

**Minutes**  
**CHINO BASIN WATERMASTER**  
**AGRICULTURAL POOL MEETING**

March 18, 2008

The Annual Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on March 18, 2008 at 9:00 a.m.

**Agricultural Pool Members Present**

Bob Feenstra, Chair	Dairy
Nathan deBoom	Dairy
Jeff Pierson	Crops
Glen Durrington	Crops
Gene Koopman	Milk Producers Council
John Huitsing	Dairy
Pete Hettinga	Dairy
Jennifer Novak	State of California Department of Justice for CIM

**Watermaster Board Members Present**

Paul Hofer	Ag Pool - Crops
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**Watermaster Staff Present**

Kenneth R. Manning	Chief Executive Officer
Gordon Treweek	Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

**Watermaster Consultants Present**

Michael Fife	Brownstein, Hyatt, Farber & Schreck
Andy Malone	Wildermuth Environmental Inc.

**Others Present**

Steven Lee	Reid & Hellyer
Sandra Rose	Monte Vista Water District
Eunice Ulloa	Chino Basin Water Conservation District

Chair Feenstra called the Agricultural Pool meeting to order at 9:05 a.m.

**I. CONSENT CALENDAR**

**A. MINUTES**

1. Minutes of the Agricultural Pool Meeting held February 19, 2008

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of February 2008
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2007 through January 31, 2008
4. Treasurer's Report of Financial Affairs for the Period January 1, 2008 through January 31, 2008
5. Budget vs. Actual July 2007 through January 2008

*Motion by Koopman, second by Pierson, and by unanimous vote*

***Moved to approve Consent Calendar Item A through B, as presented***

**II. BUSINESS ITEMS****A. SEMI-ANNUAL STATUS REPORT**

Mr. Manning stated this item was in the meeting packet last month as an information item in order to receive comments on the report prior to it being placed on the agenda for action. This Semi-Annual Status Report covers the periods from July 2007 to December 2007. Once this report is approved it will be filed with the court. A brief discussion ensued.

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

***Moved to approve the Semi-Annual Status Report and to file the report with the court, as presented***

**B. BUDGET TRANSFER REQUEST**

Mr. Manning stated this item was on the agenda last month as a business item and there were discussions at each Pool, Advisory Committee, and Watermaster Board meetings; at those meetings various motions were made. A discussion ensued with regard to the various motions made at other Watermaster meetings. Mr. Manning noted this budget transfer request is to cover future anticipated legal and technical invoices for the Agricultural Pool. Counsel Fife stated Watermaster staff has been instructed by the court to implement this agreement by paying all assessments and expenses of the Agricultural Pool and then billing that to the Appropriate Pool. A lengthy discussion ensued and it was decided the motion at the last Agricultural Pool meeting to transfer \$50,000 into the needed category still stands. It was noted Chair Feenstra will go back one year to review submitted bills and will review bills from this point forward on a monthly basis.

**III. REPORTS/UPDATES****A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. Non-Agricultural Water Proposal**

Mr. Manning handed out a memorandum regarding Overlying Non-Agricultural Pool Stored Water Sale Options. Mr. Manning stated staff has asked legal counsel to put together this memo to begin the thinking process regarding this matter. Counsel Fife reviewed the memo which briefly recaps three avenues generally available to directly market approximately 40,000 acre-feet of groundwater presently held in storage within the basin and available to Watermaster under the court approved agreement to create a storage and recovery opportunity. The three options are as follows: 1) Request for Proposal, which will pursue a selective request for proposals, 2) No Reserve Auction, which would provide for a no reserve auction, and 3) Price Floor Auction, which could auction some or all of the stored water – all three options were reviewed/discussed in detail. Counsel Fife stated staff's recommendation is to use the price floor auction which has been used successfully in other regions. A lengthy discussion ensued and it was noted this item will be on the agenda next month for action.

