

MINUTES
CHINO BASIN WATERMASTER
APPROPRIATIVE POOL MEETING
August 8, 2013

The Appropriative Pool meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on August 8, 2013 at 9:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Scott Burton, Vice Chair
Rosemary Hoerning
Mark Kinsey
Van Jew
Seth Zielke
Ben Lewis
Teri Layton
Chuck Hays
J. Arnold Rodriguez
Todd Corbin
Dave Crosley
Josh Swift

City of Ontario
City of Upland
Monte Vista Water District
Monte Vista Irrigation Company
Fontana Water Company
Golden State Water Company
San Antonio Water Company
City of Fontana
Santa Ana River Water Company
Jurupa Community Services District
City of Chino
Fontana Water Company

WATERMASTER BOARD MEMBERS PRESENT

Bob Craig
Bob Kuhn

Jurupa Community Services District
Three Valleys Municipal Water District

WATERMASTER STAFF PRESENT

Peter Kavounas
Danielle Maurizio
Joe Joswiak
Brenda Corona

General Manager
Assistant General Manager
Chief Financial Officer
Recording Secretary

WATERMASTER CONSULTANTS PRESENT

Brad Herrema
Mark Wildermuth

Brownstein, Hyatt, Farber & Schreck
Wildermuth Environmental Inc.

OTHERS PRESENT

Jo Lynne Russo-Pereyra
Eunice Ulloa
Justine Scott-Coe
Pete Hall
Sheri Rojo
Paula Lantz
Darron Poulsen
James Mckenzie
Robert DeLoach
Rogelio Matta
Rene Salas
Chris Berch
Ryan Shaw

Cucamonga Valley Water District
CBWCD
Monte Vista Water District
State of California, CIM
Fontana Water Company
City of Pomona
City of Pomona
County of San Bernardino
DeLoach & Associates, LLC
City of Fontana
City of Pomona
Inland Empire Utilities Agency
Inland Empire Utilities Agency

Vice Chair Scott Burton called the Appropriative Pool meeting to order at 9:01 a.m.

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Appropriative Pool Meeting held June 13, 2013
2. Minutes of the Special Appropriative Pool Meeting held on July 18, 2013

(0:00:18) Seth Zielke stated he would like a correction made in the June 13th minutes. He said Business Item 2 A, second paragraph; "However, FWC sees possibly some missed opportunities with allocation: Mr. Zielke stated FWC was referring to was some missed opportunities related to maximizing and incentivizing recharge.

Mr. Kavounas requested that the Pool approve the minutes with the changes stated to include the correction request by Mr. Zielke.

Mr. Burton stated that on page 6 of the package, last paragraph, 3rd line down, "He feels the land use agencies can't provide the data that Watermaster needs." He would like the word "can't" changed to "can".

Ms. Hoerning stated that on page 6, 4th paragraph down the word "as" should be "at".

Mr. Kavounas stated the Watermaster needs to make a few minor adjustments as to the member category on the attendance of the minutes, also a correction to a misspelled name.

Motion to approve by Mr. Zielke, second by Mr. Swift, and by unanimous vote

Moved to approve the Consent Calendar Item A 1 and 2, with the corrections indicated by various members of the Appropriative Pool and the corrections needed by Watermaster and correct the misspelled name.

B. FINANCIAL REPORTS

1. Cash Disbursements for the Month of May 2013
2. Watermaster VISA Check Detail for the Month of May 2013
3. Combining Schedule for the Period July 1, 2012 through May 31, 2013
4. Treasurer's Report of Financial Affairs for the Period May 1, 2013 through May 31, 2013
5. Budget vs. Actual Report for the Period July 1, 2012 through May 31, 2013
6. Cash Disbursements for the Month of June 2013
7. Watermaster VISA Check Detail for the Month of June 2013
8. Combining Schedule for the Period July 1, 2012 through June 30, 2013
9. Treasurer's Report of Financial Affairs for the Period June 1, 2013 through June 30, 2013
10. Budget vs. Actual Report for the Period July 1, 2012 through June 30, 2013
11. Fiscal Year 2012-2013 Engineering Services Task Order Increase

C. INTERVENTION

1. **TAMCO Request for Intervention as an Overlying (Non-Agricultural) Party**

Consider and give advice to the Watermaster Board on the TAMCO's request for Intervention into the Overlying (Non-Agricultural) Pool, effective as of the end of fiscal year 2012/13.

