

Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

March 15, 2012

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on March 15, 2012 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Agricultural Pool

Jeff Pierson, Chair
Jennifer Novak
Pete Hall

Ag Pool – Crops
State of California, Dept. of Justice, CIM
Ag Pool – State of California – CIM

Appropriative Pool

Marty Zvirbulis
Scott Burton
Rosemary Hoerning
Raul Garibay
Ron Craig
Dave Crosley
Mark Kinsey
Van Jew
Robert Young
Sheri Rojo
Tom Harder
Charles Moorrees
J. Arnold Rodriguez

Cucamonga Valley Water District
City of Ontario
City of Upland
City of Pomona
City of Chino Hills
City of Chino
Monte Vista Water District
Monte Vista Irrigation Company
Fontana Water Company
Fontana Union Water Company
Jurupa Community Services District
Santa Antonio Water Company
Santa Ana River Water Company

Non-Agricultural Pool

Brian Geye
Curtis Aaron

Auto Club Speedway
California Steel Industries

BOARD MEMBERS PRESENT

Paula Lantz
Bob Kuhn
Bob Bowcock

City of Pomona
Three Valleys Municipal Water District
Vulcan Materials Company (Calmat Division)

Watermaster Staff Present

Ken Jeske
Danielle Maurizio
Joe Joswiak
Gerald Greene
Sherri Molino

Interim CEO
Senior Engineer
Chief Financial Officer
Senior Environmental Engineer
Recording Secretary

Others Present Who Signed In

David De Jesus
Rick Hanson
Mike Maestas
Jo Lynne Russo-Pereyra
John Bosler
Justin Scott-Coe
Terry Catlin
Ryan Shaw

Three Valleys Municipal Water District
Three Valleys Municipal Water District
City of Chino Hills
Cucamonga Valley Water District
Cucamonga Valley Water District
Monte Vista Water District
Inland Empire Utilities Agency
Inland Empire Utilities Agency

Chris Berch
Eunice Ulloa
Curtis Paxton
Brian A. Dickinson
Jack Safely
Rick Reese

Inland Empire Utilities Agency
Chino Basin Water Conservation District
Chino Desalter Authority
Chino Desalter Authority
Western Municipal Water District
Geomatrix Consultants, Inc.

Chair Pierson 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 Advisory Committee Meeting held February 16, 2012

Motion by Zvirbulis second by Garibay, and by unanimous vote

Moved to approve Consent Calendar Item A with the amended motion for the Application for Recharge which excluding recycled water for the February 16, 2012 minutes, as presented

Mr. Kinsey pulled the minutes for discussion on the applications for recharge from last month. Mr. Kinsey offered comment on the discussions which took place on the applications for recharge and storage issues at the last Appropriative Pool meeting. Mr. Jeske noted his understanding from the Appropriative Pool meeting was to approve the applications for recharge excluding the applications for storage, and to direct staff to begin working on storage issues. Chair Pierson inquired to Ms. Maurizio what she remembered about the motion that was made. Ms. Maurizio stated it was to approve the applications for recharge. A discussion regarding this matter ensued. Mr. Jeske stated the minutes can be amended to state to approve the applications for recharge for the City of Upland and San Antonio Water Company, excluding recycled water.

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of January 2012
2. Watermaster VISA Check Detail for the month of January 2012
3. Combining Schedule for the Period July 1, 2011 through January 31, 2012
4. Treasurer's Report of Financial Affairs for the Period January 1, 2012 through January 31, 2012
5. Budget vs. Actual Report for the Period July 1, 2011 through January 31, 2012

Motion by Zvirbulis second by Young, and by unanimous vote

Moved to approve Consent Calendar Item B, as presented

II. BUSINESS ITEMS

A. MATERIAL PHYSICAL INJURY ANALYSIS

Mr. Jeske offered history on this item and noted this Material Physical Injury Analysis has gone to all three Pools and had unanimous approval to receive and file the report. Mr. Jeske stated the storage agreements will all be reviewed at a future date following a process of determining storage policies.

Motion by Zvirbulis second by Young, and by unanimous vote

Moved to receive and file the Wildermuth Environmental Material Physical Injury Analysis for the City of Ontario, as presented

B. WATERMASTER ANNUAL AUDIT FISCAL YEAR 2010/2011

Mr. Jeske stated Watermaster must have an external annual audit done every year; however, this year Watermaster used a new company, Charles Z. Fedak & Company for the audit. Mr. Jeske stated a representative from Charles Z. Fedak & Company was at the Watermaster Board meeting last month to give a detailed presentation and the Board approved to receive and file the report. Mr. Jeske noted this item has already been unanimously approved to receive and file by the three Pools earlier this month.

