

Notice and Agenda of a Meeting of the Beaumont Basin Watermaster

Wednesday, March 28, 2018 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: Arturo Vela (Alternate: Luis Cardenas)
City of Beaumont: Amer Jakher (Alternate: Kyle Warsinski)
Beaumont Cherry Valley Water District: Daniel Jaggers (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. Correspondence

- A. Correspondence dated March 21, 2018 from Yucaipa Valley Water District - Transfer of Overlying Water Rights in the Beaumont Basin for Tract No. 32702 (141 lots) and Tract No. 32702-5 (105 lots) Pursuant to Beaumont Basin Watermaster Resolution No. 2017-02 [Page 4 of 30]

VI. Consent Calendar

- A. Meeting Minutes
 - 1. Meeting Minutes for February 7, 2018 [Page 7 of 30]

VII. Reports

- A. Report from Engineering Consultant - Hannibal Blandon, ALDA Engineering
- B. Report from Legal Counsel - Keith McCullough/Thierry Montoya, Alvarado Smith

VIII. Discussion Items

- A. Status Report on Beaumont Basin Water Level Monitoring Program through March 19, 2018 [Memorandum No. 18-07, Page 15 of 30]
Recommendation: No recommendation.
- B. 2017 Consolidated Annual Report and Engineering Report - Presentation of Final Report [Memorandum No. 18-08, Page 24 of 30]
Recommendation: That the Watermaster Committee members adopt the Final 2017 Consolidated Annual Report and Engineering Report.

- C. Presentation of Recharge and Recovery Scenarios for Analysis to Estimate Storage Losses in the Beaumont Basin – Project Progress Update [Memorandum No. 18-09, Page 25 of 30]

Recommendation: No Recommendation.

- D. Presentation of Production and Allowable Extractions through February 2018 [Memorandum No. 18-10, Page 26 of 30]

Recommendation: No Recommendation.

- E. Consideration of a Change in the Rate of Professional Fees for Legal Expenses Charged by Alvarado Smith [Memorandum No. 18-11, Page 27 of 30]

Recommendation: That the Watermaster Committee members approve the rate adjustment of \$10/hour, resulting in a rate of \$275/hour for general counsel activities and \$285/hour for litigation activities.

IX. Topics for Future Meetings

- A. Development of a methodology and policy to account for new yield from capturing local stormwater in the basin.
- B. Development of a methodology and policy to account for groundwater storage losses in the basin resulting from the spreading of additional water sources.
- C. Development of a methodology and policy to account for recycled water recharge.
- D. Develop a protocol to increase the accuracy and consistency of data reported to the Watermaster.
- E. Develop a policy to account for transfers of water that may result when an Appropriator provides water service to an Overlying Party.

X. Comments from the Watermaster Committee Members

XI. Announcements

- A. The next regular meeting of the Beaumont Basin Watermaster is scheduled for Wednesday, June 6, 2018 at 10:00 a.m.

XII. Adjournment

Correspondence



Yucaipa Valley Water District

12770 Second Street • P. O. Box 730 • Yucaipa, California 92399-0730
(909) 797-5117 • Fax: (909) 797-6381 • www.yvwd.dst.ca.us

March 21, 2018

Mr. Tony Lara, Secretary
Beaumont Basin Watermaster
c/o Beaumont Cherry Valley Water District
560 Magnolia Avenue
Beaumont, California 92223

Thierry Montoya
Alvarado Smith
1 MacArthur Place, Suite 200
Santa Ana, California 92707

Hannibal Blandon
ALDA Engineering
5928 Vineyard Avenue
Alta Loma, California 91701

Subject: Transfer of Overlying Water Rights in the Beaumont Basin for Tract No. 32702 (141 lots) and Tract No. 32702-5 (105 lots) Pursuant to Beaumont Basin Watermaster Resolution No. 2017-02

Gentlemen:

On March 20, 2018, the Board of Directors of the Yucaipa Valley Water District accepted the transfer of Overlying Water Rights from Oak Valley Partners for Tract No. 32702 (141 lots) and Tract No. 32702-5 (105 lots) pursuant to Beaumont Basin Watermaster Resolution No. 2017-02 adopted on August 30, 2017.

The attached correspondence dated March 9, 2018, confirms the transfer of 90.94 acre-feet of overlying water rights from Oak Valley Partners and the acceptance of said overlying-appropriative water rights by Yucaipa Valley Water District.

Sincerely,

Joseph B. Zoba
General Manager

Copies to:

- John Ohanian, Oak Valley Partners
- Mike Turner, Argent Management

Directors and Officers

CHRISTOPHER MANN
Division 1

BRUCE GRANLUND
Division 2

JAY BOGH
Division 3

LONNI GRANLUND
Division 4

THOMAS SHALHOUB
Division 5

JOSEPH B. ZOBA
General Manager
and Secretary

|Management

March 9, 2018

Joe Zoba
General Manager
Yucaipa Valley Water District
12770 Second Street
Yucaipa, CA 92399

RE: Summerwind Trails - Transfer of Overlying Water Rights for Water
Service - Tracts 32702 & 32702-5, 246 Single Family Residential Lots

Dear Mr. Zoba:

This letter is written on behalf of San Gorgonio Land, LLC, the owner and developer of the residential portion of the Summerwind Ranch Project in Calimesa. Argent Management, LLC is the managing arm for San Gorgonio Land, LLC.

We are hereby requesting to transfer 90.94 acre-feet of the Summerwind Ranch Beaumont Basin Overlyer Water Rights to Tracts 32702 (141 lots) and 32702-5 (105 lots) to provide potable water requirements for 246 residential single family lots. These three Tracts encompass approximately 56 acres and are included within APN 413-290-037 per the attached Exhibit 1.

The merchant builder for these two Tracts is Lennar Homes of California, Inc., a California Corporation. Upon this transfer, we understand that Lennar Homes will be exempt from paying the District's Supplemental Water Facility Capacity Charge pursuant to the District's Resolution No. 2017-23, Section 2.D.


If acceptable to you, please indicate so with your approval signature below.

Very truly yours,



Mike Turner, P.E.

Corporate VP, Land Development
Argent Management, LLC

CONCURRENCE:


John Ohanian - Oak Valley Partners

APPROVAL:

 3/21/2018
Joe Zoba - General Manager, YVWD

CORPORATE OFFICE
2392 Morse Ave, Irvine, CA 92614 • MAIN 949 777 4000 • FAX 949 777 4050 • www.ArgentManagementLLC.com

Consent Calendar

**Record of the Minutes of the
Beaumont Basin Committee Meeting of the
Beaumont Basin Watermaster
Regular Meeting
Wednesday, February 7, 2018**

Meeting Location:

Beaumont-Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223

I. Call to Order

Chairman Arturo Vela called the meeting to order at 10:02 a.m.

