

AGENDA

HEMET – SAN JACINTO WATERMASTER BOARD OF DIRECTORS

May 22, 2017

4:00 pm

EMWD - Board Room
2270 Trumble Road, Perris, CA 92750

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

I. PUBLIC COMMENTS

Any person may address the Board on any subject within the Watermaster's jurisdiction which is not on the agenda. However, any non-agenda matter that requires action will be referred to staff for a report and action at a subsequent Board meeting. Any person may also address the Board on any agenda matter at the time that matter is discussed, prior to Board action.

II. ADDITIONS/DELETIONS TO THE AGENDA

III. REPORTS

The following agenda items are reports. They are placed on the agenda to provide information to the Board and public. There is no action called for in these items.

A. Board Member Comments/Questions/Reports

- Rules and Regulations Committee.
- Reserves and Investments Committee.

B. Advisor Report

C. Legal Counsel Report

D. Treasurer Report

IV. CONSENT CALENDAR

A. Approval of Minutes – February 27, 2017 Regular Board Meeting.

Recommendation: Adopt a motion to approve item B on the Consent Calendar.

Consent Calendar items are expected to be routine and non-controversial and are to be acted upon by the Board at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it will be removed from the Consent Calendar for separate action.

V. ACTION ITEMS

The following items call for discussion and possible action by the Board. These items are placed on the Agenda so that the Board may discuss and possibly take action on the items if the Board desires.

- A. Consideration to Adopt Resolution 1.4 Changing the Regular Meeting Time to 4:00 p.m. and Permitting Temporary Changes - Summary of the Resolution 1.4 and proposed changes.
Recommendation: Adopt a motion to approve Resolution 1.4.
- B. 2016 Financial Audit – Oral summary of the 2016 Audit Report.
Recommendation: Adopt a motion to receive and submit the 2016 Financial Audit Report as part of the Watermaster 2016 Annual Report to the Court.
- C. Consideration to Approve 2017 Water Resources Monitoring Program Support Services Task Order with EMWD – Oral summary of the proposed Task Order.
Recommendation: Adopt a motion to approve EMWD Water Resources Monitoring Support Services Task Order Number 9 for an amount not-to-exceed \$156,218.
- D. 2016 Carry-Over Credit Accounts – Summary of the Carry-Over Credit Accounts as of December 31, 2016.
Recommendation: Receive and File Carry-over Credit Account Balances.
- E. Gravel Pit Dewatering Project – Request to negotiate agreements with the Soboba Tribe and EMWD to start the project in July or August 2017.
Recommendation: Appropriate \$57,600 from the 2017 Budget for the Gravel Pit Dewatering Project, Authorize the Advisor to negotiate a cost sharing agreement with the Soboba Tribe, and execute any necessary agreement(s) for the dewatering project in an amount not-to-exceed \$57,600.

VI. INFORMATIONAL ITEMS/CORRESPONDENCE

- A. Status of the Department of Water Resources Reporting Under Water Code 10720 – Summary of the information that was provided to DWR as part of the Sustainable Groundwater Management Act requirements.
- B. Insurance Agreement with Edgewood Partners Insurance Center – New insurance agreement effective April 1, 2017 - March 31, 2018 for general liability, public officials' liability, and excess liability coverage with Allied World Assurance Company for \$3,102 per year.
- C. Status of the Canyon Operating Plan – Presentation by EMWD, on the status of the Operating Plan for Canyon Management Zone, a joint project between Soboba Tribe, EMWD, and LHMWD.
- D. Updated Information on the 2016 Annual Report – Presentation to summarize changes/comments that were included on the 2016 Annual Report after Board's approval of the report on February 22, 2016.

- E. Status of the Soboba Imported Water Recharge - Presentation by EMWD, on the status of the Soboba Imported Water deliveries and recharge at the Grant Avenue and IRRP ponds.
- F. Future Agenda Items - If Board Members have items for consideration at a future Board Meeting, please state the agenda item to provide direction to the Advisor.

VII. CLOSED SESSION - NONE

VIII. ADJOURNMENT

Next Regular Board of Directors Meeting

August 28, 2017 at 4:00 pm. at:

Eastern Municipal Water District Board Room
2270 Trumble Road, Perris, CA 92750

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Pursuant to Government Code Section 54957.5, any writing that (a) is a public record; (b) relates to an agenda item for an open session of a regular meeting of the Watermaster Board of Directors; and (c) is distributed less than 72 hours prior to that meeting, will be made available for public inspection at the time the writing is distributed to the Board of Directors. Any such writing will be available for public inspection at Watermaster's office located at 2270 Trumble Road, Perris, CA 92750.



1295 Corona Pointe Court, Suite 104, Corona CA 92879 • Telephone: (714) 707-4787

Watermaster Board

To: Hemet-San Jacinto Watermaster Board of Directors

Chair

Linda Krupa

From: Board Treasurer

Vice-Chair

Rick Hoffman

Date: May 22, 2017

Secretary-Treasurer

Philip E. Paule

The Board Treasurer has reviewed and approved the following account information:

Board Members

Andrew Kotyuk
Bruce Scott

Board Alternates

Russ Brown
Todd Foutz
Scott Miller
Steven A. Pastor
Randy A. Record

Advisor

Behrooz Mortazavi

Legal Counsel

Lagerlof, Senecal,
Gosney & Kruse

Total Cash and Investments as of January 31, 2017		\$1,382,451.99
Revenues for February 1, 2017 – April 30, 2017:		
City of San Jacinto (4/24/17)	\$ 6,862.50	
Total Received	\$ 6,862.50	
Payments for February 1, 2017 – April 30, 2017:		
Water Resources Engineers (2/9, 2/27 & 4/4/17)	\$ 57,319.10	
L, S, G &K (2/17 & 4/10/17)	\$ 4,260.00	
EMWD (4/11/17)	\$ 215,488.78	
Bell Bookkeeping (2/14, 3/2 & 4/11/17)	\$ 1,000.00	
Total Payments	\$ 278,067.88	
Cash Flow for February 1, 2017 – April 30, 2017:		(\$271,205.38)
Other Income/Expense for February 1, 2017 – April 30, 2017:		
Savings Interest	\$ 351.33	
Other Expense/Fees	\$ 0.00	
Total Other Income/Expense		\$ 351.33
Total Cash and Investments as of April 30, 2017		\$ 1,111,597.94

Pending Receivables:

City of Hemet	\$ 17,814.66
EMWD	(\$ 46,062.03)
LHMWD	<u>\$ 48,854.59</u>

Total Pending Receivables

\$ 20,607.22

Pending Payments:

Water Resources Engineers (4/13/17)	\$ 13,167.77
L, S, G & K (4/13/17)	\$ 2,450.00
Edgewood Partners Insurance (4/13/17)	\$ 3,102.00
Bell Bookkeeping (4/13/17)	<u>\$ 250.00</u>

Total Pending Payments

\$ 18,969.77

2016 Budget Items	Allocations	Revised Budget (May 16, 2016)	Commitments (As of April 30, 2017)
In-Lieu Program Agreement	\$156,000	\$156,000	\$185,919.25
EMWD/Watermaster Support Services			
Groundwater Monitoring Program	\$148,000	\$150,000	\$ 98,008.08
Soboba Gravel Pit Project			
Dewatering	\$ 49,000	\$ 0	
De-silting	\$ 0	\$ 0	
Organization Operation & Management			
Financial Support Services	\$ 9,000	\$ 9,000	\$ 7,500.00
Legal Counsel Contract	\$ 30,000	\$ 30,000	\$ 23,667.51
Advisor Contract	\$160,000	\$160,000	\$159,972.36
Administrative Support	\$ 12,000	\$ 12,000	\$ 12,376.00
Insurance; Office Supplies & Other Direct Costs	\$ 7,500	\$ 7,500	\$ 6,980.26
Database/Mapping Application Maintenance	\$ 5,250	\$ 5,250	\$ 5,000.00
Additional Projects/Activities			
Monitoring Program Enhancement Project	DWR	DWR	
Construction of One Monitoring Well	\$300,000	\$ 0	
Develop Field Data Validation Application	\$ 10,000	\$ 10,000	
TOTALS	\$886,750	\$539,750	\$ 499,423.46

2017 Budget Items	Allocations	Revised Budget	Commitments (As of April 30, 2017)
In-Lieu Program Agreement	\$ 189,000		
EMWD/Watermaster Support Services			
Groundwater Monitoring Program	\$ 156,220		
Video Inspection of Well Casings	\$ 60,000		
Soboba Gravel Pit Project			
Dewatering	\$ 57,600		
Organization Operation & Management			
Financial Support Services	\$ 10,500		\$ 750.00
Legal Counsel Contract	\$ 35,000		\$ 4,700.00
Advisor Contract	\$ 170,000		\$ 44,609.28
Administrative Support	\$ 14,000		\$ 3,411.20
Insurance; Office Supplies & Other Direct Costs	\$ 7,500		\$ 3,927.75
Database/Mapping Application Maintenance	\$ 5,250		
Additional Projects/Activities			
Storage Project Evaluation	\$ 100,000		
TOTALS	\$ 805,070		\$ 57,398.23

Minutes
Hemet-San Jacinto Watermaster Board of Directors Meeting
Eastern Municipal Water District
February 27, 2017

The Watermaster Board of Directors met in Regular Session in the Board Room at EMWD Headquarters, 2270 Trumble Road, Perris, California, on *Monday, February 27, 2017*. The meeting was called to order by Chair Krupa at 3:05 p.m.

Board Members Present: Linda Krupa, Chair
Rick Hoffman, Vice-Chair
Andrew Kotyuk, Board Member
Bruce Scott, Board Member (3:51)

Board Member(s) Absent: Phil Paule, Secretary/Treasurer

Board Alternate (s) Present: David Slawson

Watermaster Staff Present: Thomas Bunn, Legal Counsel (Lagerlof, Senecal, Gosney & Kruse)
Behrooz Mortazavi, Advisor (Water Resources Engineers)
Michelle Mayorga, Executive Assistant (Water Resources Engineers)

EMWD Staff Present: Paul Jones, General Manager
Joe Mouawad, Assistant General Manager of Planning, Engineering and Construction
Nick Kanetis, Deputy General Manager
Kelley Gage, Senior Director of Planning and Regulatory Compliance
Brian Powell, Director of Groundwater Management & Facilities Planning
Mike Nusser, Water Resources Planning Manager

City of Hemet Staff Present: Kris Jensen, Public Works Director

City of San Jacinto Staff Present: Dan Mudrovich, Utilities Superintendent
Steve Johnson, Consultant

Lake Hemet Staff Present: Tom Wagoner, General Manager

Others Present: Frank Coate, Soboba Tribe Representative

Pledge of Allegiance

The Pledge of Allegiance to the Flag of the United States was led by Mr. Andrew Kotyuk at the request of Chair Krupa.

Ms. Mayorga conducted the roll call. Ms. Krupa, Mr. Hoffman, Mr. Kotyuk and Mr. Scott were present. Mr. Paule Alternate, Mr. Slawson was present.

I. PUBLIC COMMENTS –*Speakers are requested to limit comments to 3 minutes.*

None

II. ADDITIONS/DELETIONS TO AGENDA

Mr. Mortazavi requested deletion of Item V.B, 2016 Financial Audit. The Audit report is not completed yet. This will be presented at the May 22, 2017 meeting.

III. REPORTS

A. Board Members Comments/Questions/Reports

- Rules and Regulations Committee Report

On behalf of the Rules and Regulations Committee, Ms. Gage presented findings from their February 21, 2017 meeting. The committee met to review the existing documents and identified 8 issue areas for consideration and developed a recommendation for each issue area. The first issue was the Records Management/Retention policy. There is currently no record retention policy. It is recommended that the Board adopt a Records Management and Retention Policy and add the adopted policy language to the Rules & Regulations, Section 6.b. The second issue area is how to update the Rules & Regulations. There is no formal process defined as to how the Rules & Regulations are updated and amended. Currently the Rules & Regulations has to go to the court for approval. The other issue is that the Rules & Regulations language are cut and pasted from the Stipulated Judgement with no reference that it came from the Stipulated Judgment. It is recommended that the Board adopt a policy that outlines the process on how to change the Rules & Regulations, and then insert that language into the Rules and Regulations. The policy should state that the Board will change the Rules & Regulations through adoption of policies or resolutions, or by amended language. The policy should also denote the frequency by which the Rules & Regulations get updated and amended (annually/biennially). The amended Rules and Regulations would be required to be submitted to the court for approval, per the Stipulated Judgment. The third issue is that there is no formal procedure to add items to the Watermaster Board Agenda. Currently, the Rules and Regulations states that the Advisor shall prepare the agenda. The recommendation of the committee, is to add new language to the Rules & Regulations that states a Board Member who wishes to add an agenda item, shall make the request through the Board Chair and the Board Chair will make that request to the Advisor. The Advisor will then bring it to the TAC Meeting for discussion. Mr. Mortazavi mentioned that the current process that he follows is bringing the Draft Board Agenda to the TAC meeting for review and discussion. TAC can add items to the Agenda, but usually does not revise the proposed Board Agenda. Mr. Hoffman asked if TAC has the final say as to whether the item will be brought to the Board? Ms. Krupa suggested that the wording be changed so that a Board Member could add an item to the Board Agenda through the Board Chair, as well as a TAC Member may also add an item to the Board Agenda. Mr. Bunn commented that the determination of what goes on the Agenda is up to the Board. However, since the Board does not meet prior to the Board meeting, it is good practice, that if a Board Member would like to add an item to the Agenda, it goes on the Agenda. It is then, at the Board Meeting that the Board Members can decide what to do. The

fourth issue was the interpretation of the Stipulated Judgment or Rules & Regulation. The discussion was centered around the Soboba accounting change and more clarification on the process as to how decisions are made in terms of interpretation of the Stipulated Judgment or the Rules & Regulations. It is recommended that language be added to the Rules & Regulations that the Advisor will bring all operating or accounting matters that rely on interpretation of the Stipulated Judgment or the Rules & Regulations to the Watermaster Board for the direction and or approval. Ms. Gage then said that the discussion turned to other agreements. The Watermaster is not a party to the Soboba Settlement Agreement, Phase I Agreement or the Canyon Operating Plan. The committee agreed that the Advisor will also bring these matters to the Board for their information or approval as well. Mr. Hoffman commented that this will clear things up and give direction to the Advisor since these agreements affect the Watermaster even though the Watermaster is not a party in these agreements. The fifth issue discussed, was the evaluation of the Watermaster Advisor's approval authority and limits. The Resolutions have already been adopted, language will need to be added. Ms. Krupa asked Mr. Bunn for his opinion. Mr. Bunn said it is an excellent idea, however, he wanted to clarify his understanding of what Ms. Gage is proposing. He said that the Board can adopt Resolutions throughout the year as needed, and periodically incorporate those into the Rules & Regulations. Ms. Gage confirmed. The sixth issue discussed was the term or renewal provisions with the Watermaster regarding the Advisor and Legal Contracts. The committee recommended restructure of the Watermaster Advisor and Legal contracts to add a term Limit of three years, including a mid-point (18-month) evaluation of services provided, and optional renewal of contract after the initial term. Per the Stipulated Judgment Section 9.4, the retention/renewal of Advisor services requires four affirmative votes. Termination is by three affirmative votes. Mr. Hoffman asked when these term limits would begin. Ms. Gage said that the committee will meet again to review and redline the agreements. Mr. Kotyuk asked why there only needs to be three affirmative votes for termination when four votes are required for retention? It was agreed by the Board that the language for termination for both Advisor and Legal Counsel, should be changed from three to four affirmative votes to maintain consistency. The last issue was the Watermaster Budget Approval Process. There needs to be time to review the Annual Budget prior to its approval. Currently it is reviewed and approved on the same day. It is recommended that the Rules and Regulations should be changed to say, the draft budget will be distributed to the Board members on or before September 30th. A Special Board Budget Workshop meeting date will be selected at the Board's regular scheduled August Board Meeting. The Special Budget Workshop will be held after September 30, but prior to the next regular Board Meeting. The committee will develop the proposed recommended policies and language that will be inserted into the Rules & Regulations, including the restructure of the services contracts with the Advisor and Legal Counsel. The redline version of the Rules & Regulations, as well as the Advisor and Legal Counsel Agreements, will be brought back the Board at the next regular scheduled Board Meeting in May. Mr. Bunn asked with the Boards permission, he would like an opportunity to have some input into the committee process before it is brought back for adoption. He is concerned with the wording of the proposed language that will be added. Ms. Krupa said that this would be a good idea to take this information that was presented today and have each entities Legal Counsel review the proposed information. Mr. Hoffman asked Ms. Gage to incorporate the language that was changed here at this Board Meeting today and send out an update for all Legal Entities to review.

