

**MINUTES**  
**CHINO BASIN WATERMASTER**  
**APPROPRIATIVE POOL MEETING**

November 8, 2018

The Appropriative Pool meeting was held at the offices of Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on November 8, 2018.

**APPROPRIATIVE POOL MEMBERS PRESENT**

Teri Layton, Chair  
Van Jew, Vice-Chair  
John Bosler  
Joanne Chan for Clarence Mansell  
Ron Craig  
Dave Crosley  
Cris Fealy  
Eric Tarango  
Rosemary Hoerning  
Ben Lewis  
Courtney Jones for Scott Burton  
Todd Corbin  
Raul Garibay for Darron Poulsen

San Antonio Water Company  
Monte Vista Water District  
Cucamonga Valley Water District  
West Valley Water District  
City of Chino Hills  
City of Chino  
Fontana Water Company  
Fontana Union Water Company  
City of Upland  
Golden State Water Company  
City of Ontario  
Jurupa Community Services District  
City of Pomona

**WATERMASTER BOARD MEMBER PRESENT**

Bob Kuhn

Three Valleys Municipal Water District

**WATERMASTER STAFF PRESENT**

Peter Kavounas  
Joseph Joswiak  
Edgar Tellez Foster  
Anna Nelson  
Justin Nakano  
Frank Yoo

General Manager  
Chief Financial Officer  
Senior Environmental Engineer  
Executive Services Director/Board Clerk  
Water Resources Senior Associate  
Water Resources Senior Associate

**WATERMASTER CONSULTANTS PRESENT**

Chris Guillen  
Andy Malone

Brownstein Hyatt Farber Schreck, LLP  
Wildermuth Environmental, Inc.

**OTHERS PRESENT**

Amanda Coker  
Eric Grubb  
Chris Diggs  
Eduardo Espinoza  
David De Jesus  
Rick Hansen  
Matt Litchfield  
Brian Lee  
Richard Rees  
John Schatz

City of Chino  
Cucamonga Valley Water District  
City of Pomona  
Cucamonga Valley Water District  
Three Valleys Municipal Water District  
Three Valleys Municipal Water District  
Three Valleys Municipal Water District  
San Antonio Water Company  
Wood plc  
John J. Schatz, Attorney at Law

**CALL TO ORDER**

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

**AGENDA – ADDITIONS/REORDER**

(0:00:11) Mr. Kavounas announced that Chair Layton reordered Business Items D, F–H to follow confidential session.

(0:00:44) Mr. Kavounas introduced Chris Guillen who filled in as Watermaster's legal counsel on behalf of Brad Herrema.

**I. CONSENT CALENDAR**

**A. MINUTES**

Approve as presented:

1. Minutes of the Appropriative Pool Meeting held October 11, 2018

**B. FINANCIAL REPORTS**

Receive and file as presented:

1. Cash Disbursements for the month of September 2018
2. Watermaster VISA Check Detail for the month of September 2018
3. Combining Schedule for the Period July 1, 2018 through September 30, 2018
4. Treasurer's Report of Financial Affairs for the Period July 1, 2018 through September 30, 2018
5. Budget vs. Actual Report for the Period July 1, 2018 through September 30, 2018

**C. APPLICATION FOR RECHARGE**

Recommend Advisory Committee to recommend to the Watermaster Board to approve Fontana Water Company's Application for Recharge and direct Watermaster staff to account for this supplemental water recharged in Fontana Water Company's existing Local Supplemental Storage account.

(0:01:12)

*Motion by Ms. Rosemary Hoerning, seconded by Mr. Dave Crosley, and by unanimous vote*

***Moved to approve the Consent Calendar as presented.***

**II. BUSINESS ITEMS**

**A. FISCAL YEAR 2018/19 ASSESSMENT PACKAGE**

Recommend Advisory Committee approval of the Fiscal Year 2018/19 Assessment Package indicating the preferred version, including no credit for Stormwater New Yield, and postponing the assessment of Desalter Replenishment Obligation.

(0:01:32) Mr. Kavounas prefaced Business Item II.A. and introduced Mr. Yoo to give a presentation.

(0:02:09) Mr. Yoo gave a presentation. A discussion ensued.

(0:07:36) Ms. Hoerning requested to see losses on recycled water recharge in future Assessment Packages.

(0:16:21) Motion introduced. Further discussion ensued.

(0:16:33) Mr. Corbin requested to add additional language to the motion. Further discussion ensued.

(0:19:37) *Vote Taken*

*Motion by Ms. Courtney Jones, seconded by Mr. Ron Craig, and by unanimous vote*

***Moved to approve Business Item II.A. as presented and as an interim assessment until the Safe Yield Reset accounting can be finalized and reconciliation can be made for a final assessment.***

**B. RESOLUTION TO LEVY REPLENISHMENT AND ADMINISTRATIVE ASSESSMENTS FOR FISCAL YEAR 2018/19**

Review Resolution 2018-05 as presented, and offer advice to Watermaster.

(0:19:50) Mr. Kavounas gave a report.

(0:20:20)

*Motion by Mr. Todd Corbin, seconded by Mr. Raul Garibay, and by unanimous vote*

***Moved to approve Business Item II.B. as presented.***

**C. CALENDAR YEAR 2019 APPROPRIATIVE POOL VOLUME VOTE**

Approve the Calendar Year 2019 Appropriative Pool Volume Vote as presented subject to Advisory Committee and Board approval of the 2018/19 Assessment Package at the November 15, 2018 meetings.

