

MINUTES
CHINO BASIN WATERMASTER
ANNUAL AGRICULTURAL POOL MEETING

January 12, 2017

The Annual Agricultural Pool meeting was held at the offices of Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on January 12, 2017.

AGRICULTURAL POOL MEMBERS PRESENT

Bob Feenstra, Chair	Dairy
Jeff Pierson, Vice-Chair	Crops
Nathan deBoom	Dairy
Lawrence Dimock	State of California – CIM
Ron LaBrucherie, Jr.	Crops
Pete Hall	State of California – CIM
John Huitsing	Dairy
Bob Page	County of San Bernardino
Henry DeHaan	Dairy
Marilyn Levin for Carol Boyd	State of California – DOJ

WATERMASTER BOARD MEMBER PRESENT

Geoffrey Vanden Heuvel	Dairy
------------------------	-------

WATERMASTER STAFF PRESENT

Peter Kavounas	General Manager
Joseph Joswiak	Chief Financial Officer
Edgar Tellez Foster	Senior Environmental Engineer
Anna Truong	Executive Services Director/Board Clerk
Justin Nakano	Water Resources Senior Associate
Camille Gregory	Administrative Assistant

WATERMASTER CONSULTANTS PRESENT

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

OTHERS PRESENT

Rob Vanden Heuvel	Dairy
Dave Crosley	City of Chino
Julie Cavender	State of California – CIM
Richard Rees	AMEC
Andrew Silva	County of San Bernardino
Diana Frederick	State of California – DOC
Tracy Egoscue	Egoscue Law Group
Ken Jeske	California Steel Industries
Tim Sandoval	City of Pomona
Peter Thyberg	State of California – DOC

CALL TO ORDER

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

AGENDA – ADDITIONS/REORDER

None

RECOGNITION OF KEN JESKE’S CONTRIBUTIONS TO WATERMASTER

Mr. Kavounas commented about Mr. Jeske’s tenure in the Basin, particularly at Watermaster, and thanked him for his contributions. Others commented and also thanked Mr. Jeske.

I. ANNUAL ELECTIONS (ACTION)

A. Calendar Year 2017 Agricultural Pool Members

According to the Overlying (Agricultural) Pool Rules and Regulations the Agricultural Pool membership shall consist of not less than nine (9) representatives selected at large by members of the Pool. Pool members will be asked to make any necessary changes to the following list in order to establish pool membership and alternates during calendar year 2017:

2016 Agricultural Pool Members

Dairy: Robert Feenstra
Gene Koopman
Nathan deBoom
John Huitsing
Rob Vanden Heuvel*

Crops: Glen Durrington
Jeff Pierson

State: Carol Boyd
Pete Hall
Lawrence Dimock

County: Bob Page

2017 Agricultural Pool Members

Dairy: Robert Feenstra
Henry DeHaan
Nathan deBoom
John Huitsing

Crops: Ron LaBrucherie, Jr.
Jeff Pierson

State: Carol Boyd
Pete Hall
Lawrence Dimock

County: Bob Page

*Mr. Ronald Pietersma was voted as a member during an Agricultural Pool Special Meeting on January 17, 2017; taking the place of Mr. Rob Vanden Heuvel.

2016 Alternates

Dairy: Henry DeHaan
Crops: Dan Hostetler
State: Julie Cavender
Diana Frederick
Noah Golden-Krasner
David Huskey
Marilyn Levin
Michael Thompson

County: Andrew Silva

2017 Alternates

Dairy: N/A _____
Crops: Dan Hostetler
State: Julie Cavender
Diana Frederick
Noah Golden-Krasner
Marilyn Levin
Michael Thompson

County: Andrew Silva

(0:14:21) Motion introduced by Vice-Chair Pierson. A discussion ensued.

(0:17:03) Vote taken

Motion by Vice-Chair Jeff Pierson, seconded by Mr. Pete Hall, and by unanimous vote

Moved to approve Calendar Year 2017 Agricultural Pool members and alternates as listed above.

(0:17:55) Chair Feenstra announced that Mr. Rob Vanden Heuvel is leaving the Milk Producer’s Council and will be moving to Visalia, CA to take a new job. The Chair thanked him for all his contributions to the Agricultural Pool.

B. Annual Elections

Elect the following calendar year 2017 Officers of the Pool: Chair, Vice-Chair, Secretary, Treasurer, and Assistant Secretaries and Treasurers as may be appropriate.

(0:21:47) Chair Feenstra gave control of the meeting the General Manager Kavounas to run the election of Chair.

Chair	<u>Robert Feenstra</u>
Vice-Chair	<u>Jeff Pierson</u>
Secretary/Treasurer	<u>Watermaster General Manager</u>

(0:22:05)

Motion by Mr. Jeff Pierson, seconded by Mr. Nathan deBoom, and by unanimous vote

Moved to approve Calendar Year 2017 Agricultural Pool Chair as listed above.