II. Roll Call

| | | |
|--|-------------------------|----------------|
| <i>City of Banning</i> | <i>Arturo Vela</i> | <i>Present</i> |
| <i>City of Beaumont</i> | <i>Kyle Warsinski</i> | <i>Present</i> |
| <i>Beaumont Cherry Valley Water District</i> | <i>Tony Lara</i> | <i>Present</i> |
| <i>South Mesa Water Company</i> | <i>George Jorritsma</i> | <i>Present</i> |
| <i>Yucaipa Valley Water District</i> | <i>Joseph Zoba</i> | <i>Present</i> |

Thierry Montoya was present representing legal counsel for the Beaumont Basin Watermaster.

Hannibal Blandon and Tom Harder were present as consultants and engineers of the Beaumont Basin Watermaster.

Members of the public who registered or attended were: William Clayton, David Fenn, Fran Flanders, Dan Jagers, Mike Kostecky, John Covington, Ashley Gibson, Libi Uremovic, and Tom Shalhoub.

III. Pledge of Allegiance

Chairman Vela led the pledge of allegiance.

IV. Public Comments

Ms. Libi Uremovic asked the three water district managers to state on the record how much imported water they depend on. Chairman Vela noted this information is in the annual report which is on the website.

V. Consent Calendar

It was moved by Member Lara and seconded by Member Warsinski to approve the Meeting Minutes of the following dates:

1. Meeting Minutes for August 2, 2017

2. Meeting Minutes for August 30, 2017
3. Meeting Minutes for October 4, 2017
4. Meeting Minutes for December 6, 2017
5. Meeting Minutes for January 10, 2018

AYES: Jorritsma, Lara, Vela, Warsinski, Zoba
NOES: None.
ABSTAIN: None.
ABSENT: None.
STATUS: Motion Approved

VI. Reports

- A. Report from Engineering Consultant - Hannibal Blandon, ALDA Engineering

No report.

- B. Report from Legal Counsel – Thierry Montoya, Alvarado Smith

Legal Counsel Thierry Montoya advised that a March 19 hearing is pending in the Riverside County Superior Court for approval of appointment of all members and alternates.

VII. Discussion Items

- A. Status Report on Water Level Monitoring throughout the Beaumont Basin through January 24, 2018

Recommendation: No recommendation.

Engineer Hannibal Blandon reported on monitoring of existing wells in January. There are some candidate wells in the central western portion of the basin. He is talking to the owners for potential use of the wells in the monitoring program.

Mr. Blandon noted that probes are now working in wells Yucaipa 34 and Oak Valley 5 and gave an overview of water level changes. He said that the City of Banning Well M-A is no longer viable as a monitoring well; the level has declined about 20 ft. in the last two years. Water levels at Beaumont-Cherry Valley wells 2 and 25 are parallel. City of Banning Well 8 is no longer viable for monitoring; it may have collapsed and a sounding probe was unrecoverable.

The loss at Well 8 resulted in a need to replace equipment– a new sounding probe will be requested, along with a 400-ft cable.

Chairman Vela asked about corrupt data. Mr. Blandon pointed out gaps in Sun Lakes graphs over the last two months.

- B. Presentation of the Draft 2017 Consolidated Annual Report and Engineering Report
Recommendation: No recommendation.

Engineer Hannibal Blandon drew attention to the document for member review and comment. It must be finalized at the March meeting: he reminded members the meeting date was changed to accommodate the April 1 deadline.

Mr. Blandon reviewed two resolutions passed in 2017.

Mr. Blandon noted the 100 year average precipitation from 1918 to 2017 was 17.16 inches annually. He pointed out changes in tracking of different types of water rights as part of the adjudication. Production rights of appropriators are now based on transfers of underproduction from overlying parties or other appropriators, purchase of water, and maintenance of a storage account in the Basin.

In 2017, production was 13,462 Acre-Feet (AF), slightly higher than the 5-year average. The highest production recorded was in 2007 at 16,505 AF. Water production has been inching up toward that number each of the last three years. The operating safe yield was revised in 2013 to 6,700 AF.

To create the report, production information is requested from the overlying users, and there is an issue with the Plantation by the Lake. Previous reports must be revised, as there is a significant discrepancy with how the data has been reported for the last few years.

Mr. Blandon discussed the transfer of overlying rights from Oak Valley Partners to Yucaipa Valley Water District under an agreement that YVWD will provide water to the development.

Member Warsinski expressed concern about the data as reported. He suggested a smaller time span sample of Cumulative Departure from the Mean Precipitation than the 100-year data in the chart. Mr. Blandon will add a smaller data set with the final version.

Mr. Tom Harder addressed the preliminary 2017 Operating Safe Yield Estimates, indicating 2,289 AF of operating safe yield, which is significantly lower than it has been in the past. The average from 2012-2017 is about 6,000 AF per year, so it is running a bit below the long-term safe yield. There is not a lot of change in storage from precipitation. He shared the 2016-17 changes in groundwater elevation noting increases in water levels around the Noble Creek recharge facility and downward trends at Tukwet Canyon and Beaumont Well 29.

Mr. Blandon said area water quality meets state and federal standards with the exception of one well which once exceeded the notification limit for Vanadium.

Member Zoba asked about the potential of developing a water recharge policy now that the model is in place and calibrated. Mr. Blandon explained more information on discharge would be needed. Mr. Harder added that more investigation is needed, and recommend putting in some monitoring wells.

It was suggested to attach the slides as appendices to the report and include graphs of safe yield.

- C. Discussion Regarding Task Order No. 15 with ALDA Inc. for the Preparation of the 2017 Consolidated Annual Report, Estimate of the Basin Safe Yield, Update of the Groundwater Model, and Associated Consulting Services for 2018

Recommendation: That the Watermaster Committee approves Task Order No. 15 for a sum not to exceed \$95,970 and invoice the Watermaster members accordingly.

Mr. Blandon indicated this is a new Task Order and explained the work. The contract cost is the same as last year.

Member Zoba moved to approve Task Order No. 15 for a sum not to exceed \$95,970 and invoice the Watermaster members accordingly. The motion was seconded by Member Lara.

| | |
|----------|--|
| AYES: | Jorritsma, Lara, Vela, Warsinski, Zoba |
| NOES: | None. |
| ABSTAIN: | None. |
| ABSENT: | None. |
| STATUS: | Motion Approved |

- D. Discussion Regarding Task Order No. 16 with ALDA Inc. for the Installation, Maintenance, and Data Collection of Water Level Monitoring Equipment in 2018

Recommendation: That the Watermaster Committee approves Task Order No. 16 for a sum not to exceed \$21,520 and invoice the Watermaster members accordingly.

