

MINUTES
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

July 27, 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 July 27, 2017.

WATERMASTER BOARD MEMBERS PRESENT

James Curatalo, Chair
Robert DiPrimio, Vice Chair
Bob Kuhn, Secretary/Treasurer
Bob Bowcock
Jeff Pierson for 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 – Crops
Agricultural Pool – Crops
Inland Empire Utilities Agency
City of Upland
Western Municipal Water District

WATERMASTER BOARD MEMBER ABSENT

Geoffrey Vanden Heuvel

Agricultural Pool – Dairy

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

Brian Geye
Bob Feenstra
Pete Hall
Darron Poulsen
Dave Crosley
Ron Craig
Robert Tock
Josh Swift
Seth Zielke
David De Jesus
Bill Blomquist
Curtis Paxton
Eunice Ulloa
Rosemary Hoerning
Art Kidman
Chris Berch
John Rossi
Katie Gienger
John Bosler
Charles Moorrees

Auto Club Speedway
Agricultural Pool – Dairy
Agricultural Pool – State of California – CIM
City of Pomona
City of Chino
City of Chino Hills
Jurupa Community Services District
Fontana Water Company
Fontana Union Water Company
Three Valleys Municipal Water District
Indiana University
Chino Basin Desalter Authority
Chino Basin Water Conservation District
City of Upland
Kidman Law, LLP
Inland Empire Utilities Agency
Western Municipal Water District
City of Ontario
Cucamonga Valley Water District
San Antonio Water Company

Jo Lynne Russo-Pereyra
Justin Scott-Coe
Raul Garibay
Manny Martinez
Richard Rees
Brandon Goshi
Kati Parker

Cucamonga Valley Water District
Monte Vista Water District
City of Pomona
Monte Vista Water District
AMEC
Metropolitan Water District
Inland Empire Utilities Agency

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

(0:00:53) Mr. Kuhn announced that he will need to leave the meeting at noon.

(0:01:06) Mr. Kavounas introduced Mr. Bill Blomquist (Indiana University), author of Dividing the Waters. Mr. Blomquist was recently asked by Watermaster to update the Chino Basin portion of his book and is in town to conduct interviews and gather facts in preparation for his work.

(0:02:16) Mr. Kavounas introduced Mr. Brandon Goshi of Metropolitan Water District to give the Board an update on surplus conditions.

(0:02:50) Mr. Goshi gave a report. A discussion ensued.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Watermaster Board Meeting held June 22, 2017

B. FINANCIAL REPORTS

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

C. 9W HALO WESTERN OPCO L.P. OVERLYING (NON-AGRICULTURAL) POOL INTERVENTION REQUEST

Approve the filing of request for Intervention.

(0:15:04)

Motion by Mr. Bob Kuhn, seconded by Mr. Jeff Pierson, and by unanimous vote.

Moved to approve Consent Calendar as presented

II. BUSINESS ITEMS

A. WATER TRANSACTIONS

Approve the proposed transactions:

1. The purchase of 180,000 acre-feet of water from the San Antonio Water Company by Monte Vista Water District. This purchase is made from San Antonio Water Company's Annual Production Right / Operating Safe Yield first, then any additional from Local Supplemental

Storage. Monte Vista Water District is utilizing this transaction to produce its San Antonio Water Company share. Date of application: May 22, 2017

2. The purchase of 162,000 acre-feet of water from the San Antonio Water Company by the City of Ontario. This purchase is made from San Antonio Water Company's Annual Production Right / Operating Safe Yield first, then any additional from Local Supplemental Storage. The City of Ontario is utilizing this transaction to produce its San Antonio Water Company shares. Date of application: May 22, 2017
3. The purchase of 558,000 acre-feet of water from the 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 Local Supplemental Storage. The City of Upland is utilizing this transaction to produce its San Antonio Water Company shares. Date of application: May 22, 2017

(0:15:24) Mr. Kavounas gave a report and explained that water transaction items are generally taken under the Consent Calendar. Due to the pending Safe Yield matter before the Court, in the future, language will need to be added to staff reports for water transactions to caution Appropriators of the effects of transfers, and a potential true-up. A discussion ensued.