(0:22:58)

Motion by Mr. Nathan deBoom, seconded by Mr. Pete Hall, and by unanimous vote

Moved to approve Calendar Year 2017 Agricultural Pool Vice-Chair as listed above.

C. Election of Calendar Year 2017 Advisory Committee Members

According to the Agricultural Pool Pooling Plan, the Pool shall designate up to 10 members of the Pool Committee, and their alternates, to serve on the Advisory Committee.

(0:24:02) Chair Feenstra stated that all 10 Agricultural Pool members are appointed to the 2017 Advisory Committee and the Pool will fill the vacancy left by Mr. Rob Vanden Heuvel at a later date.

D. Calendar Year 2017 Agricultural Pool Member Appointed to Serve as Advisory Committee Officer

Based on the rotation sequence established among the Pools, the members of the Agricultural Pool will be asked to appoint a designated representative to serve as Vice-Chair of the Advisory Committee during calendar year 2017.

Agricultural Pool Officer (Vice-Chair) Appointment to the Advisory Committee:

Jeff Pierson

(0:23:40 and 0:28:52)

*Motion by Mr. Pete Hall, seconded by Mr. Ron LaBrucherie, Jr., and by unanimous vote
**Moved to approve Agricultural Pool appointment of Vice-Chair to the Advisory
 Committee for Calendar Year 2017 as listed above.***

E. Appointment of Calendar Year 2017 Pool Representation on Watermaster Board

According to the Board rotation schedule filed with the Court in 2000 and updated on November 17, 2015, the Agricultural Pool is to appoint two representatives and alternates, as shown below, to serve on the Board for the calendar year.

Member: Geoffrey Vanden Heuvel Alternate: Robert Feenstra

Member: Paul Hofer Alternate: Jeff Pierson

(0:26:11) Motion introduced by Vice-Chair Pierson. A discussion ensued.

(0:26:19) Ms. Levin informed the Pool that the State of California, as in the past, will defer its seat on the Watermaster Board to another Agricultural Pool member.

(0:27:48) Vote taken.

*Motion by Mr. Jeff Pierson, seconded by Mr. Nathan deBoom, and by unanimous vote
**Moved to approve Agricultural Pool members and alternates to the Watermaster Board
 for 2017 as listed above.***

II. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held November 10, 2016

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of October 2016
2. Watermaster VISA Check Detail for the month of October 2016
3. Combining Schedule for the Period July 1, 2016 through October 31, 2016
4. Treasurer's Report of Financial Affairs for the Period October 1, 2016 through October 31, 2016
5. Budget vs. Actual Report for the Period July 1, 2016 through October 31, 2016
6. Cash Disbursements for the month of November 2016
7. Watermaster VISA Check Detail for the month of November 2016
8. Combining Schedule for the Period July 1, 2016 through November 30, 2016
9. Treasurer's Report of Financial Affairs for the Period November 1, 2016 through November 30, 2016
10. Budget vs. Actual Report for the Period July 1, 2016 through November 30, 2016

C. CHINO BASIN WATERMASTER INVESTMENT POLICY

Recommend that the Advisory Committee recommends approval of Resolution 2017-01 – Resolution of the Chino Basin Watermaster, San Bernardino County, California, Re-Authorizing the Watermaster's Investment Policy.

D. LOCAL AGENCY INVESTMENT FUND

Recommend that the Advisory Committee recommends approval of Resolution 2017-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF).

E. WATER TRANSACTIONS

1. Notice of Sale or Transfer – The permanent transfer of 27.619 acre-feet of Safe Yield from Ameron International Corporation (“Ameron”) to TAMCO, a California Corporation (“TAMCO”). In addition, Ameron requests to transfer 27.619 acre-feet of its Carryover Balance, and 169.358 acre-feet from its Local Storage Account to TAMCO.
2. Notice of Sale or Transfer – The purchase of 2,000.000 acre-feet of water from the City of Norco by Fontana Water Company. This purchase is made from the City of Norco’s Excess Carryover Account and is to be transferred to Fontana Water Company’s Annual Production Right/Operating Safe Yield.

(0:29:42) Mr. Kavounas commented that the motion from the minutes of the November 10, 2016 Agricultural Pool meeting regarding the RMPU Yield Enhancement Projects will be revised to indicate that the Opt-Out provision was not selected so that the motion is more succinct.

(0:30:50)

Motion by Mr. Nathan deBoom, seconded by Mr. Henry DeHaan and by unanimous vote

Moved to approve Consent Calendar as presented with the exception of Item II.A., the Minutes of the November 10, 2016 Agricultural Pool meeting, which will be brought back to the next Agricultural Pool meeting for approval.

(0:31:07) Chair Feenstra called for a confidential session at 2:02 p.m. to discuss Pool business. Confidential session concluded at 2:50 p.m. with no reportable action and will also be noted in sequence below.

