

Minutes
**CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING**

February 15, 2005

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on February 15, 2005 at 9:00 a.m.

Agricultural Pool Members Present

Nathan deBoom, Chair	Milk Producers Council
Gene Koopman	Milk Producers Council
Bob Feenstra	Milk Producers Council
Glen Durrington	Crops
John Huitsing	Dairy
Ed Gonsman	State of California, California Institute for Men

Watermaster Staff Present

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

Chair deBoom called the Agricultural Pool meeting to order at 9:10 a.m.

AGENDA - ADDITIONS/REORDER

No additions or reorders were made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Annual Agricultural Pool Meeting held January 18, 2005

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of January 2005
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2004 through December 31, 2004
3. Treasurer's Report of Financial Affairs for the Period December 1, 2004 through December 31, 2004
4. Profit & Loss Budget vs. Actual July 2004 through December 2004

*Motion by Durrington, second by Feenstra, and by unanimous vote
Moved to approve Consent Calendar Items A through B, as presented*

II. BUSINESS ITEMS

A. CONSULTANT AGREEMENT WITH THE FURMAN GROUP

Ms. Rojo stated that Watermaster originally had a contract with Cerrell and Associates who was a public consulting firm. The contract with Cerrell was cancelled a few months prior; that contract cost Watermaster approximately \$6,700 dollars a month for their services which now leaves money in the budget. Watermaster staff has deduced there is a need to keep up with federal legislative issues in Washington would like to enter into an agreement with the Furman Group. This is a one year contract at \$2,500 dollars a month; the Furman Group will keep Watermaster staff abreast of the legislative issues happening in Washington DC. This consulting firm is not a lobbyist group nor will they be lobbying any affairs on behalf of Watermaster. The Appropriative and Non-Agricultural Pool approved this contract unanimously, however the Appropriative Pool commented there was a lack of proof of liability insurance wording in the contract and asked Mr. Manning to see those types of insurances were put back into the contract. Ms. Rojo noted the revised contract was available on the back table. The question of whether Cerrell and Associates performed this type of service was presented. Ms. Rojo noted they were more of a public relations firm. The question of whether or not the new consulting firm is based out of DC was presented. Ms. Rojo noted that they had an office in Washington DC as well as one in San Diego. Mr. Feenstra stated he was pleased the Appropriative Pool caught the lack of liability insurance in the contract due to so many law suites that could take place and noted it was important to keep ourselves well protected in the areas of insurance when it comes to outside contracts. Mr. Rojo noted the Furman Group also does lobbying for parties and at the time the contract was being drawn up Watermaster asked the Furman Group to really simplify their standard contract to not be construed to any lobbying acts. The Furman Group took out several sentences and phrases to accommodate Watermaster's wishes and the particular statements regarding liability insurance was inadvertently removed. The question regarding exactly what the Furman Group will be doing for the Watermaster was presented. Ms. Rojo stated they will be our legislative contact for the happenings in Washington. A discussion ensued with regard to where liability insurance would come into play with the Furman Group. The question of whether \$2,500 dollars a month was a fair price for this type of work was presented. Ms. Rojo noted that when Mr. Manning came on board last year he had originally looked at the Cerrell contract and inquired as to what Watermaster was getting for that type of money in the area of legislation consulting and in knowing the Furman Group from prior dealings noted the Furman Group was giving Watermaster a really good deal. It was noted that a normal consultant retainer for people in Washington runs approximately \$7,000 to \$10,000 a month. The question of whether or not we have any people doing this type of work for Watermaster in Sacramento was presented. Ms. Rojo stated that she knows that Mr. Atwater has contacts in Sacramento, the Watermaster does not. Ms. Rojo stated that Mr. Manning keeps up to date on all the state and legislative issues. Mr. Feenstra stated that he felt this was a very reasonable fee for this type of work and with this type of consulting, Watermaster will benefit tremendously in a vast number of areas. The question of whether or not staff felt if the Furman Group heard of something in Washington that would not necessarily be relevant to Watermaster but to others in the Chino Basin would be shored with others. Ms. Rojo noted that sounded like something they would certainly keep others informed. Counsel Fife stated since Watermaster does not lobby, one of the goals Mr. Manning is doing with this type of agreement is that if Watermaster gets wind of something that really needs a lobbying effort Ken can turn it over to one of the other Watermaster entities. A discussion ensued with regards to the great opportunities this type of contract will open up for the Watermaster and others in the Chino Basin.

