

Minutes
CHINO BASIN WATERMASTER
ANNUAL ADVISORY COMMITTEE MEETING
January 20, 2011

The Annual Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on January 20, 2011 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT WHO SIGNED IN

Non-Agricultural Pool

Ken Jeske, 2011 Chair	California Steel Industries
Brian Geye	Auto Club Speedway
Bob Bowcock	Vulcan Materials Company (Calmat Division)

Appropriative Pool

Robert DeLoach, 2010 Chair	Cucamonga Valley Water District
Mark Kinsey	Monte Vista Water District
Dave Crosley	City of Chino
Raul Garibay	City of Pomona
John Mura	City of Chino Hills
Mohamed El-Amamy	City of Ontario
Robert Young	Fontana Water Company
Josh Swift	Fontana Union Water Company
Ron Craig	City of Chino Hills
Tom Harder	Jurupa Community Services District

Agricultural Pool

Jeff Pierson	Ag Pool – Crops
Bob Feenstra	Ag Pool - Dairy
Julie Cavender	State of California – CIM
Pete Hall	State of California - CIM

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
Mark Wildermuth	Wildermuth Environmental Inc.
Andy Malone	Wildermuth Environmental Inc.

Others Present Who Signed In

Marty Zvirbulis	Cucamonga Valley Water District
Bill Kruger	City of Chino Hills
Steven Lee	Reid & Hellyer
Tim Mim Mack	Chino Desalter Authority
Jolynne Russo-Pereyra	Cucamonga Valley Water District
Tom Love	Inland Empire Utilities Agency
Terry Catlin	Inland Empire Utilities Agency
Ryan Shaw	Inland Empire Utilities Agency
Dee Mateyck	Community Garden
Sheri Rojo	Consultant for Fontana Water Company

Chair Jeske called the Advisory Committee meeting to order at 9:02 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. INTRODUCTIONS OF THE ADVISORY COMMITTEE OFFICERS, CALENDAR YEAR 2011

<u>Ken Jeske</u>	Chair	(Non-Agricultural Pool)
<u>Jeff Pierson</u>	Vice-Chair	(Agricultural Pool)
<u>Robert Young</u>	Second Vice-Chair	(Appropriative Pool)
<u>Ken Manning</u>	Secretary/Treasurer	(Chief Executive Officer)

II. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee meeting held on December 16, 2010

B. FINANCIAL REPORTS

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

C. INTERVENTION INTO THE AGRICULTURAL POOL

Intervention of Restorative Justice Center (dba the Community Garden Project of Rancho Cucamonga) into the Agricultural Pool

Item C was pulled for discussion:

Mr. Kinsey stated his comments today are a follow up to the comments which were made at the recent Appropriative Pool meeting. Mr. Kinsey stated what makes this intervention unique is there is an old abandoned irrigation well on site which allows them to directly supply their water needs rather than providing it through the local retail agency. Mr. Kinsey stated the concern is there are going to be other community gardens in the future that would like to replicate the same treatment of taking these sites and having them intervene into the Agricultural Pool. Mr. Kinsey stated not all sites will have agricultural wells on them; some might have wells on them that are district owned and the ones that don't should be able to have water delivered on behalf of agricultural use and have it recorded and report it as production in the Agricultural Pool. Mr. Kinsey offered comment with regard to the Peace II Agreement and regarding equitable treatment for the land use. Mr. Manning stated this particular intervention triggered some discussions that need to take place about making an equitable situation in the basin for these kinds of interventions. A discussion regarding this matter ensued. Mr. Kinsey stated he would like this matter resolved prior to this intervention being submitted to the court. Mr. DeLoach commented on the protection of the integrity of the Judgment on what was originally intended and if that intent needs to be changed on how community gardens are treated that means an amendment to the Judgment and it will have to be court approved. Mr. Manning offered comment on this particular intervention. A discussion regarding conversion rights ensued. Ms. Mateyck stated when she signed the documents there was a restricted covenant on the land use that stated even if her organization decided to give up or sell the property, it has to be maintained as some sort of a garden. Chair Jeske noted this particular intervention is different than what Mr. Kinsey is discussing because this is a separate organization from a city or a district that has rights in the basin. Mr. Kinsey stated the issue is being raised as to the intent of Peace II in terms of agricultural usage out of agricultural area number 1, and offered further comment.

