Notice and Agenda of a Meeting of the Beaumont Basin Watermaster

Wednesday, June 3, 2015 at 10:00 a.m.

Meeting Location:
Beaumont Cherry Valley Water District
560 Magnolia Avenue
Beaumont, California 92223
(951) 845-9581

Watermaster Members:
City of Banning
City of Beaumont
Beaumont Cherry Valley Water District
South Mesa Water Company
Yucaipa Valley Water District

I. Call to Order

II. Roll Call
City of Banning: Alternate: Arturo Vela
City of Beaumont: Dave Dillon (Alternate: Kyle Warsinski)
Beaumont Cherry Valley Water District: Eric Fraser (Alternate: Tony Lara)
South Mesa Water Company: George Jorritsma (Alternate: Dave Armstrong)
Yucaipa Valley Water District: Joseph Zoba (Alternate: Jennifer Ares)

III. Pledge of Allegiance

IV. Public Comments At this time, members of the public may address the Beaumont Basin Watermaster on matters within its jurisdiction; however, no action or discussion may take place on any item not on the agenda. To provide comments on specific agenda items, please complete a Request to Speak form and provide that form to the Secretary prior to the commencement of the meeting.

V. Consent Calendar
A. Meeting Minutes
   1. Approval of Meeting Minutes for April 1, 2015

VI. Reports
A. Report from Engineering Consultant - Hannibal Blandon, ALDA Engineering
B. Report from Legal Counsel - Keith McCullough, Alvarado Smith

VII. Discussion Items
   Recommendation: No recommendation.

   Recommendation: For informational purposes only.

C. Discussion Regarding the Allocation of Unused Overlying Production to Appropriator Parties [Memorandum No. 15-12, Page 13 of 15]
   Recommendation: That the Watermaster Committee instructs Watermaster Counsel to provide a legal opinion regarding the allocation of unused overlying production beyond Fiscal Year 2012/13 based on the recently adopted Beaumont Basin Safe Yield of 6,700 acre feet per year.
D. Draft Budget for Fiscal Year 2015-2016 [Memorandum No. 15-13, Page 14 of 15]

   Recommendation: That the Watermaster Committee schedules the final budget for consideration at the next Watermaster meeting.

VIII. Topics for Future Meetings

   A. Final Budget for Fiscal Year 2015-16
   B. Recycled Water Recharge Policy

IX. Comments from the Watermaster Committee Members

X. Announcements

   A. The next regular meeting of the Beaumont Basin Watermaster is scheduled for Wednesday, August 5, 2015 at 10:00 a.m.

XI. Adjournment
I. Call to Order

Member George Jorritsma called the meeting to order at 10:00 a.m.

II. Roll Call

<table>
<thead>
<tr>
<th>City of Banning</th>
<th>Arturo Vela</th>
<th>Present</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Beaumont</td>
<td>Kyle Warsinski</td>
<td>Present</td>
</tr>
<tr>
<td>Beaumont Cherry Valley Water District</td>
<td>Eric Fraser</td>
<td>Present</td>
</tr>
<tr>
<td>South Mesa Water Company</td>
<td>George Jorritsma</td>
<td>Present</td>
</tr>
<tr>
<td>Yucaipa Valley Water District</td>
<td>Joseph Zoba</td>
<td>Present</td>
</tr>
</tbody>
</table>

Kyle Warsinski was present as the alternate representing the City of Beaumont in the absence of Member Dave Dillon. Arturo Vela was present as the alternate representing the City of Banning in the absence of Chairman Duane Burke. Keith McCullough was present representing legal counsel for the Beaumont Basin Watermaster.

Members of the public who registered their attendance were: John Jeter, Ken Falls, Bill Dickson, Jan Kielmann, Tom Harder, Fran Flanders, Bob Wall, Pam Lindgren, Mary Ann Melleby, Jack Nelson and John Covington.

III. Pledge of Allegiance

Member Fraser led the pledge of allegiance.

