

MINUTES
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

March 12, 2015

The Agricultural Pool meeting was held at the offices of Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on March 12, 2015.

AGRICULTURAL POOL MEMBERS PRESENT

Bob Feenstra, Chair	Dairy
Jeff Pierson, Vice-Chair	Crops
Pete Hall	State of California – CIM
Glen Durrington	Crops
John Huitsing	Dairy
Gene Koopman	Milk Producers Council
Bob Page	County of San Bernardino
Rob Vanden Heuvel	Milk Producers Council
Henry DeHaan	Dairy

WATERMASTER BOARD MEMBERS PRESENT

Paul Hofer	Crops
Geoffrey Vanden Heuvel	Dairy
Bob Bowcock	Calmat Company (Vulcan Materials Co.)

WATERMASTER STAFF PRESENT

Peter Kavounas	General Manager
Danielle Maurizio	Assistant General Manager
Joseph Joswiak	Chief Financial Officer
Anna Truong	Recording Secretary

WATERMASTER CONSULTANTS PRESENT

Brad Herrema	Brownstein Hyatt Farber Schreck, LLP
Andy Malone	Wildermuth Environmental, Inc.

OTHERS PRESENT

Tracy Egoscue	Egoscue Law Group
Nancy Heffernan	ABGL
Joel Ignacio	Inland Empire Utilities Agency
Majid Karim	Inland Empire Utilities Agency
Marsha Westropp	Orange County Water District
Richard Rees	AMEC
Mike Thompson	State of California

CALL TO ORDER

Chair Feenstra called the Agricultural Pool meeting to order at 1:30 p.m.

AGENDA - ADDITIONS/REORDER

None

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held February 17, 2015

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of January 2015
2. Watermaster VISA Check Detail for the month of January 2015
3. Combining Schedule for the Period July 1, 2014 through January 31, 2015
4. Treasurer's Report of Financial Affairs for the Period January 1, 2015 through January 31, 2015
5. Budget vs. Actual Report for the Period July 1, 2014 through January 31, 2015

C. CALMAT COMPANY (VULCAN MATERIALS) – APPLICATION FOR LOCAL STORAGE AGREEMENT

Approve Vulcan Materials' Application for a Local Supplemental Storage Agreement and Application to Recapture Water in Storage that would be expressly subject to subsequent Watermaster determinations on: (1) the quantity of Local Supplemental Water in Storage; (2) the priority among all competing Applications for Local Storage Agreements; and (3) the general terms and conditions concerning Preemptive Replenishment and Storage. This action would be without prejudice to other pending Applications or the priority among competing Applications. This approach will allow Vulcan Materials Company to proceed with recharge activities subject to the ongoing regulation of Watermaster of Storage Agreements on equitable, non-discriminatory grounds but without prejudice to other pending Applications.

1. **Notice of Application for Local Storage Agreement and to Recapture Water in Storage** – On March 2, 2015, Vulcan Materials submitted an Application for a Local Storage Agreement for 50,000 acre-feet to be placed into a Local Supplemental Storage Account. A Form 4, Application to Recapture Water in Storage, was also submitted.

D. FONTANA WATER COMPANY – APPLICATION FOR RECHARGE

Approve FWC's Application for Recharge that would be expressly subject to the same conditions as Vulcan Materials' 2012 Application for Recharge: that the project proponent demonstrates, by following the WEI site characterization plan to Watermaster's satisfaction, that the potential Material Physical Injury will be avoided.

1. **Notice of Application for Recharge** - On March 3, 2015, Fontana Water Company (FWC) submitted an Application for Recharge for up to 50,000 acre-feet to be recharged into the Vulcan Basin.

E. WATER TRANSACTIONS

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 1,200,000 acre-feet of water from Santa Ana River Water Company by Jurupa Community Services District. This purchase is made from Santa Ana River Water Company's Annual Production Right / Operating Safe Yield first, then any additional from storage. Date of application: February 23, 2015.
2. **Consider Approval for Notice of Sale or Transfer** – The purchase of 2,378,909 acre-feet of water from San Antonio Water Company by the City of Upland. This purchase is made from San Antonio Water Company's Annual Production Right / Operating Safe Yield first, then any additional from storage. The City of Upland is utilizing this transaction to produce its San Antonio Water Company shares. Date of application: January 27, 2015.
3. **Consider Approval for Notice of Sale or Transfer** – The purchase of 284,000 acre-feet of water from the City of Pomona by the City of Upland. This purchase is made from the City of Pomona's Excess Carryover Account. Date of application: January 29, 2015.

(0:00:50)

Motion by Mr. Gene Koopman, seconded by Mr. Glen Durrington, and by unanimous vote
Moved to approve Consent Calendar as presented

(0:01:20) Chair Feenstra introduced Mr. Clif McFarland of the ABGL Group and asked that his presentation be heard next so that Pool members who need to leave early will be able to hear the presentation on the Chino TCE plume. Mr. McFarland's report follows in sequence below in Business Item II.D.

II. BUSINESS ITEMS

A. **FIRST AMENDMENT TO TASK ORDER 8 (SAN SEVAINE RMPU IMPROVEMENT PROJECT)**

Recommend Advisory Committee approval to Increase the total project budget for San Sevaine Basin improvements and to amend Task Order No. 8, subject to any non-substantive changes.

(0:25:38) Mr. Kavounas gave a report and asked if the Pool would like to view the presentation. The Pool declined the presentation. A discussion ensued.

