

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

January 10, 2013

The Annual Appropriative Pool meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on January 10, 2013, at 9:00 a.m.

**APPROPRIATIVE POOL MEMBERS PRESENT**

Marty Zvirbulis, Chair	Cucamonga Valley Water District
Scott Burton	City of Ontario
Rosemary Hoerning	City of Upland
Curtis Aaron	City of Pomona
Ron Craig	City of Chino Hills
Dave Crosley	City of Chino
Mark Kinsey	Monte Vista Water District
Justin Scott-Coe	Monte Vista Irrigation Company
Josh Swift	Fontana Union Water Company
Seth Zielke	Fontana Water Company
Tom Harder	Jurupa Community Services District
Ben Lewis	Golden State Water Company
Teri Layton	San Antonio Water Company
J. Arnold Rodriguez	San Ana River Water Company

**Watermaster Board Members Present**

Bob Kuhn	Three Valleys Municipal Water District
Bob Craig	Jurupa Community Services District
Bob Bowcock	Vulcan Materials Company

**Watermaster Staff Present**

Peter Kavounas	General Manager
Danielle Maurizio	Assistant General Manager
Joe Joswiak	Chief Financial Officer
Sherri Molino	Recording Secretary

**Watermaster Consultants Present**

Brad Herrema	Brownstein, Hyatt, Farber & Schreck
Mark Wildermuth	Wildermuth Environmental Inc.
Veva Weamer	Wildermuth Environmental Inc.

**Others Present**

Paula Lantz	City of Pomona
Sheri Rojo	Fontana Water Company
David De Jesus	Three Valleys Municipal Water District
Mike Maestas	City of Chino Hills
Todd Corbin	Jurupa Community Services District
Jo Lynne Russo-Pereyra	Cucamonga Valley Water District
Ryan Shaw	Inland Empire Utilities Agency
Eunice Ulloa	Chino Basin Water Conservation District
Curtis Paxton	Chino Desalter Authority
Marsha Westropp	Orange County Water District
Chuck Hays	City of Fontana
Rogelio Mata	City of Fontana

Chair Zvirbulis called the Appropriative Pool Meeting to order at 9:00 a.m.

**AGENDA - ADDITIONS/REORDER**

There were no additions or reorders made to the agenda.

**I. ANNUAL ELECTIONS - ACTION**

**A. Calendar Year 2013 Appropriative Pool Officers**

Nominations will be heard for the Appropriative Pool Chair to serve during calendar year 2013.

Nominations: Marty Zvirbulis, Cucamonga Valley Water District

Motion: 1<sup>st</sup> Kinsey 2<sup>nd</sup> Aaron

**Appointed Chair: Marty Zvirbulis**

Nominations: Scott Burton

Motion: 1<sup>st</sup> Kinsey 2<sup>nd</sup> Aaron

**Appointed Vice-Chair: Scott Burton**

Secretary/Treasurer Watermaster General Manager

**B. Calendar Year 2013 Advisory Committee Officer**

According to the rotation sequence established among the pools, the appropriators will be asked to appoint a designated representative to serve on the Advisory Committee during calendar year 2013.

Nominations: Rosemary Hoerning

Motion: 1<sup>st</sup> Crosley 2<sup>nd</sup> Layton

**Appointed Chair: Rosemary Hoerning**

**C. Calendar Year 2013 Advisory Committee Minor Representatives**

According to the Appropriative Pool Pooling Plan, minor producers are to elect two representatives to serve on the Advisory Committee during calendar year 2013. The minor producers for 2013 are: Arrowhead Mountain Spring Water, City of Fontana, City of Norco, County of San Bernardino, Golden State Water Company, Marygold Mutual Water Company, Monte Vista Irrigation Company, Niagara Bottling Company, Nicholson Trust, San Antonio Water Company, Santa Ana River Water Company, West End Consolidated Water Company, and West Valley Water District.

Nominations: Monte Vista Irrigation

Motion: 1<sup>st</sup> Hoerning 2<sup>nd</sup> Crosley

**Minor Rep #1 Monte Vista Irrigation**

Nominations: San Antonio Water Company

Motion 1<sup>st</sup> Hoerning 2<sup>nd</sup> Crosley

**Minor Rep #2 San Antonio Water Company**

**D. Calendar Year 2013 Pool Representation on the Watermaster Board**

Based on the Court-adopted Rotation Schedule for Representatives to the Watermaster, during calendar year 2013, the following will represent the Appropriative Pool on the Watermaster Board.

