

MINUTES
CHINO BASIN WATERMASTER
APPROPRIATIVE POOL MEETING

March 12, 2015

The Appropriative Pool meeting was held at the offices of Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on March 12, 2015.

APPROPRIATIVE POOL MEMBERS PRESENT

Rosemary Hoerning, Chair
Darron Poulsen, Vice-Chair
Bob Page
Todd Corbin
Robert Young
Seth Zielke
Justin Scott-Coe
Dave Crosley
John Lopez
Van Jew
Teri Layton
Marty Zvirbulis
Scott Burton

City of Upland
City of Pomona
County of San Bernardino
Jurupa Community Services District
Fontana Water Company
Fontana Union Water Company
Monte Vista Water District
City of Chino
Santa Ana River Water Company
Monte Vista Irrigation Company
San Antonio Water Company
Cucamonga Valley Water District
City of Ontario

WATERMASTER BOARD MEMBERS PRESENT

J. Arnold Rodriguez
Bob Kuhn
Mark Kinsey
Bob Bowcock

Santa Ana River Water Company
Three Valleys Municipal Water District
Monte Vista Water District
Calmat Company (Vulcan Materials Co.)

WATERMASTER STAFF PRESENT

Peter Kavounas
Danielle Maurizio
Joseph Joswiak
Anna Truong
Justin Nakano

General Manager
Assistant General Manager
Chief Financial Officer
Recording Secretary
Water Resources Sr. Associate

WATERMASTER CONSULTANTS PRESENT

Brad Herrema
Andy Malone

Brownstein Hyatt Farber Schreck, LLP
Wildermuth Environmental, Inc.

OTHERS PRESENT

Pete Hall
Curtis Paxton
David DeJesus
Andy Campbell
Eunice Ulloa
Tom Harder
Joel Ignacio
Majid Karim
Ryan Shaw
Jo Lynne Russo-Pereyra
John Bosler
Eric Grubb
Paula Lantz
Manny Martinez

State of California – CIM
Chino Basin Desalter Authority
Three Valleys Municipal Water District
Inland Empire Utilities Agency
Chino Basin Water Conservation District
Thomas Harder & Co.
Inland Empire Utilities Agency
Inland Empire Utilities Agency
City of Ontario
Cucamonga Valley Water District
Cucamonga Valley Water District
Cucamonga Valley Water District
City of Pomona
Monte Vista Water District

CALL TO ORDER

Chair Hoerning called the Appropriative Pool meeting to order at 9:01 a.m.

AGENDA - ADDITIONS/REORDER

None

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Appropriative Pool Meeting held February 12, 2015

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of January 2015
2. Watermaster VISA Check Detail for the month of January 2015
3. Combining Schedule for the Period July 1, 2014 through January 31, 2015
4. Treasurer's Report of Financial Affairs for the Period January 1, 2015 through January 31, 2015
5. Budget vs. Actual Report for the Period July 1, 2014 through January 31, 2015

C. CALMAT COMPANY (VULCAN MATERIALS) – APPLICATION FOR LOCAL STORAGE AGREEMENT

Approve Vulcan Materials' Application for a Local Supplemental Storage Agreement and Application to Recapture Water in Storage that would be expressly subject to subsequent Watermaster determinations on: (1) the quantity of Local Supplemental Water in Storage; (2) the priority among all competing Applications for Local Storage Agreements; and (3) the general terms and conditions concerning Preemptive Replenishment and Storage. This action would be without prejudice to other pending Applications or the priority among competing Applications. This approach will allow Vulcan Materials Company to proceed with recharge activities subject to the ongoing regulation of Watermaster of Storage Agreements on equitable, non-discriminatory grounds but without prejudice to other pending Applications.

1. **Notice of Application for Local Storage Agreement and to Recapture Water in Storage** – On March 2, 2015, Vulcan Materials submitted an Application for a Local Storage Agreement for 50.000 acre-feet to be placed into a Local Supplemental Storage Account. A Form 4, Application to Recapture Water in Storage, was also submitted.

D. FONTANA WATER COMPANY – APPLICATION FOR RECHARGE

Approve FWC's Application for Recharge that would be expressly subject to the same conditions as Vulcan Materials' 2012 Application for Recharge: that the project proponent demonstrates, by following the WEI site characterization plan to Watermaster's satisfaction, that the potential Material Physical Injury will be avoided.

1. **Notice of Application for Recharge** - On March 3, 2015, Fontana Water Company (FWC) submitted an Application for Recharge for up to 50.000 acre-feet to be recharged into the Vulcan Basin.

E. WATER TRANSACTIONS

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 1,200.000 acre-feet of water from Santa Ana River Water Company by Jurupa Community Services District. This purchase is made from Santa Ana River Water Company's Annual Production Right / Operating Safe Yield first, then any additional from storage. Date of application: February 23, 2015.

2. **Consider Approval for Notice of Sale or Transfer** – The purchase of 2,378.909 acre-feet of water from San Antonio Water Company by the City of Upland. This purchase is made from San Antonio Water Company's Annual Production Right / Operating Safe Yield first, then any additional from storage. The City of Upland is utilizing this transaction to produce its San Antonio Water Company shares. Date of application: January 27, 2015.
3. **Consider Approval for Notice of Sale or Transfer** – The purchase of 284.000 acre-feet of water from the City of Pomona by the City of Upland. This purchase is made from the City of Pomona's Excess Carryover Account. Date of application: January 29, 2015.

(0:00:34) Mr. Scott-Coe requested Consent Calendar Item I.C. be pulled for separate discussion.

