

Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

February 17, 2011

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on February 17, 2011 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT WHO SIGNED IN

Non-Agricultural Pool

Ken Jeske, Chair	California Steel Industries
Brian Geye	Auto Club Speedway
Scott Burton	City of Ontario
Bob Bowcock	Vulcan Materials Company (Calmat Division)

Appropriative Pool

Mark Kinsey	Monte Vista Water District
Dave Crosley	City of Chino
Marty Zvirbulis	Cucamonga Valley Water District
Raul Garibay	City of Pomona
John Mura	City of Chino Hills
Mohamed El-Amamy	City of Ontario
J. Arnold Rodriguez	Santa Ana River Water Company
Robert Young	Fontana Water Company
Josh Swift	Fontana Union Water Company
Charles Moorrees	San Antonio Water Company
Ron Craig	City of Chino Hills
Robert Tock	Jurupa Community Services District

Agricultural Pool

Jeff Pierson	Ag Pool – Crops
Bob Feenstra	Ag Pool - Dairy
Jennifer Novak	State of California, Dept. of Justice, CIM
Pete Hall	State of California - CIM

Watermaster Staff Present

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

Watermaster Consultants Present

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

Others Present Who Signed In

Steven Lee	Reid & Hellyer
Eunice Ulloa	Chino Basin Conservation District
Robert DeLoach	DeLoach & Associates
Jolynne Russo-Pereyra	Cucamonga Valley Water District
Ryan Shaw	Inland Empire Utilities Agency
Dax Hoff	IRM Water
Curtis Paxton	Chino Desalter Authority
Jack Safely	Western Municipal Water District
Sheri Rojo	Consultant for Fontana Water Company

Chair Jeske called the Advisory Committee meeting to order at 9:01 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Annual Advisory Committee Meeting held January 20, 2011

B. FINANCIAL REPORTS

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

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

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

II. BUSINESS ITEMS

A. TURNER BASIN EXCAVATION COST SHARING AGREEMENT

Chair Jeske stated this item has been through the Pool process and inquired if the Committee Members wanted to hear this presentation again for this meeting. It was noted the Committee Members wanted to only take action on the item without review.

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

Moved to approve the Turner Basin Excavation Cost Sharing Agreement, as presented

B. RFP FOR OUTSIDE AUDIT FIRM

Chair Jeske stated this item has been through the Pool process and inquired if the Committee Members wanted to hear this presentation again for this meeting. It was noted the Committee Members wanted to only take action on the item without review.

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

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

C. WELL LOCATION OF WELLS I-19, I-20, AND I-21

Chair Jeske stated this item has been through the Pool process and inquired if the Committee Members wanted to hear this presentation again for this meeting. It was noted the Committee Members wanted to only take action on the item without review. Mr. El-Amamy inquired about the motion made at the Appropriative Pool. It was noted the motion was approved based on staff's recommendation.

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

Moved to approve well locations based on staff's recommendation for wells I-19, I-20, and I-21, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Draft Restated Watermaster Judgment

Counsel Fife stated there is no new information to report on. Chair Jeske inquired about the April 22, 2011 hearing and if the General Electric Pool designation would be heard at that hearing. Counsel Fife stated that what is being worked on mainly is the Agricultural Pool party lists. It has been considered coming to the court with an outline of procedures of how

to get the hundreds of Agricultural people that need to get into the Judgment in an efficient way. Chair Jeske stated it appears counsel and staff wants to do this all at the same time and Counsel Fife agreed. Mr. Craig inquired about a time frame for the Restated Judgment. Counsel Fife stated it is currently posted on the Watermaster ftp site and parties are encouraged to review it and comment in a timely fashion. Counsel Fife stated once a complete product is finished, it will then go through the Watermaster process and ultimately to the court for approval. Mr. Kinsey noted at the last Appropriative Pool meeting that John Schatz was retained to review the Restated Judgment on behalf of the Appropriative Pool parties. Mr. Kinsey stated he believes review has already started. Chair Jeske noted a timeline should be put out regarding this item as soon as possible.

2. January 21, 2011 Hearing Update

Counsel Fife stated a hearing did take place January 21, 2011, and the purpose of the hearing was to reappoint the nine-member board. There was no opposition to the motion and the court did reappoint the nine-member Watermaster Board for another five year term.

3. January 26, 2011 Settlement Conference Update

Counsel Fife stated this is the Non-Agricultural Paragraph 31 Motion; the settlement conference did take place with the Court of Appeal. There was no outcome from that conference and the court concluded there was no opportunity to settle this issue and that it will have to go before the Court of Appeal for a decision.

4. Santa Ana Sucker Critical Habitat Designation

Counsel Fife stated there is no new information to report on.

B. ENGINEERING REPORT

1. Basin Land Subsidence Committee Meeting Update

It was noted this report/presentation was given at the Pool meetings and no report was given on this item today.

2. MZ3 Recharge Opportunities Effort

It was noted this report/presentation was given at the Pool meetings and no report was given on this item today.

