

*Draft Minutes*  
**CHINO BASIN WATERMASTER**  
**ANNUAL AGRICULTURAL POOL MEETING**

January 18, 2005

The Annual Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on January 18, 2005 at 9:00 a.m.

**Agricultural Pool Members Present**

Nathan deBoom, Chair	Milk Producers Council
Gene Koopman	Milk Producers Council
Glen Durrington	Crops
John Huitsing	Dairy
Gary Lord	State of California, California Institute for Men
Jeff Pierson	Crops

**Watermaster Board Member Present**

Paul Hofer	Crops
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**Watermaster Staff Present**

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

**Watermaster Consultants Present**

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

**Others Present**

Steve Lee	Reid & Hellyer
Rick Rees	Geomatrix for CIM

Chair deBoom called the Agricultural Pool meeting to order at 9:06 a.m.

**AGENDA - ADDITIONS/REORDER**

**I. ANNUAL ELECTIONS – Action**

**A. Calendar-Year 2005 Agricultural Pool Members**

The Agricultural Pool membership shall consist of not less than ten 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 2004:

Current Agricultural Pool Members

Crops: Glen Durrington  
Jeff Pierson  
Dairy: Robert Feenstra  
Gene Koopman  
Peter Hettinga  
Nathan deBoom  
John Huitsing

Current Alternates:

Crops:  
Dairy: Don Galleano  
Syp Vander Dussen

State: Pete Hall  
Wayne Davidson  
Barbara Swanson  
Joe Delgado

State:  
  
Duffy Blau

It was decided for calendar year 2005 the following would be representing the Agricultural Pool. Changes and/or deletions for alternates will be made at a later date.

Current Agricultural Pool Members

Crops: Glen Durrington  
Jeff Pierson  
Dairy: Robert Feenstra  
Gene Koopman  
Peter Hettinga  
Nathan deBoom  
John Huitsing  
State: Pete Hall  
Robert Nobles  
Ed Gonsman  
Gary Lord

Current Alternates:

Crops: Dan Hostetler  
Dairy: Syp Vander Dussen  
State: T.B.D.

**B. Calendar Year 2005 Agricultural Pool Officers**

Nominations will be heard for Pool Chair, followed by nominations for Pool Vice-Chair.

*First by Koopman, second by Pierson, and by unanimous vote*

Chair Nathan deBoom

*First by Huitsing, second by Durrington, and by unanimous vote*

Vice-Chair Gene Koopman

Secretary/Treasurer Watermaster Chief Executive Officer

**C. Calendar Year 2005 Advisory Committee Members & Officers**

The pool members will be asked to determine the ten agricultural representatives to serve on the Advisory Committee and, according to the rotation sequence established among the pools, appoint a representative to serve as 2<sup>nd</sup> Vice-Chair of the Advisory Committee during calendar year 2005

*First by Koopman, second by Durrington, and by unanimous vote*

Chair Non-Agricultural Pool Deferred to Vice-Chair position

Vice-Chair Appropriative Pool Acting Chair

**2<sup>nd</sup> Vice-Chair** **Agricultural Pool** **Nathan deBoom**

**D. Calendar-Year 2005 Pool Representation on Watermaster Board**

The Pool members will be asked to consider selecting two representatives to serve on the Watermaster Board during Calendar-Year 2005 and one or two alternate representatives.

*First by Koopman, second by Pierson, and by unanimous vote*

Member: Geoff Vanden Heuvel Alternate: John Huitsing

Member: Paul Hofer Alternate: Robert Feenstra

**II. CONSENT CALENDAR****A. MINUTES**

1. Minutes of the of the Agricultural Pool Meeting held November 15, 2004

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of November 2004
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2004 through October 31, 2004
3. Treasurer's Report of Financial Affairs for the Period October 1, 2004 through October 31, 2004
4. Profit & Loss Budget vs. Actual July 2004 through October 2004
5. Cash Disbursements for the month of December 2004
6. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2004 through November 30, 2004
7. Treasurer's Report of Financial Affairs for the Period November 1, 2004 through November 30, 2004
8. Profit & Loss Budget vs. Actual July 2004 through November 2004

