

MINUTES
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

September 28, 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 September 28, 2017.

WATERMASTER BOARD MEMBERS PRESENT

James Curatalo, Chair
Robert DiPrimio, Vice-Chair
Bob Kuhn, Secretary/Treasurer
Brian Geye for Bob Bowcock
Geoffrey Vanden Heuvel
Paul Hofer
Kati Parker for Steve Elie
Don Galleano

Cucamonga Valley Water District
Fontana Water Company
Three Valleys Municipal Water District
Auto Club Speedway
Agricultural Pool – Dairy
Agricultural Pool – Crops
Inland Empire Utilities Agency
Western Municipal Water District

WATERMASTER BOARD MEMBERS ABSENT

Steve Elie
Bob Bowcock
Gino L. Filippi

Inland Empire Utilities Agency
Calmat Company (Vulcan Materials Co.)
City of Upland

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
Christopher Guillen
Mark Wildermuth

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

OTHERS PRESENT

Todd Corbin
Bob Feenstra
Eunice Ulloa
Pete Hall
Dave Crosley
Ron Craig
Jeff Pierson
Teri Layton
Curtis Paxton
Darron Poulsen
John Bosler
John Rossi
Rosemary Hoerning
Ryan Shaw
Katie Gienger
Cris Fealy
Andy Campbell
Art Kidman
David De Jesus
Manny Martinez

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

John Mendoza
Chris Berch
Braden Yu
Bill Blomquist

Three Valleys Municipal Water District
Inland Empire Utilities Agency
Cucamonga Valley Water District
Indiana University

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

(0:00:56) Chair Curatalo and Vice-Chair DiPrimio recognized Mr. Kavounas for his five years of service as the General Manager of Chino Basin Watermaster. Mr. Kavounas was presented with a five-year service plaque and thanked the Board for the privilege of serving the Watermaster.

AGENDA - ADDITIONS/REORDER

None

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Watermaster Board Special Meeting held July 24, 2017
2. Minutes of the Watermaster Board Meeting held July 27, 2017

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of June 2017
2. Watermaster VISA Check Detail for the month of June 2017
3. Combining Schedule for the Period July 1, 2016 through June 30, 2017
4. Treasurer's Report of Financial Affairs for the Period June 1, 2017 through June 30, 2017
5. Budget vs. Actual Report for the Period July 1, 2016 through June 30, 2017
6. Cash Disbursements for the month of July 2017
7. Watermaster VISA Check Detail for the month of July 2017
8. Combining Schedule for the Period July 1, 2017 through July 31, 2017
9. Treasurer's Report of Financial Affairs for the Period July 1, 2017 through July 31, 2017
10. Budget vs. Actual Report for the Period July 1, 2017 through July 31, 2017

C. PROFESSIONAL PUBLIC OUTREACH SERVICES AGREEMENT BETWEEN RAUCH COMMUNICATION CONSULTANTS INC. AND CBWM

Approve and authorize the General Manager to execute the contract on behalf of Watermaster.

D. OBMP SEMI-ANNUAL STATUS REPORTS 2016-2 AND 2017-1

Adopt the Semi-Annual OBMP Status Report 2016-2 and 2017-1, along with filing a copy with the Court, subject to any necessary non-substantive changes.

E. FONTANA WATER COMPANY APPLICATION FOR RECHARGE

Approve Fontana Water Company's Application for Recharge and direct Watermaster staff to account for this supplemental water recharged in Fontana Water Company's existing Local Supplemental Storage.

F. WATER TRANSACTIONS

Approve the proposed transactions:

1. The purchase of 119.844 acre-feet of water from the City of Upland by Golden State Water Company, effective for FY 2016/2017. This purchase is made from the City of Upland's Annual Production Right/Operating Safe Yield first, then any additional from Excess Carryover storage. Date of application: May 24, 2017.

2. The purchase of 138.156 acre-feet of water from West End Consolidated Water Company by Golden State Water Company, effective for FY 2016/2017. This purchase is made from West End Consolidated Water Company's Annual Production Right/Operating Safe Yield first, then any additional from Excess Carryover storage. Golden State Water Company is utilizing this transaction to produce its West End Consolidated Water Company shares. Date of application: May 24, 2017.
3. The purchase of 1,474.258 acre-feet of water from West End Consolidated Water Company by the City of Upland, effective for FY 2016/2017. This purchase is made from West End Consolidated Water Company's Annual Production Right/Operating Safe Yield first, then any additional from Excess Carryover storage. The City of Upland is utilizing this transaction to produce its West End Consolidated Water Company shares. Date of application: May 24, 2017.
4. The purchase of 6,000.000 acre-feet of water from the City of Upland by Fontana Water Company, effective for FY 2016/2017. This purchase is made from the City of Upland's Annual Production Right/Operating Safe Yield first, then any additional from Excess Carryover storage. Date of application: June 14, 2017.
5. The permanent transfer of 18.789 acre-feet from Angelica Corporation to 9W Halo Western OpCo L.P. This transfer is contingent on 9W Halo Western OpCo L.P.'s successful intervention into the Overlying (Non-Agricultural) Pool. Date of application: July 6, 2017.

G. FIRST AMENDMENT TO THE MASTER RECHARGE FACILITIES FINANCING AGREEMENT

Approve and authorize the General Manager to execute the amendment on behalf of Watermaster.

H. SCADA INSTALLATION, MONITORING AND REIMBURSEMENT LETTER AGREEMENT BETWEEN WATERMASTER AND MONTE VISTA WATER DISTRICT

Approve the proposed SCADA Installation, Monitoring and Reimbursement Letter Agreement between Watermaster and MVWD and authorize the General Manager to execute the agreement on behalf of Watermaster.