Mr. Blandon indicated this is a renewal for 2018 and explained the work. The cost is the same as last year.

Member Zoba moved to approve Task Order No. 16 for a sum not to exceed \$21,520 and invoice the Watermaster members accordingly. The motion was seconded by Member Warsinski.

| | |
|----------|--|
| AYES: | Jorritsma, Lara, Vela, Warsinski, Zoba |
| NOES: | None. |
| ABSTAIN: | None. |
| ABSENT: | None. |
| STATUS: | Motion Approved |

- E. Presentation of Preliminary Recharge and Recovery Scenarios for Analysis to Estimate Storage Losses in the Beaumont Basin – Project Progress Update

Recommendation: No Recommendation

Engineer Harder explained the project and said 89 scenarios were evaluated. Historical losses were assessed. He explained the model and said that on the east side of the basin, about 20 percent of the water put in is lost. Based on numbers in the Urban Water Management Plan and information from Jeff Davis, if the San Gorgonio Pass Water Agency began recharge in the Noble

Creek area in 2019, it would result in an additional 17 percent increase in loss. He noted that strategic pumping could decrease the losses.

Discussion ensued regarding projected water losses. Mr. Harder suggested the next step would be to form a policy.

Closed Session

Public Comment: Mr. David Fenn, President of the Board of Directors of the San Gorgonio Pass Water Agency introduced himself and spoke on item F and the related Closed Session item 11. He thanked the Committee for sending a copy the proposed Resolution 2018-01 in advance. The SGPWA Board has reviewed it with its counsel and has some requested changes, which are in line with agency law, and support the SGPWA goals and objectives. He noted the changes have been explained to the Watermaster attorney, and, as a settlement offer, requested the Committee accept and approve the suggested changes. He thanked the Committee for their consideration in resolving the matter to put an end to the litigation.

Adjourn to Closed Session: 11:29 a.m.

Watermaster Committee members and alternates: Arturo Vela, Kyle Warsinski, Tony Lara, George Jorritsma, Joseph Zoba and Jennifer Ares were present in closed session with Legal Counsel Thierry Montoya to discuss the following item:

- A. Closed Session-Conference with Legal Counsel—Existing Litigation, Government Code section 54956.9:
 - i. Case: *San Gorgonio Pass Water Agency v. Beaumont Basin Watermaster, et al.*, Riverside Superior Court Case No. RIC 1716346.

Reconvene to Open Session: 12:19 p.m.

Counsel Thierry Montoya reported on the closed session and introduced Item F, consideration of Resolution 2018-01, below.

- F. Consideration of Resolution 2018-01 Rescinding Resolution 2017-01 and Approving the Groundwater Storage Agreement in the Beaumont Basin for the San Gorgonio Pass Water Agency in the Amount of 10,000 Acre Feet (as amended)

Counsel Thierry Montoya reported that in an effort to resolve the ongoing litigation, San Gorgonio Pass Water Agency v. Beaumont Basin Watermaster, et al., Riverside Superior Court Case No. RIC 1716346 there has been ongoing dialog with SGPWA counsel and a resolution has been discussed, including suggested language from SGPWA's counsel. The Board has agreed to accept the changes, except for the requested change in the last paragraph to bring in Section 8 of the Rules and Regulations. The actual title of the Rules and Regulations is more broad, and the actual language should be reflected. He read the following title and the Resolution in entirety (as amended) into the record:

A Resolution of the Beaumont Basin Watermaster to Confirm and Adopt San Gorgonio Pass Water Agency's (SGPWA) Application for Groundwater Storage Agreement, Subject to Stated Conditions.

Member Warsinski moved to adopt Resolution 2018-01 as amended. The motion was seconded by Member Zoba.

| | |
|----------|--|
| AYES: | Jorritsma, Lara, Vela, Warsinski, Zoba |
| NOES: | None. |
| ABSTAIN: | None. |
| ABSENT: | None. |
| STATUS: | Motion Approved |

VIII. Topics for Future Meetings

Member Lara noted the earlier discussion about a methodology of the water loss issue and encouraged continuing to move forward; and suggested a policy on the allocation of return flow to appropriators or agency as part of the safe yield calculation.

- A. Development of a methodology and policy to account for new yield from capturing local storm water in the basin.
- B. Development of a methodology and policy to account for groundwater storage losses in the basin resulting from the spreading of additional water sources.
- C. Development of a methodology and policy to account for recycled water recharge.
- D. Develop a protocol to increase the accuracy and consistency of data reported to the Watermaster.
- E. Develop a policy to account for transfers of water that may result when an Appropriator provides water service to an Overlying Party.

IX. Comments from the Watermaster Committee Members

There were no comments.

X. Announcements

- A. The next regular meeting of the Beaumont Basin Watermaster is scheduled for Wednesday, March 28, 2018 at 10:00 a.m.

XI. Adjournment

Chairman Vela adjourned the meeting at 12:31 p.m.

Attest:

Tony Lara, Secretary
Beaumont Basin Watermaster

Reports

Discussion Items

BEAUMONT BASIN WATERMASTER

MEMORANDUM NO. 18-07

Date: March 28, 2018

From: Hannibal Blandon, ALDA Inc.

Subject: Status Report on Beaumont Basin Water Level Monitoring Program through March 19, 2018

Recommendation: No recommendation.

At the present time, there are 14 monitoring wells collecting water level information on an hourly basis at various locations throughout the basin. In addition, there are two monitoring probes collecting barometric pressures at opposite ends of the Beaumont Basin. The location of active monitoring wells is depicted in the attached Figure No. 1.

Water levels at selected locations are depicted in Figures 2 through 6 and are described as follows:

- ✓ Figure No. 2 – Water levels at YVWD Well No. 34 and Oak Valley Well No. 5 are considered representative of basin conditions in the Northwest portion of the basin. At YVWD No. 34 the water level is fairly stable; it has increased a mere three feet over the last 2 years. Data for the last six months was not recorded at this location despite of the fact that a new water level probe was installed in November 2017. A second water level probe was installed during our January visit to the site as the previous probe recorded information was erroneous; however, the new probe was missing during our visit on March 20th, along with the barometric pressure probe. YVWD staff is currently investigating what happened with these probes. At Oak Valley No. 5 water level rose over six feet since the water level probe was installed in March of 2016. The probe and communications cable seem to be working just fine after the previous cable was stuck in the well for over two months.
- ✓ Figure No. 3 – Two of the Noble Creek observation wells are presented in this figure representing the shallow and deep aquifers. In the shallow aquifer, the water level has increase close to 85 feet over the last 18 months from a low of 2,337 ft. to 2,422 ft., recorded at the end of March 2018. Levels in the deep aquifer have risen recently to their highest elevation (2,271 ft) since the summer of 2015.
- ✓ Figure No. 4 – Southern Portion of the Basin. Water level at the Summit Cemetery well is highly influenced by a nearby pumping well that is used to irrigate the cemetery grounds. The water level at this well continues to fluctuate over a 20-foot band. Conversely, the water level at the Sun Lakes well has fluctuated minimally over the same period as it decreased one foot.

