

Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

November 18, 2010

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on November 18, 2010 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT WHO SIGNED IN

Appropriative Pool

Mark Kinsey, Chair	Monte Vista Water District
Marty Zvirbulis	Cucamonga Valley Water District
Dave Crosley	City of Chino
Raul Garibay	City of Pomona
John Mura	City of Chino Hills
Mohamed El-Amamy	City of Ontario
Josh Swift	Fontana Union Water Company
Robert Young	Fontana Water Company
Ron Craig	City of Chino Hills
Tom Harder	Jurupa Community Services District

Agricultural Pool

Jeff Pierson	Ag Pool – Crops
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Non-Agricultural Pool

Ken Jeske	California Steel Industries
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ADVISORY COMMITTEE MEMBERS PRESENT WHO DID NOT SIGN IN

Non-Agricultural Pool

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

Michael Camacho	Inland Empire Utilities Agency
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Watermaster Staff Present

Ken Manning	Chief Executive Officer
Joe Joswiak	Chief Financial Officer
Danielle Maurizio	Senior Engineer
Ben Pak	Senior Project Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Scott Slater	Brownstein, Hyatt, Farber & Schreck
Andy Malone	Wildermuth Environmental Inc.

Others Present Who Signed In

Steven Lee	Reid & Hellyer
Gil Aldaco	City of Chino
Jesus Plasencia	City of Chino
Jolynne Russo-Pereyra	Cucamonga Valley Water District
Eunice Ulloa	Chino Basin Water Conservation District
Rick Hansen	Three Valleys Municipal Water District
Ryan Shaw	Inland Empire Utilities Agency
Sheri Rojo	Consultant for Fontana Water Company

Chair Kinsey called the Advisory Committee meeting to order at 9:07 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting held October 21, 2010

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of September 2010
2. Watermaster Visa Check Detail for the month of September 2010
3. Combining Schedule for the Period September 1, 2009 through September 30, 2010
4. Treasurer's Report of Financial Affairs for the Period September 1, 2010 through September 30, 2010
5. Budget vs. Actual July 2010 through September 2010

Motion by El-Amamy, second by Pierson, and by unanimous vote

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

II. BUSINESS ITEMS

A. CHINO BASIN WATERMASTER ANNUAL AUDIT FY 2009/2010 – JUNE 30, 2010

Mr. Manning stated this is a yearly item for Watermaster's annual audit which is performed by an outside auditing firm, Mayer Hoffman McCann. This independent audit firm has done Watermaster's audits for several years. Mr. Manning stated staff is seeking a motion to receive and file this item. Mr. Joswiak gave the Watermaster Audit for Fiscal Years 2009/2010 ending June 30, 2010 presentation. Mr. Joswiak noted a representative from the audit firm will be out in the near future to give a presentation/report on their findings.

Motion by Kinsey, second by Craig, and by unanimous vote

Moved to receive and file the Chino Basin Watermaster Annual Audit FY 2009/2010 – June 30, 2010, as presented

B. FINANCIAL ANALYSIS

Mr. Manning stated when our new CFO was hired approximately six months ago there was interest expressed by some of parties to obtain more information on Watermaster financial items. Mr. Manning stated Watermaster staff has put together the first report which will be presented to the Watermaster parties on a quarterly basis for the period of July 1, 2010 through September 30, 2010. Mr. Manning stated this item will normally be placed under the CEO reports on the agenda; however, since this is the first time this report is being presented, staff wanted to spend more time on reviewing the information and format. Staff is seeking a motion to receive and file this report. Chair Feenstra commented on Legal expenses and inquired about looking at a trend. Mr. Joswiak gave the 1st Quarter Financial Review Fiscal Year 2010-2011 presentation and reviewed the spreadsheets in detail. Chair Kinsey inquired regarding the status of negotiations for the Chino Airport plume. Mr. Manning stated Watermaster and CDA staff has met with the county and the county has appointed a new individual to coordinate all of their contamination issues and they want to work with Watermaster to resolve this issue. Other meetings are scheduled and we are slightly behind in where we thought we would be by now; however, now with this new person handling the coordination, things should move quickly. A discussion regarding the plume issue ensued.

