

Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
March 17, 2009

The Agricultural Pool Meeting was held at the offices of the office of Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on March 17, 2009 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
John Huitsing	Dairy
Jennifer Novak	State of California Department of Justice for CIM
Nathan Mackamul	State of California/CIW

Watermaster Staff Present

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	CFO/Asst. General Manager
Ben Pak	Senior Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

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

Others Present

Steven Lee	Reid & Hellyer
Eunice Ulloa	Chino Basin Water Conservation District
Marv Shaw	Inland Empire Utilities Agency

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 17, 2009

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of February 2009
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2008 through January 31, 2009
4. Treasurer's Report of Financial Affairs for the Period January 1, 2009 through January 31, 2009
5. Budget vs. Actual July 2008 through January 2009

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Santa Ana River Water Company hereby transfers to Jurupa Community Services District in the quantity of 1,000 acre-feet of corresponding Operating Safe Yield. Date of Application: February 2, 2009

2. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,800.000 acre-feet of water from the Santa Ana River Water Company. Watermaster will purchase the water at \$295.00 per acre-foot, which is the MWD's replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from SARWC's net under-production in Fiscal Year 2008-09, with any remainder to be recaptured from storage. Date of Application: March 2, 2009
3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 5,085.000 acre-feet of water from the City of Chino. Date of Application: March 2, 2009

A discussion regarding cash disbursements for February ensued. It was noted Jeff Pierson wants to receive copies of invoices that Watermaster receives from Brownstein, Hyatt, Farber & Schreck, and Wildermuth Environmental Inc. each month; Ms. Rojo stated that would be taken care of. A discussion regarding water transactions and water in storage ensued.

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

Moved to approve Consent Calendar A through C, as presented

II. REPORTS/UPDATES

1. Court Hearing Update
Counsel Fife stated a notice went out regarding the April 16, 2009 hearing; however, that hearing has now been rescheduled to April 9, 2009. Recently the court has contacted legal and informed them that the April 9, 2009, hearing date will not work due to the Judge's vacation schedule and noted another date will be scheduled for later in the month of April. Counsel Fife stated that once a new date is scheduled another notice will go out.
2. Auction Price Floor Agreement & Storage & Recovery Agreement
Counsel Fife stated a meeting took place recently with Watermaster staff and the Appropriative Pool members. As to date, Western Municipal Water District, does not want be the floor bidder for the water that will be available for the upcoming auction. Different ways to restructure the auction are being considered and once a more definitive plan is done more information will be distributed. A lengthy discussion regarding this matter ensued. Mr. Pierson inquired about the costs expended on this auction process to date. Chair Feenstra inquired about the sale of water for export and where the money would be spent. Counsel Fife noted the money generated would be used for broad benefit and Mr. Manning stated the money can be used for the Master Plan implementation. A discussion regarding these questions and comments ensued.
3. Peace II CEQA Notice of Preparation
Counsel Fife stated in the Peace II Agreement there was commitment to do a CEQA analysis, and Mr. Dodson has been hired to perform that work. Inland Empire Utilities Agency (IEUA) is acting as the lead agency and this is in process. The CEQA document is going to review the Peace II agreement and also will be an update to the original PEIR that was done in 2000. A notice of preparation did go out on February 25, 2009 which begins a 30 day comment period. Recently there was a scoping meeting held at IEUA which was attended by IEUA staff and Watermaster staff and no members of the public showed up to make comments which is a very good sign that the CEQA process may proceed smoothly.

B. ENGINEERING REPORT

1. Recharge Master Plan Progress Report
Mr. Wildermuth stated the work on the Recharge Master Plan is proceeding on schedule. A technical consultant meeting took place recently and was a very informative meeting. The production optimization work is currently underway and is on schedule. Supplemental

water recharge requirements and facilities availability have been completed. Safe yield methodology description is complete and staff is wrapping up the planning criteria up. There are four task memorandums that are going to be made available next week on our web site. Those four documents will be the content for the March 26, 2009 Workshop.

