

**Minutes**  
**CHINO BASIN WATERMASTER**  
**AGRICULTURAL POOL MEETING**  
May 19, 2009

The Agricultural Pool Meeting was held at the offices of the office of Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on May 19, 2009 at 9:00 a.m.

**Agricultural Pool Members Present**

Bob Feenstra, Chair	Dairy
Nathan deBoom	Dairy
John Huitsing	Dairy
Rob Vanden Heuvel	Milk Producers Counsel
Gene Koopman	Milk Producers Counsel
Jeff Pierson	Crops
Glen Durrington	Crops
Nathan Mackamul	State of California/CIW
Pete Hall	State of California/CIM

**Watermaster Board Members Present**

Paul Hofer	Crops
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**Watermaster Staff Present**

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
Tom McCarthy	Wildermuth Environmental Inc.

**Others Present**

Steven Lee	Reid & Hellyer
Eunice Ulloa	Chino Basin Water Conservation District
Rich Atwater	Inland Empire Utilities Agency
Marv Shaw	Inland Empire Utilities Agency
Dave Crosley	City of Chino
Jose Alire	City of Chino
Gil Aldaco	City of Chino
Sandra Rose	Monte Vista Water District

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

**AGENDA - ADDITIONS/REORDER**

Chair Feenstra noted Business Item II C will be a discussion item only and no action will be taken.

Chair Feenstra noted Mr. Gil Aldaco from the City of Chino will have a presentation regarding recycled water added to the agenda directly after the Consent Calendar.

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

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

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

Added Item:

Mr. Aldaco stated he is the Water Utilities Supervisor from the City of Chino. Mr. Aldaco stated he is at the Agricultural Pool meeting today to talk about the city's efforts to supply recycled water to the prison. At the last Agricultural Pool meeting Mr. Durrington spoke on the prison's need for service lines to use recycled water for Agricultural uses. The City of Chino is providing recycled water to a portion of the overall Cal-Poly farming operation located in the prison. Mr. Aldaco showed Exhibit A which shows the prison site and reviewed it in detail. Chair Feenstra offered comment on farmers and dairies using recycled water and the hookup problems present. A discussion regarding Mr. Aldaco's presentation and Chair Feenstra's comments ensued. Chair Feenstra discussed aluminum pipes and the problems associated with these. Mr. Aldaco stated this problem has been addressed with the affected party several times and solutions are being looked into presently. A discussion regarding the piping issue ensued. Mr. de Boom inquired as to the total amount of recycled water being used for farming purposes in the City of Chino. Mr. Aldaco noted it is approximately 1,500 acre-feet. A discussion regarding this item ensued. Mr. Alire noted that Mr. Durrington has raised some very good points and that he will go back to the office with Mr. Aldaco and review what was discussed here today. Mr. Alire stated the findings will be brought back at a future meeting.

**II. BUSINESS ITEM****A. AUCTION PRICE FLOOR AGREEMENT AND STORAGE & RECOVERY AGREEMENT –  
NON-ACTION ITEM FOR DISCUSSION ONLY**

Ms. Rojo stated the Appropriative Pool has been working with the Non-Agricultural Pool since Peace II to work out an auction arrangement to auction water in the Non-Ag Pool storage account. Watermaster staff is looking for the auction to take place sometime in the October time frame; however, there are several things that will need to happen along with more informal meetings that need to take place. The next step will be to bring forward a Storage & Recovery Plan and that will give all the pools opportunity to provide comments. Mr. Koopman offered comment on water in storage and the ramifications of auctioning off water that is needed here in this basin along with the issue of exporting water. A discussion regarding Mr. Koopman's comments ensued. Ms. Rojo offered comment on the replenishment issue and spoke on a cost benefit analysis between using the water for a one-time replenishment versus raising funds to be used for capital improvement projects in the basin. Ms. Rojo stated this auction will create a lot of money and have a large broad benefit to the parties by providing debt service to projects that are costly. A discussion regarding Ms. Rojo's comments ensued. Counsel Fife stated what seems to be merging from the Wildermuth analysis, as part of the Recharge Master Plan Update, is that in order to cope with what Metropolitan Water District (MWD) is telling us is that the new reality regarding limited availability of replenishment water. Our original limitations on our facilities which were built on the assumption that recharge water or replenishment water would be available every or at least 80% of the time. The facilities are inadequate to cope with the new reality that MWD told us exists; we need to build new facilities and/or turnouts and we need the money to do that. The Appropriators and the Non-Agricultural Pool are the ones most affected by what is done with this item. Counsel Fife noted there is risk with either decision and it appears the group thinks it's a prudent business perspective, it is better to sell the water and use the money as an investment to build the facilities to better cope with the future problems.