Jurupa Community Services District 2013-2015

New Member: Robert "Bob" Craig

Alternate: Jane Anderson

Mr. Kavounas introduced Mr. Robert "Bob" Craig from Jurupa Community Services District who was in the audience.

**II. CONSENT CALENDAR****A. MINUTES**

1. Minutes of the Appropriative Pool Meeting held December 13, 2012

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of November 2012
2. Watermaster VISA Check Detail for the month of November 2012
3. Combining Schedule for the Period July 1, 2012 through November 30, 2012

Pulled B4 for discussion:

4. Treasurer's Report of Financial Affairs for the Period November 1, 2012 through November 30, 2012
5. Budget vs. Actual Report for the Period July 1, 2012 through November 30, 2012

**C. NOTICE OF INTENT**

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

**D. CHINO BASIN WATERMASTER INVESTMENT POLICY**

Resolution 13-01 – Resolution of the Chino Basin Watermaster, San Bernardino County, California, Re-Authorizing the Watermaster's Investment Policy

**E. LOCAL AGENCY INVESTMENT FUND**

Resolution 13-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF)

**F. APPROPRIATIVE POOL VOLUME VOTE**

Consider Approval of the Calendar Year 2013 Appropriative Pool Volume Vote

*Motion by Aaron, second by Hoerning, and by unanimous vote*

***Moved to approve Consent Calendar items A through B3, and B5 through F, as presented***

Ms. Layton pulled Financial Report B4 on the Consent Calendar to discuss CalTRUST which she noted is in the Watermaster Policy; however, it appears Watermaster does not have any investments in that plan. Mr. Joswiak stated there are no monies in CalTRUST and all funds are presently in LAIF. Mr. Joswiak stated there are three options approved for Watermaster to invest monies in, which are CD's with Bank of America, LAIF, or CalTRUST.

*Motion by Layton, second by Zielke, and by unanimous vote*

***Moved to approve Consent Calendar item B4, as presented***

## Added Comment:

Mr. Kavounas stated last month there was a question presented on Financial Item B5 Budget vs. Actual Report regarding a miscellaneous legal expense and to clarify that expense, a footnote has been added to that monthly report. Ms. Layton stated she did notice that and thanked staff for adding that additional language.

Mr. Kavounas stated the annual filing of Notice of Intent regarding the determination of operating safe yield, references the "Judgment" which should reference the "Restated Judgment." That correction will be made and presented to the upcoming Advisory Committee and Watermaster Board. Mr. Kavounas stated this change does not affect the actual Notice of Intent.

**III. BUSINESS ITEMS****A. 2013 AMENDMENT TO THE 2010 RECHARGE MASTER PLAN UPDATE**

Mr. Kavounas stated the action on this item is to approve Section 7 as presented. Section 7 contains the evaluation criteria that would be used to guide the selection of projects to be undertaken as a result of the amendment. Mr. Kavounas stated the criteria reflected the outcome of lengthy discussions and numerous meetings of the RMPU Steering Committee. Mr. Kavounas stated staff had the opportunity to bring three separate drafts of Section 7 to the Steering Committee and staff was pleased to see that each time comments received back got narrower and narrower; it is felt the presented document captures and reflects the Steering Committee's intent for this project. The tables that are shown as sample tables, at the back of Section 7, will make it easy to understand which projects are preferable, and by the time Section 8 work starts, staff will be able to rank and also reflect the parties' appetite for capital investment. Mr. Kavounas stated he is very optimistic that staff and the parties will be able to begin Section 8 and come up with a plan that is very useful and constructive. The first separation of projects in the evaluation criteria is the sustainability of MZ3. The second separation is looking at what can we do to increase yield, first in MZ3, then MZ2, and lastly in MZ1. Within those categories the parties will have the options and knowledge to make decisions based on cost, water quality impacts, and then challenges in implementation of those projects. Mr. Kavounas stated the Section 7 document in the meeting package today is the redline version of the third draft that has been reviewed and commented on by several parties and during the Steering Committee meetings. Mr. Kavounas stated staff has received several comments over the process of working on Section 7 and staff has done their best to include pertinent comments. Mr. Kavounas stated staff is very confident that Section 7 is a good product and staff is recommending the approval of this document.

