

Notice and Agenda of a Special Meeting of the Beaumont Basin Watermaster

Tuesday, June 25, 2019 at 11:00 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: _____ (Alternate: Kyle Warsinski)

Beaumont Cherry Valley Water District: Daniel Jagers (Alternate: Mark Swanson)

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. Meeting Minutes for March 27, 2019
 - 2. Meeting Minutes for June 5, 2019

VI. Reports

- A. Report from Engineering Consultant - Hannibal Blandon, ALDA Engineering
- B. Report from Hydrogeological Consultant - Thomas Harder, Thomas Harder & Co.
- C. Report from Legal Counsel - Keith McCullough/Thierry Montoya, Alvarado Smith

VII. Discussion Items

- A. Consideration of Resolution No. 2019-02 Amending Section 7 of the Rules and Regulations of the Beaumont Basin Watermaster [[Memorandum No. 19-15, Page 13 of 32](#)]

Recommendation: That the Watermaster Committee adopt Resolution No. 2019-02.

VIII. 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. Discussion of return flow credit and how it might be managed

IX. Comments from the Watermaster Committee Members

X. Announcements

- A. The next regular meeting of the Beaumont Basin Watermaster is scheduled for Wednesday, August 7, 2019 at 10:00 a.m.

XI. Adjournment

Consent Calendar

DRAFT

**Record of the Minutes of the
Beaumont Basin Committee Meeting of the
Beaumont Basin Watermaster
Regular Meeting
Wednesday, March 27, 2019**

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>Daniel Jagers</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 was present as consultant and engineer for the Beaumont Basin Watermaster.

Staff present were: Bill Clayton, Mark Swanson, James Bean and Erica Gonzales from BCVWD; and Luis Cardenas from the City of Banning. Also present was BCVWD Legal Counsel James Markman.

Members of the public who registered and / or attended were: Fran Flanders, John Ohanian of Oak Valley Partners, David Castaldo of the San Gorgonio Pass Water Agency, and John Covington representing the Morongo Band of Mission Indians.

III. Pledge of Allegiance

Chairman Vela led the pledge of allegiance.

IV. Public Comments:

None.

V. Consent Calendar

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

- 1. Meeting Minutes for March 6, 2019

AYES: Jaggars, Jorritsma, 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 Hydrogeological Consultant – Thomas Harder, Thomas Harder & Co.
No report.
- C. Report from Legal Counsel – Thierry Montoya, Alvarado Smith
No report.

VII. Discussion Items

- A. Discussion Overview of the Consolidated Beaumont Basin Watermaster Rules and Regulations
Recommendation: None.
Member Zoba presented the current Rules and Regulations document for discussion. Chairman Vela and Member Warsinski requested a redline version of the document.
- B. Consideration of Resolution 2019-02 Amending Section 7 of the Rules and Regulations of the Watermaster
Recommendation: That the Watermaster Committee adopt Resolution 2019-02.

Member Jaggars reiterated the request for an ad hoc committee and noted comments from the City of Beaumont. Members discussed options for the rules and regulations process. Counsel Montoya recommended appointment of an ad hoc committee, to create a draft

of amended rules and regulations, to publish for public comment. Counsel recommended no action on Resolution 2019-02.

Chair Vela asked Legal Counsel Montoya to re-read the document and appointed Members Zoba and Jagers to an Ad Hoc Committee on Rules and Regulations. BCVWD Counsel Markman requested to be included via conference call. The request was denied.

It was moved by Member Warsinski and seconded by Member Jorritsma to take NO ACTION on Resolution 2019-02.

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

- C. Status Report on Water Level Monitoring throughout the Beaumont Basin through March 18, 2019

Recommendation: None.

Member Jorritsma requested information on how much water is pumped from the monitoring wells. Engineer Blandon explained that only two of the 16 monitoring wells are pumping wells.

- D. A Comparison of Production and Allowable Extractions through February 2019

Recommendation: None.

There was no discussion.

- E. Certification of Groundwater Production and Imported Water Use During Calendar Year 2018

Recommendation: That the Watermaster Committee certifies the groundwater production, imported water spreading, and change in storage in the Beaumont Groundwater Basin for Calendar Year 2018.

Chairman Vela suggested that due to ongoing discussion regarding transfer of overlying rights, the title of the chart should be changed from "Transfer of Overlying Rights from 2014" to "Appropriation of Overlying Rights from 2014." Mr. Blandon stated that the wording comes from the Rules and Regulations. Member Warsinski suggested adding the word "unused" to clarify.

It was moved by Member Jagers and seconded by Member Jorritsma to certify the groundwater production, imported water spreading, and

change in storage in the Beaumont Groundwater Basin for Calendar Year 2018.

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

VIII. 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. Discussion of Overlyer return flow credit and how it might be managed

Member Jagers stated he would like to move forward with item 8C sooner rather than later; Member Warsinski concurred. Chair Vela indicated it would appear on the next meeting agenda. Member Zoba suggested that Members Warsinski and Jagers draft a policy.

IX. Comments from the Watermaster Committee Members: None.

X. Announcements

- A. The next regular meeting of the Beaumont Basin Watermaster is scheduled for Wednesday, June 5, 2019 at 10:00 a.m.

XI. Adjournment

Chairman Vela adjourned the meeting at 10:59 a.m.