Rules and Regulations Committee Brief is included as Attachment 1

- Reserves and Investments Committee Report

Mr. Hoffman explained that there are many restrictions that the Watermaster can impose on its money. There is not a reserve goal, however, we would like to stay very "liquid" so that the Watermaster could buy water if it becomes available at an attractive rate. Mr. Kotyuk said this

would help to determine the Administrative Assessment contributions for each year. The recommendations are to identify and strengthen the “Prudent Man Rule”; limit maturities to 12 months or less; timing of investments and maturities; investments shall be single A credit rating or higher; bank should provide a letter of collateral if investments are invested in only CD’s where the amount exceeds FDIC limits, Bond insurance is acceptable from amounts invested in corporate fixed income; and reserve funds goal to be set at \$1,000,000. The line item “prudent Man Rule” should be included in Reserves and Investments Policy and the rest should be noted in the Rules & Regulations. Mr. Bunn will provide a draft Reserves and Investments Policy at the next Board Meeting.

Reserves and Investments Committee Report Presentation is included as Attachment 2

- Board Members Comments/Questions

Mr. Kotyuk has a scheduling conflict on the Board Meeting day. He would like to propose a date or time change so that he can continue to serve on this Board. After much discussion, it was decided to move the meeting time to 4:00 PM on the fourth Mondays. Mr. Bunn said that a Resolution would be necessary to change the time of the Board Meetings, however, a temporary change for the time of the May 22, 2017 meeting could be motioned today and then the Resolution would be approved at the next Board Meeting.

Approval of Time Change for Regular Board Meetings

Recommendation: Adopt a motion to approval the Hemet – San Jacinto Watermaster Board Meetings to begin at 4:00 PM on May 22, 2017.

Motion: Kotyuk

Noes:

Seconded: Hoffman

Abstain:

Ayes: Krupa, Scott, Slawson

Absent:

B. Advisor Report

Mr. Mortazavi provided a report on recent Watermaster Activities. Attachment 3 shows the complete Advisor Report.

Most of the coordination activities with EMWD have been related to the Drafting of the 2016 Annual Report, and monitoring program data processing. EMWD recharged about 12,700 AF of the Soboba Imported Water in the Integrated Recharge and Recovery Project (IRRP) and Grant Avenue ponds. EMWD will provide more information on this topic under Item VI-B. EMWD Board has approved RMC (consultant that developed the Groundwater Model and the Management Plan) contract that will provide information related to the EMWD’s proposed Santa Ana River Conservation and Conjunctive Use Project (SARCCUP). This project is jointly funded by EMWD and Watermaster. The information provided by this project will help to answer questions raised by TAC and Soboba in the development of the Storage Agreement framework. EMWD will provide more information on this topic under Item VI-A.

All Public Agencies have paid two of their invoices for 2016 Administrative Assessment. The third set of invoices for the 2016 Administrative Assessments will be mailed out in mid-April. EMWD’s production using Carry-over accounts not subject to Administrative Assessment was more than originally estimated. Therefore, EMWD’s existing payments for 2016 exceeded the actual required Administrative Assessments, and EMWD will have a credit of about \$46,000. EMWD’s TAC Representatives have agreed to use this credit against EMWD’s 2017 Administrative Assessments. The Treasurer Report will be provided under Item III-D.

The Technical Advisory Committee (TAC) had one regular meeting on February 13, 2017, and the major discussion items at the meeting were:

- Draft 2016 Annual Report;
- Groundwater Storage Change Calculations;
- Corrections to the Unused Soboba Imported Water Calculations; and
- Review of the February 27, 2017 Watermaster Board meeting agenda.

TAC Members received an electronic copy of the Draft 2016 Annual Report, and their comments will be incorporated in the Final 2016 Annual Report. The Report is expected to be finalized in late March, and hard copies of the Report will be provided to the Board Members at a later Watermaster Board meeting.

There has not been much activity on the Enhanced Groundwater Monitoring Project (EGMP) due to EMWD staff time limitations. The goal is to use EGMP results for the 2018 Monitoring Program Contract with EMWD. Database and mailing list cleanup for Class A and B participants is an ongoing updating activity that is worked on. The 2016 Financial Audit is in preliminary draft format. The draft Audit Report is being reviewed internally by the Squarmilner Certified Public Accountants and Financial Advisors. Item V-B on the Agenda will be deferred to the May Board meeting.

The 2016 groundwater production data used by the Watermaster was emailed to the TAC members for validation before using the information on the 2016 Annual Report. A letter was sent to Mr. Vandam (a Class B Participant) to get confirmation on the wells that are used for irrigation at different parcels. Mr. Mortazavi has been trying to get confirmation on the legal owner's name for one of the parcels listed under Mr. Lauda (a Class B Participant). He has also been trying to contact the Gh Dairy owners. They are new owners who purchased a Participant's properties, and their 2016 production has exceeded their allocation. Their properties are subject to replenishment assessments if they decide to participate in the Judgment. As a new property owner, they can decide to intervene as a Class B owner. This issue may take some time, before it is resolved. More information will be provided regarding this as part of the Annual Report overview presentation (Item V-E).

The 2016 Soboba Tribe groundwater production data was received. This information was used in the 2016 Annual Report, and the Carry-over Credit calculations. The public scoping review for the proposed Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) which is led by Inland Empire Utilities Agency ended in mid-December 2016. Five regional water agencies (including EMWD) have partnered to develop this watershed-wide program. This program will provide 70,439 AFY of drought supply, 60,000 AFY of conjunctive use, and 10,439 AFY of supply by Arundo removal along the Santa Ana River. In addition, the program includes 18,250 linear feet of new habitat for the Santa Ana Sucker. The proposed EMWD Conjunctive Use Project in the San Jacinto Upper Pressure Basin is part of this watershed-wide program. The San Jacinto portion of this program includes the 39-acre Mountain Avenue West Recharge site, up to three production wells, and other facilities to provide 19,500 AFY of conjunctive use and 6,500 AFY of dry year yield. Mr. Mortazavi met with a landowner regarding water rights of their property on East side of DVL (South of Sage Road). He also made a presentation on Watermaster activities at the Groundwater Resources Association (GRA) Berkeley Branch Meeting on February 15, 2017.

Mr. Mortazavi reviewed the summary of State's water resources conditions prepared as part of the MWD General Manager's February 2017 Report to MWD Board.

The City of San Jacinto has hired Stetson Engineering to assist Staff on Watermaster related efforts.

Department of Water Resources (DWR) met with Mr. Mortazavi and other Adjudicated Basins' Managers on January 24, 2017. Mr. Mortazavi is coordinating with DWR to provide Sustainable Groundwater Management Act (SGMA – Water Code 10720.8) information (deadline is April 1, 2017).

IRRP and Grant Avenue ponds were damaged during mid-January storms. Recharge was suspended and re-started at these ponds. More details will be provided by EMWD under Item VI-B.

The City of Hemet expects to initiate their Conservation Rate Structure in October 2017, and the City of San Jacinto expects implementation of their Conservation Rate Structure by November 2017.

Mr. Kotyuk asked if the Watermaster should track how full Lake Mead is? Mr. Jones said that MWD water comes out of the Colorado River Aqueduct and tracking outflow and inflow of Lake Mead probably doesn't matter.

C. Legal Counsel Report

None.

D. Treasurer Report

Mr. Slawson reviewed the Treasurer Report with the Board. Attachment 4 shows the complete Treasurer Report.

Mr. Mortazavi also explained that there are some pending payments that are currently in the process and he also reviewed expenditures under the 2015 and 2016 budget items.

IV. CONSENT CALENDAR

Accept Motion for approval of Consent Calendar

A. Approval of Meeting Minutes – November 28, 2016 Regular Board Meeting

Recommendation: Adopt a motion to approval Item A on the Consent Calendar.

Mr. Bunn had a correction to the November 28, 2016 Meeting Minutes. He would like to take out the words "to separate the adjudicated area" under the Legal Counsel Report. The Board approved this item with Mr. Bunn's correction.

Motion: Hoffman
Seconded: Kotyuk
Ayes: Krupa, Scott

Noes:
Abstain: Slawson
Absent:

Attachment 5 shows a copy of the November 28, 2016 Board Meeting Minutes with corrections.

V. ACTION ITEMS

A. Election of Officers

Ms. Krupa opened that she would like to continue serving the Board as its chair person. Mr. Hoffman made a motion for the Watermaster Board to continue with the current Officers.

Motion: Hoffman
Seconded: Scott
Ayes: Krupa, Kotyuk, Slawson

Noes:
Abstain:
Absent:

B. 2016 Financial Audit

This Item will be deferred to May 22, 2017 Meeting.

C. Groundwater Storage Change Calculations

Mr. Mortazavi made a presentation on Storage Change Estimates for Spring 2015 to Spring 2016. The Sustainable Groundwater Management Act (Water Code Section 10720.8) requires Watermaster to provide the following information to the Department to Water Resources:

- Groundwater Elevation data;
- Aggregated groundwater extraction data;
- Surface water supply used for/available for use for groundwater recharge or in-lieu use;
- Total Water use;
- Change in groundwater storage; and
- The annual report submitted to the Court.

Mr. Mortazavi reviewed the change in groundwater storage calculation methodology including the use of the 2014 San Jacinto Groundwater Flow Model (SJFM-2014), water level data collection as part of the annual monitoring program to calculate the storage change in the Hemet-San Jacinto Management area. He also reviewed the procedure, the estimated storage changes from 1984 – 2016 and the estimated storage changes using the proposed methodology. It is his recommendation to include Storage Change estimates in the Annual Report filings with the Court and file the Annual Report information (including Storage Changes) with DWR as part of the Sustainable Groundwater Management Act requirements. Mr. Kotyuk asked what the annual recharge capacity at the IRRP site was? He was told at a recent EMWD Meeting, that it is 29,000 AFY. It was clarified by Mr. Jones that it is currently approximately 22,000 AFY, and will increase to 40,000 AFY in the next few years as EMWD implements its Conjunctive Use Program. Mr. Hoffman commented that it would be interesting to see the storage change next year with all the above average rainfall that we have had this year.

Attachment 6 shows complete presentation.

Recommendation: Receive and file estimated storage change between the years 2015 and 2016, and authorized the Advisor to submit required information to the Department of Water Resources as part of the Water code 10720.8 requirements.

Motion: Hoffman
Seconded: Kotyuk
Ayes: Krupa, Scott, Slawson

Noes:
Abstain:
Absent:

D. Corrections to the Unused Soboba Imported Water

Mr. Mortazavi made a presentation on the Unused Soboba imported Water Corrections. He began with background information on this project including:

- June 2012 start of the Soboba imported water recharge;
- April 2013 the Hemet-San Jacinto Watermaster formed;
- 2013 Annual Report – first Watermaster Annual Report. Unused Soboba Imported Water calculations included Soboba Golf Course productions;

- 2014 & 2015 Annual Reports – unused Soboba Imported Water calculations did not include Soboba Golf Course productions;
- August 2016 – EMWD/LHMWD/City of San Jacinto requested Unused Soboba Imported Water calculation revised. Watermaster Board requested Soboba Settlement Parties to meet and provide feedback;
- November 2016 – Soboba Settlement Parties met, and Watermaster Counsel was asked to attend. Watermaster Counsel reported to the Watermaster Board;
- February 2017 - EMWD and LHMWD TAC Representatives recommended inclusion of the Soboba Golf course productions in the Unused Soboba Imported Water Calculations.

Mr. Mortazavi reviewed the Public Agencies Carry-over Credits as of December 31, 2015, the Soboba Tribe production, and corrections to the Unused Soboba Imported water by inclusion of the Soboba Gold Course production. Revision of the Carry-over Credit accounts by inclusion of the Soboba Golf Course productions in the Unused Soboba Imported water calculations is supported by EMWD, LHMWD, and City of San Jacinto’s August 2016 request; November 2016 Watermaster Counsel feedback; and the Settlement Parties’ TAC Representative Concurrence.

Mr. Mortazavi mentioned that Soboba Tribe Attorney, Mr. Johnson, has stated that inclusion of the Golf Course production in the Unused Soboba Imported Water calculations should reflect that the Watermaster is taking no position on the Soboba Tribe’s Water Rights by including the Golf Course production in its calculations. Mr. Bunn also agrees with Mr. Johnson’s comment. Mr. Hoffman made a statement that the Watermaster is doing accounting and should not take a position on Soboba’s Water Rights. Mr. Kotyuk asked if all production that the Tribe has is now included under this change? Mr. Bunn confirmed. Mr. Coates, Soboba Representative, stated that the Tribe does not oppose the calculations that Mr. Mortazavi is recommending.

Attachment 7 shows complete presentation.

Recommendation: Revise Carry-over Credit accounts by inclusion of the Soboba Golf Course productions in the Unused Soboba Imported Water calculations.

Motion: Hoffman

Noes:

Seconded: Slawson

Abstain:

Ayes: Krupa, Scott, Kotyuk

Absent:

E. 2016 Annual Report

Mr. Mortazavi made a presentation on the Hemet – San Jacinto Groundwater Management Area 2016 Annual Report. The Annual Report includes:

- Executive Summary;
- Introduction
- Management Plan Activates;
- Projected Demands Update;
- Monitoring, Data Compilation and Evaluation;
- 2016 Financial considerations,
- Travel/Figures/Maps
- Appendices

Mr. Mortazavi reviewed the 2016 Monthly Demands including the Soboba Imported Water that was recharged into the basin. For 2016, the total demand in the basin was about 59,000 AF, with about 39,000 AF supplied by groundwater, and approximately 20,000 AF from other sources. A major outside supply was recycled water to offset local agricultural demands. Private Producers used approximately 25,000 AF, half of which was recycled water. Mr. Mortazavi reviewed the

2016 groundwater production, growth estimates, and the 2016 Monitoring Program results. The 2016 budget and revenues information was reviewed, including operations costs. 2016 Unused Soboba Water and Carry-over Credits, recycled water, In-lieu Program activities, and Class B Participants Carry-Over Credits were also reviewed. Behrooz explained that he is concerned with the overdraft because the basin water levels are going down while more water rights are carried over for future pumping. Gh Dairy is a new owner of five parcels that were previously signed up to be part of the Judgment, and they are now producing over their allocation, which would require replenishment, if Gh Dairy owners decide to join the Judgment. Mr. Mortazavi is currently trying to contact the new owners of Gh Dairy.

