

Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
December 16, 2008

The Agricultural Pool Meeting was held at the offices of the office of Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on December 16, 2008 at 9:00 a.m.

Agricultural Pool Members Present

Bob Feenstra, Chair	Dairy
Rob Vanden Heuvel	Milk Producers Counsel
Nathan deBoom	Dairy
Jeff Pierson	Crops
Glen Durrington	Crops
Pete Hettinga	Dairy
John Huitsing	Dairy
Jennifer Novak	State of California Department of Justice for CIM
Nathan Mackamul	State of California/CIW

Watermaster Board Members Present

Paul Hofer	Crops
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Watermaster Staff Present

Kenneth R. Manning	Chief Executive Officer
Ben Pak	Senior 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
Eunice Ulloa	Chino Basin Water Conservation District
Sandra Rose	Monte Vista Water District
Martha Davis	Inland Empire Utilities Agency
David Penrice	Aqua Capital Management
Dave Crosley	City of Chino
Frank Brommenschenkel	Frank B & Associates

Chair Feenstra called the Agricultural Pool meeting to order at 9:02 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 November 18, 2008

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of November 2008

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

*Motion by Pierson, second by Mackamul, and by unanimous vote
Moved to approve Consent Calendar A through B, as presented*

II. BUSINESS ITEMS

A. **MOU COOPERATIVE EFFORTS FOR MONITORING PROGRAMS BETWEEN THE INLAND EMPIRE UTILITIES AGENCY AND THE CHINO BASIN WATERMASTER – BRIGHT LINE APPROACH**

Mr. Manning stated the original MOU for monitoring programs between Inland Empire Utilities Agency and Chino Basin Watermaster has been revised and a Bright Line agreement was formed and both IEUA and Watermaster has been working under the basis of the Bright Line Agreement since January 2008. This will be an amendment to the original MOU and the agencies will no longer be operating under a verbal agreement but will be using the presented MOU. Mr. Manning stated both parties will be working together in funding the capital projects as part of this agreement.

*Motion by deBoom, second by Vanden Heuvel, and by unanimous vote
Moved to approve the Memorandum of Understanding for Cooperative Efforts for Monitoring Programs between Inland Empire Utilities Agency and the Chino Basin Watermaster Bright Line approach dated December 17, 2008, as presented*

B. **PUBLIC INFORMATION COST SHARING AGREEMENT WITH INLAND EMPIRE UTILITIES AGENCY FOR 2009 COMMUNITY OUTREACH CAMPAIGN**

Mr. Manning stated this is an item Watermaster has been working on with Inland Empire Utilities Agency since 2005. In 2005, IEUA and Watermaster had discussions with the Daily Bulletin regarding developing a public information program that assist our agencies in dealing with issues that would arise; a proactive approach on recycled water, water reliability issues, scarcity outages, and other water related topics. The idea was to purchase a volume of ad space within the newspaper at a reduced cost. This ad campaign was very successful in the past years. Watermaster has been a contributor of \$10,000 and this is the amount staff is recommending at this time for another 12-month ad campaign. Chair Feenstra commented on the economy. A discussion regarding this ad program and Chair Feenstra's comments ensued.

*Motion by deBoom, second by Durrington, and by unanimous vote
Moved to approve Cost Sharing Agreement with Inland Empire Utilities Agency for the 2009 community outreach campaign with the Daily Bulletin in the amount of \$10,000, as presented*

C. **CONDITION SUBSEQUENT NO. 5**

Mr. Manning stated this item is a follow through on the second phase of Condition Subsequent No. 5. Included on the back table is a draft legal document that would be filed with the court and a copy of a new schedule that Wildermuth Environmental has put together. Watermaster is required as the first update to Condition Subsequent No. 5, and by the end of the year to submit to the court this update along with the new schedule. At the upcoming hearing on February 2nd and 3rd the court has asked that Watermaster make a presentation on the physical solution. Counsel Fife stated there is a draft pleading on the back table in order to begin receiving comments from the parties. This is a only on Condition Subsequent No. 5 and it will be revised prior to filing it with the court by January 1, 2009. Counsel Fife stated the Exhibit A schedule is what needs to be approved under this agenda item.

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

Moved to approve July 1, 2008 progress report on Watermaster's Recharge Master Plan Update pursuant to Condition Subsequent No. 5 updated schedule, as presented

D. AGRICULTURAL POOL REALLOCATION PROCEDURE

Mr. Manning reviewed the proposal for the Agricultural Pool reallocation procedure. Mr. Crosley offered comment regarding this item. Mr. Tock offered comment regarding this item. Chair Feenstra and the Agricultural Pool committee members discussed this item and it was decided this pool has nothing to do with this procedure therefore will take no action on it.

No action was taken on this item.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. February 2, 2009 Hearing

Counsel Fife stated with regard to the upcoming February 2nd and 3rd hearing an outline is being prepared as promised and it will be distributed shortly in draft form. The outline that will be distributed will be a draft for discussion and it is anticipated it will change a few times before being submitted to the court.

2. Condition Subsequent No. 7 Pleading

Counsel Fife stated a draft pleading is on the back table and that pleading is due to the court on December 31, 2008. Counsel and staff are seeking comments for this pleading in order to present a 2nd draft pleading to the Advisory Committee and Watermaster Board this month for final comments and approval in order to submit to the court on time.