Attest:

DRAFT UNTIL APPROVED

Daniel Jagers, Secretary
Beaumont Basin Watermaster

DRAFT

**Record of the Minutes of the
Beaumont Basin Committee Meeting of the
Beaumont Basin Watermaster
Regular Meeting
Wednesday, June 5, 2019**

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 10:06 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>Daniel Jagers</i>	<i>Present</i>
<i>South Mesa Water Company</i>	<i>George Jorritsma</i>	<i>Present</i>
<i>Yucaipa Valley Water District</i>	<i>Jennifer Ares</i>	<i>Present</i>

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

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

Staff present were: Mark Swanson and Erica Gonzales from BCVWD.

Members of the public who registered and / or attended were: Joyce McIntine, Paul Rodriguez, and David Fenn.

III. Pledge of Allegiance

Chairman Vela led the pledge of allegiance.

IV. Public Comments:

None.

V. Consent Calendar

1. Meeting Minutes for March 27, 2019 will be presented at the August 7 meeting. No action was taken.

VI. Reports

- A. Report from Engineering Consultant – Hannibal Blandon, ALDA Engineering
No report.
- B. Report from Hydrogeological Consultant – Thomas Harder, Thomas Harder & Co.
Mr. Harder reported that the Return Flow Analysis is 95 percent complete and a draft will be submitted to members this month.
Mr. Harder reminded the Committee that a request for data was received. Legal Counsel Montoya authorized release of the information.
- C. Report from Legal Counsel – Thierry Montoya, Alvarado Smith
Mr. Montoya explained that the Riverside Superior Court has approved the amended judgment changing the terms and correcting the scrivener's error on the basin capacity.

VII. Discussion Items

- A. Discussion Consideration of Resolution 2019-02 Amending Section 7 of the Rules and Regulations of the Beaumont Basin Watermaster
Recommendation: That the Watermaster Committee adopt Resolution No. 2019-02.
Counsel Montoya explained that the Ad Hoc Committee met on April 16 and May 7 including Members Jagers and Zoba, and Counsel Montoya. The rules were reviewed regarding transfer of rights from an overlying party to an appropriative party and how that supply will be earmarked and credited, making sure that Rule 7 conforms with the judgment.
The Ad Hoc Committee prepared a revision to Rule 7 eliminating several provisions that did not have a basis in the judgment, Montoya explained. Montoya noted that Mr. Jagers had noticed what appears to be a missing term in the judgment and the rules should reflect how the situation would be applied and enforced by the Watermaster. He recommended tabling the item to allow for more discussion and consideration of the language to clear up any inconsistencies. Mr. Jagers suggested further discussion at the Ad Hoc Committee level.
Mr. Montoya recommended an abundance of caution and that this return to the Ad Hoc Committee, with a recommendation brought back to the Board. He explained there are inconsistencies that may have arisen at the scrivener's level and the Ad Hoc Committee will consider.

Chair Vela requested some clarification. Montoya and Jagers responded. Chair Vela called for any public comment; there was none. The item was tabled.

- B. Status Report on Water Level Monitoring throughout the Beaumont Basin through May 27, 2019

Recommendation: None.

Engineer Blandon reviewed the report and updated the Committee on YVWD Well 34 where the sounding device had been lost. New equipment has been installed. He noted that data from Oak Valley Well 5 has been inconsistent and is being investigated.

Blandon pointed out increased water levels at BCVWD Wells 2 and 25. Mr. Jagers explained that BCVWD has made some operational changes in pumping from the area of the mound, not in the west side of the basin.

Two new monitoring wells have been added in the western portion of the basin, Blandon reported.

Chair Vela updated the Committee on Well 15. The anticipated street project that would have affected the well has been shelved.

- C. A Comparison of Production and Allowable Extractions through April 2019

Recommendation: None.

Engineer Blandon explained the purpose of the report and Mr. Jagers noted a correction on the table.

VIII. 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. Discussion of Overlyer return flow credit and how it might be managed

IX. Comments from the Watermaster Committee Members:

Member Warsinski advised that the City of Beaumont will be nominating a primary and alternate member for the Watermaster Committee. He thanked the Committee for its working together for the best for the basin.

X. Announcements

- A. The next regular meeting of the Beaumont Basin Watermaster is scheduled for Wednesday, August 7, 2019 at 10:00 a.m.

XI. Adjournment

Chairman Vela adjourned the meeting at 10:51 a.m.

Attest:

DRAFT UNTIL APPROVED

Daniel Jagers, Secretary
Beaumont Basin Watermaster

Discussion Items

BEAUMONT BASIN WATERMASTER

MEMORANDUM NO. 19-15

Date: June 25, 2019

From: Joseph Zoba, Treasurer

Subject: Consideration of Resolution No. 2019-02 Amending Section 7 of the Rules and Regulations of the Beaumont Basin Watermaster

Recommendation: That the Watermaster Committee adopt Resolution No. 2019-02.

At the Watermaster meeting held on March 6, 2019, the members of the Watermaster Committee discussed the process by which water rights can be transferred from an Overlying Party to an Appropriator Party.

The Committee members Dan Jagers and Joseph Zoba worked together with Legal Counsel Thierry Montoya as members of the ad hoc committee. The ad hoc committee members reviewed the Judgment in detail to ensure that Section 7 of the Rules and Regulations as provided in the attached Resolution No. 2019-02 conforms to the Judgment.