IV. Public Comments

At this time, members of the public may address the Beaumont Basin Watermaster on matters within its jurisdiction; however, no action or discussion may take place on any item not on the agenda. To provide comments on specific agenda items, please complete a Request to Speak form and provide that form to the Secretary prior to the commencement of the meeting.

Yan Kielmann from Highland Springs asked for clarification on new wells that are being planned that are outside the adjudicated area. He asked if the well owners had to pay for the water that they pump and, if the area of adjudication changes, would they then have to pay for water pumped.

Legal Counsel McCullough explained how the Watermaster has legal authority over the basin and that a well outside of the adjudication boundaries would not be subject to charges. Should the adjudicated area expand through a court order, formal notification is required and then their overlyer rights would be taken into consideration.
V. Consent Calendar

a. Meeting Minutes
   i. Approval of Meeting Minutes for February 4, 2015

*Member Zoba motioned to approve consent calendar. The motion was seconded by Member Vela Fraser and passed 5-0.*

VI. Reports


*Engineer Blandon looked to the Committee for guidance on two issues. The first was a question of who would make the initial approach to properties were private wells would need to be accessed in order to install the water level recording devices. After discussion, the consensus was for ALDA Engineering to make the initial approach, seeking the properties’ respective agencies if needed, with legal questions being forwarded to legal counsel. There is some funding to accommodate the engineering firm, but should the fees exceed the funding, the matter will be brought back to the Committee for review.*

*The second question was to ask for direction over a discrepancy discovered with the production levels reported on 3 wells with Oak Valley Partners. There was consistent annual reporting on the production at the wells, but a brief discussion with the property owner revealed that only one well had limited use as nothing had been cultivated at the ranch for the last 15 years. ALDA Engineering will revise production tables in the 2014 annual report. The suggestions for creating an accumulated report that shows the most up to date production information and creating a Summary of changes report that lists all corrections over time will be implemented.*

b. Report from Legal Counsel - Keith McCullough, Alvarado Smith

*Legal Counsel McCullough notified the Committee that the access agreements had been provided for review and that they were looking at the terminology of the judgement in regards to policies on return flow credits of supplemental water. No policies have been prepared yet.*

VII. Discussion Items


[Memorandum No. 15-07, Page 10 of 15]

*Recommendation: That the members of the Watermaster Committee adopt Resolution No. 2015-01 as presented.*

*Member Zoba motioned for the adoption of Resolution 2015-01 as presented. The motion was seconded by Member Fraser and passed 5-0.*

Public Comment:

*Judy Bingham questioned if there would be any regulation to uphold the safe yield since three times as much is being used. If there were any regulations, she asked for an explanation on*
what could be done. The Committee will take her query under advisement and respond at a future meeting.


   Recommendation: No recommendation.

   Engineer Blandon reported the installation equipment took longer than expected to be delivered and would be installed by mid-April. A report on the water levels recorded will be made available by the next meeting.

   Engineer Harder added that they have prepared a ground level data monitoring and data management plan to codify the method of data collection. Part of the management plan includes a report on quality assurance, quality control, and how data will be stored securely and made readily available.

c. Correction of the Supplemental Water Recharge Allocation for Calendar Year 2013 [Memorandum No. 15-09, Page 13 of 15]

   Recommendation: For informational purposes only.

   Engineer Blandon explained the adjustment on the report as it annual report had changed from a fiscal year basis to a calendar basis. In 2013, the annual report gave appropriators full credit for the 16,000 AF of control overdraft that was part of the judgement but they should have been given credit for half. A schedule was provided to assist with the deduction from the running totals.

VIII. Topics for Future Meetings

   a. Recycled Water Recharge Policy

   Member Jorritsma made the announcements above adding a recommendation request by the next meeting to address the public comment regarding the safe yield.

IX. Comments from the Watermaster Committee Members

   No reports were made.