(0:21:04) Mr. Kavounas gave a report.

(0:21:40)

*Motion by Mr. Cris Fealy, seconded by Mr. Van Jew, and by unanimous vote*

***Moved to approve Business Item II.C. as presented.***

**D. WATERMASTER REAPPOINTMENT**

Recommend future Watermaster appointment to the Advisory Committee.

The Pool took Business Item II.D. after confidential session.

(0:58:29) Mr. Bosler introduced a motion.

(0:59:03) *Vote Taken*

*Motion by Mr. John Bosler, seconded by Mr. Ron Craig, and by unanimous vote*

***Moved to recommend reappointing the Watermaster nine-member Board for a five-year term. In addition, continue to direct Watermaster staff to initiate an evaluation of Watermaster business operations including: stakeholder input, Pool interaction, the role of the Board and other areas determined by the parties with the intent of looking for other opportunities to maximize effective implementation of the Judgment, OBMP, and related court orders.***

**E. FISCAL YEAR 2017/18 ANNUAL REPORT OF THE GROUND-LEVEL MONITORING COMMITTEE**

Recommend to the Advisory Committee to recommend to the Watermaster Board to approve the 2017/18 Annual Report of the Ground-Level Monitoring Committee, along with filing a copy with the Court.

(0:22:01) Mr. Kavounas introduced Mr. Malone to give a report.

(0:23:05)

*Motion by Mr. Raul Garibay, seconded by Mr. John Bosler, and by unanimous vote*

***Moved to approve Business Item II.E. as presented.***

**F. SAFE YIELD RESET-RELATED AGREEMENT (DISCUSSION AND POTENTIAL ACTION)**

The Pool took Business Item II.F. after confidential session.

(0:59:23) Chair Layton announced that the Pool and the six parties to the appeal are evaluating Watermaster's comments.

**G. AMENDMENT OF POOLING PLAN FOR THE OVERLYING (NON-AGRICULTURAL) POOL**

Consider the proposed amendment to the NAP Pooling Plan and take appropriate action.

The Pool took Business Item II.G. after confidential session.

(0:59:36) Chair Layton announced that the Pool has directed legal counsel to work with the six parties to the appeal for a response on the Non-Agricultural Pool motion.

**H. FISCAL YEAR 2018/19 EXHIBIT “G” PHYSICAL SOLUTION TRANSFER RATE SUBSTITUTION**

Consider approval of the Non-Agricultural Pool’s proposed FY 2018/19 substitute Physical Solution Transfer rate of \$655.00 per acre-foot based on three conditions: (a) the Court does not enter an order on or prior to December 31, 2018 authorizing the Non-Agricultural Pool Committee to establish the price in connection with its now pending motion to amend the Non-Agricultural Pool Pooling Plan; (b) the Appropriative Pool Committee agrees to such price on or prior to November 15, 2018; and (c) the Court enters an order approving such price as a negotiated price for the current 2018/2019 fiscal year, and, recommend Advisory Committee approval, and approve Watermaster legal counsel’s filing of motion for Court approval of the same.

The Pool took Business Item II.H. after confidential session.

(1:00:08) Chair Layton announced that the Pool approved the Exhibit “G” rate of \$655.00 per acre-foot.

(1:00:14)

*Motion by Mr. Ron Craig, seconded by Mr. Dave Crosley, and by majority vote*

***Moved to approve using \$655/AF as the substitute rate for Exhibit “G” physical solution transfers in FY 2018/19.***

No Votes

Van Jew – Monte Vista Water District and Monte Vista Irrigation Company

**III. REPORTS/UPDATES****A. LEGAL COUNSEL REPORT**

1. December 28, 2018 Hearing

(0:23:28) Mr. Guillen gave a report.

**B. ENGINEER REPORT**

1. Salinity Management Update
2. Impact Analysis of Chino Airport Plume Remedy on Groundwater Levels

(0:25:21) Mr. Malone gave a report. A discussion ensued.

**C. CFO REPORT**

1. Fiscal Year 2018/19 Assessment Invoicing

(0:40:50) Mr. Joswiak gave a report.

**D. GM REPORT**

1. Annual Finding of Substantial Compliance with the Recharge Master Plan
2. Watermaster Board Meeting Frequency
3. 40<sup>th</sup> Judgment Anniversary Commemoration
4. December Meeting Schedule
5. Other

(0:41:13) Mr. Kavounas gave a report. A discussion ensued.

**IV. INFORMATION**

1. Cash Disbursements for October 2018
2. Recharge Investigations and Projects Committee (RIPCom)

**V. POOL MEMBER COMMENTS**

None

**VI. OTHER BUSINESS**

None

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

Chair Layton called for a confidential session at 9:58 a.m. to hold the Appropriative Pool Strategic Planning. Confidential session concluded at 11:28 a.m. with no reportable action.

Mr. Jew left the meeting immediately following confidential session.

(0:58:13) Chair Layton reported on Business Items D, F–H. The reportable actions are shown in the sequence above.

**ADJOURNMENT**

Chair Layton adjourned the Appropriative Pool meeting at 11:30 a.m.

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

Approved: \_\_\_\_\_ January 10, 2019