Resolution No. 2019-02 was presented at the Watermaster meeting held on June 5, 2019. However, at this meeting Watermaster Committee member Dan Jagers requested clarification about Section III Declaration and Adjustment of Rights, 3. Adjustment of Rights, Subsection D by Legal Counsel Thierry Montoya. The consideration of Resolution No. 2019-02 was subsequently tabled by the Watermaster Committee members.

Mr. Montoya confirmed by email message on June 5, 2019 that “The proposed Resolution No. 2019-02 is consistent with the Stipulated Judgment’s “Adjustment of Rights” provision and should be recommended for approval”. Therefore a special meeting of the Beaumont Watermaster was arranged for June 25, 2019 to consider the approval of Resolution No. 2019-02.

Resolution No. 2019-02, Amending Section 7 of the Rules and ...



Thierry Montoya <tmontoya@alvaradosmith.com>



To Dan Jagers; darmstrongsmwc@yahoo.com; George Jorritsma;
 Kyle Warsinski; avela@ci.banning.ca.us; Joseph Zoba

06/05/2019

You forwarded this message on 06/05/2019 5:22 PM.

All,

I have reviewed the Stipulated Judgment, in particular, Section III. DECLARATION AND ADJUSTMENT OF RIGHTS, 3 Adjustment of Rights D. In that section, the parties to the Judgment, both overlying and appropriate, stipulated that in instances where an overlying right, "...equal of exceeding the volume of potable groundwater earmarked...., the Appropriator Party which will serve the Overlying Party... [shall]...impose potable water charges and assessments upon the Overlying Party..." as the rates specified in that section. In that same section, it was stipulated among the appropriate and overlying parties to the judgment that the "Appropriator Party...[would refrain from collecting] from such Overlying Party any development charge that may be related to the importation of water in the Beaumont Basin." So the provision is clear in terms of which type of charge will, and will not be imposed on the overlying party under the specified earmarked transfer—as stipulated to by the parties pursuant to the February 4, 2004 filed: "Stipulation for Entry of Judgment Adjudicating Groundwater Rights In The Beaumont Basin."

The proposed Resolution No. 2019-02 is consistent with the Stipulated Judgment's "Adjustment of Rights" provision and should be recommended for approval.

Thierry R. Montoya

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MEMORANDUM

TO: Beaumont Basin Watermaster (“BBW”)
 FROM: Thierry Montoya
 DATE: May 28, 2019
 RE: Resolution of the Beaumont Basin Watermaster to Amend Section 7 of the Rules and Regulations of the Watermaster

As previously azenized, an *Ad Hoc* Committee of the BBW, consisting of Joseph Zoba of the Yucaipa Valley Water District, Dan Jagers of the Beaumont Cherry Valley Water District, and myself, as legal counsel for the BBW, met on April 16, 2019, and again on May 7, 2019, to review and analyze the BBW’s Rules and Regulations (“R&R”) “Adjustment of Rights” language, concerning overlying to appropriative water rights transfers and the accounting for such, for consistency with the February 4, 2004, “Judgment Pursuant to Stipulation Adjudicating Groundwater Rights in the Beaumont Basin’s” relevant water transfer language. The attached Resolution No. 2019-02 (Exhibit “A”) is the result of the *Ad Hoc* Committee’s recommended changes to R&R’s Section 7’s :Adjustment of Rights” language to better comport it to the Judgment.

The Judgment’s and R&R’s Language Regarding Transfer of Overlying Water Rights to an Appropriator

The Judgment defines “overlying parties” as “...owners of land which overlies the Beaumont Basin and have exercised Overlying Water Rights to pump therefrom.” See, Judgment, Introduction, section 3(O), lines 13-17. Appropriators hold an interest in “...the amount of Safe Yield remaining after satisfaction of Overlying Water Rights.” See, Judgment, Introduction, section 3(C), lines 3-4.

Within that legal construct, the Judgment and the R&R “...allow for the transfer of an overlying water right and when transferred to an appropriative party, the former overlying water right becomes an appropriative right “...to the extent their respective properties [the Overlying Properties] receive water service from an Appropriative Party...” See, Judgment, Declaration and Adjustment of Rights, section 1, lines 7:28-8:5. The Judgment further has a provision for the accounting of such transferred rights—from overlying to appropriative—stating, “[t]o the extent any Overlying Party requests, and uses its Exhibit “B”, Column 4 water to obtain water service from an Appropriative Party, an equivalent volume of potable groundwater shall be earmarked by the Appropriative Party which will serve the Overlying Party, up to the volume of the Overlying Water Rights as reflected in Column 4 of Exhibit “B” attached hereto, for the purpose of serving the Overlying Party.” See, Judgment, Declaration and Adjustment of Rights, section 3(B), lines 15-22. In the event that “...the Overlying Party receives water service as provided... the Overlying Party shall forebear the use of that volume of the Overlying Water Right earmarked by the Appropriative Party. The Appropriator Party providing such service shall have the right to produce the volume of water foregone by the

May 28, 2019

Page 2

Overlying Party, in addition to other rights otherwise allocated to the Appropriator Party.” See, Judgment, Declaration and Adjustment of Rights, section 3(C), lines 8:28-9:7; section G, lines 11:9-14; 12:4-7.

As noted above, the Judgment and the Rules are consistent with California law holding that an overlying water right can be terminated, transferred, or abandoned—and when such occurs, the former overlying right becomes appropriative in nature. See, *Fall River Valley Irr. Dist. v. Mt. Shasta Power Corp.* (1927) 202 Cal. 56, 65-- riparian and overlying water rights may also be abandoned by both the concurrence of an intent to abandon and the act of relinquishing possession.

