

Minutes
CHINO BASIN WATERMASTER
ANNUAL ADVISORY COMMITTEE MEETING
January 19, 2012

The Annual Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on January 19, 2012 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT WHO SIGNED IN

Agricultural Pool

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

Appropriative Pool

Mark Kinsey	Monte Vista Water District
Marty Zvirbulis	Cucamonga Valley Water District
Rosemary Hoerning	City of Upland
Raul Garibay	City of Pomona
Dave Crosley	City of Chino
Ron Craig	City of Chino Hills
Scott Burton	City of Ontario
Robert Young	Fontana Water Company
Josh Swift	Fontana Union Water Company
Tom Harder	Jurupa Community Services District
J. Arnold Rodriguez	Santa Ana River Water Company
Charles Moorrees	San Antonio Water Company

Non-Agricultural Pool

Brian Geye	Auto Club Speedway
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BOARD MEMBERS PRESENT WHO SIGNED IN

Paula Lantz	City of Pomona
Bob Kuhn	Three Valleys Municipal Water District
Bill Kruger	City of Chino Hills

Watermaster Staff Present

Ken Jeske	Interim CEO
Danielle Maurizio	Senior Engineer
Joe Joswiak	Chief Financial Officer
Gerald Greene	Senior Environmental Engineer
Sherri Molino	Recording Secretary

Watermaster Consultants Present

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

Others Present Who Signed In

Jo Lynne Russo-Pereyra	Cucamonga Valley Water District
Mike Maestas	City of Chino Hills
Van Jew	Monte Vista Irrigation Company
Ryan Shaw	Inland Empire Utilities Agency
Craig Miller	Inland Empire Utilities Agency
Terry Catlin	Inland Empire Utilities Agency
David De Jesus	Three Valleys Municipal Water District

Seth Zielke	Fontana Water Company
Justin Scott-Coe	Monte Vista Water District
Sandra Rose	Monte Vista Water District
Eunice Ulloa	Chino Basin Conservation District
Bob Gluck	City of Ontario
Sheri Rojo	Fontana Water Company
Seth Zielke	Fontana Union Water Company

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

Chair Pierson welcomed Mr. Ken Jeske.

AGENDA - ADDITIONS/REORDER

Mr. Jeske stated the only revision to the agenda will be under the introductions of the Advisory Committee Officers to change Danielle Maurizio's name to Ken Jeske's name for the Secretary/Treasurer for the Watermaster Chief Executive Officer's position.

I. INTRODUCTIONS OF THE ADVISORY COMMITTEE OFFICERS, CALENDAR YEAR 2012

<u>Jeff Pierson</u>	Chair	(Agricultural Pool)
<u>Rosemary Hoerning</u>	Vice-Chair	(Appropriative Pool)
<u>Brian Geye</u>	Second Vice-Chair	(Non-Agricultural Pool)
<u>Ken Jeske</u>	Secretary/Treasurer	(Chief Executive Officer)

Mr. Jeske introduced the Advisory Committee Officers, Calendar Year 2012

II. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting held December 15, 2011

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of November 2011
2. Watermaster VISA Check Detail for the month of November 2011
3. Combining Schedule for the Period July 1, 2011 through November 30, 2011
4. Treasurer's Report of Financial Affairs for the Period November 1, 2011 through November 30, 2011
5. Budget vs. Actual Current Month, Year-To-Date, and Fiscal Year-End

C. NOTICE OF INTENT

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

D. CHINO BASIN WATERMASTER INVESTMENT POLICY

Resolution 12-01 – Resolution of the Chino Basin Watermaster, San Bernardino County, California, Re-Authorizing the Watermaster's Investment Policy

E. LOCAL AGENCY INVESTMENT FUND

Resolution 12-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF)

F. ADVISORY COMMITTEE VOLUME VOTE

Consider Approval For Continuing the Calendar Year 2011 Volume Vote (as Presented and Approved in January 2011) Until the 2011-2012 Assessment Package is Approved and a New Volume Vote Can be Calculated and Acted Upon

Motion by Zvirbulis second by Young, and by unanimous vote

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

III. BUSINESS ITEMS**A. WATERMASTER 2011/2012 ASSESSMENT PACKAGE**

Mr. Jeske introduced the Watermaster 2011/2012 Assessment Package item and noted the presentation was given at the three Pool meetings earlier this month. Mr. Jeske inquired if the presentation needed to be given again or would a condensed version suffice. It was noted the condensed version would be presented. Ms. Maurizio stated the only thing to add from the Pool presentation is a change requested from the Non-Agricultural Pool. Ms. Maurizio reviewed the Non-Agricultural Pool foot note changes on pages 13A, 14A, and 15A in detail.