III. BUSINESS ITEMS

A. STORAGE AGREEMENTS (Information Only)

Offer advice and assistance to Watermaster.

(0:34:50) Mr. Kavounas gave a report. A discussion ensued. The Pool’s questions are shown below:

(0:41:28) Vice-Chair Pierson: “Understanding that this is going to be coming to the Pool next month... there are a couple basic premises that we’ve discussed and have... I’m not exactly sure if, if, uh, we understand the implications, but the staff report stated that this is an accurate accounting and I’m presuming the accurate accounting is, uh, based upon the Local Excess Carryover, uh, for both the Pools, in this year’s assessment package, uh, and it’s based upon prior accounting of the Excess Carryover, uh, since a point and time in the past. I think we would like to see a Wildermuth study that indicates that the modeling evidence of the Basin substantiates the accounting, uh, as to physical water in the Basin, so, we have a historical excess carryover that has been put into local storage accounts, but we have nothing that says that that water, uh, is substantiated by water level or empirical data provided by Wildermuth, and so we would like to see that next month. We’d also like to see a legal opinion from Watermaster that this water that is reportedly accurate and complete is truly in the basin. And that will allow this Pool to act with assurances and certainty based upon what is reportedly in, uh, these reports on excess carryover. The last thing that I’ve got is there’s no upper limit to what’s being proposed to go into storage, and, the question that I’ve got is have we analyzed the relationship between the accumulation of storage and its effect on the Safe Yield of the basin? So, those are the three things, Mr. Chairman, that I’ve got.”

(0:53:14) Ms. Levin: “And, um we have one other question. But it sounds like the Non-Ag is going to be asking you the same thing, which is um... what is the, could you give us the legal authority for making the agreements evergreen?”

B. OLD BUSINESS

1. Water Use Efficiency Program through IEUA (Soil Moisture Sensors)
2. Data Release for Ambient Water Quality Recomputation

(0:32:03) Chair Feenstra inquired about the letterheads he needed to sign regarding Item III.B.1., Water Use Efficiency Program through IEUA (Soil Moisture Sensors), and Item III.B.2., Data Release for Ambient Water Quality Recomputation. A discussion ensued.

IV. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. December 9, 2016 Hearing
2. Safe Yield Reset

(0:54:31) Mr. Herrema gave a report, and added a report on the 38th Annual Report and Watermaster’s intent to update the Rules and Regulations. A discussion ensued.

B. ENGINEER REPORT

1. Pomona Extensometer
2. Santa Ana River: BMPTF, SBVMWD RFP, Prado Basin AMP
3. SGMA: Model Update and Required Demonstrations, Annual Reporting, and Fringe Areas
4. California Statewide Groundwater Elevation Monitoring (CASGEM)
5. Watermaster Reporting Requirements

(0:59:29) Mr. Malone gave a report, and deferred Item IV.B.2., the Santa Ana River: BMPTF, SBVMWD RFP, Prado Basin AMP, which will be discussed during the GM Report. A discussion ensued.

C. CFO REPORT

1. 2016/17 Assessment Invoicing

(1:06:57) Mr. Joswiak gave a report.

D. GM REPORT

1. Santa Ana River Watershed Update
2. SGMA Update
3. Storage
4. Agricultural Pool Member Stipend Claim Form
5. Notice of Overlying (Non-Agricultural) Pool Available Water Per Restated Judgment Exhibit “G”
6. RIPCom Update
7. Other

(1:07:55) Mr. Kavounas introduced Messrs. Tellez Foster and Malone to give a report on, IV.D.1., Santa Ana River Watershed Update. A discussion ensued.

(1:33:55) Mr. Kavounas gave a report on Item IV.D.2., SGMA Update.

(1:34:56) Ms. Truong gave a report regarding Item IV.D.4., the Agricultural Pool Member Stipend Claim Form. A discussion ensued.

(1:42:46) Mr. Kavounas skipped to Item IV.D.7., and announced the Army Corps of Engineers meeting which will be held at IEUA regarding Prado Dam Master Plan.

V. INFORMATION

1. Annual Filing of Notice of Intent Regarding the Determination of Operating Safe Yield
2. Cash Disbursements for December 2016
3. Recharge Investigations and Projects Committee (RIPCom)
4. Ground Level Monitoring Report (Quarterly)
5. Update on South Archibald and Chino Airport Plumes (Quarterly)
6. RMPU Status Report (Quarterly)

VI. POOL DISCUSSION

1. Chairman's Update
2. Pool Member Comments

VII. OTHER BUSINESS

None

VIII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Feenstra called for a confidential session at 2:02 p.m. to discuss Pool business. Confidential session concluded at 2:50 p.m. with no reportable action.

ADJOURNMENT

Chair Feenstra adjourned the Agricultural Pool meeting at 4:23 p.m.

Secretary: _____

Approved: _____ March 10, 2017