

**Minutes**  
**CHINO BASIN WATERMASTER**  
**APPROPRIATIVE POOL MEETING**

February 9, 2012

The Appropriative Pool Meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on February 9, 2012 at 9:00 a.m.

**APPROPRIATIVE POOL MEMBERS**

Marty Zvirbulis, Chair	Cucamonga Valley Water District
Scott Burton	City of Ontario
Rosemary Hoerning	City of Upland
Raul Garibay	City of Pomona
Ron Craig	City of Chino Hills
Dave Crosley	City of Chino
Mark Kinsey	Monte Vista Water District
Van Jew	Monte Vista Irrigation Company
Robert Young	Fontana Water Company
Josh Swift	Fontana Union Water Company
Tom Harder	Jurupa Community Services District
Ben Lewis	Golden State Water Company
Charles Moorrees	Santa Antonio Water Company

**Watermaster Board Members Present**

Paula Lantz	City of Pomona
Bob Kuhn	Three Valleys Municipal Water District

**Watermaster Staff**

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

**Others Present**

Curtis Aaron	California Steel Industries
Sheri Rojo	Fontana Water Company
Mike Maestas	City of Chino Hills
John Bosler	Cucamonga Valley Water District
Jo Lynne Russo-Pereyra	Cucamonga Valley Water District
Justin Scott-Coe	Monte Vista Water District
Craig Miller	Inland Empire Utilities Agency
Ryan Shaw	Inland Empire Utilities Agency
Eunice Ulloa	Chino Basin Water Conservation District
Curtis Paxton	Chino Desalter Authority
Marsha Westropp	Orange County Water District

Chair Zvirbulis called the Appropriative Pool Meeting to order at 9:01 a.m.

**AGENDA - ADDITIONS/REORDER**

Mr. Jeske stated Item C. Intervention into the Agricultural Pool, will be amended as we go forward to require metering on that well. Mr. Jeske stated staff has received information from the City of Chino that this well may have use that has more than 10 acre-feet a year; staff need to make sure it is metered and monitored.

**I. CONSENT CALENDAR****A. MINUTES**

1. Minutes of the Annual Appropriative Pool Meeting held January 12, 2012
2. Minutes of the Special Confidential Appropriative Pool Meeting held January 26, 2012

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of December 2011
2. Watermaster VISA Check Detail for the month of December 2011
3. Combining Schedule for the Period July 1, 2011 through December 31, 2011
4. Treasurer's Report of Financial Affairs for the Period December 1, 2011 through December 31, 2011
5. Budget vs. Actual Report for the Current Month, Year-To-Date, and Projected Fiscal Year

**C. INTERVENTION INTO THE AGRICULTURAL POOL**

Consider Approval for the Intervention of Tad Nakase (TDN Land Company) into the Agricultural Pool

**D. APPROPRIATIVE POOL VOLUME VOTE**

Consider Approval of the Calendar Year (February – December) 2012 Volume Vote

*Motion by Kinsey, second by Moorrees, and by unanimous vote*

***Moved to approve Consent Calendar items A through D, which include the changes associated on the Intervention into the Agricultural Pool, as presented***

**II. BUSINESS ITEMS****A. WATERMASTER MID-YEAR REVIEW, BUDGET TRANSFERS AND BUDGET AMENDMENTS**

Mr. Joswiak gave the Watermaster Mid-Year Review, Budget Transfer and Budget Amendments presentation in detail. Mr. Craig inquired into the projected expenses being just 50% of the overall annual budget. Mr. Joswiak stated what Mr. Craig is referring to is the actual three categories that were frontloaded in the first six months. Mr. Joswiak explained his answer in greater detail. Mr. Craig inquired about the \$4.477M and if that was a rollup of those frontloaded budgets. Mr. Joswiak noted that is correct. Mr. Harder inquired about the project expenses. Mr. Joswiak stated the project expenses are all the 7100 categories, and that is where Watermaster is at financially for the first six months. Mr. Harder inquired if staff was anticipating spending that and Mr. Joswiak stated yes, going forward. Mr. Young stated it is low because invoices have not been paid even though projects have been done. Mr. Joswiak stated staff has not received any of the billings yet, and when we receive those then this variance will drop. Mr. Joswiak continued with the presentation. Mr. Jeske stated it is important to note the budget is running in the range that staff is projecting, or even higher at times. Mr. Jeske stated there was a large effort to do budgetary controls this year and simply budget less. Mr. Jeske offered further comment on budgetary controls. Mr. Jeske stated during a meeting yesterday there was a discussion on the reserve policy, and at that meeting it was noted Watermaster needs to budget accurately if we want to look at reserve policies that are different than the ones that are in place today. Mr. Jeske stated Watermaster expenses are going to run pretty typical as they have in the past two or three years. Mr. Moorrees stated when we went over the budget recently; I thought we reduced the reserves for legal expenses. Mr. Jeske stated there was discussion to create a legal contingency; however, that amount was not known this year. Mr. Kinsey stated he has several questions after the presentation is completed. Mr. Joswiak continued with the presentation. Mr. Joswiak discussed the revenue received from Metropolitan Water District (MWD). Mr. Jeske stated this is a one-time revenue and offered comment on this revenue. Mr. Jeske stated it seems appropriate to use this one-time revenue for a one-time expense. Mr. Kinsey inquired further about the revenue received from MWD. Mr. Jeske stated there is an ongoing revenue that was not received in the past, so Watermaster received several years worth in one year; there will be a piece of that received every year going forward which will be handed within the budget process in the future years. Mr. Joswiak continued with his presentation. Mr. Joswiak reviewed the budget transfers and amendments in detail. Mr. Kinsey stated he