It is the recommendation of Mr. Mortazavi, to receive and file the 2016 Annual Report with the Court after accommodating comments from the Technical Advisory Committee.

Ms. Krupa asked if the comments of Legal and TAC would change the information reported today? Mr. Mortazavi said that if he receives substantial comments, he will present the Annual Report changes at the next meeting, however most of the comments in the past have been editorial. Mr. Hoffman asked about the overage by Gh Dairy, and what happens if they are under their allocation next year, would the Watermaster average the two years? Mr. Bunn said that ultimately there should be a Board action on how to proceed. Mr. Mortazavi would like to contact Gh Dairy owners and inform them of their overage and provide them with information.

Attachment 8 shows complete presentation.

Recommendation: Adopt a motion to receive and file the 2016 Annual Report with the Court and Department of Water Resources after accommodating any additional comments from Legal Counsel and Technical Advisory Committee.

Motion: Hoffman

Noes:

Seconded: Kotyuk

Abstain:

Ayes: Krupa, Scott, Slawson

Absent:

F. 2016 In-lieu Agreement Cost Increase – Explanation of why the actual cost for the in-lieu agreement was different than the invoiced amount.

Mr. Mortazavi made a presentation on the 2016 In-lieu Agreement Cost Increase. The presentation showed the change in EMWD's recycled water rate since 2014 which has cause a 10% increase in 2016 costs. In addition, the in-lieu parties received 10% more recycled water in 2016 compared to 2015. The increase in EMWD rate, and the increased recycled water use have caused the invoice from EMWD, that was received in 2017 for the 2016 in-lieu subsidies, to be about \$30,000 above the estimated amount that was included in the 2016 Watermaster Budget. It is Mr. Mortazavi's recommendation to authorize the Advisor to process EMWD's invoice for the 2016 In-lieu Agreement for \$185,919.25.

Attachment 9 shows complete presentation.

Recommendation: Authorize Advisor to process the In-lieu Agreement invoice for \$185,919.25 which is \$29,919.25 above the budgeted amount of \$156,000.

Motion: Kotyuk

Noes:

Seconded: Slawson

Abstain:

Ayes: Krupa, Hoffman, Scott

Absent:

VI. INFORMATIONAL ITEMS/CORRESPONDENCE

A. Santa Ana River Conservation and Conjunctive Use Project

Mr. Powell made a presentation on the Technical Study Supporting EMWD's request for a Groundwater Storage Agreement with the Watermaster. The goals and objectives of this project are to increase the local supply reliability; create the ability to bank low cost supplies when available; overcome a water shortage for three consecutive drought years; replenish over-draft and improve long-term stability; integrate different programs and opportunities including salt balance; and provide recharge and extraction capacity in support of other agencies. As part of EMWD's Enhanced Recharge & Recovery Program (ERRP), EMWD has identified the first phase which includes the development of the Mountain Avenue West site, approximately 39 acres in San Jacinto. EMWD has also identified 3 production wells and has acquired 2 properties and is looking for a third property for the third well. EMWD is looking to recharge 6,500 AF per year for 3 wet years and extracting 6,500 AF per year over 3 dry years. EMWD received \$13,280,00 in grant funding and will provide \$9,620,000 from its own funds. Mr. Powell reviewed the SARCCUP Agreements Framework including the need for a Hemet – San Jacinto Watermaster Storage Agreement. EMWD is proposing to store up to 21,000 AF in the San Jacinto Upper Pressure Basin at the Mountain Avenue West Recharge facility and that would allow EMWD to extract 7,000 AF per year over a 3-year period which would help during droughts. EMWD is also looking to use conjunctive use, also called put and take, to be able to recharge up to 7,000 AF per year and then extract that same water in the same year. In terms of the agreement, Mr. Powell referred to the Stipulated Judgment that there is a provision in the Judgment to allow for the use of the groundwater basin for storage agreements, however, it does not define the contents of a Groundwater Storage Agreement. At a special TAC meeting, EMWD shared its request for a Groundwater Storage Agreement. TAC decided to conduct a Technical Study to address the concerns that need to be included in the Groundwater Storage Agreement. The consensus was reached on the scope for the RMC Contract by all parties and the Watermaster has agreed to split the cost of this study. EMWD Board approved the agreement with RMC and EMWD will initiate the Technical Study with RMC and work with the Watermaster, TAC and the Soboba Tribe. The Technical Study is estimated to be completed in approximately 6 months and at that time, EMWD will be working with the Watermaster on a Groundwater Storage Agreement. Mr. Hoffman asked what is the cost for the Watermaster? Mr. Powell said approximate \$175,000.

Attachment 10 shows complete presentation.

B. Status of the Soboba Imported Water

Mr. Nusser made a presentation on the status of repairs at the IRRP & Grant Avenue Ponds, as well as the Soboba Imported Water & River diversions. This year is the first time since 2005 that the Soboba Gravel Pit has overflowed. There was damage at the North End of the IRRP Ponds from River flows including exterior berm damage. There was also damage to the berms at Grant Avenue Ponds. Soboba recharge for 2017 thru 2/12/17 is 1,679.60 AF. Grant Avenue diversion thru 2/12/17 is 859.88 AF. In communicating with MWD, EMWD plans on recharging approximately 23,000 AF of Soboba Imported Water. Mr. Hoffman asked if the Bautista Ponds used by LHMWD helped? Mr. Nusser said it does help for the benefit of the basin. Mr. Scott commented that the materials that are used to repair the berms must be of native material. Mr. Nusser confirmed. Mr. Jones commented that even though recharge is off to a slow start because of the issues at the ponds, he expects recharge to pick up substantially and MWD is expected to make up the current deficit by the end of the year.

Mr. Mouawad presented the Enhanced Groundwater Replenishment Program Public Outreach Initiative. He explained in addition to the IRRP recharge in the San Jacinto Upper Pressure Basin, EMWD is also pursuing an Indirect Potable Reuse (IPR) Program in the future. EMWD has held community outreach with several stakeholders to inform them of EMWD's IPR Program. Mr. Mouawad reviewed the Enhanced Groundwater Replenishment Program Schedule. It is EMWD's plan to come back to the Watermaster Board with a project update on this effort.

Attachment 11 shows complete presentation.

C. Future Agenda Items

A. None

VII. CLOSED SESSION

A. None

VIII. ADJOURNMENT

There being no further business to come before the Board; Chair Krupa adjourned the meeting at 5:25 p.m., to be reconvened on Monday May 22, 2017 at 4:00p.m. (Adjourned Regular Meeting).

HEMET-SAN JACINTO WATERMASTER

RESOLUTION NO. 1.4

**RESOLUTION OF THE WATERMASTER BOARD
AMENDING DESIGNATION OF DATE, TIME, AND
LOCATION OF REGULAR MEETINGS**

WHEREAS, Section 9.6.7 of the Eastern Municipal Water District vs. City of Hemet, et al. Judgment, allows the Watermaster to develop Rules and Regulations for its operation as may be necessary;

WHEREAS, Section 4.0-b of Article IV of the Watermaster Rules and Regulations requires regular meetings of the Watermaster be held at the Eastern Municipal Water District's headquarters on a day, time and place designated by Resolution of the Watermaster Board from time to time; and

WHEREAS, the volume of business or other matters requiring discussion and possible action by the Watermaster varies periodically.

NOW, THEREFORE, BE IT RESOLVED, that the Watermaster Board designates the fourth Monday of February, May, August, and November at 4:00 P. M. at the Eastern Municipal Water District Board Room as the date, time and place for the Watermaster's regular meetings, subject, however, to the Watermaster's right to approve a temporary change in the date, time and/or place for a subsequent meeting adopted by motion at a regular Watermaster meeting.

ADOPTED on 22nd day of May, 2017

Linda Krupa, Chairperson

ATTEST:

Philip E. Paule, Secretary and Treasurer

**EASTERN MUNICIPAL WATER DISTRICT/HEMET-SAN JACINTO WATERMASTER
HEMET/SAN JACINTO WATER MANAGEMENT PLAN AREA
ESTIMATED 2017 WATER RESOURCES MONITORING PROGRAM COSTS**

Description	Cost	Unit	No.	Units	Sub-Totals
1 - Groundwater Extraction Monitoring					
1.1 Data Collection					
1.1.1 Private Well Meters (1 man, 2 days per month) (60 wells - monthly)	\$1,400.00	per month	12	months	\$16,800.00
1.1.2 Private Well Estimates (39 wells - monthly)	\$98.00	per hour	12	hours	\$1,176.00
1.2 Data Entry					
1.2.1 Private Well Meters (60 wells - monthly)	(1)				
1.2.2 Subagency Wells (43 wells - monthly)	(1)				
1.2.3 Private Well Estimates (39 wells - monthly)	\$98.00	per hour	12	hours	\$1,176.00
1.3 Data Review, QA/QC, and Variance Resolution	\$98.00	per hour	12	hours	\$1,176.00
Annual Groundwater Extraction Monitoring Total Cost					\$20,328.00
2 - Groundwater Level Monitoring					
2.1 Data Collection					
2.1.1 Private Wells (15 wells per day - semi-annually) (190 wells)	\$700.00	per day for 1	26	days	\$18,200.00
2.2 Data Entry					
2.2.1 Private Wells (186 wells - semi-annually)	(1)				
2.2.2 Subagency Wells (51 wells - monthly)	(1)				
2.3 Data Review, QA/QC, and Variance Resolution	\$98.00	per hour	12	hours	\$1,176.00
Annual Groundwater Level Monitoring Total Cost					\$19,376.00
3 - Water Quality Monitoring					
3.1 Sample Collection					
3.1.1 Private Well Grab Samples (5 samples per day) (89 wells - annually)	\$700.00	per day for 1	18	days	\$12,600.00
3.1.2 Private Well Mobile Pump Samples (2 samples per day) (45 wells - annually)	\$700.00	per day for 1	23	days	\$16,100.00
3.2 Water Quality Laboratory Analysis					
3.2.1 Private Well Grab Samples	\$355.00	per sample	89	samples	\$31,595.00
3.2.2 Private Well Mobile Pump Samples	\$355.00	per sample	45	samples	\$15,975.00
3.3 Data Export from LIMS and Import to RWRD	\$98.00	per hour	12	hours	\$1,176.00
3.4 Data Review, QA/QC, and Variance Resolution	\$98.00	per hour	12	hours	\$1,176.00
Annual Water Quality Monitoring Total Cost					\$78,622.00
4 - Inactive Well Capping and Sealing					
4.1 Scheduling and Coordination of Installation (2 hours per well)	\$87.50	per hour	4	hours	\$350.00
4.2 Fabrication and Material	\$150.00	per well	2	wells	\$300.00
4.3 Installation (8 hours per well)	\$1,400.00	per day for 2	2	days	\$2,800.00
Annual Inactive Well Capping and Sealing Total Cost					\$3,450.00
5 - Meter Installation, Repair, and Replacement					
5.1 Schedule and Coordination of Installation (2 hours per well)	\$87.50	per hour	14	hours	\$1,225.00
5.2 Meter Replacement Cost (\$863-\$1239 per meter)	\$1,000.00	per meter	7	meters	\$7,000.00
5.3 Fabrication and Material	\$500.00	per well	7	wells	\$3,500.00
5.4 Labor (4 hours per meter)	\$175.00	per hour for 2	28	hours	\$4,900.00
Annual Meter Repair and Replacement Total Cost					\$16,625.00
6 - Data Management, Documentation, and Reporting					
6.1 Annual Report Data Compilation	\$98.00	per hour	40	hours	\$3,920.00
6.2 Annual Report Map and Graphic Generation	\$98.00	per hour	20	hours	\$1,960.00
6.3 Annual Report Preparation					
6.3.1 Prepare Draft Annual Report	\$149.33	per hour	20	hours	\$2,986.67
6.3.2 Address Review Comments from EMWD, TAC, and Watermaster Advisor	\$149.33	per hour	10	hours	\$1,493.33
6.3.3 Prepare Final Annual Report	\$149.33	per hour	10	hours	\$1,493.33
6.4 Annual Report Printing and Distribution (EMWD's XEROX Service)	\$12.00	0.08 per page * 150	35	reports	\$420.00
6.5 Annual Well Owners' Reports	\$98.00	per hour	20	hours	\$1,960.00
6.6 Meetings and Public Participation	\$149.33	per hour	24	hours	\$3,584.00
Annual Data Management, Documentation, and Reporting Total Cost					\$17,817.00
Annual Monitoring Program Total Cost					\$156,218.00

Position	Hourly Rate (2)
Director	\$167.00
Senior Engineering Geologist	\$156.00
Water Resources Planning Manager	\$125.00
Civil Engineering Associate II	\$109.00
Senior Engineering Technician	\$87.00
Water Resources Technician III	\$94.00
Water Resources Technician II	\$81.00
Average Senior Staff	\$149.33
Average Technical Staff	\$98.00
Average Field Staff	\$87.50

- (1) Task to be performed by Watermaster Advisor Staff
- (2) Based on 2017 FEE SCHEDULE (EXHIBIT A)
- (3) 2017 Budget is estimated based on 2016 actual monitoring. Actual 2017 monitoring costs will depend on well accessibility, well use, and other factors.
- (4) H-SJ Watermaster will be invoiced for actual 2017 monitoring activities performed.

**EXHIBIT A
EASTERN MUNICIPAL WATER DISTRICT
FEE SCHEDULE**

(This fee schedule is subject to annual revisions due to labor adjustments.)

	<u>Hourly Rate</u>
MANAGERIAL	
Deputy General Manager (02002-DGM)	\$ 277.00
Assistant General Manager (02005-AGM)	258.00
Director (02030-97)	167.00
 ENGINEERS/TECHNICAL	
Senior Civil Engineer (22007-96)	156.00
Senior Engineering Geologist (28011-96)	156.00
Civil Engineer I/II (22027-94)	135.00
Water Res Planning Manager (28007-93)	125.00
Civil Engineering Associate I/II (22010-91)	109.00
Water Resources Technician III (28018-89)	94.00
Sr. Engineering Technician (22013-88)	87.00
Water Resources Technician II (28016-87)	81.00
 FINANCIAL	
Accounting Supervisor (06003-91)	109.00
Senior Accountant (06004-89)	94.00
Accountant (06005-88)	87.00
Accounting Operations Spvr (06007-86)	76.00
Accounting Technician I/II (06009-83)	66.00
 ADMINISTRATIVE	
Executive Assistant (18005-86)	76.00
Administrative Assistant I/II (18006-84)	69.00
 DIRECT EXPENSES	
Direct Costs	at cost

Legend: Position Title (Job Code-Salary Range)
 Hourly Rate = (Annual Salary[max range]) * (1.82 fully burdened) / (1,700 hrs/yr)

TASK ORDER NO. 9

HEMET-SAN JACINTO WATERMASTER SUPPORT SERVICES 2017 Water Resources Monitoring Program Support

This Task Order is issued by the Hemet-San Jacinto Watermaster (“Watermaster”), a judicial creation of the Superior Court of the State of California in and for the County of Riverside through the Judgment entered on April 18, 2013, and accepted by EASTERN MUNICIPAL WATER DISTRICT (“EMWD”), a California municipal water district pursuant to the mutual covenants and conditions contained in the AGREEMENT between the above named parties dated _____, 2017 in connection with the Hemet-San Jacinto Watermaster Support Services.

PURPOSE

The purpose of this Task Order is to describe EMWD’s 2017 Water Resources Monitoring Program Support services, time of performance, payment, and effective date to provide such services for the Watermaster.

