

Minutes
**CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING**

October 19, 2004

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on October 19, 2004 at 9:00 a.m.

Agricultural Pool Members Present

Nathan deBoom, Chair	Milk Producers Council
Bob Feenstra	Milk Producers Council
Jeff Pierson	Crops
Glen Durrington	Crops
John Huitsing	Dairy
Robert Nobles	State of California, California Institute for Men
Pete Hettinga	Dairy

Watermaster Board Member Present

Paul Hofer	Crops
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Watermaster Staff Present

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	Finance Manager
Gordon Treweek	Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Hatch & Parent
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Others Present

Steve Lee	Reid & Hellyer
Rick Rees	Geomatrix for CIM
Tom Love	Inland Empire Utilities Agency
John Gundlach	Inland Empire Utilities Agency

Chair deBoom called the Agricultural Pool meeting to order at 9:08 a.m.

AGENDA - ADDITIONS/REORDER

No additions or reorders were made to this agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held on September 21, 2004

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of September 2004
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2004 through August 31, 2004
3. Treasurer's Report of Financial Affairs for the Period August 1 through August 31, 2004

- 4. Profit & Loss Budget vs. Actual July through August 2004

C. WATER TRANSACTION

- 1. Consider Approval for Transaction of Notice of Sale or Transfer from City of Pomona to Monte Vista Water District in the amount of 2,500 acre-feet; Date of Application: September 1, 2004

Motion by Feenstra, second by Hettinga, and by unanimous vote
Moved to approve Consent Calendar Items A through C, as presented

II. BUSINESS ITEMS

A. URS PROPOSAL REGARDING COLLEGE HEIGHTS

Mr. Manning introduced Mr. Treweek from the Chino Basin Watermaster offices to review the URS proposal regarding College Heights and the background leading up to the new proposal. Mr. Treweek reviewed the studies which were conducted by URS which consisted of the installation of four new monitoring wells to supplement the two existing wells located immediately downgradient of the College Heights East Basin. Mr. Treweek evaluated a large map which was on a stand and pointed out new construction and various working sites for recharge. Mr. Treweek commented that the recommendation was to approve the additional geotechnical services proposed by URS in their revised cost proposal dated September 28, 2004. Mr. Treweek stated that after careful review it was decided to scale back work and noted the proposal includes the drilling of three additional borings downgradient of the College Heights Basins; installing monitoring wells of 100 and 140 ft in the two deeper borings, and a single monitoring well in the shallow 50 ft boring; and installing pressure transducers and data loggers, provided by Watermaster, in 11 new and existing monitoring wells. Mr. Treweek stated that monitoring will take place over the next several years on what will occur when the City of Upland puts water into the Basin. The question of what is a transducer and what is the depth of these new wells was presented. Mr. Treweek stated that a transducer measures pressure and the borings will go down 200 ft and the purpose is to log the soil profile especially below a 100 ft where we start seeing the clay layer; we are hoping to not find clay. A brief discussion ensued regarding clay strata.

Motion by Feenstra, second by Durrington, and by unanimous vote
Moved to approve the URS proposal for and additional scope of work for monitoring, as presented

B. AG POOL FUNDS BANKING TRANSFER PRESENTATION

Mr. Manning stated that several months ago the Pool had suggested there might be additional options for investing the money that the Ag Pool has with the Watermaster. Several members of the Ag Pool have met with Sheri Rojo and have directed Ms. Rojo regarding a solution that would net additional funds for the Ag Pool. Ms. Rojo noted that she was directed to look into placing funds with Vineyard Bank; the concern would be to make sure we get collateralized deposits to secure against the Ag Pool's money. LAIF is currently paying a 1.43% interest and after discussing this issue with the banks staff, they were offering to give a one year CD at 2.71%, an increase over the 2.0% quoted in the staff report. For that they would want to lock up the money for one year. Mr. Huitsing and Chair DeBoom wanted feedback from the Pool regarding what amount of money the Ag Pool would be interested in putting into the CD account. Ms. Rojo noted that Vineyard Bank does have assets to collateralize the deposit at this point in time. A discussion ensued with regard to the amount of money to place into this account. It was decided by the Pool to hold out 10% of the total funds available for funding various projects. Ms. Rojo discussed the Ag Pool's interest earned and how monies applied to payment of compensations and it was decided to keep forty or fifty thousand dollars separate which would be a very good idea; this would hold the Pool through to the end of the year. It

was decided by the Pool that instead of placing the money in one \$400,000 CD to obtain four \$100,000 CD's with different maturity dates. It was asked what other projects could come up for the use of the monies and Mr. Manning answered there were other items such as the composting idea being presented next.