Motion by Pierson, second by Zvirbulis, and by unanimous vote

Moved to receive and file the First Quarter Actual vs. Budget Report for the period July 1 2010 through September 30, 2010, as presented

C. LAND SUBSIDENCE COMMITTEE

Mr. Manning stated Andy Malone is the engineering consultant assigned to the MZ1 Technical Committee. Mr. Manning stated the MZ1 Committee has worked for several years within the managed zone to come up with strategies and implement programs to help parties better identify and understand the subsidence anomaly within that area. The MZ1 Committee also provides guidance criteria to prevent further subsidence. The MZ1 Committee has had many successes and has done a tremendous amount of work; however, in the process of developing additional knowledge, it has been revealed the circumstances which led to subsidence within MZ1 are not solely confined to the MZ1 area. Mr. Manning stated there are similar processes and strategies that could be implemented in other management zones throughout the basin. The MZ1 committee members in that management zone are uncomfortable making recommendations for activities outside of their management zone without having those particular parties from outside the zone participating in the meetings and being a part of those discussions. Mr. Manning noted the Pools have approved this unanimously.

Motion by Zvirbulis, second by Craig, and by unanimous vote

Moved to rename the MZ1 Committee to the Land Subsidence Committee and open the meetings to all Watermaster parties, as presented

D. LOCATION OF WELL I-17

Mr. Manning reviewed a map for the desalter expansion for Well I-17 which is almost exactly where it was modeled for hydraulic control. Mr. Manning stated as part of the process for working with the CDA parties and the expansion parties Watermaster is committed to working with them as a partnership as they move through the decision making process about where well sites are going to be located and whether those locations meet the requirement to address hydraulic control. Mr. Manning stated as sites are being proposed, Watermaster is providing a Material Physical Injury analysis for those wells; well locations for 16 and 18 were previously approved through the Watermaster process. Mr. Manning stated well 16 has been dug, 18 will be worked on shortly, and well I-17 has been identified. Watermaster, through Wildermuth Environmental, has done a material physical injury analysis; well I-17 shows no material physical injury as long as it is pumped through the upper zone. Mr. Malone reviewed a map of the well locations and discussed it in detail. Mr. Manning stated staff is asking for the approval of the well location for I-17. Chair Kinsey stated the motion that was made by the Appropriative Pool.

Motion by El-Amamy, second by Crosley, and by unanimous vote

Moved to approve the CDA location of well I-17 subject to screening in accordance with Watermaster criteria, as presented

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. Paragraph 31 Appeal**

Counsel Slater stated there are some handouts on the back table regarding this item. Counsel Slater stated there was an inquiry by the Court of Appeal as to whether the matter was appropriate for mediation and settlement. In reviewing the request, Watermaster responded against a mediation effort. Counsel Slater stated a request was received by counsel for CSI regarding an extension of time; however, Watermaster counsel recommended to the Ad-Hoc Committee that Watermaster oppose the request. Counsel Slater offered comment regarding the reasoning behind the opposition.

2. Resolution 2010-04

Counsel Slater stated the Watermaster Board adopted the resolution pending further action. Counsel Slater stated the underlying requirements that are required for the CDA to take action are now at a minimal amount; the intergovernmental agreement is in its final iterations. The Metropolitan Water District (MWD) discussions have continued with

representatives from Western Municipal Water District and Inland Empire Utilities Agency; MWD is prepared to only take action after the CDA takes action. A brief discussion regarding this matter and Regional Board issues ensued.

3. Judgment Update

Counsel Slater stated a process has been ongoing for some time now to pull together all the modifications to the Judgment, Rules & Regulations, and the decisions for the relevant orders of the court so that there is a single comprehensive restated Judgment. This will allow any person to go to one master document and learn all they need to know about a given Watermaster decision. Counsel Slater stated this is not creating any new paper; it is a compilation of everything that has been done previously and then putting it into a single place. Counsel Slater stated staff is aware the parties and their attorneys will want to review this document carefully.

