

Minutes
CHINO BASIN WATERMASTER
Agricultural Pool Meeting
May 15, 2003

The Agricultural Pool meeting was held at the offices of the Chino Basin Watermaster, 8632 Archibald Ave., Suite 109, Rancho Cucamonga, CA, on May 15, 2003 at 1:00 p.m.

AGRICULTURAL POOL MEMBERS PRESENT

Robert DeBerard, Chair	Crops
Nathan deBoom, Vice-Chair	Dairy - Milk Producers Council
Glen Durrington	Crops
Bob Feenstra	Dairy - Milk Producers Council
Jack Hagerman	State of California Institution for Men
Sylvia Hale	State of California Attorney General's Office
Peter Hettinga	Dairy - Milk Producers Council
John Huitsing	Dairy - Milk Producers Council
Gene Koopman	Dairy - Milk Producers Council
Jeff Pierson	Crops - Unitex Corporation

Watermaster Board Members Present

Paul Hofer	Agricultural Pool
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Watermaster Staff Present

John Rossi	Chief Executive Officer
Sheri Rojo	Finance Manager
Mary Staula	Recording Secretary
Devonya Williams	

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Dan McKinney	Special Counsel, Reid & Hellyer
Mark Wildermuth	Wildermuth Environmental Inc.

Chair DeBerard called the meeting to order at 1:05 p.m.

Mr. Feenstra introduced Peter Hettinga, a new member of the Agricultural Pool.

AGENDA - ADDITIONS/REORDER

None

I. CONSENT CALENDAR

A. FINANCIAL REPORTS

1. Cash Disbursement Report – April 2003
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2002 through March 31, 2003
3. Treasurer's Report of Financial Affairs for March 1 through March 31, 2003
4. 2002-03 Actual YTD Revenues and Expenses Compared with Adopted 2002-03 Budget

Motion by Koopman, second by Feenstra, and by unanimous vote

Moved, to approve the Consent Calendar, as presented.

II. BUSINESS ITEMS

A. WATER TRANSACTION

Sale or Transfer of Right to Produce Water in Storage from the City of Chino Hills to Monte Vista Water District in the amount of 2,700 acre-feet of water (*notice mailed April 25, 2003.*) Special Counsel McKinney reported that Frank Brommenschenkel reviewed this transaction and did not find a potential for material physical injury.

Motion by Koopman, second by Pierson, and by unanimous vote

Moved, to recommend approval, as presented.

B. AMENDMENT NO. 7, CYCLIC STORAGE AGREEMENT

The pool members were asked to consider approving Amendment No. 7 to the Cyclic Storage Agreement with Metropolitan Water District (Met). This account currently contains approximately 35,000 acre-feet of water. Met recently contemplated closing the Cyclic Storage Account and placing the water into the new Dry Year Yield Storage Account. However, it is intended that water from the new storage account be removed only during dry years and eliminating the Cyclic Storage Account would eliminate a degree of flexibility with regard to obtaining replenishment water. The seventh amendment specifies that no new water will be placed into the Cyclic Storage Account. Discussion followed regarding the history of the Cyclic Storage Account and accounting for future losses.

Motion by Koopman, second by Feenstra, and by unanimous vote

Moved, to recommend approval of Amendment No. 7 to the Cyclic Storage Agreement, extending the term to December 31, 2007.

C. MAXIMUM BENEFIT PROPOSAL/BASN PLAN AMENDMENT

Mr. Wildermuth provided an update on the Basin Plan Amendment process through the Regional Water Quality Control Board. The Maximum Benefit Proposal implements the concept that basin plan objectives change for nitrates and TDS, allowing for higher objectives to create a proactive basin-wide management program so that recycled water projects, stormwater projects, and imported water projects would not require individual mitigation. Mr. Wildermuth reviewed Table 5-7a outlining programs/projects and compliance dates. No later than 2006 and every three years thereafter (to coincide with the Regional Board's triennial review process), the Regional Board intends to review the status of the activities planned and executed by Watermaster and IEUA to demonstrate maximum benefit and justify continued implementation of the maximum benefit water quality objectives. In the event that the projects and actions specified in Table 5-7a are not implemented, the Regional Board will require that the Watermaster and IEUA mitigate any effects of lowering of water quality resulting from the recharge of recycled water in the Chino North Management Zone and/or in the downstream Orange County Management Zone. Questions and discussion ensued in which staff was requested to report next month on findings regarding how the October 1, 2005 20 MGD desalter plan commitment came about.

Motion by Pierson, second by Koopman, and by unanimous vote

Moved, to forward a recommendation for approval of the commitments outlined in Table 5-7a and further explained for the Chino Basin Maximum Benefit Proposal.

D. BALANCE OF RECHARGE & DISCHARGE IN ALL AREAS; DETERMINATION OF OPERATING STORAGE & SAFE STORAGE; AND THE CUMULATIVE IMPACT OF TRANSFERS

Mr. Rossi announced last month the requirement in the Peace Agreement for staff to report back through the Watermaster process on calculations of recharge and discharge in all areas, operating storage and safe storage and the cumulative impact of transfers. Mr.

Wildermuth went over each item individually and provided information for feedback to develop a recommendation for approval in June. He explained use of the groundwater model in the future projection mode to estimate where recharge is occurring so recharge and discharge can be balanced appropriately. Part of the overall strategy is to think about pro-active management activities that will affect the parameters discussed.

