

**Minutes**  
**CHINO BASIN WATERMASTER**  
**ANNUAL WATERMASTER BOARD MEETING**

*January 24, 2013*

The annual Watermaster Board meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on January 24, 2013 at 11:00 a.m.

**WATERMASTER BOARD MEMBERS PRESENT**

Bob Kuhn, Chair  
Jim Curatalo  
Bob Craig  
Steve Elie  
Bob Bowcock  
Charles Field  
Peter Rogers  
Paul Hofer  
Geoffrey Vanden Heuvel

Three Valleys Municipal Water District  
Fontana Union Water Company  
Jurupa Community Services District  
Inland Empire Utilities Agency  
Vulcan Materials Company (Calmat Division)  
Western Municipal Water District  
City of Chino Hills  
Agricultural Pool  
Agricultural Pool

**Watermaster Staff Present**

Peter Kavounas  
Danielle Maurizio  
Joseph Joswiak  
Sherri Molino

General Manager  
Assistant General Manager  
Chief Financial Officer  
Recording Secretary

**Watermaster Consultants Present**

Scott Slater  
Brad Herrema  
Mark Wildermuth  
Veva Weamer

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

**Others Present**

Jeff Pierson  
Bob Feenstra  
Pete Hall  
Brian Geye  
Mark Kinsey  
Sandra Rose  
Art Kidman  
Rick Hansen  
David DeJesus  
Marty Zvirbulis  
Jo Lynne Russo-Pereyra  
Curtis Aaron  
Darron Poulsen  
Paula Lantz  
Dave Crosley  
Bill Thompson  
Rosemary Hoerning  
Scott Burton  
Ron Craig  
Mike Maestas  
Sheri Rojo  
Terry Catlin

Ag Pool – Crops  
Ag Pool – Dairy  
Ag Pool – State of California – CIM  
Auto Club Speedway  
Monte Vista Water District  
Monte Vista Water District  
Kidman Law LLP  
Three Valleys Municipal Water District  
Three Valleys Municipal Water District  
Cucamonga Valley Water District  
Cucamonga Valley Water District  
City of Pomona  
City of Pomona  
City of Pomona  
City of Chino  
City of Norco  
City of Upland  
City of Ontario  
City of Chino Hills  
City of Chino Hills  
Fontana Water Company  
Inland Empire Utilities Agency

Curtis Paxton  
Eunice Ulloa  
Jack Safely  
Todd Corbin  
Ken Jeske  
Justin Brokaw

Chino Desalter Authority  
Chino Basin Water Conservation District  
Western Municipal Water District  
Jurupa Community Services District  
California Steel Industries  
Marigold Mutual Water District

Chair Kuhn called the Watermaster Board meeting to order at 11:02 a.m.

**PLEDGE OF ALLEGIANCE**

**PUBLIC COMMENTS**

Chair Kuhn asked that Mr. Bob Craig introduce himself. Mr. Craig stated he is the representative for Jurupa Community Services District and presently he is the president of that board. Mr. Craig offered further details on his long standing career.

**AGENDA - ADDITIONS/REORDER**

There were no additions or reorders made to the agenda.

**INTRODUCTIONS - CALENDAR YEAR 2013 WATERMASTER BOARD MEMBERS**

Bob Bowcock	Non-Agricultural Pool
Robert "Bob" Craig	Jurupa Community Services District
Jim Curatalo	Fontana Union Water Company
Steve Elie	Inland Empire Utilities Agency
Charles Field	Western Municipal Water District
Paul Hofer	Agricultural Pool (Crops)
Bob Kuhn	Three Valleys Municipal Water District
Peter Rogers	City of Chino Hills
Geoffrey Vanden Heuvel	Agricultural Pool (Dairy)

Chair Kuhn turned the meeting over to the Mr. Kavounas to run the elections.

**I. CALENDAR YEAR 2013 OFFICERS – Action**

**A. ELECTION OF OFFICERS**

1. Nominations will be heard for Watermaster Board:

Nomination: **Bob Kuhn, Three Valleys Municipal Water District**

1<sup>st</sup> Bowcock                      2<sup>nd</sup> Vanden Heuvel

2. Nominations will be heard for Watermaster Board Vice-Chair:

Nomination: **Jim Curatalo, Fontana Union Water Company**

1<sup>st</sup> Bowcock                      2<sup>nd</sup> Vanden Heuvel

3. Nominations will be heard for Watermaster Board Secretary/Treasurer:

Nomination: **Peter Rogers, City of Chino Hills**

1<sup>st</sup> Bowcock                      2<sup>nd</sup> Vanden Heuvel

Mr. Kavounas turned the meeting over to the new 2013 Chair, Mr. Bob Kuhn

**II. CONSENT CALENDAR****A. MINUTES**

1. Minutes of the Watermaster Board Meeting held December 20, 2012

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of November 2012
2. Watermaster VISA Check Detail for the month of November 2012
3. Combining Schedule for the Period July 1, 2012 through November 30, 2012
4. Treasurer's Report of Financial Affairs for the Period November 1, 2012 through November 30, 2012
5. Budget vs. Actual Report for the Period July 1, 2012 through November 30, 2012

