

Minutes
CHINO BASIN WATERMASTER
APPROPRIATIVE POOL MEETING
May 13, 2010

The Appropriative Pool Meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on May 13, 2010 at 1:00 p.m.

APPROPRIATIVE POOL MEMBERS PRESENT WHO SIGNED IN

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
Tom Harder	Jurupa Community Services District
Dave Crosley	City of Chino
John Mura	City of Chino Hills
Anthony La	City of Upland
Ben Lewis	Golden State Water Company

Watermaster Staff Present

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

Watermaster Consultants Present

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

Others Present Who Signed In

Shaun Stone	City of Upland
Marty Zvirbulis	Cucamonga Valley Water District
Ryan Shaw	Inland Empire Utilities Agency
Jack Safely	Western Municipal Water District
Dave Argo	Black & Veatch
Mohamed El-Amamy	City of Ontario
Eunice Ulloa	Chino Basin Water Conservation District

Chair Kinsey called the Appropriative Pool Meeting to order at 1:00 p.m.

AGENDA - ADDITIONS/REORDER

Chair Kinsey noted item IID will be taken directly after the Consent Calendar.

I. CONSENT CALENDAR

A. MINUTES

1. Resubmitted Verbatim Minutes of the Joint Appropriative & Non-Agricultural Pool Meeting held February 4, 2010
2. Minutes of the Appropriative Pool Meeting held April 8, 2010

B. FINANCIAL REPORTS

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

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Monte Vista Water District will purchase 2,000 acre-feet of water from the Monte Vista Irrigation Company. This purchase is made first from the Irrigation Company's net underproduction, if any, in Fiscal Year 2009-2010, with any remainder to be recaptured from storage. Date of Application: April 5, 2010

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

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

II. BUSINESS ITEMS**A. AMENDMENT NO. 1 TO AGREEMENT TO FORM A TASK FORCE**

Mr. Manning noted this item was on the agenda last month as an information item to begin dialog. Mr. Manning stated this item is a requirement for Watermaster to participate in. Mr. Manning stated the value of the dollars that will be spent on this endeavor will be a great benefit to the Chino Basin. Mr. Manning stated staff is recommending approval of this amendment to the agreement to form a task force and conduct the monitoring as stated in the contract. Mr. DeLoach inquired if the bold texts in the amendment document in the meeting package are the proposed changes and Mr. Manning confirmed those were the proposed changes.

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

Moved to approve Amendment No. 1 to form a task force to conduct a Basin Monitoring Program for nitrogen and total dissolved solids in the Santa Ana River Watershed, as presented

B. BUDGET TRANSFER

Mr. Manning stated Watermaster currently has a policy in place that states any transfer in excess of \$10,000 has to go through the Watermaster process. Mr. Manning stated staff has reviewed all of the ending balances for this fiscal year and in that review it was revealed additional funds were needed in a few categories. Mr. Manning noted that fortunately funds were available in other categories, due to various reasons, to transfer those monies to the needed categories. The available funds were discussed thoroughly with Watermaster consultants to ensure no programs would be impaired. Mr. Manning reviewed this item in detail and explained how some of the funds became available, which will avoid a special assessment to the parties. Mr. Manning stated staff is asking approval of this item in order to balance the budget for the remainder of the fiscal year. A lengthy discussion regarding this item, the categories money is being moved from, a category coding error, monies expended for the Paragraph 31 Motion, the recent Regional Board fine, and projects that will still need to be worked on and/or completed next fiscal year ensued. It was noted this committee would appreciate a more detailed breakdown of costs, especially for legal and the Regional Board fine. A discussion regarding the Regional Board fine, how it is constructed, and how it will be dealt with financially ensued. Counsel Fife offered comment on the administrative OBMP expenses and the special project expenses within the framework of the Watermaster Judgment. A discussion regarding Counsel Fife's comments and legal fees ensued.

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

Moved to approve budget transfer T-10-05-10 relating to Watermaster legal fees, OBMP engineering services and MZ1 ground level monitoring, as presented

C. CHINO CREEK WELL FIELD LOCATIONS

Chair Kinsey commented that he never received the supporting documentation for this item. Mr. Manning explained why this item was placed on the agenda this month and noted the supporting documentation and discussions needed to move this item forward did not transpire; this item will be for information only this month. A discussion regarding this project and the needed material physical injury analysis ensued. Mr. Manning noted tremendous progress has been made with the CDA; however, this item is not ready to be on the agenda for action. Mr. Jeske gave the locations of the wells and noted this item is on the CDA agenda for their board meeting today.

No action was taken on this item.

Item IID was taken out of order directly after the Consent Calendar.

D. POTENTIAL IMPLEMENTATION OF MWD's WATER SUPPLY ALLOCATION PLAN (WSAP)

Mr. Manning stated this item was discussed with the chairman of the Appropriative Pool and a few other members of the Pool after staff received this item from the Metropolitan Water District (MET), and after several discussions at MET for Watermaster to discuss the possibility of an alliance or potential next steps to see if there was any interest by Watermaster in pursuing any or all of the items in the presented memo. Mr. Manning stated this item was on the agenda last month as an information only item. Mr. Manning offered comment on the amendment to form a task force. Chair Kinsey inquired if the Committee Members read the amendment and offered comments on this project. Mr. Atwater discussed the matter in greater detail and a lengthy discussion regarding this item, replenishment deliveries, and rate structures ensued. Mr. Manning suggested one of the first meetings that should take place is with the Association of Groundwater Agencies (AGWA), which includes MET member agencies. After staff meets with them and hopefully others, and he has more information, he will provide an update at next month's meeting.