Mr. Harder inquired, in looking at table 7-1B across the top of the page, if these are criteria? Mr. Kavounas stated there are two tables 7-1 and 7-2. Table 7-1 is a buildup from 1A to 1B to 1C of the sustainability projects. The intent is that 1A captures the cost and yield information of the project; 1B actually summarizes that and presents the reliability, the water quality and institutional challenges; 1C is the actual ranking based on the information that 1A and 1B have contained in them. Mr. Harder stated he was trying to connect how we would get from 7-1B to the ranking; are these criteria going to be weighted or how are we going to get from the criteria to the ranking. Mr. Kavounas stated the intent is based on the unit cost of the project and with consideration of the other factors that have been reviewed. After that the water quality and institutional challenges, and at the same time projects that aren't recommended are still preserved in the bottom half of the table. Mr. Kavounas stated there is definitely more judgment called for in this evaluation process than if there was a strict formula where every project just simply got assigned a numeric score. Mr. Harder stated his main concern is that when we get to that prioritized list of projects, if staff can explain the process getting to that, because he thinks that will be the difficult step without a numeric or some sort of outlined process ahead of time. Mr. Kavounas stated unit cost calculation is about as close to a numeric calculation as we have and that will help guide the ranking at the end. The real question is, once the projects are ranked, where is the line drawn as to what needs to be chosen or not. Mr. Harder stated that is where the other criteria come in. Mr. Kavounas stated in light of the fact there is no hard and fast

recharge number that we are targeting; the question is then how do you select any projects altogether. Mr. Kavounas stated the question goes back to some of the technical analysis that Wildermuth Environmental Inc. (WEI) will do, that will give an indication what's needed for sustainability in MZ3. The new yield projects question goes back to how much the Appropriative Pool willing to fund in total, which is why there is a column on the right side of the table which is capturing the actual capital costs because that is what will translate to a collection of monies to fund those projects. Mr. Harder inquired if those will be ranked according to lowest to the highest cost. Mr. Kavounas stated not necessarily, there will be a unit cost shown lowest at the top and highest at the bottom, then associated capital costs, and then a running total of capital costs. Mr. Harder stated his concern is for the other criteria because cost is not the only criteria that are being factored into this. Mr. Kavounas stated there is no clean way and there is also no doubt in his mind that Section 8 is going to include very healthy discussions by the Steering Committee, which will be brought back through the Watermaster process. Mr. Kavounas stated he is very confident that at the end of the day staff will get a list that most parties agree is appropriate.

Mr. Burton inquired when that list comes out initially, is Watermaster going to go from lowest to highest unit cost, or is Watermaster going to attempt trying to take into account those other parameters. Mr. Kavounas stated it is going to be most constructive if staff brings to the Steering Committee something to look at that looks tables 7-1 and 7-2 completely filled out, with staff's judgments incorporated, presented, and then explain to the Appropriative Pool why things have been presented they way staff has presented them.