really appreciated the level of the breakdown detail. Mr. Kinsey stated he had questions for Mr. Wildermuth; however, since he is not here, he will wait until they are here next time for some of his questions. Mr. Kinsey inquired about some of the Wildermuth budget dollars presented. Mr. Joswiak stated the Wildermuth budget not only includes their portion, it also contains their sub-contractor and lab costs, and further explained Mr. Kinsey's question in detail. Mr. Kinsey inquired about the Three Valleys Municipal Water Districts contribution of \$300,000 not coming in and how that affects the Wildermuth budget. Mr. Joswiak noted Watermaster received the \$300,000 last week. Mr. Kinsey asked that the summary of projections section of the presentation be pulled up. Mr. Kinsey inquired when Mr. Jeske retired from the City of Ontario and Mr. Jeske stated in 2008/2009. Mr. Kinsey stated he remembers three or four years ago when the parties initiated a process, mainly driven by the Advisory Committee and the city manager of Chino Hills, to really sit down and address Watermaster governance/process issues. Mr. Kinsey stated out of that course of action the parties felt the main issue was probably process-related rather than governance. Mr. Kinsey stated Watermaster committed to go through and develop procedures and policies more in line with what the other agencies do. Mr. Kinsey stated that was never completed, which leads to many questions, including the matter of the Paragraph 31 Motion which we are facing now. Mr. Kinsey offered further comment on the policy/procedure issues, the recently purchased replenishment water, storage issues, and unnecessary expenses. Mr. Kinsey asked that staff restart the process for the Watermaster Procedure/Policy Manual. Mr. Jeske stated he recalls that process and has discussed that with Watermaster staff recently. Mr. Jeske stated staff needs to finish working on that and bring it forward. Mr. Jeske asked that if anyone else has records that were part of that process to please assist in this matter. Mr. Jeske stated one of the reasons it was put on the shelf was because of the water auction and other personnel changes. Mr. Zvirbulis stated he remembers this being started and then it kind of dropped off the radar; however, there is now willingness by the parties to work together, without legal counsel, and restart that process of the Policy/Procedures Manual again. Mr. Burton inquired to Mr. Joswiak about the legal expense which appears to be over budget and asked how much of that was for the Paragraph 31 Motion. Mr. Joswiak stated \$39,800 has been budgeted for the year and for the first six months Watermaster has spent \$14,000.

*Motion by Garibay, second by Crosley, and by unanimous vote*

***Moved to receive and file the mid-year review report and approve the budget transfers and budget amendments, as presented***

#### **B. CHINO CREEK WELL FIELD EXTENSOMETER CONSTRUCTION CHANGE ORDER REIMBURSEMENT AGREEMENT**

Mr. Jeske stated this item is for a reimbursement agreement between Chino Basin Watermaster and the Chino Desalter Authority (CDA). Mr. Jeske stated the CDA already has existing contracts for well drilling and this agreement would be using those existing contracts. Mr. Jeske stated this is a reimbursement agreement which would go to the CDA in the amount of \$295,000 plus a 10% contingency, along with giving the authority to the Watermaster CEO to enter into an agreement and finalize any details.