- ✓ Figure No. 5 illustrates levels at three wells owned by the City of Banning in the Southeast portion of the basin. While water level at the Old Well No. 15 (Chevron Well) has been fairly flat over the last two years, a somewhat significant and steady decline, close to 23 feet, has been recorded at Banning M-8. The probe at Banning M-8 was removed during our visit in late January 2018 as there seems to be an obstruction in the well at a depth of approximately 350 ft below ground. City staff has indicated that the pump at this well will be pulled in the next two months at which time we may have an opportunity to use this well again. Water level at Banning M-9 has fluctuated within a 10-15 feet range during the same period.
- ✓ Figure No. 6 illustrate recorded water level at BCVWD No. 2 and the new monitoring well BCVWD No. 25. Over the last two years, the level at BCVWD No. 2 has increased by over 20 feet topping in May 2017 at an elevation of 2,218 ft.; current water level elevation is at the highest point since the monitoring program began. The level at this well declined by ten feet before recovering again over the last six months. Water level at BCVWD No. 25 seems to be in sync with BCVWD No. 2 based on the short recording period of only four months.

Troubleshooting Issues

The following malfunctioning issues were encountered during our March 19, 2018 field visit:

- ✓ YVWD Well No. 34 – Both the water level probe and barometric pressure probe are missing from this well. YVWD staff is currently investigating this issue. While there is a possibility that both probes felt to the bottom of the well, this condition is highly unlikely. If the probes are found, a new 300 ft communications cable will be needed as the current cable was not working properly. If the probes are not found a new barometric pressure probe will need to be purchased for this location in addition to the 300 ft communications cable.
- ✓ Sun Lakes Well – A new 200 ft communication cable was installed during the November visit and it is working fine as we are now able to communicate with the probe.
- ✓ Banning M-8 – The water level probe was removed from this well during our January visit since the well is obstructed at approximately 350 feet below ground. City staff has indicated that the existing pump at this well will be pulled in the next two months; this will present an opportunity to determine the nature of the below ground obstruction and the potential installation of a new water level probe to continue using this well for monitoring purposes.
- ✓ Barometric Probe at Banning M-9 stop working on New Year's Day. Probe was reset after the regular Board meeting in February 7th, 2018 and is currently working fine.

New Monitoring Sites

A new water level probe was installed at BCVWD Well No. 25, located in the central/eastern portion of the basin. The probe sits at 650-ft below ground in this pumping well. Static level at this well was measured at 493 ft below surface while pumping level is in the mid-500s.

Potential New Monitoring Sites

Potential new monitoring sites include:

- Sharondale Home Owner Association wells
- Rancho Calimesa Mobile Home Park
- Desert Lawn
- Sunny Cal Ranch Area
- Plantation by the Lake well

New Equipment Requirements

- A 750 ft sounding probe
- A 300 ft communications cable for YVWD Well No. 34
- A barometric pressure probe

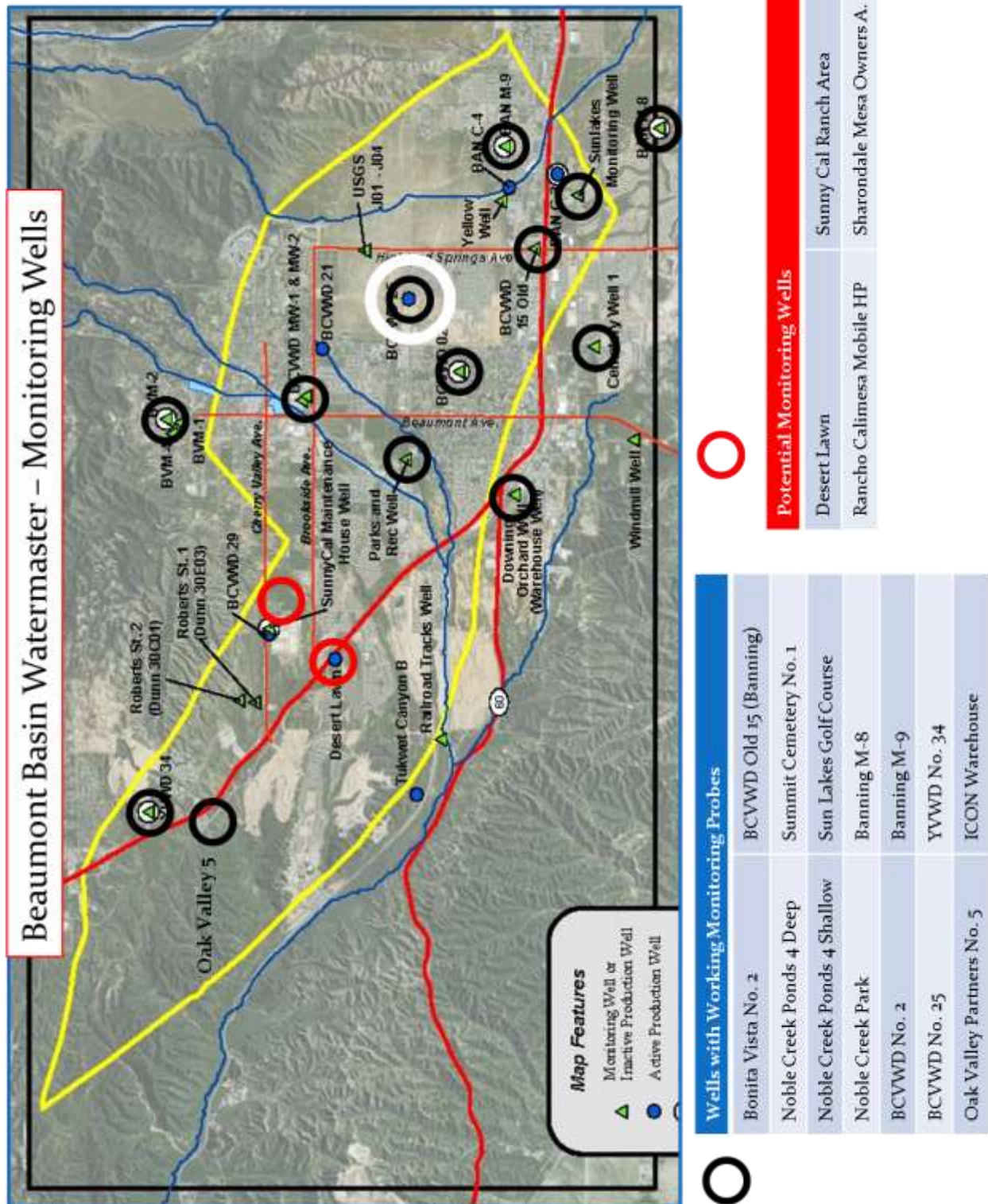


Figure No. 2
Static Groundwater Elevations at YVWD No. 34 and Oak Valley No. 5
 (July 29, 2015 through March 19, 2018)

