

MINUTES
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING
March 27, 2014

The Watermaster Board meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA on March 27, 2014.

WATERMASTER BOARD MEMBERS PRESENT

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

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

WATERMASTER BOARD MEMBERS ABSENT

Steve Elie
Bob Bowcock
Paul Hofer

Inland Empire Utilities Agency
Vulcan Materials Company (Calmat Division)
Agricultural Pool – Crops

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
Brad Herrema
Mark Wildermuth

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

OTHERS PRESENT

Todd Corbin
Pete Hall
Dave Crosley
Paula Lantz
Sheri Rojo
Ron Craig
Bob Feenstra
Scott Burton
Ryan Shaw
David De Jesus
Art Kidman
Justin Scott-Coe
Eunice Ulloa
Brian Geye
Manny Martinez

Jurupa Community Services District
State of California, CIM
City of Chino
City of Pomona
Fontana Water Company
City of Chino Hills
Agricultural Pool – Dairy
City of Ontario
City of Ontario
Three Valleys Municipal Water District
Kidman Law, LLP
Monte Vista Water District
Chino Basin Water Conservation District
Auto Club Speedway
Monte Vista Water District

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

None

AGENDA - ADDITIONS/REORDER

None

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Watermaster Board Meeting held February 27, 2014

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of January 2014
2. Watermaster VISA Check Detail for the month of January 2014
3. Combining Schedule for the Period July 1, 2013 through January 31, 2014
4. Treasurer's Report of Financial Affairs for the Period January 1, 2014 through January 31, 2014
5. Budget vs. Actual Report for the Period July 1, 2013 through January 31, 2014

C. WATER TRANSACTIONS

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 2,296.260 acre-feet of water from San Antonio Water Company by the City of Upland. This purchase is made from San Antonio Water Company's Annual Production Right/Operating Safe Yield first, then any additional from storage. The City of Upland is utilizing this transaction to produce its San Antonio Water Company shares. Date of application: January 13, 2014
2. **Consider Approval for Notice of Sale or Transfer** – The purchase of 3.648 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 13, 2014
3. **Consider Approval for Notice of Sale or Transfer** – The purchase of 245.800 acre-feet of water from the City of Pomona by the City of Upland. This purchase is made from the City of Pomona's Excess Carryover Account. Date of application: January 22, 2014

D. 2013-2014 EXHIBIT "G" PHYSICAL SOLUTION TRANSFERS

- 1) Find that California Speedway and Aqua Capital Management are in compliance with Restated Judgment, Exhibit "G" ¶9(g), authorizing 2013-2014 Exhibit "G" Physical Solution Transfers, 2) approve levy of assessments and subsequent payments for same.

(0:00:56)

Motion by Mr. Terry Catlin, second by Mr. Jeff Pierson, and carried unanimously
Moved to approve the Consent Calendar as presented

II. BUSINESS ITEMS**A. BUDGET TRANSFER FORM T-14-03-01**

Approval of Budget Transfer Form T-14-03-01 for Engineering Services for FY 2013/14 as presented.

(0:01:39) Mr. Joswiak gave a report.

(0:03:17)

*Motion by Mr. Geoffrey Vanden Heuvel, second by Mr. Ken Jeske, and carried unanimously
Moved to approve Business Item IIA as presented*

B. SAFE YIELD RECALCULATION

Direct Watermaster legal counsel to file a status report with the Court informing it of the process underway to accomplish the required recalculation of the Basin's Safe Yield.

(0:03:44) Mr. Kavounas reported that staff is looking for action from the Board to direct legal counsel to file a status report with the Court informing it of the process that is underway to accomplish the required recalculation and reset of the Chino Basin Safe Yield. The item was discussed at the February 24, 2014 Board Briefing, and staff and counsel's interpretation of that discussion was that Watermaster should proceed in that direction. Additionally, there was a telephone conversation with the Board Chair and Vice-Chair to further discuss this to make sure staff, counsel, and the Board are on the same page. This information was shared with the Pools and staff asked for feedback. Feedback was received from the Pool's attorneys.