Added Comment:

Counsel Slater counsel has drafted a skeletal outline of a pleading regarding the reappointment of the nine-member board. The reappointment process is good until February 10, 2011 and if a filing is going to be made it should be done soon. Counsel Slater offered comment on the draft pleading. This will come back through the Watermaster process in the near future. Mr. Manning stated Watermaster was independently approached by a few Appropriators who were asking this item be put on the Watermaster Board agenda.

B. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated there is a legislative handout on the back table which covers many of the current legislative issues in greater detail and does a good job of highlighting the issues. Mr. Manning reviewed a portion of the handout and discussed the budget which needs to be further reduced.

2. Recharge Update

Mr. Manning stated the most recent recharge update handout is available on the back table. Mr. Manning reviewed the spreadsheet in detail.

3. Cumulative Unmet Replenishment Obligation Update

Mr. Manning stated there has been a request that Watermaster include the CURO as part of its continued financial reports. Staff is working on that and it has not yet been decided where the best place is to put this information. The current CURO is 8,839.085 acre-feet and that is after it has been reduced by almost 12,064 acre-feet.

4. Re-approval of the Chino Basin Watermaster Nine Member Board

Mr. Manning stated this item has already been discussed.

5. Agricultural Pool Request for Presentation of the ABGL Group on the Ontario Plume

Mr. Manning stated the Agricultural Pool took action in its recent Pool meeting during its closed session that the ABGL give a presentation regarding the Ontario Airport plume issue to the Watermaster Board during a closed session in December. A lengthy discussion regarding this matter ensued.

C. INLAND EMPIRE UTILITIES AGENCY

1. MWD Update

Mr. Shaw commented on the Water Supply Allocation Plan.

2. DYY Update

Mr. Shaw commented on the Dry Year Yield Update.

3. Monthly Water Use Report
No comment was made regarding this item.
4. State and Federal Legislative Reports
No comment was made regarding this item.
5. Community Outreach/Public Relations Report
No comment was made regarding this item.
6. IEUA Monthly Water Newsletter
No comment was made regarding this item.

D. OTHER METROPOLITAN MEMBER AGENCY REPORTS

Mr. Hansen reported on the Water Supply Allocation Program, which will more than likely be down to a stage zero or eliminated. As a result, there will be a problem matching up the calendar year and fiscal year for Tier 1 and Tier 2 and the Supply Allocation Program. In Three Valley's region conservation is at about 16 to 17%. Three Valleys is sitting with about 10 to 15,000 acre-feet below their Tier 1 allotment. Since the rate is going up January 1 we are going to try to find a way to put 10 to 15,000 acre feet in the ground before the end of this calendar year. Mr. Hansen stated that there are some interesting challenges with MWD and we are living in interesting times with the Metropolitan Water District and the changes in their programs and policies. The likelihood of going back to discounted replenishment water being available is a thing of the past.

IV. INFORMATION

1. Cash Disbursements for October 2010
No comment was made regarding this item.
2. Newspaper Articles
No comment was made regarding this item.

V. COMMITTEE MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

Thursday, November 18, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, November 18, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
* Thursday, November 18, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, December 2, 2010	1:00 p.m.	Appropriative Pool Meeting @ CBWM
Thursday, December 2, 2010	2:30 p.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, December 9, 2010	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, December 16, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, December 16, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
* Thursday, December 16, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, January 6, 2011	1:00 p.m.	Annual Appropriative Pool Meeting @ CBWM
Thursday, January 6, 2011	2:30 p.m.	Annual Non-Agricultural Pool Meeting
Thursday, January 13, 2011	9:00 a.m.	Annual Agricultural Pool Meeting @ IEUA
Tuesday, January 18, 2011	9:00 a.m.	GRCC Committee Meeting @ CBWM
Thursday, January 20, 2011	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, January 20, 2011	9:00 a.m.	Annual Advisory Committee Meeting @ CBWM
Friday, January 21, 2011	10:30 a.m.	CBWM Court Hearing @ Chino Courthouse
Thursday, January 27, 2011	11:00 a.m.	Annual Watermaster Board Meeting @ CBWM

Minutes Advisory Committee Meeting

November 18, 2010

*** Note: Date changes due to holiday schedules**

The Advisory Committee meeting was dismissed by Chair Kinsey at 10:03 a.m.

Secretary: _____

Minutes Approved: December 16, 2010