

MINUTES
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

September 26, 2013

The Watermaster Board meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on September 26, 2013.

WATERMASTER BOARD MEMBERS PRESENT

Bob Kuhn, Chair
Terry Catlin, for Steve Elie
Robert "Bob" Craig
Bob Bowcock
Geoffrey Vanden Heuvel
Peter Rogers
Paul Hofer
Al Lopez, for Charles Field

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

WATERMASTER BOARD MEMBERS ABSENT

Charles Field
Steve Elie
Jim Curatalo

Western Municipal Water District
Inland Empire Utilities Agency
Fontana Union Water Company

Watermaster Staff Present

Peter Kavounas
Danielle Maurizio
Joseph Joswiak
Brenda Corona

General Manager
Assistant General Manager
Chief Financial Officer
Recording Secretary

Watermaster Consultants Present

Scott Slater
Brad Herrema
Mark Wildermuth
Michael Cruikshank

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

Others Present

Bob Feenstra
Brian Geye
David DeJesus
Marty Zvirbulis
Jo Lynne Russo-Pereyra
Dave Crosley
Nadeem Majaj
Sheri Rojo
Curtis Paxton
Todd Corbin
Darron Poulsen
Chuck Hays
Sandra Rose
Rick Hansen
Ron Craig
Pete Hall
Eunice Ulloa

Agricultural Pool – Dairy
Auto Club Speedway
Three Valleys Municipal Water District
Cucamonga Valley Water District
Cucamonga Valley Water District
City of Chino
City of Chino Hills
Fontana Water Company
Chino Desalter Authority
Jurupa Community Services District
City of Pomona
City of Fontana
Monte Vista Water District
Three Valleys Municipal Water District
City of Chino Hills
Agricultural Pool – State of California – CIM
Chino Basin Water Conservation District

Justin Scott-Coe
Chris Berch
Ken Jeske
Rosemary Hoerning
Art Kidman
Scott Burton
Rogelio Matta

Monte Vista Water District
Inland Empire Utilities Agency
California Steel Industries
City of Upland
Monte Vista Water District
City of Ontario
City of Fontana

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

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

There were no additions or reorders.

I. CONSENT CALENDAR

Consent calendar item I.A.1 was pulled from the Consent Calendar

A. MINUTES

1. Approve Format of Watermaster Board Meeting Minutes

(0:01:16) Mr. Vanden Heuvel gave an overview of the Board Subcommittee's recommendations.

Motion by Mr. Vanden Heuvel, second by Mr. Rogers, and carried unanimously
Moved to approve Consent Calendar Item I.A.1 as presented.

2. Approve Minutes of the Watermaster Board Meeting held on June 27, 2013
3. Approve Minutes of the Watermaster Board Meeting held on August 22, 2013

B. FINANCIAL REPORTS (Receive and File)

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

C. WATER TRANSACTIONS

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 1,067.000 acre-feet of water from West End Consolidated Water Company by the City of Upland. This purchase is made from the West End Consolidated Water Company's storage account. The City of Upland is utilizing this transaction to produce its West End Consolidated Water Company shares. Date of Application: May 23, 2013.
2. **Consider Approval for Notice of Sale or Transfer** – The purchase of 100.000 acre-feet of water from West End Consolidated Water Company by Golden State Water Company. This purchase is made from West End Consolidated Water Company's storage account. Golden State Water Company is utilizing this transaction to produce its West End Consolidated Water Company shares. Date of Application: June 5, 2013.
3. **Consider Approval for Notice of Sale or Transfer** – The purchase of 1,500.000 acre-feet of water from the City of Pomona by Fontana Water Company. This purchase is made from the City of Pomona's Excess Carryover Account. Date of Application: June 26, 2013.

4. **Consider Approval for Notice of Sale or Transfer** – On July 17, 2013, Watermaster received Forms 3, 4, and 5 water transfer Applications, with Ameron International Corporation (Ameron) as Transferor and the TAMCO, a California Corporation (TAMCO) as Transferee for the permanent transfer in the amount of 15,000 acre-feet of its adjudicated Safe Yield rights, effective as of the end of fiscal year 2012-13. Simultaneous with these applications, Watermaster received a request for Intervention into the Overlying (Non-Agricultural) Pool from the TAMCO. Date of Application: July 17, 2013.