To that extent that R&R, Section 7’s “Adjustments of Rights” provisions were aligned with the Judgment and case law on the issue of water transfers of an overlying right to an appropriative party, that language is set forth in the proposed Resolution No. 2019-02 and its Attachment “A.” Those sections of R&R, Section 7 that were excised were removed as not being sufficiently tied to the Judgment.

Finally, the *Ad Hoc* Committee recommends language for a “Form 5,” as notice of an overlying to appropriative water rights transfer.

SECTION 7 ADJUSTMENTS OF RIGHTS

- 7.0 In General.** Overlying Parties shall have the right to exercise their respective Overlying Water Rights except to the extent provided in Section III, Paragraph 3, entitled Adjustment of Rights, of the Judgment. (Judgment, p. 8, lines 12-14).
- (a) To the extent any Overlying Party requests, and uses its adjudicated water rights to obtain water service from an Appropriator Party, an equivalent volume of potable groundwater shall be earmarked by the Appropriator Party which will serve the Overlying Party, up to the volume of the Overlying Water Rights as reflected in Column 4 of Exhibit "B" of the Judgment, for the purpose of serving the Overlying Party. (Judgment, p. 8, lines 15-27).
 - (b) When an Overlying Party receives water service as provided for in paragraph 7(a), the Overlying Party shall forebear the use of that volume of the Overlying Water Right earmarked by the Appropriator Party. The Appropriator Party providing such service shall have the right to produce the volume of water foregone by the Overlying Party, in addition to other rights otherwise allocated to the Appropriator Party. (Judgment, p. 8, line 28 – p. 9, line 7).
 - (c) Should the volume of the Overlying Water Right equal or exceed the volume of potable groundwater earmarked as provided in paragraph 7(a), the Appropriator Party which will serve the Overlying Party shall:
 - (i) Impose potable water charges and assessments upon the Overlying Party and its successors in interest at the rates charged to the then-existing regular customers of the Appropriator Party, and
 - (ii) Not collect from such Overlying Party any development charge that may be related to the importation of water into the Beaumont Basin.
 - (d) If an Appropriator Party provides recycled water to serve an overlying use served with groundwater, then the Overlying Water Right shall not be diminished by the receipt of recycled water.
- 7.1 Notice of Adjustment of Rights- from an Overlying Pumper to Appropriator.** The Overlying Pumper and Appropriator shall complete a Notice of Adjustment of Rights (Form 5 - Notice to Adjust Rights of an Overlying Party due to Proposed Provision of Water Service by an Appropriator) and file it with the Watermaster ~~within 30 days of entering into a Service Agreement.~~
- (a) Accounting for **Adjustment of Rights Transfers.** Watermaster ~~staff will~~ shall maintain an accounting of acquisitions by Appropriators of water otherwise subject to Overlying Water Rights as the result of the provision of water service by an Appropriator. The Watermaster shall maintain an accounting of all adjustments of rights based on actual meter readings or other measuring devices. The accounting will be presented transfers, and such accounting shall be included in the Annual Report and other relevant Watermaster reports as appropriate.

~~7.2 — Transfer of Water **Between Appropriators**. Any Appropriator may transfer all or any portion of its Appropriator’s Production Right or Operating Yield that is surplus to its needs to another Appropriator in accordance with these Rules and Regulations.~~

~~7.3 — Watermaster Supervision and Approval. Any proposed transfer shall first be approved by the Watermaster and implemented under Watermaster supervision.~~

~~7.4 — Marketing Procedures. An Appropriator wishing to transfer all or any portion of its Appropriator’s Production Right may do so in any one of the following three ways:~~

- ~~(a) — The Appropriator may undertake its own marketing efforts and negotiate an agreement with one or more Appropriators; or~~
- ~~(b) — The Appropriator may request assistance from the Watermaster to conduct a sealed bidding process among the Appropriators and award a contract to the highest bidder; or~~
- ~~(c) — The Appropriator may request the Watermaster to allocate the total amount of water to be transferred to the accounts of the other Appropriators in proportion to their respective shares of the Operating Safe Yield and assess each of the Appropriators for the water at a cost not to exceed a Watermaster-approved Groundwater Replenishment Rate.~~

~~7.5 — Disposition of Revenue. Any revenue generated from the transfer of surplus water shall be used first to reduce or pay off delinquent Annual Administrative Assessments and Annual Replenishment Assessments, if any, and the balance shall be paid over to the transferring party. At the transferring party’s option, the balance may be credited to future Assessments.~~

7.67.2 Accounting for Transfers. The Watermaster shall maintain an accounting of all transfers, and such accounting shall be included in the Annual Report and other relevant Watermaster reports as appropriate.

7.77.3 Availability of Unused Overlying Production and Allocation to the Appropriator Parties. Except as provided for in Section 7.0 herein, to the extent that groundwater pumping by an overlying party to the Judgment does not exceed five times the share of safe yield assigned to the overlying party during any five-year period (see column 4 of Exhibit B to the Judgment), the amount of groundwater not produced by such overlying party pursuant to its rights under the Judgment shall be available for allocation to the appropriator parties in accordance with their respective percentage shares of unused safe yield (see column 3 of Exhibit C to the Judgment). 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. The table below illustrates the allocation process anticipated in the Judgment.