Motion by Huitsing, second by Hettinga, and by unanimous vote

Moved to approve purchasing four separate CD's at different maturity dates at \$100,000 each and holding out the remainder of the monies for compensation and various projects, as presented

A brief discussion took place regarding compensation and how it was paid out and who paid for it. It was decided that Watermaster has the authorization and direction from the Ag Pool to invest the money and if there are any problems Ms. Rojo will contact Chair deBoom.

C. FUNDING REQUEST FOR PILOT PROJECT FOR COMPOSTING AND OTHER RELATED STUDIES

Chair deBoom noted that last month a discussion took place regarding this item and it was decided at that time more information would need to be provided in order to move forward on this project. Mr. Dunlap from Inland Empire Utilities Agency (IEUA) was asked to give a presentation on this project. Mr. Dunlap stated this is a project IEUA is really excited about because we have a partner on board, the South Coast Air Quality Management District (AQMD), who has really been working pro-actively with many of the stakeholders. What we are trying to do at this point in time is to take advantage of that in respects to the arrangements that we already have and the cooperative work between IEUA and the dairies on dealing with manure. There is a composting facility just a few miles from IEUA; that property has been sold to Lewis and in a couple years we will be closing that facility down. This closure presents quite a problem for the region as it limits the opportunity to keep diary manure and agricultural in general working on composting as an option for recycling organics, which is very important. The AQMD is recognizing that there is a real impact to industry and in what they are trying to do as far as controlling emissions in the areas. In recognizing it is not just discharges coming from the Agricultural area but the discharge's precursors that are joining with other pollutants; they really wanted to work with us in trying to promote composting projects. The agency has joined in partnership with the LA County Sanitation Districts on enclosed composters to meet the airborne rules on composting. We will actually be exceeding those rules and one of the challenges that we face is to make sure as we go through the permitting of that facility that they recognize we are exceeding the rules. Mr. Dunlap noted that when you look at other ideas other than composting such as the Ag Bags and Natures Wear and Gore; we need to take a look at some of these new technologies and ask ourselves if they can be used in lieu of building huge indoor facilities that are going to cost \$60 or \$70 million dollars. If we can make a small investment and work closely together as stakeholders now and evaluate the possibilities; the AQMD is on board with this and will be giving services as well as cash toward this project. IEUA had funded TetraTech and Charles Nicholas to come up with some protocols, however, to move forward with this project we do need additional funding. A discussion ensued with regard to the Agricultural Pool providing funds for this project along with the possibility of others coming on board for this well needed endeavor. It was noted there is an account open for piloting demonstration projects for receiving funds.

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

Moved to approve funding \$10,000 dollars towards composting efforts and other related studies by the Agricultural Pool, as presented

Added Discussion:

A discussion regarding salts and the recent storm took place.

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**1. First Amendment to Peace Agreement

Counsel Fife noted the Agricultural Pool approved the First Amendment last month and last week it was filed with the court. The hearing date for that is set for December 2, 2004. A hearing on the salt credit motion was last Thursday and that was also moved to the December 2nd date so both will be taken care of at the same time. The First Amendment was designed to dispose of Monte Vista's salt credit motion so both will be considered by the court on that date.

2. Attorney/Manager Meetings

Counsel Fife stated we have had a break in the progress of the meetings because while we were meeting a concept that Mr. Wildermuth was working on through the model he developed for the Dry Year Yield Program and through the work that was done for the Basin Plan Amendment, which is the concept for Hydraulic Control, was added to the topics of discussion. It was inserted into the Attorney/Managers process as we were going along and this was a new item that was not completely understood; a break was taken to ask Mr. Wildermuth to come up with a more technical explanation and evaluation of what Hydraulic Control is, what we will need to do, what he wants to do, and what the implications of that are going to be. The compilation of the technical data was more complicated than anticipated which left us canceling a few of the Attorney/Manager meetings and waiting for the data to come in. The technical data should be in and ready to present in approximately 30 days. Counsel Fife commented that Mr. Wildermuth has a comprehensible idea of how the basin could be re-operated more efficiently, more effectively, and with greater benefits for everybody and it would be change in practice on how we have done things in the past. This is something the Agricultural Pool will be interested in and will be hearing much more on in the future.

