

**MINUTES**  
**CHINO BASIN WATERMASTER**  
**ANNUAL WATERMASTER BOARD MEETING**

January 23, 2014

The Annual Watermaster Board meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA on January 23, 2014.

**WATERMASTER BOARD MEMBERS PRESENT**

Robert "Bob" Craig, Chair  
Steve Elie, Vice-Chair  
Mark Kinsey  
J. Arnold Rodriguez  
Geoffrey Vanden Heuvel  
Ken Jeske, for Bob Bowcock  
David DeJesus, for Bob Kuhn  
Paul Hofer  
Charles Field

Jurupa Community Services District  
Inland Empire Utilities Agency  
Monte Vista Water District  
Santa Ana River Water Company  
Agricultural Pool – Dairy  
California Steel Industries  
Three Valleys Municipal Water District  
Agricultural Pool – Crops  
Western Municipal Water District

**WATERMASTER BOARD MEMBERS ABSENT**

Bob Kuhn  
Bob Bowcock

Three Valleys Municipal Water District  
Vulcan Materials Company (Calmat Division)

**WATERMASTER STAFF PRESENT**

Peter Kavounas  
Danielle Maurizio  
Joseph Joswiak  
Anna Truong

General Manager  
Assistant General Manager  
Chief Financial Officer  
Recording Secretary

**WATERMASTER CONSULTANTS PRESENT**

Scott Slater  
Mark Wildermuth

Brownstein Hyatt Farber Schreck, LLP  
Wildermuth Environmental, Inc.

**OTHERS PRESENT**

Todd Corbin  
Pete Hall  
Dave Crosley  
Ryan Shaw  
Scott Burton  
Terry Catlin  
Larry Dimock  
Marty Zvirbulis  
Sheri Rojo  
Curtis Paxton  
Justin Scott-Coe  
Jeff Pierson  
Jo Lynne Russo-Pereyra  
Brian Geye  
Manny Martinez  
Art Kidman  
Darron Poulsen  
Bob Feenstra

Jurupa Community Services District  
State of California, CIM  
City of Chino  
City of Ontario  
City of Ontario  
Inland Empire Utilities Agency  
State of California, CIM  
Cucamonga Valley Water District  
Fontana Water Company  
Chino Basin Desalter Authority  
Monte Vista Water District  
Agricultural Pool – Crops  
Cucamonga Valley Water District  
Auto Club Speedway  
Monte Vista Water District  
Monte Vista Water District  
City of Pomona  
Agricultural Pool – Dairy

**CALL TO ORDER**

Mr. DeJesus, alternate to Chairman Kuhn, chaired the meeting and called the Annual Watermaster Board meeting to order at 11:03 a.m.

**PLEDGE OF ALLEGIANCE**

**PUBLIC COMMENTS**

There were no public comments.

**AGENDA - ADDITIONS/REORDER**

There were no additions.

**INTRODUCTIONS - CALENDAR YEAR 2014 WATERMASTER BOARD MEMBERS**

Overlying (Ag) Pool	Paul Hofer
Overlying (Ag) Pool	Geoffrey Vanden Heuvel
Overlying (Non-Ag) Pool	Bob Bowcock
Appropriative Pool	Robert "Bob" Craig
Appropriative Pool	J. Arnold Rodriguez
Appropriative Pool	Mark Kinsey
Three Valleys MWD	Bob Kuhn
Western MWD	Charles Field
Inland Empire Utilities Agency	Steve Elie

**I. CALENDAR YEAR 2014 OFFICERS – ACTION**

**A. ELECTION OF OFFICERS**

1. Nominations will be heard for Watermaster Board Chair
2. Nominations will be heard for Watermaster Board Vice-Chair
3. Nominations will be heard for Watermaster Board Secretary/Treasurer

(0:03:50)

*Motion by Mr. Geoffrey Vanden Heuvel, second by Mr. Ken Jeske, and carried unanimously*  
**Moved to approve Mr. Robert "Bob" Craig to serve as Watermaster Chair for calendar year 2014.**

(0:04:36)

*Motion by Mr. Geoffrey Vanden Heuvel, second by Mr. Mark Kinsey, and carried unanimously*  
**Moved to approve Mr. Steve Elie to serve as Watermaster Vice-Chair for calendar year 2014.**

(0:05:27)

*Motion by Mr. Geoffrey Vanden Heuvel, second by Mr. Steve Elie, and carried unanimously*  
**Moved to approve Mr. J. Arnold Rodriguez to serve as Watermaster Secretary/Treasurer for calendar year 2014.**

(0:05:58) Mr. Robert "Bob" Craig, the newly elected Board Chair took over the meeting at this time.