3. Chino Creek Well Field Well I-18 Design

It was noted this report/presentation was given at the Pool meetings and no report was given on this item today.

C. FINANCIAL REPORT

1. Expected Cost of Completion Mid-Year

It was noted this report/presentation was given at the Pool meetings. Mr. Joswiak stated Watermaster is running according to budget and there are no financial transactions or any adjustments to the budget at this time; however some will be done in the April/May time frame.

D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated there is a lot going on in Sacramento right now; bills are being introduced and discussions are going on about some of the big over umbrella issues. Mr. Manning offered comment on the pending budget and budget cuts in detail.

2. Recharge Update

Mr. Manning stated the newest recharge spreadsheet is available on the back table and the numbers were reviewed in detail. Mr. Manning noted there is now a breakdown for MZ1, MZ2 and MZ3 areas. Mr. Manning thanked Inland Empire Utilities Agency and the Conservation District for their assistance for the recharge basins maintenance.

3. CEO Resignation

Mr. Manning stated it was announced earlier this month he had taken a position with San Gabriel Basin Water Quality Authority and that he will begin that position on March 1, 2011. Mr. Manning offered comment on his time at the Chino Basin Watermaster. Mr. Manning stated the process to find his replacement is going through a Board Sub-Committee made up of Ken Willis, Geoffrey Vanden Heuvel, Bob Kuhn, and Charles Field; they have met a couple of times and set the due date of submittal of letters of interest and resumes for today. More discussion on broadening the committee will take place in closed session at the Board meeting next week. A discussion regarding the CEO replacement process ensued. It was noted the Advisory Committee would like to recommend to the Watermaster Board a broadening of the committee and Mr. Manning stated he will inform the sub-committee, who will convey that to the entire Board next week. Mr. Young asked if a motion could be made to add this item to the agenda so that a motion could be made regarding putting together an additional sub-committee. Chair Jeske stated that would be appropriate.

Item Added To Agenda:

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

Moved to add this item to the agenda for the purpose of expanding the previously formed CEO Search Sub-Committee to the agenda, as presented

A discussion regarding this matter ensued.

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

Moved the Advisory Committee requests the Watermaster Board to consider adding the Pool members chair representatives to the CEO selection process, as presented

E. INLAND EMPIRE UTILITIES AGENCY

1. MWD Update

Mr. Shaw stated that regarding MWD, they are about \$100 to \$150 million under budget due to the lack of sales. Mr. Shaw stated parties are just standing by to see if they are going to bring back replenishment rates. Mr. Shaw stated that what he has been hearing is that is not going to happen – just a wait and see situation.

2. DYY Update

Mr. Shaw stated the Dry Year Yield Program has approximately 1,500 acre-feet in the account and those are expected to be certified and pumped out in the next few months. Mr. Shaw stated after that the account will be zeroed out. Mr. Shaw offered further comments regarding this matter. A discussion regarding the cyclic storage account ensued.

3. CDA Expansion Update

Mr. Shaw stated with the recent approval by the Chino Desalter Authority, Inland Empire Utilities Agency, and Western Municipal Water District Boards, the CDA LRP Agreement is almost 100% approved; the Metropolitan Water District is the last to have this in front of their board which will be in the April/May time frame. This is very good news!

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.

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

No comment was made regarding this item.

IV. INFORMATION

- 1. Cash Disbursements for January 2011
No comment was made regarding this item.
- 2. Semi Annual Report July through December 2010
No comment was made regarding this item.
- 3. Newspaper Articles
No comment was made regarding this item.

V. COMMITTEE MEMBER COMMENTS

Mr. Young thanked Mr. Manning for all his assistance since he has stepped into his position at Fontana Water Company. Mr. Garibay stated he wants to echo the same sentiments from the City of Pomona in that it has been a pleasure working with Mr. Manning and wished him the best at his new position.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

VIII. FUTURE MEETINGS

Thursday, February 17, 2011	Cancelled	IEUA Dry Year Yield Meeting
Thursday, February 17, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
* Thursday, February 24, 2011	9:00 a.m.	Land Subsidence Committee Mtg. @ CBWM
Thursday, February 24, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, March 3, 2011	1:00 p.m.	Appropriative Pool Meeting @ CBWM
Thursday, March 3, 2011	2:30 p.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, March 10, 2011	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, March 17, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting
Thursday, March 17, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, March 17, 2011	10:30 a.m.	Land Subsidence Committee Mtg. @ CBWM
Tuesday, March 22, 2011	9:00 a.m.	GRCC Meeting @ CBWM
Thursday, March 24, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Friday, April 22, 2011	10:00 a.m.	Chino Basin Watermaster Court Hearing

* Changed from February 17th at 10:30 to **February 24th at 9:00 a.m.**

The Advisory Committee meeting was dismissed by Chair Jeske at 9:26 a.m.

Secretary: _____

Minutes Approved: March 17, 2011