(0:03:33) Mr. Kavounas clarified that the TAMCO Intervention is intended to be effective in the fiscal year 2013-2014. Watermaster wrote the staff letter believing their intent was to have the intervention effective during 2012-13, and since then they have clarified that they would like the intervention and transfer to be effective in fiscal year 2013-2014. Their application reflects the correct date. This will come to the Advisory Committee as intended to be effective fiscal year 2013-2014.

D. WATER TRANSACTIONS

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 1067.000 acre-feet of water from West End Consolidated Water Company by the City of Upland. This purchase is made from the West End Consolidated Water Company's storage account. The City of Upland is utilizing

- this transaction to produce its West End Consolidated Water Company shares. Date of Application: May 23, 2013.
2. **Consider Approval for Notice of Sale or Transfer** – The purchase of 100,000 acre-feet of water from West End Consolidated Water Company by Golden State Water Company. This purchase is made from West End Consolidated Water Company's storage account. Golden State Water Company is utilizing this transaction to produce its West End Consolidated Water Company shares. Date of Application: June 5, 2013.
 3. **Consider Approval for Notice of Sale or transfer** – The purchase of 1500.000 acre-feet of water from the City of Pomona by Fontana Water Company. This purchase is made from the City of Pomona's Excess Carryover Account. Date of Application: June 26, 2013.
 4. **Consider Approval for Notice of Sale or Transfer** – On July 17, 2013, Watermaster received forms 3, 4, and 5 water transfer Applications, with Ameron International Corporation (Ameron) as Transferor and the TAMCO, a California Corporation (TAMCO) as Transferee for the permanent transfer in the amount of 15.000 acre-feet of its adjudicated Safe Yield rights, effective as of the end of fiscal year 2012-13. Simultaneous with these applications, Watermaster received a request for Intervention into the Overlying (Non-Agricultural) Pool from the TAMCO. Date of Application: July 17, 2013.

Motion to approve by Ms. Hoerning, second by Ms. Russo-Pereyra, and by unanimous vote
Moved to approve the Consent Calendar Items B, C and D, as presented

II. **BUSINESS ITEM**

A. **RECHARGE MASTER PLAN UPDATE AMENDMENT (DISCUSSION ONLY)**

Consider and give advice to Watermaster staff on the first draft of Section 8 of the Recharge Master Plan Update Amendment, titled "Recommended 2013 Recharge Master Plan Update."

(0:05:05) Mr. Kavounas stated this is the same draft that was presented for the first time to the Steering Committee at the August 1st meeting. Watermaster plans to present a second draft of this section at the August 15th meeting. This will ultimately come to the Appropriative Pool for approval in September.

Mr. Kavounas stated that Watermaster received comments from Ms. Sheri Rojo on behalf of Fontana Water Company and her comments have been printed and are available as a handout by the entrance of our board room on the table. Watermaster has indicated that we will circulate the handout and it will also be available on our website for the next Steering Committee meeting.

A number of the Pool Members offered comments and a conversation ensued.

B. **BUDGET TRANSFER FORMS T-13-06-01 and T-13-06-02**

Recommendation to Approve Budget Transfer Forms T-13-06-01 and T-13-06-02

(0:41:40) Mr. Joswiak gave a report.