Motion by Garibay, second by Burton, and by unanimous vote

Moved to approve the Watermaster 2011/2012 Assessment Package, as presented

B. LEVYING REPLENISHMENT AND ADMINISTRATIVE ASSESSMENTS

Mr. Jeske stated Item B. is the Resolution required to levy the assessments which was just approved in the Assessment Package item.

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

Moved to approve Resolution 12-03 authorizing levying replenishment and administrative assessments for fiscal year 2011-2012, as presented

C. MATERIAL PHYSICAL INJURY ANALYSIS

Mr. Jeske stated the Material Physical Injury Analysis will be presented by Mr. Wildermuth. Mr. Jeske noted this is a "receive and file" item. Mr. Wildermuth gave the Analysis of Material Physical Injury for the Local Storage Agreement Applications Pending on December 15, 2011 presentation in detail. Mr. Wildermuth reviewed the history of this matter, which applications were included in his analysis, which equal 81,500 acre-feet of water, reviewed the impacts, and reviewed a depth to groundwater map in detail. Mr. Wildermuth stated, with regard to the letter report in the meeting package, there is a support graphic that was used to show what the depth to water was in the areas of these recharge sites and wells, which indicate we would not have any issues from high groundwater. Mr. Wildermuth reviewed the map in detail and noted the larger version of this map is available on the back table. Mr. Wildermuth stated the total for all of the applications is 81,500 acre-feet. Mr. Kinsey stated has something to add, and he thinks the City of Upland agrees with his thoughts; to agree to receive and file this report means it will be based on no introduction of recycled water as part of the City of Upland's application. Ms. Hoerning stated that is correct and that aspect will have to be studied further, and then it will come back through the Watermaster process at that time. Mr. Kinsey stated he recommends this as a receive and file motion, pending the supplemental storage applications. Chair Pierson stated for clarity and for the record, Mr. Kinsey's motion eliminates the recommendation language that is in the staff report. Mr. Kinsey stated there has been a lot of discussion at the Pool level regarding storage, and the Appropriative Pool decided to move forward with discussions, and the Agricultural Pool also has had some discussions at their meetings. Mr. Kinsey stated what he would like to see initiated is a process where representatives of all three Pools, Watermaster staff, technical experts, and legal counsel start working through storage identification, what might be the issues, and once that group develops a draft process to address storage issues, then bringing that through the entire Watermaster process. Mr. Garibay stated the last time he saw something like this was at the Appropriative Pool to approve the application for recharge for San Antonio Water Company and the City of Upland, and now it's a motion to receive and file; is there some misunderstanding. Mr. Jeske stated there were two actions with regard to San Antonio Water Company and the City of Upland, the first was for the Recharge Applications for approval and the second was the Material Physical Injury Analysis which goes with the application to receive and file the analysis; the Material Physical Injury Analysis is the only item being asked to be moved on today. Mr. Jeske noted the Pools have all moved to approve to receive and file the Material Physical Injury Analysis. Mr. Jeske stated the Material Physical Injury Analysis needs to be done in conjunction with the Recharge Applications which were approved last month by the Pools. Mr. Jeske stated the Recharge Applications have to wait until next month before they go to the Advisory Committee and Watermaster Board

because there is a mandatory 30 day waiting period. Mr. Jeske discussed Mr. Kinsey's motion. Mr. Zvirbulis stated the recommendation to get together in a work group is important, and that should be part of the record, and should be shared and communicated as this issue moves forward related to getting the parties together and working through these issues as soon as possible. Mr. Zvirbulis stated we need to be consistent and parallel with the process that is currently being undertaken associated with other issues related to recharge. Chair Pierson asked if Mr. Zvirbulis' comments need to be brought up during the Reports and Updates or under Other Business on the agenda. Mr. Zvirbulis stated it is just important that his message be conveyed from the Advisory Committee to the Watermaster Board at their meeting next week. Mr. Kinsey inquired if staff has enough direction to initiate a process and report out through the normal Watermaster process. Mr. Jeske stated yes, staff does. Chair Pierson stated in conjunction with this receive and file motion, a recommendation can be made to Watermaster staff to schedule a joint Pool-type of informal meeting to start discussing the overall storage issues; ultimately having the Watermaster Board recognize that at the Pool level this issue is being addressed. Mr. Zvirbulis stated he would work with Mr. Jeske and develop an agenda, and schedule what is necessary as far as meetings are concerned as this moves forward in a timely manner. Chair Pierson stated that will then be part of the discussion and minutes that go on to the Watermaster Board.

