

**Minutes**  
**CHINO BASIN WATERMASTER**  
**APPROPRIATIVE POOL MEETING**  
March 4, 2010

The Appropriative Pool Meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on March 4, 2010 at 1:00 p.m.

**APPROPRIATIVE POOL MEMBERS PRESENT**

Mark Kinsey, Chair	Monte Vista Water District
Ken Jeske	City of Ontario
Robert DeLoach	Cucamonga Valley Water District
Josh Swift	Fontana Water Company
Robert Young	Fontana Union Water Company
Charles Moorrees	San Antonio Water Company
Raul Garibay	City of Pomona
J. Arnold Rodriguez	Santa Ana River Water Company
John Mura	City of Chino Hills
Tom Harder	Jurupa Community Services District
Dave Crosley	City of Chino
Shaun Stone	City of Upland
Ben Lewis	Golden State Water Company

**WATERMASTER BOARD MEMBERS PRESENT**

Michael Camacho	Inland Empire Utilities Agency
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**Watermaster Staff Present**

Kenneth R. Manning	Chief Executive Officer
Ben Pak	Senior Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

**Watermaster Consultants Present**

Michael Fife	Brownstein, Hyatt, Farber & Schreck
Mark Wildermuth	Wildermuth Environmental Inc.

**Others Present**

Marty Zvirbulis	Cucamonga Valley Water District
David DeJesus	Three Valleys Municipal Water District
Jennifer Novak	State of California, Department of Justice
Mohamed El-Amamy	City of Ontario
Eunice Ulloa	Chino Basin Water Conservation District

Chair Kinsey called the Appropriative Pool Meeting to order at 1:02 p.m.

**AGENDA - ADDITIONS/REORDER**

There were no additions or reorders made to the agenda.

**I. CONSENT CALENDAR****A. MINUTES**

1. Minutes of the Joint Appropriative and Non-Agricultural Pool Meeting held February 4, 2010

The February 4, 2010, verbatim minutes were pulled from the agenda for discussion. A discussion regarding the amount of time spent on preparing verbatim minutes which take approximately 15 to 20 hours ensued. Mr. Manning offered history on the request to prepare verbatim minutes for the February 4, 2010, meeting and noted verbatim minutes will not be done unless approval is directly given by the CEO. It was noted the February 4, 2010, verbatim minutes will be on the April agenda for approval to allow additional time for review.

**B. FINANCIAL REPORTS**

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

*Motion by Young, second by DeLoach, and by unanimous vote*

***Moved to approve Consent Calendar item B, as presented***

**C. INTERVENTION INTO THE AGRICULTURAL POOL**

Intervention of Rafael Treto into the Agricultural Pool

Mr. DeLoach inquired about the proposed intervention into the Agricultural Pool. Mr. Manning noted domestic water is not available for this property. Ms. Maurizio stated an estimate on the water duty method was done based on the current animals and crops presently on the property and noted the well will be metered by Watermaster. Ms. Maurizio acknowledged after a review of the properties water usage, it was determined approximately ten acre-feet of water would be used a year. A lengthy discussion regarding the process of drilling wells, permit approval process, titles, and interventions ensued. Mr. Manning stated further communication needs to be done with the County for this entire process. A discussion regarding which pool the parties should intervene into ensued.

