

MINUTES
CHINO BASIN WATERMASTER
APPROPRIATIVE POOL MEETING

October 12, 2017

The Appropriative Pool meeting was held at the offices of Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on October 12, 2017.

APPROPRIATIVE POOL MEMBERS PRESENT

Todd Corbin, Chair
Teri Layton, Vice-Chair
Ron Craig
Cris Fealy
Eric Tarango for Seth Zielke
Darron Poulsen
Van Jew
Rosemary Hoerning
John Bosler for Marty Zvirbulis
Dave Crosley
Katie Gienger for Scott Burton

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

Brownstein Hyatt Farber Schreck, LLP
Wildermuth Environmental, Inc.

OTHERS PRESENT

Eunice Ulloa
Curtis Paxton
Steve Corrington
Raul Garibay
Braden Yu
Amanda Coker
Eduardo Espinoza
Sheri Rojo
Vivian Castro
Steve Sentes
Manny Martinez
Eric Grubb

City of Chino
Chino Basin Desalter Authority
MIH Water Treatment Inc.
City of Pomona
Cucamonga Valley Water District
City of Chino
Cucamonga Valley Water District
Basin Creek Consulting
Chino Basin Water Conservation District
Chino Basin Water Conservation District
Monte Vista Water District
Cucamonga Valley Water District

CALL TO ORDER

Chair Corbin called the Appropriative Pool meeting to order at 9:00 a.m.

AGENDA - ADDITIONS/REORDER

(0:01:02) Mr. Kavounas recommended to the Pool to pull Consent Calendar Items I.D. and I.E. to be discussed after Confidential Session. The Pool agreed.

(0:01:21) Mr. Kavounas stated that the agenda for Consent Calendar Item I.D. reads, "Calmat Company (Vulcan Materials Co.)," which is incorrect. The staff letter has the correct name, which is "Calmat Co."

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Appropriative Pool Meeting held September 14, 2017

B. FINANCIAL REPORTS

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

C. PROFESSIONAL SERVICES AGREEMENT BETWEEN APPLIED COMPUTER TECHNOLOGIES AND CHINO BASIN WATERMASTER

Recommend to the Advisory Committee to recommend to the Watermaster Board to approve.

D. CALMAT COMPANY (VULCAN MATERIALS CO.) APPROPRIATIVE POOL INTERVENTION REQUEST

Recommend to the Advisory Committee to recommend Watermaster filing the request for intervention with the Court.

E. NCL COMPANY, LLC APPROPRIATIVE POOL INTERVENTION REQUEST

Recommend to the Advisory Committee to recommend Watermaster filing the request for intervention with the Court.

(0:02:10) Mr. Jew requested to pull Consent Calendar Item I.A.1. to discuss separately.

(0:02:23)

Motion by Mr. Ron Craig, seconded by Ms. Rosemary Hoerning, and by unanimous vote.

Moved to approve Consent Calendar, excluding Items I.A.1., I.D., and I.E. as presented.

(0:02:32) Mr. Jew commented on the September 14, 2017 draft minutes related to the Evaporative Losses item. A discussion ensued.

(0:04:14)

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

Moved to approve Consent Calendar Item I.A.1 with any additional necessary language added to the September 14, 2017 meeting minutes motion related to Evaporative Losses.

The Pool took Consent Calendar Items II.D. and II.E. into its first confidential session and the reportable action is noted below.

II. BUSINESS ITEMS

A. DESALTER REPLENISHMENT OBLIGATION ALLOCATION

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

(0:04:40) Chair Corbin stated that since the Desalter Replenishment Obligation item will be discussed during Confidential Session, Business Item II.A. would also be taken after Confidential Session.

(0:42:40) Chair Corbin reopened the item out of confidential session.

(0:42:59) Motion introduced by Mr. Craig. A discussion ensued.

(0:44:30) *Vote taken*

Motion by Mr. Ron Craig, and seconded by Mr. Darron Poulsen, and by unanimous vote

Moved to recommend to the Advisory Committee and Board to defer action to allow time for results of the negotiations to be communicated to the Pools so they can make a more informed decision.