Mr. Kinsey stated he has a few questions, which are somewhat related to addressing the sustainability issues down in the southern portion of MZ3 and on the meeting package page 91 and 92. Mr. Kinsey read on page 91 of the meeting package starting at the third paragraph down, in its entirety. Mr. Kinsey stated in knowing how water supply works in this area, Monte Vista Water District is wondering how Inland Empire Utilities Agency (IEUA) and Three Valleys Municipal Water District (TVMWD) really become likely candidates or potential legitimate candidates for taking supplemental water, treating it, and distributing it to Jurupa Community Services District, because his assumption is that the Steering Committee identifies agencies who are really legitimate candidates for participation. Mr. Kinsey stated he is curious how IEUA will move treated water to someone outside their service area. Mr. Kavounas stated that Section 7 includes anyone that could be a player in this and did not want any potential candidate to be left out. Mr. Kinsey stated on page 93 of the meeting package the same chart which has already been discussed, and he read sections on page 93 in their entirety and noted it seems to prioritize those projects in MZ3, MZ2, and MZ1; declining safe yield is a tremendous cost to the public and the customers that we serve, and our concern is that there might be more cost effective projects possible in MZ1 from a dollar per acre-foot basis. Mr. Kinsey inquired as to why we would set a prioritization in any management zone rather than looking at what the most cost effective way of enhancing or offsetting safe yield economy is. Mr. Kavounas stated there is no course set to select yield enhancing projects in MZ3, MZ2, or in MZ1. Mr. Kavounas asked the committee members to turn to page 107 in the meeting package, which shows what table 7-2C would look like. In table 7-2C what staff intends to do is list recommended projects, if any, by zone, and it would be staff's recommendation brought forth for the Steering Committee to review, discuss, and provide this committee its feedback. With this, at that time, staff will provide the yield, unit cost, and total capital cost, and at the same time there might not be any yield enhancing projects because there were none that were cost effective. Mr. Kavounas stated at that point by zone the question will be which projects enhance yield that are worth pursuing. Mr. Kinsey noted by reading this today it appears there is only going to be a prioritization of yield enhancing projects by management zone rather than yield enhancing projects, which are most cost effective. Mr. Kavounas stated it's both, and table 7-2C shows both, and staff believes from a management point of view, that if you have a project that you are going to fund one dollar and you have an equally cost effective project in MZ3 and MZ2; MZ3 would be chosen first. Mr. Kinsey stated he would agree with that concept. Mr. Kavounas stated the concept is to have all fifty-some projects listed and we will have a running total of the capital of the projects as they get ranked and deemed worthy of pursuing versus not worthy of pursuing, because that is a really critical number

for the appropriators to have. That will help make the decision as the projects move up and down in their order and from table to table. A discussion regarding the comments made ensued.

Mr. Kinsey noted the document states that both Jurupa Community Services District (JCSD) and Chino Desalter Authority (CDA) wells face potential sustainability issues; however, it only recommends curtailment of production in JCSD as an option and it does not explain why it's not feasible to curtail CDA production release in those wells which contribute to sustainability issues. There may be a contractual obligation to pump that quantity of water and the appropriators are just not aware of it. Mr. Kinsey stated it would be helpful if the document provides a more enhanced discussion of why reduction in production in those affected CDA wells isn't a viable option. Mr. Kavounas stated staff will add an explanation about CDA pumping.

Mr. Zielke asked if the 7-1A and 7-2A tables are going to be generated by WEI, and then the 7-1B and 7-2B, once those projects move to those tables, they will then go through the Watermaster process. Mr. Kavounas replied the intention is to continue the process as in the last few months which means technical information and content, as it is developed, is put together and brought to the Steering Committee for their review and comments. Mr. Kavounas stated what staff is looking for from WEI and IEUA is to develop technical information that would fill tables 7-1A and 7-1B, and then between WEI and Watermaster, we will look to populate tables 7-1C and 7-2C, and then start bringing those to the Steering Committee. Staff's intention is to also start bringing to the Steering Committee the methodology that WEI and IEUA will follow for determining costs, along with any other information the Steering Committee wants to see to understand how the projects were developed and why they were put in the order that they were placed in. Mr. Zielke stated 7-1C or the C's is what we will see in the Steering Committee meetings. Mr. Kavounas stated the Committee will see A's, B's, and C's and any background information that feeds into those that the Committee would like to see.

Chair Zvirbulis stated it is staff's recommendation to have the Pool approve the attached document titled 2013 Amendment to the 2010 Recharge Master Plan Update, Section 7: Evaluation Criteria. Mr. Kinsey stated he would make that recommendation; however, he does have a question for Mr. Kavounas or legal counsel regarding amending the motion to incorporate the comments regarding the CDA. Mr. Kavounas stated it is his understanding that Watermaster will add that paragraph as suggested. Counsel Herrema stated as the maker of the motion it is at your pleasure to amend your motion to ensure that explanatory comment was there. Mr. Kinsey stated he wanted to amend his motion to incorporate that.

