

MINUTES
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

May 25, 2017

The Watermaster Board meeting was held at the offices of the Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on May 25, 2017.

WATERMASTER BOARD MEMBERS PRESENT

James Curatalo, Chair
Robert DiPrimio, Vice Chair
Bob Kuhn, Secretary/Treasurer
Bob Bowcock
Geoffrey Vanden Heuvel
Paul Hofer
Steve Elie
Gino L. Filippi
Don Galleano

Cucamonga Valley Water District
Fontana Water Company
Three Valleys Municipal Water District
Calmat Company (Vulcan Materials Co.)
Agricultural Pool – Dairy
Agricultural Pool – Crops
Inland Empire Utilities Agency
City of Upland
Western Municipal Water District

WATERMASTER STAFF PRESENT

Peter Kavounas
Joseph Joswiak
Edgar Tellez Foster
Anna Truong
Justin Nakano

General Manager
Chief Financial Officer
Senior Environmental Engineer
Executive Services Director/Board Clerk
Water Resources Senior Associate

WATERMASTER CONSULTANTS PRESENT

Scott Slater
Brad Herrema
Mark Wildermuth
Andy Malone

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

OTHERS PRESENT

Todd Corbin
Brian Geye
Justin Scott-Coe
Jeff Pierson
Pete Hall
John Bosler
David De Jesus
Curtis Paxton
Ron Craig
Raul Garibay
Richard Rees
Teri Layton
Rick Hansen
Manny Martinez
Chris Berch
Steve Corrington
Jimmy Gutierrez
Rosemary Hoerning
John Rossi
Jo Lynne Russo-Pereyra
Dave Crosley
Katie Gienger

Jurupa Community Services District
Auto Club Speedway
Monte Vista Water District
Agricultural Pool – Crops
State of California – CIM
Cucamonga Valley Water District
Three Valleys Municipal Water District
Chino Basin Desalter Authority
City of Chino Hills
City of Pomona
AMEC
San Antonio Water Company
Three Valleys Municipal Water District
Monte Vista Water District
Inland Empire Utilities Agency
MIH Water Treatment Inc.
Law Offices of Jimmy Gutierrez
City of Upland
Western Municipal Water District
Cucamonga Valley Water District
City of Chino
City of Ontario

CALL TO ORDER

Chair Curatalo called the Watermaster Board meeting to order at 11:00 a.m.

PLEDGE OF ALLEGIANCE**PUBLIC COMMENTS**

None

AGENDA - ADDITIONS/REORDER

(0:00:54) Mr. Kavounas suggested that in light of the letter received by the Appropriative Pool, Business Item D. on the agenda, Appointment of Hearing Officers Panel, be removed and deferred to the June 2017 agenda. See action taken in sequence below. He also clarified that for Consent Calendar Items J through Q the Board's approval includes authorization for the General Manager to sign the Agreements. The Board concurred.

(0:02:45) Mr. Gutierrez addressed the Board.

(0:01:17) Mr. Elie joined the meeting.

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Watermaster Board Special Meeting held April 4, 2017
2. Minutes of the Watermaster Board Special Meeting held April 21, 2017
3. Minutes of the Watermaster Board Meeting held April 27, 2017

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2017
2. Watermaster VISA Check Detail for the month of March 2017
3. Combining Schedule for the Period July 1, 2016 through March 31, 2017
4. Treasurer's Report of Financial Affairs for the Period March 1, 2017 through March 31, 2017
5. Budget vs. Actual Report for the Period July 1, 2016 through March 31, 2017

C. APPLICATION FOR RECHARGE

Notice of Application for Recharge: On March 20, 2017 San Antonio Water Company submitted an Application for Recharge for 1,500.000 acre-feet to be recharged into basins along the San Antonio Channel.

D. WATER TRANSACTIONS

1. Notice of Sale or Transfer – The purchase of 1,100.000 acre-feet of water from Santa Ana River Water Company by Jurupa Community Services District. This purchase is made from Santa Ana River Water Company's Annual Production Right / Operating Safe Yield first, then any additional from storage.
2. Notice of Sale or Transfer – The purchase of 11.866 acre-feet of water from Santa Ana River Water Company by Jurupa Community Services District. This purchase is made from Santa Ana River Water Company's storage account.