Motion to approve by Mr. Kinsey, second by Ms. Layton, and by unanimous vote
Moved to approve the Business Item B, as presented

C. **PRADO BASIN HABITAT SUSTAINABILITY PROGRAM COST-SHARING AGREEMENT AMENDMENT**

Recommend Advisory Committee approval of the Prado Basin Habitat Sustainability Program cost-sharing agreement amendment with IEUA, subject to any necessary non-substantive changes.

(0:44:30) Ms. Maurizio gave a report.

Motion to approve by Mr. Kinsey, second by Ms. Russo-Pereyra, and by unanimous vote
Moved to approve the Business Item C, as presented

D. SAFE YIELD RECALCULATION FUTURE WORKSHOP FOCUS – (DISCUSSION ONLY)

(0:49:37) Mr. Kavounas stated he would like to have a conversation within the Pool as to what Parties think they need to fully understand the Safe Yield Recalculation. Two “Save-the-Date” dates were identified for this discussion; one is for this coming Monday, August 12th, and the next one is Tuesday, August 27th at 10 a.m. Mr. Kavounas suggested meeting on August 27, 2013 to discuss the model assumptions, scenarios and results, as that gives Watermaster enough time to be prepared.

A conversation ensued.

A notice will be sent out that the August 12th meeting will be cancelled and the August 27th meeting will take place unless someone that is very interested in the meeting has a conflict.

E. 2007 SUNDING REPORT UPDATE (APPROPRIATIVE POOL ONLY)

Authorize Watermaster staff to proceed with the update of the 2007 Sunding report

(1:13:43) Mr. Kavounas stated this was requested during the budget process. The Appropriative Pool asked for a special meeting to review it and that was held on July 18th, Dr. Sunding participated by phone and he has revised his scope based on that discussion, which is attached here on the staff report. One thing that has changed is his estimate based on the revised scope has gone from \$50,000.00 to \$60,000.00. Watermaster will have to make a slight budget amendment to include that. It's the Pool's call whether to proceed with that study or not.

A conversation ensued.

The Pool decided to wait for Chair Zvirbulis before making a vote to continue the Sunding Report Update.

Vice Chair Burton suggested to the Pool to send their questions and comments to Mr. Kavounas as soon as possible so he can bring them back to the September 12, 2013 meeting.

Motion to bring back the Sunding Report Update to the September 12, 2013 meeting by Mr. Kinsey, second by Ms. Layton, and by unanimous vote

Moved to bring back Business Item E to the September 12, 2013 meeting.

F. POLICY FOR COST AND BENEFIT ALLOCATION OF YIELD ENHANCING PROJECTS (POST CBFIP)

Consider whether the current method of allocating cost and benefit of stormwater capture projects should remain unchanged, or if a different methodology should be developed. If it is desired to develop a different methodology, identify a process by which the Pool would like to proceed.

(1:22:00) Mr. Kavounas stated that the RMPU amendment that Watermaster is working on calls for funding projects and during the Steering Committee process there have been questions whether there is a different way to allocate cost and benefit than present. The same question came up at the Safe Yield Recalculation workshop and at the Board meeting in June. The Board requested Watermaster to address this issue. This item is on the agenda today to hold a preliminary discussion and explore possible processes if the Pools are interested in having that discussion.

Mr. Kavounas stated that it seems necessary to go beyond the technical aspects of the basin and engage in the discussion of cost and benefit allocation. The agenda item is a forum for the Pool to start having a discussion of, if there is interest a different cost benefit allocation method, and if so, an appropriate process to follow.

Several members of the Appropriative Pool offered comments and a discussion ensued.

The Appropriative Pool discussed the matter further during the Confidential Session of the meeting.

Mr. Burton left the meeting at 11:20 a.m. and Ms. Jo Lynne Russo-Pereyra took over the meeting.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Annotated Judgment
(1:43:13) Mr. Herrema gave a report
2. CDA Request re Remediation of Chino Airport Groundwater Plume
(1:45:30) Mr. Herrema gave a report
3. CCG Motion for Leave to Sue Watermaster
(1:47:16) Mr. Herrema gave a report
4. June 27, 2013 and July 25, 2013 Watermaster Board Confidential Sessions
(1:54:54) Mr. Herrema gave a report on the actions that came out of the two confidential sessions.

