

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

June 25, 2015

The Watermaster Board meeting was held at the offices of the Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on June 25, 2015.

**WATERMASTER BOARD MEMBERS PRESENT**

Steve Elie, Chair  
Paul Hofer, Vice-Chair  
J. Arnold Rodriguez  
Bob Kuhn  
Bob Bowcock  
Geoffrey Vanden Heuvel  
Jim Bowman  
Mark Kinsey  
Don Galleano

Inland Empire Utilities Agency  
Agricultural Pool - Crops  
Santa Ana River Water Company  
Three Valleys Municipal Water District  
Calmat Company (Vulcan Materials Co.)  
Agricultural Pool – Dairy  
City of Ontario  
Monte Vista Water District  
Western Municipal Water District

**WATERMASTER STAFF PRESENT**

Peter Kavounas  
Joseph Joswiak  
Anna Truong

General Manager  
Chief Financial Officer  
Recording Secretary

**WATERMASTER CONSULTANTS PRESENT**

Scott Slater  
Brad Herrema  
Andy Malone  
Veva Weamer

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

**OTHERS PRESENT**

Pete Hall  
Larry Dimock  
Ron Craig  
Charles Moorrees  
Richard Rees  
Sheri Rojo  
David De Jesus  
Jo Lynne Russo-Pereyra  
Marty Zvirbulis  
Justin Scott-Coe  
Bob Feenstra  
Curtis Paxton  
Ryan Shaw  
Dave Crosley  
Manny Martinez  
Art Kidman  
Jeff Pierson  
Steve Kennedy

State of California – CIM  
State of California – CIM  
City of Chino Hills  
San Antonio Water Company  
AMEC  
Fontana Water Company  
Three Valleys Municipal Water District  
Cucamonga Valley Water District  
Cucamonga Valley Water District  
Monte Vista Water District  
Agricultural Pool – Dairy  
Chino Basin Desalter Authority  
City of Ontario  
City of Chino  
Monte Vista Water District  
Kidman Law, LLP  
Agricultural Pool – Crops  
Brunick, McElhaney, Beckett, Dolen & Kennedy

**CALL TO ORDER**

Chair Elie 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 May 28, 2015

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of April 2015
2. Watermaster VISA Check Detail for the month of April 2015
3. Combining Schedule for the Period July 1, 2014 through April 30, 2015
4. Treasurer's Report of Financial Affairs for the Period April 1, 2015 through April 30, 2015
5. Budget vs. Actual Report for the Period July 1, 2014 through April 30, 2015

**C. MONTE VISTA WATER DISTRICT AQUIFER STORAGE AND RECOVERY AGREEMENT**

Approve the updated agreement, and authorize the General Manager to execute on behalf of Watermaster.

**D. MONTE VISTA WATER DISTRICT OVERLYING (NON-AGRICULTURAL) POOL INTERVENTION REQUEST**

Approve the request for Intervention and authorize Watermaster Legal Counsel to file a motion with the Court.

**E. WATER TRANSACTIONS**

1. Notice of Sale or Transfer – The purchase of 5,000.000 acre-feet of water from the City of Upland by Fontana Water Company. This purchase is made from the City of Upland's Excess Carryover Account.
2. Notice of Sale or Transfer - The purchase of 4.500 acre-feet of water from The Nicholson Trust by Fontana Water Company. This purchase is made from The Nicholson Trust's Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool). Date of application: April 20, 2015.
3. Notice of Sale or Transfer - The permanent transfer of 282.981 acre-feet of Safe Yield from Aqua Capital Management by the City of Ontario (Non-Ag), effective as of the beginning of fiscal year 2015/16.

**F. NONQUALIFIED DEFERRED COMPENSATION PLAN 457(f) Adopt Resolution 2015-03 approving a 457(f) Nonqualified Deferred Compensation Plan**

(0:00:38)

*Motion by Mr. Jim Bowman, seconded by Mr. Jeff Pierson, and carried unanimously*

***Moved to approve Consent Calendar as presented***

## II. **BUSINESS ITEMS**

### A. **CITY OF ONTARIO AGREEMENT FOR THE CONDITIONAL CONTRIBUTION OF SAFE YIELD TO OFFSET FUTURE DESALTER REPLENISHMENT**

(0:01:00) Mr. Kavounas gave a report. A discussion ensued.

(0:10:16) Motion introduced by Mr. Vanden Heuvel.