(0:20:43)

Motion by Mr. Steve Elie, seconded by Mr. Bob Kuhn, and by unanimous vote.

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

B. 2016 ANNUAL REPORT OF THE PRADO BASIN HABITAT SUSTAINABILITY COMMITTEE

Receive and file.

(0:21:12) Mr. Kavounas introduced Mr. Malone to give a presentation. A discussion ensued.

(0:32:29)

Motion by Mr. Jeff Pierson, seconded by Mr. Bob Bowcock, and by unanimous vote.

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

C. DESALTER REPLENISHMENT ASSESSMENTS FOR PRODUCTION YEAR 2013/14 (BASED ON ASSESSMENT PACKAGE FOR PRODUCTION YEAR 2013/14)

Return to Advisory Committee for further deliberation.

(0:33:26) Mr. Kavounas gave a report and recommended that the Item be sent back to the Advisory Committee for reconsideration and brought back to the Board by the September 2017 Board meeting. A discussion ensued.

(0:48:06) Motion introduced by Mr. Galleano, and seconded by Mr. Kuhn. Additional discussion ensued.

(1:00:45) Mr. Kuhn left the meeting. Mr. De Jesus took Mr. Kuhn's position at the dais. Additional discussion ensued.

(1:05:24) Vote Taken

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

Moved to approve Watermaster's recommendation to send Item II.C. back to the Advisory Committee and continue the item to the September 2017 Board Meeting.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Notices of Appeal from April 28, 2017 Order
2. Rules and Regulations Update

(1:06:18) Mr. Slater gave a report. A discussion ensued.

B. ENGINEER REPORT

1. Prado Basin Tour
2. Ground-Level Monitoring Committee Revised Annual Report Schedule
3. 2016 State of the Basin Report
4. Storage Management Workshop
5. Evaporative Losses

(1:14:47) Mr. Malone gave a report.

C. CFO REPORT

1. Exhibit "G" Transactions
2. Appropriative Pool Legal Expense Budget

(1:24:36) Mr. Joswiak gave a report.

D. GM REPORT

1. Storage
2. SGMA Update
3. DYY Program Update
4. Other

(1:26:52) Mr. Kavounas gave a report. A discussion ensued.

(1:30:57) Mr. Kavounas introduced Mr. Tellez Foster to give a report on Item III.D.2. A discussion ensued.

(1:34:18) Mr. Kavounas gave a report on Item III.D.3., and, in an effort to reduce cost, informed the Board that staff intends to follow-up with members that receive hard copies of meeting packages to see if anyone only uses the electronic copy and can skip the hard copy mailing.

(1:35:33) At the request of Mr. Galleano, Mr. Kavounas gave a report on the July 21, 2017 meeting with Metropolitan Water District and Western Municipal Water District held at Galleano Winery. A discussion ensued.

IV. INFORMATION

1. Cash Disbursements for June 2017
2. Ground-Level Monitoring Status Report (Quarterly)
3. South Archibald and Chino Airport Plumes Status Report (Quarterly)
4. RMPU Status Report (Quarterly)
5. Santa Ana River Watershed Status Report (Quarterly)

(1:37:20) Mr. Kavounas announced that the quarterly reports listed under the Information section will be adjusted to a biannual frequency, which will result in a cost savings. Information on those reports moves slowly enough that a six month report would be sufficient. If significant matters arise and requires immediate attention, staff will report as appropriate. The Board supported the decision.

V. BOARD MEMBER COMMENTS

(1:38:13) Chair Curatalo congratulated Mr. Scott-Coe and wished him well in his future endeavors.

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

None

ADJOURNMENT

Chair Curatalo adjourned the Watermaster Board meeting at 12:40 p.m.

Secretary: _____

Approved: _____ September 28, 2017