

MINUTES
CHINO BASIN WATERMASTER
ANNUAL AGRICULTURAL POOL MEETING

January 11, 2018

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 11, 2018.

AGRICULTURAL POOL MEMBERS PRESENT

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

WATERMASTER CONSULTANTS PRESENT

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

OTHERS PRESENT

Diana Frederick	State of California – DOC
Ken Jeske	KJ Consulting
Julie Cavender	State of California – CIM
James Jenkins	County of San Bernardino
Richard Rees	AMEC
Carolyn Hunter	Tetra Tech
Sophie Akins	County of San Bernardino
Ben Weink	Tetra Tech
Harvey Hettinga	Dairy
Tracy Egoscue	Egoscue Law Group

CALL TO ORDER

Mr. Feenstra called the annual Agricultural Pool meeting to order at 1:32 p.m.

AGENDA – ADDITIONS/REORDER

None

I. ANNUAL ELECTIONS (ACTION)

A. Calendar Year 2018 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 2018:

2017 Agricultural Pool Members

Dairy: Robert Feenstra
Nathan deBoom
John Huitsing
Henry De Haan
Ron Pietersma

Crops: Jeff Pierson
Ron LaBrucherie, Jr.

State: Carol Boyd
Pete Hall
Lawrence Dimock

County: Bob Page

2017 Alternates

State: Julie Cavender
Diana Frederick
Noah Golden-Krasner
Marilyn Levin
Michael Thompson

County: Andrew Silva

2018 Agricultural Pool Members

Dairy: Robert Feenstra
Nathan deBoom
John Huitsing
Henry De Haan
Ron Pietersma
Geoffrey Vanden Heuvel

Crops: Jeff Pierson
Ron LaBrucherie, Jr.

State: Carol Boyd
Pete Hall
Lawrence Dimock

County: Bob Page

2018 Alternates

State: Julie Cavender
Diana Frederick
Noah Golden-Krasner
Marilyn Levin

County: Andrew Silva

(0:00:50) Mr. Kavounas announced the elected officers of the Appropriative Pool and Non-Agricultural Pool.

(0:03:30) Chair Feenstra announced the Agricultural Pool members and alternates for Calendar Year 2018. A discussion ensued.

(0:05:22)

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

Moved to approve Calendar Year 2018 Agricultural Pool members and alternates as listed above.

(0:16:32) The Pool confirmed that Mr. Vanden Heuvel will serve as a member of Agricultural Pool for calendar year 2018.

B. Annual Elections

Elect the following Calendar Year 2018 Officers of the Pool: Chair, Vice-Chair, Secretary, Treasurer, and Assistant Secretaries and Treasurers as may be appropriate.

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

(0:06:56)

Motion by Mr. Nathan deBoom, seconded by Mr. Henry De Haan, and by unanimous vote
Moved to approve Calendar Year 2018 Agricultural Pool Chair as listed above.

(0:07:52) Chair Feenstra nominated Mr. Pierson for Calendar Year 2018 Agricultural Pool Vice-Chair.

(0:08:02)

Motion by Mr. Henry De Haan, seconded by Mr. Nathan deBoom, and by unanimous vote
Moved to approve Calendar Year 2018 Agricultural Pool Vice-Chair as listed above.

C. Election of Calendar Year 2018 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.

(0:09:34) Chair Feenstra appointed the Agricultural Pool members to serve on the Advisory Committee for Calendar Year 2018.

(0:17:27) Messrs. Pietersma and De Haan volunteered to serve as alternates on the Advisory Committee for Calendar Year 2018 since membership on the Advisory Committee cannot exceed ten representatives.

D. Calendar Year 2018 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 Chair of the Advisory Committee during Calendar Year 2018.

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

Jeff Pierson

(0:10:09)

Motion by Mr. Ron LaBrucherie, Jr., seconded by Mr. Bob Page, and by unanimous vote
Moved to approve Agricultural Pool appointment of Chair to the Advisory Committee for Calendar Year 2018 as listed above.

E. Appointment of Calendar Year 2018 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: Jeff Pierson Alternate: Robert Feenstra

Member: Paul Hofer Alternate: Ron Pietersma

(0:12:20) Mr. Page introduced a motion, seconded by Mr. Ron LaBrucherie, Jr. A discussion ensued.

(0:16:32) Further discussion ensued regarding Item I.A.

