

Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD CONFIDENTIAL MEETING
AND
WATERMASTER BOARD MEETING

December 16, 2010

The Watermaster Board Confidential Meeting and the Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on December 16, 2010 at 9:30 a.m. and 11:00 a.m.

WATERMASTER BOARD MEMBERS PRESENT

Ken Willis, Chair
Michael Camacho
Bob Kuhn
Robert Young
Bob Bowcock
Tom Haughey
Charles Field
Geoffrey Vanden Heuvel
Paul Hofer

West End Consolidated Water Company
Inland Empire Utilities Agency
Three Valleys Municipal Water District
Fontana Water Company
Vulcan Materials Company
City of Chino
Western Municipal Water District
Agricultural Pool
Agricultural Pool

WATERMASTER BOARD MEMBERS ABSENT

Michael Whitehead

Fontana Water Company

Watermaster Staff Present

Kenneth R. Manning
Joe Joswiak
Danielle Maurizio
Ben Pak
Sherri Lynne Molino

Chief Executive Officer
Chief Financial Officer
Senior Engineer
Senior Project Engineer
Recording Secretary

Watermaster Consultants Present

Scott Slater
Michael Fife
Mark Wildermuth
Joe LeClaire

Brownstein, Hyatt, Farber & Schreck
Brownstein, Hyatt, Farber & Schreck
Wildermuth Environmental, Inc.
Wildermuth Environmental, Inc.

Others Present Who Signed In

Ken Jeske
Robert DeLoach
Marty Zvirbulis
Jolynne Russo-Pereyra
Rick Hansen
John Rossi
Mark Kinsey
Dave Crosley
Bob Feenstra
Jeff Pierson
Steven G. Lee
Terry Catlin
Lynne Preslo
Vera Nelson

California Steel Industries
Cucamonga Valley Water District
Cucamonga Valley Water District
Cucamonga Valley Water District
Three Valleys Municipal Water District
Western Municipal Water District
Monte Vista Water District
City of Chino
Agricultural Pool
Agricultural Pool
Reid & Hellyer for the Agricultural Pool
Inland Empire Utilities Agency
Geo Eco
Erler Kalinowski, Inc.

Cliff McFarland
Matt Yeager
Eunice Ulloa

Downey Brand
San Bernardino County
Chino Basin Water Conservation District

Chair Willis called the Watermaster Board Confidential meeting to order at 9:34 a.m.

1. Presentation of the ABGL Group for the Ontario Plume

The confidential session concluded at 11:58 a.m.

There were no reportable actions from the confidential meeting.

Chair Willis called the open Watermaster Board meeting to order at 11:00 a.m.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

No public comments were made.

REPORT ON CLOSED SESSION

Mr. Manning stated this morning the ABGL Group was at Watermaster to give a presentation for the Watermaster Board closed session which included members from the Watermaster Board and their alternates, the chairman of each of the Pools and Advisory Committee, and related attorneys. Mr. Manning stated the presentation was informative and dialog took place after the presentation between the ABGL Group and attendees. Mr. Manning stated there were no reportable actions from the confidential session.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Watermaster Board Meeting held November 16, 2010

B. FINANCIAL REPORTS

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

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

Motion by Kuhn, second by Camacho, and by unanimous vote

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

II. BUSINESS ITEMS

A. CHINO BASIN WATERMASTER REAPPOINTMENT OF THE NINE-MEMBER BOARD

Mr. Manning stated Watermaster, by the court's decision, has periodic check backs with the court to look at the nine-member board reappointments and to look at the progress the

Watermaster Board is making. The date for re-evaluation and reappointment of the nine-member board is now up for discussion. Mr. Manning stated the current nine-member board structure would end in February, 2011. Watermaster staff had discussed bringing this item up for consideration in December; however, separate from those discussions a couple of Pool members approached staff and stated they would like to see this item move forward and just proceed with the extension of the existing nine-member board format. Mr. Manning stated staff is recommending this suggested extension. Mr. Manning noted this item has gone to the three Pools and the Advisory Committee this month and the Appropriative and Agricultural Pool supported it unanimously, the Non-Agricultural Pool took no action, and the Advisory Committee voted to support with one abstaining vote from the Non-Agricultural Pool. Mr. Manning stated this item is coming to this Board with a 95% approval.