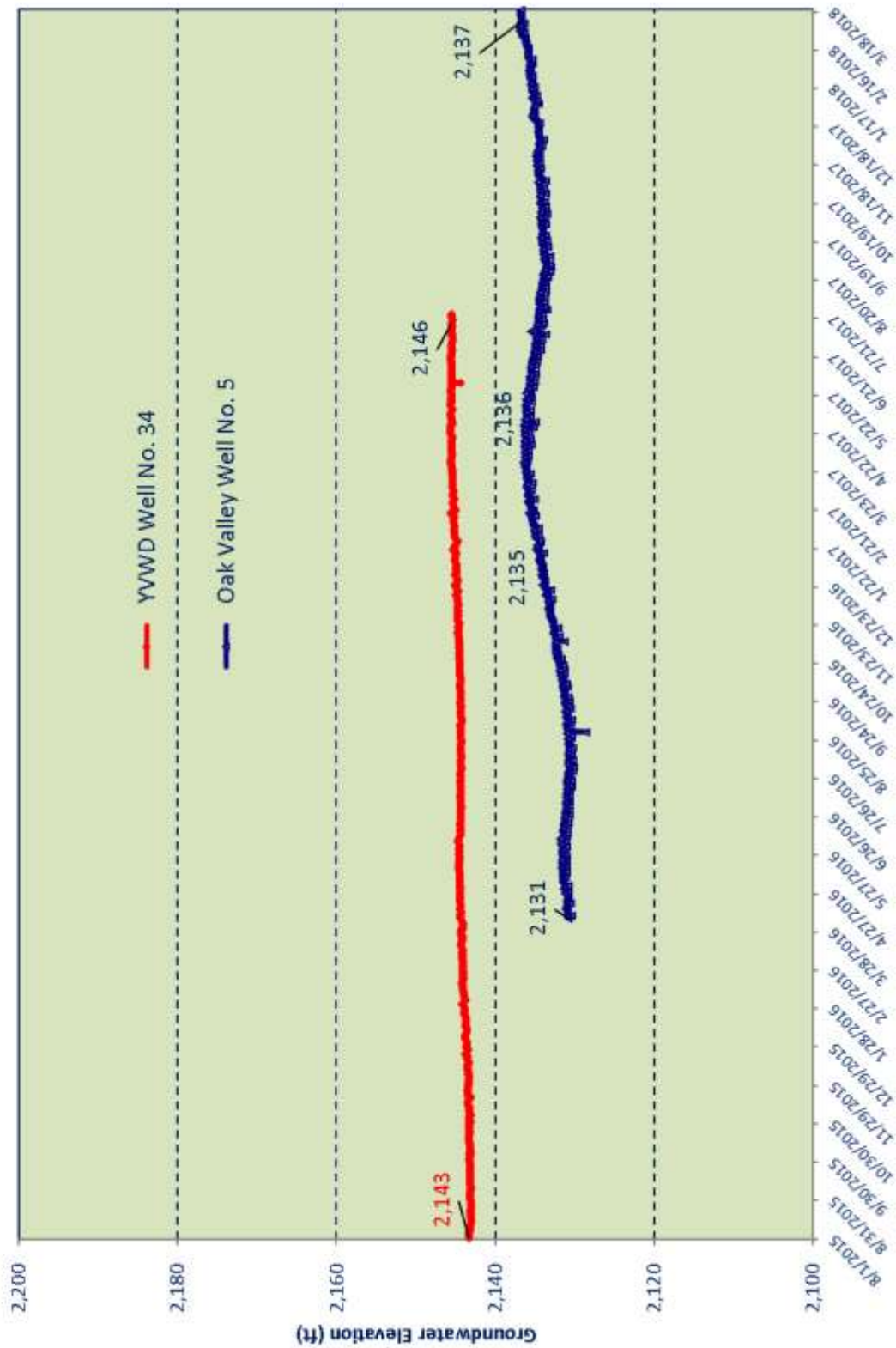


Figure No. 3
Static Groundwater Elevations at Noble Creek Obs. Well 4S and 4D
 (May 28, 2015 through March 19, 2018)