B. GROUND-LEVEL MONITORING COMMITTEE CHANGE IN ANNUAL REPORTING SCHEDULE

Offer advice and assistance to the Watermaster Board regarding the suggested changes to the Ground Level Monitoring Committee annual reporting schedule.

(0:05:10) Mr. Malone gave a report. A discussion ensued.

(0:06:20) Pool members offered their support on the proposed change with no objections noted.

C. EXHIBIT "G" PHYSICAL SOLUTION TRANSFER RATE SUBSTITUTION

Approve the proposed two-year, (Fiscal Years 2017-18 through 2018-19) substitute Physical Solution Transfer rate, recommend Advisory Committee approval, and approve Watermaster legal counsel's filing of motion for Court approval of the same.

(0:06:44) Mr. Kavounas gave a report. A discussion ensued.

(0:19:08) Chair Corbin deferred Business Item II.C. to Confidential Session.

The Pool took this item into its first confidential session and the reportable action is provided below in Section VII.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Appeal of April 28, 2017 Order
2. Petitions for Extension of Time (State Water Board Permits 19895 and 20753)

(0:19:24) Mr. Herrema gave a report.

B. ENGINEER REPORT

1. Ground-Level Monitoring Program Implementation
2. Storage Management
3. Other efforts

(0:23:02) Mr. Malone gave a report. A discussion ensued.

C. CFO REPORT

None

D. GM REPORT

1. Water Transactions from September 2017
2. Non-Agricultural Pool Revised Calendar Year 2017 Volume Vote
3. Inland Empire Utilities Agency Proposition 1 Application
4. DYY Program Update
5. November Meeting Schedule
6. Other

(0:30:00) Mr. Kavounas gave reports on Items III.D.1 – III.D.5.

(0:34:21) Mr. Tellez Foster gave a report regarding preservation of City of Ontario wells for monitoring purposes. A discussion ensued.

IV. INFORMATION

- 1. Cash Disbursements for September 2017

V. POOL MEMBER COMMENTS

None

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

The Pool took two Confidential Sessions as shown below:

Chair Corbin called for the first confidential session at 9:39 a.m. to discuss Business Item II.C., Exhibit “G” Physical Solution Transfer Rate Substitution, Consent Calendar Items I.D. and I.E., Calmat Company/NCL Company intervention requests, and Business Item II.A., Desalter Replenishment Obligation Allocation. The first confidential session concluded at 10:10 a.m. with the following reportable action:

- 1. Business Item II.C., Exhibit “G” Physical Solution Transfer Rate Substitution:

(0:38:58)

Motion by Mr. Cris Fealy, seconded by Mr. Ron Craig, and by majority vote.

Moved to propose a single year Exhibit “G” Physical Solution transfer rate of 85.58% of Metropolitan Water District’s 2018 Tier 1 Untreated Rate, which would be \$594.78, and round to \$595 even, and not acting on year two of the proposal.

Abstentions:

Van Jew – Monte Vista Irrigation Company and Monte Vista Water District
Katie Gienger – City of Ontario

Chair Corbin called for the second confidential session at 10:13 a.m. to discuss Consent Calendar Items I.D. and I.E., Calmat Company/NCL Company intervention requests, and Business Item II.A., Desalter Replenishment Obligation Allocation. The second confidential session concluded at 11:17 a.m. with the following reportable actions:

(0:41:15)

- 1. The Pool will send written questions to Calmat Co. and NCL Company to clarify certain terms. The Pool asks to have the intervenors to provide written responses so that full consideration can be taken at the October 2017 Advisory Committee meeting.
- 2. Business Item II.A., Desalter Replenishment Obligation Allocation was further discussed in open session and the reportable action is noted above.

ADJOURNMENT

Chair Corbin adjourned the Appropriative Pool meeting at 11:21 a.m.

Secretary: _____

Approved: _____ November 9, 2017