

MINUTES
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

April 19, 2012

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

ADVISORY COMMITTEE MEMBERS PRESENT

Agricultural Pool

Jeff Pierson, Chair
Bob Feenstra
Pete Hall

Ag Pool – Crops
Ag Pool – Dairy
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
Josh Swift

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
San Antonio Water Company
Santa Ana River Water Company

Tom Harder

Charles Moorrees
J. Arnold Rodriguez

Non-Agricultural Pool

Brian Geye
Curtis Aaron

Auto Club Speedway
California Steel Industries

BOARD MEMBERS PRESENT

Paula Lantz
Bob Bowcock
Bill Kruger

City of Pomona
Vulcan Materials Company (Calmat Division)
City of Chino Hills

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

Watermaster Consultants Present

Scott Slater
Mark Wildermuth
Michael Cruikshank

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

Others Present Who Signed In

Seth Zielke
Sheri Rojo
David De Jesus
Rick Hanson
Dennis Mejia

Fontana Water Company
Fontana Water Company
Three Valleys Municipal Water District
Three Valleys Municipal Water District
City of Ontario

Mike Maestas	City of Chino Hills
Nadeem Majaj	City of Chino Hills
Robert Tock	Jurupa Community Services District
Eldon Horst	Jurupa Community Services District
Jo Lynne Russo-Pereyra	Cucamonga Valley Water District
John Bosler	Cucamonga Valley Water District
Justin Scott-Coe	Monte Vista Water District
Tom Love	Inland Empire Utilities Agency
Terry Catlin	Inland Empire Utilities Agency
Craig Miller	Inland Empire Utilities Agency
Chris Berch	Inland Empire Utilities Agency
Eunice Ulloa	Chino Basin Water Conservation District
Curtis Paxton	Chino Desalter Authority
Brian Dickinson	Chino Desalter Authority
Jack Safely	Western Municipal Water District
Rick Reese	Amec
Robert DeLoach	DeLoach & Associates

Chair Pierson called the Advisory Committee meeting to order at 9:07 a.m.

AGENDA - ADDITIONS/REORDER

No additions or reorders were made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting held March 15, 2012

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of February 2012
2. Watermaster VISA Check Detail for the month of February 2012
3. Combining Schedule for the Period July 1, 2011 through February 29, 2012
4. Treasurer's Report of Financial Affairs for the Period February 1, 2012 through February 29, 2012
5. Budget vs. Actual Report for the Period July 1, 2011 through February 29, 2012

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 2.372 acre-feet of water from San Antonio Water Company to Monte Vista Water District as a method of utilizing its SAWCO shares. This lease is made first from San Antonio's net underproduction in FY 2011-2012, with any remainder to be recaptured from storage. Date of application: February 9, 2012
2. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 500.000 acre-feet of water from San Antonio Water Company to Monte Vista Water District. This lease is made first from San Antonio's net underproduction in FY 2011-2012, with any remainder to be recaptured from storage. Date of application: February 14, 2012

Motion by Young second by Moorrees, and by unanimous vote

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

II. BUSINESS ITEMS

A. WATERMASTER INVESTMENT POLICY

Mr. Jeske stated this item is a recommended amendment to the Watermaster Investment Policy. Mr. Jeske stated this amendment will allow additional avenues for investment. Mr. Jeske stated this item has gone to all three Pools and they have all passed this item unanimously. Mr. Jeske stated approving this investment does not mean Watermaster is going to throw all our funds into this investment; this is just another opportunity for investment at a slightly higher return.

Motion by Craig second by Burton, and by unanimous vote

Moved to approve the amended Watermaster Investment Policy to include Investment Trust of California (CalTRUST), as presented

B. WATERMASTER RESOLUTION 12-04 APPROVING MEMBERSHIP IN THE ACWA JOINT POWERS AUTHORITY

Mr. Jeske stated this Resolution is for approving membership in the ACWA Joint Powers Authority because they have changed their name. There are no changes to benefits or cost for this change.

