

MINUTES
CHINO BASIN WATERMASTER
APPROPRIATIVE POOL MEETING

May 11, 2017

The Appropriative Pool meeting was held at the offices of Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on May 11, 2017.

APPROPRIATIVE POOL MEMBERS PRESENT

Todd Corbin, Chair
Justin Scott-Coe, Vice-Chair
Branden Yu for Marty Zvirbulis
Dave Crosley
Van Jew
Teri Layton
Cris Fealy
Seth Zielke
J. Arnold Rodriguez
Ben Lewis
Rosemary Hoerning
Darron Poulsen
Scott Burton
Andrew Silva for Bob Page

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

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

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

OTHERS PRESENT

Pete Hall
Joel Ignacio
Shaun Stone
Ramsey Haddad
Eunice Ulloa
Ken Jeske
Josh Swift
Amanda Coker
Katie Gienger
Jimmy Gutierrez
Sheri Rojo
Marsha Westropp
John Schatz

State of California – CIM
Inland Empire Utilities Agency
Inland Empire Utilities Agency
California Steel Industries
Chino Basin Water Conservation District
California Steel Industries
Fontana Water Company
City of Chino
City of Ontario
Law Offices of Jimmy Gutierrez
Basin Creek Consulting
Orange County Water District
John J. Schatz, Attorney at Law

CALL TO ORDER

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

AGENDA - ADDITIONS/REORDER

(0:00:29) Chair Corbin asked that Confidential Session is taken out of order, after Business Item II.C., Fiscal Year 2016/17 Budget Amendment (Form A-17-04-01), due to a pool member's time constraint.

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Appropriative Pool Meeting held April 13, 2017

B. FINANCIAL REPORTS

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

C. CHINO BASIN WATERMASTER 39TH ANNUAL REPORT

Recommend to Advisory Committee to recommend to the Board to adopt the 39th Annual Report, along with filing a copy with the Court, subject to any necessary non-substantive changes.

D. AGREEMENT WITH SAN BERNARDINO COUNTY FOR CREATION OF GSA FOR SGMA FRINGE AREAS

Recommend to Advisory Committee to approve the proposed Cooperation Agreement between Chino Basin Watermaster and the County of San Bernardino for the creation of a GSA for the SGMA Fringe Areas in San Bernardino County.

E. WATER TRANSACTIONS

1. Notice of Sale or Transfer – The purchase of 4,000.000 acre-feet of water from the City of Pomona by Cucamonga Valley Water District. This purchase is made from the City of Pomona's Excess Carryover Account. Date of application: May 3, 2017.
2. Notice of Sale or Transfer – The purchase of 500.000 acre-feet of water from West Valley Water District by Cucamonga Valley Water District. This purchase is made from West Valley Water District's Excess Carryover Account. Date of application: May 3, 2017.
3. Notice of Sale or Transfer – The purchase of 3,000.000 acre-feet of water from Cucamonga Valley Water District by Fontana Water Company. This purchase is made from Cucamonga Valley Water District's Annual Production Right/Operating Safe Yield first, then any additional from storage. Date of application: May 3, 2017.
4. Notice of Sale or Transfer – The purchase of 4,000.000 acre-feet of water from Cucamonga Valley Water District by Fontana Water Company. This purchase is made from Cucamonga Valley Water District's Annual Production Right/Operating Safe Yield first, then any additional from storage. Date of application: May 3, 2017.
5. Notice of Sale or Transfer – The purchase of 399.260 acre-feet of water from the City of Chino by the City of Ontario. This purchase is made from the City of Chino's Excess Carryover Account. Date of application: May 2, 2017.

F. THIRD AMENDMENT TO TASK ORDER NO. 1 (2013 RMPU AMENDMENT YIELD ENHANCEMENT PROJECTS – PLANNING, PERMITTING, AND DESIGN)

Recommend to Advisory Committee to recommend to the Board to approve the amended Task Order No. 1 to reflect the change in scope and cost.

G. FIRST AMENDMENT TO TASK ORDER NO. 2 (LOWER DAY BASIN IMPROVEMENT PROJECT)

Recommend to Advisory Committee to recommend to the Board to approve the amended Task Order No. 2 (Lower Day Basin Improvement Project).