D. NOTICE OF INTENT

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

E. CHINO BASIN WATERMASTER INVESTMENT POLICY

Resolution 11-01 – Resolution of the Chino Basin Watermaster, San Bernardino County, California, re-authorizing the Watermaster's Investment Policy

F. LOCAL AGENCY INVESTMENT FUND

Resolution 11-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF)

G. VOLUME VOTE

Consider Approval of the Advisory Committee Volume Vote

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

Moved to approve Consent Calendar items A, B, D through G, as presented

Motion by DeLoach, second by Crosley, and by majority vote – Monte Vista Water District objected

Moved to approve Consent Calendar item C acknowledging this area is out of the conversion area and to direct staff to schedule a workshop to create criteria by which these types of uses will be more expansive to other than community gardens; community type use, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Draft Restated Watermaster Judgment

Counsel Slater stated the draft Restated Watermaster Judgment is in process and is posted on the Watermaster ftp site. Counsel Slater stated most of the comments received relate not to the textural matters but to the party clean up, and there have been efforts by the Agricultural Pool to address the special circumstances within the Pool. Counsel Slater stated it is the opinion of staff and counsel that we are not prepared to take anything to the court at the present time. There is an April hearing scheduled and staff and counsel are preparing to present it to the court at that hearing.

2. January 21, 2011 Hearing

Counsel Slater stated this hearing will take place tomorrow, and there should be no significant issues. Watermaster is hoping the nine-member board will be reapproved at that hearing.

3. January 26, 2011 Settlement Conference

Counsel Slater stated the January 26, 2011 settlement conference is over the Purchase and Sale Agreement and the opposition of the Overlying Non-Agricultural Pool regarding the disposition of that water. The settlement conference has been established and this will be reported on in greater detail at the next meeting.

4. Santa Ana Sucker Critical Habitat Designation

Counsel Slater stated this matter is being followed closely. The parties most affected by the recent decision are getting together to develop a strategy to take into account administrative, legal, and legislative options. Counsel Slater stated Watermaster is not leading that effort and are only monitoring it, and will apply whatever effort is thought necessary. Counsel Slater stated counsel will keep the parties apprised.

B. ENGINEERING REPORT1. MZ1 Progress Report

Mr. Malone stated there is a Land Subsidence Committee meeting at 11:00 a.m. today at Watermaster. This will be the first meeting of the committee. This committee was formerly the MZ1 Technical Committee which was comprised of MZ1 parties and their technical consultants. This committee is now being opened up to all Watermaster parties and the reason is that over the years subsidence has been seen as a phenomenon that is not unique to the Management Zone 1 and it seems to be occurring in other parts of the basin as well. Subsidence is a very important issue to many parties of the Watermaster especially as this basin urbanizes out and water levels are purposely being drawing down; this is controlled overdraft. Mr. Malone stated there are other parts of the basin where subsidence and ground fissuring could potentially be a threat. Mr. Malone stated another reason to open this committee up is because all Watermaster parties financially contribute to these monitoring and subsidence management efforts. This should be an opportunity for all to have a say or come to the meetings and learn about these issues and how their money is being spent. Mr. Malone stated these meetings have typically occurred in a series of monthly meetings about this time of the year for two reasons: 1) A look at the historical data and the recent data that has been collected, and 2) A scope of work is put together and cost estimates are attached for the next fiscal year's efforts. Eventually, this committee recommends to Watermaster that scope of work and that budget for Watermaster's budgeting efforts. Mr. Malone stated there will be a few special guests present for that meeting today.

Added Item:

Mr. Malone stated there is a new webpage that Watermaster has published. It is accessed through the Watermaster website on their home page. Mr. Malone walked through the steps for accessing the information. Mr. Malone reviewed the information on the webpage in detail. This is a new webpage that is up for the use of the MZ1 pumpers to help guide them in their pumping activities so they don't cause additional permanent land subsidence.

2. Modeling of the Chino Desalter Well Field

Mr. Malone stated Wildermuth has performed some modeling and expect to have the results this week in draft form for Mr. Jeske and Watermaster staff to review.

C. CEO/STAFF REPORT1. Legislative Update

Mr. Manning stated this report was given at the recent Pool meetings and not much has changed since those meetings. Mr. Manning offered comment on the budget that is currently being worked on and current legislative activities.

2. Recharge Update

Mr. Manning commented on the recent storms and our ability to capture storm water in our basins; approximately 20 inches of rain in December in the foothills. Mr. Manning reviewed the most recent recharge spreadsheet in detail.