**C. INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS FOR YEAR ENDED**

Consider Receiving and Filing the Annual Audited Financial Statements for Year Ended June 30, 2004

**D. CHINO BASIN WATERMASTER INVESTMENT POLICY**

Resolution 05-01 - Resolution of the Chino Basin Watermaster, San Bernardino County, California, re-authorizing the Watermaster's Investment Policy

**E. LOCAL AGENCY INVESTMENT FUND**

Resolution 05-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF)

**F. ASSESSMENTS**

Resolution 05-03 – Resolution of the Chino Basin Watermaster Levying Replenishment and Administrative Assessments for Fiscal Year 2004-2005

**G. NOTICE OF INTENT**

Annual Filing of Notice of Intent Regarding the Determination of Operating Safe Yield

Consent Calendar item E regarding Local Agency Investment Fund (LAIF) was pulled for discussion by Mr. Koopman.

Mr. Koopman inquired to the return rate for LAIF and Ms. Rojo noted it was around 1.41%. Ms. Rojo reminded the committee members that their money held by LAIF was transferred from the Agricultural Pool to Vineyard Bank. A discussion ensued regarding the funds placed in Vineyard Bank for the Agricultural Pool.

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

***Moved to approve Consent Calendar Items A through G, as presented***

**III. BUSINESS ITEMS****A. ESTABLISH TWO NEW POSITIONS**

Mr. Manning stated that Watermaster has been dealing with an issue that has to do with bringing our organization into compliance with the IRS rules regarding contract employees. Watermaster houses a number of employees who are actually Wildermuth's employees; they have been driving our trucks, wearing our shirts, and working basically on Watermaster's schedule. Staff has been working with Wildermuth to create a plan to separate those employees from our employment. In analyzing Watermaster's need for employees if we moved

all of the field staff employees strictly under Wildermuth's guidance, which we think is an overall good thing, this would leave Watermaster short. Mr. Manning reminded the committee members about the issue with Jurupa Community Services and the land conversion issues; a problem had been discovered and the reason it was discovered was because of our GIS capabilities in-house. What staff is asking for is that a position be established so that we maintain GIS capabilities within the Watermaster we consider this position to be essential. The second position is an engineering generalist position that would work underneath Ms. Maurizio and Mr. Treweek and would be performing a number of items including field and in-house work. This person would also be able to fill in for others as other Watermaster employees leave for maternity leave, vacations, or a number of other instances. Staff feels these two positions are necessary. Financially, our total overall obligation will go up slightly in terms of the budget; although, most of the funds necessary for this transaction will be shifted from our contract obligation with Wildermuth Environmental and over to the employment for our own employees. Mr. Koopman asked for more definition regarding contract employees. Mr. Manning stated they work for Wildermuth, however, take direction from Watermaster. A discussion ensued regarding benefits. Mr. Manning stated Wildermuth Environmental is planning on leasing a facility in our area, possibly the small building next to Watermaster and then the employees that will not be retained by Watermaster will move into that facility. Mr. Manning noted the next item on the agenda deals with the sale of Watermaster trucks to Wildermuth Environmental so that the trucks will have both Watermaster and Wildermuth logo's on the truck. Staff feels that after the positions are established and the other field staff employees move out of the building there will be no doubt there is a separation and those employees are no longer under the control of Watermaster. Mr. Manning commented to accomplish this we have to give up some things but by retaining these two employees we are able to get the flexibility we need to have our organization run smoothly and still be able to meet our demands. The question of how the Appropriative and Non-Agricultural voted on this item was presented. Mr. Manning noted both Pools voted unanimously in favor of these two items. The question of the total budget impact for both employees was presented. Mr. Manning noted there will be approximately a \$40,000 dollar increase in the current budget. The question if whether or not our legal department has reviewed this whole proposal was presented. Mr. Manning noted that legal has indeed reviewed all aspects of this proposal. A discussion ensued with regard to contracts at other agencies. Watermaster staff will be working with Wildermuth's supervisors to schedule their activities and Watermaster will no longer be directing those employees. Mr. Wildermuth gave a brief history on how the field staff came to work at Watermaster and how their positions have grown over time. A discussion ensued regarding to the employee that will resign from Wildermuth and be hired as Watermaster employees with regard to benefits. Ms. Rojo offered comment regarding the necessity for this transaction and Mr. Manning noted this was an item on his goals and objectives which will be covered later in another agenda item.