E. APPLICATION FOR LOCAL STORAGE AGREEMENT

Consideration of Local Storage Agreement for Excess Carryover Water by Members of the Overlying (Non-Agricultural) Pool.

F. APPLICATION FOR LOCAL STORAGE AGREEMENT

Consideration of Local Storage Agreement for Supplemental Water by Members of the Overlying (Non-Agricultural) Pool.

G. APPLICATION FOR LOCAL STORAGE AGREEMENT

Consideration of Local Storage Agreement for Supplemental Water by Members of the Appropriative Pool.

H. APPLICATIONS FOR LOCAL SUPPLEMENTAL STORAGE AGREEMENT

1. Notice of Application for a Local Storage Agreement – The City of Ontario has submitted an application for a Local Storage Agreement for 20,000 acre-feet dated January 26, 2012 that has been placed in the City's Local Supplemental Storage Account.
2. Notice of Application for a Local Storage Agreement – The City of Ontario has submitted an application for a Local Storage Agreement for 8,569.789 acre-feet dated April 7, 2017 that has been placed in the City's Local Supplemental Storage Account.

I. CHINO BASIN WATERMASTER 39TH ANNUAL REPORT

Adopt the 39th Annual Report, along with filing a copy with the Court, subject to any necessary non-substantive changes.

J. AGREEMENT WITH SAN BERNARDINO COUNTY FOR CREATION OF GSA FOR SGMA FRINGE AREAS

Approve the proposed Cooperation Agreement between Chino Basin Watermaster and the County of San Bernardino for the creation of a GSA for the SGMA Fringe Areas in San Bernardino County.

K. THIRD AMENDMENT TO TASK ORDER NO. 1 (2013 RMPU AMENDMENT YIELD ENHANCEMENT PROJECTS – PLANNING, PERMITTING, AND DESIGN)

Approve the amended Task Order No. 1 to reflect the change in scope and cost.

L. FIRST AMENDMENT TO TASK ORDER NO. 2 (LOWER DAY BASIN IMPROVEMENT PROJECT)

Approve the amended Task Order No. 2 (Lower Day Basin Improvement Project).

M. FIRST AMENDMENT TO TASK ORDER NUMBERS 5 (JURUPA PUMP STATION AND HVAC IMPROVEMENTS), AND 6 (WINEVILLE PROOF OF CONCEPT)

Approve the amended Task Orders No. 5 and No. 6 and conclude associated obligations.

N. SECOND AMENDMENT TO TASK ORDER NO. 8 (SAN SEVAINE BASIN RMPU IMPROVEMENT PROJECT)

Approve the amended Task Order No. 8 (San Sevaive Basin Improvement Project).

O. TASK ORDER NO. 9 UNDER MASTER AGREEMENT FOR COLLABORATIVE RECHARGE PROJECTS (RMPU IMPROVEMENT PROJECT 23a)

Approve Task Order No. 9, RMPU Improvement Project 23a (2013 RMPU proposed Wineville PS to Jurupa, expanded Jurupa PS to RP3 Basin and 2013 RP3 Improvements Project).

P. TASK ORDER NO. 10 UNDER MASTER AGREEMENT FOR COLLABORATIVE RECHARGE PROJECTS (VICTORIA BASIN IMPROVEMENT PROJECT)

Approve Task Order No. 10, Victoria Basin Improvement Project (PID 11).

Q. TASK ORDER NO. 11 UNDER MASTER AGREEMENT FOR COLLABORATIVE RECHARGE PROJECTS (MONTCLAIR BASIN IMPROVEMENT PROJECT)

Approve Task Order No. 11, Montclair Basins Improvement Project (PID 2).

(0:08:53)

Motion by Mr. Geoffrey Vanden Heuvel, seconded by Mr. Robert DiPrimio, and by unanimous vote.

Moved to approve Consent Calendar as presented, with the stipulation that the General Manager is authorized to sign the Agreements for Items J through Q on behalf of Watermaster.