(0:28:34)

*Motion by Mr. Jeff Pierson, seconded by Mr. Bob Page, and by unanimous vote
Moved to approve Business Item II.A. as presented*

B. **FIRST AMENDMENT TO TASK ORDER 1 (2013 RMPU AMENDMENT YIELD ENHANCEMENT PROJECTS – PLANNING, PERMITTING, AND DESIGN)**

Recommend Advisory Committee approval to add East Declez Basin project and remove Sierra Basin and Lower San Sevaine from the project list; and to update Task Order No. 1 to reflect the change in projects and adjust the soft cost.

(0:29:45) Mr. Kavounas gave a report. A discussion ensued.

(0:34:33) Motion introduced by Mr. Rob Vanden Heuvel. More discussion ensued.

(0:37:51) Vote was taken.

*Motion by Mr. Rob Vanden Heuvel, seconded by Mr. Gene Koopman, and by unanimous vote
Moved to approve Business Item II.B. as presented*

C. **SAFE YIELD RECALCULATION AND RESET (Discussion Only)**

(0:39:00) Mr. Kavounas gave a report. A discussion ensued.

D. **OLD BUSINESS**

1. Ontario Plume Status (Update from Clif McFarland with ABGL Group)

(0:02:19) Mr. Clif McFarland with the ABGL Group gave a report and presentation on the Ontario TCE Plume. A discussion ensued.

(0:41:16) Chair Feenstra asked to skip Reports/Updates Item III.A., Legal Counsel Report for the time being and take III.B first.

III. REPORTS/UPDATES

A. **LEGAL COUNSEL REPORT**

1. Alvarez CalPERS Appeal

(1:00:21) Mr. Herrema gave a report.

B. CFO REPORT

1. Safe Yield Recalculation and Reset Facilitated Process – Expenses to date

(0:41:59) Mr. Joswiak gave a report. A discussion ensued.

(0:59:44) Chair Feenstra asked to take Confidential Session before the remainder of the agenda.

C. GM REPORT

1. Overlying Non-Agricultural Pool Available Water Per Judgment Exhibit “G”

(1:02:11) Mr. Kavounas gave a report.

D. AGRICULTURAL POOL LEGAL COUNSEL REPORT

None

IV. INFORMATION

1. Cash Disbursements for February 2015
2. Joint IEUA/CBWM Recharge Improvement Projects

V. POOL MEMBER COMMENTS

(1:04:37) Mr. Hall inquired if it will be possible to have the Agricultural Pool meetings begin at 1:00 p.m. instead of 1:30 p.m. going forward. Mr. Kavounas replied that for the past two and one-half years, it has been difficult to start at 1:00 p.m. since the Non-Agricultural Pool meeting that takes place at 11:00 a.m. has been running a bit longer and it leaves little time for staff to have lunch and prepare for the next meeting at 1:00 p.m. If the Pool wishes to take the meeting at 1:00 p.m., staff will do the best to accommodate.

(1:05:31) Vice-Chair Pierson suggested we revisit this item in May or June since the Safe Yield Recalculation and Reset is still ongoing.

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Feenstra called for a Confidential Session at 2:33 p.m. Confidential session concluded at 3:12 p.m. with no reportable action.

(0:59:54) Chair Feenstra left the meeting and handed off to Vice-Chair Pierson to finish out the meeting. Vice-Chair Pierson resumed the meeting at Reports/Updates Item III.A., Legal Counsel Report and is captured in sequence above.

VIII. FUTURE MEETINGS AT WATERMASTER

3/06/15	Fri	10:00 a.m.*	Safe Yield Recalculation and Reset Facilitated Discussion
3/09/15	Mon	11:00 a.m.*	Safe Yield Recalculation and Reset Facilitated Discussion
3/12/15	Thu	9:00 a.m.	Appropriative Pool
3/12/15	Thu	11:00 a.m.	Non-Agricultural Pool
3/12/15	Thu	1:30 p.m.	Agricultural Pool
3/13/15	Fri	10:00 a.m.*	Safe Yield Recalculation and Reset Facilitated Discussion
3/16/15	Mon	11:00 a.m.*	Safe Yield Recalculation and Reset Facilitated Discussion
3/19/15	Thu	9:00 a.m.	Advisory Committee
3/19/15	Thu	9:30 a.m.	Joint IEUA/CBWM Recharge Improvement Projects Committee <u>AND</u> RMPU Amendment Steering Committee Quarterly

3/19/15	Thu	11:30 a.m.	Land Subsidence Committee
3/20/15	Fri	10:00 a.m.*	Safe Yield Recalculation and Reset Facilitated Discussion
3/23/15	Mon	11:00 a.m.*	Safe Yield Recalculation and Reset Facilitated Discussion
3/26/15	Thu	11:00 a.m.	Watermaster Board
3/27/15	Fri	10:00 a.m.*	Safe Yield Recalculation and Reset Facilitated Discussion
3/30/15	Mon	11:00 a.m.*	Safe Yield Recalculation and Reset Facilitated Discussion

***Note:** These meetings are intended for parties who have signed the Safe Yield Recalculation and Reset Facilitation and Non-Disclosure Agreement.

ADJOURNMENT

Vice-Chair Pierson adjourned the Agricultural Pool meeting at 3:22 p.m.

Secretary: _____

Approved: April 9, 2015 _____