*Motion by Mr. Geoffrey Vanden Heuvel, seconded by Mr. Don Galleano*

***Moved that the Right of Way use issue go through the Pools process for resolution and authorize Watermaster Legal Counsel to consult with the Ad Hoc Committee with no time commitment on the deliverable.***

(0:12:40) Subsequent motion introduced by Chair Elie. More discussion ensued.

(0:12:48) Main motion by Mr. Vanden Heuvel was withdrawn.

(0:16:32) Vote taken on subsequent motion.

*Motion by Chair Elie, seconded by Mr. Geoffrey Vanden Heuvel, and carried unanimously*

***Moved to direct Watermaster Legal Counsel to give a recommendation on the Right of Way and its nature as the type of property right on which Non-Agricultural Pool water can be used. With that recommendation, the item would go back to the Ad Hoc Committee, then Pools and Advisory in July 2015.***

### B. **CHINO BASIN SAFE YIELD REDETERMINATION AND RESET**

(0:17:26) Messrs. Kavounas and Slater gave a report. A discussion ensued.

(0:20:48)

*Motion by Mr. Bob Kuhn, seconded by Mr. Mark Kinsey, and carried unanimously*

***Moved to approve filing the status report in substantial conformity and attach the Tech Memo as a draft with a draft stamp, allow the parties to suggest any revisions on July 9, 2015, and file the status report with the Court on July 10, 2015.***

### C. **GM CONTRACT CONSIDERATION**

(0:28:26) Chair Elie requested that this item is taken after Confidential Session.

(1:12:52) Motion made by Chair Elie out of confidential session:

*Motion by Chair Elie, seconded by Mr. Bob Kuhn, and carried unanimously*

***Moved to approve an extension of the General Manager's contract from its existing 6/30/2017 contract end date to 6/30/2018 and to increase the annual contribution to General Manager's 457(f) deferred compensation plan to 8% of the General Manager's salary.***

(1:13:38) Chair Elie stated that the physical written contract will be brought back at the July 2015 meeting for ratification.

(1:14:12) Vote taken and passed 8-0 with Mr. Don Galleano (Western Municipal Water District) absent.

(1:14:19) Mr. Kavounas thanked the Board.

**III. REPORTS/UPDATES**

**A. LEGAL COUNSEL REPORT**

1. Appropriative Pool Request to Review State Water Resources Control Board Drought Regulations
2. Waters of the United States Rulemaking

(0:28:35) Mr. Slater gave a report on Item III.A.1.

(0:36:12) Mr. Herrema gave a report on Item III.A.2. A discussion ensued.

**B. ENGINEER REPORT**

1. State of the Basin Report – Part 2
  - Groundwater Quality
  - Land Subsidence
2. Prado Basin Habitat Sustainability Program
  - Well Drilling, Construction, and Development
  - Monitoring Program Begins
  - Well Completion Report
  - Adaptive Management Plan (Draft)
3. CASGEM Compliance

(0:39:43) Mr. Malone introduced Ms. Weamer who gave a presentation on the Groundwater Quality portion of the State of the Basin Report. A discussion ensued.

(0:47:55) Mr. Galleano left the meeting.

(1:01:05) Mr. Malone gave a presentation on the Land Subsidence portion of the State of the Basin Report.

(1:06:00) Due to time constraints, Chair Elie asked that Items III.B.2 and 3 is deferred to next month's meeting.

**C. CFO REPORT**

1. Exhibit "G" Water Transfers Invoicing
2. Five-Year Projection of Watermaster Expenses

(1:06:10) Mr. Joswiak gave a report.

**D. GM REPORT**

1. CBWM 35<sup>th</sup> Annual Report
2. City of Ontario Overlying (Non-Agricultural) Pool Proposed Water Right Use And Proposed Methodology
3. Other

(1:10:24) Mr. Kavounas gave a report. A discussion ensued.

**IV. INFORMATION**

1. Cash Disbursements for May 2015

**V. BOARD MEMBER COMMENTS**

None.

**VI. OTHER BUSINESS**

None.

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

Chair Elie called for a confidential session at 12:14 p.m. to discuss Business Item II.C., the GM Performance Evaluation. Confidential session concluded at 12:25 p.m. and the reportable actions are captured in sequence above.

**ADJOURNMENT**

Chair Elie adjourned the Watermaster Board meeting at 12:27 p.m.

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

Approved: July 23, 2015 \_\_\_\_\_