SCOPE OF SERVICES

The purpose of the Water Resources Monitoring Program (“Monitoring Program”) is to collect, analyze, and compile groundwater level, water quality, and groundwater production data to meet the reporting requirements of the Judgment. The Monitoring Program provides the information necessary for a comprehensive view of the groundwater management zones and includes the following elements:

- Groundwater Extraction Monitoring
- Groundwater Level Monitoring
- Water Quality Monitoring
- Inactive Well Capping and Sealing
- Meter Installation, Repair, and Replacement
- Data Management, Documentation, and Reporting

Groundwater level and groundwater extraction data will be used to quantify basin stresses and to provide data for estimation of overdraft conditions within any given year and to provide the basis for replenishment in the following year. Water quality information will be used to track basin water quality trends. Such data allows for characterization of basin hydrology, evaluation of groundwater flow conditions, and monitoring of water quality improvement or degradation. In addition, inactive or unused wells will be capped and sealed as they are potential sources of groundwater contamination and present hazardous conditions. The groundwater level and extraction monitoring will allow for a more accurate estimation of the amount of groundwater in storage, changes in storage, and the identification of overdraft conditions. The information gained from these efforts will be used to support the Watermaster Board decisions.

In conjunction with existing and planned groundwater level and quality monitoring, accurate monitoring of groundwater extraction will allow participants to understand how groundwater conditions are changing and make informed decisions on how best to manage and replenish the groundwater resources. To improve the records of pumped groundwater, meters will be replaced on the private wells that are no longer working.

Data management, documentation, and reporting are also key elements. All water level and groundwater extraction data collected will be recorded on Field Data Sheets by EMWD field staff. The Field Data Sheets will be provided to the Watermaster Advisor (“Advisor”) at the end of each calendar month and contain data collected during the preceding month (may be rounded to the nearest week). The field data shall be read from the Field Data Sheets and entered into EMWD’s Data Entry Form by Watermaster consultants after performing various quality assurance/quality control (“QA/QC”) checks on the data. The completed Data Entry Form shall be returned to EMWD for upload into EMWD’s Regional Water Resources Database (“RWRD”) after performing various quality assurance/quality control (“QA/QC”) checks on the data. Watermaster consultants shall return the completed Data Entry Form (with the field data entered and checked) to EMWD staff within two (2) weeks of receipt of the Field Data Sheets and Data Entry Form. All of the data will be made accessible to the Watermaster. An annual report will summarize the monitoring activities and results of the analyses of the monitoring data, as well as provide other pertinent information regarding activities in the local groundwater management zones.

By undertaking an extensive data gathering effort, all parties involved in the Watermaster can be assured that operational yield estimates are based on the best available information. Continuation of the current monitoring effort will augment the database used in decisions made by the Watermaster and contribute to successful management of the groundwater management zones.

TASK 1.0 – Groundwater Extraction Monitoring Program

Groundwater extraction monitoring involves metering of wells producing 25 or more acre-feet of groundwater per year. In conjunction with groundwater level and water quality monitoring, accurate metering of groundwater extraction will allow for a better understanding of how groundwater conditions are changing and can be used by the Watermaster to quantify basin stresses.

The program participants must provide permission for meter installation and access to their wells. EMWD staff will work closely with the private well owners’ representatives to acquire necessary permissions from the existing private well owners in the Management Plan area to install and maintain meters and to read the meters. All meter installation activities will be scheduled at the convenience of the well owner. Installed meters shall remain the property of EMWD as a representative of the Watermaster. Meters are to be read monthly and EMWD will periodically schedule meter maintenance and calibration with the well owner. Such activities will be at the well owners’ convenience and will not impact agricultural operations.

Well owners wishing to maintain their own meters may do so. Upon the request of the well owner, EMWD will consider providing maintenance and calibration of privately owned meters, contingent upon the needs of the program and the availability of funding.

When installation of a meter on a well is not physically possible, or when a well cannot be metered for other reasons, groundwater production from that well will be estimated using one or more of the following: acreage, crop type, number of animals in the case of dairies, or electricity usage. These estimates will be compared with metered groundwater usage at sites of similar size with similar usage as a QA/QC measure.

Extraction data from sixty (60) wells with meters installed by EMWD will be monitored monthly by EMWD under this Task Order.

Extraction data from forty-three (43) wells will be monitored monthly by other entities and reported to EMWD under this Task Order.

Extraction data for thirty-nine (39) wells will be estimated monthly by EMWD under this Task Order.

All data collected will be entered by Watermaster consultants after performing various QA/QC checks on the data and forwarded to EMWD for various QA/QC checks and upload into EMWD's RWRD.

TASK 2.0 – Groundwater Level Monitoring Program

Groundwater levels are to be measured twice a year, during the spring and fall, to capture the high and low groundwater levels and to determine seasonal effects on groundwater levels. The measurements will be taken prior to warm weather when groundwater production is low, and following warm weather when groundwater production is high. General steps that are required for measuring groundwater levels are as follows:

- A site inspection for potential hazards including open drive shafts, automatic machinery, and motor operations including farm equipment is conducted
- The status of the well pump, i.e., pumping or static, is confirmed. The well should have been in static mode (non-operational) for at least 12 hours, preferably 24 hours, prior to measuring the level
- The depth to groundwater is measured using an electric water level indicator
- The measured depth to groundwater is recorded with the status of the pump
- If the well pump is running and cannot be turned off, then no level is recorded and collection of the level may be attempted at another time
- The recorded depth is compared with previous levels for data quality control
- A final site inspection is performed

Three-hundred eighty (380) groundwater levels will be measured by EMWD from one-hundred ninety (190) wells semi-annually following the above protocol under this Task Order.

Six-hundred twelve (612) groundwater levels will be measured by other entities from fifty-one (51) wells monthly and reported to EMWD following the above protocol under this Task Order.

Selected static level data collected will be entered by Watermaster consultants after performing various QA/QC checks on the data and forwarded to EMWD for various QA/QC checks and upload into EMWD's RWRD.

TASK 3.0 –Water Quality Monitoring Program

Water quality samples are to be collected once a year from the groundwater management zones within the San Jacinto Basin, generally in the warmer months when the wells are operating. Constituents to be routinely monitored include total dissolved solids and nitrate as nitrogen as described in Table 1.

Table 1: Constituents Tested in a Typical Water Quality Sample

Type	Constituent:	Type	Constituent:
Cations	Calcium (Ca)	Metals	Boron (B)
	Magnesium (Mg)		Copper (Cu)
	Potassium (K)		Iron (Fe)
	Silica (SiO ₃)		Manganese (Mn)
	Sodium (Na)		Zinc (Zn)
	Hardness (Calculated from Ca/Mg)		
Anions	Chloride (Cl)	Alkalinity	Bicarbonate (HCO ₃)
	Fluoride (F)		Carbonate (CO ₃)
	Nitrate as Nitrogen (NO ₃ -N)		Hydroxide (OH)
	Sulfate (SO ₄)		Total Alkalinity as Ca CO ₃
		Misc.	Electrical Conductance (EC)
Ammonia as Nitrogen (NH ₃ -N)	Temperature at Collection		
Nitrite as Nitrogen (NO ₂ -N)	pH		
		Total Dissolved Solids (TDS)	

The procedures for taking water quality samples differ depending on whether the well has existing pumping equipment or not. The sampling procedure is lengthier and more complicated if the well does not have an existing pump.

TASK 3.1 – Water Quality Sampling of Operating Wells

When the well to be sampled has a pump and is operating, the sampling procedure will be as follows:

- A site inspection for potential hazards including open drive shafts, automatic machinery, and motor operations including farm equipment is conducted
- The status of the well, i.e., pumping or static, is confirmed. If the well is not operating, it is turned on with the permission of the well owner
- The sampling port on the well is located, opened, and flushed or purged

- The water sample is taken using standard methods and proper protocol for the constituents to be sampled
- A final site inspection is conducted

Eighty-nine (89) water quality samples will be taken by EMWD from wells with existing pumping equipment following the above protocol and analyzed by EMWD's Laboratory under this Task Order.

Twenty-nine (29) water quality samples will be taken by other entities from wells with existing pumping equipment following the above protocol and delivered to EMWD for analysis by EMWD's Laboratory under this Task Order.

All data collected will be entered after various QA/QC checks into EMWD's RWRD from the EMWD LIMS system.

TASK 3.2 – Water Quality Sampling of Non-operating Wells

When the well does not have an existing pump, a mobile pump must be set in the well and the procedure is as follows:

- A site inspection for potential hazards including open drive shafts, automatic machinery, and motor operations including farm equipment is conducted
- The depth to groundwater in the well is measured to determine the pump setting depth
- The water volume in the casing is calculated to determine the length of time necessary to purge the well for a minimum of three full well volumes
- The pump is set using either continuous reel or column pipe and all electrical and discharge lines connected
- The well is purged a minimum of three well volumes
- The water sample is taken using standard methods and proper protocol for the constituents being sampled
- Electrical and discharge lines are disconnected and the pump is pulled
- The well is closed or sealed
- A final site inspection is conducted

Forty-five (45) water quality samples will be taken by EMWD from wells without existing pumping equipment following the above protocol and analyzed by EMWD's Laboratory under this Task Order.

All data collected will be entered after various QA/QC checks into EMWD's RWRD from the EMWD LIMS system.

TASK 4.0 – Inactive Well Capping and Sealing Program

The purpose of this program is to prevent groundwater contamination and eliminate hazards by capping and sealing inactive and/or unused wells. Open casings are especially vulnerable to contamination from surface flows or vandalism, such as the dumping of oil or other waste products. Large open casings, 16 to 18 inches in

diameter, also present a hazard to small children and animals. It is not known how many open casings or unused wells exist in the area. To protect groundwater supplies, EMWD staff will use available monitoring program funds to cap and seal inactive wells or open casings at no charge to the well owner. Priority will be given to those wells that are potentially dangerous open holes to small children and animals, 16 to 18 inches in diameter, or those located in areas where flooding resulting from precipitation might carry manure, fertilizers, or other contaminants into the well. These wells may still be used for water level and, in some cases, water quality monitoring.

Two (2) wells are estimated to be capped and sealed by EMWD under this Task Order.

TASK 5.0 – Meter Installation, Repair, and Replacement

The program participants must provide permission for meter installation and access to their wells. EMWD staff works closely with the private well owners' representatives to acquire necessary permissions from the existing private well owners in the Management Plan area to install and maintain the meters. All meter installation activities will be scheduled at the convenience of the well owner. Installed meters shall remain the property of EMWD as a representative of the Watermaster. The procedure for meter installation and replacement by EMWD will be as follows:

- Well owner's permission for meter installation is verified
- A preliminary site inspection is conducted to review piping and well configuration to determine equipment and supplies needed
- An installation design is prepared and a meeting is held with the well owner for approval/acceptance of the design
- As much as possible, off-site fabrication is prepared to minimize inconvenience to the owner's operation of the well
- The installation is approved by the well owner and scheduled for a time that is convenient to the well owner
- The meter is installed and all piping appurtenances are returned to normal operation
- A final site inspection is conducted

Seven (7) meters are estimated to be replaced by EMWD under this Task Order.

TASK 6.0 – Data Management, Documentation, and Reporting

Combined with existing available data, new data generated by the Monitoring Program will be used by the Watermaster to analyze how conditions are changing in local groundwater management zones. All data collected will be used in the 2017 Annual Report. The data may be used in the following ways:

- Trend analyses of the relationship between groundwater pumping, groundwater levels, and water quality
- Analysis of the volume of groundwater contained in local groundwater management zones and determination of the rate of natural recharge of these management zones

- Preparation of mathematical models of groundwater systems for use in analyzing management alternatives
- Development of accurate water consumption figures for agricultural land use
- Protection of private water rights through the documentation of individual groundwater use
- Quantification of replenishment requirements for the following year

TASK 6.1 – 2017 Annual Report

Data reporting by EMWD to the Watermaster will include the 2017 Annual Report documenting groundwater level and water quality trends, and groundwater extraction quantities for each groundwater management zone. The 2017 Annual Report will contain the results of regional analyses performed on data collected during calendar year 2017 and a summation of any issues noted. The 2017 Annual Report will serve as the report required by the Judgment.

TASK 6.2 – Annual Well Owners’ Reports

EMWD shall prepare and distribute Annual Well Owners’ Reports to all private well owners participating in the Monitoring Program. These Annual Well Owners’ Reports will include copies of water quality analyses, groundwater level measurements, and groundwater extraction amounts for their wells. Recordation of groundwater extraction with the State is a fundamental means of protecting private groundwater rights and all well owners are encouraged to participate.

TIME OF PERFORMANCE

EMWD shall prepare and distribute one (1) electronic copy of the Draft 2017 Annual Report to the Advisor by February 2, 2018 for review and comment. The Advisor shall provide comments on the Draft 2017 Annual Report to EMWD by February 9, 2018. EMWD shall prepare and distribute ten (10) hard copies of the Draft 2017 Annual Report to the Watermaster Board and Technical Advisory Committee (TAC) that addresses comments received from the Advisor by February 16, 2018. The TAC shall provide comments on the Draft 2017 Annual Report to EMWD by March 9, 2018. EMWD shall prepare twenty (20) copies of the Final 2017 Annual Report that addresses comments received from the TAC and Advisor by March 23, 2018 for filing with the Department of Water Resources and the Court. Backup information and files for the Final 2017 Annual Report will also be provided to the Advisor as part of this Task Order.

INVOICING

The costs of this Task Order will be borne by the Administrative Assessments of the Watermaster. The annual cost of the Monitoring Program is estimated at One-Hundred Fifty-Six Thousand Two-Hundred Eighteen Dollars (\$156,218) based on the Fee Schedule (Exhibit A) and Estimated Work Effort (Exhibit B). Payment for the work under this Task Order shall be based on Table 2 which shall not exceed without prior written authorization from Watermaster. Invoices should show expenditures for each one of the categories shown on Table 2.

Table 2: Estimated Monitoring Program Costs

Category	Costs
1 – Groundwater Extraction Monitoring	\$ 20,328
2 – Groundwater Level Monitoring	\$ 19,376
3 – Water Quality Monitoring	\$ 78,622
4 – Inactive Well Capping and Sealing	\$ 3,450
5 – Meter Installation, Repair, and Replacement	\$ 16,625
6 – Data Management, Documentation, and Reporting	\$ 17,817
Total Monitoring Program Costs	\$156,218

TERMINATION

Either Party may terminate this Task Order at any time by giving the other party thirty (30) days written notice. Upon termination, EMWD shall be paid for that portion of the work performed through termination of the Task Order.

EFFECTIVE DATE

This Task Order No. 9 is effective as of January 1, 2017.

IN WITNESS WHEREOF, duly authorized representatives of the Watermaster and of the EMWD have executed this Task Order No. 9 evidencing its issuance by Watermaster and acceptance by EMWD.