(0:17:27) Further discussion ensued regarding Item I.C.

(0:19:55) Vote Taken

Motion by Mr. Bob Page, seconded by Mr. Ron LaBrucherie, Jr., and by unanimous vote

Moved to approve Agricultural Pool members to the Watermaster Board for Calendar Year 2018 as listed above.

(0:20:19) Chair Feenstra introduced Agricultural Pool members to serve as alternates to the Watermaster Board for calendar year 2018. A discussion ensued.

(0:23:48) Chair Feenstra called for a recess at 1:56 p.m. to give Mr. Page time to consult with San Bernardino County legal counsel. The meeting reconvened at 2:00 p.m.

(0:24:23) Chair Feenstra introduced an alternative Agricultural Pool member to serve as an alternate to the Watermaster Board for calendar year 2018. A discussion ensued.

(0:24:55) Vote Taken

Motion by Chair Bob Feenstra and by unanimous vote

Moved to approve Agricultural Pool alternates to the Watermaster Board for 2018 as listed above.

II. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held November 13, 2017
2. Minutes of the Agricultural Pool Special Meeting held November 20, 2017

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of October 2017
2. Watermaster VISA Check Detail for the month of October 2017
3. Combining Schedule for the Period July 1, 2017 through October 31, 2017
4. Treasurer's Report of Financial Affairs for the Period October 1, 2017 through October 31, 2017
5. Budget vs. Actual Report for the Period July 1, 2017 through October 31, 2017
6. Cash Disbursements for the month of November 2017
7. Watermaster VISA Check Detail for the month of November 2017
8. Combining Schedule for the Period July 1, 2017 through November 30, 2017
9. Treasurer's Report of Financial Affairs for the Period November 1, 2017 through November 30, 2017
10. Budget vs. Actual Report for the Period July 1, 2017 through November 30, 2017

C. CHINO BASIN WATERMASTER INVESTMENT POLICY

Recommend that the Advisory Committee recommends approval of Resolution 2018-01 – 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 2018-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF).

E. CHINO BASIN WATERMASTER 40th ANNUAL REPORT

Recommend that the Advisory Committee recommend to the Watermaster Board to adopt the 40th Annual Report, along with filing a copy with the Court, subject to any necessary non-substantive changes.

F. WATER TRANSACTION

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

The permanent transfer of 55.239 acre-feet of Safe Yield rights, 55.239 acre-feet of Excess Carryover, and 388.081 acre-feet of stored water from Ameron International Corporation to City of Ontario (Non-Ag). Date of application: October 31, 2017.

G. CONSIDERATION OF LOCAL STORAGE AGREEMENTS

Recommend to the Advisory Committee to recommend the Watermaster Board to approve the storage agreements as presented.

(0:25:10) Chair Feenstra introduced a motion.

(0:25:19) Mr. Kavounas noted that the staff letter regarding Item II.G. incorrectly lists the total amount of storage as approximately 520,000 AF. The correct amount is closer to 534,000 AF. The correction will be made for January 2018 Advisory Committee meeting. Ms. Egoscue raised a question regarding the Tolling Agreement and 130,000 AF reserved stored water. A discussion ensued.

(0:29:56) Item II.G. was pulled from the Consent Calendar for separate discussion.

(0:30:17) Vote taken

Motion by Vice-Chair Jeff Pierson, seconded by Mr. Ron LaBrucherie, Jr., and by unanimous vote
Moved to approve Consent Calendar Items II.A. – II.F. as presented

(0:31:03) Mr. Page left the meeting before further discussion continued on Item II.G.

(0:31:08) Mr. Kavounas commented on Consent Calendar Item II.G. A discussion ensued.

(0:40:10) Mr. Page rejoined the meeting.

(0:40:18) Motion by Mr. Ron LaBrucherie, Jr., seconded by Mr. Nathan deBoom. Further discussion ensued.

(0:40:46) Vice-Chair Pierson stated that, in light of the tolling agreement between the Agricultural Pool and the Appropriative Pool, the Agricultural Pool needs Watermaster to take notice of the 130,000 AF reserved stored water and expect that with this approval the reserved store water will not be drafted.

(0:41:35) Vote Taken

Motion by Mr. Ron LaBrucherie, Jr., seconded by Mr. Nathan deBoom, and by majority vote
Moved to approve Consent Calendar Item II.G. as presented with the stipulation stated above by Vice-Chair Pierson.