(0:00:44)

Motion by Mr. Justin Scott-Coe, seconded by Mr. Darron Poulsen, and by unanimous vote
Moved to approve Consent Calendar with the exception of Item I.C. as presented

(0:01:11) Mr. Kavounas gave a report on Item I.C. A discussion ensued.

(0:17:04)

Motion by Ms. Jo Lynne Russo-Pereyra, seconded by Ms. Teri Layton, and by unanimous vote
Moved to approve Consent Calendar Item I.C. as presented

II. **BUSINESS ITEMS**

A. **FIRST AMENDMENT TO TASK ORDER 8 (SAN SEVAINE RMPU IMPROVEMENT PROJECT)**

Recommend Advisory Committee approval to Increase the total project budget for San Sevaine Basin improvements and to amend Task Order No. 8, subject to any non-substantive changes

(0:17:37) Mr. Kavounas gave an introduction and handed off to staff member, Mr. Justin Nakano to give a presentation. A discussion ensued.

(0:24:59) Motion introduced by Mr. Van Jew.

(0:25:43) Vote was taken.

Motion by Mr. Van Jew, seconded by Mr. Todd Corbin, and by unanimous vote
Moved to approve Business Item II.A. as presented

B. **FIRST AMENDMENT TO TASK ORDER 1 (2013 RMPU AMENDMENT YIELD ENHANCEMENT PROJECTS – PLANNING, PERMITTING, AND DESIGN)**

Recommend Advisory Committee approval to add East Declez Basin project and remove Sierra Basin and Lower San Sevaine from the project list; and to update Task Order No. 1 to reflect the change in projects and adjust the soft cost.

(0:26:06) Chair Hoerning opened up the floor for discussion. A discussion ensued.

(0:58:40)

Motion by Ms. JoLynne Russo-Pereyra, seconded by Mr. Todd Corbin, and by majority vote
Moved to approve Business Item II.B. to move forward with the Preliminary Design Report and costs associated with it, and ask staff to assist Mr. Corbin to draft letter to property owner.

No Votes: Vice-Chair Poulsen – City of Pomona
Mr. Justin Scott-Coe – Monte Vista Water District
Mr. Van Jew – Monte Vista Irrigation Company
Chair Hoerning – City of Upland

Ms. Teri Layton of San Antonio Water Company abstained.

C. SAFE YIELD RECALCULATION AND RESET (Discussion Only)

(1:01:31) Mr. Kavounas gave a report.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Alvarez CalPERS Appeal

(1:01:53) Mr. Herrema gave a report.

B. CFO REPORT

1. Safe Yield Recalculation and Reset Facilitated Process – Expenses to date

(1:03:29) Mr. Kavounas introduced the item and turned it over to Mr. Joswiak to give a presentation.

(1:03:52) Mr. Joswiak gave a presentation. A discussion ensued.

C. GM REPORT

1. Overlying Non-Agricultural Pool Available Water Per Judgment Exhibit “G”

(1:23:47) Mr. Kavounas gave a report and offered a presentation on how the allocation table was computed. The Pool declined the presentation.

IV. INFORMATION

1. Cash Disbursements for February 2015
2. Joint IEUA/CBWM Recharge Improvement Projects

(1:25:45) Mr. Jew made the Pool aware that page 207 of the meeting package lists budgets associated with regard to Joint IEUA/CBWM Recharge Improvement Projects efforts.

V. POOL MEMBER COMMENTS

None

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Hoerning called for a confidential session at 10:28 a.m. to discuss the Safe Yield Recalculation and Reset

Confidential session concluded at 12:00 p.m. with the following reportable action:

(1:26:51) The Pool took action to increase its Legal Services budget to \$140,000 and that the cost sharing associated with the entire budget would be based on 50% physical production and 50% operating Safe Yield.

VIII. FUTURE MEETINGS AT WATERMASTER

- 3/06/15 Fri 10:00 a.m.* Safe Yield Recalculation and Reset Facilitated Discussion
- 3/09/15 Mon 11:00 a.m.* Safe Yield Recalculation and Reset Facilitated Discussion
- 3/12/15 Thu 9:00 a.m. Appropriative Pool
- 3/12/15 Thu 11:00 a.m. Non-Agricultural Pool
- 3/12/15 Thu 1:30 p.m. Agricultural Pool
- 3/13/15 Fri 10:00 a.m.* Safe Yield Recalculation and Reset Facilitated Discussion
- 3/16/15 Mon 11:00 a.m.* Safe Yield Recalculation and Reset Facilitated Discussion
- 3/19/15 Thu 9:00 a.m. Advisory Committee
- 3/19/15 Thu 9:30 a.m. Joint IEUA/CBWM Recharge Improvement Projects Committee
AND RMPU Amendment Steering Committee Quarterly
- 3/19/15 Thu 11:30 a.m. Land Subsidence Committee
- 3/20/15 Fri 10:00 a.m.* Safe Yield Recalculation and Reset Facilitated Discussion
- 3/23/15 Mon 11:00 a.m.* Safe Yield Recalculation and Reset Facilitated Discussion
- 3/26/15 Thu 11:00 a.m. Watermaster Board
- 3/27/15 Fri 10:00 a.m.* Safe Yield Recalculation and Reset Facilitated Discussion
- 3/30/15 Mon 11:00 a.m.* Safe Yield Recalculation and Reset Facilitated Discussion

***Note:** These meetings are intended for parties who have signed the Safe Yield Recalculation and Reset Facilitation and Non-Disclosure Agreement.

ADJOURNMENT

Chair Hoerning adjourned the Appropriative Pool meeting at 12:01 p.m.

Secretary: _____

Approved: April 9, 2015 _____