Motion by Kinsey second by Garibay, and by unanimous vote

Moved to approve to receive and file Wildermuth's Material Physical Injury Analysis, as presented

IV. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Aqua Capital Management versus California Steel Industries
Counsel Fife stated there is nothing new to report on from the report provided at the Pool meetings earlier this month.
2. December 16, 2011 Hearing
Counsel Fife stated there is nothing new to report on from the report provided at the Pool meetings earlier this month.
3. Board Finding Regarding Compliance with Recharge Master Plan
Counsel Fife stated the first meeting of the Recharge Master Plan Steering Committee has met last Tuesday to discuss with moving forward on the Recharge Master Plan issues to comply with the requirements that came out of the hearing and the Watermaster Board meeting last month.

Added Comment:

Mr. Jeske stated it is an honor that the Watermaster Board members and all of the Committees would agree to give him an opportunity to see if he can help everyone out. Mr. Jeske stated he wanted to assure everyone that he fully knows that he works for the Watermaster Board and not for any one party or any one Pool. Mr. Jeske briefly reviewed his past work history for those who did not already know him. Mr. Jeske noted due to PERS and IRS rules, he will only be working part time at Watermaster; however, he is always available on his cell phone and his email. Mr. Jeske stated his plans are to be attending all Pool, Advisory Committee, and Watermaster Board meetings. Mr. Jeske stated he has prearranged plans that cannot be changed for the February Advisory Committee and Watermaster Board meetings.

B. CEO/STAFF REPORT

1. City of Upland and SAWCO Applications for Recharge Update
Mr. Jeske stated that item was covered earlier in the agenda.

2. Recharge Update

Mr. Jeske stated the most recent recharge spreadsheet is available on the back table. Mr. Jeske stated a kick-off meeting on recharge took place and there was some direction on how to put together a scope for the study and some future scheduling. Mr. Jeske stated he will be chairing the recharge meetings as a coordinator. Mr. Jeske noted there was direction from the Watermaster Board to look into a number of storage issues, which will be done concurrently but not exactly on the same timetable due to court orders on the Recharge Master Plan Update. Mr. Jeske stated there was very good attendance at the first meeting and meetings will be conducted frequently. Mr. Jeske stated there are two upcoming meetings scheduled for February 1st at 1:30 p.m. and February 14th at 9:00 a.m. as conference calls. Calls can also be taken at the Watermaster office.

3. Notice of Availability - Non-Agricultural Water

No comment was made.

4. WEI Analysis of Well Design for CDA Well I-20

Mr. Jeske stated there were issues brought up at the last Agricultural Pool meeting on the WEI Analysis for the CDA Well I-20, and he believes those issues have been worked out. Ms. Novak stated she is sure those issues have been worked out. Mr. Jeske briefly reviewed the concerns on the design and noted with some slight design changes that could preclude the potential for impacts to other wells. Mr. Jeske stated there will be a report back on this item once there is resolve on those issues/concerns.

5. Chino Basin Watermaster Excess Reserves Update

Mr. Jeske stated the Chino Basin Watermaster excess reserve matter was worked out through the Pool process and back up information is available in your meeting package. Mr. Jeske stated this matter will be handled through the assessment invoices.

6. Vertical Extensometer Update

Mr. Jeske stated this item has been discussed thoroughly through the Pool process, and currently there are still two proposed sites for the extensometer; however, to date all the details have not been worked out. Mr. Jeske stated he will keep all the parties apprised of this matter.

7. Basin Plan Amendment Update

Mr. Jeske stated the Basin Plan amendment is on the calendar at the RWQCB and they have removed the item of concern regarding recycled/treated water discharges. Mr. Jeske stated this can now move forward without controversy. Mr. Jeske stated once the amendment is approved, there will be a savings of approximately \$200,000 a year.

8. West Venture Development Water Rights Update

No comment was made.