**II. CONSENT CALENDAR**

(0:06:11) Mr. Geoffrey Vanden Heuvel requested that Consent Calendar, Item IIC be pulled for separate discussion.

**A. MINUTES**

1. Minutes of the Watermaster Board Meeting held December 19, 2013

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of November 2013
2. Watermaster VISA Check Detail for the month of November 2013
3. Combining Schedule for the Period July 1, 2013 through November 30, 2013
4. Treasurer's Report of Financial Affairs for the Period November 1, 2013 through November 30, 2013
5. Budget vs. Actual Report for the Period July 1, 2013 through November 30, 2013

**D. CHINO BASIN WATERMASTER INVESTMENT POLICY**

Adopt Resolution 2014-01 – Resolution of the Chino Basin Watermaster, San Bernardino County, California, Re-Authorizing the Watermaster's Investment Policy

**E. LOCAL AGENCY INVESTMENT FUND**

Adopt Resolution 2014-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF)

(0:06:42)

*Motion by Mr. Steve Elie, second by Mr. Ken Jeske, and by unanimous vote*

***Moved to approve Consent Calendar, Items II A, B, D, and E as presented.***

**C. NOTICE OF INTENT**

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

(0:06:55) Mr. Geoffrey Vanden Heuvel asked for clarification on this issue. A discussion ensued. Mr. Geoffrey Vanden Heuvel raised a question inquiring if Watermaster were to change Operating Safe Yield in 2014, would we be relying on notice that was given in 2008 or 2009?

(0:09:03) Mr. Scott Slater responded with "I think the notice that would be relied on to recalculate Safe Yield actually originates in the year 2000. And the first notice derives from the adoption of the OBMP Implementation Plan which prescribed a very specific methodology, time period hydrology to recalculate the Safe Yield that was then brought forward into the Watermaster Rules and Regulations, and a specific provision was included in Rules and Regulations 6.5 which indicates that the Safe Yield shall be recalculated in year 2010/11 based upon the data from the ten-year period 2001 to 2009/10 and it was a requirement; "shall" is a "must" consequence. So, consistent with that, Watermaster every year since 2000 has annually provided the Notice which also comports with Appendix I indicating that a change would be forthcoming. So, since there has been notice each and every year since 2000, there has been at least five years notice prior to 2009, and then again in 2009 and carried forward. So, the answer is not *just* 2009, but harkening back to the adoption of the OBMP and then the Rules and Regulations."

(0:10:43) Mr. Geoffrey Vanden Heuvel thanked Legal Counsel for the information. He found it enlightening and helpful as everyone votes on the item on the agenda before them.

(0:10:56)

*Motion by Mr. Geoffrey Vanden Heuvel, second by Mr. Mark Kinsey and by unanimous vote*

***Moved to approve Consent Calendar, Item II C as presented.***

**III. BUSINESS ITEMS****A. NOTICE OF OVERLYING (NON-AGRICULTURAL) POOL AVAILABLE WATER PER JUDGMENT EXHIBIT "G" (Discussion Only – No Action)**

(0:15:18) Mr. Kavounas gave a report.

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

1. City of Fontana – Resolution Discussion
2. CDA Request

(0:16:49) Mr. Slater gave a report on the two items and a discussion ensued. Mr. Vanden Heuvel requested a report at the March 2014 Watermaster Board meeting on the status on the CDA Request and the status of addressing the Chino Airport plume, and the RWQCB's involvement and timeline with respect to the plume. Mr. Elie commented that the Board should also understand where the CDA and their member agencies are on the issue so that that the Board can have a full report on the topic and have the necessary knowledge to determine what action(s) needs to be taken.

**B. CFO REPORT**

1. Assessment Invoices

(0:26:45) Mr. Joswiak gave a report.

