

Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
May 20, 2008

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on May 20, 2008 at 9:00 a.m.

Agricultural Pool Members Present

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

Watermaster Board Members Present

Paul Hofer	Ag Pool - Crops
------------	-----------------

Watermaster Staff Present

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	CFO/Asst. General Manager
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
Gerry Foote	Chino Basin Water Conservation District
Maya Kuttan	State of California Department of Justice for CIM
Rich Atwater	Inland Empire Utilities Agency

Chair Feenstra called the Agricultural Pool meeting to order at 9:00 a.m.

AGENDA - ADDITIONS/REORDER

No additions or reorders were made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held April 15, 2008

B. FINANCIAL REPORTS

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

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 2,000 acre-feet of water from San Antonio Water Company's storage account to Monte Vista Water District. This lease is made first from SAWC's net underproduction, if any, in Fiscal Year 2007-08, with any remainder to be captured from storage. Date of Application: April 25, 2008
2. **Consider Approval for Notice of Sale or Transfer** – The one-year lease of 3,135 acre-feet of water from the City of Chino's annual production rights to the City of Ontario. Date of Application: May 2, 2008
3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 2,862 acre-feet of water from the City of Chino. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City's net under-production in Fiscal Year 2007-08, with any remainder to be recaptured from storage. Date of Application: May 2, 2008
4. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,000 acre-feet of water from the Santa Ana River Water Company. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from SARWC's net under-production in fiscal Year 2007-2007. Date of Application: May 9, 2008

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

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

II. BUSINESS ITEMS**A. WATERMASTER 2008-2009 BUDGET**

Mr. Manning stated the draft budget is being presented today to allow comments and recommendations, the final budget will be brought back on the June agenda for approval. Ms. Rojo stated a budget workshop was held recently and recommendations from that workshop were incorporated into the presentation being given today on the 2008-2009 budget. A discussion on the budget presentation ensued. Mr. Manning stated at the recent Appropriative and Non-Agricultural Pool meeting a discussion on an interim budget was discussed which would entail Watermaster staff reducing budget category no. 6907 by 25%. The final budget would then be presented on the June agenda for approval. Before the assessments are finalized in November, 2008, the costs in category no. 6907 will be revisited and if necessary a revised budget will be presented for re-approval. A discussion regarding the motion made by the Appropriative and Non-Agricultural Pool ensued. Mr. Manning stated no motion needs to be made today on this item.

NOTE: No action was taken on this item

B. CHINO CREEK WELL FIELD COSTS

Mr. Manning stated letters from Western Municipal Water District, the City of Ontario, and Jurupa Community Services District regarding their plans to expand desalter production to 40,000 acre-feet while at the same time achieving Hydraulic Control in the southern portion of the basin. Mr. Manning reviewed this matter in detail. Mr. Manning stated Watermaster is requesting direction from the Pools, Advisory Committee, and the Watermaster Board regarding Watermaster taking the lead position in any litigation and in assuming responsibility for costs associated to this task. Counsel Fife stated counsel will provide additional information regarding current discussions with the parties and the County at the meetings scheduled in May. A discussion regarding the Regional Boards involvement in this situation ensued.

NOTE: No action was taken on this item

C. AGREEMENT WITH IEUA FOR REIMBURSEMENT FOR CEQA COSTS

Mr. Manning stated the proposed agreement provides that Inland Empire Utilities Agency (IEUA) will act as the lead agency for the CEQA review associated with the Peace II Agreement and that Watermaster will agree to reimburse IEUA for the costs of this review. The proposed scope of work estimates the cost of analysis at \$63,000. Mr. Manning noted this amount is within the \$200,000 allocated in Watermaster's currently proposed budget. Staff is recommending approval of this agreement.