X. Announcements

   a. The next regular meeting of the Beaumont Basin Watermaster is scheduled for Wednesday, June 3, 2015 at 10:00 a.m.

      Member Jorritsma made the announcement above.

XI. Adjournment

      Member Jorritsma adjourned the meeting at 10:28 a.m.
Reports
Discussion Items
Date: June 3, 2015

From: Hannibal Blandon, ALDA


Recommendation: No recommendation.

During the February 4, 2015, the Board authorized ALDA Inc., to procure and installed water level monitoring equipment at 12 preselected sites located throughout the Beaumont Basin.

On April 15, 2015 monitoring equipment was installed at seven of the initial sites. A field visit to these sites conducted on May 27, 2015 revealed that the monitoring probes were not collecting information at four of the sites; the equipment manufacturer was contacted for advice and the situation corrected. Two additional monitoring sites were equipped on this later date for a total of nine sites equipped with new monitoring probes.

Four old probes were removed from existing sites as their batteries were low in charge or totally depleted. The probes could be sent to the manufacturer to replace the battery at a cost of $50.00 to $110.00 per probe. Using these additional probes could increase the monitoring sites to 15 or potentially 16 sites at a nominal cost.

The attached spreadsheet contains a summary of 15 potential sites currently being considered. The nine sites where probes have been installed are owned by Appropriators while the remaining six sites are owned by either Overlying Parties or other private or public parties not identified in the Judgment. Contracts have been negotiated or are in the process of being reviewed with four of these parties.
<table>
<thead>
<tr>
<th>Well</th>
<th>Transducer</th>
<th>Current Status</th>
<th>Depth to Water (ft)</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>BCVWD Well No. 2</td>
<td>Inactive Production</td>
<td>F100</td>
<td>4/15/2015</td>
<td>600</td>
</tr>
<tr>
<td>BCVWD Monitoring Well 4S</td>
<td>Monitoring</td>
<td>F100</td>
<td>4/15/2015</td>
<td>500</td>
</tr>
<tr>
<td>BCVWD Monitoring Well 4D</td>
<td>Monitoring</td>
<td>F100</td>
<td>4/15/2015</td>
<td>600</td>
</tr>
<tr>
<td>Bonita VM Well No. 2</td>
<td>Inactive Production</td>
<td>F65</td>
<td>4/15/2015</td>
<td>150</td>
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<tr>
<td>City of Banning Sun Lakes</td>
<td>Monitoring</td>
<td>F100</td>
<td>4/15/2015</td>
<td>200</td>
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<tr>
<td>City of Banning Well M8</td>
<td>Inactive Production</td>
<td>F100</td>
<td>4/15/2015</td>
<td>400</td>
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<tr>
<td>City of Banning Well M9</td>
<td>Inactive Production</td>
<td>F100</td>
<td>4/15/2015</td>
<td>600</td>
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<tr>
<td>Old BCVWD No. 15</td>
<td>Inactive Production</td>
<td>F100</td>
<td>5/27/2015</td>
<td>440</td>
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<tr>
<td>Yucaipa VWD Well No. 34</td>
<td>Inactive Production</td>
<td>F300</td>
<td>5/27/2015</td>
<td>400</td>
</tr>
<tr>
<td>Summit Cemetery District Sunnyslope No. 1</td>
<td>Inactive Production</td>
<td>Probe not installed</td>
<td>Contract pending signature by Watermaster Rep.</td>
<td></td>
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<tr>
<td>Desert Lawn Funeral Home Well No. 1</td>
<td>Active Production</td>
<td>Probe not installed</td>
<td>Legal counsel reviewing contract</td>
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<tr>
<td>RC - Regional Parks Railroad Well</td>
<td>Abandoned</td>
<td>Probe not installed</td>
<td>Contract being reviewed by Regional Parks staff</td>
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<tr>
<td>ICON Warehouse Old Orchard well</td>
<td>Monitoring</td>
<td>Probe not installed</td>
<td>No contact has been established</td>
<td></td>
</tr>
<tr>
<td>Sunny Cal Egg Ranch</td>
<td>Abandoned</td>
<td>Probe not installed</td>
<td>No contact has been established</td>
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</tr>
</tbody>
</table>
At the Watermaster meeting held on April 1, 2015, a member of the public requested an explanation about groundwater production from the Beaumont basin in excess of safe yield. Since the topic was not on the meeting agenda, ALDA Inc., in association with Thomas Harder and Company, was tasked with providing an explanation at the June 3, 2015 Watermaster meeting.