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

***Moved to approve unanimously staff recommendation that the Watermaster Board approve the document titled "2013 Amendment to the 2010 Recharge Master Plan Update, Section 7: Evaluation Criteria," with the inclusion of an explanatory comment on Chino Desalter Authority II well sustainability, as presented***

#### **B. NOTICE OF OVERLYING (NON-AGRICULTURAL) POOL AVAILABLE WATER PER JUDGMENT EXHIBIT "G"**

Mr. Kavounas stated this item requires no action from the Appropriative Pool and constitutes a required notice. Exhibit "G" of the Judgment, as it was amended and shown in the Restated Judgment, creates a process by which the Non-Agricultural Pool can make water available for sale to appropriators. Mr. Kavounas stated Watermaster received a timely notice from Auto Club Speedway for 500 acre-feet and Aqua Capital Management for 3,500 acre-feet; their notice was filed by the December 31, 2012 deadline. Watermaster understands that the water is available at the rate of 92% of Metropolitan Water District (MWD) Tier 1 Rate which was the result of a negotiation agreement between the Non-Agricultural Pool and Appropriative Pool for a one-year-only substitution rate. Mr. Kavounas stated the notice that Watermaster is providing is part of the Watermaster Pool package and is the required notice by Watermaster. Mr. Kavounas stated Appropriators that have an interest in purchasing the water need to make a firm commitment by March 1, 2013.

No action was taken.

#### **IV. REPORTS/UPDATES**

##### **A. LEGAL COUNSEL REPORT**

###### **1. December 21, 2012 Court Hearing**

Counsel Herrema stated this is a follow-up legal report from the December 2012, meetings. Counsel Herrema stated there was an agreement among the members of the Appropriative and the Non-Agricultural Pools to have a substitute rate for 92% of the MWD replenishment rate that is classified in Exhibit "G" to the Judgment for these physical solution transfers. Legal counsel filed the motion in November based on approval through the Watermaster process of the substitution rate. The court set a hearing, although there was unanimous approval throughout the process, on December 21 2012, to consider the motion. At that hearing legal attended along with the General Manager and counsel for the Appropriative and Non-Agricultural Pools. Counsel Herrema stated as noted last month, it was not clear why the judge called for a hearing. At the hearing the Judge did not have any questions on the motion and wanted to allow for any objecting parties to appear; there was no opposition. The Judge did sign the order that was presented on this matter and that order has been distributed to all the parties via Watermaster's email notice procedure. Counsel Herrema noted the Judge did announce that he would be moving to the Rancho Cucamonga courthouse effective 2013 and he would be keeping the Watermaster case.

##### **B. ENGINEERING REPORT**

###### **1. State of the Basin (Part 1 of 2) Update and HydroDaVE**

Mr. Wildermuth stated WEI is going to be giving a presentation on a portion of the State of the Basin Report. Mr. Wildermuth stated the State of the Basin Report is something WEI does every two years based on a court order to authorize the Peace Agreement. Mr. Wildermuth introduced Ms. Veva Weamer, who has been employed with WEI for approximately five years, she personally has worked on the last three State of the Basin Reports, and she will be giving the presentation at the Pool meetings today. Ms. Weamer gave the Groundwater Levels 2000 to 2012 presentation, which included reviewing several detailed maps. Mr. Wildermuth referenced a map slide and noted this particular slide is reporting an areal average precipitation over the basin using prism dataset from the University of Oregon, were it's elevation-adjusted. Mr. Wildermuth stated it is the actual rain that falls in the Chino Basin. Ms. Weamer continued with the presentation. Mr. Wildermuth noted the Hydraulic Control Monitoring Program (HCMP) well postdates the production from the Desalter I, so it already has the drawdown for that built into it. Ms. Weamer continued with the presentation.

Ms. Layton inquired if this presentation is available on the Watermaster FTP site. It was noted it has been posted with today's date in front of the presentation title.

