

MINUTES
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING
March 26, 2015

The Watermaster Board meeting was held at the offices of the Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on March 26, 2015.

WATERMASTER BOARD MEMBERS PRESENT

Steve Elie, Chair
Paul Hofer, Vice-Chair
J. Arnold Rodriguez
Bob Kuhn
Don Galleano
Mark Kinsey
Jim Bowman
Bob Bowcock
Geoffrey Vanden Heuvel

Inland Empire Utilities Agency
Agricultural Pool – Crops
Santa Ana River Water Company
Three Valleys Municipal Water District
Western Municipal Water District
Monte Vista Water District
City of Ontario
Calmat Company (Vulcan Materials Co.)
Agricultural Pool – Dairy

WATERMASTER STAFF PRESENT

Peter Kavounas
Danielle Maurizio
Joseph Joswiak
Anna Truong
Justin Nakano

General Manager
Assistant General Manager
Chief Financial Officer
Recording Secretary
Water Resources Sr. Associate

WATERMASTER CONSULTANTS PRESENT

Scott Slater
Brad Herrema
Mark Wildermuth

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

OTHERS PRESENT

Dave Crosley
Sheri Rojo
Rosemary Hoerning
Robert Young
Pete Hall
Todd Corbin
Darron Poulsen
Meg McWade
Art Kidman
Van Jew
Ron Craig
Marty Zvirbulis
Tracy Egoscue
Bob Feenstra
Justin Scott-Coe
Joel Ignacio
Ramsey Haddad
Ken Jeske
Jeff Pierson

City of Chino
Fontana Water Company
City of Upland
Fontana Water Company
State of California – CIM
Jurupa Community Services District
City of Pomona
City of Pomona
Kidman Law, LLP
Monte Vista Irrigation Company
City of Chino Hills
Cucamonga Valley Water District
Egoscue Law Group
Agricultural Pool – Dairy
Monte Vista Water District
Inland Empire Utilities Agency
California Steel Industries
California Steel Industries
Agricultural Pool – Crops

Eunice Ulloa
Manny Martinez
Steve Kennedy
Rick Hansen
Ryan Shaw
John Bosler
Scott Burton
Terry Catlin
Paula Lantz
Jo Lynne Russo-Pereyra

Chino Basin Water Conservation District
Monte Vista Water District
Brunick, McElhaney & Kennedy
Three Valleys Municipal Water District
City of Ontario
Cucamonga Valley Water District
City of Ontario
Inland Empire Utilities Agency
City of Pomona
Cucamonga Valley Water District

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

None

AGENDA - ADDITIONS/REORDER

(0:00:49) Mr. Kavounas requested Consent Calendar, Item I.E. be pulled as staff needs more time to finalize the Plan and will bring back for consideration.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Watermaster Board Meeting held February 26, 2015

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of January 2015
2. Watermaster VISA Check Detail for the month of January 2015
3. Combining Schedule for the Period July 1, 2014 through January 31, 2015
4. Treasurer's Report of Financial Affairs for the Period January 1, 2015 through January 31, 2015
5. Budget vs. Actual Report for the Period July 1, 2014 through January 31, 2015

C. WATER TRANSACTIONS

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 656.545 acre-feet of water from San Antonio Water Company by the City of Ontario. This purchase is made from San Antonio Water Company's storage account. The City of Ontario is utilizing this transaction to produce its San Antonio Water Company shares. Date of application: November 17, 2014.
2. **Consider Approval for Notice of Sale or Transfer** – The purchase of 387.231 acre-feet of water from 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 storage. Monte Vista Water District is utilizing this transaction to produce its San Antonio Water Company shares. Date of application: January 27, 2015.

D. 2014-2015 EXHIBIT “G” PHYSICAL SOLUTION TRANSFERS

1. Find that Aqua Capital Management, California Speedway Corporation, and NRG California South LP are in compliance with the Restated Judgment, Exhibit “G” ¶9(g), authorizing 2014-2015 Exhibit “G” Physical Solution Transfers 2) Approve levy of assessments and subsequent payments for same.

E. RESOLUTION 2015-03 NONQUALIFIED DEFERRED COMPENSATION PLAN 457(f)

Adopt Resolution 2015-03 approving a Nonqualified Deferred Compensation Plan 457(f)

F. RESOLUTION 2015-04 AUTHORIZING BOB KUHN TO VOTE ON BEHALF OF WATERMASTER TO FILL ACWA/JPIA EXECUTIVE COMMITTEE POSITIONS ON MAY 4, 2015

Adopt Resolution 2015-04 as indicated

(0:01:14)

Motion by Mr. Bob Kuhn, seconded by Mr. Mark Kinsey, and carried unanimously

Moved to approve Consent Calendar with the exception of Item I.E. as presented

II. BUSINESS ITEMS

A. FIRST AMENDMENT TO TASK ORDER 8 (SAN SEVAINE RMPU IMPROVEMENT PROJECT)

Approve the increase of the total project budget for San Sevaime Basin improvements and amend Task Order No. 8, subject to any non-substantive changes.

(0:01:38) Mr. Kavounas gave a report.

