

Minutes
CHINO BASIN WATERMASTER
ANNUAL ADVISORY COMMITTEE MEETING

January 25, 2007

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on January 25, 2007 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

Ken Jeske, Chair	City of Ontario
Robert DeLoach	Cucamonga Valley Water District
Teri Layton	Santa Ana River Water Company
Raul Garibay	City of Pomona
Anthony La	City of Upland
Mark Kinsey	Monte Vista Water District
Bill Kruger	City of Chino Hills
Mike McGraw	Fontana Water Company
Chris Diggs	Fontana Union Water Company
Raul Garibay	City of Pomona
Teri Layton	Santa Ana River Water Company

Non-Agricultural Pool

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

Sandra Rose	Monte Vista Water District
John Anderson	Inland Empire Utilities Agency

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

Scott Slater	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Terry Catlin	Inland Empire Utilities Agency
Martha Davis	Inland Empire Utilities Agency
Wyatt Troxel	Inland Empire Utilities Agency
Rosemary Hoerning	City of Upland
Eunice Ulloa	Chino Basin Water Conservation District
Rick Hansen	Three Valleys Municipal Water District
Steve Lee	Reid & Hellyer
Rick Hansen	Three Valleys Municipal Water District
Ash Dhingra	Metcalf and Eddy

The Advisory Committee meeting convened by Chair Jeske at 9:08 a.m. without a quorum

AGENDA - ADDITIONS/REORDER

Mr. Manning stated there was no representation from the Agricultural Pool thereby declaring there is no quorum to officially call the meeting to order nor will any item that needs to be voted on be presented today. Items on the consent calendar will be rolled over to the February meeting. All reports and updates will be given that are on today's agenda.

I. INTRODUCTIONS OF THE ADVISORY COMMITTEE OFFICERS, CALENDAR YEAR 2006

<u>Ken Jeske</u>	Chair	(Appropriative Pool)
<u>Bob Bowcock</u>	Vice-Chair	(Non-Agricultural Pool)
<u>Robert Feenstra</u>	Second Vice-Chair	(Agricultural Pool)
<u>Ken Manning</u>	Secretary/Treasurer	(Chief Executive Officer)

II. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Advisory Committee Meeting held December 21, 2006

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of December 2006
2. Combining Schedule for the Period July 1, 2006 through November 30, 2006
3. Treasurer's Report of Financial Affairs for the Period November 1, 2006 through November 30, 2006
4. Profit & Loss Budget vs. Actual July 2006 through November 2006

C. CHINO BASIN WATERMASTER INVESTMENT POLICY

Resolution 07-01 - Resolution of the Chino Basin Watermaster, San Bernardino County, California, re-authorizing the Watermaster's Investment Policy

D. LOCAL AGENCY INVESTMENT FUND

Resolution 07-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF)

E. NOTICE OF INTENT

Annual Filing of Notice of Intent Regarding the Determination of Operating Safe Yield

The Consent Calendar items will be carried over for vote on the February agenda due to no quorum.

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

1. Santa Ana River Water Right Application
Counsel Slater made no comment regarding this item.
2. Regional Salinity Cooperative Agreement
Counsel Slater made no comment regarding this item.
3. MWD DYY Agreement
Counsel Slater made no comment regarding this item.
4. Peace II Process
Counsel Slater stated there have been recent opportunities to consult with the special referee and it was noted from those conversations that an informal informational filing will be made to the court at the end of February/beginning of March regarding our proposed schedule for completion of the task. A timeline was distributed at the December 2006 meeting which suggested a proposed timeline for getting this process to completion and the court would like to be advised on the record about our intentions. Mr. Kinsey inquired to the timeline being optimistic; Counsel Slater stated the thing that is most critical about in

the schedule is the method of proceeding on a conditional basis. As we did in 2000, we proceeded to completely paper the deal while we waited for the environmental studies to be complete. There is also a subsequent effort to bring together the desalter discussions forward, so in this case we are asking the court to endorse that approach. The court will then get early information about the proceedings as a part of our status report, which is very important. A discussion ensued with regard to presenting the current timeline to the court formally or informally. Counsel Slater stated we are continuing discussions with Dr. Sunding regarding the micro economic analysis; we do want to get started on that analysis as soon as possible. Mr. Kinsey commented on budget procedural steps to be followed to allow for the micro economic analysis to be done.

B. ENGINEERING UPDATES1. Rialto Request

Mr. Wildermuth stated there was no new update to report on for this item.

C. FINANCIAL REPORT1. Assessment Package Update

Ms. Rojo stated there have been some changes to the Assessment Package – total production ended up revising downward which increased assessments by about .23 cents for OBMP and .04 cents for administration. Staff is hoping that there are not any other appropriator changes and the revised package should be in the February package for approval.

D. CEO/STAFF REPORT1. Legislative Update

No comment was made regarding this item.

2. Recharge Update

No comment was made regarding this item.

3. Cyclic Storage Account

Mr. Manning stated Chino Basin Watermaster is seeking a cyclic storage extension with Metropolitan Water District for another five years. The reason for the extension is that as of December 2006 we had put 29,011 acre feet of wet water into the ground; we have an obligation of 15,382 for replenishment that includes last years' obligation plus a carry over from the year before. A brief discussion ensued with regard to this item. Mr. Manning stated a more detailed report will be given in February on this matter.

4. AGWA February 5, 2007

No comment was made regarding this item.

E. INLAND EMPIRE UTILITIES AGENCY1. Monthly Water Conservation Programs Report
No comment was made regarding this item.2. Monthly Imported Water Deliveries Report
No comment was made regarding this item.3. State and Federal Legislative Report
No comment was made regarding this item.4. Community Outreach/Public Relations Report
No comment was made regarding this item.

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

Mr. Hansen stated the local resource planning program is picking up again and they are taking a look at ways to change the contracts and structures. Mr. Hansen stated the other big issue right now is the MWD rate increases which have been stated to be approximately 3-5% and just recently it has been stated there could be a 6.9% increase which has stirred a lot of debate.

IV. INFORMATION

- 1. Newspaper Articles

No comment was made regarding this item.

V. COMMITTEE MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

Mr. Kinsey stated Monte Vista Water District submitted a letter today regarding the comments on the macro analysis and inquired how that letter would get submitted into the record for the macro analysis. Counsel Slater stated the report has already been received and filed. Counsel will ensure that in the meetings with Dr. Sunding the issues raised in the report are addressed in his future reports.

VII. FUTURE MEETINGS

January 23, 2007	9:00 a.m.	GRCC Meeting
January 25, 2007	9:00 a.m.	Annual Advisory Committee Meeting
January 25, 2007	11:00 a.m.	Annual Watermaster Board Meeting

The Annual Advisory Committee meeting was dismissed at 9:25 a.m.

Secretary: _____

Minutes Approved: February 22, 2007