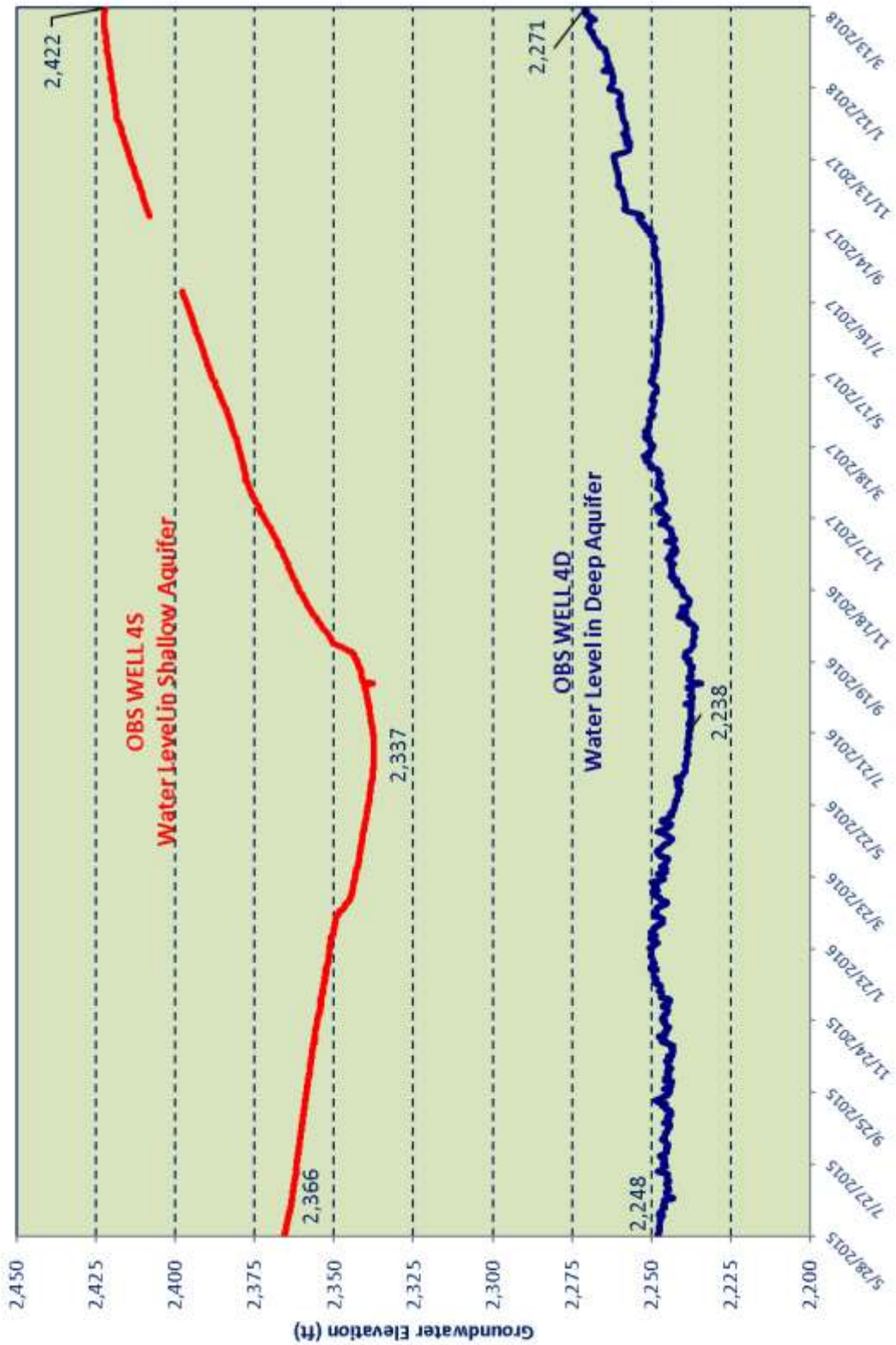


Figure No. 4
Static Groundwater Elevations at Summit Cemetery and Sun Lakes Wells
 (May 28, 2015 through March 19, 2018)

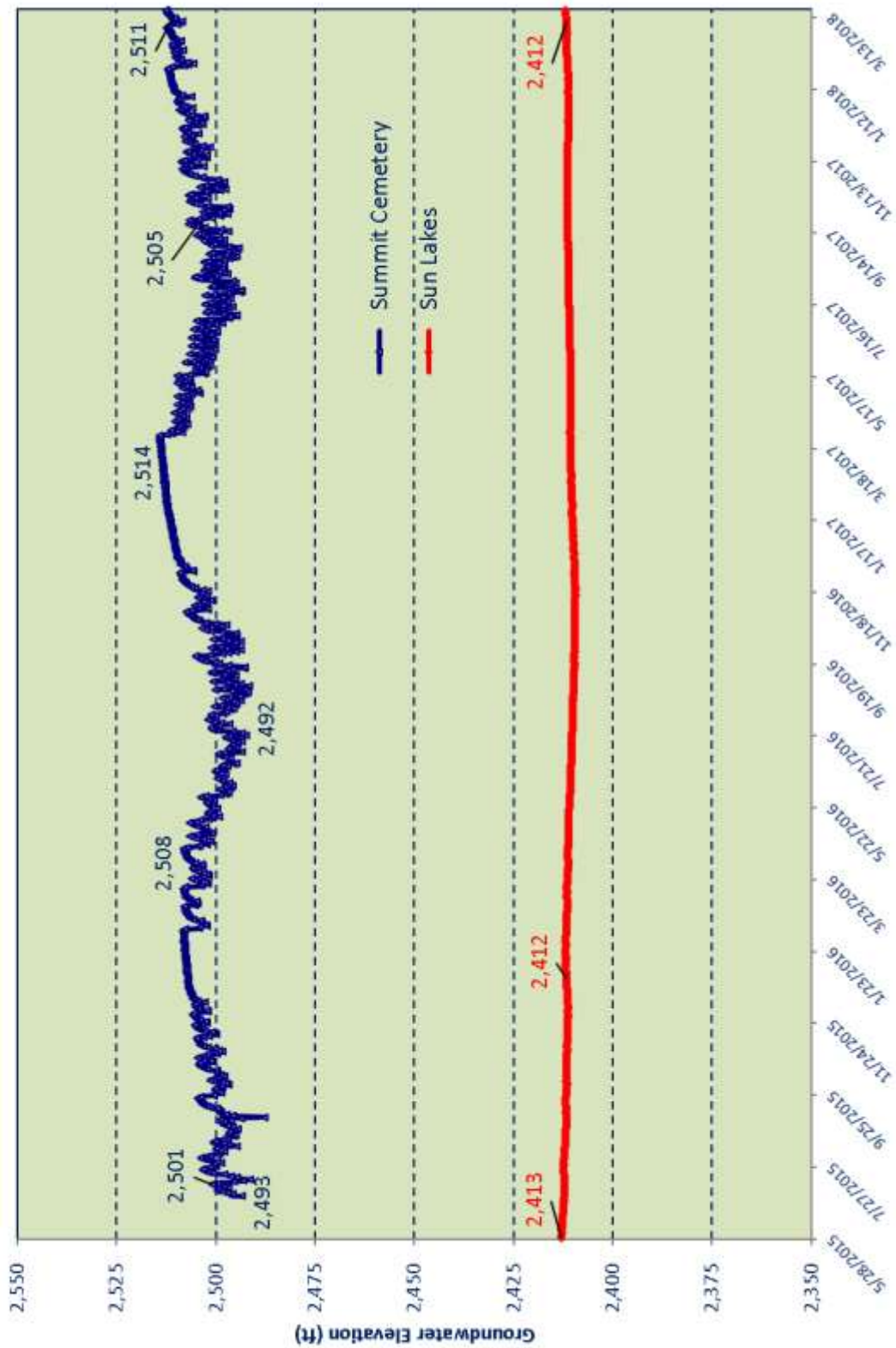


Figure No. 5
Static Groundwater Elevations in the Banning Area
 (May 28, 2015 through March 19, 2018)