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

***Moved to approve establishing two new positions for Watermaster, as presented***

**B. SALE OF WATERMASTER TRUCKS TO WILDERMUTH ENVIRONMENTAL, INC.**

Mr. Manning commented that Wildermuth has begun dialog with Robert DeLoach on the remodeling of the building next door to Watermaster. Mr. Manning stated that Watermaster currently has five work trucks which are being used by Wildermuth's field staff. With the release of the field staff, Wildermuth would need three of the five vehicles to perform their duties and staff would retain two of the vehicles to have on hand for various field and staff needs. Staff is recommending selling the three vehicles to Wildermuth Environmental at Kelly Blue Book numbers as the basis of the sale.

*Motion by Koopman, second by Durrington, and by unanimous vote*

***Moved to approve the sale of three Watermaster trucks to Wildermuth Environmental, Inc., as presented***

**C. PARTICIPATION IN THE CHINO BASIN PUBLIC OUTREACH CAMPAIGN**

Mr. Manning stated that Chair deBoom and himself had a discussion last month regarding this item. A number of agencies within the Chino Basin have band together to pull together a campaign through the Inland Valley Daily Bulletin that is valued at \$190,000, which will provide us with full page ads over the course of the year. These ads will make available the opportunity for us to talk about issues relative to water, water quantity, water quality. What we have done is pulled together groups to help fund this endeavor. Because we are putting together a complete package, the Daily Bulletin has discounted that total to \$100,000 dollars while offering a program that is more or less a cafeteria plan in that they have provided us with a series of publications over the course of the year starting in February plus some ads we can place at other times. We can pick and choose what our message is going to be and when they will come out in the paper. Inland Empire Utilities Agency has chosen to manage this program and they have also decided to take on 50% of the total cost of the program. Western Municipal Water District, Three Valleys Municipal Water District, Conservation District, and Watermaster are paying a portion of the remaining 50%. Watermaster's portion is being provided through a budget surplus because of a contract that we no longer have with Cerrell and Associates through IEUA and that money will be deferred into this program. Mr. Manning stated he and staff feels it is important that we include the message that goes along with the Agricultural community about what is being done in the Chino Basin to protect the water and the proactive approaches that are being taken to protect the water quality. That particular message is essential and needs to be included in this package. Staff is requesting that the Agricultural Pool contribute \$10,000 dollars in order to allow the Agricultural Pool to have control over the message that is going to be delivered for agricultural over the course of the next year. Mr. Manning stated he thinks this will have tremendous benefit for all of the water community and will provide us an opportunity to provide a consistent message over a 12 month period that is positive and proactive. Mr. Koopman noted this item was on the agenda for IEUA's last Board meeting and it was approved. A discussion ensued regarding who will be participating in this endeavor and how this will affect the Agricultural Pools budget. Mr. Manning noted that in his travels the question regarding Agricultural and water quality comes up with almost every person in conversation. The question of who is going to control the content of these ads was presented. Mr. Manning stated that IEUA will be controlling the coordination with the Daily Bulletin and beyond that people will be getting together periodically over the course of the year with a representative from each of the funding agents to talk about the messages that are going on within those sections they deliver. Every full page ad (all 30 of them) will have a logo at the bottom from every one of the contributing agencies and organizations; so there will be in impression for those who read the ads that we are all working together for this cause. A discussion ensued with regard to the billing time frame and the suggestion to defer billing to allow the Agricultural Pool the opportunity to put this project on their 2005-2006 budget under special projects. It was noted the concern from the Agricultural Pool members to be assured that all ads be approved prior to release and that there is a cooperative effort being made by all funding parties to work together.

