

MINUTES
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

July 13, 2017

The Agricultural Pool meeting was held at the offices of Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on July 13, 2017.

AGRICULTURAL POOL MEMBERS PRESENT

Bob Feenstra, Chair	Dairy
Jeff Pierson, Vice-Chair	Crops
Lawrence Dimock	State of California – CIM
Bob Page	County of San Bernardino
Carol Boyd	State of California – CIM
Diana Frederick for Pete Hall	State of California – DOC
Ronald Pietersma	Dairy
Ron LaBrucherie, Jr.	Crops
John Huitsing	Dairy

WATERMASTER BOARD MEMBER PRESENT

Geoffrey Vanden Heuvel	Dairy
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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

WATERMASTER CONSULTANTS PRESENT

Christopher Guillen	Brownstein Hyatt Farber Schreck, LLP
Andy Malone	Wildermuth Environmental, Inc.

OTHERS PRESENT

Tracy Egoscue	Egoscue Law Group
Richard Rees	AMEC

CALL TO ORDER

Chair Feenstra called the Agricultural Pool meeting to order at 1:35 p.m.

AGENDA - ADDITIONS/REORDER

None

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held on June 8, 2017

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2017

2. Watermaster VISA Check Detail for the month of May 2017
3. Combining Schedule for the Period July 1, 2016 through May 31, 2017
4. Treasurer's Report of Financial Affairs for the Period May 1, 2017 through May 31, 2017
5. Budget vs. Actual Report for the Period July 1, 2016 through May 31, 2017

C. WATER TRANSACTIONS

Provide advice and assistance to the Watermaster Board on the proposed transactions:

1. The purchase of 119.844 acre-feet of water from the City of Upland by Golden State Water Company, effective for FY 2016/2017. This purchase is made from the City of Upland's Annual Production Right/Operating Safe Yield first, then any additional from Excess Carryover storage. Date of application: May 24, 2017.
2. The purchase of 138.156 acre-feet of water from West End Consolidated Water Company by Golden State Water Company, effective for FY 2016/2017. This purchase is made from West End Consolidated Water Company's Annual Production Right/Operating Safe Yield first, then any additional from Excess Carryover storage. Golden State Water Company is utilizing this transaction to produce its West End Consolidated Water Company shares. Date of application: May 24, 2017.
3. The purchase of 1,474.258 acre-feet of water from West End Consolidated Water Company by the City of Upland, effective for FY 2016/2017. This purchase is made from West End Consolidated Water Company's Annual Production Right/Operating Safe Yield first, then any additional from Excess Carryover storage. The City of Upland is utilizing this transaction to produce its West End Consolidated Water Company shares. Date of application: May 24, 2017.
4. The purchase of 6,000.000 acre-feet of water from the City of Upland by Fontana Water Company, effective for FY 2016/2017. This purchase is made from the City of Upland's Annual Production Right/Operating Safe Yield first, then any additional from Excess Carryover storage. Date of application: June 14, 2017.
5. The permanent transfer of 18.789 acre-feet from Angelica Corporation to 9W Halo Western OpCo L.P. This transfer is contingent on 9W Halo Western OpCo L.P.'s successful intervention into the Overlying (Non-Agricultural) Pool.

D. FONTANA WATER COMPANY APPLICATION FOR RECHARGE

Approve Fontana Water Company's Application for Recharge and direct Watermaster staff to account for this supplemental water recharged in Fontana Water Company's existing Local Supplemental Storage.

E. 9W HALO WESTERN OPCO L.P. OVERLYING (NON-AGRICULTURAL) POOL INTERVENTION REQUEST

Recommend Advisory Committee approval of the filing of request for Intervention.

(0:01:26)

*Motion by Vice-Chair Jeff Pierson, seconded by Mr. John Huitsing, and by unanimous vote
Moved to approve the Consent Calendar as presented.*

II. BUSINESS ITEMS

A. 2016 ANNUAL REPORT OF THE PRADO BASIN HABITAT SUSTAINABILITY COMMITTEE

Offer advice and assistance.