H. FIRST AMENDMENT TO TASK ORDER NUMBERS 5 (JURUPA PUMP STATION AND HVAC IMPROVEMENTS), AND 6 (WINEVILLE PROOF OF CONCEPT)

Recommend to Advisory Committee to recommend to the Board to approve the amended Task Orders No. 5 and No. 6 and conclude associated obligations.

I. SECOND AMENDMENT TO TASK ORDER NO. 8 (SAN SEVAINE BASIN RMPU IMPROVEMENT PROJECT)

Recommend to Advisory Committee to recommend to the Board to approve the amended Task Order No. 8 (San Sevaime Basin Improvement Project).

J. TASK ORDER NO. 9 UNDER MASTER AGREEMENT FOR COLLABORATIVE RECHARGE PROJECTS (RMPU IMPROVEMENT PROJECT 23a)

Recommend to Advisory Committee to recommend to the Board to approve Task Order No. 9, RMPU Improvement Project 23a (2013 RMPU proposed Wineville PS to Jurupa, expanded Jurupa PS to RP3 Basin and 2013 RP3 Improvements Project).

K. TASK ORDER NO. 10 UNDER MASTER AGREEMENT FOR COLLABORATIVE RECHARGE PROJECTS (VICTORIA BASIN IMPROVEMENT PROJECT)

Recommend to Advisory Committee to recommend to the Board to approve Task Order No. 10, Victoria Basin Improvement Project (PID 11).

(0:01:35) Items I.A., I.C., and I.D. were pulled for separate discussion.

(0:01:42)

Motion by Mr. Scott Burton, seconded by Mr. Van Jew, and by unanimous vote

Moved to approve the Consent Calendar, excluding Items I.A., I.C., and I.D., as presented.

(0:01:57) Mr. Scott-Coe commented on Item I.A., the Minutes. The General Manager stated that the minutes had been revised from those included in the original package, as requested by the Pool.

(0:02:36)

Motion by Mr. Justin Scott-Coe, seconded by Mr. Darron Poulsen, and by unanimous vote

Moved to approve the Consent Calendar Item I.A. as presented.

(0:02:50) Mr. Scott-Coe commented on Item I.C., Chino Basin Watermaster 39th Annual Report.

(0:03:42)

Motion by Mr. Justin Scott-Coe, seconded by Ms. Teri Layton, and by unanimous vote

Moved to approve the Consent Calendar Item I.C. as presented.

(0:03:56) Ms. Layton commented on Item I.D., Agreement with San Bernardino County for Creation of GSA for SGMA Fringe Area. A discussion ensued. The General Manager stated that there had been a non-substantive change to the Agreement since the agenda was posted.

(0:07:03)

Motion by Ms. Rosemary Hoerning, seconded by Mr. Scott Burton, and by unanimous vote

Moved to approve the Consent Calendar Item I.D. as presented.

II. BUSINESS ITEMS

A. CSI BASIN IMPROVEMENT PROJECT (DISCUSSION ONLY)

(0:07:24) Chair Corbin and Mr. Kavounas made opening remarks about Business Item II. A.

(0:09:11) Chair Corbin introduced Messrs. Jeske and Haddad to give a presentation on Business Item II. A. A discussion ensued.

B. TASK ORDER NO. 11 UNDER MASTER AGREEMENT FOR COLLABORATIVE RECHARGE PROJECTS (MONTCLAIR BASIN IMPROVEMENT PROJECT)

Recommend to Advisory Committee to recommend to the Board to approve Task Order No. 11, Montclair Basins Improvement Project (PID 2).

(0:23:38) Mr. Kavounas gave a report. A discussion ensued.

(0:24:35)

Motion by Mr. Scott Burton, seconded by Mr. Darron Poulsen, and by unanimous vote
Moved to approve the Business Item II.B. as presented.

C. FISCAL YEAR 2016/17 BUDGET AMENDMENT (FORM A-17-04-01)

Recommend Advisory Committee approve the Budget Amendment Form A-17-04-01 for FY 2016/17 in the amount of \$100,000 for the increased cost associated with the CalPERS Personnel Matter regarding Alvarez and the Safe Yield Redetermination and Reset, as presented.

(0:24:56) Mr. Joswiak gave a report. A discussion ensued.

