

**Unofficial Meeting Record of the
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING**

April 21, 2009

The Agricultural Pool Meeting was held at the offices of the office of Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on April 21, 2009 at 9:00 a.m.

Agricultural Pool Members Present

Jeff Pierson, Vice-Chair	Crops
Glen Durrington	Crops
Gene Koopman	Milk Producers Counsel
John Huitsing	Dairy
Jennifer Novak	State of California Department of Justice for CIM

Watermaster Board Members Present

Michael Camacho	Inland Empire Utilities Agency
Paul Hofer	Crops

Watermaster Staff Present

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	CFO/Assistant 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

Vice-Chair Pierson opened the Agricultural Pool meeting at 9:09 a.m.

AGENDA - ADDITIONS/REORDER

Mr. Pierson noted a quorum is not present and asked that the Consent Calendar and Business Items be taken last to see if more members show up to have a full quorum for voting purposes.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. April 27, 2009 Hearing

Counsel Fife stated the next hearing is scheduled for Monday, April 27, 2009 at 9:30 a.m. on OBMP Program Elements 1 through 3. The last hearing was pretty formal and staff and counsel feel this hearing will be much more relaxed and need less preparation. Andy Malone will present Program Element #1, Mark Wildermuth will present Program Element #2, Ken Jeske will present Program Element #3, and Ken Manning will speak on reporting.

2. Hanson Aggregates Update

Counsel Fife stated the case has been settled and the Watermaster Board approved the proposed settlement agreement last month and there is a copy of the signed settlement agreement on the back table. Under the settlement agreement, Hanson Aggregates is going to pay a total of \$450,000.00 in four payments. The first payment has already been received in the amount of \$117,000.00 which covers all the hard costs to clean up the basin. In addition Hanson is going to pay \$333,000 in lost opportunity costs and \$111,000.00 will be due on July 1, 2009. The compromise for the other two payments was to give Hanson extended amount of time to pay; July 1, 2010 and July 1, 2011. A discussion regarding costs ensued.

3. Notice Application for Storage Account by Inland Empire Utilities Agency, Three Valleys Municipal Water District, and Western Municipal Water District on behalf of Metropolitan Water District of Southern California for an additional 74,000.000 acre-feet in addition to the 100,000.000 acre-feet existing DYY Storage Account

Counsel Fife stated this is the Dry Year Yield Expansion Application. Staff has put it under report items this month to give a heads up that this will be on the May agenda for approval. This document has now been distributed and staff wants to make sure you all have an opportunity to review and comment it prior to it coming back on the May agenda. A brief discussion regarding this item ensued.

4. Development and Use of the City of Upland's Storm Drains Agreement

Counsel Fife stated this item was placed under reports for this month for information and it will be on the agenda for approval in May. There is a draft agreement on the back table for your review which has been provided in red-line version for discussion. This is an agreement being proposed between the City of Upland, Inland Empire Utilities Agency (IEUA), and Watermaster to modify Uplands' facilities in order to assist in the use of those facilities to get water to some of the recharge basin. There are various terms stated in the agreement stating that Watermaster will be contributing \$50,000.00 to the project and IEUA would also be contributing \$50,000.00 to the project and doing the actual construction. This will come back next month for approval.

B. ENGINEERING REPORT

Added Comment:

Mr. Wildermuth stated the Inland Empire Utilities Agency is proposing to amend the recharge permit that they are co-permittees with Watermaster to go to a 10 year dilution for recycled water recharge period from a 5 year period. IEUA is working with the Regional Board on this and the Regional Board responded to them stating they need to do a nitrogen TDS projection and that is underway. The City of Pomona has expressed concern and would like some more explanation and time to consider it before the amended permit goes through. A discussion regarding Pomona wells ensued.

1. Recharge Master Plan Update and Schedule

Mr. Wildermuth stated as the Recharge Master Plan is progressing there are a lot of parallel activities going on behind the scenes. The production optimization work continues and as a practical matter the Peace II CEQA is occurring concurrently and both items will wrap up around the same time at the end of the month. A workshop regarding groundwater production projections and what our estimate of supplemental water recharge capacity was held recently. Please submit any comments on the projections and capacity as soon as you can.

2. Summary of Findings from Max Benefit/Hydraulic Control Monitoring Report

Mr. Wildermuth stated Mr. Malone who was to give today's presentation was unable to attend and this report will be given by him in its entirety at the Advisory Committee meeting this Thursday and can be brought back to this pool next month.

3. Results of InSAR Work

Mr. Wildermuth stated Malone will give this report in its entirety at the Advisory Committee meeting this Thursday.

