

MINUTES
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

July 23, 2020

The Watermaster Board meeting was held via GoToMeeting (conference call and web meeting) only on July 23, 2020.

WATERMASTER BOARD MEMBERS PRESENT ON CALL

James Curatalo, Vice-Chair	Fontana Union Water Company
Bob Kuhn, Secretary/Treasurer	Three Valleys Municipal Water District
Bob Bowcock	CalMat Co.
Steve Elie	Inland Empire Utilities Agency
Don Galleano	Western Municipal Water District
Paul Hofer	Agricultural Pool – Crops
Victor Preciado	City of Pomona
Peter Rogers	City of Chino Hills
Bob Feenstra for Jeff Pierson	Agricultural Pool – Dairy

WATERMASTER BOARD MEMBERS ABSENT

Jeff Pierson, Chair	Agricultural Pool – Crops
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WATERMASTER STAFF PRESENT AT WATERMASTER

Peter Kavounas	General Manager
Janine Wilson	Senior Accountant
Vanessa Aldaz	Administrative Assistant

WATERMASTER STAFF PRESENT ON CALL

Joseph Joswiak	Chief Financial Officer
Edgar Tellez Foster	Water Resources Mgmt. and Planning Dir.
Anna Nelson	Executive Services Director/Board Clerk
Justin Nakano	Water Resources Technical Manager

WATERMASTER CONSULTANTS PRESENT ON CALL

Scott Slater	Brownstein Hyatt Farber Schreck, LLP
Brad Herrema	Brownstein Hyatt Farber Schreck, LLP
Andy Malone	Wildermuth Environmental, Inc.

OTHERS PRESENT ON CALL

Ron Craig	City of Chino Hills
Chris Berch	Jurupa Community Services District
Betty Anderson	Jurupa Community Services District
Chris Diggs	City of Pomona
David De Jesus	Three Valleys Municipal Water District
Gino Filippi	Agricultural Pool – Crops
Sylvie Lee	Inland Empire Utilities Agency
Pete Hall	Agricultural Pool – State of CA – CIM/CDCR
Shivaji Deshmukh	Inland Empire Utilities Agency
Brian Geye	California Speedway Corporation
Christiana Daisy	Inland Empire Utilities Agency
Ben Lewis	Golden State Water Company
Brian Lee	San Antonio Water Company
Marilyn Levin	Agricultural Pool – State of CA – DOJ
Carol Boyd	Agricultural Pool – State of CA – CIM
Courtney Jones	City of Ontario
Dave Crosley	City of Chino
Eunice Ulloa	City of Chino

John Mendoza
 Joshua Aguilar
 Richard Rees
 Kevin O’Toole
 Amanda Coker
 Eduardo Espinoza
 John Bosler
 John Huitsing
 Matthew Litchfield
 May Atencio
 Praseetha Krishnan
 Randall Reed
 Ryan Shaw
 Todd Minten
 Craig Miller

Three Valleys Municipal Water District
 Inland Empire Utilities Agency
 Wood plc
 Orange County Water District
 City of Chino
 Cucamonga Valley Water District
 Cucamonga Valley Water District
 Agricultural Pool – Dairy
 Three Valleys Municipal Water District
 City of Fontana
 Cucamonga Valley Water District
 Cucamonga Valley Water District
 Western Municipal Water District
 Santa Ana River Water Company
 Western Municipal Water District

CALL TO ORDER

Vice-Chair Curatalo chaired the meeting on behalf of Chair Pierson and called the Watermaster Board meeting to order at 11:02 a.m.

(0:02:03) Ms. Nelson conducted the roll call.

PUBLIC COMMENTS

None

AGENDA - ADDITIONS/REORDER

(0:05:12) Mr. Kavounas stated that there would be a reordering of the topics under Reports/Updates Item III.D., the GM Report. Item III.D.4., OAP Legal Budget Increase Allocation, will be given ahead of the rest of the report.