Motion by Burton second by Crosley, and by unanimous vote

Moved to approve Resolution 12-04 approving membership in the ACWA Joint Powers Authority and staff's recommendation for the remaining directions to move this action forward, as presented

III. REPORTS/UPDATES

A. LEGAL REPORT

1. Restated Judgment

Counsel Slater stated, with regard to the Restated Judgment, we were trying to distinguish between the restatement itself and an effort to annotate the Judgment so there would be a user friendly document that would integrate all of the various agreements and court orders into a single document. Counsel Slater stated the effort to provide a Restated Judgment was simply an effort to engage in a scriveners exercise to come up with the modernized version of the Judgment, and the court indicated a desire to have that document, but at Watermaster's convenience. Counsel Slater stated in the process of working on some other items there was some concern expressed about moving forward with that document at this present time; it was decided it was best to defer this because there is no present urgency to move forward on this item. Counsel Slater stated this item is presently on pause and it will come back on a future agenda.

2. Extension of Time for San Sevaime Project State Water Resources Control Board Permit 20753

Counsel Slater stated this item is for an extension of time for the San Sevaime Project. Counsel Slater stated Watermaster holds three separate diversion permits for putting the water to beneficial use. Counsel Slater stated the San Sevaime permit expired in 2010 and, prior to the expiration, an extension for time was filed for to make that permit application to beneficial use requirement coterminous with the other permits. Counsel Slater stated there has been nice correspondence back and forth with the staff of the State Water Resources Control Board and counsel believes that the request will be granted, and the final details are being worked on for the order which will be published as a draft and then a final. Counsel Slater stated again, it is his belief this extension will be granted.

3. Paragraph 31 Motion

Counsel Slater stated this item is for the Paragraph 31 Motion. Counsel Slater stated the Watermaster Board approved a settlement at their last closed session. Counsel Slater stated it approved the settlement which in substance declared that the earlier option element of the Purchase and Sale Agreement terms had not been satisfied, that the options therefore failed, and under the default provisions that are in the agreement and provided for in the exhibits to the Judgment were previously approved by the court; the water could move in a format that was provided for under the Judgment amendments at a different price and a different schedule was substituted. Counsel Slater stated counsel has approved the Settlement Agreement as to form and it is presently being circulated among members of the Overlying Non-Agricultural Pool and the Appropriative Pool for approval. Counsel Slater stated the Watermaster's signature on the document is dependent on approval and

execution by the Appropriative Pool. Counsel Slater stated as soon we are notified that has occurred, Chairman Kuhn will execute the document, and we are pleased to move that behind us.

B. CEO/STAFF REPORT

1. Recharge Master Plan Update/Storage Issues Review Process

Mr. Jeske stated the Recharge Master Plan Update Committee meeting is following this meeting today. Mr. Jeske stated chapters 1 through 4 and the tables will be walked through and discussed, and we are asking for comments on this item; comments are due by April 27, 2012 and are to be sent to Mark Wildermuth and himself. Mr. Jeske stated this item will then come back next month through the Watermaster process next month for filing in June.

2. OBMP Semi Annual Status Report 2011-2

Mr. Jeske stated the OBMP Semi-Annual Status Report 2011-2 is in the meeting package starting on page 79.

3. Fiscal Year 2012/2013 Watermaster Budget

Mr. Jeske stated the Watermaster Budget Workshop has now been scheduled for April 26, 2012, following the Watermaster Board meeting at 1:30 p.m. Mr. Jeske stated at that workshop the administrative draft budget will be shown and comments will be received so that the budget can be brought forward in the May meetings for a June adoption. Mr. Jeske stated he reported this to the three Pools that the Board, in December 2011, had approved approximately \$162,000 for work under a contract with Inland Empire Utilities Agency (IEUA) on the Turner Basin. Mr. Jeske stated Watermaster had a savings anticipated this year in the budget for recharge capital and with the authority that staff has, staff will use that savings to fund this work without change to the budget or assessments. Mr. Jeske stated the benefits are based on safe yield and staff has created an additional line item under the recharge capital budget to track that work. Mr. Jeske stated if the work is not all completed this year, it will be carried over. Mr. Jeske stated this is a not to exceed contract. Mr. Jeske stated staff has found there is a contract that needs to be completed out this year for the Hickory Basin; this contract was entered into in 2007. Mr. Jeske stated because Watermaster has not been able to carry over project funds in the past, there was no budget for it this year and the benefits for that are similar to the Turner Basins. Mr. Jeske stated there was enough savings in that recharge capital to fund both of these projects this year; staff has done another line item to establish a line item for our share of the cost to finish the Hickory Basin Project out at approximately \$31,000. Mr. Craig inquired as to the rationale behind why the improvements were not made in 2007. Mr. Jeske stated there were a number of delays in the project and a lot of follow up work that had to be done by the Flood Control District to finish and complete the project; Watermaster is helping fund the project and others are carrying out the contract.