Mr. Kinsey inquired about the Monitoring Zones (MZ) production charts, and noted he assumed that in the MZ charts the CDA production totals were included. Mr. Wildermuth stated those totals include production. Mr. Kinsey stated the data is showing curtailment in production even with the addition of CDA ramping up. Mr. Kinsey asked why the MZ5 chart where the induced inflow from the River is shown, there is a distinction between induced inflow from the River and the City of Riverside discharge. Ms. Weamer referenced a section/point in one of the maps and stated the City of Riverside discharges after that point so that map shows that happening collectively, and what the flow is at the River when it comes into the MZ5 area. Mr. Wildermuth stated it is meant to be a surrogate for recharge and WEI does not measure that recharge; it is computed in the modeling work but it's not really measurable. It is meant to show how much is potentially available to contribute to recharge. Mr. Kinsey stated, so then that is really not actually effective recharge, although, in other charts it was recharge. Mr. Wildermuth stated no, it's not recharge, and yes, in the

other charts it was recharge. Mr. Kinsey inquired about having the charts show a different variety of information and he offered further comment on this matter.

Ms. Rojo inquired if this chart helps identify how much water is induced from the River as a result of Desalter production as required by the Peace II analysis. Mr. Wildermuth stated it would be a bounding estimate; it would be an upper limit on what's theoretically available based on the dynamics of the basin.

Mr. Corbin inquired about the well which was displayed on a map in purple as the Santa Ana River Water Company well; is that gradient changing from the River or from shifting which is what the data map is showing; would WEI have expected those well levels to have increased at all. Ms. Weamer stated in the purple area you will notice it is almost at zero depth to water, and if it went above zero that would be flowing. Ms. Weamer stated water levels would be expected to stay steady against the River. Mr. Corbin asked what point is there if a well that shows positive impact from the gradient flow of change; positive meaning higher groundwater level. Mr. Wildermuth stated it should be showing lower moving off the River - they are going down. Mr. Wildermuth offered further technical comment on Mr. Corbin's questions and/or comments.

A lengthy discussion regarding this matter ensued.

Mr. Harder stated he was very happy to see that the groundwater levels are going up at RP3, which is directly caused by increased recharge at RP3, which means recharge is having a positive effect on groundwater levels and wet water recharge is effective in that area at mitigating groundwater level decline. Mr. Harder inquired about the current status of Hydraulic Control (HC) in the MZ1 area, knowing that some Chino Creek production wells were put in that area to assist in HC. Mr. Wildermuth stated we do not have HC west of Chino I well 5, which is partially in MZ2 and MZ1. Mr. Harder inquired if that is an issue for the Regional Water Quality Control Board (RWQCB). Mr. Wildermuth stated the RWQCB is kicking it up a notch and there is a schedule to get things moving; they are aware of the schedule that the CDA, Watermaster, and IEUA have all discussed with the RWQCB and they would like to see it sooner; however, it is going according to schedule.

Mr. Kinsey stated for the purpose of assessing or stopping assessing losses, and assuming we've gotten a de minimis, it is believed HC is definitional under the Peace Agreement documents.

Mr. Wildermuth stated part 2 of this report will be presented at a future meeting around February or March and will cover water quality, subsidence, a few other nuances, and the change of storage calculations.

Mr. Craig stated in the presentation there was a description of the rainfall amounts that have been more precisely defined to boundaries of Chino Basin; what's driving that more concise description, because it seems like we are surrounded by mountains and tributary areas that could have a more significant influence on recharge than just the specific overlying rainfall within the basin itself, and why did we confine it to that. Mr. Wildermuth stated when WEI does all its modeling work, staff uses daily rainfall data from stations, and uses next read data when that's available, which is a more current dataset. This particular chart came out of a desire to more carefully determine a representative period for calculating safe yield. In the Chino Basin with all its channels lined, and despite our best efforts, we do not recharge a lot of storm water; however, we have a large component of recharge as a deep infiltration of applied supplied water. WEI, attempting to determine the base period, wanted to make sure we looked at the best estimate of the long-term recharge in the basin, and we have moved to this chart for that purpose just to help select a base period. WEI has introduced this dataset only for that purpose and WEI does not use it in detailed calculations. Mr. Wildermuth stated this is just a more carefully characterized special precipitation on the basin and its statistical

characteristics. Mr. Craig stated in the presentation it was highlighted that WEI was excluding areas of the Chino Basin like Montclair, that are north of the basin, there is a Cucamonga area that is north of the basin, yet they obviously provide some contribution of water to the basin and that needs to be described as to why they have been excluded from the calculations on rainfall. Mr. Wildermuth stated, to characterize a base period for calculating safe yield; the only reason it was done that way.