Motion by Feenstra, second by Koopman, and by unanimous vote
Moved to approve consultant agreement with the Furman Group, as presented

B. APPROVAL OF STIPULATION

Counsel Fife stated that he will combine this item with part two of the Watermaster General Legal Counsel Reports section for the matter of expediency and noted their relevancy. This

item concerns the Santa Ana River subject. In the year 2000 the Chino Basin decided to participate in the Santa Ana process as an applicant rather than being a protestor. Watermaster filed a water rights application for all of the storm flow which would pass through the Chino Basin. Watermaster's application attracted four protests; one from East Valley Water District, one from Cucamonga Valley Water District, one from the Forest Service, and one from the Department of Fish and Game. East Valley Water District has agreed to withdraw their protest if Watermaster will stipulate first that none of our diversions come out of the main stem of the Santa Ana River, which is true, and secondly with our application Watermaster has no intention of infringing on East Valley's water rights, which is also true. This appears to be a fairly innocuous stipulation to enter into and this will resolve one of the four protests that Watermaster needs to deal with on its application. Counsel Fife reminded the Committee members that Western Municipal Water District has put out their EIR on their application, Orange County Water District also has an EIR out on their application; all of the applications are beginning to move forward. Western and OCWD anticipate they can get a hearing on their applications in 2005. Counsel Fife stated he would like to get approval on this stipulation so that it can go to the Watermaster Board and get authorization to sign it. A brief discussion ensued with regard to the other protestors. Counsel Fife noted that the protest from the Fish US Forest Service was a misunderstanding of our application and in a verbal conversation with their legal department it appears they will be withdrawing their protest. Mr. Feenstra inquired to the word "stock watering" used in the stipulation on page 41 of the packet. Counsel Fife states that these words come out of the State Water Resources Control Board application. The closest statement to cows is stock watering on the application form provided; and noted that he wrote in the word "dairy use" next to stock watering when filling out Watermaster's application. Counsel Fife stated that Watermaster's application is for the diversion of surface flows, which is storm water, into our recharge basins; the beneficial use then is whatever anybody pumps out and uses it for. Counsel Fife stated that staff is meeting with Western and OCWD next week; staff is pushing for a group cumulative impacts analysis. Staff wants all participants to do a group report; Watermaster might volunteer to do that report for everybody.

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

Moved to approve stipulation between East Valley Water District and Watermaster concerning Watermaster's Santa Ana River water rights application, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney-Manager Meetings

Counsel Fife stated that 2005 is a big year under the Peace Agreement there are a lot of milestone issues and of most importance in September the term of the nine member board expires; in July or August counsel is going to make a motion to the court to reappoint the Watermaster Board. Staff tried to get a head start of many of these issues which is why the Attorney-Manager meetings started up a last year. The Attorney-Managers process basically came to a halt due to the whole concept of Hydraulic Control, technical work. Counsel Fife noted there is a manager's meeting scheduled for March 15, 2005 at noon and is being held at Inland Empire Utilities Agency. Staff and counsel are anticipating moving directly into the Attorney-Manager meetings after the technical managers meeting takes place on March 15th.

2. Santa Ana River Application Process

This item was covered in Business Item B – Approval of Stipulation. No other comment was made regarding this item.

Added Item:

Counsel noted there is a handout on the back table titled "Background on Senator Kuehl's Water Bill". Senator Sheila Kuehl is proposing to do a follow up on her great success on senate bill 221. There is no text that has been put out yet; this is only the senator's office indicating things that the senator wants to put into a bill to introduce this year. The senator's office is looking at putting out bill that is going to address as to what they see as three large areas, the first is water conservation policy, the second is the use and abundance of water recourses, and thirdly is planning and management. There are a lot of interesting things in this bill, one of the big things is a real emphasis on mandating conservation and putting penalties in place for not conserving water which raises questions about how do you define conservation and how you define those penalties. Some of the other interesting high points are the topic of imposing Agricultural water management plans which would be the flip side to urban water management plans for Ag users and the reporting of groundwater use. It basically looks like this bill will undo what AB 2733 did last year and mandate everybody state wide has to report to the State Board including those people in San Bernardino, Riverside, and Los Angeles counties who last year were told that they no longer had to report the State Board that they would report to their local agencies instead. There is no draft bill out yet there are only these indications from the senator's office that something is coming. Mr. Feenstra noted his concern over the possibility of this bill being introduced and/or passed. Mr. Feenstra stated this will be a topic of discussion February 16 and 17 during the Agricultural Round Table in Sacramento. Mr. Feenstra commented on how important it is for all water districts/agencies to be very mindful of what this bill could do. It was asked that this item be placed on the March agenda for an update. A discussion ensued with regard to the potential damage this bill could cause the Ag industry in the Chino Basin.

B. CEO/STAFF REPORT1. Storm Report

Ms. Rojo reported there were handouts on the storm report at the Appropriative and Non-Agricultural Pool meetings and verified with Mr. Treweek that there were no updates from that report to report on. As a recap of that report, Ms. Rojo stated that from the storms which started in October Watermaster has captured approximately 8,000 acre-feet of water in the recharge basins. The operations are a little behind due to the SCADA system not being fully operational in all basins. The question of whether or not there was a lot of damage to the basins from the last two storms was presented. Mr. Treweek noted there was some erosion in some of the basins and a good amount of the basins has damage to the intermediate berms. The question of cost to repair these berms was presented. Mr. Treweek noted it would be approximately a quarter of a million dollars for repairs for the berms and another \$50,000 to \$100,000 in erosion damage. Chair deBoom inquired where this puts us as far as the 12,000 acre-feet is concerned. Ms. Rojo stated we are now at 8,000 out of the 12,000 and we are in good shape for just being in February. Ms. Rojo discussed how the intense rain storms affect the capture of water versus the slow steady rain fall. It was noted that Arrowhead Lake which was in dire straights is now full. A discussion ensued with regard to the recent Prado Dam situation. Ms. Rojo stated that some of the basins, which are under Flood Control jurisdiction, Watermaster has been attempting to secure basins, one at a time, to do a demonstration project during this storm to try and improve Watermaster's ability to run them. Mr. Rojo stated at a recent storm Watermaster contacted Flood Control and made them aware that Watermaster can start diverting water into all of the basins which will in turn take some of the pressure off the dam; this went very well and turned out to be in bringing online several basins. Statements were received regarding trees and shrubs growing in the basins. Mr. Treweek stated this is a concern and the fact that one can establish a habitat and then the wildlife can set up nesting and then Watermaster can not go in and renovate the basin to use it for what it was originally designed for. Staff has determined there will be an aggressive maintenance program set in place where the sides will be cleared of any vegetation and maintain it that way so that it does not ever become a habitat. Now that these basins are

going to be used 12 months out of the year a continuous effort to keep them clear and operable will be a priority. Watermaster is currently budgeting for this type of basin maintenance.

2. State of the Basin

Ms. Rojo noted the Executive Summary page only was in the package and the full State of the Basin report was available on Watermaster and Wildermuth Environmental's web site for review or downloading. Ms. Rojo stated comments were due today on that report, however since that was such short notice for the Agricultural Pool the time for comment would be extended for another few days. It will be appreciated if comments are directed to Watermaster expediently so this report may be finalized.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

Ms. Rojo noted that on the back table was a recent article which was published in the San Gabriel Valley Tribune regarding Mr. Manning's resignation from his seat on the Upper District Water Board.

VI. OTHER BUSINESS

Mr. Feenstra complimented Mr. Manning (who was not present for this meeting) and the Watermaster staff for accommodating the Agricultural Pool in maintaining the Ag Pool meetings to be held Inland Empire Utilities Agency and how appreciative he and other pool members are.

VII. FUTURE MEETINGS

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
March 10, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
March 15, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
March 21, 2005	1:00 p.m.	AGWA Meeting
March 24, 2005	9:00 a.m.	Advisory Committee Meeting
March 24, 2005	11:00 a.m.	Watermaster Board Meeting

The Agricultural Pool Meeting Adjourned at 10:05 a.m.

Secretary: _____

Minutes Approved: March 10, 2005