Abstention from Mr. Bob Page – County of San Bernardino

(0:42:15) Chair Feenstra introduced Mr. Harvey Hettinga.

III. BUSINESS ITEMS

A. OLD BUSINESS

None

IV. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Appeal of April 28, 2017 Order
2. December 15, 2017 Court Hearing

3. Request for the Court to Amend the Annual Report Schedule for the Ground-Level Monitoring Committee

Item IV.A., Legal Counsel Report, was reordered to follow Item IV.D.6.

(1:31:45) Mr. Herrema gave a report.

B. ENGINEER REPORT

1. Storage Management Progress Report
2. Other Ongoing Work

(1:34:41) Mr. Malone announced the Storage Workshop is scheduled for January 31, 2018 at 9:00 a.m. A discussion ensued.

(1:38:35) Mr. Malone deferred Item IV.B.2. to the February 2018 Agricultural Pool meeting due to time constraints.

(1:38:46) Ms. Levin raised questions regarding Item IV.A., Legal Counsel Report. A discussion ensued.

C. CFO REPORT

1. 2016/17 Assessment Invoicing

(1:41:54) Mr. Joswiak gave a report. A discussion ensued.

D. GM REPORT

1. Well Preservation Strategy
2. 2017 Replenishment Water Delivery
3. 2018 RMPU
4. 40th Annual Report Court Filing
5. SGMA Compliance Update
6. Chino Airport Plume Update – Presentation by County of San Bernardino
7. Other

(1:44:00) Mr. Kavounas deferred Items IV.D.1 – IV.D.5. to the February 2018 Agricultural Pool meeting due to time constraints.

Item IV.D.6., Chino Airport Plume Update, was reordered to follow the Consent Calendar.

(0:42:44) Mr. Page introduced Mr. James Jenkins to preface Item IV.D.6.

(0:44:28) Mr. Weink with Tetra Tech gave a presentation on Item IV.D.6. A discussion ensued.

(1:45:05) Mr. Kavounas gave a report (Item IV.D.7) on the Hearing Officer Panel appointment. The five individuals being recommended to the Watermaster Board at its January 2018 meeting for appointment to the panel in 2018 are:

1. Kurt Berchtold (Regional Water Quality Control Board – Executive Officer, Retired)
2. Anthony Brown (Aquilogic – CEO & Principal Hydrologist)
3. Celest Cantu (Water Education for Latino Leaders – CEO)
4. Behrooz Martavazi, Ph.D., P.E. (Water Resources Engineers, Inc. – Principal)
5. Phyllis Stanin, PG, CHG, CEG (Todd Groundwater – VP and Principal Geologist)

V. INFORMATION

1. Notice of Intent Regarding the Determination of Operating Safe Yield
2. Cash Disbursements for December 2017

VI. POOL DISCUSSION

1. Chairman's Update
2. Pool Member Comments

(1:20:55) Chair Feenstra commented on Mr. Geoffrey Vanden Heuvel's time on the Watermaster Board, and thanked him for his service. Vice-Chair Pierson, Messrs. De Haan, Pietersma, and Ms. Levin added additional sentiments and comments to Mr. Vanden Heuvel for his service.

VII. OTHER BUSINESS

None

VIII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Feenstra called for a confidential session at 3:25 p.m. to discuss the Appeal of April 28, 2017 Order. The confidential session concluded at 4:04 p.m. and Ms. Egoscue provided the following reportable action:

(1:46:48)

1. On January 11, 2018, Appropriative Pool counsel emailed to the Agricultural Pool counsel a "Chino Basin Safe Yield Reset and Accounting Compromise Term Sheet." Counsel for the Appropriative Pool requested that the Agricultural Pool preserve the document as confidential and send any comments about the term sheet to the Appropriative Pool counsel by January 31, 2018. The Agricultural Pool has considered this request regarding confidentiality and has decided to decline to comment or negotiate in any manner regarding the subject term sheet until such time as the document is no longer confidential. The Agricultural Pool is of the belief that the Term Sheet should be shared and negotiated with all, including but not limited to, Watermaster staff and counsel.

ADJOURNMENT

Chair Feenstra adjourned the annual Agricultural Pool meeting at 4:06 p.m.

Secretary: _____

Approved: _____ February 8, 2018