**2. SWRCB Permits**

Counsel Fife stated a meeting did take place with the State Board regarding Watermaster's Water Rights Permit last week and a follow up communication will take place on a continued basis until the permit process is complete. Counsel Fife stated next Tuesday the State Board will hold their board meeting and will have a closed session item regarding the first of the Santa Ana's permits. The State Board will be taking into consideration the City of Riverside's permit first and counsel does not know why the State Board is taking this one separately. Counsel Fife will keep the parties up to date on this matter.

**3. Hanson Aggregates**

Counsel Fife stated this is the item regarding the dispute over the Lower Day Basin. Counsel and staff have agreed with Hanson Aggregates to take this to a mediation session which will begin on April 3, 2008.

4. Condition Subsequent Number 4

Counsel Fife stated by April 1, 2008 Watermaster needs to file a pleading which updates the court on our CEQA process on all the Peace II items. A draft of this document will be provided to the parties as soon as it is complete.

**B. ENGINEERING UPDATES**

1. Condition Subsequent No. 3 Report

Mr. Malone stated on March 1, 2008 the Condition Subsequent No. 3 Report was filed with the court. This report is an extension of an existing documentation that the court wanted to complete the record.

2. Condition Subsequent No. 6 Report

Mr. Malone stated this report was requested by the court and due July 1, 2008 in which the definition of Hydraulic Control be formally stated with the concurrence of the Regional Board. Discussions have begun with the Regional Board. Mr. Malone stated it is anticipated Watermaster will be receiving a letter from the Regional Board that will be filed in court substantiating our definition of Hydraulic Control. Mr. Malone reviewed a map which depicted the surface water monitoring locations; this map was evaluated in detail. A lengthy discussion ensued with regard to Hydraulic Control.

3. Hydraulic Control Monitoring Program Report for 2007

This item was discussed under the Condition Subsequent No. 6 Report.

**C. FINANCIAL REPORT**

1. Financial Update

Mr. Manning stated a full financial update will be given at the Advisory Committee meeting on March 27, 2008.

**D. CEO/STAFF REPORT**

1. Legislative Update

Mr. Manning stated bill AB2046 Jones which is a water supply assessment groundwater bill would require that water supply assessment and urban water management plans exclude the amount of groundwater projected to be pumped if the source of the groundwater has not been determined by the State Department of Health to have been treated in a treatment standard applicable to the proposed purpose. What they are doing is restricting the use for urban water management plans to use water that is impaired; this could have a real impact on groundwater basins. Mr. Manning discussed Prop 98 which is on the ballot in June this proposition essentially eliminates emanating domain from the availability of water for agencies water supply projects; this proposition also contains a portion regarding rent control. Mr. Manning stated he will be in Washington DC next week and will get more information regarding legislative issues.

2. Recharge Activities, Plume Investigation/Remediation, and Conservation

Mr. Treweek gave the presentation "Preparing for 2020" which covered the past work done on the recharge basins in the Chino Basin to improve various water types/sources of recharge. Mr. Treweek updated the parties on the plumes and the progress that is being made in their cleanup efforts. A brief discussion ensued with regard to the presentation.

**IV. INFORMATION**

1. New Water Bond Unveiled to Restart Legislative Negotiations

No comment was made regarding this item.

2. Newspaper Articles

No comment was made regarding this item.

**V. POOL MEMBER COMMENTS**

All the Agricultural Pool thanked Mr. Treweek for a job well done in the areas of recharge and all his endeavors while at Chino Basin Watermaster and wished him the very best in his retirement.

**VI. OTHER BUSINESS**

No comment was made regarding this item.

**VII. FUTURE MEETINGS**

March 13, 2008	8:00 a.m.	MZ1 Technical Committee Meeting
March 13, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
March 18, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
March 27, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting
March 27, 2007	9:00 a.m.	Advisory Committee Meeting
March 27, 2007	11:00 a.m.	Watermaster Board Meeting

The Agricultural Pool meeting was dismissed by Chair Feenstra at 10:40 a.m.

Secretary: \_\_\_\_\_

Minutes Approved: April 15, 2008