3. Basin Plan Amendment Approval

Counsel Fife noted the Basin Plan Amendment is being processed through the Regional Board and the State Board over the past couple years; it has now been approved by the State Board on September 30, 2004 and it will now go onto the Office of Administrative Law and the Environmental Protection Agency for final approvals. This could all take place in the December/January time frame.

4. Litigation updatesa. South El Monte Operable Unit CERCLA litigation

Counsel Fife noted this item is in the San Gabriel Basin and some very interesting claims are being made; this is Perchlorate litigation. The reason it is of interest to us is that the responsible parties in that case discovered that Colorado River water contained Perchlorate and that it is being used for recharge purposes in the San Gabriel Basin. They filed a cross complaint against both Metropolitan Water District and against the San Gabriel Watermaster as potentially responsible parties because they had placed Perchlorate in the basin. When the first presentation was given, it was just after the cross complaint had been filed against the Watermaster. Since then there have been a number of pleadings going back and forth; the Watermaster has asserted judicial immunity. Aerojet has responded that the Watermaster can't assert judicial immunity because the court doesn't have the power to be a Watermaster. Aerojet claims judicial immunity does not apply and if it does then the court has exceeded its authority in creating a Watermaster. This would have a lot of implications for the rest of the Watermasters' around the state. The Watermaster has now responded that courts do have the power to create Watermasters and have asked for sanctions against Aerojet for making such an outrageous claim. Mr. Manning added comment that within the last few weeks the court has appointed a

“Special Master” to try and bring some conclusion and settlement on the issue. The motions that are to be considered are to be heard on November 1, 2004. A discussion regarding new Perchlorate laws and Perchlorate in general was discussed.

b. Castaic UWMP decision

Counsel Fife noted there is a copy of the Urban Water Management Plan (UWMP) decision; this is an appellate decision that came out September 22, 2004. This was a long standing dispute with the Castaic Lake Water Agency in that they had an UWMP that was challenged a couple years ago by a local environmental group. It was supported by the lower court; however, the environmental group took to the decision to the appellate court claiming that it was invalid because it didn't properly discuss their use of contaminating ground water. The appellate court overturned the trial court meaning it invalidated the UWMP. Counsel Fife described the UWMP in detail and with that the court identified the time frame to prepare treatments for pumps and noted there was a gap in time between when you find out you need the treatment to when you can actually use the pumps once they have been set up for treatment. The case is looking at a very specific scenario in an UWMP where they did not describe the timing properly; it does not say you can not use contaminated water as a back up supply it just states you must get the timing right for treatment.

Added discussion:

A discussion regarding the work Mr. Wildermuth is doing and the time frame for the completion of that work took place. It was noted a meeting with Mr. Wildermuth and Black & Veatch will be taking place tomorrow and there is only one more piece of information for an appropriator that Mr. Wildermuth is waiting on and this should conclude the delay.

B. STAFF REPORT

1. Replenishment/Cyclic Account

a. Summary of Replenishment Deliveries

Mr. Manning reviewed the replenishments obligations and noted we were unable to meet our obligations in 2002/2003. Water will need to be taken out of the cyclic account to meet some of these past obligations and will keep the committee members apprised of the decisions made regarding this issue.

2. November/December Meeting Schedules

Mr. Manning noted there is no conflict of schedule for the November Agricultural Pool meeting which is set for November, 16, 2004; however, this does mean that the Ag Pool will meet prior to the Appropriator and Non-Agricultural Pool which is a bit unusual because their meeting was scheduled for Veteran's day and has been pushed out to meet at the same time as the Advisory meeting. The Advisory and Board meetings were set for Thanksgiving Day and those two meetings have been moved to November 18, 2004, which would give a combined Advisory meeting comprising of the Appropriative, Non-Agricultural Pool, and Advisory Committee at 9:00 a.m. and the Board at 11:00 a.m. A discussion ensued and it was decided on the Agricultural Pool an item would be placed on the agenda to form a sub-committee to attend the Advisory Committee meeting to hear and/or vote on any changes made to the Assessment Package due to no meetings taking place in December.