Available Unused Overlying Production in Fiscal	Will be Allocated to the Appropriator Parties in Fiscal
2003/04	2008/09
2004/05	2009/10
2005/06	2010/11

2006/07	2011/12
2007/08	2012/13
2008/09	2013/14
2009/10	2014/15
2010/11	2015/16
2011/12	2016/17
2012/13	2017/18

Groundwater not produced by the overlying parties in accordance with their rights under the Judgment and determined to be available for allocation to the appropriator parties pursuant hereto may be utilized by the appropriator parties in accordance with the terms of the Judgment and these Rules and Regulations. Neither this rule nor its operation shall be deemed or construed in any way to change, limit or otherwise affect any rights awarded to and held by the overlying parties pursuant to the Judgment. Nor shall this rule or its operation result in any liability to the overlying parties or be deemed or construed as a transfer, assignment, forfeiture or abandonment of any overlying rights under the Judgment.

**Adjusted Water Rights Pursuant to Section 3 of the Judgment
(Example Tabulation for Annual Reporting Purposes)**

Overlying Party to the Judgment	2004 Initial Overlying Water Right (acre feet)	2014 Updated Overlying Water Right (acre feet)	Beaumont Cherry Valley Water District		Yucaipa Valley Water District	
			Earmarked	Transferred	Earmarked	Transferred
<u>California Oak Valley Golf and Resort</u>	950.0	735.8	0	0	0	0
<u>Plantation on the Lake</u>	581.0	450.0	0	0	0	0
<u>Sharondale Mesa Owners Association</u>	200.0	154.9	0	0	0	0
<u>Tukwet Canyon Golf Club</u>	2,200.0	1704.0	0	0	0	0
<u>Rancho Calimesa Mobile Home Park</u>	150.0	116.2	0	0	0	0
<u>Gutierrez, Hector, et.al.</u>	10.0	7.7	0	0	0	0
<u>Darmont, Boris and Miriam</u>	2.5	1.9	0	0	0	0
<u>Aldama, Nicolas and Amalia</u>	7.0	5.4	0	0	0	0
<u>McAmis, Ronald L.</u>	5.0	3.9	0	0	0	0
<u>Nikodinov, Nick</u>	20.0	15.5	0	0	0	0
<u>Beckman, Walter M.</u>	75.0	58.1	0	0	0	0
<u>Albor Properties III</u>	300.0	232.4	0	0	0	0
<u>Sterns, Leonard M. and Dorothy D.</u>	200.0	154.9	0	0	0	0
<u>Sunny-Cal Egg and Poultry Company</u>	1,439.5	1,115.0	0	0	0	0
<u>Merlin Properties</u>	550.0	426.0	0	0	0	0
<u>Oak Valley Partners</u>	1,806.0	1,215.85	0	0	2.65	180.40
<u>Roman Catholic Bishop of San Bernardino</u>	154.0	119.3	0	0	0	0
Total	8,650.0¹		0	0	6,700.0²	

1. Original Safe Yield - February 4, 2004
 2. Recalculated Safe Yield - Resolution No. 2015-01

Beaumont Basin Watermaster - Form 5

NOTICE TO ADJUST RIGHTS OF AN OVERLYING PARTY DUE TO PROPOSED PROVISION OF WATER SERVICE BY AN APPROPRIATOR

Please take notice that _____ (“Appropriator”) proposes to provide retail water service to _____ (“Overlying Owner”) and that _____ acre feet (“Earmarked Water”) of Overlying Water Rights will be transferred to the Appropriator when the Overlying Owner receives water service.

Notice is hereby given that the Watermaster will reduce the Overlying Owner’s Overlying Water Right(s) (as shown in Exhibit B, Column 4 of the Judgment and modified by the redetermination of safe yield) by the amount of Earmarked Water and adjust the Appropriative Water Rights of the Appropriator effective on the day when water service is first provided by the Appropriator.

OVERLYING OWNER

APPROPRIATOR

Overlying Party

Appropriator Party

Authorized Agent – Print Name

Authorized Agent – Print Name

Title

Title

Signature

Signature

Date

Date

Address for Notice

Address for Notice

Telephone

Telephone

Email Address

Email Address

<u>For Watermaster Use</u>
<u>Date Form is Received:</u>
<u>Date Earmarked Water is First Used:</u>

Beaumont Basin Watermaster - Form 7

NOTICE OF TRANSFER OF APPROPRIATOR PRODUCTION RIGHT OR OPERATING YIELD BETWEEN APPROPRIATORS
Calendar Year

Notice is hereby given that commencing on January 1, _____ and terminating on December 31, _____ (“Transferor”) hereby transfers to _____ (“Transferee”) the quantity of _____ acre-feet of corresponding Appropriator Production Right or Operating Yield adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of SAN TIMOTEO WATERSHED MANAGEMENT AUTHORITY vs. CITY OF BANNING, et. Al., RIC 389197, entered on February 4, 2004.

TRANSFEROR

TRANSFEEEE

Entity Name

Entity Name

Authorized Agent – Print Name

Authorized Agent – Print Name

Title

Title

Signature

Signature

Date

Date

Address for Notice

Address for Notice

Telephone

Telephone

Email Address

Email Address

<u>For Watermaster Use</u>
<u>Date Form is Received:</u>
<u>Date Earmarked Water is First Used:</u>

RESOLUTION NO. 2019-02**A RESOLUTION OF THE BEAUMONT BASIN WATERMASTER TO AMEND SECTION 7 OF THE RULES AND REGULATIONS OF THE WATERMASTER**

WHEREAS, the Stipulated Judgment establishing the Beaumont Basin Watermaster (Riverside Superior Court Case No. 389197) empowers the Beaumont Basin Watermaster to adopt appropriate rules and regulations for the conduct of Watermaster affairs.

