

Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

December 18, 2007

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on December 18, 2007 at 9:00 a.m.

Agricultural Pool Members Present

Bob Feenstra, Chair	Dairy
Nathan deBoom	Dairy
Gene Koopman	Milk Producers Council
Jeff Pierson	Crops
Glen Durrington	Crops
John Huitsing	Dairy
Pete Hettinga	Dairy
Rob Vanden Heuvel	Milk Producers Council
Pete Hall	State of California CIM

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
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Mark Wildermuth	Wildermuth Environmental Inc.
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Others Present

Steven Lee	Reid & Hellyer
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Chair Feenstra called the Agricultural Pool meeting to order at 9:10 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 November 13, 2007

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of November 2007
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2007 through October 31, 2007
4. Treasurer's Report of Financial Affairs for the Period October 1, 2007 through October 31, 2007
5. Budget vs. Actual July 2007 through October 2007

Motion by Pierson, second by Durrington and by unanimous vote

Moved to approve Consent Calendar items A through B, as presented

II. BUSINESS ITEMS

A. 2007/2008 ASSESSMENT PACKAGE

Mr. Manning stated there is no official notice from the court regarding the Peace II process and that staff has prepared the Assessment Package utilizing the outline stated in the Peace II Agreement. If notification is received by the court authorizing something other than what was approved in Peace II, then the Assessment Package will be revised accordingly. Ms. Rojo noted a copy of the draft 2007/2008 Assessment Package is available on the back table. Ms. Rojo and reviewed the changes made to the calculations in the 2007/2008 Assessment Package as a result of Peace II. Ms. Rojo noted it was agreed to by all the parties to change the methodology for adjusting the over allocation of the Agricultural Pool rights based on a combination of land use conversions and operating safe yield. A discussion ensued with regard to the summary page configuration. Ms. Rojo noted the Non-Agricultural Pool agreed to give 10% of their share of operating safe yield to the Appropriators based upon a formula stated in Peace II. Ms. Rojo commented on the 2% loss factor still in the Assessment Package, until we have updated information from Wildermuth Environmental. A lengthy discussion regarding the 2007/2008 Assessment Package presentation ensued. Mr. Manning stated staff is seeking an approval contingent upon receipt of an order from the court prior to the end of the year.

Motion by Koopman, second by Durrington and by unanimous vote

Moved to approve the 2007/2008 Assessment package contingent upon receipt of an order from the court prior to the end of the year, as presented

B. STATE OF THE BASIN REPORT

Mr. Manning stated the State of the Basin Report was developed several months ago and has been internally circulated by the parties and corrections have been made according to comments and suggestions. This report has also been submitted to the Special Referee to provide comments. Any comments made by the Special Referee or the technical assistant have been incorporated into this report. Staff is asking for approval to receive and file this report with the court.

Motion by deBoom, second by Pierson and by unanimous vote

Moved to receive and file the State of the Basin Report, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Peace II Approval Process

Chair Feenstra commented on the documents requiring signature for the Peace II approval and noted he has discussed these documents in detail with Counsel Lee. Counsel Lee stated he was in attendance at the Peace II workshops and at the hearing which was held in November. Counsel Lee stated at the hearing there were numerous verbal testimonies in favor of not continuing a decision to move forward on Peace II. Judge Gunn did not move forward on his order to cause to continue the hearing and noted he was going to allow time for Watermaster counsel to respond to the Special Referee's comments. A discussion ensued with regard to this matter. Chair Feenstra noted he would review the documents that needed his signature and would get them back to Watermaster shortly.

B. ENGINEERING REPORT

1. Engineering Update

Mr. Wildermuth presented a time history with regard to safe yield and how it is calculated in the Chino Basin and reviewed it in detail. Mr. Wildermuth stated if water is pumped out of the basin over a ten year period and that total volume is added to the change in storage and divided by ten, which will give you the estimate of yield in the basin. This was one of the

methods used to formulate the operating safe yield numbers for the Judgment; however, a few minor errors were detected at a later date in the calculations used. Mr. Wildermuth stated the basin has been operated at 140,000 acre-feet with a controlled overdraft and because this basin is tipped and has an outflow. A lengthy discussion ensued with regard to the baseline, the plot result, and yield.

C. FINANCIAL REPORT

1. Financial Update

Ms. Rojo stated there are no additional financial updates.

D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated the state legislature was called into special session by the governor to cover the health issue and the bonds for water; neither of which were resolved at the special session. Mr. Manning referenced a handout which was available on the back table entitled, California's Fiscal Outlook by the Legislative Analyst's Office. Mr. Manning reviewed the handout and stated he was able to sit down with Senator Bob Margett and Michael Cohen, who is the director of the state administrative department for the Legislative Analyst Office to talk about some of the projections for the state's economy. Mr. Manning encouraged the parties to get in contact with their local representatives right now regarding pressing issues in legislature. A discussion ensued with regard to legislative issues.

2. Recharge Update

Mr. Manning stated the updated chart reflecting the water captured is now available. Recharge did happen in the month of November which included water that was captured from one storm. Mr. Manning stated it appears there is another storm on its way for December which means we are hopeful we will capture more storm water. It is still predicted by the weather analysts that overall California will still have a less than average year of rainfall.

3. AB 303 Grant

Mr. Manning stated several of the parties were contacted regarding writing support letters for the AB 303 grant and many have been received. Watermaster is hopeful to receive funds from this \$250,000 grant application. Wildermuth Environmental has been working with Watermaster staff on the grant proposal. Mr. Manning stated a copy of the grant application can be made available. A brief discussion ensued with regard to the submittals of support.

4. Wildermuth Environmental Contract

Mr. Manning stated over the last few months, discussions have taken place on how to improve efficiencies at Watermaster. One of the items discussed was for staff to get a better understanding and develop a more structured working arrangement with Wildermuth Environmental and staff is in the process of working with them on developing a master contract. This contract will outline the procedures that will be used and the relationship with Watermaster and other parties within the basin. A draft of that contract should be available in early 2008.

5. Personnel Committee Meeting

Mr. Manning stated Watermaster will hold a Personnel Committee meeting in January as staff prepares to make the changes in the organization. The Personnel Committee will change based upon who is representing the Pools, Advisory Committee, and Watermaster Board.

6. January 2008 Reorganization

Mr. Manning stated there will be elections at the annual meetings for the yearly reorganizations for the Pools, Advisory Committee, and Watermaster Board.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

December 11, 2007	9:00 a.m.	2007/2008 Assessment Package Workshop
December 13, 2007	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
December 18, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
* December 20, 2007	9:00 a.m.	Advisory Committee Meeting
* December 20, 2007	11:00 a.m.	Watermaster Board Meeting
January 10, 2008	9:30 a.m.	Annual Non-Agricultural Pool Elections
January 10, 2008	10:00 a.m.	Annual Appropriative Pool Elections
January 10, 2008	10:15 a.m.	Annual Joint Non-Ag & Appropriative Pool Meeting
January 15, 2008	9:00 a.m.	Annual Agricultural Pool Meeting @ IEUA
January 24, 2008	9:00 a.m.	Annual Advisory Committee Meeting
January 24, 2008	11:00 a.m.	Annual Watermaster Board Meeting

* Notes a change in the normal monthly meeting date

The Agricultural Pool committee meeting was dismissed at 10:38 a.m.

Secretary: _____

Minutes Approved: January 15, 2008