Mr. Atwater offered comment on Counsel Fife's report and inquired if indeed Counsel Fife was stating that the Appropriative Pool was going to finance 100% of recharge improvements. Mr. Fife indicated that is not at all what he said. A lengthy discussion regarding Counsel Fife's and Mr. Atwater's comments ensued. Counsel Fife encouraged Mr. Atwater to attend an Appropriative Pool meeting or one of their side meetings to offer the comments that were made today. Mr. Pierson inquired to Watermaster staff regarding the budgeting process for the cost related to this auction. Ms. Rojo noted this is a budgeted item because it has been taking place since Peace II. A lengthy discussion regarding replenishment water and related issues ensued. Ms. Rojo noted this item was put on the agenda to provide transparency as to what is going on with the other Pools.

*No action taken.*

#### **B. CHINO BASIN WATERMASTER 2009-2010 BUDGET**

Ms. Rojo reviewed the 2009-2010 budget and the 2008-2009 budget changes and summarized the Peace II and MZ1 Long Term Plan portions of the budget and noted there is no COLA for Watermaster staff, there are 11 approved positions, but only 10.25 budgeted. Watermaster staff has worked to not increase administrative expenses, there are reductions in the OBMP & the Special Project categories, and Watermaster is still working to reduce "maximum benefit" related monitoring costs throughout the course of this next year. Ms. Rojo examined the Recharge Debt Service and Recharge O&M budget amounts. Ms. Rojo reviewed the OBMP & Project Costs by Fiscal Year with and without recharge debt and O&M costs. Ms. Rojo reviewed and discussed the Cumulative Unmet Replenishment Obligation (CURO) the 85/15 Rule and the impact of CURO on all appropriators. Mr. Pierson inquired about a separate, Special Projects line item for the Agricultural Pool. Ms. Rojo reviewed some additional interest that the Agricultural Pool will be getting as a result changes in the payments for attending meetings. A discussion ensued regarding the Agricultural Pools desire to track what the Agricultural Pool spends its money on in an effort to be completely transparent. Ms. Rojo noted there has been a Special Project line item added to the 2009-2010 budget and any other column needed can be added although this broken down segment is usually not shown monthly as it is here at the Budget Package Workshop; although staff is willing to comply with the Agricultural Pool needs. A discussion regarding this item ensued.

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

***Moved to approve Chino Basin Watermaster 2009-2010 Budget, as presented***

#### **C. APPLICATION FOR STORAGE ACCOUNT**

Ms. Rojo stated this item is for information only and deals with the Dry Year Yield Program. There has been a few phases of the DYY Program that exist already and MWD came to Appropriators and told them they will help them build extraction facilities if we allow them to put water in the ground and then that worked out well. After that MWD approached the Appropriators again and noted they wanted to expand the DYY Storage Program that is currently in place; however, MWD informed the Appropriators that they no longer had any money to spend which changed the deal entirely since the terms of the original agreement have now been changed, a counter proposal was given at the last Appropriative Pool meeting that offered an alternative proposal to MWD about a way MWD could do a Storage Program in the future. The Appropriators have now come up with a proposal that states they will enter into a storage deal if MWD promises to make replenishment water available to them in the future. The Appropriative Pool has given Watermaster staff two directions as a result of this DYY Program as it is currently formatted; 1) The new proposal that was submitted by Cucamonga Valley Water District asks staff to meet with MWD to get their interest to figure out what they think of the new proposal, especially in light that MWD is no longer bringing money to the table to try and pay for additional storage space, and 2) For Watermaster staff to ask MWD for an extension of time to get a new deal put together. The original timeline for this Dry Yield Project was September 2009. They are looking at a two part extension, the first would be to increase the storage space, and the second one will be to work out the rest of the details. Watermaster

staff has already had meetings with the Appropriators and meetings still need to take place with MWD staff. A discussion regarding this matter ensued.

*No action taken.*

### III. REPORTS/UPDATES

#### A. **WATERMASTER GENERAL LEGAL COUNSEL REPORT**

##### 1. April 27, 2009 Hearing

Counsel Fife stated a hearing took place on April 27, 2009. Information was presented to the Judge and he asked questions and seemed to appreciate the presentation and information given to him. Judge Wade has scheduled the next hearing for June 29, 2009 at 9:30 a.m. which will to present Program Elements 4, 5, and 6. Judge Wade took action at the April 27<sup>th</sup> hearing with regard to Watermaster's reporting; he had asked for a complete report about all of the reports that are done at Watermaster. An exhaustive list of the reports was presented to the Judge and an upcoming report on the Recharge Master Plan Update was due July 1<sup>st</sup>; however, Judge Wade excused Watermaster from preparing that report. There seems to be a desire on the Judges part to streamline Watermaster's reporting requirements and try to reduce or consolidate it.