Hemet-San Jacinto Watermaster

By: _____
Linda Krupa
Chairperson

ATTEST:

Approved as to Form:

By: _____
Phil Paule
Board Secretary-Treasurer

By: _____
Thomas Bunn
General Counsel

EASTERN MUNICIPAL WATER DISTRICT

By: _____
Paul D. Jones II
General Manager

ATTEST:

Approved as to Form:

By: _____
Sheila Zelaya
Board Secretary

By: _____
Steven O'Neil
General Counsel

2016 Carry-Over Credit Accounts

Hemet-San Jacinto Watermaster Board Meeting

May 22, 2017

Public Agencies Carry-Over Credits as of December 31, 2015 (All Values In AF)

Agency	Pre 2012 Recharge Rights	Total Unused SbT Imported Water *	Total Unused Adjusted BPR	Totals	Future MWD Deliveries to Cover Commitments
City of Hemet	0	3,697	4,706	8,403	2,196
City of San Jacinto	0	2,434	3,105	5,539	1,401
EMWD	6,694	265	7,319	14,277	3,777
LHMWD	0	1,793	2,063	3,856	3,833
Totals	6,694	8,189	17,193	32,075	11,207

* Above table does not include Soboba groundwater production from Soboba Golf Course wells.

BPR = Base Production Rights

SbT = Soboba Tribe

Soboba Tribe Production Corrections

(February 27, 2017 Revision)

Year	Soboba Production Used in Previous Calculations	Soboba Production (including Golf Course Wells)	Additional SbT Production for 2012 to 2015 (*)
2012	1,144	1,820	320
2013	1,036	1,674	174
2014	1,165	1,689	189
2015	1,049	1,622	122
Totals	4,394	6,805	805

* Soboba Golf Course productions were not included in the 2015 Annual Report Carry-over calculations. The 2016 Annual Report Carry-over accounts are corrected to include past Soboba Golf Course productions.

Corrections to the Unused Soboba Imported Water for Each Public Agency

Agency	Unused Soboba Tribe Imported Water Corrections for 2012-2015
City of Hemet	-158
City of San Jacinto	-101
EMWD	-271
LHMWD	-275
Total	-805

**Public Agencies Carry-Over Credits
as of December 31, 2015
with Soboba Production Corrections**
(All Values in AF)

Agency	Pre 2012 Recharge Rights	Total Unused SbT Imported Water *	Total Unused Adjusted BPR	Totals	Future MWD Deliveries to Cover Commitments
City of Hemet	0	3,539	4,706	8,245	2,196
City of San Jacinto	0	2,333	3,105	5,438	1,401
EMWD	6,694	-7	7,319	14,006	3,777
LHMWD	0	1,517	2,063	3,580	3,833
Totals	6,694	7,383	17,193	31,269	11,207

* Above table does not include Soboba groundwater production from Soboba Golf Course wells.

BPR = Base Production Rights
SbT = Soboba Tribe

2016 MWD Water Deliveries
(All Values in AF)

Agency	MWD Obligations as of Dec. 2015	MWD Deliveries for 2016	MWD Deliveries to Cover pre-2016 Obligations	Future MWD Obligations
City of Hemet	2,196	1,470.0	1,010.6	1,185.9
City of San Jacinto	1,401	937.5	644.5	756.3
EMWD	3,777	2,527.5	1,737.6	2,038.9
LHMWD	3,833	2,565.0	1,763.4	2,069.2
Totals	11,207	7,500	5,156.3	6,050.3

**MWD Delivered 12656.26 AF of Soboba Water in 2016
(Reported by EMWD)**

2016 Soboba Water Deliveries

(All Values in AF)

Agency	Deliveries for 2016	2016 Imported Water Used by SbT *	2016 Unused SbT Imported Water
City of Hemet	1,470.0	33.0	1,437.0
City of San Jacinto	937.5	21.0	916.5
EMWD	2,527.5	56.8	2,470.7
LHMWD	2,565.0	57.6	2,507.4
Totals	7,500	168.4	7,331.6

* 2016 Soboba Tribe Production (1,668.40 AF total) was reported on Jan 5, 2017.
Includes Soboba Golf Course wells production.

2016 Public Agencies Groundwater Productions

(All Values in AF)

Agency	Adjusted BPR for 2016	Actual 2016 Productions	Production via Phase I Agreement Wells *	Excess Production Above Adjusted BPR	Unused Adjusted BPR
City of Hemet	5,199	3,631	221	0	1,568
City of San Jacinto	3,383	2,157	0	0	1,226
EMWD	8,758	6,171	3585	0	2,586
LHMWD	8,649	7,144	1624	0	1,505
Totals	25,989	19,103	5,430	0	6,885

* Includes All Deliveries by EMWD to Other Agencies

BPR = Base Production Rights

Public Agencies Carry-Over Credits as of December 31, 2016

(All Values in AF)

Agency	Pre 2012 Recharge Rights as of Dec. 31, 2016	* Total Unused SbT Imported Water as of Dec 31, 2016	Total Unused Adjusted BPR (AF) as of Dec 31, 2016	Totals as of Dec 31, 2016	Future MWD Deliveries to Cover Obligations
City of Hemet	0	5,766	6,274	12,039	1,186
City of San Jacinto	0	3,894	4,331	8,225	756
EMWD	4,694	616	11,905	17,215	2,039
LHMWD	0	4,164	3,568	7,732	2,069
Totals	4,694	14,440	26,078	45,212	6,050

* Unused Soboba Tribe Imported Water include Soboba Tribe production from Soboba Golf Course wells.

BPR = Base Production Rights

SbT = Soboba Tribe

Class A Participants Carry-Over Credits as of December 31, 2015

(All Values in AF)

Participation Class	Names on The Judgment Assignments	Legal Parcel Owner Names	Allocations Set by the Judgment	Production Below Allocation as of Dec 31, 2015
Class A Participants	Bahan	Cordero Family Trust	1,398	2,141
	DeVries	Gh Dairy	104	42
		Van Hattem - Julia H Devries Trust	12	5
	Gless	Gless Trust Pt	588	1,087
		Gless Family Trust	1,505	2,780
	Olsen	Olsen Robert D & Olsen Elva I	14	7
		Olsen Citrus LLC	37	18
		Arlington Veterinary Laboratories Inc	105	52
	Oostdam	Oostdam Peter G & Jacoba M and Oostdam John P & Margie K	259	572
	Record	Record Randolph A & Record Anne M	46	126
		Martinez Manuel B & Martinez Lucila C	148	407
	Sybrandy	Velde J & S T Children Trust c/o Phillips George R	145	284
		Sybrandy Investment Co LP	1,182	2,310
	Ramsey	Southern California Edison Co	127	248
San Jacinto Fund LLC		596	1,788	

**Class B Participants
Carry-Over Credits
as of December 31, 2015**
(All Values in AF)

Participation Class	Names on The Judgment Assignments	Legal Parcel Owner Names	Allocations Set by the Judgment	Prod. Below/Above (-) Allocation as of Dec 31, 2015	
Class B Participants	Boersma	Boersma Eric & D Family Trust	195	798	
	Boruchin	Jewish National Fund Keren Kay	266	780	
	Curci	Curci San Jacinto Investors LLC	260	780	
	Lauda	Security Title Insurance Co		1	0.4
		Lauda Family Ltd Partnership		3,299	1,192
		Lauda Bertrand & Lauda Erma J		147	53
		Southern California Edison Co		83	30
	Goodman	Nuevo Dev Co LLC	151	453	
	Phillips	Pastime Lakes Inv Co	212	-169	
	Michan	Rancho Diamante Inv		92	226
		Diamante Rancho		50	123
		MWD		NA	NA
		Riverside County Flood Cont		NA	NA
	Pastor	San Jacinto Spice Ranch Inc.	265	726	
	Scott	Scott Ag Property	1,755	449	
	Van Dam	Vandam Donald Dick and Vandam Frances L	531	798	
	Resolution 7	Vandam Glen A and Vandam Jennifer A	139	325	
	Warren	Seaboard Inc		196	401
Palma Hector O and Yager George			246	502	

**Class B Participants Carry-Over Credits
(as of December 31, 2016)**

Legal Owner Name	Prorata Alloc.	Total Prod. Below Alloc. as of December 2015	2016 Prod.	Total Prod. Below Alloc. as of Dec. 2016	Total Prod. Above Alloc. as of Dec. 2016
Cordero Family Trust	1398	2141	509	3030	
Gless Trust Pt.	588	1087	77	1598	
Gless Family Trust	1505	2780	197	4088	
Olsen Robert D & Olsen Elva I.	14	7	8	13	
Olsen Citrus LLC	37	18	22	34	
Arlington Veterinary Lab. Inc.	105	52	62	95	
Oostdam Peter G & Jacoba M & John P & Margie K.	259	572	97	734	
San Jacinto Fund LLC	596	1788	0	2384	
Record Randolph A & Anne M.	46	126	0	171	
Sybrandy Investment Co. LP	1182	2310	370	3122	
Boersma Eric & D Family Trust	195	798	167	826	
Curci San Jacinto Investors LLC	260	780	0	1040	

Class B Participants Carry-Over Credits
 (as of December 31, 2016)
 (Cont.)

Legal Owner Name	Prorata Alloc.	Total Prod. Below Alloc. as of December 2015	2016 Prod.	Total Prod. Below Alloc. as of Dec. 2016	Total Prod. Above Allocations as of Dec. 2016
Nuevo Dev Co. LLC	151	453	0	604	
Security Title Insurance Co.	1	0	0	0	
Lauda Family Ltd Partnership	3299	1192	696	1045	
Lauda Bertrand & Erma J.	147	53	31	47	
Rancho Diamante Inv.	92	226	0	318	
Diamante Rancho	50	123	0	173	
San Jacinto Spice Ranch Inc.	265	726	0	991	
Scott Ag Property	1755	449	128	1198	
Vandam Donald Dick and Vandam Frances L.	531	798	121	1209	
Vandam Glen A and Jennifer A.	139	325	49	415	
Velde Children Trust & Pastime Lake Inv. (Combined)	357	115	359	114	

Recommendation

Receive and File the 2016 Carry-Over Credit Accounts Summary Data

Questions...

Status of the Department of Water Resources Reporting Under Water Code 10720

Hemet-San Jacinto Watermaster
Board Meeting
May 22, 2017

State Requirement

Sustainable Groundwater Management Act
Water Code Section 10720

Watermaster shall provide the following information to the Department of Water Resource (DWR) on or before April 1st of each year:

- 1. Groundwater Elevation Data;**
- 2. Aggregated Groundwater Extraction Data;**
- 3. Surface Water Supply Data;**
- 4. Total Water Use Data;**
- 5. Change in Groundwater Storage; and**
- 6. The Annual Report.**

Information Provided to DWR

1 - Groundwater Elevation Data :

Submitted to DWR by EMWD as part of the Watermaster Monitoring Program and CASGEM Program.

2 - Aggregated Groundwater Extraction Data :

Extraction Data by Method Collected		
Metered	Estimated(by Landuse)	Total
33,294	5,101	38,395

Extraction by Water Use Sector	
Urban	24,534
Agriculture	12,193
Other (Soboba Tribe)	1,668
Total	38,395

CASGEM = California Statewide Groundwater Elevation Monitoring

Information Provided to DWR (cont.)

3 - Surface Water Supply Data :

Local Surface Wtr.	State Water Project	Total Surf. Wtr. Supply
1,374	19,939	21,313

4 - Total Water Use Data :

Water Use by Sector	
Urban	32,509
Agriculture	24,979
Other (Soboba Tribe)	1,668
Managed Recharge	13,171
Total	72,327

Water Use by Source	
Groundwater	38,395
Surface Water	21,313
Recycled Water	12,619
Total	72,327

Information Provided to DWR (cont.)

5 - Change in Groundwater Storage :

Time Period	Estimated Storage Change
April 30, 2015 – April 29, 2016	- 5,717

6 – The Annual Report :

**2015 Annual Report was provided
&
2016 Annual Report will be provided in July**

Questions...



INSURANCE BINDER

ISSUING CARRIER:
Allied World Assurance Company
or affiliate carrier

NAMED INSURED:
Hemet-San Jacinto Watermaster

EFFECTIVE DATE:
4/1/2017

Program Manager:
Allied Community Insurance Services, LLC
11452 El Camino Real Suite 250
San Diego, CA 92130
CA License No. 0L01269 | National Producer No. 17536322 Agency
License# 3537131

Retail Broker:
Edgewood Partners Insurance Center
19000 MacArthur Blvd
Irvine, CA 92612

COVERAGE	Y/N	POLICY NUMBER	PREMIUM
Property	No	N/A	\$ N/A
Commercial Crime	No	N/A	\$ N/A
Commercial General Liability	Yes	5105-1266-03	\$ 500.00
Public Officials & Management Liability	Yes	5105-1266-03	\$ 500.00
Business Auto	No	N/A	\$ N/A
Commercial Excess Liability	Yes	5107-1266-03	\$ 2,000.00
Privacy 101	No	N/A	\$ N/A

Total Annual Premium <i>(excludes state-imposed taxes, surcharges, and fees)</i>	\$ 3,000.00
Terrorism Premium	\$ 2.00
State Imposed Taxes, Surcharges, and Fees	\$ N/A
Fully Earned Policy Fee	\$ 100.00
Surplus Lines Taxes & Stamping Fee <i>(applicable to Privacy 101 only)</i>	\$ N/A
TOTAL AMOUNT DUE	\$ 3,102.00
PAYMENT PLAN SELECTED	Annual

NOTES:
Refer to quotation for coverage detail.

Issue Date: 4/6/2017

Authorized Signature: 

Paul R. Fuller, CPCU
Allied Public Risk, LLC
CA DBA: Allied Community Insurance Services, LLC
National Producer# 17536322

NOTICE: This binder is a temporary insurance contract subject to the conditions shown on the second page of this form. It is an overview of the terms offered in your policy and may contain unintentional inaccuracies. The binder is valid for 60 days from the effective date of the policy. Please refer to your quotation for a detailed summary of limits, deductibles, and coverages.



CONDITIONS

This Company binds the kind(s) of insurance stipulated on page one. The Insurance is subject to the terms, conditions and limitations of the policy(ies) in current use by the Company.

This binder may be cancelled by the Insured by surrender of this binder or by written notice to the Company stating when cancellation will be effective. This binder may be cancelled by the Company by notice to the Insured in accordance with the policy conditions. This binder is cancelled when replaced by a policy. If this binder is not replaced by a policy, the Company is entitled to charge a premium for the binder according to the Rules and Rates in use by the Company.

Applicable in California

When this form is used to provide insurance in the amount of one million dollars (\$1,000,000) or more, the title of the form is changed from "Insurance Binder" to "Cover Note".

Applicable in Colorado

With respect to binders issued to renters of residential premises, home owners, condo unit owners and mobile homeowners, the insurer has thirty (30) business days, commencing from the effective date of coverage, to evaluate the issuance of the insurance policy.

Applicable in Delaware

The mortgagee or Obligee of any mortgage or other instrument given for the purpose of creating a lien on real property shall accept as evidence of insurance a written binder issued by an authorized insurer or its agent if the binder includes or is accompanied by: the name and address of the borrower; the name and address of the lender as loss payee; a description of the insured real property; a provision that the binder may not be canceled within the term of the binder unless the lender and the insured borrower receive written notice of the cancellation at least ten (10) days prior to the cancellation; except in the case of a renewal of a policy subsequent to the closing of the loan, a paid receipt of the full amount of the applicable premium, and the amount of insurance coverage.

Chapter 21 Title 25 Paragraph 2119

Applicable in Florida

Except for Auto Insurance coverage, no notice of cancellation or nonrenewal of a binder is required unless the duration of the binder exceeds 60 days. For auto insurance, the insurer must give 5 days prior notice, unless the binder is replaced by a policy or another binder in the same company.

Applicable in Maryland

The insurer has 45 business days, commencing from the effective date of coverage to confirm eligibility for coverage under the insurance policy.

Applicable in Michigan

The policy may be cancelled at any time at the request of the insured.