No action was taken on this item.

Chair Kinsey asked that the CEO/Staff Report be given before Watermaster General Legal Counsel Report.

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

Counsel Fife stated the Non-Agricultural Pool filed all of its papers on Monday and those are available on the Chino Basin ftp site. Counsel Fife noted the Non-Agricultural Pool did file three separate pleadings and then California Steel also filed a pleading separately. Counsel Fife stated on Tuesday the judge continued the May 14, 2010 hearing and scheduled a new hearing date on June 4, 2010 at 10:30 a.m. Counsel Fife noted a notice was provided to all the parties on the hearing continuance.

2. ACL Complaint

Counsel Fife stated staff and counsel is moving forward with working with the Regional Board to deal with the complaint. Several meetings have taken place and there are more scheduled so that a settlement gets done expeditiously. Chair Kinsey inquired if the fine could somehow come back as a benefit to the Chino Basin parties. Chair Kinsey noted IEUA is using theirs on the water softener replacement. Mr. Manning stated half of IEUA's and half of Watermaster's fines are both going to come back to us as part of the water softener replacement program. A discussion regarding the Regional Board fine and a new proposed project schedule ensued.

3. CDA Facilitation

Counsel Fife noted this item was previously discussed; but to reiterate the CDA parties are meeting on a regular basis to work this matter out.

CEO/Staff Report was taken out of order as requested by Chair Kinsey.

B. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated there are a lot of things going on in Sacramento right now in terms of legislation. Mr. Manning offered comment on AB2304 that is being authored by Assemblyman Huffman which was at the request of the California Groundwater Coalition; that bill has been through committee twice. Mr. Manning stated he has personally testified before both Water Parks and Wildlife and local government regarding AB2304. Mr. Manning gave a detailed description of this bill.

2. Recharge Update

Mr. Manning stated this is the first month, in many months, that Watermaster has had imported water included on this category other than a zero on the monthly recharge recap report; 356 acre-feet in the month of April and approximately 80 acre-feet of water a day into MZ1 is being recharged. Mr. Manning stated staff is working very closely with Inland Empire Utilities Agency (IEUA) on this endeavor. Mr. Manning stated staff has been speaking with staff at both Western Municipal Water District and Three Valleys Municipal Water District and those agencies can possibly provide Chino Basin with additional recharge water if necessary; this is very good news. A brief discussion regarding the cost of the water ensued.

3. 2010-2011 Watermaster Budget

Mr. Manning noted the Watermaster Budget Workshop took place yesterday and Mr. Joswiak will give a similar presentation as the one given at that workshop. Mr. Joswiak gave the revised draft budget presentation which included General Income Assumptions, General Staffing Assumptions, G&A Expense Increases, OBMP Update, and OBMP Implementation Projects. Mr. Joswiak reviewed several spreadsheets in detail. It was noted that questions were specifically asked about the budget for verbatim minutes and the new conference calling system which will need to go through the Watermaster process for approval. A lengthy discussion regarding the updated budget presentation and its contents ensued. Mr. DeLoach suggested a committee be formed for some of the Appropriative Pool members to work with Watermaster staff on the 2010-2011 budget due to the escalation of costs presented in the 2010-2011 budget. Mr. Manning stated that is an excellent idea and noted Watermaster staff is willing to work with the Appropriators on finding ways to reduce the budget. Chair Kinsey inquired if any of the Appropriators are willing to volunteer for the budget committee. It was noted the 2010-2011 Budget Committee would comprise of Robert DeLoach, Robert Young, Ken Jeske, Dave Crosley, John Mura, Shaun Stone, Marty Zvirbulis, and Mark Kinsey. Mr. Manning noted Watermaster staff will get the first meeting for this new committee scheduled right away.

4. Agreement to Form a Task Force to Conduct the Annual Emerging Constituents Characterization Program for the Santa Ana River Watershed

Mr. Manning stated this item was on the agenda last month as an information only item and no progress has been made to date on this item. Therefore, this item will be on the agenda again in June as a possible action item.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

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.

No confidential session was called.

VIII. FUTURE MEETINGS

Wednesday, May 12, 2010	10:00 a.m.	Watermaster Budget Workshop @ CBWM
Thursday, May 13, 2010	9:00 a.m.	Agricultural Pool Meeting @ IEUA
** Thursday, May 13, 2010	1:00 p.m.	Appropriative Meeting @ CBWM
** Thursday, May 13, 2010	2:30 p.m.	Non-Agricultural Pool Meeting @ CBWM
Friday, May 14, 2010	10:30 a.m.	CBWM Court Hearing @ Chino Court Room C1
Wednesday May 19, 2010	12:30 p.m.	* RMP Half Day Workshop @ Rancho Central Park
Thursday, May 20, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, May 20, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, May 27, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM

*** Recharge Master Plan (RMP) Workshop at Rancho Central Park
11200 Base Line Road, Rancho Cucamonga**

**** Please Note: Date change for Appropriative Pool and Non-Agricultural Pool meetings**

The Appropriative Pool meeting was dismissed by Chair Kinsey at 2:15 p.m.

Secretary: _____

Minutes Approved: June 3, 2010