**C. NOTICE OF INTENT**

Annual Filing of Notice of Intent Regarding the Determination of Operating Safe Yield

**D. CHINO BASIN WATERMASTER INVESTMENT POLICY**

Resolution 13-01 – Resolution of the Chino Basin Watermaster, San Bernardino County, California, Re-Authorizing the Watermaster's Investment Policy

**E. LOCAL AGENCY INVESTMENT FUND**

Resolution 13-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF)

*Motion by Vanden Heuvel, second by Rogers, and by unanimous vote*

***Moved to approve Consent Calendar Items A through E, as presented***

**III. BUSINESS ITEMS****A. 2013 AMENDMENT TO THE 2010 RECHARGE MASTER PLAN UPDATE**

Mr. Kavounas stated this item comes to the Board for consideration of approval; this would be approving Section 7 of the amendment to the Recharge Master Plan Update (RMPU) and noted the three Pools have received a detailed report as well as the Advisory Committee; this was recommended to move forward to the Watermaster Board unanimously.

Chair Kuhn inquired if the Board members wanted to see a detailed report on this item since it went through the Watermaster process earlier this month, and there is a detailed staff report in the meeting package for review. It was noted no full presentation was needed; however, some comments were offered.

Mr. Vanden Heuvel stated he would make a motion to approve this item. Mr. Vanden Heuvel stated having this completed item on the agenda is a huge tribute to Mr. Kavounas and his staff. This looked very chaotic several months ago and Watermaster has done a tremendous job getting this item back on track, and we are now being presented a finished product which is ready to be approved and moved to the next phase. There were some policy decisions that were imbedded in this that gave clarity on how to move forward. Mr. Vanden Heuvel offered comment on the challenges this item went through and what is still left to be accomplished. Mr. Vanden Heuvel noted everyone has to do their part and make investments of time and money, and all must be fully engaged in this process. Mr. Vanden Heuvel stated he is very pleased with the progress that has been made thus far. This is really the beginning of the process, and not the end, because this is a continually moving process.

*Motion by Vanden Heuvel, second by Elie, and by unanimous vote*

***Moved to approve the 2013 Amendment to the 2010 Recharge Master Plan Update Section 7 "Evaluation Criteria", as presented***

**B. NOTICE OF OVERLYING (NON-AGRICULTURAL) POOL AVAILABLE WATER PER JUDGMENT EXHIBIT "G"**

Mr. Kavounas stated this item is the notice of the Overlying (Non-Agricultural) Pool available water per Judgment Exhibit "G", which has had a process laid out for it. Mr. Kavounas noted the process has been followed all the way through in the past, and this year is the second year that the proper process is being followed; notice was given on January 10, 2013 that there is approximately 4,000 acre-feet of water up for purchase. There is a table attached in the meeting package that shows how much water each appropriator is entitled to purchase, and the appropriators have until March 1, 2013 to indicate their interest. Mr. Kavounas stated the action required at this time is to receive and file this notice of availability.

*Motion by Vanden Heuvel, second by Craig, and by unanimous vote*

***Moved to receive and file the notice of Overlying (Non-Agricultural) Pool Available Water per Judgment Exhibit "G", as presented***

**IV. REPORTS/UPDATES****A. LEGAL COUNSEL REPORT****1. December 21, 2012 Court Hearing**

Counsel Slater stated pursuant to water availability scheduled in the previous item there was a proposed stipulation to redress the cost of water, given the fact that Metropolitan Water District (MWD) no longer has a published replenishment rate; the involved parties worked out that rate, and that was presented to Judge Reichert on December 21, 2012, and was approved without opposition.

**2. Santa Ana Sucker Litigation**

Counsel Slater stated this item is for the Santa Ana Sucker litigation to discuss new developments as they occur; there have been a number of parties that brought suit against the US Fish and Wildlife Service over a listing process. That resulted in a summary judgment against their interests and it is now being appealed up through the process; counsel has been in contact with their lawyers with regard to whether Watermaster may lend its services in the form of a "friend of the court" brief. Counsel Slater stated, as to date, their opinion is that Watermaster should wait until it moves up the chain further, and they are expecting, at some point, that they may need some assistance to obtain further relief from US Supreme Court.