Motion by Vanden Heuvel, second by Camacho, and by majority vote – Non-Ag Pool abstained
Moved to approve the Chino Basin Watermaster reappointment of the nine-member Board for another five year term, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Paragraph 31 Appeal

Counsel Slater stated Watermaster has been notified there is an intention of the Court of Appeal to conduct a settlement conference regarding the Paragraph 31 Motion and has been scheduled for January 26, 2011, in Riverside. This will be discussed today during closed session to obtain instructions for those settlement discussions and to appoint representatives to attend that meeting.

2. Resolution 2010-04

Counsel Slater stated this is the subject of the Chino Desalter Authority (CDA) Expansion and the Resolution which was approved subject to conditions for further actions by CDA. There is also a related element that requires an approval of a funding package by the Metropolitan Water District (MWD). The parties continue to remain on schedule with regard to the CDA's review and approval; however, the issues with MWD have proven to be complex. MWD does remain interested in funding the Desalters; however, as requested, there are some conditions associated with that funding that are being diligently worked on. Counsel Slater offered comment on water supplies. A discussion regarding Counsel Slater's comments on this item and water related issues ensued. Mr. Vanden Heuvel offered comment on the Regional Water Quality Control Board and the necessity to keep them apprised during this process. A discussion regarding this matter ensued.

3. January 21, 2011 Hearing

Counsel Slater stated the January 21st hearing was initially set in anticipation that the Resolution would be completed and ready to present to the court. Counsel Slater stated along with presenting the Resolution, Watermaster would present the matter of the nine-member board, and the approval of the Watermaster Restated Judgment. Counsel Slater stated the only item that will be presented will be the matter of the extension of the nine-member board.

4. Draft Restated Watermaster Judgment

Counsel Slater stated the consensus of all of the stake holders is that Watermaster is not prepared to move forward with the Restated Judgment and noted this is not on the basis of anything substantive but more a less a process. Counsel Slater stated parties wanted the opportunity to confer further with their attorneys to make sure the document meets all expectations because it is an important document; there is no problem taking the additional time for review.

Added Item:

Counsel Slater stated yesterday news was received from the US Fish and Wildlife Service that the designation of river habitat has gone in the other direction and the areas that Chino Basin were seeking to have excluded from the sensitive habitat did not turn out as planned/hoped. Counsel Slater stated greater reaches of the Santa Ana River are now being designated for Sucker habitat and there is an ongoing process to discuss the next steps. Counsel and staff are going to monitor and participate as directed by this board. There is not a full report available presently; however, a full report will be given at a future meeting. A discussion regarding the critical habitat designation and policy making ensued.

B. ENGINEERING REPORT1. Watermaster Review of CDA Proposed Chino Creek Well Field Wells

Mr. Wildermuth stated Wildermuth staff has reviewed the well borehole information on the first well built in the Chino Creek Well Field near Chino Creek. Mr. Wildermuth offered some technical information on the first well. Mr. Wildermuth stated staff has been working with the CDA on revising their production schedule. Wildermuth staff has been doing a lot of work in the MZ1 related to the subsidence problem and are running pump tests on Chino 18 well; horizontal and vertical surveys are also being performed.

2. Managed Aquifer Recharge Symposium – Jan 25-26, 2011 at the Atrium Hotel Orange County

Mr. Wildermuth stated he was asked to make an oral presentation and have a poster session on the Recharge Master Plan on January 25-26, 2011 at the symposium. Mr. Wildermuth noted this is being handled financially through Wildermuth Environmental and is not a Watermaster expense.

C. CEO/STAFF REPORT1. Legislative Update

Mr. Manning stated presently there is a transition from the current Governor to Governor elect Brown. Mr. Manning offered comment on the state's budget that will be one of the first things the new Governor works on. Mr. Manning stated members of the legislature are beginning to put together their list of bills that they are going to be enacting or putting before the body to present this year. Mr. Manning reviewed some of the bills that got vetoed last year or didn't make it through the legislature. Mr. Manning discussed the 2304 bill that he was working on which did make it through legislature; however, was vetoed by the Governor. The assemblyman did contact the California Groundwater Coalition (CGC) and said he would like to reintroduce that again; CGC expressed to the assemblyman that they are interested in being a sponsor of that piece of legislation. Mr. Manning discussed some of the things the CGC is currently working on as well as projects for the future regarding legislation.

