with regard to this matter ensued.

B. ENGINEERING REPORT

1. Engineering Update

Mr. LeClaire stated there are a number of monitoring programs performed as part of Program Element 1 and some of these monitoring programs are mandated by the Basin Plan and by Inland Empire Utilities Agency and Chino Basin Watermaster's recharge permit. Mr. LeClaire reviewed the monitoring programs and handed out a chart of the number of samples obtained and discussed the samples in detail. Mr. LeClaire stated the court recently approved the MZ1 Long Term Plan with the implementation schedule and the order of support was to go forward. Mr. McCarthy stated Wildermuth staff has worked extensively with the Special Referee and her technical assistant during the course of the Peace II process in satisfying their concerns with the modeling documentation. Wildermuth Environmental staff has finalized and posted the final Wildermuth Modeling Report and evaluation of Peace II Project Description.

C. FINANCIAL REPORT

1. Financial Update

Ms. Rojo stated this item was discussed under the Business Item Section regarding the 2007/2008 Assessment Package.

D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated the state legislature was called back into special session by the governor to cover the health issue and the bonds for water; neither of which were resolved at the special session. Mr. Manning referenced a handout which was available on the back table entitled, California's Fiscal Outlook by the Legislative Analyst's Office. Mr. Manning reviewed the handout and stated he was able to sit down with Senator Bob Margett and Michael Cohen, who is the director of the state administrative department for the Legislative Analyst Office to talk about some of the projections for the state's economy. Mr. Manning encouraged the parties to get in contact with their local representatives right now regarding pressing issues in legislature. A discussion ensued with regard to legislative issues.

2. Recharge Update

Mr. Treweek stated the recharge spreadsheet is on the back table. There are two items of interest on the recharge spreadsheet. The first is that the inland empire did have its first storm of the year in November and that storm enabled us to capture 700 acre-feet of water. The second item is that the 7th and 8th Street Basins are mid-way through a test program of recharging recycled water. These programs in the past have been very successful and the Department of Public Health restricts the percentage of recycled water in a basin and staff is demonstrating that the basins can get very successful TOC removal and they are now allowing up to 35% recycled water; our goal is to move that number to 50% recycled water in the basins. The long range forecast for storm water is still bleak. Mr. Treweek stated during the past summer some of the basins and the conditions of the basins are excellent right now.

3. AB 303 Grant

Mr. Manning stated several of the parties were contacted regarding writing support letters for the AB 303 grant and several have been received and submitted. Watermaster is hopeful to receive funds from this \$250,000 grant application. Wildermuth Environmental has been working with Watermaster staff on the grant proposal. Mr. Manning stated a copy

of the grant application can be made available. A brief discussion ensued with regard to the submittals of support.

4. Wildermuth Environmental Contract

Mr. Manning stated over the last few months, discussions have taken place on how to improve efficiencies at Watermaster. One of the items discussed was for staff to get a better understanding and develop a more structured working arrangement with Wildermuth Environmental and staff is in the process of working with them on developing a master contract. This contract will outline the procedures that will be used and the relationship with Watermaster and other parties within the basin. A draft of that contract should be available in early 2008.

5. Personnel Committee Meeting

Mr. Manning stated Watermaster will hold a Personnel Committee meeting in January as staff prepares to make the changes in the reorganization. The Personnel Committee will change based upon who is representing the Pools, Advisory Committee, and Watermaster Board.

6. January 2008 Reorganization

Mr. Manning stated there will be elections at the annual meetings for the yearly reorganizations for the Pools, Advisory Committee, and Watermaster Board.

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

December 11, 2007	9:00 a.m.	2007/2008 Assessment Package Workshop
December 13, 2007	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
December 18, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
* December 20, 2007	9:00 a.m.	Advisory Committee Meeting
* December 20, 2007	11:00 a.m.	Watermaster Board Meeting
January 10, 2008	9:30 a.m.	Annual Non-Agricultural Pool Elections
January 10, 2008	10:00 a.m.	Annual Appropriative Pool Elections
January 10, 2008	10:15 a.m.	Annual Joint Non-Ag & Appropriative Pool Meeting
January 15, 2008	9:00 a.m.	Annual Agricultural Pool Meeting @ IEUA
January 24, 2008	9:00 a.m.	Annual Advisory Committee Meeting
January 24, 2008	11:00 a.m.	Annual Watermaster Board Meeting

* Notes a change in the normal monthly meeting date

The Appropriative and Non-Agricultural Pool committee meeting was dismissed at 11:10 a.m.

Secretary: _____

Minutes Approved: January 10, 2008