II. BUSINESS ITEMS

A. FISCAL YEAR 2016/17 BUDGET AMENDMENT (FORM A-17-04-01)

Approve the Budget Amendment Form A-17-04-01 for FY 2016/17 in the amount of \$100,000 for the increased cost associated with the CalPERS Personnel Matter regarding Alvarez and the Safe Yield Redetermination and Reset, as presented.

(0:09:40) Mr. Joswiak to give a report.

(0:11:12)

Motion by Mr. Steve Elie, seconded by Mr. Geoffrey Vanden Heuvel, and by unanimous vote.

Moved to approve Business Item II.A. as presented.

B. WATERMASTER FISCAL YEAR 2017/18 PROPOSED BUDGET

Adopt the proposed FY 2017/18 budget as presented.

(0:11:29) Mr. Joswiak gave a report. A discussion ensued.

(0:15:41)

Motion by Mr. Bob Kuhn, seconded by Mr. Geoffrey Vanden Heuvel, and by unanimous vote.

Moved to approve Business Item II.B. as presented.

(0:16:10) Mr. Kavounas provided comments regarding the Assessment process for the FY 2017/18 budget.

C. RESOLUTION 2017-05 TO LEVY DESALTER REPLENISHMENT ASSESSMENTS FOR PRODUCTION YEAR 2013/14 (BASED ON ASSESSMENT PACKAGE FOR PRODUCTION YEAR 2013/14) – DISCUSSION ONLY

(0:18:06) Mr. Kavounas gave a report. A discussion ensued.

D. APPOINTMENT OF HEARING OFFICER PANEL

Business Item II.D., Appointment of Hearing Officer Panel, is being deferred to the June 2017 Board meeting.

(0:02:11) Motion introduced by Mr. Galleano.

(0:02:44) Mr. Gutierrez made comments regarding Business Item II.D.

(0:08:17) Vote taken

Motion by Mr. Don Galleano, seconded by Mr. Bob Kuhn, and by unanimous vote.

Moved to postpone Business Item II.D. to the June 2017 agenda.

General Counsel Slater clarified that the above motion does not prejudice any party's rights or responsibilities whatever they may be arising under the Contest procedures.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Safe Yield Reset
2. Overlying (Agricultural) Pool Committee's Contests
3. Rules and Regulations Update

(0:21:03) Mr. Slater gave a report. A discussion ensued.

B. ENGINEER REPORT

1. Prado Basin Habitat Sustainability Program
2. Other Compliance Reporting

(0:42:38) Mr. Malone gave a report. A discussion ensued.

C. CFO REPORT

None

D. GM REPORT

1. Safe Yield Reset – Implementation of Court Order
2. Storage Management
3. SGMA Update
4. Ambient Water Quality Study
5. Blomquist Update
6. Other

(0:46:46) Mr. Kavounas gave a report. A discussion ensued.

(0:50:02) Mr. Kavounas introduced Mr. Tellez Foster to give reports on Items III.D.3. and III.D.4. A discussion ensued.

(0:56:54) Mr. Kavounas gave an update on Item III.D.5. He also announced that Watermaster will be giving Judge Reichert a presentation on the Annual Report. Mr. Kavounas thanked the Inland Empire Utilities Agency and Mr. Nakano for assistance with the task order coordination, and Mr. Joswiak for the budget process.

IV. INFORMATION

1. Cash Disbursements for April 2017

V. BOARD MEMBER COMMENTS

(1:00:37) Mr. Curatalo congratulated Mr. Elie on being awarded the Water Now Alliance Impact Award on April 20, 2017 in Boulder, Colorado.

(1:02:50) Mr. Vanden Heuvel mentioned a book (Tangled Vines) with historical references to the wine industry in Chino Basin.

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Curatalo called for a confidential session at 12:06 p.m. to discuss the GM Performance Evaluation. Confidential session concluded at 12:20 p.m. with the following reportable action:

(1:05:08) The Board gave instruction to the Board Chair and General Counsel to negotiate regarding the employment matter.

ADJOURNMENT

Chair Curatalo adjourned the Watermaster Board meeting at 12:20 p.m.

Secretary: _____

Approved: _____ June 22, 2017