

DRAFT MINUTES
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

April 24, 2014

The Watermaster Board meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA on April 24, 2014.

WATERMASTER BOARD MEMBERS PRESENT

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

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

WATERMASTER BOARD MEMBERS ABSENT

Bob Kuhn
Bob Bowcock
Charles Field

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

WATERMASTER STAFF PRESENT

Peter Kavounas
Danielle Maurizio
Joseph Joswiak
Anna Truong

General Manager
Assistant General Manager
Chief Financial Officer
Recording Secretary

WATERMASTER CONSULTANTS PRESENT

Mark Wildermuth
Scott Slater

Wildermuth Environmental, Inc.
Brownstein Hyatt Farber Schreck, LLP

OTHERS PRESENT

Pete Hall
Jeff Pierson
Todd Corbin
Marty Zvirbulis
Nadeem Majaj
Dave Crosley
Craig Parker
Eunice Ulloa
Jasmin Hall
Ryan Shaw
Jo Lynne Russo-Pereyra
Art Kidman
Terry Catlin
Scott Burton
Ben Lewis
Justin Scott-Coe
Sheri Rojo
Bob Feenstra

State of California, CIM
Agricultural Pool – Crops
Jurupa Community Services District
Cucamonga Valley Water District
City of Chino Hills
City of Chino
Inland Empire Utilities Agency
Chino Basin Water Conservation District
Inland Empire Utilities Agency
City of Ontario
Cucamonga Valley Water District
Kidman Law, LLP
Inland Empire Utilities Agency
City of Ontario
Golden State Water Company
Monte Vista Water District
Fontana Water Company
Agricultural Pool – Dairy

CALL TO ORDER

Chair Craig called the Watermaster Board meeting to order at 11:00 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 March 27, 2014
2. Minutes of the Special Watermaster Board meeting held April 8, 2014

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of February 2014
2. Watermaster VISA Check Detail for the month of February 2014
3. Combining Schedule for the Period July 1, 2013 through February 28, 2014
4. Treasurer's Report of Financial Affairs for the Period February 1, 2014 through February 28, 2014
5. Budget vs. Actual Report for the Period July 1, 2013 through February 28, 2014

C. WATER TRANSACTIONS

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 3,000.000 acre-feet of water from the City of Pomona by Cucamonga Valley Water District. This purchase is made from the City of Pomona's Excess Carryover Account. Date of Application: February 24, 2014

(0:00:55)

Motion by Mr. Ken Jeske, second by Mr. Mark Kinsey, and carried unanimously

Moved to approve the Consent Calendar as presented

Mr. Al Lopez abstained.

II. BUSINESS ITEMS

A. TURNER BASIN COST SHARING AGREEMENT AMENDMENT

Approve the Turner Basin Cost Sharing Agreement Amendment as presented.

(0:01:32) Mr. Kavounas gave a brief report.

(0:02:40)

Motion by Mr. Geoffrey Vanden Heuvel, second by Mr. Ken Jeske, and carried unanimously

Moved to approve Business Item IIA as presented

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. April 25, 2014 Hearing
2. Non-Agricultural Pool Motion Regarding Non-Agricultural Pool Committee Quorum and Voting

(0:03:01) Mr. Slater gave a report.

B. CFO REPORT

1. Fiscal Year 2014-2015 Budget Process Update

(0:04:48) Mr. Joswiak gave a report.

C. ENGINEER REPORT

None

D. GM REPORT

1. Safe Yield Recalculation
2. 2013/2014 Second Interim Organization Performance Report
3. Storm Water Recharge Incentives and New Yield Cost-Benefit Allocation
4. Wineville Proof of Concept Project
5. ACWA Recommendation for Achieving Groundwater Sustainability
6. Other

(0:08:10) Mr. Kavounas reported that a letter was received from the Appropriative Pool (AP) with a conclusion and some recommendations regarding the Safe Yield recalculation. He stated that Appropriative Pool parties have a lot at stake in this effort. The early indication is that the Safe Yield may have to be lowered, and as such, it is difficult for the Pool to get together and be in agreement with everything. Mr. Kavounas appreciates their efforts in unifying and sending this letter to Watermaster.

The conclusion in the AP letter is that the model developed by Wildermuth Environmental is a reliable tool for simulating groundwater level changes. The Pool's conclusion came about after collaboration of technical experts working with AP parties and also working with Mr. Wildermuth to understand how the model is put together and the level of the model calibration. Watermaster is pleased to have the Appropriative Pool come to that conclusion since without a reliable model, we wouldn't have the ability to get the work done moving forward.

Recommendations in the AP letter are that instead of using the base period of 2001 through 2010 described in the OBMP Implementation Plan, Watermaster should consider 2011 through 2020 as the base period, and use a forward looking projection based on average hydrology and projected production. The second recommendation by the Appropriative Pool is the consideration of an alternative methodology Santa Ana River Underflow New Yield (SARUNY). Other recommendations are that Watermaster calculate Safe Yield by subtracting SARUNY from the Developed Yield; produce a long term water balance projection; and hold a discussion on the measurement of an "undesirable result".