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

***Moved to approve the participation in the Chino Basin public outreach campaign and in allowing delayed billing to provide the Agricultural Pool the opportunity to put this on their 2005-2006 budget under special projects, as presented***

**IV. REPORTS/UPDATES****A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. Attorney-Manager Meetings**

Counsel Fife stated that the Attorney Manager meetings will be resuming shortly after taking a break and noted the last meeting was held in September. The meetings discontinued while the parties were waiting on technical work to be completed. Counsel Fife noted there are some results on the technical work and Mr. Wildermuth will be giving an update on that later today. Counsel Fife stated the parties are ready to begin meeting again so there will be a technical meeting, just of the managers, in the first week of February. After the technical

meeting we are anticipating the regular process of the Attorney Manager meetings starting up without delay. There a number of issues under the Peace Agreement which need to be dealt with in 2005 and then the reappointment of the nine member board which is going to be going before the court in October of this year.

2. Comments to Western/Muni EIR

Counsel Fife noted that during the month of December when there were no scheduled meetings, Western Municipal Water District released their EIR regarding the Santa Ana River. There were no real opposing issues in the EIR. Counsel Fife stated Watermaster has wanted to get into some kind of comprehensive negotiation process with all of the parties within the Santa Ana Water Shed, including Orange County Water District. As a way to jump start the negotiation process a comment letter was submitted to Western's EIR, which has been included in the packet. There were no substantive comments made regarding the EIR except to the extent we are encouraging all parties to get together in one room and deal with this whole process locally rather than leaving it up to the State Board to make the decision for us.

3. Santa Ana Water Rights Application

Counsel Fife stated we are going to be moving on the application this year; we will begin by meeting with State Board staff to see what they need from us regarding the application. There are a handful of protests against Watermaster's application; four of the five protestors misinterpret what our application is asking for. They assume we are doing something similar to all the other applicants in withdrawing water directly from the Santa Ana River, which we are not doing. Counsel Fife referred to page 93 of the packet which is a proposed stipulation from East Valley Water District; it is very short and says is that Watermaster certifies that what we are doing does not involve a direct diversion from the Santa Ana River. Counsel Fife feels some of the other protesting parties will be satisfied with this kind of statement from Watermaster that nothing in our application concerns a direct diversion of surface flows from the Santa Ana River. Our application only concerns our diversion of storm water, which is surface flow from the tributary creeks to the Santa Ana River.

4. North Gualala Decision

Counsel Fife stated this is a lower court decision case which recently came out. The whole case was included in the package since this is something that Chino Basin needs to watch very closely. This is a lower court decision that is finding groundwater pumping subject to State Water Resources Control Board jurisdiction based on a slight impact to a surface water body. The court stated that any impact to a surface water body, "however slight", justifies State Board jurisdiction. In this particular case the wells really had no discernable impact but the court said in a decade there might be a lot more wells and that will have a large impact. This could be an enormous situation and if there is an appeal Watermaster most likely will participate in at some level. Counsel Fife stated that the parties involved in this case are still considering an appeal; if they were to appeal then it starts to work its way into the higher courts and it becomes more of a concern to the Chino Basin and we might consider filing an amicus brief.

5. Santa Ana Sucker Critical Habitat Decision

Counsel Fife noted that the Fish and Wildlife Service decided not to designate units 1A and unites 1B (which is the Santa Ana River) as critical habitat. The question of whether or not this is subject to an appeal was presented. Counsel Fife commented that they could be challenged on this decision. The first page only of the federal register notice, which in total is about 100 pages, and is interesting reading was put into the packet. Counsel Fife noted that the page that was included in the packet was interesting since they prefaced with very long about critical habitat designation and how it did not do much to protect the species but all it did is result in litigation and it is consuming their whole budget trying to defend these law suits with regard to critical habitat designation.

