

Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

June 19, 2007

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on June 19, 2007 at 9:00 a.m.

Agricultural Pool Members Present

Nathan deBoom, Chair	Dairy
Jeff Pierson	Crops
Glen Durrington	Crops
John Huitsing	Dairy
Pete Hettinga	Dairy
Rob Vanden Heuvel	Milk Producers Council
Jennifer Novak	State of California

Watermaster Board Members Present

Sandra Rose	Monte Vista Water District
Paul Hofer	Crops

Watermaster Staff Present

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	CFO /Asst. General Manager
Gordon Treweek	Project Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Andy Malone	Wildermuth Environmental Inc.

Others Present

Steve Lee	Reid & Hellyer
Jason Weiner	State of California

Chair deBoom called the Agricultural Pool meeting to order at 9:14 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held May 15, 2007

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2007
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2006 through April 30, 2007
4. Treasurer's Report of Financial Affairs for the Period April 1, 2007 through April 30, 2007
5. Profit & Loss Budget vs. Actual July 2006 through April 2007

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Fontana Water Company has agreed to purchase from the City of Upland water in storage in the amount of 10,000 acre-feet to satisfy a portion of the company's anticipated Chino Basin replenishment obligation for Fiscal Year 2006/2007
2. **Consider Approval for Notice of Sale or Transfer** – Cucamonga Valley Water District has agreed to purchase 500 acre-feet of West Valley Water District's stored Chino Basin groundwater. Date of application: May 24, 2007

Motion by Durrington, second by Pierson, and by unanimous vote

Moved to approve Consent Calendar Items A through C, as presented

II. BUSINESS ITEMS**A. MZ1 LONG TERM PLAN**

Mr. Manning stated this item was presented last month as an information only item while making all parties aware this item will be brought forward this month for action. Mr. Manning stated this plan is adaptable and is a voluntary plan. Mr. Manning stated Counsel Fife and he had a meeting recently with the City of Chino Hills and their staff expressed they were not happy with the program as presented and they are looking for a different outcome all together. Mr. Manning stated it appears all other parties except the City of Chino Hills is on board with this Long Term Plan. It was noted the Alternative Water Plan is not part of this plan being submitted. Staff is in the process of developing an Alternative Water Plan although it is not a part of the Long Term Plan. The plan being presented today is the same plan that was brought to this committee last month; the staff report is long and extensive in an effort to ensure this matter is understandable. Mr. Manning stated staff is recommending approval. Mr. Manning noted the Appropriative and Non-Agricultural Pool did approve this item on the condition that the MZ1 Technical Committee would be convened and review the document prior to it going to the court. That meeting has been scheduled for Thursday, June 28, 2007 starting at 8:00 a.m. Chair deBoom inquired if the prison has any comments on the submitted plan. Ms. Novak stated she thinks the State is comfortable with the structure of the MZ1 Long Term Plan. Ms. Novak noted they only have one well that will be affected and the plan is something their staff can work with. Mr. Manning stated he has received comments from the City of Chino and from the State and those comments were taken into consideration in the preparation of the program. Mr. Manning noted the State's comments were directed more towards the Alternative Water Supply Plan rather than the MZ1 Long Term Plan.

Motion by Pierson, second by Durrington, and by unanimous vote

Moved to approve the MZ1 Long Term Plan with the review of the Technical Committee prior to the document going to the court, as presented

B. 2007/2008 BUDGET

Ms. Rojo stated there was a Budget Workshop and a detailed presentation given at the Advisory Committee and Watermaster Board meeting last month. Ms. Rojo stated some comments were received regarding the presentation given last month and those changes were incorporated into the budget. Ms. Rojo stated that today she will highlight the 2007/2008 Watermaster Budget. Administrative costs include COLA at 4%, OBMP costs now include costs for the micro-economic study, Implementation projects include increases in Ground Level Monitoring, HCMP and Storage Programs and decreases in Recharge O&M and MZ1 subsidence issues, Debt services remain neutral, and it appears Assessments will remain neutral, depending on production.

