

MINUTES
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

June 8 2017

The Agricultural Pool meeting was held at the offices of Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on June 8, 2017.

AGRICULTURAL POOL MEMBERS PRESENT

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|--------------------------|---------------------------|
| Bob Feenstra, Chair | Dairy |
| Jeff Pierson, Vice-Chair | Crops |
| Lawrence Dimock | State of California – CIM |
| Carol Boyd | State of California – CIM |
| Bob Page | County of San Bernardino |
| Pete Hall | State of California – CIM |
| Nathan deBoom | Dairy |
| John Huitsing | Dairy |
| Henry DeHaan | Dairy |
| Ronald Pietersma | Dairy |

WATERMASTER BOARD MEMBERS PRESENT

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|------------------------|-------|
| Paul Hofer | Crops |
| Geoffrey Vanden Heuvel | Dairy |

WATERMASTER STAFF PRESENT

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|---------------------|---|
| 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 |

WATERMASTER CONSULTANTS PRESENT

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

OTHERS PRESENT

| | |
|--------------------|----------------------------|
| Betsy Hunter-Binns | Milk Producers Council |
| Richard Rees | AMEC |
| Diana Frederick | State of California – DOC |
| Todd Poston | State of California – CDCR |
| Tracy Egoscue | Egoscue Law Group |

CALL TO ORDER

Chair Feenstra called the Agricultural Pool meeting to order at 1:34 p.m.

(0:00:08) Chair Feenstra introduced Ms. Betsy Hunter-Binns, the Assistant General Manager of the Milk Producers Council, and Mr. Todd Poston from the State of California.

AGENDA - ADDITIONS/REORDER

None

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Agricultural Pool Meeting held on May 11, 2017

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of April 2017
2. Watermaster VISA Check Detail for the month of April 2017
3. Combining Schedule for the Period July 1, 2016 through April 30, 2017
4. Treasurer's Report of Financial Affairs for the Period April 1, 2017 through April 30, 2017
5. Budget vs. Actual Report for the Period July 1, 2016 through April 30, 2017

C. COST-SHARING AGREEMENT BETWEEN CHINO BASIN WATERMASTER AND CITY OF CHINO HILLS REGARDING THE CHINO HILLS ASR PILOT PROJECT

Recommend that the Advisory Committee approve the Cost Sharing Agreement Between Chino Basin Watermaster and City of Chino Hills Regarding the Chino Hills ASR Pilot Project and authorize the General Manager to sign the agreement on behalf of Watermaster.

D. WATER TRANSACTIONS

1. The purchase of 180.000 acre-feet of water from the San Antonio Water Company by Monte Vista Water District. This purchase is made from San Antonio Water Company's Annual Production Right / Operating Safe Yield first, then any additional from Local Supplemental Storage. Monte Vista Water District is utilizing this transaction to produce its San Antonio Water Company shares. Date of application: May 22, 2017
2. The purchase of 162.000 acre-feet of water from the San Antonio Water Company by the City of Ontario. This purchase is made from San Antonio Water Company's Annual Production Right / Operating Safe Yield first, then any additional from Local Supplemental Storage. The City of Ontario is utilizing this transaction to produce its San Antonio Water Company shares. Date of application: May 22, 2017
3. The purchase of 558.000 acre-feet of water from the 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 Local Supplemental Storage. The City of Upland is utilizing this transaction to produce its San Antonio Water Company shares. Date of application: May 22, 2017
4. The purchase of 4,000.000 acre-feet of water from the City of Pomona by Cucamonga Valley Water District. This purchase is made from the City of Pomona's Local Supplemental Storage Quantified (Pre 7/1/2000) Account. Date of application: May 31, 2017
5. The purchase of 4,000.000 acre-feet of water from the Cucamonga Valley Water District by Fontana Water Company. This purchase is made from Cucamonga Valley Water District's Local Supplemental Storage Quantified (Pre 7/1/2000) Account. Date of application: May 31, 2017
6. The purchase of 3,000.000 acre-feet of water from the Cucamonga Valley Water District by Fontana Water Company. This purchase is made from Cucamonga Valley Water District's Local Supplemental Storage Quantified (Pre 7/1/2000) Account. Date of application: May 31, 2017

(0:01:33)

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

Moved to approve the Consent Calendar as presented.

