

Minutes
CHINO BASIN WATERMASTER
APPROPRIATIVE POOL MEETING

The Appropriative Pool Meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on November 4, 2010 at 1:00 p.m.

APPROPRIATIVE POOL MEMBERS PRESENT WHO SIGNED IN

Mark Kinsey, Chair	Monte Vista Water District
Robert Young	Fontana Union Water Company
Raul Garibay	City of Pomona
Shaun Stone	City of Upland
John Mura	City of Chino Hills
Robert DeLoach	Cucamonga Valley Water District
Tom Harder	Jurupa Community Services District
Dave Crosley	City of Chino
Geoff Kamansky	Niagara Bottling

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
Andy Malone	Wildermuth Environmental Inc.

Others Present Who Signed In

Marty Zvirbulis	Cucamonga Valley Water District
Jo Lynne Russo-Pereyra	Cucamonga Valley Water District
Eunice Ulloa	Chino Basin Water Conservation District
Steven G. Lee	Agricultural Pool Legal Counsel
Ron Craig	City of Chino Hills
Sheri Rojo	Visitor for Fontana Water Company

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

AGENDA - ADDITIONS/REORDER

Chair Kinsey inquired about a closed session. Mr. Manning stated Watermaster staff was not informed there would be a closed session and unless the Pool chair requests a closed session to be on the agenda, it is not agenzized.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Appropriative Pool Meeting held October 7, 2010
2. Minutes of the Special Appropriative Pool 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 DeLoach, second by Young, and by unanimous vote

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

C. APPLICATION FOR RECHARGE

1. Notice of Application for Recharge – San Antonio Water Company Has Submitted Form 2 Application for Recharge to Percolate 300.000 acre-feet of Water from Six Basins into the Upland Basin as Local Supplemental Storage

A discussion regarding the Application for Recharge ensued.

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

Moved to approve Consent Calendar item 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. A discussion regarding this item and the checks which are not yet cashed from some of the Non-Agricultural Pool members ensued.

Motion by DeLoach, second by Garibay, 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. Mr. Joswiak gave the 1st Quarter Financial Review Fiscal Year 2010-2011 presentation. Mr. Joswiak reviewed the spreadsheets in detail. A discussion regarding the Chino Airport Plume ensued. An inquiry was made regarding the Santa Ana Sucker. Counsel Fife stated this is the critical habitat designation. Mr. Mura inquired about the legal expenses being over budget. Mr. Manning offered comment on this item and noted staff is not asking to move any funds at this time; however, when this item comes back the next time it should be accompanied by some budget transfers.

Motion by Mura, second by DeLoach, 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 here to answer questions regarding this item; Andy 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 stated since Watermaster has discovered that there are these kinds of activities going on that could cause subsidence in the basin, the recommendation from the MZ1 Technical Committee was to transition this committee from solely a management zone area to a Basin Wide Subsidence Committee. This would allow a larger group to focus on basin wide strategies instead of just a more concentrated area which would then broaden the committee to better suit the basins current and future requirements. Mr. Malone showed a graphic map to illustrate an example of this concept. Mr. Malone reviewed a map of the MZ1 and outside areas in detail. A lengthy discussion regarding the expansion of the MZ1 Technical Committee, costs, agreements, and planned studies ensued.

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

Moved to rename the MZ1 Committee to the Land Subsidence Committee and be opened 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 them with a Material Physical Injury analysis for those wells; wells locations for 16 and 18 were previously approved through the Watermaster process. Mr. Manning stated well 16 have 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. Manning stated staff is asking for the approval of the well location for I-17. A discussion regarding this matter ensued. Chair Kinsey stated he has one change to the staff recommendation which would be to approve the CDA location of well I-17 subject to screening in accordance with Watermaster criteria.

Motion by DeLoach, second by Young, 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 Fife stated the Court of Appeal has established a briefing schedule and according to that schedule, the Non-Agricultural Pool's opening brief is due November 29, 2010. They do get an automatic grace period of 15 days. The Appellate court is considering this case

for their settlement process which is a mediation process and they have also issued a questionnaire to all the parties asking for recommendations concerning that settlement process. Counsel Fife noted a copy of Watermaster's completed form is on the back table. Counsel Fife stated the Watermaster board authorized counsel last week to respond to the questionnaire. Counsel Fife pointed out question number six where Watermaster commented they believe that this appeal is not proper for the settlement process given the nature of this case and that it needs to be resolved as quickly as possible. This has been distributed to the counsel of all three Pools prior to it being filed and feedback has been received from the Appropriative Pool and Agricultural Pool counsel only.

2. Resolution 2010-04

Counsel Fife stated Resolution 2010-04 was approved by the Watermaster Board last month and one of the contemplated steps in the overall approvals was to send it to the court and ask for court approval. Counsel Fife stated there is a January 21, 2011 court date set for this; although, there are some other trailing issues still going on with this such as individual Appropriator approvals of the associated resolution and the Metropolitan Water District LRP Funding issue; these items may delay this item for the January court date. Counsel Fife stated the parties will be kept apprised of this item.

3. Judgment Update

Counsel Fife stated during the court hearing in October, the judge expressed some dissatisfaction that the official version of the Judgment is still the 1978 copy which does not reflect any of the amendments that have been made since then. The judge asked that Watermaster produce an updated version of the Judgment that incorporates all amendments and submit that to the court for approval. Once the judge approves it, that will become the official judgment and this will also be presented at the January 21, 2011 hearing date. This will go through the Watermaster process in December. A brief discussion regarding this matter ensued.

B. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning reviewed some of the legislative changes made recently due the recent elections.

2. Recharge Update

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

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. POOL MEMBER COMMENTS

Chair Kinsey stated in speaking with others it seems that the Appropriative Pool should consider holding a workshop to begin dialog on prioritizing some of the things the Pools are working on; maybe allowing parties to work on multiple items at once.

Mr. DeLoach stated he will be leaving Cucamonga Valley Water District effective the end of January to pursue other avenues. Mr. DeLoach thanked all the parties present and stated he looks forward to working with you in a different capacity.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

* Thursday, November 4, 2010	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, November 4, 2010	1:00 p.m.	Appropriative Pool Meeting @ CBWM
Thursday, November 4, 2010	2:30 p.m.	Non-Agricultural Pool Conference Call Meeting
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 Conf Call 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

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

The Appropriative Pool meeting was dismissed by Chair Kinsey at 2:23 p.m.

Secretary: _____

Minutes Approved: December 2, 2010