

Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

March 28, 2013

The Watermaster Board meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on March 28, 2013 at 11:00 a.m.

WATERMASTER BOARD MEMBERS PRESENT

Bob Kuhn, Chair
Jim Curatalo
Bob Craig
Steve Elie
Bob Bowcock
Al Lopez
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 BOARD MEMBERS ABSENT

Charles Field

Western Municipal Water District

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

Brownstein, Hyatt, Farber & Schreck

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
Dave Crosley
Scott Burton
Ron Craig
Nadeem Majaj
Sheri Rojo
Terry Catlin
Curtis Paxton
Allison Burns
Jack Safely
Todd Corbin
Ben Lewis

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 Chino
City of Ontario
City of Chino Hills
City of Chino Hills
Fontana Water Company
Inland Empire Utilities Agency
Chino Desalter Authority
Stadling Yocca Carlson & Rauth for the CDA
Western Municipal Water District
Jurupa Community Services District
Golden State Water Company

Chair Kuhn called the Watermaster Board meeting to order at 11:01 a.m.

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Watermaster Board Meeting held February 28, 2013

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of January 2013
2. Watermaster VISA Check Detail for the month of January 2013
3. Combining Schedule for the Period July 1, 2012 through January 31, 2013
4. Treasurer's Report of Financial Affairs for the Period January 1, 2013 through January 31, 2013
5. Budget vs. Actual Report for the Period July 1, 2012 through January 31, 2013

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 827.390 acre-feet of water from San Antonio Water Company by the City of Upland. This purchase is made from San Antonio Water Company's storage account. The City of Upland is utilizing this transaction to produce its San Antonio Water Company shares. Date of application: January 3, 2013
2. **Consider Approval for Notice of Sale or Transfer** – The purchase of 2,000.000 acre-feet of water from San Antonio Water Company by Monte Vista Water District. This purchase is made from San Antonio Water Company's storage account. Date of application: January 10, 2013
3. **Consider Approval for Notice of Sale or Transfer** – The purchase of 6.922 acre-feet of water from San Antonio Water Company by Monte Vista Water District. This purchase is made from San Antonio Water Company's storage account. Monte Vista Water District is utilizing this transaction to produce its San Antonio Water Company shares. Date of application: January 7, 2013

D. RESOLUTION 13-04

1. Consider Approval of Resolution 13-04 Supporting the Nomination of Director Kathleen Tieg as the Association of California Water Agencies Vice-President 2013

Motion by Vanden Heuvel, second by Bowcock, and by unanimous vote

Moved to approve Consent Calendar Items A through D, as presented

II. BUSINESS ITEMS

A. NINTH AMENDMENT TO THE CHINO BASIN CYCLIC STORAGE AGREEMENT

Mr. Kavounas stated staff is looking for authorization to sign the extension of the Ninth Amendment to the Chino Basin Cyclic Storage Agreement and authorize staff submit it to the court for approval. Mr. Kavounas stated there was a motion adopted by all the Pools and the Advisory Committee, and staff thinks that is the right decision on this Agreement.

Mr. Vanden Heuvel inquired if the motion made by Mr. Curatalo was consistent with the motion made by the Advisory Committee. Mr. Kavounas stated yes, it is.

Motion by Curatalo, second by Rogers, and by unanimous vote

Moved unanimously to approve the item as recommended by the Appropriative Pool on March 14, 2013, and authorize the General Manager to sign the agreement, as presented

B. OBMP SEMI-ANNUAL STATUS REPORT 2012-2

Mr. Kavounas stated this item is a request to receive and file the Semi-Annual Status Report 2012-2, and give Watermaster the authorization to file a courtesy copy with the Court. Mr. Kavounas stated this has also been reviewed by the Pools and Advisory Committee, and they concur.

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

Moved to approve staff recommendation to receive and file the Semi-Annual Status Report and also to file a copy with the Court, as presented

C. ACM / CSI STIPULATION

Mr. Kavounas stated this item is a request to receive and file a notice that Watermaster staff intends to adjust its records to reflect the settlement agreement between Aqua Capital Management and California Steel Industries. Mr. Kavounas stated their stipulation affects their water balances and their future rights; this has gone through the Watermaster process.

Motion by Elie, second by Curatalo, and by unanimous vote

Moved to receive and file Watermaster staff's notice of adjustment of records to reflect reallocation of Aqua Capital Management and California Steel Industries joint water right, as presented

III. REPORTS/UPDATES**A. LEGAL COUNSEL REPORT****1. CDA Request**

Counsel Slater stated at the February 28, 2013 Board meeting a request was received from the Chino Desalter Authority (CDA) concerning initiation of the process before Judge Reichert to determine the existence of material physical injury and to recommend to the court that it either order a mitigation of the incremental cost of contamination in the form of a physical measure, or in lieu thereof to have the County of San Bernardino pay the incremental costs incurred in implementing a mitigation effort. Counsel Slater stated that was presented to this Board, at which time this Board elected to transmit that request to the Pools for advice and counsel. Counsel Slater stated that item has been referred to each of the Pools for advice and counsel, and they were provided an opportunity to hear from the CDA earlier this month; however, no action was taken by the Pools. After the Pool meetings, meetings were scheduled with representatives of Watermaster, CDA, and representatives for each of the Pools. The first meeting was today with members of the Non-Agricultural Pool, and all attempts to answer questions were made. Subsequent meetings with the Appropriative and Agricultural Pools are set for another day. Counsel Slater stated there is no action presented for this Board today and it is anticipated this item will come back to the Watermaster Board next month. Mr. Vanden Heuvel inquired if this item will be discussed in closed session. Counsel Slater stated, yes.