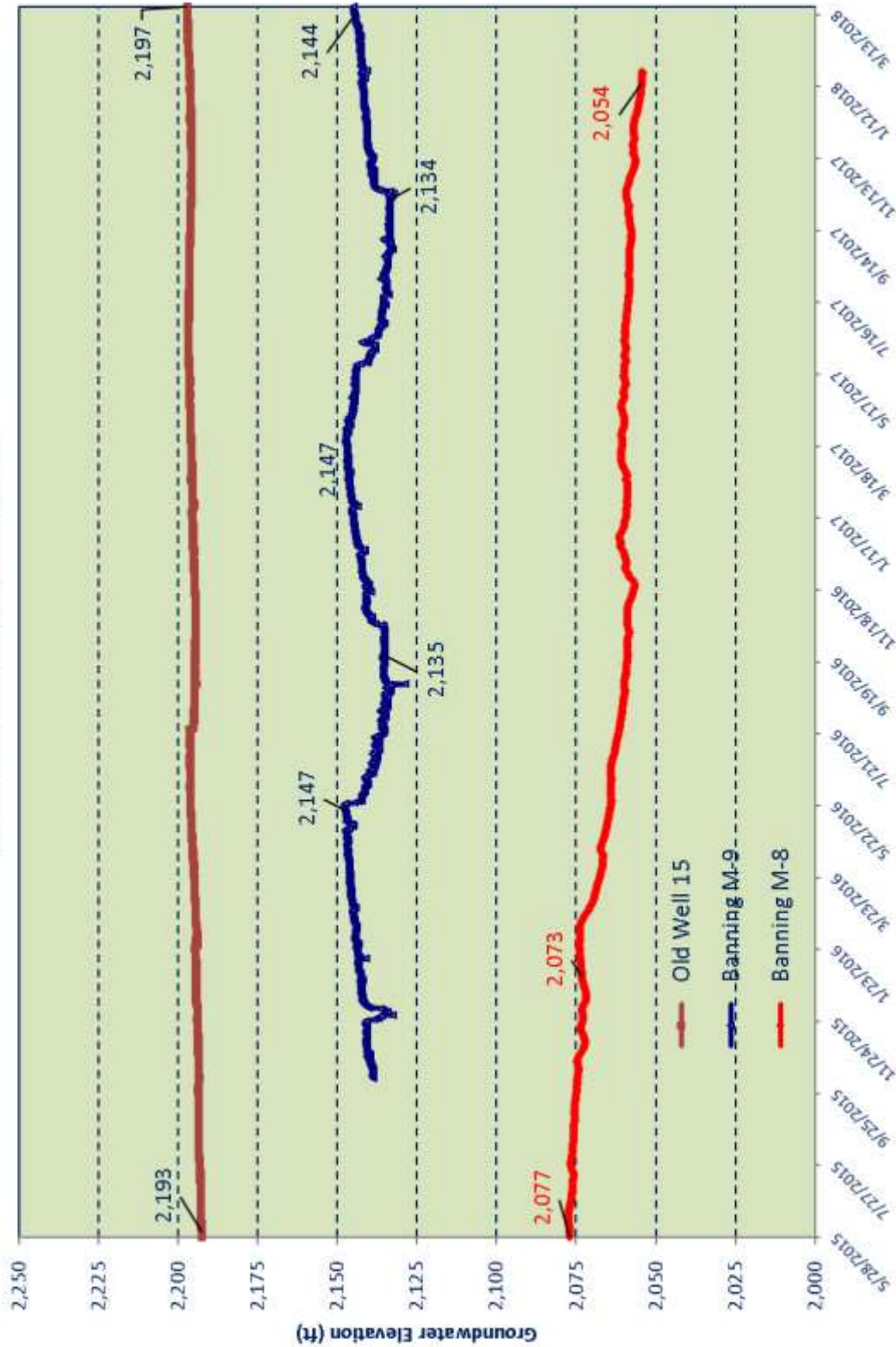
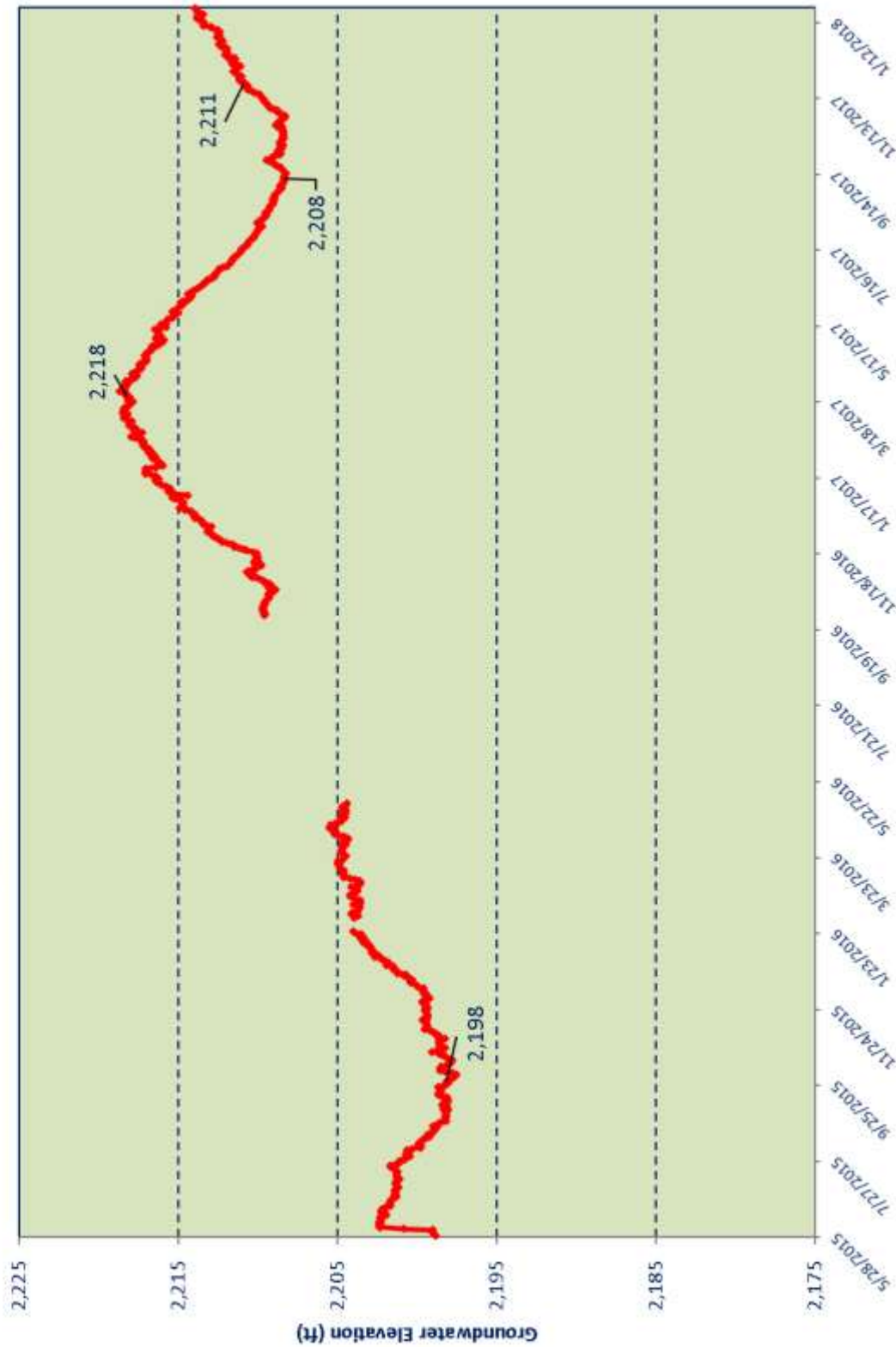


Figure No. 6
Static Groundwater Elevations at BCVWD Well No. 2
 (May 28, 2015 through January 23, 2018)



BEAUMONT BASIN WATERMASTER

MEMORANDUM NO. 18-08

Date: March 28, 2018

From: Hannibal Blandon, ALDA Inc.