Added Comment:

Counsel Slater stated he also has an update and an alert that counsel had been authorized, under the prior years' budget and under the previous direction of the Watermaster Board, to proceed with something that our trial court Judge had wanted, which was an annotated version of the Restated Judgment. This would be an unofficial annotated version which would be a user friendly guideline. This will assist when parties raise provisions in the Peace Agreement that are pertinent to certain provisions in the Judgment. Parties would be able to read the Judgment provisions and all of the connected related matters. Counsel Slater stated for a while there was strong interest in doing the annotated version, and the stakeholders as a group wanted the opportunity to participate because they did not want a Watermaster-directed document, they wanted a collaborative document. Each of the Pools has reserved money to engage in this task and counsel believes we are going to be prepared to distribute a strawman initial document, and that we have the time and resources to devote to this task as well as the Watermaster budgeted money for it in this year. Counsel Slater stated counsel/staff will begin working with the Pools to daylight the document to obtain input and develop consensus review, well before anything would come back to the Watermaster Board; that process is going to start in the next month. Chair Kuhn inquired if there was any kind of a timeline associated with that by the court. Counsel Slater stated no, and this is purely at your convenience; although, the companion piece to that is, Watermaster does have a sorry state of Rules and Regulations. Watermaster has done a number of things over the years that have not found themselves in the amendments to the Rules and Regulations, and this becomes a problem for staff and the General

Manager in administering the decree, the Peace Agreements, etc. The Rules and Regulations need to come along with the annotated Judgment in the same process; it is hoped that these items get cleaned up sooner rather than later.

## **B. ENGINEERING REPORT**

### **1. State of the Basin (Part 1 of 2) Update and HydroDaVE**

Mr. Wildermuth introduced Ms. Veva Weamer from Wildermuth Environmental Inc. (WEI) to give the State of the Basin presentation. Ms. Weamer gave the Groundwater Levels 2000 to 2012 Chino Basin Watermaster 2012 State of the Basin Briefing Part 1 presentation. Ms. Weamer stated today we are going to be discussing the groundwater levels section in the State of the Basin report.

Mr. Vanden Heuvel inquired if WEI is confident with the Agricultural Pool production level. Mr. Wildermuth stated his confidence is not very high and he can give those total numbers that Mr. Vanden Heuvel is asking for next month. Mr. Wildermuth spoke on changes in hydrology. Mr. Vanden Heuvel inquired if WEI can incorporate those observations in a footnote on the tables because that would give a better knowledge of the water tables in the future. Mr. Wildermuth stated staff can add that footnote to the tables. Mr. Vanden Heuvel noted this data becomes pretty relevant for the future. Ms. Weamer continued with the presentation.

Chair Kuhn stated he really appreciates him being voted as the Board chairman. Chair Kuhn asked if it is alright with the General Manager maybe a private presentation which is broken down into smaller pieces can be made available that he and any others that did not fully understand this presentation can attend in the near future. Mr. Kavounas stated it is a complicated subject and it is very appropriate to offer an educational meeting on the technical aspects of this presentation. Mr. Kavounas stated staff will offer two or three potential dates for this workshop. Chair Kuhn stated a workshop would be perfect so that anyone who wants to attend can. Counsel Slater offered comment on Chair Kuhn's request for more information. Mr. Wildermuth spoke on Watermaster 101 which is purely a technical discussion of the basin. Mr. Wildermuth stated there is a lot being presented today and there is a tremendous amount of information being offered on the State of the Basin reports; it would be beneficial to hold a workshop on this topic for several parties.

Mr. Curatalo stated there was a lot of good information presented today, and if Watermaster or WEI offered a workshop on this topic he would most definitely attend.

## **C. GM REPORT**

### **1. Prado Basin Habitat Sustainability Program Update**

Mr. Kavounas stated this item is the Prado Basin Habitat Sustainability Program and Ms. Maurizio will be giving a presentation on this program. Ms. Maurizio stated this update was requested by the Watermaster Board at their September, 2012 meeting and staff committed to giving an update in January. The Prado Basin Habitat Sustainability Program came about as a result of the Peace II Agreement SEIR mitigation measure 4.4-3 and was adopted by Inland Empire Utilities Agency (IEUA's) board in October, 2010. The purpose of the mitigation measure was to ensure that the Prado Basin riparian habitat would not be impacted by Hydraulic Control. The basic program tasks are to convene a committee that will develop this adaptive management plan, to install necessary monitoring wells, to complete vegetative and aerial surveys, and to implement photo station monitoring. In terms of the financial aspects of this program there is a cost sharing agreement which was approved by the Watermaster Board in September, 2012 for a total budget of \$440,000. This is a 50/50 cost sharing agreement between Watermaster and IEUA with a not-to-exceed amount of \$220,000 for each party. Included in that cost is to hire a consultant to develop the adaptive management plan, and for WEI to perform the project management tasks related to the monitoring well installation, to hire a contractor to construct and install up to seventeen monitoring wells at nine separate sites, and for United States Bureau of Reclamation to