C. FINANCIAL REPORT

1. Budget Workshop and Related Items

Ms. Rojo stated the budget workshop is scheduled for today at 2:00 p.m. Ms. Rojo stated she spoke to Mr. Feenstra and in his absence today he asked that an update be given on the Agricultural Pool's actual budget category. Ms. Rojo stated the amounts budgeted Watermaster staff time as it relates to the Agricultural Pool, Agricultural pool member compensation, and extra compensation; the same numbers will be used this year as were used last year. The same number will also be used for legal and technical work. Ms. Rojo stated the only number that has substantially changed for the Agricultural Pool and is now where a separate category called Ag Pool Special Projects. \$50,000.00 will be budgeted. That amount will cover special projects as they come up and is going to be defined in the agreement that will be brought forward between the Agricultural Pool and the other Pools. This money if needed; gives Pool more money that is budgeted for their use. Ms. Rojo reviewed the budget amendment and budget transfer policies to cover shortfalls in a specific category that are in place. A lengthy discussion regarding this item, TMDL Study costs and category title name ensued. Ms. Rojo stated she will contact SAWPA on future TMDL Study costs and will try and have that number to present for the workshop today. Mr. Lee stated he will be for the workshop today and will report back to the Pool members after the workshop as to what transpired for costs.

D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning noted there are two handouts that were obtained in Sacramento at meetings he attended. These handouts contain the most current status on water bonds in the works. Mr. Manning reviewed these legislative charts in detail. Mr. Manning noted a more detailed legislative report will be given at the Advisory Committee meeting this Thursday.

2. Recharge Update

Mr. Manning stated a current recharge update spreadsheet is available on the back table for review.

3. Zone 1 Repair to San Sevaine Channel Agreement

Mr. Manning stated this item is for information this month; however, it will be on the agenda next month for approval. This will memorialize an agreement with the County of San Bernardino to do the repairs which were actually caused by the Christmas Day storm that took place five years ago. The damage from that storm tore up the channel and there have been much back and forth discussions with the county on who should pay for the damages. It has been agreed that Watermaster will pick up 25% of the cost, IEUA will pick up 25% of the cost, and the county will pick up the other 50% of the cost for those damages that were occurred in that storm. The county is proposing additional repairs beyond what was from the damage and Watermaster has told them that we will not pick up those costs. The final agreement will come back next month for approval.

Mr. Pierson noted a quorum still is not present, so an Advisory vote will be taken on the Consent Calendar items and Business Items to be given to the Advisory Committee and the Watermaster Board for their consideration on moving the items forward. The Consent Calendar and Business Items will be placed on the May agenda for an official Agricultural Pool vote.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held March 17, 2009

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2009
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2008 through February 28, 2009
4. Treasurer's Report of Financial Affairs for the Period February 1, 2009 through February 28 2009
5. Budget vs. Actual July 2008 through February 2009

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Cucamonga Valley Water District is purchasing 500 acre-feet of water from West valley Water District. This purchase is made from WVWD's water in storage and is to be placed in CVWD's Excess Carryover Account. Date of Application: March 10, 2009
2. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,000.000 acre-feet of water from the Jurupa Community Services District Toward Replenishment Obligation. Date of Application: March 17, 2009
3. **Consider Approval for Notice of Sale or Transfer** – On March 9, 2009, Watermaster received Form 5 "Application to Transfer Annual Production Right or Safe Yield, with KCO, LLC (Koll) as Transferor and the City of Ontario (as Overlying Non-Agricultural party) as Transferee in the amount of 22.000 acre-feet – a permanent transfer of its share of safe yield. Date of Application: March 9, 2009

Motion by Novak, second by Koopman

Advisory vote only.

II. BUSINESS ITEM

A. BUDGET TRANSFER T-09-04-02

Mr. Manning gave a brief description of this item.

Motion by Koopman, second by Novak

Advisory vote only.

B. STATUS REPORT 2008-2

Mr. Manning gave a brief description of this item.

Motion by Durrington, second by Koopman

Advisory vote only.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

Mr. Durrington commented on the prison's need for service lines for reclaimed water for Agricultural use. Mr. Durrington noted there are two wells located at the prison that can be taken out or substituted for recycled water; however the prison can't afford a main line to access this water. A lengthy discussion regarding this topic ensued. It was noted this item will be placed on an upcoming agenda.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to the Agricultural Pool Rules & Regulations, a Confidential Session may be held during the Watermaster Pool meeting for the purpose of discussion and possible action.

No confidential session was held.

VIII. FUTURE MEETINGS

April 14, 2009	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
April 21, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
April 21, 2009	2:00 p.m.	Budget Workshop
April 23, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
April 23, 2009	9:00 a.m.	Advisory Committee Meeting
April 23, 2009	11:00 a.m.	Watermaster Board Meeting
April 23, 2009	1:00 p.m.	WE Workshop #2 Task 6.1
April 27, 2009	9:30 a.m.	Chino Basin Watermaster Hearing, San Bernardino Court
April 28, 2009	9:00 a.m.	GRCC Meeting

The Agricultural Pool meeting was finished at 10:08 a.m.