

MINUTES
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

August 24, 2023

The Watermaster Board meeting was held at the offices of the Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA, and via Zoom (conference call and web meeting) On August 24, 2023.

WATERMASTER BOARD MEMBERS PRESENT AT WATERMASTER

James Curatalo, Chair	Appropriative Pool – Minor Representative
Jeff Pierson, Vice Chair	Agricultural Pool – Crops
Bob Kuhn, Secretary/Treasurer	Three Valleys Municipal Water District
Bob Bowcock	Non-Agricultural Pool – CalMat Co.
Scott Burton	City of Ontario
Marco Tule for Steve Elie	Inland Empire Utilities Agency
Paul Hofer	Agricultural Pool – Dairy
Mike Gardner	Western Municipal Water District
Manny Martinez	Monte Vista Water District

WATERMASTER STAFF PRESENT

Peter Kavounas	General Manager
Joseph Joswiak	Chief Financial Officer
Edgar Tellez Foster	Water Resources Mgmt. & Planning Director
Anna Nelson	Director of Administration
Justin Nakano	Water Resources Technical Manager
Frank Yoo	Data Services and Judgment Reporting Mgr.
Alexandria Moore	Executive Assistant I/Board Clerk
Ruby Favela Quintero	Administrative Analyst
Kelli Hills	Office Specialist/Receptionist
Alonso Jurado	Water Resources Associate

WATERMASTER CONSULTANTS PRESENT AT WATERMASTER

Brad Herrema	Brownstein Hyatt Farber Schreck, LLP
Scott Slater	Brownstein Hyatt Farber Schreck, LLP
Cindy Byerum	Eide Bailly
Scott Nelsen	Eide Bailly
Andy Malone	West Yost

WATERMASTER CONSULTANTS PRESENT ON ZOOM

Kristi Even	Eide Bailly
Garret Rapp	West Yost
Lauren Sather	West Yost

OTHERS PRESENT AT WATERMASTER

Bob Feenstra	Agricultural Pool – Dairy
Jimmy Medrano	Agricultural Pool – State of CA
Brian Geye	California Speedway Corporation
Dave Crosley	City of Chino
Chris Diggs	City of Pomona
Amanda Coker	Cucamonga Valley Water District
Eduardo Espinoza	Cucamonga Valley Water District
Eric Grubb	Cucamonga Valley Water District
Jiwon Seung	Cucamonga Valley Water District
Eddie Lin	Inland Empire Utilities Agency

John Russ
Jesse Pompa
Bryan Smith
Alyssa Coronado
Mallory Gandara
Laura Roughton

Inland Empire Utilities Agency
Jurupa Community Services District
Jurupa Community Services District
Santa Ana River Water Company
Western Municipal Water District
Western Municipal Water District

OTHERS PRESENT ON ZOOM

Gino Filippi
Marilyn Levin
Nicole deMoet
Mark Gibboney
Tracy Egoscue
Derek Hoffman
Chris Berch
Kevin O'Toole
David De Jesus
Nicole deMoet
Richard Rees

Agricultural Pool – Crops
Agricultural Pool – State of CA
City of Upland
Cucamonga Valley Water District
Egoscue Law Group, Inc.
Fennemore Law
Jurupa Community Services District
Orange County Water District
Three Valleys Municipal Water District
West End Consolidated Water Co.
WSP USA

FLAG SALUTE

Chair Curatalo led the Board in the flag salute.

CALL TO ORDER

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

ROLL CALL

(00:00:43) Ms. Moore conducted the roll call and announced that a quorum was present.

PUBLIC COMMENTS

None

AGENDA – ADDITIONS/REORDER

(00:02:02) Mr. Kavounas recommended taking confidential session at the beginning of the meeting; the Chair concurred and reordered the room for confidential session at 11:05 a.m.

I. CONSENT CALENDAR

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 22, 2023

B. FINANCIAL REPORTS

Receive and file as presented:

1. Cash Disbursements for the month of May 2023
2. Watermaster VISA Check Detail for the month of May 2023
3. Combining Schedule for the Period July 1, 2022 through May 31, 2023
4. Treasurer's Report of Financial Affairs for the Period May 1, 2023 through May 31, 2023
5. Budget vs. Actual Report for the Period July 1, 2022 through May 31, 2023
6. Cash Disbursements for the month of June 2023

7. Watermaster VISA Check Detail for the month of June 2023
8. Combining Schedule for the Period July 1, 2022 through June 30, 2023
9. Treasurer's Report of Financial Affairs for the Period June 1, 2023 through June 30, 2023
10. Budget vs. Actual Report for the Period July 1, 2022 through June 30, 2023
11. Cash Disbursements for July 2023 (Information Only)

C. APPLICATION: WATER TRANSACTION – NICHOLSON FAMILY TRUST TO FONTANA WATER COMPANY

Approve the proposed transaction:

The purchase of 3.5 acre-feet of water from Nicholson Family Trust by Fontana Water Company. This purchase is made from Nicholson Family Trust's Annual Production Right/Operating Safe Yield first, then any additional from Storage.

D. APPLICATION: WATER TRANSACTION – SAN ANTONIO WATER COMPANY TO CUCAMONGA VALLEY WATER COMPANY

Approve the proposed transaction:

The purchase of 403.02 acre-feet of water from San Antonio Water Company by Cucamonga Valley Water District. This purchase is made from San Antonio Water Company's Excess Carryover Account. Cucamonga Valley Water District is utilizing this transaction to produce its San Antonio Water Company shares.