*Motion by DeLoach, second by Garibay, and by unanimous vote*

***Moved to approve Consent Calendar item C, as presented***

**II. BUSINESS ITEMS****A. NON-AGRICULTURAL POOL INFORMATION REQUEST – FOR DISCUSSION ONLY**

Mr. Manning stated this item was placed only on the Appropriative Pool and the Non-Agricultural Pool agendas to discuss the actions Watermaster has taken concerning the Non-Agricultural Pool potential Paragraph 31 Motion regarding the Purchase and Sale Agreement. Mr. Manning acknowledged Watermaster has taken actions consistent with what Watermaster felt were the terms of the Purchase and Sale Agreement. Mr. Manning affirmed Watermaster staff and counsel feels nothing was done incorrectly with regard to this transaction; however, questions have been raised. Mr. Manning noted a copy of a memorandum from general counsel to himself was included in the meeting packet which does provide some insight into questions raised and provides some direction. Mr. Manning is asking the Pool members to provide their input following their reading of the memorandum. Mr. Manning, once again, stated Watermaster believes it has acted in conformance with the terms of the agreement. Mr. Manning stated on January 14, 2010, Watermaster sent out checks to the Overlying Non-Agricultural Pool parties equal to the amount necessary to initiate the transaction. With those checks, Watermaster attached an accounting of the water that was moving from the Overlying Non-Agricultural Pool to the Watermaster in compliance with the Purchase and Sale Agreement. Mr. Manning stated

that the accounting reflected the fact that the losses are going to be picked up by the Overlying Non-Agricultural Pool. Chair Kinsey inquired how the losses were handled by Watermaster. Mr. Manning stated Watermaster takes their losses at the beginning of the year based on the beginning balance; Watermaster took those into account in all of the years up to and including this last one. The Overlying Non-Agricultural Pool were assessed the losses, so that the balance reflected the amount being transferred to Watermaster equal to the amount of water which was in the account on June 30, 2007. This would mean the Overlying Non-Agricultural Pool had to refill it by 2% every year. Watermaster used water in their storage account to make up the difference. Chair Kinsey commented on the pending threat of litigation to be filed by the Overlying Non-Agricultural Pool and noted this item may be part of their motion and acknowledged while we are free to discuss this matter, details should be disclosed during the closed session. Mr. Manning referenced the legal memorandum and noted it gives a clear statement of facts, analysis, and the location of stored water, and agreed this should be discussed in the closed session in greater detail.

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

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

##### **1. Peace II SEIR**

Counsel Fife stated this item is part of the Peace II process. Watermaster has agreed to update the programmatic Environmental Impact Report which was done for the OBMP in 2000. Counsel Fife stated Tom Dodson has been working on the document and has a lot of technical input from Wildermuth Environmental. The document is almost complete and a draft will be made available shortly. Counsel Fife noted Watermaster staff has seen an administrative draft and has made comments which were given to Mr. Dodson and he has revised the document to include those comments. Mr. DeLoach stated in the document it contemplates, in the description of the project, the Storage and Recovery Program outlined in Peace II. Counsel Fife confirmed Mr. DeLoach's statement. Mr. DeLoach commented on the pending litigation issue with regard to the Storage and Recovery Program which could potentially mean there is no Peace II Agreement and inquired how that situation could affect the environmental review. Mr. Jeske noted the court has the ability, if this is brought to the court, to make its own recommendations and conclusions regarding Peace II and the environmental review. A discussion regarding hydraulic control which is part of the environmental review and the physical facilities construction ensued. Counsel Fife noted from a legal standpoint hydraulic control has already begun which was started prior to the completion of Peace II and is an ongoing project. Counsel Fife stated the entire array of desalter wells is necessary for hydraulic control, not just the last piece, which is being referred to as the Chino Creek Well Field. A discussion regarding the upcoming environmental work for the next series with regard to CEQA ensued. Mr. Jeske stated it is important to keep the environmental review program moving forward.

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

##### **1. 2010 Basin Plan Amendment**

Mr. Manning introduced this item and noted there are other issues related to the Basin Plan Amendment which Mr. Wildermuth will be discussing in his report. Mr. Wildermuth stated the Regional Board is working with the Basin Monitoring Task Force to amend the Basin Plan. Mr. Wildermuth gave the Basin Plan Amendment Projects Related to N/TDS Management Plan update. Mr. Wildermuth reviewed a table which was distributed at the last Basin Monitoring Task Force meeting. The table contains 11 items which included project names, which management zone the projects are in, the sponsoring agency, status of the project, and the tentative schedule for the Regional Board's adoption and Mr. Wildermuth reviewed each line item in detail. A discussion regarding the presented update ensued. Mr. Manning noted the reason he had Mr. Wildermuth make this presentation today was because his recommendation is that Watermaster write a letter to oppose the action. Mr. Manning stated Watermaster is hoping to be able to have more dialog with the Basin Monitoring Task Force with regard to this issue. A discussing

regarding who attends these meetings and the importance of consistency between the permit holders ensued.