*Motion by Kinsey, second by Moorrees, and by unanimous vote*

***Moved to approve authorizing Watermaster CEO to finalize and then enter into the Draft Reimbursement agreement, as presented***

#### **C. CHINO CREEK WELL FIELD EXTENSOMETER LAND LEASE AGREEMENT**

Mr. Jeske stated this item is regarding the land needed to put the extensometer on, which was just approved. Mr. Jeske offered the history on this item and noted after several discussions it was decided to go with the County for their property. Mr. Jeske stated the original quote, which has been discussed at other meetings, was excessively high; however, it was later found that the County provided Watermaster with the wrong lease amount, and that has now been modified from \$1,385 a month to \$133 a month. Mr. Jeske stated it is important to get this extensometer

in before the wells start pumping. A discussion regarding this item ensued. Mr. Greene pointed out the location of the land on a map for clarification.

*Motion by Kinsey, second by Crosley, and by unanimous vote*

***Moved to approve authorizing Watermaster CEO to finalize and then enter into the land lease agreement with San Bernardino County, as presented***

### **III. REPORTS/UPDATES**

#### **A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Paragraph 31 Appeal Tentative Opinion

Mr. Jeske stated a tentative opinion was received and there has been a request for a hearing, which is not yet scheduled. Mr. Jeske stated when the hearing is scheduled all the parties will be notified.

#### **B. CEO/STAFF REPORT**

1. Recharge Master Plan Update/Storage Issues Review Process

Mr. Jeske stated work has begun on the Recharge Master Plan Update (RMPU) and Watermaster has held two meetings on that matter. Mr. Jeske stated a draft outline has been developed and has been circulated. Mr. Jeske stated the next meeting is scheduled for February 14<sup>th</sup> at 9:00 a.m. Mr. Jeske stated he will be meeting with Mr. Wildermuth tomorrow to work on materials for that meeting. Mr. Jeske stated those meetings are open to anyone so that there is a collaborative process in reviewing the 2010 RMPU. Mr. Jeske thanked all the parties for working on the development of this committee which will be working on the existing 2010 RMPU.

2. WEI Analysis of Well Design for CDA Well I-20 & I-21

Mr. Jeske stated this item is for wells I-20 and I-21; however, he will be reporting on well I-19 also. Mr. Jeske stated this item had a request made by the state that an annular seal be put into the wells between the two water zones; however, well I-20 had already been drilled and gravel packed, and it was not possible to get that seal in that one well. Mr. Jeske stated on well I-19 and I-21 the well design has been amended and that annular seal, as requested, will be placed in them. Mr. Jeske offered further history on this item.

3. Data Release Procedures

Mr. Jeske stated this item relates to data release procedures. Mr. Jeske stated this particular item relates to releasing data for the Agricultural Pool well sampling which was performed by both Watermaster and the ABGL Group. Mr. Jeske noted the data results have been provided to the Regional Water Quality Control Board.

### **IV. INFORMATION**

1. Cash Disbursements for January 2012

No comment was made on this item.

2. Newspaper Articles

Mr. Jeske stated having newspaper articles in the meeting packages consume staff time and costly paper. Mr. Jeske inquired if this Committee still wants to have them in the package and if they are not important, Watermaster will save trees. A discussion regarding this matter ensued. Chair Zvirbulis stated the consensus is to stop providing newspaper articles in the meeting packages.

### **V. POOL MEMBER COMMENTS**

No comment was made on this item.

### **VI. OTHER BUSINESS**

No comment was made on this item.

Mr. Jeske stated this is your opportunity to provide comment to the Watermaster Board regarding the search for the CEO.

The regular open Appropriative Pool meeting was convened to hold its confidential session at 9:46 a.m.

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

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

1. CEO Search

The confidential session concluded at 10:29 a.m.

There was no reportable action from the confidential session.

**VIII. FUTURE MEETINGS AT WATERMASTER**

Wednesday, February 8, 2012	3:00 p.m.	Reserve Policy Workshop
Thursday, February 9, 2012	9:00 a.m.	Appropriative Pool Meeting
Thursday, February 9, 2012	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, February 9, 2012	1:00 p.m.	Agricultural Pool Meeting
Tuesday, February 14, 2012	9:00 a.m.	* CB RMPU Steering Committee Meeting
Thursday, February 16, 2012	8:00 a.m.	IEUA DYY Meeting
Thursday, February 16, 2012	9:00 a.m.	Advisory Committee Meeting
Thursday, February 16, 2012	10:30 a.m.	Land Subsidence Committee Meeting
Thursday, February 23, 2012	11:00 a.m.	Watermaster Board Meeting

\* **Chino Basin Recharge Master Plan Update Steering Committee**

Chair Zvirbulis adjourned the Appropriative Pool meeting at 10:30 a.m.

Secretary: \_\_\_\_\_

Minutes Approved: March 8, 2012