NOW, THEREFORE, BE IT RESOLVED BY THE BEAUMONT BASIN WATERMASTER AS FOLLOWS:

1. The Beaumont Basin Watermaster hereby rescinds Section 7 of the Beaumont Basin Watermaster Rules and Regulations in its entirety and replaces Section 7 of the Beaumont Basin Watermaster Rules and Regulations as provided in Attachment A. .
2. The Beaumont Basin Watermaster hereby adopts Form 5 entitled, "Notice to Adjust Rights of an Overlying Party due to Proposed Provision of Water Service by an Appropriator", and Form 7 entitled, "Notice of Transfer of Appropriator Production Right or Operating Yield Between Appropriators" as provided in Attachment A.
3. The Secretary of the Watermaster is hereby authorized and directed to disseminate copies of this Resolution to all pumpers within the Beaumont Basin and other interested parties, and to incorporate such Amendment in the Rules and Regulations of the Watermaster and maintain same on its website for reference.

PASSED AND ADOPTED this 5th day of June 2019.

BEAUMONT BASIN WATERMASTER

By:

Art Vela, Chairman of the
Beaumont Basin Watermaster

Attachment A

SECTION 7 ADJUSTMENTS OF RIGHTS

- 7.0 In General.** Overlying Parties shall have the right to exercise their respective Overlying Water Rights except to the extent provided in Section III, Paragraph 3, entitled Adjustment of Rights, of the Judgment. (Judgment, p. 8, lines 12-14).
- (a) To the extent any Overlying Party requests, and uses its adjudicated water rights to obtain water service from an Appropriator Party, an equivalent volume of potable groundwater shall be earmarked by the Appropriator Party which will serve the Overlying Party, up to the volume of the Overlying Water Rights as reflected in Column 4 of Exhibit "B" of the Judgment, for the purpose of serving the Overlying Party. (Judgment, p. 8, lines 15-27).
 - (b) When an Overlying Party receives water service as provided for in paragraph 7(a), the Overlying Party shall forebear the use of that volume of the Overlying Water Right earmarked by the Appropriator Party. The Appropriator Party providing such service shall have the right to produce the volume of water foregone by the Overlying Party, in addition to other rights otherwise allocated to the Appropriator Party. (Judgment, p. 8, line 28 – p. 9, line 7).
 - (c) Should the volume of the Overlying Water Right equal or exceed the volume of potable groundwater earmarked as provided in paragraph 7(a), the Appropriator Party which will serve the Overlying Party shall:
 - (i) Impose potable water charges and assessments upon the Overlying Party and its successors in interest at the rates charged to the then-existing regular customers of the Appropriator Party, and
 - (ii) Not collect from such Overlying Party any development charge that may be related to the importation of water into the Beaumont Basin.
 - (d) If an Appropriator Party provides recycled water to serve an overlying use served with groundwater, then the Overlying Water Right shall not be diminished by the receipt of recycled water.
- 7.1 Notice of Adjustment of Rights from an Overlying Pumper to an Appropriator.** The Overlying Pumper and Appropriator shall complete a Notice of Adjustment of Rights (Form 5 - Notice to Adjust Rights of an Overlying Party due to Proposed Provision of Water Service by an Appropriator) and file it with the Watermaster.
- (a) Accounting for Transfers. Watermaster shall maintain an accounting of acquisitions by Appropriators of water otherwise subject to Overlying Water Rights as the result of the provision of water service by an Appropriator. The Watermaster shall maintain an accounting of all transfers, and such accounting shall be included in the Annual Report and other relevant Watermaster reports as appropriate.
- 7.2 Transfer of Water Between Appropriators.** Any Appropriator may transfer all or any portion of its Appropriator's Production Right or Operating Yield that is surplus to its needs to another Appropriator in accordance with these Rules and Regulations. The

Watermaster shall maintain an accounting of all transfers, and such accounting shall be included in the Annual Report and other relevant Watermaster reports as appropriate.

7.3 Availability of Unused Overlying Production and Allocation to the Appropriator Parties. Except as provided for in Section 7.0 herein, to the extent that groundwater pumping by an overlying party to the Judgment does not exceed five times the share of safe yield assigned to the overlying party during any five-year period (see column 4 of Exhibit B to the Judgment), the amount of groundwater not produced by such overlying party pursuant to its rights under the Judgment shall be available for allocation to the appropriator parties in accordance with their respective percentage shares of unused safe yield (see column 3 of Exhibit C to the Judgment). 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. The table below illustrates the allocation process anticipated in the Judgment.

Available Unused Overlying Production in Fiscal	Will be Allocated to the Appropriator Parties in Fiscal
2003/04	2008/09
2004/05	2009/10
2005/06	2010/11
2006/07	2011/12
2007/08	2012/13
2008/09	2013/14
2009/10	2014/15
2010/11	2015/16
2011/12	2016/17
2012/13	2017/18

Groundwater not produced by the overlying parties in accordance with their rights under the Judgment and determined to be available for allocation to the appropriator parties pursuant hereto may be utilized by the appropriator parties in accordance with the terms of the Judgment and these Rules and Regulations. Neither this rule nor its operation shall be deemed or construed in any way to change, limit, or otherwise affect any rights awarded to and held by the overlying parties pursuant to the Judgment. Nor shall this rule or its operation result in any liability to the overlying parties or be deemed or construed as a transfer, assignment, forfeiture, or abandonment of any overlying rights under the Judgment.