Subject: 2017 Consolidated Annual Report and Engineering Report - Presentation of Final Report

Recommendation: That the Watermaster Committee members adopt the Final 2017 Consolidated Annual Report and Engineering Report.

ALDA Inc., in Association with Thomas Harder & Company, will distribute and make a formal presentation of the Final 2017 Beaumont Basin Consolidated Annual Report and Engineering Report. The presentation will be limited to a) addressing comments received from the review of the draft report and b) presenting water quality conditions in the basin as of the end of 2017. All other aspects of the report were presented at the regular Board meeting on February 7, 2018.

A partial presentation of water quality was made during the February meeting. The presentation was limited to water quality information obtained from the California Department of Public Health database. Additional water quality information collected as part of the Maximum Benefit program was not available at that time.

The Final 2017 Consolidated Annual Report is available online from the "Documents & Publications" section of the Beaumont Basin Watermaster website.

BEAUMONT BASIN WATERMASTER

MEMORANDUM NO. 18-09

Date: March 28, 2018

From: Thomas Harder, TH&Co.

Subject: Presentation of Recharge and Recovery Scenarios for Analysis to Estimate Storage Losses in the Beaumont Basin – Project Progress Update

Recommendation: No Recommendation.

Under Task Order No. 14, the ALDA Inc./Thomas Harder & Co. team were tasked to evaluate groundwater storage losses from the Beaumont Basin under various recharge and recovery scenarios. Previously, a number of recharge scenarios have been presented for consideration by the Board and to obtain necessary feedback.

The purpose of this agenda item is to present the progress of the evaluation of the various recharge and recovery scenarios being evaluated and to provide members of the Watermaster Committee the opportunity to comment on the direction of the study and the results obtained thus far.

BEAUMONT BASIN WATERMASTER

MEMORANDUM NO. 18-10

Date: March 28, 2018

From: Hannibal Blandon, ALDA Inc.

Subject: Presentation of Production and Allowable Extractions through February 2018

Recommendation: No Recommendation.

The purpose of this Technical Memorandum is to present a comparison of production rights from the basin against actual production by Appropriators. Production rights consist of the sum of Unused Production by Overlying Users from 2013 transferred to Appropriators for 2018 and Imported Water Spreading. This sum is compared against actual production through February 2018.

During the first two months of the year a total of 639 ac-ft of water were produced from the basin while 2,278 ac-ft of imported water were spread at the Noble Creek spreading grounds. Unused production by Overlying users for 2013 was estimated at 6,365 ac-ft. The table below presents the above comparison for all Appropriators; all numbers shown in ac-ft, except as noted.

| | Banning | BCVWD | SMWC | YVWD | Total |
|--|--------------|--------------|------------|------------|--------------|
| Transfer of Overlying Rights from 2013 | 2,001 | 2,706 | 794 | 864 | 6,365 |
| Imported Water | 112 | 2,166 | 0 | 0 | 2,278 |
| Total | 2,113 | 4,872 | 794 | 864 | 8,643 |

| | | | | | |
|------------|----|-----|----|----|------------|
| Production | 11 | 593 | 35 | 0 | 639 |
| % of Total | 1% | 12% | 4% | 0% | 7% |

BEAUMONT BASIN WATERMASTER

MEMORANDUM NO. 18-11

Date: March 28, 2018

From: Joseph Zoba, Treasurer.

Subject: Consideration of a Change in the Rate of Professional Fees for Legal Expenses Charged by Alvarado Smith

Recommendation: That the Watermaster Committee members approve the rate adjustment of \$10/hour, resulting in a rate of \$275/hour for general counsel activities and \$285/hour for litigation activities.

The Beaumont Basin Watermaster retained the services of Alvarado Smith in May 2012. The Watermaster Committee members selected Alvarado Smith following a series of interviews with other legal firms.

On March 23, 2018, a request was received to adjust the fees charged by Alvarado Smith from \$265/hour to \$275/hour for general counsel activities. This represents less than a 4% increase and would be the only change in hourly rates since executing the professional service contract with Alvarado Smith in 2012.



Keith E. McCullough
(714) 852-6800
kmccullough@AlvaradoSmith.com
Orange County Office

Raymond G. Alvarado
1936-2014

March 23, 2018

VIA E-MAIL ONLY

Joseph Zoba, General Manager
Yucaipa Valley Water District
Secretary, Beaumont Basin Watermaster

Re: AlvaradoSmith, APC, Beaumont Basin Watermaster General Counsel request for rate increase

Dear Joe,

We have enjoyed our representation of Watermaster since our retention in May 2012. During this time we have assisted Watermaster in redetermining safe yield of the Basin, assisted in updating and correcting Watermaster member and alternate designations with the court, assisted in developing a more consistent method of production monitoring, recently assisted in resolving a groundwater storage agreement with the San Geronio Pass Water Agency and previously with the Morongo Band of Mission Indians, and assisted with other projects. During this time we have maintained our hourly rates consistent with the original engagement. We are requesting a modest increase in our applicable hourly rates for Watermaster, which are deeply discounted from our standard hourly rates. The proposed rate structure follows:

| | <u>Original Discounted Rate</u> | <u>Proposed New Discounted Rate</u> |
|-----------------------------|---------------------------------|-------------------------------------|
| General Counsel Activities: | \$265/hour | \$275/hour |
| Litigation Activities | \$285/hour | \$295/hour |

We would appreciate the Watermaster Committee considering this rate increase proposal. Please do not hesitate to contact me if the Committee would like additional information.

WWW.ALVARADOSMITH.COM

ORANGE COUNTY

1 MACARTHUR PLACE, SUITE 200
SANTA ANA, CA 92707
T 714.852.6800
F 714.852.6899

LOS ANGELES

633 W. FIFTH STREET, SUITE 900
LOS ANGELES, CA 90071
T 213.229.2400
F 213.229.2499

SAN FRANCISCO

235 PINE STREET, SUITE 1150
SAN FRANCISCO, CA 94104
T 415.624.8665
F 415.391.1751



March 23, 2018
Page 2

Sincerely yours,

ALVARADOSMITH
A Professional Corporation

A handwritten signature in black ink, appearing to read "Keith E. McCullough".

Keith E. McCullough,
a Professional Corporation

KEM:yc

Adjournment