(0:02:04) Mr. Kavounas introduced Messrs. Tellez Foster and Malone to give a report. A discussion ensued.

B. OLD BUSINESS

None

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Agricultural Pool Contests
2. Notices of Appeal from April 28, 2017 Order
3. Rules and Regulations Update

(0:28:57) Mr. Guillen introduced himself to the Pool and gave a report. A discussion ensued.

B. ENGINEER REPORT

1. Prado Basin Tour
2. Ground-Level Monitoring Committee Revised Annual Report Schedule
3. 2016 State of the Basin Report
4. Storage Management Workshop
5. Evaporative Losses

(0:34:03) Mr. Malone gave a report, and commented that a memo regarding Evaporative Losses is being developed and will be presented at the September 2017 Watermaster meetings. A discussion ensued.

C. CFO REPORT

1. Exhibit "G" Transactions
2. Appropriative Pool Legal Expense Budget

(0:52:43) Mr. Joswiak gave a report.

D. GM REPORT

1. Desalter Replenishment Assessments For Production Year 2013/14
2. Storage Agreements
3. SGMA Update
4. DYY Program Update
5. Other

(0:55:15) Mr. Kavounas gave a report. A discussion ensued.

(1:03:01) Mr. Kavounas introduced Mr. Tellez Foster to give a report on Item III.D.3. A discussion ensued.

(1:10:06) Mr. Kavounas gave a report on Item III.D.4.

(1:17:06) Mr. Vanden Heuvel joined the meeting at 2:45 p.m.

IV. INFORMATION

1. Cash Disbursements for June 2017
2. Recharge Investigations and Projects Committee (RIPCom)
3. Ground-Level Monitoring Status Report (Quarterly)
4. South Archibald and Chino Airport Plumes Status Report (Quarterly)
5. RMPU Status Report (Quarterly)
6. Santa Ana River Watershed Status Report (Quarterly)

(1:21:35) Chair Feenstra addressed concerns regarding the South Archibald Plume, indicating that there are several dairies to the southwest experiencing bad odor in their water, and that they are working with the City of Ontario for resolution. Mr. Kavounas offered Watermaster's assistance as appropriate. A discussion ensued.

V. POOL DISCUSSION

- 1. Chairman's Update
- 2. Pool Member Comments

VI. OTHER BUSINESS

(1:25:30) Mr. Kavounas asked the Pool if the quarterly reports listed under the Information section can be adjusted to a biannual frequency, which will result in a cost savings. The Pool supported the change in reporting frequency.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Feenstra called for a confidential session at 3:05 p.m. to discuss Pool business. Confidential session concluded at 3:57 p.m. and Ms. Egoscue provided the following reportable actions:

(1:29:25) Committee member Bob Page was only in the room for the first item concerning the appeals and left the room after that.

1. Appeal of April 28, 2017 Court Order:

The Pool has directed counsel to formally enter into the appeal such that the Ag Pool can be designated formally as a respondent.

*Motion by Vice-Chair Jeff Pierson, seconded by Ms. Carol Boyd, and by unanimous vote
Moved to approve action described above.*

2. Storage:

The Appropriative Pool per the Tolling Agreement entered into regarding the storage contest filed by the Ag Pool, provided the Ag Pool with a proposed outline for the storage management planning process on June 30th, which was within the deadline of the Tolling Agreement of July 1st. The Ag Pool expects and supports Watermaster moving forward with storage management per Wildermuth's scope of work, and requests specifically that the next meeting regarding storage management be scheduled as soon as possible.

*Motion by Vice-Chair Jeff Pierson, seconded by Ms. Carol Boyd, and by unanimous vote
Moved to approve action described above.*

ADJOURNMENT

Chair Feenstra adjourned the Agricultural Pool meeting at 4:04 p.m.

Secretary: _____

Approved: _____ September 14, 2017