Applicable in Nevada

Any person who refuses to accept a binder which provides coverage of less than \$1,000,000.00 when proof is required: (A) Shall be fined not more than \$500.00, and (B) is liable to the party presenting the binder as proof of insurance for actual damages sustained therefrom.

NOTICE: This binder is a temporary insurance contract subject to the conditions shown on the second page of this form. It is an overview of the terms offered in your policy and may contain unintentional inaccuracies. The binder is valid for 60 days from the effective date of the policy. Please refer to your quotation for a detailed summary of limits, deductibles, and coverages.

2016 Annual Report Updated Information

Hemet-San Jacinto Watermaster
Board Meeting

May 22, 2017

Updated Information

Updated Material:

**Table 7-8: Class B Participants Carry-Over Credits as of
December 31, 2016**

Reason for the Update:

**Gh Dairy is a new owner and required to intervene if
they want to become a Party to the Judgment.**

**A letter was sent to the new owner on April 21, 2017,
requesting them to respond by May 15, 2017. No
response was received.**

**Gh Dairy is removed from Table 7-8 of the 2016 Annual
Report**

Class B Participants Carry-Over Credits (as of December 31, 2016)

Legal Owner Name	Prorata Alloc.	Total Prod. Below Alloc. as of December 2015	2016 Prod.	Total Prod. Below Alloc. as of Dec. 2016	Total Prod. Above Alloc. as of Dec. 2016
Cordero Family Trust	1398	2141	509	3030	
Gh Dairy	104	42	149		2.5
Gless Trust Pt.	588	1087	77	1598	
Gless Family Trust	1505	2780	197	4088	
Olsen Robert D & Olsen Elva I.	14	7	8	13	
Olsen Citrus LLC	37	18	22	34	
Arlington Veterinary Laboratories Inc.	105	52	62	95	
Oostdam Peter G & Jacoba M & John P & Margie K.	259	572	97	734	
San Jacinto Fund LLC	596	1788	0	2384	
Record Randolph A & Record Anne M.	46	126	0	171	
Sybrandy Investment Co. LP	1182	2310	370	3122	
Boersma Eric & D Family Trust	195	798	167	826	
Curci San Jacinto Investors LLC	260	780	0	1040	

Class B Participants Carry-Over Credits (as of December 31, 2016) (Cont.)

Legal Owner Name	Prorata Alloc.	Total Prod. Below Alloc. as of December 2015	2016 Prod.	Total Prod. Below Alloc. as of Dec. 2016	Total Prod. Above Allocations as of Dec. 2016
Nuevo Dev Co. LLC	151	453	0	604	
Security Title Insurance Co.	1	0	0	0	
Lauda Family Ltd Partnership	3299	1192	696	1045	
Lauda Bertrand & Lauda Erma J.	147	53	31	47	
Rancho Diamante Inv.	92	226	0	318	
Diamante Rancho	50	123	0	173	
San Jacinto Spice Ranch Inc.	265	726	0	991	
Scott Ag Property	1755	449	128	1198	
Vandam Donald Dick and Vandam Frances L.	531	798	121	1209	
Vandam Glen A and Vandam Jennifer A.	139	325	49	415	
Velde Children Trust & Pastime Lake Inv. (Combined)	357	115	359	114	

Questions...



EMWD Update

Michael D. Nusser

May 22, 2017

Agenda

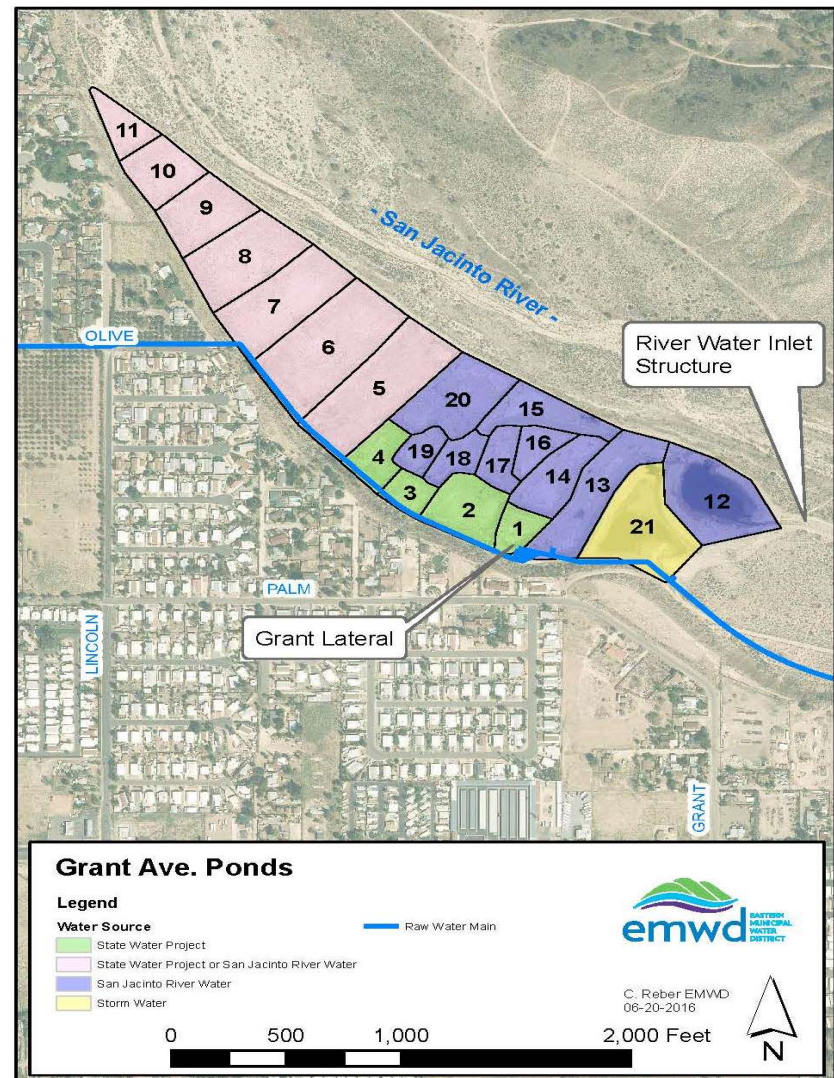
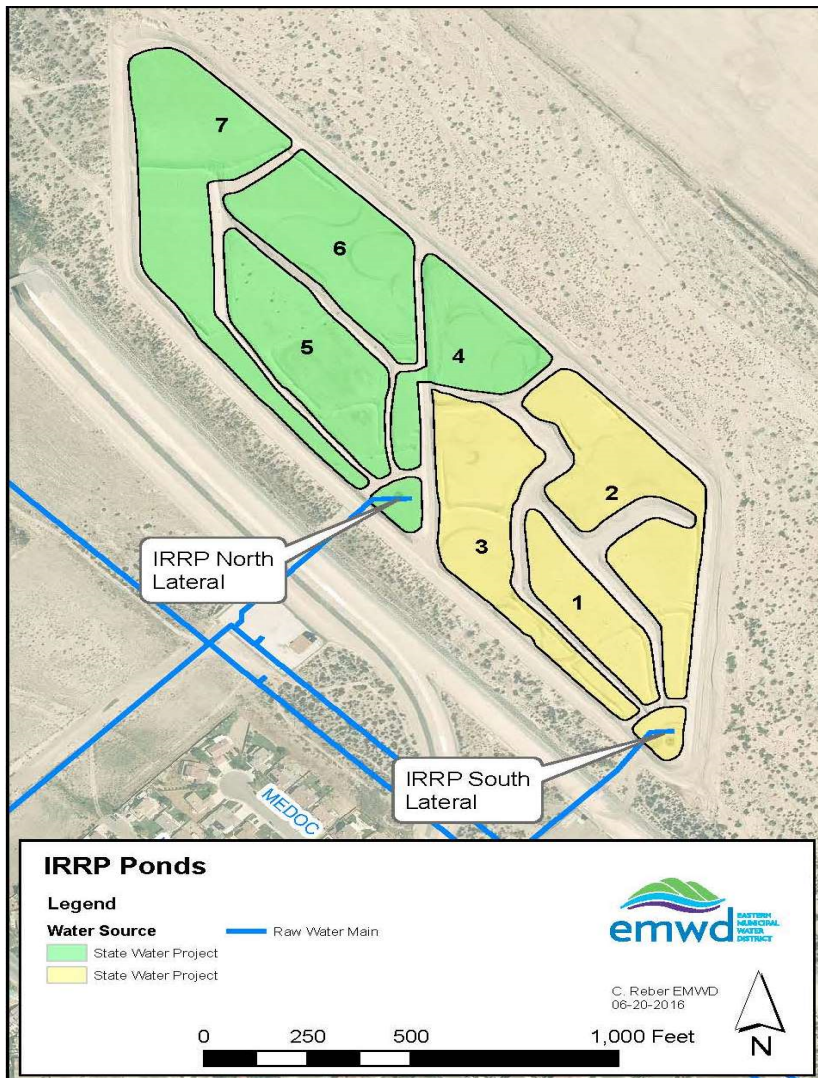
- Update on Soboba Recharge & River Diversions
- Canyon Operating Plan – Draft 2017 Annual Report



Update on Soboba Recharge & River Diversions



IRRP and Grant Ponds



IRRP North Maintenance and Re-configuration



IRRP South Recharge



Grant Recharge



Grant Diversions



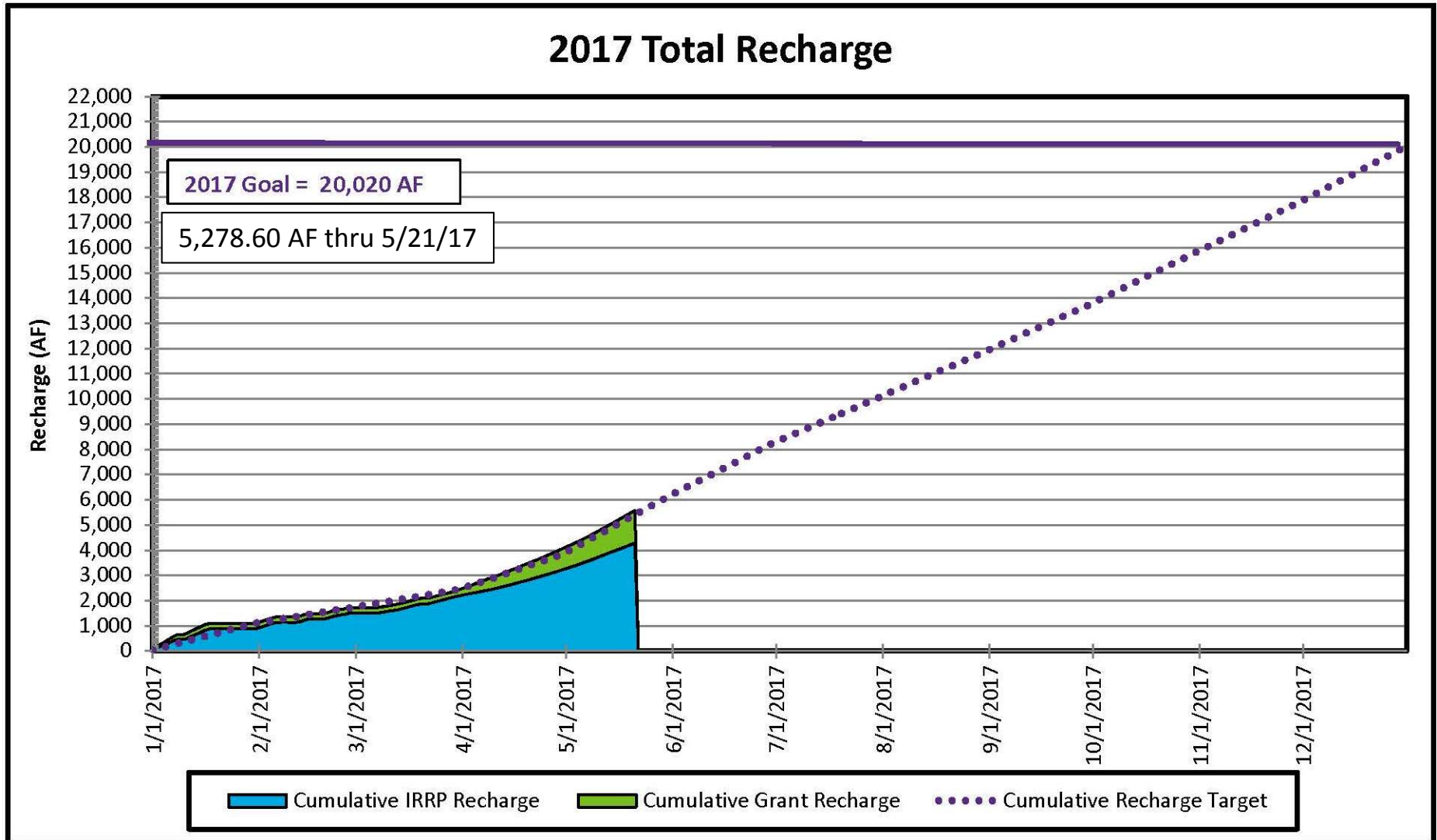
Soboba Recharge and River Diversion Summary

Weekly Imported Raw Water Recharge Report							
Weekly Recharge Summary (05/15/17 - 05/21/17)							
	Grant	IRRP	Total		Grant	IRRP	Total
Weekly Average Flow (gpm)	6,132.33	11,779.77	17,912.11	Recharge to Meet Monthly Goal (AF)	136.90	655.70	792.60
Weekly Total Recharge (AF)	189.70	364.40	554.10	Minimum Rate to Meet Monthly Goal (gpm)	2,816	13,489	16,305
Monthly Total Recharge (AF)	463.10	1,054.30	1,517.40	Minimum Rate to Meet Monthly Goal (cfs)	6.3	30.1	36.3
Annual Total Recharge (AF)	1,300.40	4,278.20	5,578.60	Recharge to Meet Annual Goal (AF)	2,199.6	12,241.8	14,441.4
Monthly Recharge Goal (AF)	600	1,710	2,310	Minimum Rate to Meet Annual Goal (gpm)	2,212	12,312	14,524
Annual Recharge Goal (AF)	3,500	16,520	20,020	Minimum Rate to Meet Annual (cfs)	4.9	27.4	32.4