**B. CEO/STAFF REPORT**

## Added Comment:

Mr. Manning added comment regarding the added handout regarding the storm reports. As a reminder Mr. Manning noted it was mentioned at the meetings that as we go into the storm season Watermaster would be providing updates on the storm events. This handout represents storms 1 through 5; the most recent storm was not included in this handout because all the data from that storm has not been deciphered. The question regarding the shape of the basins was presented. Mr. Manning noted that San Sevaine 1 and 2 are designed to capture a lot of the silt and it is doing that so those do not perc; by the time the water gets down to San Sevaine 5 it is percolating well, almost a foot a day. The new Upland basin is working really well and is percolating at about 2 to 2 ½ feet a day. Turner 1 and 2 do not perc well but 3 and 4 perc well because 1 and 2 take on the bulk of silt that is coming down. The SCADA system is just starting to come up with data so the last December storm listed was calculated without the assistance of the SCADA system. Discussions ensued regarding the basins and clean up. The GRCC group that meets on a regular basis at Watermaster is working with Flood Control, the Water Conservation District, Watermaster, and IEUA in working on those issues and dealing with maintenance and future maintenance in those facilities.

1. Information Regarding AB2733 Retro Act

Mr. Manning stated the AB2733 is a piece of legislation which went through State Legislature last year. Currently pumpers are required, if you are pumping more than 25 acre feet a year, to file a State Water Resources Control Board Annual Notice of Extraction with the State Water Resources Control Board. AB2733 essentially moves that authorization down to the local level giving Watermaster the authority to be able to capture and house that data. Staff is working with SAWPA and other agencies locally in determining a general sphere of influence for the capturing of that data because there is overlap with San Bernardino Municipal Water District and with Western Municipal Water District. Mr. Manning stated eventually what will take place is a report will be submitted to the State Water Resources Board and all of the pumpers within our area will be notified to now send that information to Watermaster instead of sending it to the State.

2. Chief Executive Officer Goals and Objectives Report

Mr. Manning noted while going through the process of refining his goals and objectives in working with the Personnel Committee and the Board, the Board requested at the pool meetings an overview be given on those goals and objectives which were set up for the year. The goals were set up in four separate areas, 1) OBMP, 2) Personnel, 3) Budget and Assessment Process, and 4) Community Relations. Each one of those areas has sub-goals within themselves. In OBMP the first area is recharge, maximizing recharge, and working on building relationships with Flood Control. The second area of the OBMP is water quality planning, funding, and looking at opening up the water quality process. In the area of personnel, the position in dealing with the IRS conflicts and contract employees. In the area of the budget and assessment; at the assessment workshop some of the changes that would take place for the assessment package were introduced and the decision to split the water activity reporting. Assessment and budget workshops will continue to be held at Watermaster. In the area of community relations staff is discussing on building relationships with local government, our community, and state and federal agencies. These goals are written out in more detail and can be made available to those who wish to have them in writing.

3. Redesign of Chino Basin Watermaster Logo

Mr. Manning stated the redesign of the Watermaster logo came about during the work being done for the public information campaign that we are presently working on with Inland Empire Utilities Agency (IEUA). In the ad that will be coming out for the public

information campaign, all logos of the participating organizations that funded the project will be placed at the bottom of the ad and if we are going to start to have our logo branded we want to have a distinguishable and also reproducible logo. Our current Watermaster logo is almost impossible to reproduce because the center pictures run together and are not distinguishable as to what they are. Cerrell and Associates have come up with a few new possible logo ideas which are on the back table as a handout; the one presented was the best out of the many possible choices. The comment was made that this new logo looked too similar to another water districts logo. The comment that was made at the Appropriative pool was that staff should look at having a unique logo that might also portray a partnership with other water agencies.