The question asked at the April 1, 2015 meetings was “How can 16,000 acre feet per year be produced from the Beaumont basin when the safe yield is only 6,700 acre feet per year?”

There are two main reasons. First, under the Judgment, a temporary surplus was established that allows Appropriators to extract up to 160,000 acre feet of overdraft within the Basin evenly distributed during the first 10 years of operation. The purpose of the temporary surplus was to create room for the safe storage of supplemental water and to reduce losses from the basin. Second, the Judgment allows supplemental water to be brought into the basin to allow producers to pump in excess of the natural safe yield of the basin. For every acre foot of supplemental water brought into the basin an additional acre foot can be extracted during that year or subsequent years. Since 2006, close to 60,000 acre feet of imported water has been spread at the Noble Creek spreading facilities.

Under Section V of the Judgment, The Physical Solution, the Court adopts and orders the parties to comply with a Physical Solution. The Physical Solution establishes a legal and practical means for making the maximum reasonable beneficial use of the waters of Beaumont Basin. Item 5B of this section indicates that a minimum of 200,000 acre feet shall be reserved for Groundwater Storage Capacity to allow any person(s) or party(ies) to store supplemental water pursuant to a written Groundwater Storage Agreement with Watermaster.

At the present time, all Appropriators and the Morongo Band of Mission Indians have written storage agreements in place that allow them to bring supplemental water to
augment their allowable production. As of the end of 2013, a combined total of 100,812 acre feet of water have been stored in the basin.

In addition to authorized over-drafting the basin and importing supplemental water, Appropriators can augment their storage account balance by: a) underproducing their pumping rights; b) acquiring storage rights from other parties; and/or c) allocation of unused production rights from Overlying users. At the present time over 6,000 acre feet of unused production are allocated to Appropriators each year.

Therefore, the combination of the natural basin safe yield of 6,700 acre feet per year, the allowable annual overdraft of 16,000 acre feet per year, and approximately 6,000 acre feet per year of imported water for recharge (total of 28,700 acre-ft/yr) is greater than the annual production of approximately 16,000 acre-feet per year.

Relatively stable groundwater levels throughout most of the Beaumont Basin over the last few years show that recharge and pumping in the basin is in balance.
Date: June 3, 2015

From: Hannibal Blandon, ALDA

Subject: Discussion Regarding the Allocation of Unused Overlying Production to Appropriator Parties

Recommendation: That the Watermaster Committee instructs Watermaster Counsel to provide a legal opinion regarding the allocation of unused overlying production beyond Fiscal Year 2012/13 based on the recently adopted Beaumont Basin Safe Yield of 6,700 acre feet per year.

Overlying water rights in the Beaumont basin by individual Overlying Parties, as listed in Exhibit B to the Judgment, are based on the aggregate Projected Maximum Production of water from the Beaumont Basin of 8,650 ac-ft/yr.

Section 7.8 of the Rules and Regulations, as amended on September 9, 2008, by Watermaster, outlines the process for distributing the volume of adjudicated water not produced by the Overlying Parties to the Appropriators. This section indicates that the availability and allocation of any such groundwater not produced by the overlying parties in accordance with their rights under the Judgment shall be first determined in Fiscal Year 2008/09, and every year thereafter. A table listing the available unused Overlying Production for the first 10 years of the Judgment, through Fiscal Year 2012/13, is listed in this section.