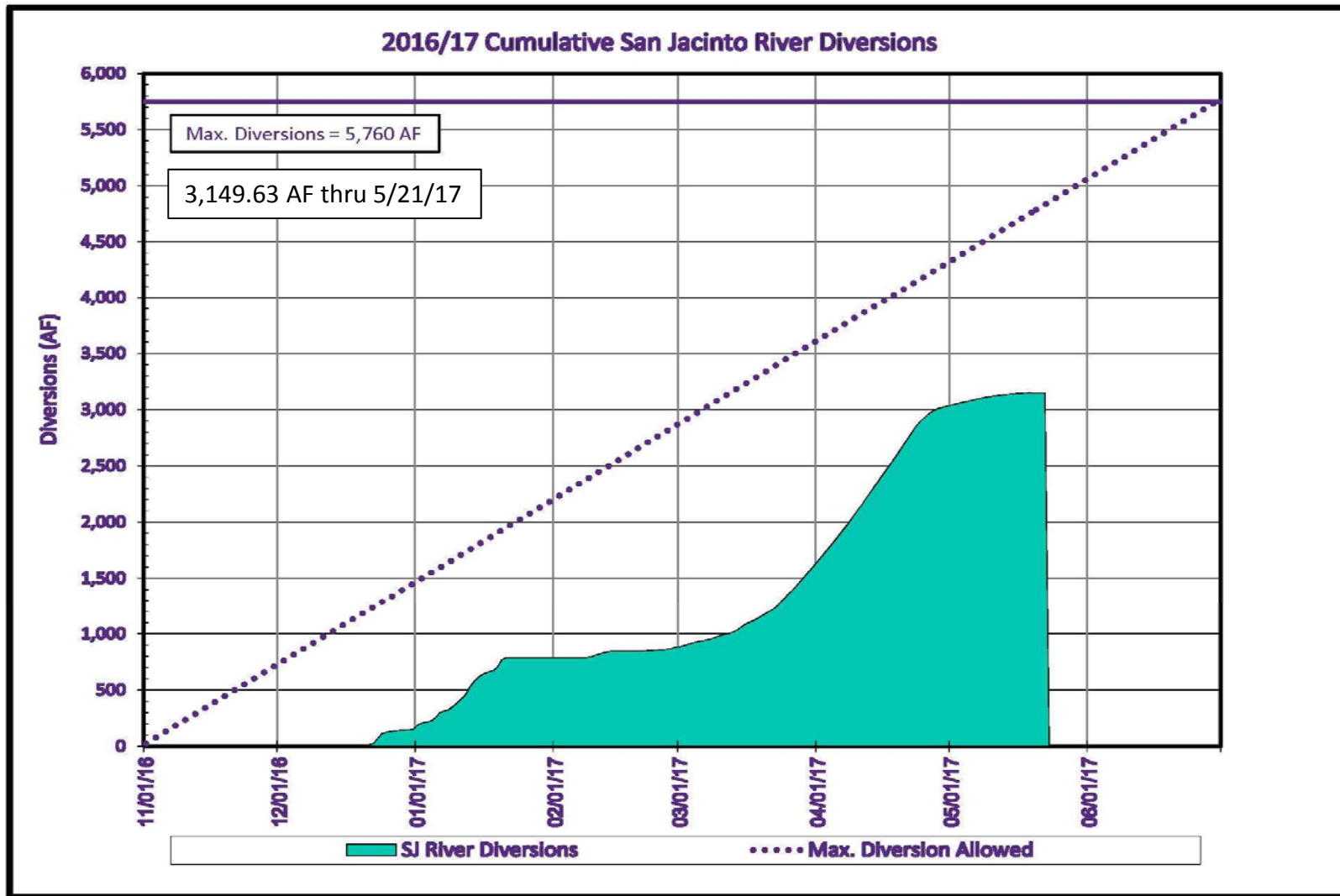
Weekly Surface Water Diversion Report			
Weekly Diversion Summary (05/15/17 - 05/21/17)			
Weekly Total Diversion (AF)	11.86	Annual Total Diversion (AF) *	3,149.63
Weekly Average Flow (gpm)	383	Maximum Annual Diversion (AF) *	5,760.00
Weekly Average Flow (cfs)	0.85	Remaining Diversions (AF)	2,610.37
* Annual Total calculated from November 1 - June 30 each year based on state license to divert a maximum of 5,760 AF during this period. Diversions are not permitted between July 1 - October 31 each year. The SBKR Bridge must be in place by July 1 each year.			



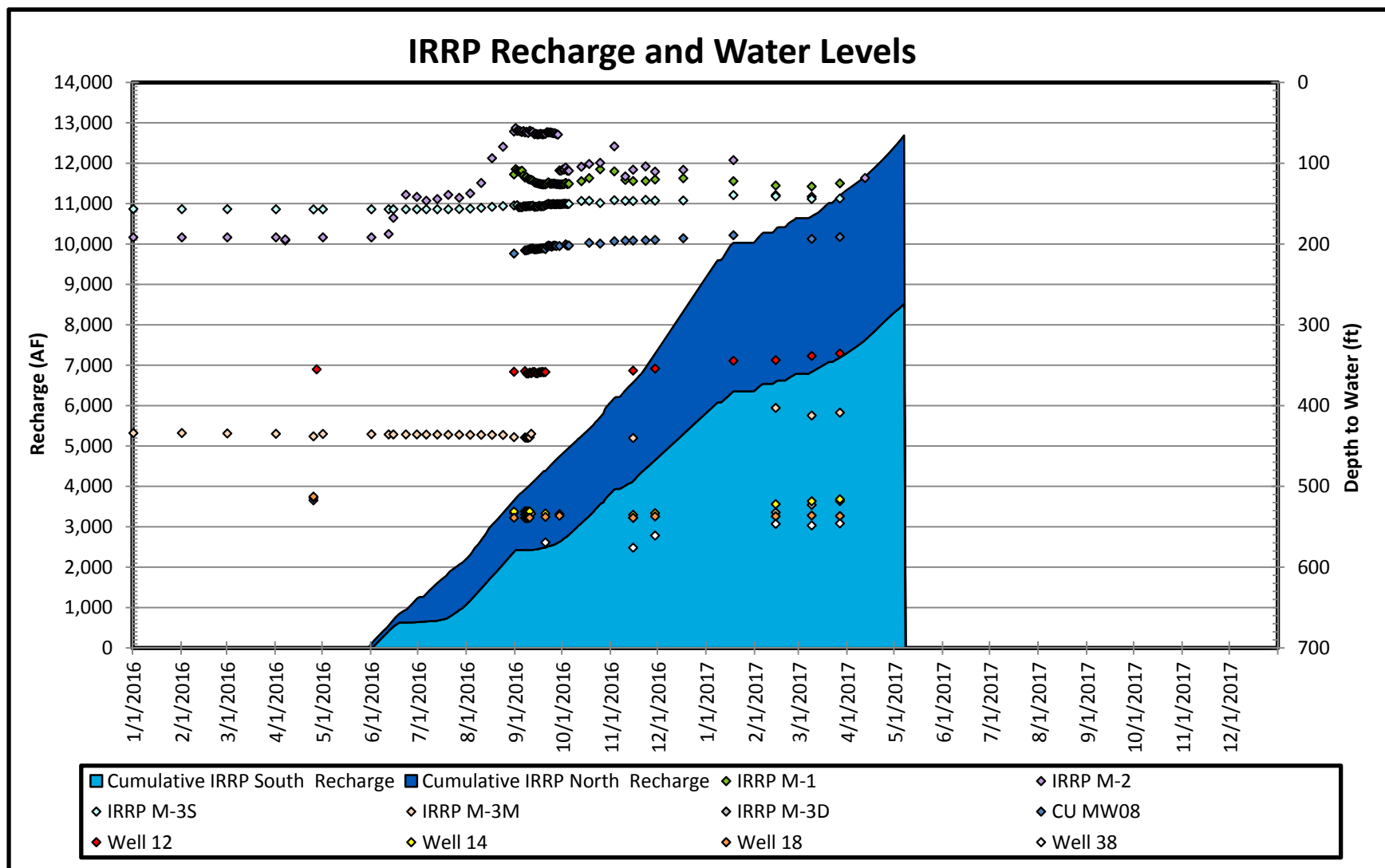
Soboba Recharge to Date for 2017



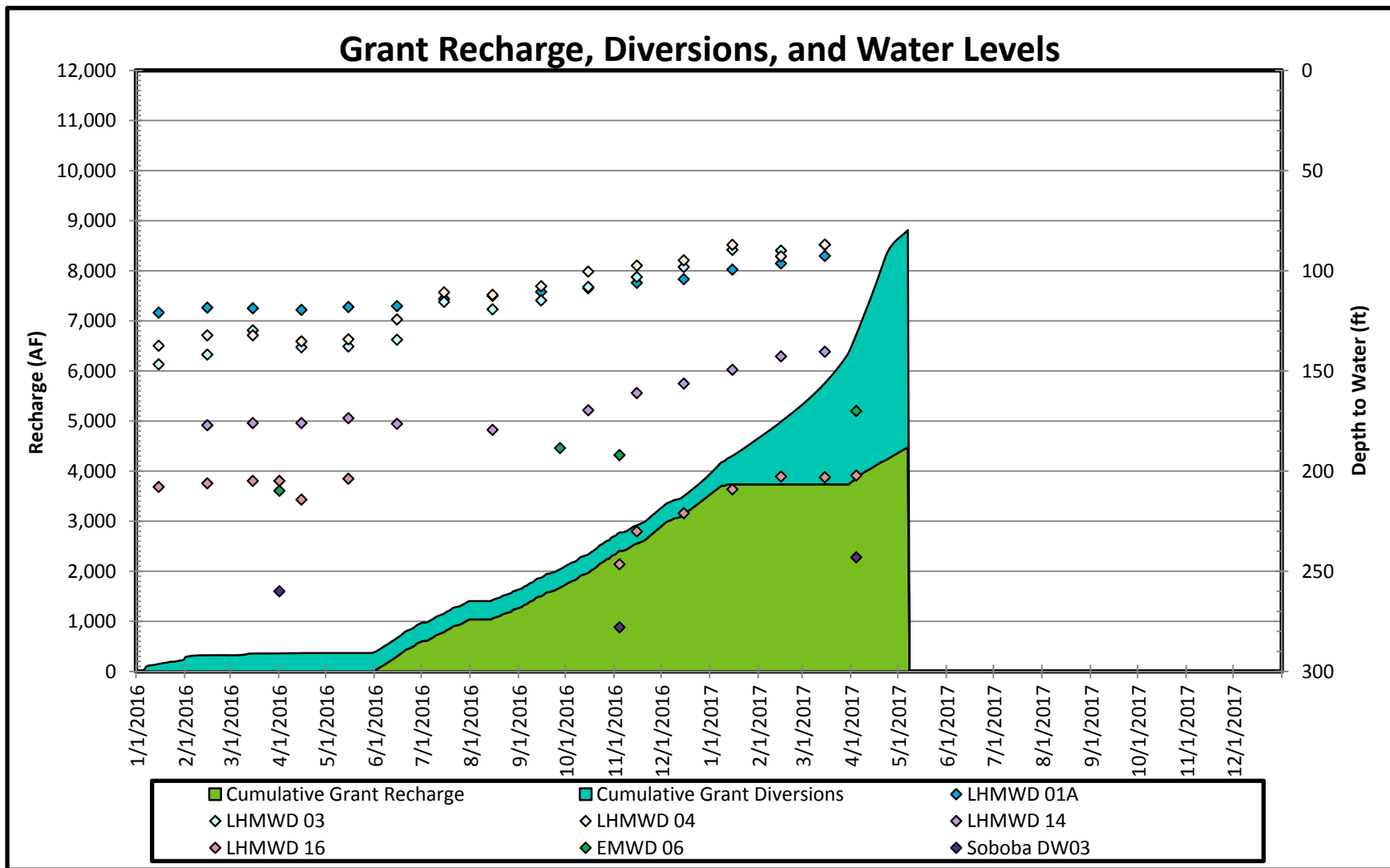
Grant River Diversions from 11/1/16 to 5/21/17



IRRP Recharge and Water Levels from 1/1/16 to 5/7/17



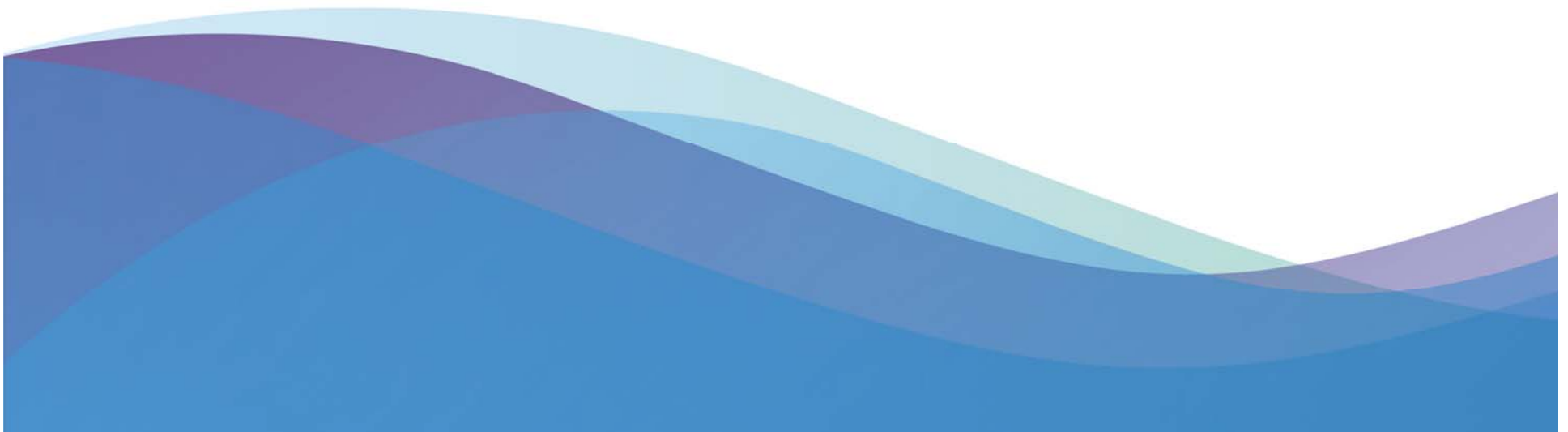
Grant Recharge, River Diversions, and Water Levels from 1/1/16 to 5/7/17





Canyon Operating Plan

Draft 2017 Annual Report



Canyon Operating Plan – Draft 2017 Annual Report

- Static Water Levels Measured in Key Wells on April 1, 2016

Well Name	Reference Point (ft/MSL)	Depth to Water (ft from RP)	Groundwater Elevation (ft / MSL)	Estimated Planning Storage (AF)
Soboba DW-03	1,681.94	260.00	1,421.94	190,399.00
Cienega 06	1,667.70	209.80	1,457.90	199,698.00
LHMWD 16	1,744.00	204.90	1,539.10	196,850.00
Weighted Average Planning Storage (AF)				194,377.00



Canyon Operating Plan – Draft 2017 Annual Report

- Static Water Levels Measured in Key Wells on April 1, 2016

Well Name	Reference Point (ft/MSL)	Depth to Water (ft from RP)	Groundwater Elevation (ft / MSL)	Estimated Planning Storage (AF)
Soboba DW-03	1,681.94	260.00	1,421.94	190,399.00
Cienega 06	1,667.70	209.80	1,457.90	199,698.00
LHMWD 16	1,744.00	204.90	1,539.10	196,850.00
Weighted Average Planning Storage (AF)				194,377.00

- Projected 2016 Year-End Key Well Levels on April 1, 2016

Key Well	Projected Water Level (ft/MSL)	Projected Change in Water Level (ft)	Projected Estimated Planning Storage (AF)	Projected Changed in Estimated Planning Storage (AF)
EMWD Cienega 06	1,446.8	-11.13	197,254	- 2,485
LHMWD 16	1,532.1	-06.98	194,405	
Soboba DW-03	1,410.9	-11.01	187,954	
Weighted Average Planning Storage (AF)			191,892	

Canyon Operating Plan – Draft 2017 Annual Report

- Static Water Levels Measured in Key Wells on April 1, 2016

Well Name	Reference Point (ft/MSL)	Depth to Water (ft from RP)	Groundwater Elevation (ft / MSL)	Estimated Planning Storage (AF)
Soboba DW-03	1,681.94	260.00	1,421.94	190,399.00
Cienega 06	1,667.70	209.80	1,457.90	199,698.00
LHMWD 16	1,744.00	204.90	1,539.10	196,850.00
Weighted Average Planning Storage (AF)				194,377.00