(00:05:20) Motion by Mr. Craig, second by Mr. Bowcock, and carried unanimously

Moved to approve Consent Calendar Items I.A.2 through I.C.4 as presented with corrections to I.A.3.

II. BUSINESS ITEMS

A. RECHARGE MASTER PLAN UPDATE AMENDMENT APPROVAL

(0:06:56) Messrs. Herrema, Wildermuth, and Kavounas gave a presentation and a discussion ensued.

(1:03:05) Mr. Berch with IEUA commented that IEUA has been involved with the development of the Amendment and intends to bring it to its Board for approval in October.

(1:04:50) Mr. Hays with the City of Fontana explained that the City's motion to the Court for the revision to Section 5 of the 2013 RMPU Amendment was made because language from the 2010 RMPU regarding credits was taken out of the 2013 RMPU Amendment.

Mr. Kavounas provided clarification and explained that the 2013 RMPU Amendment is based on an Order received from the Court. The Order focused Watermaster on quantifying potential recharge from local projects. Given the nature of the planning document, Watermaster concluded this is not the place to reallocate new yield and that is why that issue was taken off the table during the preparation of the 2013 RMPU Amendment. It is, however, the subject of discussion and is being addressed through the Appropriative Pool and will be shown in the Business Plan discussion this afternoon.

The staff letter on this item and the presentation given to the Board are attached in the minutes of the Board's meeting.

Motion by Mr. Vanden Heuvel, second by Mr. Rogers, and carried unanimously

Considering the evidence before the Board and its discussion thereon, moved to [1] Approve Sections 1 through 4 as presented; [2] approve Section 8 as presented, [3] adopt Resolution 2013-06, expressly including adoption of the findings therein, and [4] authorize General Counsel to make the appropriate filing requesting the Court's approval.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Report from August 30, 2013 Hearing
2. CDA Request

(1:09:56) Mr. Slater gave a report.

B. GM REPORT

1. Employee 10-Year Service Recognition

(1:11:33) Mr. Kavounas recognized Ms. Maurizio for her 10 years of service with Watermaster. Mr. Kuhn thanked Ms. Maurizio for her commitment to Watermaster.

IV. INFORMATION

1. Cash Disbursements for August 2013
2. Wineville Proof of Concept project update
3. CDA Request re Remediation of Chino Airport Groundwater Plume

V. BOARD MEMBER COMMENTS

(1:16:53) Mr. Rogers and Mr. Catlin commended Mr. Kavounas, staff, and consultants for a great job on the RMPU Amendment and in general. Chair Kuhn thanked Mr. Bowcock, Mr. Curatalo, and Mr. Vanden Heuvel for their work as the Board's Subcommittee on the format of the meeting minutes.

VI. OTHER BUSINESS**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

The Watermaster Board went into closed session at 12:20 p.m. to discuss the following:

1. CCG Motion for Leave to Sue Watermaster
2. Potential Litigation (two matters)

The Board came out of Confidential Session at 12:45 p.m. The Board unanimously authorized the Chair to designate ad hoc committees in regard to each of the two potential litigation matters.

VIII. FUTURE MEETINGS AT WATERMASTER

Thursday, September 26, 2013	11:00 a.m.	Watermaster Board Meeting
Thursday, October 10, 2013	9:00 a.m.	Appropriative Pool Meeting
Thursday, October 10, 2013	11:00 a.m.	Non-Agricultural Pool Meeting
Thursday, October 10, 2013	1:30 p.m.	Agricultural Pool Meeting
Thursday, October 17, 2013	8:00 a.m.	IEUA DYY Meeting
Thursday, October 17, 2013	9:00 a.m.	Advisory Committee Meeting
Thursday, October 24, 2013	11:00 a.m.	Watermaster Board Meeting

WATERMASTER BUSINESS PLAN WORKSHOP

The Board held a workshop to review and provide direction to staff regarding the draft Watermaster Business Plan.

ADJOURNMENT

Chair Kuhn adjourned the Watermaster Board meeting at 1:40 p.m.

Secretary: _____

Minutes Approved: October 24, 2013