Motion by Pierson, second by Durrington, and by unanimous vote

Moved to approve the Chino Basin Watermaster 2007/2008 Budget, as presented

C. MICRO-ECONOMIC ANALYSIS STUDY

Mr. Manning stated the Micro-Economic Analysis Workshop was held last week with Dr. David Sunding. Mr. Manning stated the non-binding Term Sheet notes that the micro-economic study is a pre-requisite for the binding agreement and that it also required that we hold a workshop with was completed on June 7, 2007. The prior macro economic study looked at the basin as if it were run by one owner, the micro study looks at it by agency by agency. The proposal that is before this committee today is a not to exceed proposal with Dr. Sunding for \$172,600. The scope of work is fully inclusive of all the information that was discussed at the scoping meetings. A communication was received yesterday from the two economists, Dr. Mann and Dr. Hatchet, where they have made some comments on the scope of study; those comments are on the back table. Dr. Mann and Dr. Hatchet have been hired by Monte Vista Water District, the City of Chino Hills, Three valleys Municipal Water District, the City of Pomona, and the City of Upland to review and interpret the work of Dr. Sunding. Staff is recommending approval of the proposed scope of work for the micro-economic analysis.

Motion by Durrington, second by Pierson, and by unanimous vote

Moved to approve the micro-economic analysis study with the contract contact being held through Chino Basin Watermaster and not Hatch & Parent, as presented

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**1. Santa Ana River Hearing Closing Brief

Counsel Fife stated in the meeting packet there is a copy of Watermaster's closing brief in the Santa Ana process along with the stipulation that all the parties entered into concerning the 1969 Agreement.

B. ENGINEERING REPORT1. Model Update

Mr. Malone gave a report on the Progress on Watermaster's Groundwater Model. Evapotranspiration Estimation (ET) was discussed in detail. Mr. Malone discussed the area of Prado and Orange County Water District's interest in protecting vegetation and endangered species present within Prado, and understanding the relationship between riparian resources in the Prado Basin, and desalter pumping/re-operation. Efforts to improve the original ET were reviewed. Several detailed maps were looked at and discussed and the preliminary results were reviewed. Mr. Malone stated the impact of the new quarterly data will help with calibration, have a more accurate water balance, and will better quantify needs of various communities and cross-check their demands with management planning scenarios. A discussion ensued with regard to the model update given and possibly receiving power point presentations prior to the meetings.

C. CEO/STAFF REPORT1. Legislative Update

Mr. Manning stated there are a lot of bills moving through the committee right now and going back and forth between the two houses. The one bill that is noteworthy is SB59 which was essentially the governor's proposal for the water bond that was going to go on the next ballot. That bill was killed in committee and appeared to have no life. The concepts that were contained within SB59 have some legs though and the leadership senate was meeting in a private session last week to see how they could bring life back into the concept of SB59. It appears they are trying to develop an alternative to what was contained in SB59. Mr. Manning stated he is encouraging them to have more emphasis on groundwater within that bill.

2. Recharge Update

Mr. Manning stated the recharge handout is available on the back table for review. We did have a little over 200 acre-feet recharged by way of urban run-off this past month and we did have one minor storm and we were able to capture some water. Metropolitan Water District still has no replenishment water available to purchase at this time.

3. Dry Year Yield Report

Mr. Manning stated the Metropolitan Water District's Board took action on Tuesday to adopt the Dry Year Yield Program, which is to authorize the General Manger to execute the agreement with the Chino II Desalter for \$250 rebate. 9,600 acre-feet was covered under the first LRP program proposal. When Desalter II was developed, there was no LRP program available at that point in time. This agreement also authorizes a \$1.5 million dollar study for the expansion of the Dry Year Yield Program within the basin from 100,000 to 150,000 acre-feet and Mr. Atwater would very much like to hold a workshop to start talking about the scope of that study. Inland Empire Utilities Agency and Chino Basin Watermaster will be looking at holding the workshops starting in July, possibly prior to the Appropriative Pool meeting. A discussion ensued with regard to this matter and what will be discussed at the workshop.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

It was noted this committee would like to see an update next month on the plumes.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

June 14, 2007	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
June 19, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
June 28, 2007	9:00 a.m.	Advisory Committee Meeting
June 28, 2007	11:00 a.m.	Watermaster Board Meeting

The Agricultural Pool committee meeting was dismissed at 9:55 a.m.

Secretary: _____

Minutes Approved: July 17, 2007