The recently completed Safe Yield Study indicates a revised Safe Yield of 6,700 ac-ft/yr for the Beaumont Basin for the 2013-22 Calendar Years.

Considering a) accounting of basin conditions was switched from a Fiscal Year basis to a Calendar Year basis in 2012 and b) the overlapping periods for the initial Safe Yield (July 1, 2003 to June 30, 2013) and the revised Safe Yield (Jan 1, 2013 to Dec 31, 2022), it would be appropriate to receive options from Watermaster Counsel on how the allocation of unused production by Overlying Parties should be determined in future years.
Date:       June 3, 2015

From:      Joseph Zoba, Treasurer

Subject:   Draft Budget for Fiscal Year 2015-2016

Recommendation: That the Watermaster Committee schedules the final budget for consideration at the next Watermaster meeting.

The attached draft budget for Fiscal Year 2015-16 provides funding for Administrative expenses in the amount of $128,050, an increase from the prior year due to the consolidation of the Annual Report and the Engineering Report.

During the current fiscal year, the Watermaster concluded work on the safe yield study which was a special project between some of the Watermaster members. The remaining balance for the special project is shown on the draft budget as a credit for the participating agencies. At this time there are no special projects scheduled for next fiscal year. In the event that the Special Project Committee members decide to pursue additional tasks or another project, there will need to be an amendment to the Special Project budget prior to the adoption of the final budget at the next Watermaster meeting.

It would be appropriate to review the attached draft budget, provide comments, and instruct the Treasurer to present a final budget for adoption at the next Watermaster meeting.
### Beaumont Basin Watermaster Memorandum No. 15-13

#### Annual Operating and Special Project Budgets

**Draft Budget for Fiscal Year 2015-2016**

<table>
<thead>
<tr>
<th>OPERATING REVENUE:</th>
<th>Account Number</th>
<th>Administrative Revenue</th>
<th>Special Project Revenue</th>
<th>Estimated Invoice Amount for FY 2015-2016</th>
<th>Special Project Distribution Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carryover from Prior Fiscal Year</td>
<td>--</td>
<td>$35,000.00</td>
<td>$7,750.00</td>
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<td>--</td>
</tr>
<tr>
<td>City of Borrego</td>
<td>3120</td>
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<td>$2,435.63</td>
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<tr>
<td>City of Beaumont</td>
<td>3125</td>
<td>$22,600.00</td>
<td>$0.00</td>
<td>$22,600.00</td>
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<tr>
<td>Beaumont Cherry Valley Water District</td>
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<tr>
<td>South Mesa Mutual Water Company</td>
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<td>$22,600.00</td>
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<td>12.43%</td>
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<tr>
<td>Yucaipa Valley Water District</td>
<td>3115</td>
<td>$22,600.00</td>
<td>$1,052.45</td>
<td>$21,547.55</td>
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<td><strong>Total Operating Revenue</strong></td>
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<td>$128,050.00</td>
<td>$0.00</td>
<td>$105,300.00</td>
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</table>

<table>
<thead>
<tr>
<th>OPERATING EXPENSES:</th>
<th>Account Number</th>
<th>Amended Administrative Expenses</th>
<th>Special Project Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Fees &amp; Interest</td>
<td>5000</td>
<td>$50.00</td>
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</tr>
<tr>
<td>Miscelaneus &amp; Meetings</td>
<td>5010</td>
<td>$50.00</td>
<td>--</td>
</tr>
<tr>
<td>Acquisition/Computation &amp; Annual Report</td>
<td>5020</td>
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<td>Annual Audit</td>
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<td>Legal Expenses</td>
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<tr>
<td>Reserves</td>
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<td>Special Project - Engineering</td>
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<tr>
<td>Special Project - Litigation</td>
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<tr>
<td><strong>Total Operating Expense</strong></td>
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<td>$128,050.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

**Revenue Over / (Under) Expenses**

|                        | $0.00 | $0.00 |