

MINUTES
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

September 21, 2017

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on September 21, 2017.

ADVISORY COMMITTEE MEMBERS PRESENT

NON-AGRICULTURAL POOL MEMBERS PRESENT

Brian Geye, Chair
Ramsey Haddad

Auto Club Speedway
California Steel Industries

AGRICULTURAL POOL MEMBERS PRESENT

Jeff Pierson, Vice-Chair
Pete Hall
Lawrence Dimock

Crops
State of California – CIM
State of California – CIM

APPROPRIATIVE POOL MEMBERS PRESENT

Todd Corbin
Teri Layton
John Bosler for Marty Zvirbulis
Rosemary Hoerning
Seth Zielke
Dave Crosley
Raul Garibay for Darron Poulsen
Cris Fealy
Ron Craig
Van Jew
Katie Gienger for Scott Burton

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

WATERMASTER BOARD MEMBERS PRESENT

Bob Kuhn
Bob Bowcock

Three Valleys Municipal Water District
Calmat Company (Vulcan Materials Co.)

WATERMASTER STAFF PRESENT

Peter Kavounas
Joseph Joswiak
Edgar Tellez Foster
Anna Truong
Justin Nakano

General Manager
Chief Financial Officer
Senior Environmental Engineer
Executive Services Director/Board Clerk
Water Resources Senior Associate

WATERMASTER CONSULTANTS PRESENT

Brad Herrema
Mark Wildermuth
Andy Malone
Garrett Rapp
Carolina Sanchez

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

OTHERS PRESENT

Eunice Ulloa
Curtis Paxton
Chris Berch
Shaun Stone
Andy Campbell

City of Chino
Chino Basin Desalter Authority
Inland Empire Utilities Agency
Inland Empire Utilities Agency
Inland Empire Utilities Agency

Sheri Rojo
Braden Yu
Richard Rees
Joel Ignacio
Eric Tarango
David De Jesus
Manny Martinez
Vivian Castro

Basin Creek Consulting
Cucamonga Valley Water District
AMEC
Inland Empire Utilities Agency
Fontana Water Company
Three Valleys Municipal Water District
Monte Vista Water District
Chino Basin Water Conservation District

CALL TO ORDER

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

AGENDA - ADDITIONS/REORDER

None

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting held July 20, 2017
2. Minutes of the Advisory Committee Special Meeting held August 3, 2017

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of June 2017
2. Watermaster VISA Check Detail for the month of June 2017
3. Combining Schedule for the Period July 1, 2016 through June 30, 2017
4. Treasurer's Report of Financial Affairs for the Period June 1, 2017 through June 30, 2017
5. Budget vs. Actual Report for the Period July 1, 2016 through June 30, 2017
6. Cash Disbursements for the month of July 2017
7. Watermaster VISA Check Detail for the month of July 2017
8. Combining Schedule for the Period July 1, 2017 through July 31, 2017
9. Treasurer's Report of Financial Affairs for the Period July 1, 2017 through July 31, 2017
10. Budget vs. Actual Report for the Period July 1, 2017 through July 31, 2017

C. PROFESSIONAL PUBLIC OUTREACH SERVICES AGREEMENT BETWEEN RAUCH COMMUNICATION CONSULTANTS INC. AND CBWM

Recommend to the Watermaster Board to approve.

D. OBMP SEMI-ANNUAL STATUS REPORTS 2016-2 AND 2017-1

Recommend to Watermaster Board to adopt the Semi-Annual OBMP Status Report 2016-2 and 2017-1, along with filing a copy with the Court, subject to any necessary non-substantive changes.

E. FONTANA WATER COMPANY APPLICATION FOR RECHARGE

Approve Fontana Water Company's Application for Recharge and direct Watermaster staff to account for this supplemental water recharged in Fontana Water Company's existing Local Supplemental Storage.

F. WATER TRANSACTIONS

Provide advice and assistance to the Watermaster Board on the proposed transactions:

1. The purchase of 119.844 acre-feet of water from the City of Upland by Golden State Water Company, effective for FY 2016/2017. This purchase is made from the City of Upland's Annual Production Right/Operating Safe Yield first, then any additional from Excess Carryover storage. Date of application: May 24, 2017.