E. APPLICATION: WATER TRANSACTION – WEST END CONSOLIDATED WATER COMPANY TO CITY OF UPLAND

Approve the proposed transaction:

The purchase of 708.3 acre-feet of water from West End Consolidated Water Company by City of Upland. This purchase is made from West End Consolidated Water Company's Excess Carryover Account. The City of Upland is utilizing this transaction to produce its West End Consolidated Water Company shares.

F. APPLICATION: LOCAL STORAGE AGREEMENT – APPROPRIATIVE POOL

Approve the Application for Local Storage Agreement submitted on behalf of the Appropriative Pool members as presented.

G. PROFESSIONAL SERVICES AGREEMENT BETWEEN EIDE BAILLY LLP AND WATERMASTER

Approve the attached Professional Services Agreement and authorize the General Manager to execute on behalf of Watermaster, subject to any non-substantive changes.

H. LOCAL AGENCY INVESTMENT FUND (LAIF) RESOLUTION 2023-05 TO RESCIND RESOLUTION 2023-02

Adopt Resolution 2023-05 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF) and rescinding Resolution 2023-02.

(00:09:50)

Motion by Mr. Bob Kuhn, seconded by Mr. Mike Gardner, there being no dissent, the item passed unanimously.

Moved to approve the Consent Calendar as presented.

II. BUSINESS ITEMS

A. WATERMASTER AMENDED AND RESTATED LEASE AGREEMENT

Approve the Amended and Restated Lease Agreement and authorize the General Manager to execute on behalf of Watermaster, subject to any non-substantive changes.

(00:10:32) Mr. Kavounas introduced Ms. Nelson to give a report. A discussion ensued.

(00:16:13)

Motion by Mr. Hofer, seconded by Mr. Jeff Pierson, there being no dissent, the item passed unanimously.

Moved to approve Watermaster amended and restated lease agreement (Business Item II.A.) as presented.

B. BROWNSTEIN HYATT FARBER SCHRECK, LLP CONFLICT WAIVER

Approve the attached Conflict Waiver allowing BHFS to serve the County of San Bernardino in unrelated litigation.

(00:16:47) Mr. Kavounas prefaced the item and introduced Mr. Slater gave a report. A discussion ensued.

(00:23:57)

Motion by Mr. Mike Gardner, seconded by Mr. Manny Martinez, there being no dissent, the item passed unanimously.

Moved to approve Brownstein Hyatt Farber Schreck, LLP conflict waiver (Business Item II.A.) as presented.

III. REPORTS/UPDATES

A. WATERMASTER LEGAL COUNSEL

1. August 4, 2023 Hearing (City of Ontario Motion re 2022-23 Assessment Package; Court Tour of Chino Basin)
2. Court Tour of Chino Basin
3. Court of Appeal Case No. E079052 (City of Chino, MVIC, MVWD, City of Ontario appeal re OAP Expenses and Attorney Fees)
4. Court of Appeal Case No. E080457 (City of Ontario appeal re 2021-22 Assessment Package)
5. Court of Appeal Case No. E080533 (Cities of Chino, Ontario appeal re 2022-23 Watermaster budget expenses to support CEQA analysis)
6. Kaiser Permanente Lawsuit

(00:25:19) Mr. Slater gave a report. A discussion ensued.

B. ENGINEER

1. 2025 Safe Yield Reevaluation
2. Board-Requested Recharge Project Analysis
3. Ground-Level Monitoring Committee
4. 2022 State of the Basin Report

(00:36:41) Mr. Rapp gave a report on items 1 and 2, Mr. Malone on item 2, then introduced Ms. Ou and Ms. Sather to give a presentation on item 4. A discussion ensued.

C. CHIEF FINANCIAL OFFICER

None

D. GENERAL MANAGER

1. Long Term Planning Efforts
2. RMPU Project 23A Potential Change of Scope
3. Other

(00:56:19) Mr. Kavounas gave a presentation on the long-term planning efforts and reported that implementation of the 2017 Court Order for the Safe Yield Reevaluation is underway with a technical workshop scheduled for August 30, 2023. On item 2, he mentioned that a value engineering construction option was presented for the RMPU Project 23a by the contractor. IEUA and

Watermaster, presented the recommendation to the Advisory Committee at its August 2023 meeting. No action was taken by the Advisory Committee and the item was deferred to the Appropriative Pool for its consideration. The Appropriative Pool considered this item during a confidential session meeting and gave its direction to staff to reduce the scope as recommended. A discussion ensued.

IV. BOARD MEMBER COMMENTS

None

V. OTHER BUSINESS

(01:04:40) Chair Curatalo announced Mr. Joswiak's retirement. The Watermaster Board, parties, and staff recognized Mr. Joswiak for his 13+ years of dedicated service at Watermaster, congratulated him on his retirement, and the Board presented him with a gift. Mr. Joswiak addressed the Board, staff, and parties, thanking them for the opportunity to be of service and indicated he would miss everyone.

VI. CONFIDENTIAL SESSION – POSSIBLE ACTION

Pursuant to Article II, Section 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.

The Board convened into Confidential Session at the beginning of the meeting at 11:05 a.m. to discuss the following:

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: *Initiation of litigation: one case*
2. CONFERENCE WITH LEGAL COUNSEL – PERSONNEL MATTERS

Confidential Session concluded at 11:53 a.m. with no reportable action. Chair Curatalo resumed open session at 11:53 a.m. as shown under Consent Calendar.

ADJOURNMENT

Chair Curatalo adjourned the Watermaster Board meeting at 1:08 p.m.

Secretary: _____



Approved: _____ September 28, 2023