(0:02:12)

Motion by Mr. Geoff Vanden Heuvel, seconded by Mr. Jim Bowman, and carried unanimously

Moved to approve Business Item II.A. as presented

B. FIRST AMENDMENT TO TASK ORDER 1 (2013 RMPU AMENDMENT YIELD ENHANCEMENT PROJECTS – PLANNING, PERMITTING, AND DESIGN)

Approve addition of East Declez Basin project and remove Sierra Basin and Lower San Sevaime projects from the project list; and to update Task Order No. 1 to reflect the change in projects, subject to any non-substantive changes.

(0:02:33) Mr. Kavounas gave a report. A discussion ensued.

(0:04:04) Motion introduced by Mr. Kinsey. Additional discussion ensued.

(0:06:14) Vote taken.

Motion by Mr. Mark Kinsey, seconded by Mr. Geoff Vanden Heuvel, and carried unanimously

Moved to approve Business Item II.B. as presented

C. SAFE YIELD RECALCULATION AND RESET (Discussion Only)

(0:06:22) Chair Elie made opening remarks.

(0:07:49) Mr. Slater gave a report. A discussion ensued.

(0:43:46)

Motion by Chair Steve Elie, seconded by Mr. Geoff Vanden Heuvel, and carried unanimously
Suspend the November 2014 Board direction to staff regarding the Safe Yield Recalculation and Reset process, and agendize the matter as an action item at the April 2015 Board meeting.

(0:44:58)

Motion by Mr. Geoff Vanden Heuvel, seconded by Mr. Bob Kuhn, and carried unanimously
Suspend the April 1, 2015 deadline referenced in the November 2014 Board motion¹ until the April 2015 Board meeting; and for the Board to have a special meeting, open to all stakeholders, during the second week of April 2015 with a time and date that is to be determined.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Alvarez CalPERS Appeal

(0:47:43) Mr. Herrema gave a report.

B. CFO REPORT

1. Safe Yield Recalculation and Reset Facilitated Process – Expenses to date

(0:48:30) Mr. Kavounas introduced the item and asked if the Board would like to see the full presentation. The Board declined.

C. ENGINEERING REPORT

None

D. GM REPORT

(0:49:13) Mr. Kavounas gave a report.

IV. INFORMATION

1. Cash Disbursements for February 2015

¹ The November 2014 Board motion was: ***Moved to adopt the Advisory Committee’s recommendation with clarifications as shown herein: moved to approve that no motion or status report shall be filed with the Court yet; Watermaster Parties shall immediately start a facilitated process to identify and resolve all issues related to the successful completion of the Safe Yield reset by April 1, 2015 for Pools, Advisory and Board action in May 2015. The Safe Yield shall be filed with the Court no later than May 29, 2015. The Parties shall start a mediation selection process and select a mediator by 5pm December 11, 2014 through the Advisory Committee; there will be a Watermaster Board meeting on December 12, 2014 to either ratify the Advisory Committee selection or, in case the Advisory Committee is unable to agree on a mediator, to select a mediator for this process. In the event the Parties cannot reach an agreement on the Safe Yield reset, Watermaster shall implement the reset consistent with the agreements and that process would start in April 2015 and go through Pools, Advisory and Board for discussion in April so it can go to the Board for action in May 2015.***

V. BOARD MEMBER COMMENTS

(0:50:28) Chair Elie thanked the Board, Parties, staff, and facilitator for their diligence in working through the difficult process toward a resolution to the Safe Yield Recalculation and Reset process.

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

None

VII. FUTURE MEETINGS AT WATERMASTER

- 3/20/15 Fri 10:00 a.m.* Safe Yield Recalculation and Reset Facilitated Discussion
- 3/23/15 Mon 11:00 a.m.* Safe Yield Recalculation and Reset Facilitated Discussion
- 3/24/15 Tue 1:00 p.m. Agricultural Pool Special Meeting (at Milk Producer's Council)
- 3/26/15 Thu 11:00 a.m. Watermaster Board
- 3/27/15 Fri 10:00 a.m.* Safe Yield Recalculation and Reset Facilitated Discussion
- 3/30/15 Mon 11:00 a.m.* Safe Yield Recalculation and Reset Facilitated Discussion
- 4/09/15 Thu 9:00 a.m. Appropriative Pool
- 4/09/15 Thu 11:00 a.m. Non-Agricultural Pool
- 4/09/15 Thu 1:30 p.m. Agricultural Pool
- 4/15/15 Wed 9:30 a.m. FY 2015/16 Budget Distribution/Presentation
- 4/16/15 Thu 9:00 a.m. Advisory Committee
- 4/16/15 Thu 9:30 a.m. Joint IEUA/CBWM Recharge Improvement Projects
- 4/21/15 Tue 9:30 a.m. FY 2015/16 Budget Workshop #1
- 4/23/15 Thu 11:00 a.m. Watermaster Board
- 4/28/15 Tue 9:30 a.m. FY 2015/16 Budget Workshop #2 (If Needed)

***Note:** These meetings are intended for parties who have signed the Safe Yield Recalculation and Reset Facilitation and Non-Disclosure Agreement.

ADJOURNMENT

Chair Elie adjourned the Watermaster Board meeting at 11:51 a.m.

Secretary: _____

Approved: _____ April 28, 2015 _____