(0:26:03)

Motion by Mr. Scott Burton, seconded by Ms. Rosemary Hoerning, and by unanimous vote
Moved to approve the Business Item II.C. as presented.

(0:26:22) Chair Corbin called for a Confidential Session prior to Business Items II. D and II. E.

(0:26:51) The General Manager gave an update on the Overlying (non-Agricultural) Pool actions taken during the regularly held May 11, 2017 meeting.

(0:27:51) Chair Corbin reconvened the Appropriative Pool meeting into open session.

D. RESOLUTION TO LEVY DESALTER REPLENISHMENT ASSESSMENTS FOR PRODUCTION YEAR 2013/14 (BASED ON ASSESSMENT PACKAGE FOR PRODUCTION YEAR 2013/14)

Review Resolution 2017-05 as presented, and offer advice to Watermaster.

(0:28:21) Mr. Kavounas gave a report. A discussion ensued.

E. WATERMASTER FISCAL YEAR 2017/18 PROPOSED BUDGET

Recommend Advisory Committee approval of the proposed FY 2017/18 budget as presented.

(1:24:43) Mr. Joswiak gave a report. A discussion ensued.

(1:30:16) Motion introduced by Mr. Darron Poulsen, seconded by Ms. Rosemary Hoerning. Additional discussion ensued.

(1:33:17) *Vote Taken*

Motion by Mr. Darron Poulsen, seconded by Ms. Rosemary Hoerning, and by unanimous vote
Moved to recommend Advisory Committee approval of the Business Item II.E., Watermaster Fiscal 2017/18 Proposed Budget, with the exception of account 7602 for Engineering Services. Consistent with Board action on February 23, 2017, request that Watermaster staff immediately begin a collaborative process to develop a scope and proposed budget for further storage management planning efforts that are necessary to meet existing Judgment and Peace Agreement requirements. Upon completion of this process, bring the scope and proposed budget through the pools and to the Advisory Committee for approval of an amended budget. The Appropriative Pool is committed to substantially complete the safe storage agreement before the end of calendar year 2018.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Safe Yield Reset
2. Overlying (Agricultural) Pool Committee's Contest to Application for Storage Agreements
3. Rules and Regulations Update

(1:40:05) Mr. Herrema gave a report. A discussion ensued.

B. ENGINEER REPORT

1. Prado Basin Habitat Sustainability Program
2. Other Compliance Reporting

(1:52:22) Mr. Malone gave a report. A discussion ensued.

C. CFO REPORT

None

D. GM REPORT

1. Safe Yield Reset – Implementation of Court Order
2. Safe Storage Capacity
3. Storage Applications
4. SGMA Update
5. Ambient Water Quality Study
6. Other

(1:55:34) Mr. Kavounas gave a report on Items III.D.2 and III.D.3. Item III.D.1. was previously covered as part of the Legal Counsel Report. A discussion ensued.

(1:57:02) Mr. Kavounas introduced Mr. Tellez Foster to give a report on Items III.D.4 and III.D.5. A discussion ensued.

(2:00:50) Mr. Kavounas announced the conclusion of Project LoveBox.

IV. INFORMATION

1. Cash Disbursements for April 2017
2. Recharge Investigations and Projects Committee (RIPCom)

V. POOL MEMBER COMMENTS

None

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Corbin called for a confidential session at 9:27 a.m. to discuss the Appropriative Pool Strategic Planning and Appropriative Pool Legal Budget. Confidential session concluded at 11:33 a.m. with the following reportable actions:

(1:35:25)

1. The Pool requested that staff prepare a budget amendment and special assessment to increase Appropriative Pool Legal Budget by \$25,000, from \$50,000 to \$75,000 for Fiscal Year 2016/17.

Additional discussion ensued.

(1:36:00)

Motion by Mr. Darron Poulsen, seconded by Ms. Teri Layton, and by unanimous vote

Moved for Watermaster staff to to increase the Appropriative Pool Legal Budget by \$25,000 from \$50,000 to \$75,000 for FY 2017/18.

ADJOURNMENT

Chair Corbin adjourned the Appropriative Pool meeting at 1:15 p.m.

Secretary: _____

Approved: _____ June 8, 2017 _____