II. BUSINESS ITEMS

A. FISCAL YEAR 2016/17 BUDGET TRANSFER (FORM T-17-05-01)

Recommend Advisory Committee Approval of Budget Transfer Form T-17-05-01 for FY 2016/17 as presented.

(0:02:35) Mr. Joswiak gave a report. A discussion ensued.

(0:04:55)

Motion by Ms. Carol Boyd, seconded by Vice-Chair Jeff Pierson, and by unanimous vote

Moved to approve Business Item II.A. as presented.

B. FISCAL YEAR 2016/17 BUDGET AMENDMENT (FORM A-17-05-01)

Recommend Advisory Committee approve the Budget Amendment Form A-17-05-01 for FY 2016/17 in the amount of \$100,000 for the increased cost associated with the Safe Yield Redetermination and Reset, along with other Agricultural Pool matters, as presented.

(0:05:14) Mr. Joswiak gave a report. A discussion ensued.

(0:06:24) Motion introduced. Additional discussion ensued.

(0:10:16) *Vote Taken*

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

Moved to approve Business Item II.B. as presented.

C. OLD BUSINESS

1. Ambient Water Quality Study

(0:11:01) Mr. Tellez Foster gave a report. A discussion ensued.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Overlying (Agricultural) Pool Committee's Contests
2. Rules and Regulations Update
3. Outline Of Annual Report Presentation To Judge

(0:13:49) Mr. Herrema gave a report. A discussion ensued.

B. ENGINEER REPORT

1. 2016 Annual Report of the Prado Basin Habitat Sustainability Committee
2. Other Technical Support

(0:19:55) Mr. Malone gave a report. A discussion ensued.

C. CFO REPORT

1. Exhibit "G" Transactions

(0:27:19) Mr. Joswiak gave a report.

D. GM REPORT

1. Storage Agreements
2. Storage Workshop #2
3. SGMA Update
4. CSI Basin Improvement Project
5. DYY Program Update
6. Resolution To Levy Desalter Replenishment Assessments For Production Year 2013/14
7. Other

(0:28:29) Mr. Kavounas gave reports on Items III.D.1. and III.D.2. A discussion ensued.

(0:31:10) Mr. Kavounas introduced Mr. Tellez Foster to give a report on Item III.D.3.

(0:32:46) Mr. Kavounas introduced Mr. Nakano to give a report on Item III.D.4. A discussion ensued.

(0:37:33) Mr. Kavounas gave reports on Items III.D.5. and III.D.6. He also announced that Watermaster will go dark in August 2017, with no standing meetings, and that if parties need assistance scheduling any other meetings, staff is happy to assist. A discussion ensued.

(0:46:14) Mr. Vanden Heuvel joined the meeting.

IV. INFORMATION

1. Cash Disbursements for May 2017
2. Recharge Investigations and Projects Committee (RIPCom)

V. POOL DISCUSSION

1. Chairman's Update
2. Pool Member Comments

(0:47:14) Chair Feenstra commented that Mr. Hofer is a Director at the Inland Empire Utilities Agency, and thanked him for his service on the Agricultural Pool.

(0:48:52) Mr. Pierson thanked the Messrs. Hofer and Vanden Heuvel for their service as Watermaster Board members on behalf of the Agricultural Pool. A discussion ensued.

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Feenstra called for a confidential session at 2:25 p.m. to discuss Pool business. Confidential session concluded at 3:34 p.m. with the following reportable action:

(0:51:18) Ms. Egoscue provided the following reportable action:

*Motion by Vice-Chair Jeff Pierson, seconded by Mr. Ronald Pietersma, and by unanimous vote
Moved to approve the Tolling Agreement as described below.*

The Pool approved the Tolling Agreement which tolled the Agricultural Pool's contests, the need for a storage management planning process that begins in July 2017 and ideally concludes by July 2018, and a reserve of 130,000 AF of storage held during the development of the storage management plan.

Ms. Egoscue stated that the Appropriative Pool also approved the Tolling Agreement at its meeting earlier today. She also stated that Chair Feenstra requested the Tolling Agreement be made publicly available and also distributed to the Advisory Committee.

ADJOURNMENT

Chair Feenstra adjourned the Agricultural Pool meeting at 3:35 p.m.

Secretary: _____

Approved: _____ July 13, 2017