2. Storage Loss Calculation Update
Mr. Wildermuth stated the calculations for the storage losses are completed and an initial set of loss rate computations will be produced shortly and will present these findings at the next Advisory Committee meeting. Wildermuth is preparing a technical memorandum for staff to review in the near future.
3. Budget Schedule Update
Mr. Wildermuth stated this will be presented in detail at the next Advisory Committee meeting on March 26, 2009.

C. FINANCIAL REPORT

1. Dry Year Yield Financial Update
Ms. Rojo stated the Dry Year Yield Program that was entered into between Chino Basin Watermaster, Metropolitan Water District, with Inland Empire Utilities Agency acting as the lead agency started last fiscal year 2007-2008. MWD originally agreed to reimburse Watermaster \$400,000 and some of that has been received and the balance will be received this fiscal year. The project was completed in December, 2008, and staff is now anticipating receiving the final reimbursements between Watermaster and IEUA. A discussion regarding this matter ensued. Chair Feenstra inquired if Watermaster was eligible for any of stimulus programs. Mr. Manning stated there are a variety of programs that Watermaster could possibly be eligible for and staff is keeping a close eye on them and will update the committees as more information becomes available.

D. CEO/STAFF REPORT

1. Legislative Update
Mr. Manning stated there are a number of bills being introduced in Sacramento and the deadline for introduction was two weeks ago. There were about a third fewer bills introduced this year than in previous years. In Washington there are a lot of bills going through the congress and the senate under a variety of different names; mostly under stimulus kinds of activities. IEUA sends out a detailed list of current legislation status which is always very informative.
2. Recharge Update
Mr. Manning stated staff has not received the most current numbers to formulate the Recharge Update so it will be provided to the parties at the Advisory Committee meeting in a few weeks.
3. Watermaster Consolidated Schedule of Reporting Due Dates
Ms. Maurizio gave the Consolidated Schedule of Reporting Due Dates presentation. Ms. Maurizio stated the request for this information was made by an Appropriative Pool member and noted that requests from Watermaster staff often get confused, especially at the end of the fiscal year. This schedule is in the form of a consolidated single-sheet which is easily distributed among staff and will be sent to each party. Ms. Maurizio reviewed the reporting sheet in detail. A discussion regarding the presentation ensued.
4. PERS Retirement Plan
Mr. Manning stated the Personnel Committee met recently and at that meeting the PERS retirement plan that Watermaster currently has in place was reviewed and a proposal for a revised plan was presented. Mr. Manning stated the revision regarded changing the percentage number from 2.0% at 55 years of age to 2.5% at 55 years of age. The Personnel Committee made the recommendation that Watermaster can hold an election

with staff of 2.5% at 55, if the Watermaster staff picked up the increase in cost between the 2.0% and the 2.5% which is approximately 3% of their payroll. This recommendation was taken to staff and staff via an election voted to move to 2.5% with staff paying the difference. This recommendation will be coming to the board in March for a July, 2009 start date.

III. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

IV. POOL MEMBER COMMENTS

No comment was made regarding this item.

V. OTHER BUSINESS

No comment was made regarding this item.

VI. CONFIDENTIAL SESSION - POSSIBLE ACTION

No comment or recommendation was made regarding this item.

VII. FUTURE MEETINGS

March 10, 2009	9:00 a.m.	GRCC Meeting
March 12, 2009	8:00 a.m.	MZ1 Technical Committee Meeting
March 12, 2009	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
March 17, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
March 26, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
March 26, 2009	9:00 a.m.	Advisory Committee Meeting
March 26, 2009	11:00 a.m.	Watermaster Board Meeting
March 26, 2009	1:00 p.m.	Wildermuth Environmental Workshop

The Agricultural Pool meeting was dismissed by Chair Feenstra at 11:10 a.m.

Secretary: _____

Minutes Approved: May 19, 2009