2. The purchase of 138.156 acre-feet of water from West End Consolidated Water Company by Golden State Water Company, effective for FY 2016/2017. This purchase is made from West End Consolidated Water Company's Annual Production Right/Operating Safe Yield first, then any additional from Excess Carryover storage. Golden State Water Company is utilizing this transaction to produce its West End Consolidated Water Company shares. Date of application: May 24, 2017.
3. The purchase of 1,474.258 acre-feet of water from West End Consolidated Water Company by the City of Upland, effective for FY 2016/2017. This purchase is made from West End Consolidated Water Company's Annual Production Right/Operating Safe Yield first, then any additional from Excess Carryover storage. The City of Upland is utilizing this transaction to produce its West End Consolidated Water Company shares. Date of application: May 24, 2017.
4. The purchase of 6,000.000 acre-feet of water from the City of Upland by Fontana Water Company, effective for FY 2016/2017. This purchase is made from the City of Upland's Annual Production Right/Operating Safe Yield first, then any additional from Excess Carryover storage. Date of application: June 14, 2017.
5. The permanent transfer of 18.789 acre-feet from Angelica Corporation to 9W Halo Western OpCo L.P. This transfer is contingent on 9W Halo Western OpCo L.P.'s successful intervention into the Overlying (Non-Agricultural) Pool. Date of application: July 6, 2017.

(0:00:39)

Motion by Vice-Chair Jeff Pierson, seconded by Mr. Ron Craig, and by unanimous vote

Moved to approve the Consent Calendar as presented.

II. **BUSINESS ITEMS**

A. **DESALTER REPLENISHMENT OBLIGATION ALLOCATION**

Offer advice to Watermaster on the acceptable methodology to allocate Desalter Replenishment Obligation among parties.

(0:01:03) Mr. Kavounas gave a report. A discussion ensued.

(0:06:44) Motion introduced by Mr. Craig. Further discussion ensued.

(0:16:40) Board Member Kuhn offered comment.

(0:18:26) *Vote Taken*

Motion by Mr. Ron Craig, seconded by Ms. Teri Layton, and by unanimous vote

Moved to request the Watermaster Board to not act on Business Item II.A. and allow the Appropriative Pool additional time to move forward with its negotiations on the matter.

B. **EVAPORATIVE LOSSES TO SUPPLEMENTAL WATER RECHARGE IN CHINO BASIN**

Approve the amendment of the Rules and Regulations by adding section 7.2(d) to account for evaporative losses to all supplemental water delivered to Recharge Basins at a rate of 1.5% during the Rainy Season (November through March) and 4.2% during the Dry Season (April through October) beginning on October 1, 2017. Further, that evaporative losses be re-evaluated on a periodic basis as more data becomes available.

(0:18:45) Mr. Kavounas gave a report. A discussion ensued.

(0:21:21) Mr. Craig commented on municipal water system losses. A discussion ensued.

(0:28:56) Motion introduced by Mr. Craig, and seconded by Mr. Jew. Further discussion ensued.

(0:30:47) *Vote Taken*

Motion by Mr. Ron Craig, seconded by Mr. Van Jew, and by unanimous vote

Moved to approve Business Item II.B. as presented; and requested a review of collective municipal system losses to assess the order of magnitude.

C. 2016 ANNUAL REPORT OF THE GROUND-LEVEL MONITORING COMMITTEE

Recommend to the Watermaster Board to approve the 2016 Annual Report of the Ground-Level Monitoring Committee, along with filing a copy with the Court.

(0:31:00) Mr. Kavounas offered the same reports as was given at the Pool meetings last week. The Committee declined to have the reports provided again.

(0:31:36)

Motion by Mr. Raul Garibay, seconded by Vice-Chair Jeff Pierson, and by unanimous vote

Moved to approve Business Item II.C. as presented.