Motion by Kinsey second by Hoerning, and by unanimous vote

Moved to receive and file the Watermaster Annual Audit Fiscal Year 2010/2011, as presented

C. PROPOSED SUPPLEMENTAL ORDER FOR RESOLUTION 2010-04

Mr. Jeske stated this item has to do with the CDA agreements and resolutions. Mr. Jeske stated in the course of doing those and filing them with the court, there was a request to ensure that the rights of private well owners continued to exist. Mr. Jeske stated this action will be filed with the court in the next court filing to ensure that the record is clear and that private well owners continue their existing rights. Mr. Jeske stated all three Pools have unanimously approved this item.

Motion by Craig second by Kinsey, and by unanimous vote

Moved to approve the supplemental order for Resolution 2010-04 as presented

D. PROPOSED CASH RESERVE POLICY

Mr. Jeske stated at several previous meetings discussions have taken place about the return of excess cash reserves, and staff found that it needed to define what Watermaster's cash reserve policy was. Mr. Jeske stated staff was directed to institute a workshop and invite agencies to participate. Mr. Jeske stated agencies were encouraged to bring their finance officers to this workshop. Mr. Jeske stated the meeting was well attended and staff received very good input, and based on that input received, staff developed a draft operating cash reserve policy. Mr. Jeske stated this policy has been reviewed by the three Pools and all three Pools made one change to the policy in removing section 4.17.9 regarding preemptive replenishment; the one in the Advisory Committee meeting package has that section removed and staff recommendation is to approve the presented policy. Mr. Jeske noted this new policy makes changes to the reserve policy which has been used in the past and will leave Watermaster holding less reserve cash which will allow Watermaster to return excess reserves each year to the agencies that paid their assessments. Mr. Kinsey stated he agrees with wanting to look at the investment policy and offered comment regarding an investment policy for Watermaster. Mr. Jeske stated under the CEO Report there is an item regarding the investment policy and that staff will be looking at this in the near future.

Motion by Crosley second by Kinsey, and by unanimous vote

Moved to approve the Cash Reserve Policy 4.17 and to direct staff to look at the current Investment Policy, as presented

E. CEO RECRUITMENT CONTRACT

Mr. Jeske stated the Watermaster Board has given direction in a cooperative process to hire a professional recruitment firm for seeking a new Watermaster CEO. Mr. Jeske stated this was unanimously approved by all three Pools earlier this month. Mr. Jeske stated the maximum amount of this request is \$32,000.00. Mr. Jeske stated he has received several proposals from a number of firms and staff will be making a recommendation next week to the Watermaster Board. Mr. Jeske stated he has supplied to the Pool chairs a the list of prospective firms. Mr. Young inquired about a scope of work to encompass that \$32,000. Mr. Jeske stated he has received a scope of work in the proposals from a number of different agencies and he will be reviewing that with the Watermaster Board. Mr. Jeske stated the scope of work will include a

process up front to determine the needs, skills, and abilities of the position with all parties. Mr. Jeske offered further comment on this process.

Motion by Kinsey second by Young, and by unanimous vote

Moved to approve appropriating \$32,000 to fund the Watermaster CEO Recruitment contract cost, as presented

III. REPORTS/UPDATES

A. ENGINEERING REPORT

1. Extensometer Progress

Mr. Jeske stated there is an agreement with the County on this item; however we don't have a signed copy back from them to date. Mr. Jeske stated Watermaster has an agreement with the CDA and that agreement went to the CDA's board recently and was approved and executed. Mr. Jeske stated Watermaster is going to move forward on the extensometer installation. Mr. Jeske noted a detailed presentation was provided at the three Pool meetings by Mr. Malone who is busy preparing for the next meeting.