2. Recharge Master Plan Update

Mr. Wildermuth stated he just received today from Wagner & Bonsignore their contribution on the Recharge Master Plan. Mr. Wildermuth stated he expects to have a Draft Recharge Master Plan distributed for review in the first week of April.

**C. CEO/STAFF REPORT**

1. Legislative Update

Mr. Manning commented on Meg Whitman's endorsement of the water bond and related legislative issues.

2. Recharge Update

Mr. Manning stated January was a good month for recharge and noted 90% of recharge was from storm water. The most recent recharge spreadsheet is available on the back table for review. February appears to be a good month also for storm water capture for recharge.

3. ALCOA Monitoring Wells

Mr. Manning stated this topic was discussed about a year or so ago. The ALCOA offsite wells were installed in 1999/2000 and there part of the offsite groundwater monitoring network. Those wells were monitoring the issue if migration of salt plums from ALCOA. The Regional Board has determined the pollution is not reach the groundwater and has given ALCOA a No Further Action letter. Mr. Manning stated instead of ALCOA destroying the wells, Watermaster has been in discussions with them to try and take over those wells and that appears to be what will take place. Agreements are being worked on presently to transfer those wells over to Watermaster and are being defined as equipment. A discussion regarding these monitoring wells ensued.

4. Turner Basins/Guasti Park Task Force

Mr. Pak gave the Turner Basin/Guasti Park Demonstration Project presentation. Mr. Pak offered background history on this item. Mr. Pak noted a Technical Work Group has been formed which consists of San Bernardino County Park and Flood Control District, City of Rancho Cucamonga, City of Ontario, Chino Basin Watermaster, Chino Basin Water Conservation District, and Inland Empire Utilities Agency. Mr. Pak reviewed the preliminary concept and discussed the enhancement concepts. Mr. Pak discussed the implementation work plan schedule. A discussion regarding this project ensued.

**IV. INFORMATION**

1. Newspaper Articles

No comment was made regarding this item.

**V. POOL MEMBER COMMENTS**

Chair Kinsey noted the next Appropriative Pool meeting for April has been pushed back one week to Thursday, April 8, 2010 at 1:00 p.m. There were no objections to this one-time date change.

**VI. OTHER BUSINESS**

No comment was made regarding this item.

The regular open Appropriative Pool meeting was convened to hold its confidential session at 1:55 p.m.

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

Pursuant to the Appropriative Pool Rules & Regulations, a Confidential Session will be held during the Watermaster Pool meeting for the purpose of discussion and possible action.

1. Potential Non-Agricultural Pool Litigation

Chair Kinsey stated there was only one reported action which was to direct the Appropriative Pool legal counsel to prepare correspondence and submit it to the Overlying Non-Agricultural Pool legal counsel.

The closed session was convened at 2:26 p.m.

**VIII. FUTURE MEETINGS**

Thursday, March 4, 2010	1:00 p.m.	Appropriative Meeting @ CBWM
Thursday, March 4, 2010	2:30 p.m.	Non-Agricultural Pool Meeting @ CBWM
Thursday, March 4, 2010	3:30 p.m.	MZ1 Technical Committee Meeting @ CBWM
Thursday, March 11, 2010	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, March 18, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, March 18, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, March 25, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, March 25, 2010	1:00 p.m.	Recharge Master Plan Workshop @ CBWM

The Appropriative Pool meeting was dismissed by Chair Kinsey at 2:27 p.m.

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

Minutes Approved: April 8, 2010