Staff has informed the Board previously that a different base period may be prudent. Much of the AP recommendation is consistent with staff's understanding. Watermaster is prepared to cause the evaluation of this base period and is prepared to work with stakeholders in understanding its implications. For prudent basin management, a thought to share with the Board is that forward looking projections are based on average hydrology and projected pumping; meaning that at some point, it may be necessary to take a retrospective look and adjust for actual hydrology and production.

Likewise, staff is prepared to look at the alternative proposal for calculating the SARUNY, consider its materiality, and explore implications with the Appropriative Pool. This is also true for the request to project the long term basin balance. As for the recommendation to discuss measurement of "undesirable result", the term comes from the original Judgment and current law. According to Watermaster Counsel the term was explained by the California Supreme

Court to be the chronic lowering of groundwater levels in a manner that will cause subsidence, water quality degradation, and other adverse impacts. This standard has been routinely applied to most adjudicated basins. It is noteworthy that Chino Basin has experienced subsidence, water quality degradation, and increased pump lifts over time. The Judgment provides for a physical solution that allows parties to produce up to their right, and no more, without replenishment. The purpose is to protect the storage of the basin from overdraft and escalation of these adverse impacts. Watermaster assumes that the Pool merely intends that the authorized production be linked to a consideration of these adverse impacts and the optimization of basin management which is the basis for the entire OBMP. Staff will be exploring this with the Appropriative Pool.

As mentioned before, staff intends to request input from the Pools on the process. Staff expects to hear from the Judge tomorrow at the hearing in terms of the proposed due date by when to conclude the process. After that, staff will engage all three Pools on this process.

Watermaster also received a letter from the City of Ontario iterating comments Mr. Scott Burton made at the Special Board Meeting in reviewing the status report to the Court. Watermaster has the power and duty to administer the physical solution and subsequently to recalculate and reset the Safe Yield with the advice and assistance from the Pools. This is a core responsibility of Watermaster. The Appropriative Pool reported out of its closed session a request to assist Watermaster by directing its legal counsel to work with Watermaster's legal counsel in writing a status report. This consultation and cooperation did happen and the pleading of the Watermaster was edited to conform to suggestions made by the Appropriative Pool counsel. Consequently, while Mr. Burton desired to provide the perspective of the City of Ontario separate from the rest of the Pool, Watermaster exercised its discretion to work according to the Pool's preference in developing the status report to the Court. Regardless, staff and counsel will continue to make every reasonable effort to work with all interested parties. Mr. Kavounas replied by email to Mr. Burton yesterday to his specific request to see a plan on how Watermaster intends to complete the Safe Yield effort. Staff will provide this information to all Pools once we have a decision from the Court as to a date of when we are to complete this.

(0:15:09) A discussion ensued.

(0:35:07) Mr. Kavounas gave a report on the remainder of the items on the GM Report.

IV. INFORMATION

1. Cash Disbursements for March, 2014

V. BOARD MEMBER COMMENTS

(0:52:10) Mr. Hofer commended Mr. Wildermuth on his group's diligent work. He also commented about groundwater control legislation in Sacramento.

(0:54:42) Mr. Kinsey asked that Watermaster compensation be brought forth for future consideration. Currently, Watermaster policy is for the Board member to take the payment or waive it. Mr. Kinsey would like for Watermaster to consider a third option, which is to issue the payment to the representative's agency. Mr. Rodriguez echoed this request.

Mr. Slater shared that the Board may choose to open up the policy for discussion, make recommendations, and can then suggest to the Court that we handle compensation differently going forward.

Chair Craig asked that the item be placed on a future agenda for discussion, and a brief discussion ensued.

The item will be brought to the May 2014 meeting for action.

VI. OTHER BUSINESS

(1:00:27) The subject of chromium 6 regulation was discussed briefly.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Craig called for a closed session at 12:04 p.m. to discuss the following:

- 1. City of Fontana Motion
- 2. General Manager Performance Evaluation

Closed session concluded at 1:02 p.m. with no reportable action.

VII. FUTURE MEETINGS AT WATERMASTER

4/22/14	Tue	10:00 a.m.	Budget Workshop #2: Budget Discussion
4/24/14	Thu	11:00 a.m.	Watermaster Board
5/08/14	Thu	9:00 a.m.	Appropriative Pool
5/08/14	Thu	11:00 a.m.	Non-Agricultural Pool
5/08/14	Thu	1:30 p.m.	Agricultural Pool
5/15/14	Thu	8:00 a.m.	Dry Year Yield
5/15/14	Thu	9:00 a.m.	Advisory Committee
5/15/14	Thu	10:00 a.m.*	Joint IEUA/CBWM Recharge Improvement Projects
5/22/14	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 1:03 p.m.

Secretary: _____

Minutes Approved: May 22, 2014