perform vegetation monitoring every three years. Ms. Maurizio stated three grants have been applied for to offset the cost of this program; however, it is not yet known which ones have been approved. Several small group meetings regarding this project have taken place between Watermaster, IEUA, and Orange County Water District, and then one large committee meeting took place on November 27, 2012. During the last meeting the preliminary outline for the adaptive management plan was discussed. Currently there is a request for a proposal by IEUA which is due January 16, 2013 for the consultant who is going to develop the adaptive management plan. The large committee will meet again in February following the consultant selection to discuss the adaptive management plan, and then that plan is expected to be completed by the end of this fiscal year. Ms. Maurizio stated the monitoring well sites are now being finalized and the site acquisition is in progress. Ms. Maurizio showed a map of the sites and reviewed the locations. IEUA will go out for bid for the well drilling in a few months once all the site acquisition is finalized. It is expected the wells will be completed by the end of this fiscal year. Ms. Maurizio stated most of these wells, with the exception of one or two of the wells, are dual-nested wells and are relatively simple to install. To date starting May, 2012 through November, 2012 there has been \$80,000 of expenditures which totals \$40,000 for both Watermaster and IEUA.

A discussion regarding this matter ensued.

2. Other activities

Mr. Kavounas stated Watermaster has proceeded with making a job offer to Ms. Bianca Ruiz as our Office Specialist position and noted she has worked as the receptionist as a temporary employee for the last four months. Ms. Ruiz introduced herself, offered background, and noted how excited she is to be a part of the Watermaster team.

Mr. Kavounas stated last month he mentioned to the Board that Watermaster had received the newest iteration of the Cyclic Storage Agreement, with an offer from MWD to extend it for another five-year term; at that time it was decided to hold off on signing the agreement until all implications of extending that agreement were understood. Mr. Kavounas stated he has reached the conclusion that it is in Watermaster's best interest, at this time, to extend this agreement with the understanding that it does not commit any of our storage to MWD; it still allows Watermaster full control of the storage in the Chino Basin, unlike the DYY Program which commits storage to MWD to use as they want to. Staff still needs to work with legal counsel regarding this item and he noted this item will be on the agenda in February for authorization of Watermaster's signature of approval.

Mr. Kavounas noted the Watermaster Board gave authorization to sign the WEI contract and that contract has now been finalized, staff has clarified some terms of insurance which provides the Watermaster more clarity that it has up to \$5M of insurance and the signed agreement has been sent to WEI.

Mr. Kavounas stated staff found an excellent deal on new Board chairs, which were greatly needed, and noted this was a budgeted expense.

V. INFORMATION

1. Cash Disbursements for December 2012

No comment was made.

VI. BOARD MEMBER COMMENTS

Mr. Curatalo offered his thanks to Ms. Molino for the Boardroom always looking organized and professional, and for a job well done.

Mr. Elie offered comment on the resignation of Mr. Tom Love, who was the general manager at Inland Empire Utilities Agency. Mr. Elie stated IEUA will have an interim general manager for a short term and then the search for a permanent general manager will begin.

Chair Kuhn stated last year this Board discussed holding some needed meetings, and as the chair he would like to implement holding those meetings. Chair Kuhn stated what he would like to have three meetings throughout the next year, with preset dates with the Pool Chairs, Board Chair, Board Vice-Chair, and General Manager to make sure that we are all working on the same issues in the same manner. Chair Kuhn stated the other meeting he would like to have set up is for the Watermaster Board Chair and Vice-Chair to meet with the General Manager before the Board meetings to discuss what is on the agenda for that month, and then that meeting would be open to other Board members if they wanted to be included. Chair Kuhn stated he is trying to open up the communication between the Watermaster Board and staff to keep things transparent and moving forward.

**VII. OTHER BUSINESS**

No comment was made

No confidential session was called.

**VIII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster committee meeting for the purpose of discussion and possible action.

1. Potential Litigation

**IX. FUTURE MEETINGS AT WATERMASTER**

Tuesday, January 22, 2013	9:00 a.m.	GRCC Meeting
Thursday, January 24, 2013	11:00 a.m.	Annual & Election Watermaster Board Meeting
Thursday, February 7, 2013	10:00 a.m.	CB RMPU Steering Committee Meeting
Thursday, February 14, 2013	9:00 a.m.	Appropriative Pool Meeting
Thursday, February 14, 2013	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, February 14, 2013	1:30 p.m.	Agricultural Pool Meeting
Thursday, February 21, 2013	8:00 a.m.	IEUA DYY Meeting
Thursday, February 21, 2013	9:00 a.m.	Advisory Committee Meeting
Thursday, February 21, 2013	10:00 a.m.	CB RMPU Steering Committee Meeting
Thursday, February 28, 2013	11:00 a.m.	Watermaster Board Meeting

Chair Kuhn adjourned the Watermaster Board meeting at 12:03 p.m.

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

Minutes Approved: February 28, 2013