C. INLAND EMPIRE UTILITIES AGENCY

1. MWD Update – Oral

Mr. Craig stated Metropolitan Water District (MWD) approved a two year budget. Mr. Craig stated he is sure all have heard of the MWD rate increases. Mr. Craig reviewed the four options MWD considered in detail and noted MWD finally approved 5% and then 5% in the next two years. Mr. Craig stated state allocations have been reported up to 60% and it has been a very wet winter in the northern part of the state; it has been very dry in this part, especially the first portion of winter, and they are at 85% of normal in the northern sierras. Mr. Craig stated the snowpack is actually doing fairly well and it has actually been a fairly wet April so things are looking good for the northern side; however, the southern side is still looking at 50% of their average. A discussion regarding Mr. Craig's report ensued.

2. Water Softener Initiative

No comment was made.

- 3. Community Outreach/Public Relations
No comment was made.
- 4. State and Federal Legislative Reports
No comment was made.
- 5. IEUA Monthly Water Newsletter
No comment was made.

C. OTHER METROPOLITAN MEMBER AGENCY REPORTS

Mr. Hanson stated MWD established a budget and a two-year rate; however, they did not set a rate for replenishment water and so those discussions are still ongoing. Mr. Jeske offered comments on a meeting he recently attended.

IV. INFORMATION

- 1. Cash Disbursements for March 2012
No comment was made.

V. COMMITTEE MEMBER COMMENTS

A. JURUPA COMMUNITY SERVICES DISTRICT PRESENTATION

- 1. Hydrologic Imbalance in Management Zone-3 of the Chino Basin
Mr. Harder stated this presentation was given to all three Pools earlier this month and noted he and others are here from Jurupa Community Services District to give the presentation if required. Chair Pierson asked the committee members if the presentation needed to be given again today since it has been seen at the Pool meetings. The committee noted the presentation did not need to be given.

VI. OTHER BUSINESS

Mr. Craig stated Mr. John Mura, who was the former public works director at the City of Chino Hills and last year's chair of the Appropriative Pool, has moved on to become general manager of East Valley Water District. Mr. Craig stated the City of Chino Hills has completed their executive search and he is happy to announce the new Public Works Director, Nadeem Majaj. Mr. Craig offered some history on Mr. Majaj and he welcomed Mr. Majaj. Chair Pierson also welcomed Mr. Majaj.

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, 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 Comm. and Storage Mtg.
Thursday, April 26, 2012	9:00 a.m.	Land Subsidence Committee Meeting
Thursday, April 26, 2012	11:00 a.m.	Watermaster Board Meeting
Thursday, May 3, 2012	10:00 a.m.	CB RMPU Steering Comm. and Storage Mtg.
Thursday, May 10, 2012	9:00 a.m.	Appropriative Pool Meeting
Thursday, May 10, 2012	11:00 a.m.	Non-Agricultural Pool Conference Call Mtg.
Thursday, May 10, 2012	1:30 p.m.	Agricultural Pool Meeting
Thursday, May 17, 2012	9:00 a.m.	Advisory Committee Meeting
Thursday, May 17, 2012	10:00 a.m.	CB RMPU Steering Comm. and Storage Mtg.
Thursday, May 24, 2012	11:00 a.m.	Watermaster Board Meeting

Chair Pierson adjourned the Advisory Committee meeting at 9:26 a.m.

Minutes Advisory Committee Meeting

April 19, 2012

Secretary: _____

Minutes Approved: May 17, 2012