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

Moved to approve the agreement with Inland Empire Utilities Agency for reimbursement for CEQA costs, as presented

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. July 24, 2008 Hearing**

Counsel Fife stated there was a hearing scheduled for May, however, the court moved that hearing date to July 24, 2008, and then as of this week moved the July hearing date to August 21, 2008. Counsel Fife stated a few of the administrative items to be heard at the May hearing regarding the recent interventions and the filing of Watermaster's Thirtieth Annual Report; a very brief hearing might be set prior to the August hearing date to move those few items through the court system in a more timely manner.

2. Santa Ana River Permits

Counsel Fife commented that the City of Riverside's Waste Water Change Petition that was a part of the Santa Ana River hearing and Watermaster's permit process last May has been developed and distributed in draft form. Watermaster did comment on that draft and those comments can be made available for the parties who want to see them. The City of Riverside's order is on the State Board's consent calendar for next Tuesday. It is understood by speaking to staff at the State Board that Orange County's and Watermaster's order will be next.

B. ENGINEERING UPDATES**1. Conditions Subsequent 5 and 6 Update**

Mr. Malone stated conditions subsequent no. 6 is required by the court to define what Hydraulic Control means and how it is measured. There is a strawman document moving between Watermaster staff and the Regional Board staff and more information on that document will be given at the Watermaster Board meeting. A discussion regarding base flow and basin re-operation ensued.

2. Changes in the Characteristics in the Santa Ana River Flow

No comment was made regarding this item.

C. FINANCIAL REPORT**1. Financial Update**

No comment was made regarding this item.

D. CEO/STAFF REPORT**1. Legislative Update**

Mr. Manning stated the governor has been speaking about a bond measure to raise money for schools and if that is not done then our sales tax rate will probably go up. Mr. Manning noted he will have a more in depth legislative report at the Advisory Committee and Watermaster Board meeting.

2. Recharge Update

Mr. Manning stated the most recent recharge update is on the back table. Mr. Manning noted 260 acre-feet of mostly recycled water was recharged in April.

3. OIA Update

Mr. Manning stated at a recent meeting Mr. Treweek talked about GeoTrans on behalf of the agencies involved in the plume issues and that they were working on the drilling of four monitoring wells in the Chino Basin in order to provide more information as to their involvement within the Ontario Airport plume. Those wells have already started to be drilled and staff will keep the parties apprised as to the progress of those wells and the information the wells provide.

4. Minimal Producers Usage & Production

Ms. Maurizio stated the Agricultural Pool requested last month that an update on minimal producer's usage and production be given at the next meeting. Ms. Maurizio reviewed the qualification and calculation of minimal producers which was originally defined in the Rules and Regulations. Ms. Maurizio noted there are very few minimal producers metered and unmetered minimal producer well production amounts are calculated using the water duty factor method. Ms. Maurizio reviewed the minimal producer well usage charts. A discussion regarding this item ensued.

5. Sunkist History & Sunkist/Koll Transfer

Ms. Maurizio stated the Agricultural Pool requested last month that an update on Sunkist's history and the Sunkist/Koll transfer be given at the next meeting. Ms. Maurizio reviewed the history of the Sunkist properties, the usage of the Sunkist properties, and the Sunkist historical pumping activity. A map of the Sunkist properties was reviewed in detail. Ms. Maurizio reviewed the Sunkist/Koll water transfer in detail. A discussion regarding this item ensued.

IV. INFORMATION1. 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.

The Agricultural Pool meeting was dismissed to hold a brief closed session at 10:32 a.m.

VII. FUTURE MEETINGS

May 15, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
May 15, 2008	11:00 a.m.	Recharge Master Plan Follow Up Meeting
May 20, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
May 22, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
May 22, 2007	9:00 a.m.	Advisory Committee Meeting
May 22, 2007	11:00 a.m.	Watermaster Board Meeting

The Agricultural Pool meeting was dismissed by Chair Feenstra at 10:50 a.m.

Minutes Agricultural Pool Meeting

May 20, 2008

Secretary: _____

Minutes Approved: June 17, 2008