Basically, to manage storage in the basin, safe yield must be maintained. Currently, around six million acre-feet of water is in storage in the Chino Basin. However, six million acre-feet of water in storage is not needed to produce a yield of 130,000 acre-feet. Mr. Wildermuth recommended using the grandfather storage theory to calculate an estimate of operating storage. Safe storage equates to how much water can be stored in the basin safely without a material physical injury finding. A demonstration may be used to introduce increments to see how things go.

With regard to the cumulative impact of transfers, Mr. Wildermuth said he needs feedback from the appropriators and the agricultural producers with regard to the intent. The groundwater model was calibrated from 1989/90 to year 2000/01 and has the cumulate effect of transfers already in it. No impacts are anticipated.

The members continued to discuss technical details pertaining to hydraulic control of the basin. This item will come back in June with a recommendation for action.

E. PROPOSED FY 2003-04 WATERMASTER BUDGET

Staff presented the proposed FY 2003-04 Watermaster Budget for discussion. Mr. Rossi referred to page 25 for the two-page summary budget. He reviewed OBMP project line items and Agricultural Pool administration costs. A few questions were addressed for clarification. No action was required at this time in order to allow for review and comments. The proposed budget will come before the Pools for action in June.

F. NOTIFICATION OF WATER QUALITY SAMPLING RESULTS

Special Legal Counsel McKinney reported that the information requested by the Pool regarding a disclaimer/disclosure of water quality by a well owner requires a great deal of research. He requested additional time to prepare a report. This item will come back in June. There was no action on this item.

G. SALT MANAGEMENT BUDGET

Mr. Rossi located a one-time \$150,000 amount budgeted by Watermaster for organics management in 2000/2001. Those funds were never used and were not carried forward into the next budget year. After discussing other programs in the dairy industry that are contributing to a reduction in salts going into the ground, it was determined that this budget amount was still needed. This should not be considered an on-going expense, rather a one-time amount. Mr. Rossi suggested this item be included in the proposed budget.

Motion by Koopman, second by Pierson, and by unanimous vote.

Moved, to direct staff to add \$150,000 for salt management to the Proposed FY 2003-04 Watermaster Budget as an OBMP Implementation Project.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Chino Land & Water SBSC Case No. RCV 06484
Counsel Fife said there was not much to report on this case. Counsel anticipated seeing an appeal by now, however Chino Land & Water made a procedural mistake and the Appellate Court, on its own motion, dismissed their appeal. Now they will have to start over.

2. Watermaster's Santa Ana River Application
The four protests filed are in limbo until the State Board recognizes them.

B. CEO REPORT/UPDATES

1. Storage & Recovery Project Meeting Update
A meeting was held April 17 and staff was directed to work with Black & Veatch to finalize the engineering analysis for capital facilities necessary for a full storage & recovery program.
2. Water Quality Committee Update
The Committee will meet again on May 20 to finalize the scope for approval through the Watermaster process in June.
3. Recharge Improvement Project Update
This project is moving forward. Issues with the Army Corps of Engineers have been resolved and next, County permits required on certain basins as a result of the 1601 permit conditions from Fish & Game must be issued prior to the contractor proceeding.
4. Groundwater Related Proposed Resolution
IEUA provided information on AB334 as a handout and requested the Watermaster agencies send letters indicating agreement that this legislation go forward.
5. ACWA Conference May 7, 8 & 9
Mr. Rossi spoke with Castaic and Orange County Water District at the conference. It appears Castaic is interested in working with Watermaster. On May 21, a meeting on salt credits will be followed by a 2:00 p.m. meeting on Storage & Recovery at the City of Ontario offices on Bon View Avenue.
6. Other
On May 29, the Watermaster Board meeting will be held at the City of Ontario Counsel Chambers. Mr. Hannigan (DWR), Mr. Nichols (EPA), and Mr. Katts (SWRCB) have agreed to give special presentations regarding their perspective of the QSA. Following the presentations and a short break, the regular meeting of the Watermaster Board will resume. Please note that the Advisory Committee meeting will be held at the offices of Watermaster that morning.

C. OTHER AGENCY REPORTS

None

IV. COMMITTEE MEMBER COMMENTS

Mr. deBoom inquired about the status of the new staff positions. Mr. Rossi reported that several people sent in resumes for the Engineering positions and interviews will be scheduled soon.

V. OTHER BUSINESS

Staff was requested to add "Confidential Session" to the next Agricultural Pool meeting agenda.

VI. FUTURE MEETINGS

May 29, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting @ the City of Ontario, City Hall Counsel Chambers
June 12, 2003	10:00 a.m.	Joint Meeting of the Appropriative & Non-Agricultural Pools
	1:00 p.m.	Agricultural Pool Meeting
May 19, 2003	1:30 p.m.	AGWA @ Main San Gabriel Watermaster

FUTURE EVENTS

May 20, 2003	1:00 p.m.	Water Quality Committee Meeting @ Watermaster
May 21, 2003	2:00 p.m.	Storage and Recovery Program @ the City of Ontario, 1425 S. Bon View, Ontario, CA (909) 395-2610

Chair DeBerard adjourned the meeting at 2:48 p.m.

Secretary

Minutes Approved: July 17, 2003