(0:04:49) Mr. Slater reported that as was discussed at the February 24, 2014 Board Briefing, Watermaster has the discretion and responsibility for accurately setting the Safe Yield under the Judgment. Additionally, because of historical concerns about the methodology, data, and historical period, there was an agreement that was struck among the Parties that was contained in the OBMP Implementation Plan, reflected in the Rules and Regulations, and ordered by the Court for Watermaster to use a very specific base period, from 2001 to 2010/11, in recalculating the Safe Yield. In performing its function, staff had to go through a process to gather the appropriate data and run it through a forensic process and then incorporate that data and run it through a model. The model itself had to be updated and staff was not prepared, nor did it have funds and resources available in 2011 to complete that task. So, an effort began to acquire the requisite data, run the model, and calibrate the model, and that function has since been completed. Watermaster then held a stakeholder process to inform the parties and four workshops and other technical sessions have been held to explain the model and try to bring comfort to stakeholders as to how the model was being deployed and the accuracy of the model in light of its calibration.

The results of that process have been coming together and Watermaster has the technical resources today to recalculate the Safe Yield as required pursuant to the OBMP Implementation Plan and Court Order. Along the way, concerns have been raised by stakeholders that the 2001 to 2010/11 base period is probably not the best base period to use.

Though Watermaster has an obligation to the Parties and Court to recalculate the Safe Yield, it is also Watermaster's duty to tell the Court that we can and will do so, but that we think we have a duty to the Court, public, and Parties to use a more representative base period than was previously agreed to 14 years ago. And now that we have the complete information on the base period, and since four years has passed since the due date, it would be a good point

to provide a status update to the Court on our progress. We would like to present it in the context that there is a better, more representative period and tell the full story and make recommendations that answer implications to the Court: when do we set it, is it retroactive, and what are the consequences (economic and hydrogeologic) of it? Staff can reasonably aim for a target date of September 1, 2014 with two written status updates to the Court along the way. Staff and counsel request that the Board authorize the status update to the Court and an Ad Hoc committee to review the final form of the pleading.

A lengthy discussion ensued.

(0:35:42)

Motion by Mr. Geoffrey Vanden Heuvel, second by Mr. Jeff Pierson; the motion passed by majority vote with opposition by Chair Craig.

Moved to direct Watermaster legal counsel to prepare a status report with the Court informing it of the process underway to accomplish the required recalculation of the Basin's Safe Yield, for consideration by the Board

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. CDA Request
2. April 25, 2014 Hearing

(0:39:26) Mr. Slater gave a report and a discussion ensued.

B. CFO REPORT

1. Budget Process

(0:55:22) Mr. Joswiak gave a report.

C. ENGINEER REPORT

1. Chino Airport Plume

(0:45:22) Mr. Wildermuth gave a report and a brief discussion ensued.

(0:46:54) Mr. Field joined the meeting.

D. GM REPORT

1. State Groundwater Regulation Update
2. Requests for Information
3. Other

(0:56:42) Mr. Kavounas gave a report.

IV. INFORMATION

1. Cash Disbursements for February, 2014

V. BOARD MEMBER COMMENTS

(01:08:57) Mr. Charles Field apologized for his late arrival stating that he was on a delayed flight.

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Craig called for a Closed Session at 12:11 p.m. to discuss the following:

1. City of Fontana Motion

Closed Session concluded at 1:13 p.m. with no reportable action.

VIII. FUTURE MEETINGS AT WATERMASTER

3/25/14	Tue	9:00 a.m.	GRCC (at CBWCD)
3/27/14	Thu	11:00 a.m.	Watermaster Board
4/10/14	Thu	9:00 a.m.	Appropriative Pool
4/10/14	Thu	11:00 a.m.	Non- Agricultural Pool
4/10/14	Thu	1:30 p.m.	Agricultural Pool
4/15/14	Tue	10:00 a.m.	Budget Workshop #1
4/17/14	Thu	8:00 a.m.	Dry Year Yield
4/17/14	Thu	9:00 a.m.	Advisory Committee
4/17/14	Thu	10:00 a.m.*	Joint IEUA/CBWM Recharge Improvement Projects
4/22/14	Tue	10:00 a.m.	Budget Workshop #2 (If Needed)
4/24/14	Thu	11:00 a.m.	Watermaster Board

***Note:** This meeting will take place immediately following the Advisory Committee Meeting.

ADJOURNMENT

Chair Craig adjourned the Watermaster Board meeting at 1:13 p.m.

Secretary: _____

Minutes Approved: April 24, 2014