I. CONSENT CALENDAR

Note: All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by one motion in the form listed below. There will be no separate discussion on these items prior to voting unless any members, staff, or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

A. MINUTES

Approve as presented:

1. Minutes of the Watermaster Board Meeting held June 25, 2020

B. FINANCIAL REPORTS

Receive and file as presented:

1. Cash Disbursements for the month of May 2020
2. Watermaster VISA Check Detail for the month of May 2020
3. Combining Schedule for the Period July 1, 2019 through May 31, 2020
4. Treasurer’s Report of Financial Affairs for the Period May 1, 2020 through May 31, 2020
5. Budget vs. Actual Report for the Period July 1, 2019 through May 31, 2020
6. Cash Disbursements for June 2020 (Information Only)

C. APPLICATION: WATER TRANSACTION

Approve the proposed transaction as presented:

The transfer of 4.0 acre-feet of water from Nicholson Trust to Fontana Water Company. This transfer is made from Nicholson Trust’s Annual Production Right. Date of application: May 4, 2020.

D. HAMNER PARK ASSOCIATES, LP OVERLYING (NON-AGRICULTURAL) POOL INTERVENTION REQUEST

File the request for intervention with the Court.

(0:06:11)

Motion by Mr. Bob Kuhn, seconded by Mr. Steve Elie, and by unanimous vote
Moved to approve the Consent Calendar as presented.*

II. BUSINESS ITEMS

A. APPLICATION: CONSIDERATION OF LOCAL STORAGE AGREEMENT

Refer to Committees for further Advice and Assistance on the proposed revised recommendation to approve the Overlying (Non-Agricultural) Pool storage agreements and the condition that Watermaster's approval of Storage Agreements authorizing storage in excess of the 500,000 acre-foot Safe Storage Capacity beyond June 30, 2021 are subject to Watermaster's further exercise of discretion to limit and reduce storage in accordance with the Peace Agreement.

(0:07:39) Mr. Kavounas gave a report. A discussion ensued.

(0:09:06) Mr. Kavounas suggested an alternative recommendation for the Board to approve the Overlying Non-Agricultural Pool storage agreements and provide direction to staff that all future storage agreements be conditioned as described above.

(0:10:03) Mr. Bowcock thanked Mr. Kavounas for his attention to this matter and concurred with his recommendation.

(0:10:31) A motion using the alternative recommendation was made by Mr. Kuhn and seconded by Mr. Rogers to approve Business Item II.A.

(0:10:56) A roll call vote was taken.

Motion by Mr. Kuhn seconded by Mr. Rogers, and by unanimous roll call vote as attached to these minutes*

Moved to approve Business Item II.A. with direction to staff that all future storage agreements are approved under the condition that storage in excess of the 500,000 AF safe storage capacity beyond June 30, 2021 are subject to Watermaster's further exercise of discretion to limit and reduce storage in accordance with the Peace Agreement.

B. GENERAL MANAGER EMPLOYMENT CONTRACT AMENDMENT #6

No recommendation. Public Board discussion, deliberation, and possible action on proposed employment agreement amendment.

(0:16:27) Mr. Slater gave a report.

(0:19:14) A motion was made by Mr. Elie and seconded by Mr. Rogers to approve Business Item II.B.

(0:20:10) Mr. Slater clarified that the document, rather than being called an amendment, would be more appropriately called a Restated Agreement. Mr. Elie amended his motion to reflect Mr. Slater's correction.

(0:21:22) A roll call vote was taken.

Motion by Mr. Elie seconded by Mr. Rogers, and by unanimous roll call vote as attached to these minutes*

Moved to approve Business Item II.B., the Amended and Restated Employment Agreement of the General Manager as presented.

(0:22:24) Vice-Chair Curatalo, on behalf of the Board, commended Mr. Kavounas on his performance, and expressed his appreciation.