Adjusted Water Rights Pursuant to Section 3 of the Judgment
 (Example Tabulation for Annual Reporting Purposes)

Overlying Party to the Judgment	2004 Initial Overlying Water Right (acre feet)	2014 Updated Overlying Water Right (acre feet)	Beaumont Cherry Valley Water District		Yucaipa Valley Water District	
			Earmarked	Transferred	Earmarked	Transferred
California Oak Valley Golf and Resort	950.0	735.8	0	0	0	0
Plantation on the Lake	581.0	450.0	0	0	0	0
Sharondale Mesa Owners Association	200.0	154.9	0	0	0	0
Tukwet Canyon Golf Club	2,200.0	1704.0	0	0	0	0
Rancho Calimesa Mobile Home Park	150.0	116.2	0	0	0	0
Gutierrez, Hector, et.al.	10.0	7.7	0	0	0	0
Darmont, Boris and Miriam	2.5	1.9	0	0	0	0
Aldama, Nicolas and Amalia	7.0	5.4	0	0	0	0
McAmis, Ronald L.	5.0	3.9	0	0	0	0
Nikodinov, Nick	20.0	15.5	0	0	0	0
Beckman, Walter M.	75.0	58.1	0	0	0	0
Albor Properties III	300.0	232.4	0	0	0	0
Sterns, Leonard M., and Dorothy D.	200.0	154.9	0	0	0	0
Sunny-Cal Egg and Poultry Company	1,439.5	1,115.0	0	0	0	0
Merlin Properties	550.0	426.0	0	0	0	0
Oak Valley Partners	1,806.0	1,215.85	0	0	2.65	180.40
Roman Catholic Bishop of San Bernardino	154.0	119.3	0	0	0	0
Total	8,650.0¹				6,700.0²	

1. Original Safe Yield - February 4, 2004
 2. Recalculated Safe Yield - Resolution No. 2015-01

NOTICE TO ADJUST RIGHTS OF AN OVERLYING PARTY DUE TO PROPOSED PROVISION OF WATER SERVICE BY AN APPROPRIATOR

Please take notice that _____ (“Appropriator”) proposes to provide retail water service to _____ (“Overlying Owner”) and that _____ acre feet (“Earmarked Water”) of Overlying Water Rights will be transferred to the Appropriator when the Overlying Owner receives water service.

Notice is hereby given that the Watermaster will reduce the Overlying Owner’s Overlying Water Right(s) (as shown in Exhibit B, Column 4 of the Judgment and modified by the redetermination of safe yield) by the amount of Earmarked Water and adjust the Appropriative Water Rights of the Appropriator effective on the day when water service is first provided by the Appropriator.

OVERLYING OWNER

APPROPRIATOR

Overlying Party	Appropriator Party
Authorized Agent – Print Name	Authorized Agent – Print Name
Title	Title
Signature	Signature
Date	Date
Address for Notice	Address for Notice
Telephone	Telephone
Email Address	Email Address

For Watermaster Use
Date Form is Received:
Date Earmarked Water is First Used:

Beaumont Basin Watermaster - Form 7

NOTICE OF TRANSFER OF APPROPRIATOR PRODUCTION RIGHT OR OPERATING YIELD BETWEEN APPROPRIATORS
Calendar Year _____

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TRANSFEROR

TRANSFEEEE

Entity Name

Entity Name

Authorized Agent – Print Name

Authorized Agent – Print Name

Title

Title

Signature

Signature

Date

Date

Address for Notice

Address for Notice

Telephone

Telephone

Email Address

Email Address

For Watermaster Use
Date Form is Received:
Date Earmarked Water is First Used:

Facts About the Beaumont Basin Watermaster

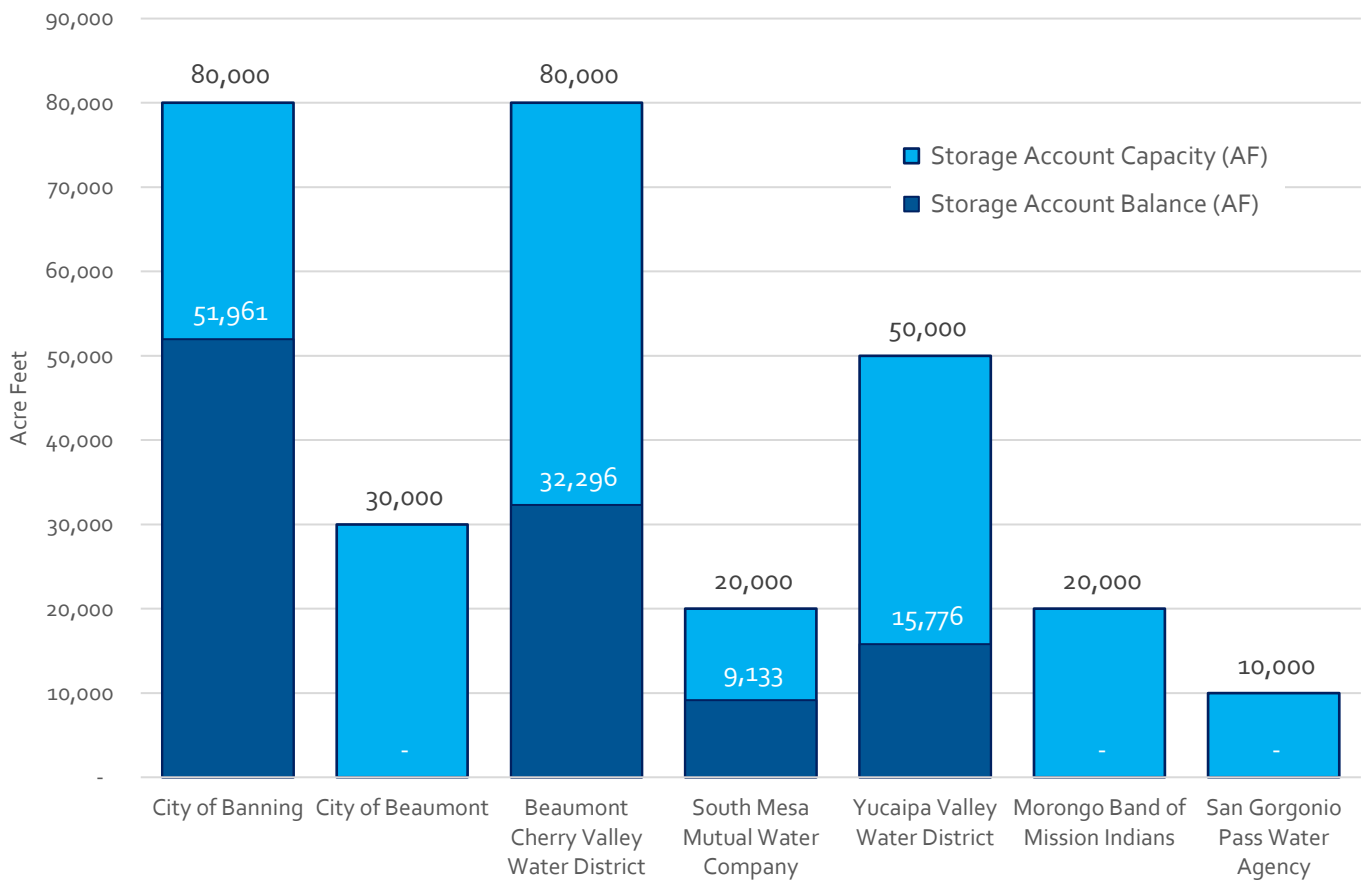
Authority and Formation: Case No. RIC 389197 – A Stipulated Agreement signed by Honorable Judge Gary Tranbarger of the Superior Court of the State of California, County of Riverside on February 4, 2004 (the “Judgment”).

Online Documentation: www.beaumontbasinwatermaster.org

Watermaster Members:

- City of Banning
 - Arturo Vela and Luis Cardenas
- City of Beaumont
 - _____ and Kyle Warsinski
- Beaumont Cherry Valley Water District
 - Dan Jagers and Mark Swanson
- South Mesa Mutual Water Company
 - George Jorritsma and David Armstrong
- Yucaipa Valley Water District
 - Joseph Zoba and Jennifer Ares

Storage Account Balances (as of December 31, 2017)



Original Safe Yield Determination (2004): 8,650 acre feet per year
 Safe Yield Re-evaluation (2014): 6,700 acre feet per year
 Safe Yield Re-evaluation (2024): To be determined

Overlying Party to the Judgment	2004 Initial Overlying Water Right (acre feet)	2014 Updated Overlying Water Right (acre feet)
California Oak Valley Golf and Resort	950.0	735.8
Plantation on the Lake	581.0	450.0
Sharondale Mesa Owners Association	200.0	154.9
Tukwet Canyon Golf Club	2,200.0	1704.0
Rancho Calimesa Mobile Home Park	150.0	116.2
Gutierrez, Hector, et.al.	10.0	7.7
Darmont, Boris and Miriam	2.5	1.9
Aldama, Nicolas and Amalia	7.0	5.4
McAmis, Ronald L.	5.0	3.9
Nikodinov, Nick	20.0	15.5
Beckman, Walter M.	75.0	58.1
Albor Properties III	300.0	232.4
Sterns, Leonard M. and Dorothy D.	200.0	154.9
Sunny-Cal Egg and Poultry Company	1,439.5	1,115.0
Merlin Properties	550.0	426.0
Oak Valley Partners	1,806.0	1,398.9
Roman Catholic Bishop of San Bernardino	154.0	119.3
Total	8,650.0	6,700.0

Transfer of Overlying Rights to Overlying-Appropriative Rights:

Beaumont Basin Watermaster Resolution No. 17-02 adopted on August 30, 2017 transferred all of the overlying water rights from Oak Valley Partners to Yucaipa Valley Water District.

Summary of Assigned Overlying-Appropriative Rights	Watermaster Notification Date	Earmarked Amount (acre feet)
Assignment No. 1 to Yucaipa Valley Water District	3/28/2018	90.94
Assignment No. 2 to Yucaipa Valley Water District	8/1/2018	59.89
Assignment No. 3 to Yucaipa Valley Water District	10/3/2018	29.57
Assignment No. 4 to Yucaipa Valley Water District	2/6/2019	2.65
Total		183.05

Financial Information:

Each year the Beaumont Basin Watermaster has an independent accountant's review of the financial standing. The following illustration provides a summary of the annual revenue and expenditure information since the formation of the Beaumont Basin Watermaster.