9. New Board Member from the City of Chino Hills, William Kruger

Mr. Jeske stated Bill Kruger from the City of Chino Hills will be joining the Watermaster Board this calendar year.

10. New Board Member from Fontana Union Water Company, James Curatalo

Mr. Jeske stated Jim Curatalo from Fontana Union Water Company will be joining the Watermaster Board this calendar year.

C. INLAND EMPIRE UTILITIES AGENCY

1. MWD Update – Oral

Mr. Shaw stated MWD has put out their proposed two year budget. Mr. Shaw stated there will be a 7% rate increase in 2013 and 5% rate increase in 2014; however, the rate increase for 2014 is called provisional which means they could, at that time, raise or lower that

percentage rate. Mr. Shaw stated MWD's proposal for the Replenishment Program is a three level program. Mr. Shaw stated the first level is similar to the Dry Year Yield Program and he described this level in detail. Mr. Shaw stated the second level is closest to the existing Replenishment Program and he described this level in detail. A discussion regarding the second level ensued. Mr. Shaw stated the third level offers no discussion and no incentive, and he described this last level in detail. Mr. Shaw stated there has not been a lot of reaction to IEUA's comments and concerns about what they are proposing. Mr. Shaw offered comment on MWD's recent managers meeting and what took place at that meeting. Mr. Zvirbulis inquired if there was a report or staff letter that outlines the latest proposal. Mr. Shaw stated yes there was and he would send it out. A discussion regarding the Replenishment Program versus the Dry Year Yield Program ensued.

2. Water Softener Initiative – Oral
No comment was made.
3. State and Federal Legislative Reports
No comment was made.
4. Community Outreach/Public Relations Report
No comment was made.
5. IEUA Monthly Water Newsletter
No comment was made.

D. OTHER METROPOLITAN MEMBER AGENCY REPORTS

No comment was made.

V. INFORMATION

1. Cash Disbursements for December 2011
No comment was made.
2. Newspaper Articles
No comment was made.

VI. COMMITTEE MEMBER COMMENTS

Ms. Hoerning thanked Ms. Maurizio for her stepping in as interim CEO for Watermaster and also welcomed Mr. Jeske as the new interim CEO. Mr. Jeske stated as noted previously, he will only be working part time as the interim CEO so staff will still be taking on extra duties. Mr. Jeske thanked Watermaster staff for their assistance. Chair Pierson stated he would also like to thank Watermaster staff for the interim step-up to take care of the business of the Watermaster while it is going through this period of time.

VII. OTHER BUSINESS

No comment was made.

VIII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

No confidential session was called.

IX. FUTURE MEETINGS

Tuesday, January 17, 2012	8:30 a.m.	GRCC Meeting @ CBWM (New Date & Time)
Tuesday, January 17, 2012	10:00 a.m.	CB Recharge Master Plan Update Implementation (Formerly: CB Recharge Master Plan Steering Committee) Meeting @ CBWM

Thursday, January 19, 2012	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, January 19, 2012	9:00 a.m.	Annual & Election Advisory Committee Meeting @ CBWM
Thursday, January 26, 2012	11:00 a.m.	Annual & Election Watermaster Board Meeting @ CBWM
Thursday, February 9, 2012	9:00 a.m.	Appropriative Pool Meeting @ CBWM
Thursday, January 12, 2012	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting – and/or @ CBWM
Thursday, February 9, 2012	1:00 p.m.	Agricultural Pool Meeting @ CBWM
Thursday, February 16, 2012	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, February 16, 2012	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, February 16, 2012	11:00 a.m.	Land Subsidence Committee Meeting @ CBWM
Thursday, February 23, 2012	11:00 a.m.	Watermaster Board Meeting @ CBWM

Chair Pierson adjourned the Annual Advisory Committee meeting at 9:40 a.m. in memory of Ruben Ayala

Chair Pierson stated the Agricultural Pool meeting will close in memory of Mr. Ruben Ayala, who died on January 4, 2012, at the request of the Agricultural Pool earlier this month. Mr. Feenstra stated Mr. Ayala was devoted to his community, was elected mayor in 1964, was a member of the San Bernardino county Board of Supervisors, and served as a state senator. Mr. Feenstra stated Mr. Ayala was a valued member of the community and received many awards in the course of his lifetime, including the 2011 Spirit of Achievement Award from the city of chino.

Secretary: _____

Minutes Approved: February 16, 2012