(0:22:59) Mr. Kavounas expressed his gratitude to the Board, Watermaster staff, and the professionals at both Brownstein Hyatt Farber Schreck and Wildermuth Environmental, Inc.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. San Bernardino County Superior Court Emergency Order
2. June 26, 2020 Hearing
3. July 10, 2020 Hearing
4. September 25, 2020 Hearing

(0:25:13) Mr. Slater gave a report.

B. ENGINEER REPORT

1. MPI Analyses
 - CVWD Recharge at Turner
 - SAWCo recharge at Upland and Montclair
 - FWC Recharge at Vineyard near San Sevaine and Vulcan
2. Safe Yield Reset Support

(0:34:00) Mr. Victor Preciado joined the meeting at 11:36 a.m.

(0:34:53) Mr. Malone gave a report. A discussion ensued.

C. CFO REPORT

None

D. GM REPORT

1. Status Report: OBMP Update
2. Potential Options to Address Limitation on Storage
3. Status Report: OAP Contest
4. OAP Legal Budget Increase Allocation
5. Task Order No. 6 Under Master Agreement for Collaborative Projects: Water Demand Projections Based On Land Use
6. COVID-19 Business Operation Plan
7. August Meeting Schedule
8. Other

(0:37:54) Mr. Kavounas began his report with Item 4, the OAP Legal Budget Increase Allocation. A discussion ensued.

(0:40:43) Mr. Feenstra addressed the Board. Additional discussion ensued.

(1:20:32) The Board directed staff to set two special Board meetings unless a letter by the Appropriate Pool resolving the matter is received by close of business July 24, 2020.

(1:22:03) Mr. Kavounas continued with the rest of the GM report and announced that the August 27, 2020 Board meeting will be replaced by a special meeting on August 25, 2020 to allow time to file any documents responsive to the court's deadline prior to the September 25, 2020 court hearing. A discussion ensued.

IV. BOARD MEMBER COMMENTS

None

V. OTHER BUSINESS

None

VI. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster Board meeting for the purpose of discussion and possible action.

1. General Manager Performance Evaluation

(1:42:46) Mr. Slater announced that Confidential Session was not needed.

ADJOURNMENT

Vice-Chair Curatalo adjourned the Watermaster Board meeting at 12:46 p.m.

Secretary: _____

Approved: _____ August 25, 2020

Attachments:

1. 20200723 Roll Call Vote Outcome for Business Item II.A.
2. 20200723 Roll Call Vote Outcome for Business Item II.B.

*Director Preciado arrived at the meeting at 11:36 a.m. just before the Engineer Report and was not present at any of the votes.

**July 23, 2020 Watermaster Board Meeting Roll Call Vote for
Business Item II.A. Application: Consideration of Local Storage Agreement**

Member	Alternate	Vote
Bowcock, Bob		yes
Curatalo, James, Vice-Chair		yes
Elie, Steve		yes
Galleano, Don		yes
Hofer, Paul		yes
Kuhn, Bob, Secretary/Treasurer		yes
Preciado, Victor*		
Rogers, Peter		yes
Pierson, Jeff, Chair		
	Feesntra, Bob	yes
OUTCOME:		Passed Unanimously

*Director Preciado arrived at the meeting at 11:36 a.m. just before the Engineer Report and was not present at any of the votes.

**July 23, 2020 Watermaster Board Meeting Roll Call Vote for
Business Item II.B. Amended and Restated General Manager Employment Contract**

Member	Alternate	Vote
Bowcock, Bob		yes
Curatalo, James, Vice-Chair		yes
Elie, Steve		yes
Galleano, Don		yes
Hofer, Paul		yes
Kuhn, Bob, Secretary/Treasurer		yes
Preciado, Victor*		
Rogers, Peter		yes
Pierson, Jeff, Chair		
	Feesntra, Bob	yes
OUTCOME:		Passed Unanimously

*Director Preciado arrived at the meeting at 11:36 a.m. just before the Engineer Report and was not present at any of the votes.