(0:04:18)

Motion by Mr. Bob Kuhn, seconded by Vice-Chair DiPrimio, and by unanimous vote.

Moved to approve the Consent Calendar as presented

II. BUSINESS ITEMS

A. DESALTER REPLENISHMENT OBLIGATION ALLOCATION

Adhere to the Advisory Committee's recommendation to delay establishing a methodology for allocating Desalter Replenishment Obligation among parties.

(0:04:41) Mr. Kavounas gave a report. A discussion ensued.

(0:10:49)

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

Moved to follow the Advisory Committee's recommendation to defer action on Business Item II.A. and bring the item back to the October 2017 Board Meeting.

B. EVAPORATIVE LOSSES TO SUPPLEMENTAL WATER RECHARGE IN CHINO BASIN

Adopt the amendment of the Rules and Regulations by adding section 7.2(d) to account for evaporative losses to all supplemental water delivered to Recharge Basins at a rate of 1.5% during the Rainy Season (November through March) and 4.2% during the Dry Season (April through October) beginning on October 1, 2017. Further, that evaporative losses be re-evaluated on a periodic basis as more data becomes available.

(0:11:14) Mr. Kavounas gave a report, and introduced Mr. Wildermuth to give a presentation. A discussion ensued.

(0:16:21) Motion introduced by Mr. Vanden Heuvel. Additional discussion ensued.

(0:20:52) Vote Taken

Motion by Mr. Geoffrey Vanden Heuvel, seconded by Ms. Kati Parker, and by unanimous vote.

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

C. 2016 ANNUAL REPORT OF THE GROUND-LEVEL MONITORING COMMITTEE

Approve the 2016 Annual Report of the Ground-Level Monitoring Committee, along with filing a copy with the Court.

(0:21:08) Mr. Malone gave a presentation. A discussion ensued.

(0:26:26)

Motion by Mr. Geoffrey Vanden Heuvel, seconded by Mr. Paul Hofer, and by unanimous vote.

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

(0:26:44) Mr. Kavounas announced that the 2016 report will likely be the last report compiled by calendar year; future reports will be completed by fiscal year.

D. MASTER AGREEMENT BETWEEN CHINO BASIN WATERMASTER AND INLAND EMPIRE UTILITIES AGENCY REGARDING THE MANAGEMENT OF COLLABORATIVE PROJECTS

Approve the proposed Master Agreement between Chino Basin Watermaster and Inland Empire Utilities Agency Regarding the Management of Collaborative Projects and authorize the General Manager to execute the agreement on behalf of Watermaster.

(0:27:46) Mr. Kavounas gave a report.

(0:28:36)

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

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

E. TASK ORDER NO. 1 UNDER THE MASTER AGREEMENT REGARDING THE MANAGEMENT OF COLLABORATIVE PROJECTS (SALINITY MANAGEMENT)

Approve Task Order No. 1 (Salinity Management) and authorize the General Manager to execute the agreement on behalf of Watermaster.

(0:28:53) Mr. Kavounas gave a report, and introduced Mr. Wildermuth to give a presentation. A discussion ensued.

(0:37:39) Motion introduced by Mr. Kuhn. Additional discussion ensued.

(0:41:43) Vote Taken

Motion by Mr. Bob Kuhn, seconded by Mr. Paul Hofer, and by unanimous vote.

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

F. FISCAL YEAR 2016/17 BUDGET TRANSFER (FORM T-17-06-01)

Adopt Budget Transfer Form T-17-06-01 for FY 2016/17 as presented.

(0:41:59) Mr. Joswiak gave a report.

(0:42:48)

Motion by Mr. Don Galleano, seconded by Vice-Chair DiPrimio, and by unanimous vote.

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

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Appeal of April 28, 2017 Order
2. Hearing on Motion to Confirm Stay Pending Appeal

(0:43:11) Mr. Slater gave a report. A discussion ensued.

B. ENGINEER REPORT

1. Storage Workshop
2. Other Efforts

(0:51:10) Mr. Malone gave a report. A discussion ensued.

C. CFO REPORT

1. Status of FY 2016/17 Audit Report

(1:01:51) Mr. Joswiak gave a report.

D. GM REPORT

1. Pump to Waste Reporting
2. DYY Program Update
3. Santa Ana River Update
4. Other

(1:02:38) Mr. Kavounas gave a report on Item III.D.1. A discussion ensued.

(1:03:15) Mr. Kavounas introduced Mr. Campbell of IEUA to give an update on Dry Year Yield deliveries. A discussion ensued.

(1:20:28) Mr. Kavounas introduced Mr. Tellez Foster to give a report on Item III.D.3. A discussion ensued.

(1:23:14) Mr. Kavounas gave a recap on the Storage Management process, and announced that the next Storage Workshop contemplated for October 5, 2017 may be moved to November 2, 2017. A discussion ensued.

IV. INFORMATION

1. Cash Disbursements for August 2017

V. BOARD MEMBER COMMENTS

(1:25:40) Ms. Parker announced that the new General Manager for Inland Empire Utilities Agency, Ms. Halla Razak, will start on December 1, 2017.

(1:27:42) Mr. Galleano announced that Mr. Rich Haller is the new General Manager for Santa Ana Watershed Project Authority.

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Curatalo called for a confidential session at 12:28 p.m. to discuss the Notices of Appeal from April 28, 2017 Order. Confidential session concluded at 1:50 p.m. with no reportable action.

ADJOURNMENT

Chair Curatalo adjourned the Watermaster Board meeting at 1:51 p.m.

Secretary: _____

Approved: October 26, 2017 _____