**C. GM REPORT**

1. Safe Yield Recalculation Update
2. Joint IEUA/CBWM Projects Committee Update
3. 2013 Amendment to the 2010 Recharge Master Plan Implementation Update
4. Board Orientation
5. Other

(0:27:23) Mr. Kavounas gave an update on the Safe Yield Recalculation and mentioned the process is moving along; many topics have been discussed among many parties and Staff has now held four workshops. The second workshop focused on the model, and Watermaster received questions in writing. After Workshops #3 and #4, we have responded to all the technical questions.

The Appropriative Pool requested a technical discussion among its technical experts and WEI. Watermaster and WEI will be accommodating that request with a technical session on January 30, 2014 at 9:00 a.m. at WEI offices and this first technical session will likely be followed by another in order to address questions that will arise. While detailed technical issues will be handled through the technical session(s), we will be working to address issues/questions related to agreements.

On the basis of actual physical measurements, Staff believes there has been change in storage beyond the approved overdraft. This change in storage is likely attributable to using a Safe Yield that was higher than actual input/replenishment over a period of time. In addition, there has been an accumulation of stored water credits, and that, if withdrawn, may contribute to a further adverse change in storage. Regardless of cause and whether this condition has stabilized, Staff sees this additional overdraft as an indication of the need to set the Safe Yield properly to avoid future unintended consequences, including mining of the Basin.

Staff is working to re-determine the Safe Yield as guided by existing agreements. Some of the parameters of the re-determination, though thought to be appropriate in 2000, may be improved. In addition, some of the policies that were set in the agreements are now being questioned by some of the Parties. Staff is proceeding with the intention of discharging the obligation of calculating the Safe Yield as stated in these agreements, and at the same time, helping the Committees develop advice and recommendations for Watermaster to propose a recalculated Safe Yield based on improved parameters before going to Court to have the re-determined Safe Yield adopted and before production rights are impacted. Staff presented this approach to the Board in December as well, and will be happy to answer any questions. A discussion ensued.

(0:49:06) Mr. Kavounas gave a brief update on the IEUA/CBWM Joint Recharge Improvement Projects.

(0:50:43) Mr. Kavounas gave an update on the 2013 Amendment to the 2010 Recharge Master Plan Implementation Update.

(0:51:51) Mr. Kavounas mentioned that Watermaster staff will be working with the Chair and Vice-Chair to select a date for the 2014 Watermaster Board briefing as well as assist in developing the meeting content.

## **V. INFORMATION**

1. Cash Disbursements for December 2013

## **VI. BOARD MEMBER COMMENTS**

(0:52:52) Chair Craig thanked the Board for their confidence in him and stated he is looking forward to working with everyone.

## **VII. OTHER BUSINESS**

## **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.

Chair Craig called for a Closed Session at 11:56 a.m. to discuss the following:

1. City of Fontana Motion

Closed Session concluded at 12:39 p.m. with no reportable action.

## **IX. FUTURE MEETINGS AT WATERMASTER**

1/21/14	Tue	1:30 p.m.	Safe Yield Recalculation Workshop #4
1/23/14	Thu	11:00 a.m.	Annual & Election Watermaster Board Meeting
1/27/14	Mon	2:00 p.m.	City of Fontana – Resolution Discussion Meeting #4
1/30/14	Thu	9:00 a.m.	Technical (GW Model) Group meeting (At WEI offices)
2/13/14	Thu	9:00 a.m.	Appropriative Pool Committee Meeting
2/13/14	Thu	11:00 a.m.	Non-Agricultural Pool Committee Meeting
<del>2/13/14</del>	<del>Thu</del>	<del>1:30 p.m.</del>	<del>Agricultural Pool Committee Meeting</del>
2/18/14	Tue	1:30 p.m.	Agricultural Pool Committee Meeting (Rescheduled)

2/20/14 Thu 8:00 a.m. IEUA DYY Meeting  
2/20/14 Thu 9:00 a.m. Advisory Committee Meeting  
2/20/14 Thu 10:00 a.m.\* Joint IEUA/CBWM Projects Update Meeting  
2/27/14 Thu 11:00 a.m. Watermaster Board Meeting

**\*Note:** The Joint IEUA/CBWM Projects Update Meeting will take place immediately following the Advisory Committee Meeting.

**ADJOURNMENT**

Chair Craig adjourned the Annual Watermaster Board meeting at 12:39 p.m.

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

Minutes Approved: February 27, 2014