#### B. **ENGINEERING REPORT**

##### 1. Brooks Basin Recharge Recycled Water

Mr. McCarthy stated there are three reports to report on with the first pertaining to the Brooks Basin Recharge Recycled Water aka Inland Empire Utilities Agency (IEUA) proposal to amend recharge permit. Mr. McCarthy stated Watermaster and IEUA must meet certain blending requirements to be allowed to recharge recycled water at each basin over a rolling 60-month average. IEUA proposed to amend the Watermaster and IEUA recharge permit to expansion the dilution period from 60 to 120 months. Both the Department of Public Health (DPH) and the Regional Water Quality Control Board (RWQCB) appear to be supportive of this permit expand. Mr. McCarthy noted that the City of Pomona has expressed concern that this is a material change from the current permit due to water quality concerns at their nearby wells and that IEUA should have made a new application to Watermaster for analysis and approval pursuant to the Peace Agreement. Mr. McCarthy reviewed a table from the 2010 Recharge Master Plan Perspective for the Chino Basin Recycled water Groundwater Recharge Program in detail. Several maps were reviewed. Mr. McCarthy stated for the Phase II recycled water recharge application, Watermaster found no material injury provided that IEUA could obtain DPH approval and a permit from the RWQCB. Mr. McCarthy stated that they would both likely come to the same conclusion if the proposed dilution period was extended from 60 to 120 months. Mr. McCarthy reviewed the TDS projections for the Chino basin North Management Zone which included Max Benefit Objectives and Ambient TDS concentrations.

##### 2. Storage Losses

Mr. McCarthy stated Watermaster currently assesses a 2% loss to water in storage accounts pursuant to the Peace Agreement. Mr. McCarthy commented on where the 2% came from. Staff was asked to re-evaluate the storage loss given the additional data collected by Watermaster and new model. Mr. McCarthy discussed the storage loss term and noted the linear reservoir theory is commonly applied in hydrology models to describe groundwater discharge to streams. Mr. McCarthy reviewed charts, Cumulative Changes in Chino Basin Groundwater Storage for Each Alternative, Comparison of Projected Differences in Annual Santa Ana River Discharge at Prado for DYY Expansion Program Alternatives Relative to Baseline, and Approximate Relationship between Incremental Changes in Storage and Incremental Changes in Groundwater Discharge to the Santa Ana River in detail.

3. Recharge Master Plan Update

Mr. McCarthy gave the 2010 Recharge Master Plan Update Progress Report. Mr. McCarthy reviewed the current Storm Water Recharge, Safe Yield – pending storm water work, Production and Recharge Optimization, and Projection and Recharge Optimization including the problems and the solution approach. Several estimated drawdown maps between 2006 and 2030 were reviewed in detail. Figures examining simulated groundwater water levels in the service areas of Cucamonga Valley Water District, the City of Ontario, and Jurupa Community Services District were reviewed in detail. Mr. McCarthy stated supplemental water requirements are done and most of the data collection is done with additional work to begin in late June. The schedule is being adjusted and a draft report should be ready next February.

**C. FINANCIAL REPORT**

1. Hanson Settlement

Ms. Rojo noted the settlement was discussed at previous meetings. Ms. Rojo stated the settlement is for damages caused by Hanson Aggregates at the Lower Day Basin. The settlement amount is \$450,000 and a check in the amount of \$117,000 has already been received. Staff needed to come up with a plan as to how to equitably breakdown those monies as they come in along with how it will be allocated. Ms. Rojo reviewed the Hanson Expense Analysis slide in detail.

2. Replenishment Obligation Update

No comment was made regarding this item.

**D. CEO/STAFF REPORT**

1. Legislative Update

No comment was made regarding this item.

2. Recharge Update

No comment was made regarding this item.

3. Foothill Water Coalition

Ms. Rojo stated the parties will see an agreement regarding the Foothill Water Coalition in the next 30-60 days. Ms. Rojo gave an over view of what the Foothill Water Coalition is and does. One of the projects that this coalition is working on has tremendous benefit to the Chino Basin is the connection between the two pipelines that will connect the Agua De Lejos and WFA facility; this will also allow for a turnout for the Chino Basin to pull water off of that when there are times that other water districts water is not available to us. The estimated cost to join is \$10,000 which gets Watermaster involved in the project and at the table; this is a onetime payment. More information will be given at future meetings.

4. Zone 1 Repair to San Sevaine Channel Agreement

Ms. Rojo noted this agreement will be brought back next month.

**IV. INFORMATION**

1. Newspaper Articles

No comment was made regarding this item.

**V. POOL MEMBER COMMENTS**

Chair Feenstra noted the confidential session place holder needs to always be on the agenda.

**VI. OTHER BUSINESS**

No comment was made regarding this item.

**VIII. FUTURE MEETINGS**

May 14 2009	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
May 19, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
May 28, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
May 28, 2009	9:00 a.m.	Advisory Committee Meeting
May 28, 2009	11:00 a.m.	Watermaster Board Meeting
May 28, 2009	1:00 p.m.	WE Workshop #3 Tasks 8.2 through 8.5

The Agricultural Pool meeting was dismissed by Chair Feenstra at 11:32 a.m.

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

Minutes Approved: June 16, 2009