D. MASTER AGREEMENT BETWEEN CHINO BASIN WATERMASTER AND INLAND EMPIRE UTILITIES AGENCY REGARDING THE MANAGEMENT OF COLLABORATIVE PROJECTS

Recommend to the Watermaster Board to approve the proposed Master Agreement between Chino Basin Watermaster and Inland Empire Utilities Agency Regarding the Management of Collaborative Projects.

(0:32:08) Mr. Kavounas gave a report.

(0:33:04)

Motion by Vice-Chair Jeff Pierson, seconded by Mr. Raul Garibay, and by unanimous vote

Moved to approve Business Item II.D. as presented.

E. TASK ORDER NO. 1 UNDER THE MASTER AGREEMENT REGARDING THE MANAGEMENT OF COLLABORATIVE PROJECTS (SALINITY MANAGEMENT)

Approve Task Order No. 1 (Salinity Management).

(0:33:33) Mr. Kavounas gave a report. A discussion ensued.

(0:33:56)

Motion by Ms. Katie Gienger, seconded by Vice-Chair Jeff Pierson, and by unanimous vote

Moved to approve Business Item II.E. as presented.

F. FIRST AMENDMENT TO THE MASTER RECHARGE FACILITIES FINANCING AGREEMENT

Recommend to the Watermaster Board to approve.

(0:34:36) Mr. Kavounas gave a report.

(0:35:16)

Motion by Ms. Rosemary Hoerning, seconded by Mr. Raul Garibay, and by unanimous vote

Moved to approve Business Item II.F. as presented.

G. FISCAL YEAR 2016/17 BUDGET TRANSFER (FORM T-17-06-01)

Approve Budget Transfer Form T-17-06-01 for FY 2016/17 as presented.

(0:35:40) Mr. Joswiak gave a report.

(0:36:27)

Motion by Vice-Chair Jeff Pierson, seconded by Mr. John Bosler, and by unanimous vote

Moved to approve Business Item II.G. as presented.

H. SCADA INSTALLATION, MONITORING AND REIMBURSEMENT LETTER AGREEMENT BETWEEN WATERMASTER AND MONTE VISTA WATER DISTRICT

Approve the proposed SCADA Installation, Monitoring and Reimbursement Letter Agreement between Watermaster and MVWD.

(0:36:52) Mr. Kavounas gave a report. A discussion ensued.

(0:37:24)

Motion by Mr. Ron Craig, seconded by Mr. Raul Garibay, and by unanimous vote

Moved to approve Business Item II.H. as presented.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Appeal of April 28, 2017 Order
2. Hearing on Motion to Confirm Stay Pending Appeal

(0:37:42) Mr. Herrema gave a report.

B. ENGINEER REPORT

1. Storage Workshop
2. Other Efforts

(0:39:03) Mr. Malone offered the same reports as was given at the Pool meetings last week. The Committee declined to have the reports provided again.

C. CFO REPORT

1. Status of FY 2016/17 Audit Report

(0:39:17) Mr. Joswiak gave a report.

D. GM REPORT

1. Pump to Waste Reporting
2. DYY Program Update
3. Santa Ana River Update
4. CSI Basin Project Decision
5. Other

(0:39:45) Mr. Kavounas gave reports on Items III.D.1. through III.D.4., and gave an update on Water Activity Reports, Exhibit "G" rates, Storage Agreements, and Storage Workshop #4. A discussion ensued.

(0:43:44) Mr. Kavounas announced that Storage Workshop #4 may be cancelled due to lack of information received. Further discussion ensued.

E. INLAND EMPIRE UTILITIES AGENCY (WRITTEN)

1. MWD Water Supply Conditions
2. State and Federal Legislative Reports
3. Community Outreach/Public Relations Report
4. IEUA Water Forum Newsletter

(0:47:13) Mr. Berch gave a report. A discussion ensued

(0:53:39) Mr. Campbell gave a report on groundwater recharge, and announced that recycled water deliveries hit a record for 2016/17. A discussion ensued.

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

None

IV. INFORMATION

1. Cash Disbursements for August 2017

V. COMMITTEE MEMBER COMMENTS

None

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

None

ADJOURNMENT

Chair Geye adjourned the Advisory Committee meeting at 10:06 a.m.

Secretary: _____

Approved: _____ October 19, 2017