- Projected 2016 Year-End Key Well Levels on April 1, 2016

Key Well	Projected Water Level (ft/MSL)	Projected Change in Water Level (ft)	Projected Estimated Planning Storage (AF)	Projected Changed in Estimated Planning Storage (AF)
EMWD Cienega 06	1,446.8	-11.13	197,254	- 2,485
LHMWD 16	1,532.1	-06.98	194,405	
Soboba DW-03	1,410.9	-11.01	187,954	
Weighted Average Planning Storage (AF)			191,892	

- Static Water Levels Measured in Key Wells on April 4, 2017

Well Name	Reference Point (ft/MSL)	Depth to Water (ft from RP)	Groundwater Elevation (ft / MSL)	Estimated Planning Storage (AF)
Soboba DW-03	1,681.94	243.00	1,438.94	194,173.00
Cienega 06	1,667.70	170.00	1,497.70	208,441.00
LHMWD 16	1,744.00	202.20	1,541.80	197,796.00
Weighted Average Planning Storage (AF)				198,646.00

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- 2016 Groundwater Production

Entity	Projected 2016 Production (AF)	Actual 2016 Production (AF)	Artificial Recharge (AF)	Net Production (AF)
EMWD	1,000.000	977.113	1,000.000	0.000
LHMWD	2,000.000	1,197.915	2,514.060	0.000
Private	858.000	1,006.667	0.000	1,006.667
Soboba Tribe	1,100.000	1,126.488	0.000	1,126.488
Total	3,958.000	4,308.183	3,514.060	2,133.155

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- 2016 Groundwater Production

Entity	Projected 2016 Production (AF)	Actual 2016 Production (AF)	Artificial Recharge (AF)	Net Production (AF)
EMWD	1,000.000	977.113	1,000.000	0.000
LHMWD	2,000.000	1,197.915	2,514.060	0.000
Private	858.000	1,006.667	0.000	1,006.667
Soboba Tribe	1,100.000	1,126.488	0.000	1,126.488
Total	3,958.000	4,308.183	3,514.060	2,133.155

- Change in Key Well Groundwater Elevations

Well Name	April 2016 Groundwater Elevation (ft/MSL)	April 2017 Groundwater Elevation (ft/MSL)	Change in Groundwater Elevation (ft)
Soboba DW-03	1,421.94	1,438.94	+17.00
Cienega 06	1,457.90	1,497.70	+39.80
LHMWD 16	1,539.10	1,541.80	+02.70

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- 2016 Groundwater Production

Entity	Projected 2016 Production (AF)	Actual 2016 Production (AF)	Artificial Recharge (AF)	Net Production (AF)
EMWD	1,000.000	977.113	1,000.000	0.000
LHMWD	2,000.000	1,197.915	2,514.060	0.000
Private	858.000	1,006.667	0.000	1,006.667
Soboba Tribe	1,100.000	1,126.488	0.000	1,126.488
Total	3,958.000	4,308.183	3,514.060	2,133.155

- Change in Key Well Groundwater Elevations

Well Name	April 2016 Groundwater Elevation (ft/MSL)	April 2017 Groundwater Elevation (ft/MSL)	Change in Groundwater Elevation (ft)
Soboba DW-03	1,421.94	1,438.94	+17.00
Cienega 06	1,457.90	1,497.70	+39.80
LHMWD 16	1,539.10	1,541.80	+02.70

- Change in Key Well Estimated Planning Storage

Well Name	April 2016 Estimated Planning Storage (AF)	April 2017 Estimated Planning Storage (AF)	Change in Estimated Planning Storage (AF)
Soboba DW-03	190,399	194,173	
Cienega 06	199,698	208,441	
LHMWD 16	196,820	197,796	
Weighted Average Planning Storage (AF)	194,377	198,646	+4,269

- Sub-Basin Trigger Status Changes to “Near-Critical” for 2017

- 1,069 AF Net Pumping for EMWD and LHMWD



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- 2017 Basin Pumping Projections

Entity	2017 Projected Groundwater Production (AF)	Groundwater Production (YTD AF)	Remaining Groundwater Production (AF)	2017 Projected Imported Water Recharge (AF)	2017 Net Projected Groundwater Production (AF)
EMWD	1,000.000	0.000	1,000.000	1,000.000	0.000
LHMWD	2,000.000	120.503	1,879.497	2,500.000	0.000
Private	958.720	0.000	958.720	-	958.720
Soboba Tribe	1,483.858	90.720	1,393.138	-	1,483.858
Total	5,442.578	211.223	5,140.635	3,500.000	2,442.578



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- 2017 Basin Pumping Projections

Entity	2017 Projected Groundwater Production (AF)	Groundwater Production (YTD AF)	Remaining Groundwater Production (AF)	2017 Projected Imported Water Recharge (AF)	2017 Net Projected Groundwater Production (AF)
EMWD	1,000.000	0.000	1,000.000	1,000.000	0.000
LHMWD	2,000.000	120.503	1,879.497	2,500.000	0.000
Private	958.720	0.000	958.720	-	958.720
Soboba Tribe	1,483.858	90.720	1,393.138	-	1,483.858
Total	5,442.578	211.223	5,140.635	3,500.000	2,442.578

- Projected 2017 Year-End Key Well Levels

Key Well	Projected Water Level (ft/MSL)	Projected Change in Water Level (ft)	Projected Estimated Planning Storage (AF)	Projected Changed in Estimated Planning Storage (AF)
EMWD Cienega 06	1,486.6	-11.12	205,998	- 2,443
LHMWD 16	1,534.8	-06.97	195,353	
Soboba DW-03	1,427.9	-11.00	191,730	
Weighted Average Planning Storage (AF)			196,203	

- Sub-Basin Trigger Status Projected as “Critical” for 2018
 - No Net Pumping for EMWD and LHMWD



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Year **2017**

Appendix 1: 2017 Canyon Operating Plan Storage Estimates and Trigger Status

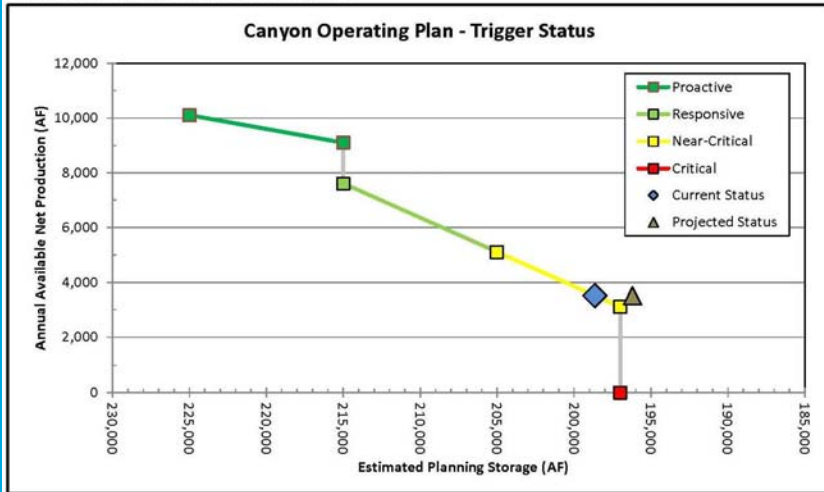
2017 Canyon Operating Plan Calculations			
Key Well	Water Level (ft/MSL)	Weight	Storage Estimate (AF)
EMWD Cienega 06	1,497.7	1	208,441
LHMWD 16	1,541.8	1	197,796
Soboba DW-03	1,438.9	2	194,173
Weighted Avg Storage:			198,646

Canyon Basin Trigger Status		
Parameter	Value	Unit
Trigger Stage	Near-Critical	#N/A
Available Net Prod	3,511.43	AF
Tribe & Priv. Pump	2,442.58	AF
EMWD/LHMWD Prod	1,068.85	AF

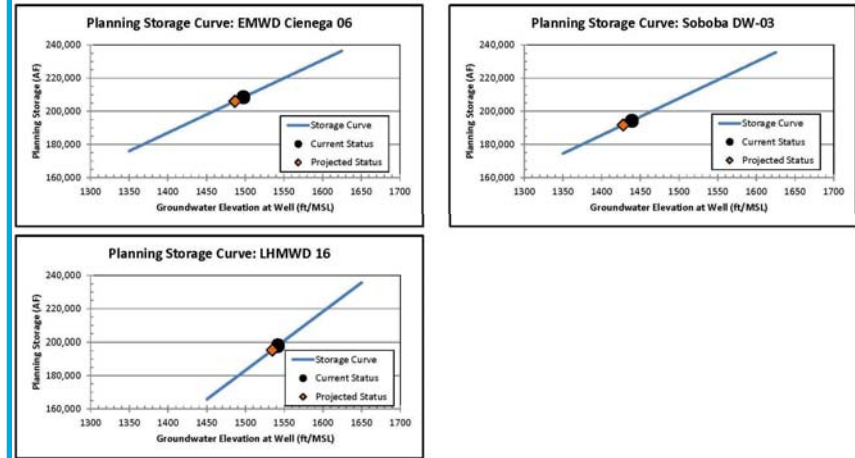
2017 End of Season Pumping Projections*			
Key Well	Water Level (ft/MSL)	Change	Storage Estimate (AF)
EMWD Cienega 06	1,486.6	-11.12	205,998
LHMWD 16	1,534.8	-6.97	195,353
Soboba DW-03	1,427.9	-11.00	191,730
Weighted Avg Storage:			196,203

End of Year Trigger Status		
Parameter	Value	Unit
Trigger Stage	Near-Critical	#N/A
Available Net Prod	3,511.43	AF

*assumes negligible recharge from rainfall, etc. in the Canyon Basin

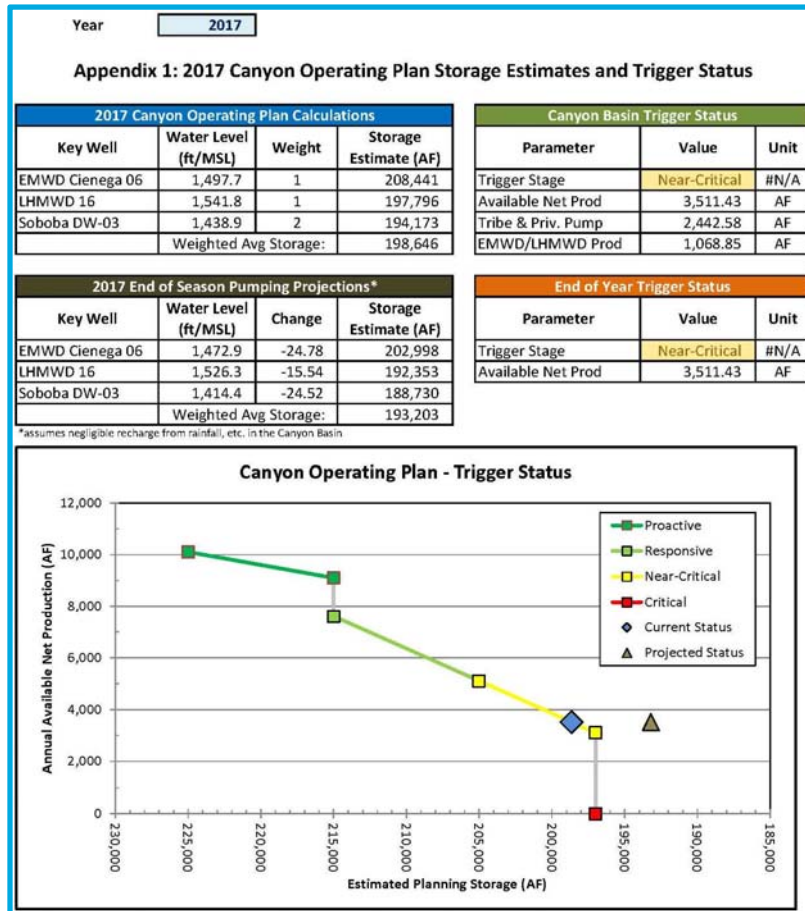


Appendix 2: Key Well Storage Curves

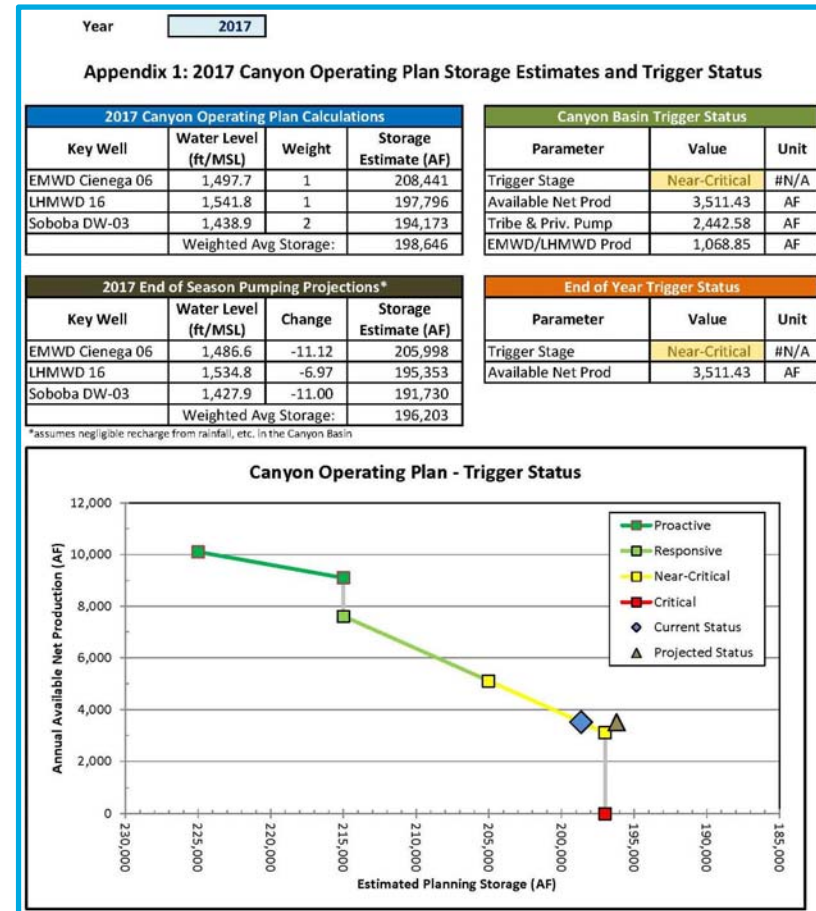


Canyon Operating Plan – 2017 Planned Groundwater Pumping

EMWD and LHMWD 3,000 AF Pumping



EMWD and LHMWD 0 AF Net Pumping



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- Historical Groundwater Production and Artificial Recharge

	Annual Trigger Status	Available Trigger Production (AF)	EMWD Production (AF)	LHMWD Production (AF)	Production Sub-Total (AF)	Artificial Recharge (AF)	Net Production Sub-Total (AF)	Carry-Over Deficit Production (AF)
2015	Critical	0.000	0.000	510.937	510.937	0.000	- 510.937	- 510.937
2016	Critical	0.000	977.113	1,197.915	2,175.028	3,514.060	1,339.032	828.095
2017	Near-Critical	1,068.850						

	Annual Trigger Status	Available Trigger Production (AF)	Soboba Tribe Production (AF)	Private Production (AF)	Production Sub-Total (AF)	Net Production Sub-Total (AF)	Carry-Over Deficit Production (AF)
2015	Critical	2,332.060	1,049.120	1,006.666	2,055.786	276.274	276.274
2016	Critical	2,444.800	1,126.488	1,006.667	2,133.155	311.645	587.919
2017	Near-Critical	2,442.580					





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