B. GM REPORT**1. Refresh, Recharge, and Reunite**

Mr. Kavounas stated this was a very good event and was well attended. Mr. Kavounas stated Mr. Slater and Mr. Herrema handled the first portion, discussing the Chino Basin legal framework the second part was a question and discussion portion on the Chino Basin Watermaster establishment. The notes from the second portion have been transcribed and were made available to the Chairs to disseminate them within the Pool and ask them for comments and feedback. Mr. Elie inquired if the Watermaster Board could get the summary. Mr. Kavounas stated he will supply that summary as soon as the Pools provide their feedback, which will make the summary more complete.

2. Overlying (Non-Agricultural) Pool Available Water Per Judgment Exhibit "G"

Mr. Kavounas stated this is a report on the process, which is at its end for this year. Mr. Kavounas stated there was water made available by two parties of the Non-Agricultural Pool; however, there were no takers for that water and the process will begin over again next year. Staff has this item on their calendar for next year to meet with the respective chairs of the Appropriative and Non-Agricultural Pools and discuss an appropriate rate for the next year since the rate offered this year was a one-time only rate.

2. Hydrogeology Fundamentals / Westside Basin Tour – May 21, 2013

Mr. Kavounas stated a Watermaster Board education event will be held on May 21, 2013 to discuss hydrogeology fundamentals and possibly tour some facilities on the westside of the basin. Mr. Kavounas stated the last basin tour covered the basins on the eastside. More information will come to the Board as the date gets closer.

3. Other Activities

Mr. Kavounas stated he recently attended the ACWA Legislative Conference on March 5, 2013. The topics there were on the Water Bond, Assembly Bill 8, and CEQA Reform.

Mr. Kavounas stated he recently attended the City of Ontario 2013 State of the City event on March 20, 2013. Mr. Kavounas noted he was impressed with how the event was conducted and also by the progress that the City of Ontario is making.

Mr. Kavounas stated Watermaster staff is preparing the Watermaster budget for this next fiscal year. Mr. Kavounas stated there is a Budget Workshop scheduled for April 16, 2013 at 9:30 a.m. and staff has allowed time for a second workshop if needed. Mr. Kavounas stated it is hoped that the new Watermaster budget will be presented through the entire Watermaster process in May.

IV. INFORMATION

1. Cash Disbursements for February 2013

No comment was made.

V. BOARD MEMBER COMMENTS

Mr. Lopez noted he was sitting in for Mr. Field today.

Mr. Craig stated he belongs to the local Rotary Club in his area in Jurupa Valley, and at the last meeting they had the newly elected Congressman Mark Takano attending. Mr. Craig stated he understands there are a number of concerns related to water issues, and he addressed Congressman Takano on those matters, however, the Congressman needs to have more education on the Delta. Mr. Craig is hoping that Congressman Takano can get the needed education to assist in these important water issues.

Mr. Rogers stated at the recent Refresh, Recharge, and Reunite event the Watermaster team did a great job and he thanked counsel for an excellent presentation; noting he now understands the legal framework and history better.

Mr. Vanden Heuvel stated the State of California is looking at a very serious water crisis coming up. Mr. Vanden Heuvel stated he read that the Colorado River is having the fifth driest year on record; he offered comment on the Endangered Species Act which was passed by congress and signed by President Nixon, that restricted operations of the State Water Project due to concerns about Delta Smelt between December 7, 2012 and February 7, 2013, and shut off the pumps, sending 728,000 acre-feet of water out the Golden Gate that could have been put in the California Aqueduct. Mr. Vanden Heuvel offered further comment on critical water matters.

Mr. Curatalo thanked the Watermaster Board for the Resolution of support for Ms. Tiegs in her bid for vice-president of ACWA.

VI. OTHER BUSINESS

No comment was made.

The regular open Watermaster Board meeting was convened to hold its confidential session at 11:18 a.m.

VII. 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. CDA Request Re Remediation of Chino Airport Groundwater Plume

The confidential session concluded at 12:00 p.m.

There was no reportable action from the confidential session.

VIII. FUTURE MEETINGS AT WATERMASTER

Tuesday, March 26, 2013	9:00 a.m.	GRCC Meeting
Thursday, March 28, 2013	11:00 a.m.	Watermaster Board Meeting
Thursday, April 4, 2013	10:00 a.m.	RMPU Amendment Steering Committee Meeting
Tuesday, April 9, 2013	10:00 a.m.	Personnel Committee Meeting
Thursday, April 11, 2013	9:00 a.m.	Appropriative Pool Meeting
Thursday, April 11, 2013	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, April 11, 2013	1:30 p.m.	Agricultural Pool Meeting
Tuesday, April 16, 2013	9:30 a.m.	Budget Workshop
Thursday, April 18, 2013	8:00 a.m.	IEUA DYY Meeting
Thursday, April 18, 2013	9:00 a.m.	Advisory Committee Meeting
Thursday, April 18, 2013	10:00 a.m.	RMPU Amendment Steering Committee Meeting
Tuesday, April 23, 2013	9:30 a.m.	Potential 2 nd Budget Workshop
Thursday, April 25, 2013	11:00 a.m.	Watermaster Board Meeting

Chair Kuhn adjourned the Watermaster Board meeting at 12:01 p.m.

Secretary: _____

Minutes Approved: April 25, 2013