B. CEO/STAFF REPORT

1. Recharge Master Plan Update/Storage Issues Review Process

Mr. Jeske stated the storage process has not yet started and he is going to be working with Mr. Zvirbulis to start an outline, an agenda, and a schedule for that process; we are committed to begin that process within the next month. Mr. Jeske stated the next Recharge Master Plan Update meeting is immediately following this meeting today. Mr. Jeske stated there has been a lot of progress made in having data and information available for this meeting which will allow the parties to start making decisions on options and actions to be brought forward through the Watermaster process. Ms. Rojo inquired about an MS4 subcommittee meeting. Mr. Jeske stated that committee has not met yet but there has been contact made to the parties on that committee regarding information needed and that information is forthcoming. Mr. Jeske offered comment on the MS4 subcommittee and what that committee will be working on.

2. Investment Policy

This item was previously discussed and there was no further comments made.

3. Record and Document Request

Mr. Jeske stated quite frequently Watermaster staff gets requests, particularly on Fridays when we are short staffed and trying to get agendas packages out, and sometimes from third parties. Mr. Jeske stated sometimes when people call in and reach one of the support staff, sometimes it is very unclear what they want or need, and in looking at how to make this easier on them and on Watermaster staff, an already Board approved policy is in place which is not being utilized presently. Mr. Jeske stated on the back table is the Request for Information form which is also posted to the Watermaster website, along with the Resolution adopting this policy that staff is now requesting be used each and every time any kind of information is being requested. Mr. Jeske stated this will alleviate any confusion on what the party wants.

4. Restated Judgment

Mr. Jeske stated the Restated Judgment process is ready to move forward and there has been discussion on how it relates to an annotated version and how it relates to a version that gives opinions, and no direction has been given to do this. Mr. Jeske stated there was work started under the past CEO to work on a draft annotated version, and there are a number of other items being worked on so that version is being pushed back. Mr. Jeske stated the Restated Judgment is being reviewed one more time by the attorneys and parties and this will be coming back next month. Chair Pierson asked what the process was for it to come back for approval. Mr. Jeske stated the Appropriative Pool has already taken action on it, and the Non-Agricultural Pool and Agricultural Pool need to have this on their agendas next

month. Mr. Garibay inquired if this will then be the "official" Judgment. Mr. Jeske stated that is correct.

C. INLAND EMPIRE UTILITIES AGENCY

1. MWD Update

Mr. Shaw stated the Metropolitan Water District (MWD) board, this week, decided to push the proposed rate increases off until April for decision; there were several residents who stood up and spoke at that meeting against the approval of those increases and asked them to move it to April. Mr. Shaw stated the MWD board has three options for rate increases which is a two year rate increase with a 5%, 7 ½%, or a 10% rate increase.

2. Water Softener Initiative

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.

IV. INFORMATION

1. Cash Disbursements for February 2012

2. No comment was made.

V. COMMITTEE MEMBER COMMENTS

No comment was made.

VI. OTHER BUSINESS

No comment was made.

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.

No confidential session was called.

VIII. FUTURE MEETINGS AT WATERMASTER

Thursday, March 15, 2012	8:00 a.m.	IEUA DYY Meeting
Thursday, March 15, 2012	9:00 a.m.	Advisory Committee Meeting
Thursday, March 15, 2012	10:00 a.m.	CB RMPU Steering Committee Mtg.
Thursday, March 22, 2012	9:00 a.m.	Land Subsidence Committee Meeting
Thursday, March 22, 2012	11:00 a.m.	Watermaster Board Meeting
Tuesday, March 27, 2012	9:00 a.m.	GRCC Meeting
Thursday, April 5, 2012	10:00 a.m.	CB RMPU Steering Committee Mtg.
Thursday, April 12, 2012	9:00 a.m.	Appropriative Pool Meeting
Thursday, April 12, 2012	11:00 a.m.	Non-Agricultural Pool Conference Call Mtg.
Thursday, April 12, 2012	1:30 p.m.*	Agricultural Pool Meeting
Thursday, April 19, 2012	8:00 a.m.	IEUA DYY Meeting
Thursday, April 19, 2012	9:00 a.m.	Advisory Committee Meeting

Thursday, April 19, 2012	10:00 a.m.	CB RMPU Steering Committee Mtg.
Thursday, April 26, 2012	11:00 a.m.	Watermaster Board Meeting

*** PLEASE NOTE: THE AGRICULTURAL POOL HAS CHANGED THEIR REGULAR MEETING TIME FROM 2:00 P.M. TO 1:30 P.M.**

Chair Pierson adjourned the Advisory Committee meeting at 9:28 a.m.

Secretary: _____

Minutes Approved: April 12, 2012