### C. GM REPORT

#### 1. Prado Basin Habitat Sustainability Program Update

Mr. Kavounas stated this item is the Prado Basin Habitat Sustainability Program and Ms. Maurizio will be giving a brief presentation on this program. Ms. Maurizio stated this update was requested by the Watermaster Board at their September 2012 meeting. The Prado Basin Habitat Sustainability Program came about as a result of the Peace II Agreement SEIR mitigation measure 4.4-3 and was adopted by IEUA's board in October, 2010; the purpose of the mitigation measure was to ensure that the Prado Basin riparian habitat would not be impacted by HC. The basic program tasks are to convene a committee that will develop this adaptive management plan, to install necessary monitoring wells, to complete vegetative and aerial surveys, and to implement photo station monitoring. In terms of the financial aspects of this program, there is a cost sharing agreement which was approved by the Watermaster Board in September 2012 for a total budget of \$440,000. This is a 50/50 cost sharing agreement between Watermaster and IEUA with a not to exceed amount of \$220,000 for each party. The cost included hiring a consultant to develop the adaptive management plan, and for WEI to perform the project management tasks related to the monitoring well installation, hiring a contractor to construct and install up to seventeen monitoring wells at nine separate sites, and for United States Bureau of Reclamation to perform vegetative monitoring every three years. Ms. Maurizio stated three grants have been applied for to offset the cost of this program; however, it is not yet known which ones have been approved. Several small group meetings regarding this project have taken place between Watermaster, IEUA, and Orange County Water District, and then one large committee meeting took place on November 27, 2012. During the last meeting the preliminary outline for the adaptive management plan was discussed. Currently there is a request for a proposal by IEUA which is due January 16, 2013 for the consultant who is going to develop the adaptive management plan. The large committee will meet again in February following the consultant selection to discuss the adaptive management plan, and then that plan is expected to be completed by the end of this fiscal year. Ms. Maurizio stated the monitoring well sites are now being finalized and the site acquisition is in progress. Ms. Maurizio showed a map of the sites and reviewed the locations. IEUA will go out for bid for the well drilling in a few months once all the site acquisitions are finalized. It is expected the wells will be completed by the end of this fiscal year. Ms. Maurizio stated most of these wells, with the exception of one or two of the wells, are dual-nested wells and are relatively simple to install. To date starting May 2012 through November 2012 there has been \$80,000 of expenditures which includes \$40,000 from Watermaster and IEUA each.

Ms. Rojo inquired if the project is a result of the Peace II Agreement drawdown, how is the Watermaster portion of the cost allocated. Ms. Maurizio stated it is a 50/50 split and is based on the Brightline Agreement between Watermaster and IEUA. Ms. Rojo inquired if it is solely based on production. Ms. Maurizio stated yes, and it has already been approved and budgeted for.

#### Added Comment:

Mr. Kavounas stated Watermaster has collected all payments on the recent Watermaster assessments and he thanked all the parties who paid on time this year.

**V. INFORMATION**

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

**VI. POOL MEMBER COMMENTS**

Mr. Aaron introduced Mr. Daren Poulsen who was recently hired at the City of Pomona and he will be attending some of the Watermaster meetings.

**VII. OTHER BUSINESS**

No comment was made.

No confidential session was called.

**VIII. 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.

**IX. FUTURE MEETINGS AT WATERMASTER**

Thursday, January 10, 2013	9:00 a.m.	Annual & Election Appropriative Pool Meeting
Thursday, January 10, 2013	11:00 a.m.	Annual & Election Non-Ag Pool Conference Call Mtg.
Thursday, January, 10, 2013	1:30 p.m.	Annual & Election Agricultural Pool Meeting
Thursday, January 17, 2013	8:00 a.m.	IEUA DYY Meeting
Thursday, January 17, 2013	9:00 a.m.	Annual Advisory Committee Meeting
Thursday, January 17, 2013	10:00 a.m.	CB RMPU Steering Committee Meeting
Tuesday, January 22, 2013	9:00 a.m.	GRCC Meeting
Thursday, January 24, 2013	11:00 a.m.	Annual & Election Watermaster Board Meeting

Chair Zvirbulis adjourned the annual Appropriative Pool meeting at 10:17 a.m.

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

Minutes Approved: February 14, 2013