3. Status on Cal-Trans Transfer

Mr. Manning noted that Mr. Koopman had inquired in the past and at the last Ag Pool meeting regarding the status on Cal-Trans transfers. Mr. Koopman at that time has inquired if there had been a formal request made to the Watermaster for transfers.

Mr. Manning stated he had done some investigation on this matter and come to the understanding that no formal request came to the Watermaster; there was an inquiry made to Traci Stewart several years ago and that was a verbal denial for those transfer requests from Cal-Trans. In speaking with Ken Jeske, he seems to think that within then next few months we will be looking at this issue again, however, the transfer will come into the Watermaster in the proper formal manner.

Added Comment:

Mr. Manning noted that a few weeks ago Hatch & Parent, Mark Wildermuth, and he attended a meeting in Sacramento with Anne Schneider and Joe LeClaire; it was a great meeting and went very well. Ms. Schneider mentioned at that meeting that she was questioning whether or not it was still necessary for Watermaster to continue with quarterly status reports and suggested we might replace that schedule with semi-annual reporting, which is all that was required by the Court. It was felt that was an excellent idea and it shows us that the court and special referee are more conformable with how the Watermaster is performing and the quality of reports they are receiving. Mr. Manning noted we will adopt a semi-annual reporting schedule will start after the first of the year, however offered in those off quarters we will send a one page update just incase there are things happening in that period of time that need to be reported on.

Mr. Manning noted that several of the people which were present at the meeting today were also present at the Turner Basin dedication last Friday; that was very timely since we did get rain over the weekend and we were collecting rainfall in some of the basins. We were able to coordinate with Flood Control and those operations will continue on for the rest of the week as long as we receive rain we are going to capture as much water as we can. There was a great deal of debris that came down through the channels and we are trying to deal with that as well.

Mr. Manning stated that because the Assessment Package in draft form will be coming out at the end of the month and that the appropriators have asked a special workshop on the package to be held on November 10, 2004 at 9:00 a.m. at the Chino Basin Watermaster office. This will give people an opportunity to review questions or concerns prior to the meetings on November 18, 2004.

The question of whether or not people where planning on attending the American Ground Water Trust event on November 5, 2004 was presented. Counsel Fife noted it will be a very good program and should be very informative.

IV. INFORMATION

1. Inland Empire Landmark Water Supply Program Named "Outstanding Project of the Year"
No comment was made regarding this item.
2. Newspaper Articles
No comment was made regarding this item.
3. American Groundwater Trust Conference -- November 5, 2004
No comment was made regarding this item.
4. Notice of Attendance of Special Referee's Technical Assistant at MZ1 Meeting
No comment was made regarding this item.

V. POOL MEMBER COMMENTS

Chair deBoom noted the Regional Board propose a new draft permit for the dairies in the Chino Basin that will go in front of the Board in December for final approval in January. Including in that in the Chino Basin is another prohibition for manure spreading; we faced this five years ago with the Chino Basin. Chair deBoom with work with Mr. Brommenschenkel on seeing what we can do continue the proper applications of manure solids in the Chino Basin.

VI. OTHER BUSINESS

Mr. Feenstra presented an idea to Mr. Manning and reminded him and the Committee members that Mr. Ken Calvert and has received a lot of recognition for his work for water, although who in Mr. Feenstra's opinion has been greatly unrecognized is Congressmen Gary Miller. If anyone has put forth a real effort on water projects, funding, direction from agencies in the government it is Congressmen Miller. Maybe in the near future we can do something special for Gary and Mr. Manning stated he had some thoughts on that and would be happy to meet with Mr. Feenstra to discuss those ideas.

VII. FUTURE MEETINGS

October 14, 2004	9:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
October 18, 2004	1:30 p.m.	AGWA Meeting
October 19, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
October 27-29, 2004	All Day	Water Quality Conference - Ontario
October 28, 2004	9:00 a.m.	Advisory Committee Meeting
October 28, 2004	11:00 a.m.	Watermaster Board Meeting

The Agricultural Pool Meeting Adjourned at 10:15 a.m.

Secretary: _____

Minutes Approved: November 16, 2004