4. Public Information Campaign Update

Mr. Manning stated this item was discussed in length in Business Items, however wanted to reinforce how important this project is and that at the end of the year all parties will be very pleased with the reaction from the community towards the water industry.

5. Revised Water Supply Plans for the OBMP

Mr. Wildermuth noted that last summer Wildermuth Environmental was tasked to re-evaluate Hydraulic Control. Wildermuth had Black & Veatch, who was performing similar work for Inland Empire Utilities Agency at the time, go out and get from each agency their updated water supply plans for the next twenty to thirty years. This information was compiled and brought back to Wildermuth; at that time Black & Veatch was told more information was needed. Black & Veatch went back and got well capacities and if the wells were usable; it was critiqued a second time and sent back again to Black & Veatch for information. Mr. Wildermuth reviewed the sum of OBMP Desalter I and II raw water supply, including nonpotable water production, production for ion-exchange, and WECWC production in the Chino Basin for Upland. The total production for Appropriators was reviewed in detail noting a very large increase which will leave replenishment obligations too difficult to meet. In reviewing the submitted numbers Wildermuth went back to the three agencies which had the highest increase and asked them to verify the plans. At the Appropriative Pool meeting it was decided a technical manager meeting would need to take place for review and discussion of the plans. Mr. Manning stated that the goal of this meeting would be that once we got all the parties together we can take a look at the numbers and come up with a plan that makes more sense. We do not want to delay the Attorney Manager process so this meeting will be scheduled by the end of January or the beginning of February. The question was presented regarding developers having to submit something showing they have the ability to serve water. Mr. Wildermuth stated this is something that needs to be dealt with. A lengthy discussion ensued with regard to groundwater, wells, and recharge.

6. Status of the State of the Basin

Mr. Manning stated Wildermuth's report is complete and will be up on the Watermaster web site today for review and/or download. Once you have had a chance to review the document please give staff a call if you have any questions.

Mr. Wildermuth added that this report will be put out as an "Administrative Draft" because there might be some things that people would like to see in it that are not in it or taken out. There is no legal requirement to have certain things in this report; maximum benefit and recharge have been added this year.

V. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

- 2. Mapping the System – GIS Conversion Keeps Data Current  
Mr. Manning stated that the article on the City of Ontario regarding GIS mapping and is an interesting read.
- 3. Replenishment Service Availability Update for Calendar Year 2005  
No comment was made regarding this item.

**VI. POOL MEMBER COMMENTS**

Mr. Durrington commented that with regard to the public relations issue, one of the things that he would like to see, and has others ask to see, is explaining exactly what we do as far as water rights are concerned. Mr. Manning stated that we are trying to keep the message simple as much as possible.

Chair deBoom acknowledged that Board member Hofer was in the room and inquired if he was planning on representing the Agricultural pool this year on the Board. Mr. Hofer replied that it would be an honor and he was grateful that the committee members had confidence in him for this position.

**VII. OTHER BUSINESS**

No comment was made regarding this item.

**VIII. FUTURE MEETINGS**

January 13, 2005	9:00 a.m.	Appropriative Pool Annual Meeting
January 13, 2005	11:00 a.m.	Non-Agricultural Pool Annual Meeting
January 18, 2005	9:00 a.m.	Agricultural Pool Annual Meeting
January 27, 2005	9:00 a.m.	Advisory Committee Annual Meeting
January 27, 2005	11:00 a.m.	Watermaster Board Annual Meeting
February 10, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
February 15, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
February 24, 2005	9:00 a.m.	Advisory Committee Meeting
February 24, 2005	11:00 a.m.	Watermaster Board Meeting

The Annual Agricultural Pool Meeting Adjourned at 11:35 a.m.

Secretary: \_\_\_\_\_

Minutes Approved: \_\_\_\_\_