2. Recharge Update

Mr. Manning stated it appears with these rainy storms that have occurred and about to occur, we will be capturing a good amount of storm water; the facilities are ready.

3. Riverside County Flood Control District

Mr. Manning stated Watermaster is working with Riverside County, who want to participate with Watermaster in the implementation of the Recharge Master Plan projects that affect them. Mr. Manning stated meetings are scheduled for early January to discuss some of those options/programs.

4. MOU for Ontario Airport Data Gathering Reimbursement Agreement

Mr. Manning stated this item is regarding the data gathering agreement; a term sheet is being reviewed. Mr. Manning stated that in discussions at the last Water Quality Committee meeting it was made known to have enough money in the next budget for Watermaster to replicate and/or expand the amount of data gathering to equal what the ABGL Group has

done. The ABGL Group is not sharing their data at this point in time, and if it comes to Watermaster having to duplicate this effort it will need to be in the budget for next year. Mr. Manning stated a quote has been provided by Wildermuth Environmental in the amount of \$50,000 to perform the same tests and duplicate the ABGL data. Mr. Manning stated if that exact data is not available then it puts Watermaster at a disadvantage. Mr. Manning stated Watermaster was going to put this cost into the Watermaster budget next year. The City of Upland, Inland Empire Utilities Agency, and the City of Ontario have stated they are interested in pre-funding the obligation which would allow Watermaster to obtain that data sooner rather than later. A discussion regarding this matter ensued and it was noted this item will be brought back in January.

5. Watershed Action Plan Presentation Given by Matt Yeager from San Bernardino County Flood Control District

Mr. Manning introduced Mr. Matt Yeager from the San Bernardino County who will be giving a presentation on the MS4 Permit Water Action Plan. Mr. Manning stated Watermaster has been working on the development of the Watershed Action Plan with the County and other public and private entities. Mr. Manning stated Ben Pak has been the direct liaison with this group and has been attending meetings on a regular basis. Mr. Yeager gave a broad overview of this item and gave the presentation. Mr. Yeager discussed what the MS4 permit focus was in detail, what Low Impact Development (LID) is and its benefits, and what the Watershed Action Plan (WAP) is and what the objectives are for the WAP Task Force. Mr. Yeager reviewed the Task Force process, and reviewed some of the stakeholders and working members who are currently engaged in this project. A review of the Storm Water Tracking Database and the new Interactive Mapping Site were examined in detail. Mr. Manning stated one of the important elements with this is the in-lieu program. Watermaster has a list of projects that are going to benefit the basin that if we could get a program developed within in-lieu could help in the development of those Recharge Master Plan facilities. Mr. Manning stated that, along with some of the other database projects they are doing, it will provide great benefit as well as the opportunity to interact with the private sector and other elements of the public sector and is a great opportunity for sharing data and information. A lengthy discussion regarding Mr. Yeager's presentation, the Recharge Master Plan, and the possible development of quantifying water ensued.

IV. INFORMATION

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

V. BOARD MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

The regular open Watermaster Board meeting was convened to hold its confidential session at 11:45 a.m.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster committee meeting for the purpose of discussion and possible action.

1. Paragraph 31 Motion – Discussion of Appeals Court Order

The confidential session concluded at 12:10 p.m.

Counsel Slater gave the following action item from the confidential session:

Counsel Slater stated the Watermaster Board authorized Geoffrey Vanden Heuvel, Charles Field, and Michael Camacho to represent the Chino Basin Watermaster Board at the January 26, 2011 Settlement Conference.

VIII. FUTURE MEETINGS

Thursday, December 16, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, December 16, 2010	9:00 a.m.	Advisory Committee Mtg. @ CBWM
**Thursday, December 16, 2010	9:30 a.m.	Confidential Session for the Watermaster Board Meeting @ CBWM – Auxiliary Room
* 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 @ CBWM
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
Wednesday, January 26, 2011	9:30 a.m.	State Court of Appeal @ Riverside Court
Thursday, January 27, 2011	11:00 a.m.	Annual Watermaster Board Meeting @ CBWM

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

**** Added confidential session for the Watermaster Board Members to hear the ABGL presentation**

The Watermaster Board meeting was dismissed by Chair Willis at 12:11 p.m.

Secretary: _____

Minutes Approved: January 27, 2011