On June 27th the Board considered a matter of potential litigation and CalPERS Appeal regarding former CEO, Desi Alvarez pension. No action was taken. Watermaster filed a revised appeal.

Watermaster also met in a Special Confidential Session on July 25th. The Board discussed, and to date, has not taken any action on the CCG matter. The second item discussed was the General Manager's performance review. The Board offered to extend a contract extension to the General Manager; the terms were not disclosed. Any action to extend the contract will come before the Board.

B. CFO REPORT

1. CCG Motion for Leave to Sue Watermaster
(1:41:19) Mr. Kavounas stated this isn't to discuss the details, but to let the Pool know that during our budget and development, when a new task or activity for Brownstein Legal Services, a new account is created and a budgeted dollar amount is determined based on the anticipated hours. Brownstein identified a new task that was not in the budget related to CCG. Watermaster has created a new account to track the cost. At some point Watermaster will be presenting a budget amendment and this will be one item.

C. GM REPORT

1. Watermaster Policy on Well Data Gathering and Reporting
(1:42:08) Mr. Kavounas stated that in June Watermaster asked the Ag Pool to have a discussion to consider any changes to the current policy on how we disseminate our information to individual well owners. That is an issue that primarily affects individual well owners, specifically the Ag Pool. The pool had a discussion, they concluded that no changes are necessary to the existing policy, and to help Watermaster deal with some of the challenges that we found they've agreed to continue discussions. Ms. Maurizio and Mr. Kavounas have had their first discussion with Ms. Tracy Egoscue and Chair Feenstra and we'll have another discussion and will resolve specific issues. At this point the policy remains as is.

IV. INFORMATION

1. Cash Disbursements for July 2013

V. POOL MEMBER COMMENTS

- (2:00:17) Darron Poulsen introduced the new City of Pomona Public Works Director, Rene Salas.

VI. OTHER BUSINESS

- (2:01:57) Mr. Kavounas reminded the Pool that Monday, August 12th, Safe Yield Recalculation Workshop will get cancelled.

Mr. Kavounas also stated that Monday, August 12, 2013 at 10 a.m. a Confidential Session Board, including Pool Chairs will meet to discuss the CCG Pleading.

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.

The Appropriative Pool went in to closed session to discuss two topics at 10:41 a.m. and came out of closed session at 11:22 a.m.

(1:40:16) There were two items to report from the Confidential Session:
The pool is directing the Chairman of the Appropriative Pool to schedule a follow up meeting with the Appropriative Pool to discuss the cost and benefit allocation of yield enhancing projects.

The Appropriative Pool is directing their legal counsel to file a joinder in the CCG case.

VIII. FUTURE MEETINGS AT WATERMASTER

Thursday, August 8, 2013	9:00 a.m.	Appropriative Pool Meeting
Thursday, August 8, 2013	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, August 8, 2013	1:30 p.m.	Agricultural Pool Meeting
Monday, August 12, 2013	1:30 p.m.	Safe Yield Recalculation Workshop
Thursday, August 15, 2013	8:00 a.m.	IEUA DYY Meeting
Thursday, August 15, 2013	9:00 a.m.	Advisory Committee Meeting
Thursday, August 15, 2013	10:00 a.m.	RMPU Amendment Steering Committee Meeting
Thursday, August 22, 2013	11:00 a.m.	Watermaster Board Meeting
Tuesday, August 27, 2013	10:00 a.m.	Safe Yield Recalculation Workshop
Thursday, August 29, 2013	10:00 a.m.	RMPU Amendment Steering Committee Meeting

Ms. Russo-Pereyra adjourned the Appropriative Pool meeting at 11:50 a.m.

Meeting Adjourn

Secretary: _____

Minutes Approved: September 12, 2013