Added Discussion Item:

Mr. Vanden Heuvel stated at the November Appropriative and Non-Agricultural Pool meeting those committee members requested some additional information from legal counsel and Watermaster staff to further investigate the request for the TMDL study as a special project forwarded from the Agricultural Pool. Mr. Vanden Heuvel also stated those pools were looking for a report on the Agricultural Pool's history of funds. Mr. Manning stated he would cover a portion of Mr. Vanden Heuvel's question under the Financial Update on the agenda and that would be the history of funds. A discussion regarding this issue ensued. Mr. Manning stated if this was an urgent item for the Agricultural Pool then this committee could make a motion to take the funds from the Agricultural Pool monies and seek reimbursement from the Appropriative Pool in the future. A discussion regarding special projects ensued.

B. ENGINEERING REPORT

1. Oral Progress Report on Engineering Activities November 2008

Mr. Wildermuth stated with regard to monitoring, there are two different monitoring programs; one was HCMP and one was from the semi-annual program. Water levels were measured in a few hundred wells. Two rounds of surface water monitoring took place which is a very complicated monitoring program and very labor intensive. With regard to the Recharge Monitoring Program, at a staff level, information was updated for our models and for our ability to predict recharge from storm water. In the DYY expansion work, about a year ago when WE was producing its engineering work for Peace II, it was pointed out that there was some sustainability problems with production and that problem did show up in our work efforts. Mr. Wildermuth stated this will need to be dealt with in the Recharge Master Plan. In the Hydraulic Control Monitoring Program a letter was drafted for Watermaster and Mr. Manning forwarded the letter onto the Regional Board. This letter has now kicked off a lot of informal discussions with the Regional Board staff; to reduce or eliminate some monitoring programs. Any changes must be reflected in the Basin Plan Amendment. Wildermuth staff will be working with others to get that accomplished as quickly as possible.

The Dry Year Yield Expansion work has been worked on by the Inland Empire Utilities Agency, the Dodson Group, and Black & Veatch in trying to produce an initial study. The final projections were received in the middle of September with a deadline in the middle of October to get the projections for pumping; a draft report was sent out a few days ago and it will be finalized and then sent to IEUA and the Dodson Group today. Mr. Wildermuth stated the deadline to get a draft contract back to the State was successful last week with help from the City of Chino Hills. There is a draft Terms of Agreement for Watermaster's participation which has been submitted to the City of Chino Hills for their consideration. The draft contract submitted to the State should come back shortly which we would then be followed up with an agreement with the City of Chino Hills to participate in the project both financially and technically.

2. Progress Report on the AB303 Grant ASR Pilot Project in MZ3

Mr. Wildermuth stated Watermaster was successful in obtaining an AB303 grant from the State to do some water quality investigations in the MZ3 area and work for that is being completed this month. A report on this will be brought back at a future meeting.

C. WATERMASTER FINANCIAL REPORT

1. Accounting of Agricultural Pool Fund Balance

Mr. Manning gave the Agricultural Pool Fund Analysis presentation. Mr. Manning stated at the Ag Pool meeting of June 16, 1988, "the pool members ratified an agreement with the Appropriative Pool to assume all future Ag Pool administrative expenses, including special project allocations, in return for which the Ag Pool transferred all pool administrative reserves at June 30, 1988 (\$59,852) to the Appropriative Pool effective July 1, 1988". In June, 1988, the Ag Pool sold 2,000 acre-feet of water in storage to Cucamonga County Water District. "Funds from this sale are to be held and invested by the Watermaster for future use as determined by the Ag Pool members". The 2,000 acre-feet of water was purchased in 1978 by the Ag Pool, in anticipation of having a future replenishment obligation. \$246,000 earned interest for the past 19 years and the Ag pool "extra compensation" was taken from these funds beginning in 2001. Various "Mutual Agency Project Costs" have been paid out of the Ag pool funds on six different occasions since 1998 in amounts ranging from \$3,000 - \$20,000/year. The Ag Pool fund balance is \$475,604 as of 6/30/2008. A discussion regarding the presentation ensued and it was noted the Agricultural Pool requested a copy of the given presentation.

D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated the State is spending money faster than they can raise money. With regard to the Federal side of legislation, they are printing money faster than we can send taxes to them; not much else going on in Sacramento and Washington at this time.

2. Recharge Update

Mr. Manning stated there is an updated Recharge spreadsheet on the back table that shows the November water recharge. There was one minor storm in November which did recharge a small amount of storm water. There is a good size storm projected to hit this area next week.

3. California Groundwater Coalition (CGC)

Mr. Manning stated Chris Frahm is heading this newly formed coalition and she will be here at the Advisory Committee and Watermaster Board meeting to give a full report on this item.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

Chair Feenstra thanked Mr. Pak for the work he has done on analyzing the contaminated wells and asked that a presentation of his findings be given at a future meeting.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

December 16, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
December 18, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
December 18, 2008	9:00 a.m.	Advisory Committee Meeting
December 18, 2008	11:00 a.m.	Watermaster Board Meeting
January 8, 2009	9:30 a.m.	Annual Non-Agricultural Pool Elections
January 8, 2009	9:45 a.m.	Annual Appropriative Pool Elections
January 8, 2009	10:00 a.m.	Annual Joint Appropriative & Non-Agricultural Pool Meeting
January 20, 2009	9:00 a.m.	Annual Agricultural Pool Meeting @ IEUA
January 22, 2009	9:00 a.m.	Annual Advisory Committee Meeting
January 22, 2009	11:00 a.m.	Annual Watermaster Board Meeting

The Agricultural Pool meeting was dismissed by Chair Feenstra at 10:12 a.m.

Secretary: _____

Minutes Approved: January 20, 2009