3. Notice of Availability - Non-Agricultural Water

Mr. Manning stated that the Notice of Availability was sent out regarding the Non-Agricultural water agencies. Mr. Manning stated Watermaster has received no affirmative notice that the Non-Agricultural Pool wants to sell any water. Mr. Manning stated Swan Lake Mobile Home Park did ask for an extension to declare whether or not they will have water available to the Appropriative Pool. Mr. Manning stated that every year before December 31st, the Non-Agricultural Pool members have to declare that they have water available to sell by January 31st and if there is water to sell, the Appropriative Pool has to declare they are going to buy it. Then, by the end of June, that water transaction has to take place.

4. New Board Member from the City of Pomona
Mr. Manning stated Paula Lantz will be the Pomona Board representative and her alternate will be Danielle Soto. Mr. Manning stated Ms. Lantz has served on the Watermaster Board previously. Mr. Manning stated Steve Elie will be the new Inland Empire Utilities Agency (IEUA) Board representative and his alternate will be Michael Camacho, who served as IEUA's Board representative last year.
5. CDA Update
Mr. Manning stated at the last CDA board meeting action was taken to approve the whole suite of agreements and resolutions necessary to expand the CDA to its ultimate designation at 40,000 acre-feet per year. Mr. Manning stated the CDA has hired a new Executive Director, Curtis Paxton, who will start on Monday.
6. General Electric Pool Designation
Mr. Manning stated in 1995 General Electric intervened into the Judgment. At the time GE intervened specifically into the Appropriative Pool and a series of events took place that occurred between that time and the next couple of years where they were reassigned into the Non-Agricultural Pool. Watermaster does not have records of what those circumstances were; however, there was a deliberate move to enter them into the Non-Agricultural Pool, which is where they have been since 1997. In reviewing records for the upcoming restated Judgment, this discrepancy was found. General Electric has made it known they would like to stay in the Non-Agricultural Pool and staff feels that is an appropriate designation. This is for your information only. Eventually, during an upcoming court filing staff will ask the court to clarify General Electric's position into the Non-Agricultural Pool. A discussion regarding this matter ensued. It was noted all the annual reports note them as being part of the Non-Agricultural Pool and all financial records show that they are part of the Non-Agricultural Pool.

D. INLAND EMPIRE UTILITIES AGENCY

1. MWD Update
Mr. Shaw stated December was a good water month all around. Metropolitan Water District's (MWD) as well as Department of Water Resources reservoirs are filling up and Diamond Valley Lake is 80% full and is projected to be at 100% full in a few months. Questions are being raised at MWD regarding what they are going to do with their surplus water.
2. DYY Update
Mr. Shaw stated the DYY is in its third year of pumping out of the storage account. It started with 100,000 acre-feet to begin with and it is down to its 2,000 acre-feet. That is projected to be certified and pumped up in the next few months.
3. CDA Expansion Update
Mr. Shaw stated the last piece of the CDA Expansion is the LRP Agreement with MWD. After a couple of month's negotiation a significant breakthrough has taken place and both sides have agreed in principles to the terms and calculations in the methodology that goes behind it. They just have to wait for the paperwork to be completed and then for signatures. Mr. Shaw reviewed the funding for this in detail. Mr. Love offered final comment on the work done by Ryan Shaw, Chris Berch, and Jack Safely and on the amount of effort they have put in with the MWD staff on this project.

Added Comment:

Mr. Love stated there were some good storms in December and capturing the water was great; however, there was some damage with the intensity of some of those storms. Some berms washed out and because of that it was declared a disaster area. That enables us to

approach FEMA for funding to help repair some of that damage. Today it is estimated a FEMA submittal of approximately \$280,000 will be submitted for FEMA reimbursement. A brief discussion regarding this matter ensued.

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

E. OTHER METROPOLITAN MEMBER AGENCY REPORTS

No comment was made regarding this item.

IV. INFORMATION

1. Cash Disbursements for December 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

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
Thursday, January 20, 2011	11:00 a.m.	Land Subsidence Committee Mtg. @ CBWM
Friday, January 21, 2011	10:30 a.m.	CBWM Court Hearing @ Chino Courthouse
Wednesday, January 26, 2011	9:30 a.m.	State Court of Appeal @ Riverside Courthouse
Thursday, January 27, 2011	11:00 a.m.	Annual Watermaster Board Meeting @ CBWM
Thursday, February 3, 2011	1:00 p.m.	Appropriative Pool Meeting @ CBWM
Thursday, February 3, 2011	2:30 p.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, February 10, 2011	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, February 17, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, February 24, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM

The Annual Advisory Committee meeting was dismissed by Chair Kinsey at 9:53 a.m.

Secretary: _____