

Minutes
**CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING**

April 21, 2005

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on April 21, 2005 at 9:00 a.m.

Agricultural Pool Members Present

Nathan deBoom, Chair	Milk Producers Council
Gene Koopman	Milk Producers Council
Glen Durrington	Crops
Jeff Pierson	Crops
Peter Hettinga	Dairy
Bob Feenstra	Milk Producers Council
John Huitsing	Dairy
Ed Gonsman	State of California, California Institute for Men
Nathan Mackamul	State of California, CIM/CIW

Watermaster Staff Present

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

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Andy Malone	Wildermuth Environmental Inc.

Others Present

Steve Lee	Reid & Hellyer
Rick Rees	Geomatrix for CIM

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

AGENDA - ADDITIONS/REORDER

Chair deBoom thanked Watermaster staff for accommodating moving the meeting date.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held March 10, 2005

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2005
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2004 through February 28, 2005
3. Treasurer's Report of Financial Affairs for the Period January 1, 2005 through February 28, 2005
4. Profit & Loss Budget vs. Actual July 2004 through February 2005

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

II. BUSINESS ITEMS

A. EDISON PROPERTY CONVERSION

Mr. Manning stated that the City of Ontario has requested that Watermaster confirm its understanding for the use of the Edison Farm Property and whether it is eligible for conversion credit upon its conversion to urban use. After reviewing Watermaster's maps staff finds that is in conformance. There were some questions from other purveyors as to whether or not this property was eligible, however, after Watermaster's review it is felt that it is. This issue was brought to the Attorney-Manager meeting where it was also approved and it was asked at that meeting that it be brought through the Watermaster process. Staff is recommending approval at this time. The question of what they are planning on using the property for was presented. Mr. Manning stated this property is part of the Lewis preserve property and it will be developed by Lewis Homes. Mr. Manning stated this request is different than the normal conversion request in that normally property owners do not come to us and ask for letters confirming that they are part of the eligibility, because it was made part of the transaction in the sale of the development of the property they have asked for this letter of confirmation. A brief discussion ensued with regard to the property and the location.

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

Moved to approve the submitted letter written by the City of Ontario confirming the Edison Farm Property is eligible for conversion credit and is in conversion area
one, as presented

B. FORBEARANCE PROGRAM

Mr. Manning stated that the City of Chino and the City of Chino Hills have participated in a voluntary forbearance program in MZ1 in order for Watermaster to move through some of the investigation into MZ1 and the issues of land subsidence. The forbearance program is finishing its third year and in order for it to be continued it would need an agreement to continue it for another year. This is the item that would allow it to be continued for another year and that would minimize subsidence, fissuring, and reduce those issues and allow Watermaster to be able to continue with our investigations. Mr. Manning noted that on the May 25, the court is going to be at the Watermaster office holding a workshop with the special referee to discuss the MZ1 issues; a notice will be sent out on that workshop shortly. At that time Wildermuth Environmental will be doing some work to bring them up to speed on where Watermaster is on the investigation and were we stand to date.

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

Moved to approve the continuance of the Forbearance Program for another year,
as presented

C. FIELD SERVICES CONTRACT

Mr. Manning stated that over the last several month's staff has been attempting to resolve the issue of our field staff and make sure there is an arms length transaction with those individuals who are in fact employed by Wildermuth Environmental; this is the last step in that effort. The field services contract that is being presented today states those employees working for Wildermuth Environmental will be housed at a Wildermuth Environmental facility and will be driving Wildermuth trucks. This is the contract that deals with the field services personnel themselves. The question of what a field service person does was presented. Mr. Manning

noted there are a number of monitoring programs that Watermaster is required to undertake; Wildermuth Environmental staff performs the majority of these monitoring tasks. There are a couple Watermaster staff members who assist in this effort. A discussion regarding meters and who monitors them ensued. A discussion ensued with regard to a major monitoring well that Inland Empire Utilities Agency (IEUA) is installing in one of the dairies. Mr. Manning stated that this is part of the Recycling Monitoring Program and Wildermuth staff, directed by Watermaster, will be doing the monitoring and the lab testing will be done by IEUA; this is a joint/team effort for these three companies. It was noted the cost of the well is approximately \$150,000 dollars and paid by a joint effort between Watermaster and IEUA. A discussion ensued with regard to the depth of this new well.

*Motion by Feenstra, second by Koopman, and by unanimous vote
Moved to approve the Field Services Contract, as presented*

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney-Manager Meetings

Counsel Fife stated that the Attorney-Manager meetings have formally resumed and meetings have been scheduled for every other week. Counsel Fife noted that Counsel Lee has been attending those meetings and if there are any questions relating to those meetings to direct them to him. It is anticipated to move at a steady pace through all the issues and as a priority there are issues under the Peace Agreement need to be resolved in 2005. Chair deBoom inquired if Counsel Lee had any comments on the recent meetings in which he had attended. Counsel Lee stated that the areas that are being discussed presently are primarily areas which have already been covered and are being reviewed. There is one issue that is not in the forefront regarding Hydraulic Control. Mr. Feenstra noted that this is an item that needs discussing and stated that he felt nobody wants to revisit the construction of the Peace Agreement and that the Agricultural Pool is going to protect the water. A discussion ensued with regard to what is going to happen to the surrounding area of land and noted that it was going to be something other than beyond houses. The State of California prison is a good example of how that land was transformed overnight and put in sustainable agricultural. Mr. Feenstra stated that parties are looking at the money that the agricultural has reserved and that the Ag Pool needs to keep that money because Ag will have to use for it one day. Mr. Koopman discussed the happenings at the recent Cal-Fed hearing and how it relates to the ability for the use of more storage in Southern California, specifically in the Chino Basin. Mr. Manning commented on the recent discussions on deals being made for storage in the basin. A discussion ensued with regard to the sale of land in other areas and the need to keep water for Agricultural.

The question regarding the nine member board was presented. Counsel Fife stated that the board issue is in the air because the original creation of the Board back in 2000 was for a five year term starting on September 28, 2000 which expires September 28, 2005; there will be a process where Watermaster will need to go back to court and ask for a renewal. There has been an agreement to let that issue trail and Counsel Fife noted that it has been made clear that Watermaster staff, legal counsel, and consultants since we are employed by the Board that is not an issue we can take a position on or facilitate. For the purposes of the Attorney-Managers group the nine board member issue is on the back of the agenda, however, the parties can have whatever discussions they feel necessary regarding this issue. A discussion ensued regarding this the nine member board issue and the representation of the Ag Pool.

2. Santa Ana River Application Process

Counsel Fife stated that this process continues to move forward; there is a copy in the meeting package on one of the withdrawals from one of the four protestors. Counsel also anticipates, very soon, two of the other parties' withdrawals which would leave Watermaster's application with one protest being from the California Department of Fish and Game. The major parties in this process are Orange County Water District and Western Municipal Water District, and they are discussing pushing this forward and asking for a hearing as early as the first part of 2006. Both of these parties have issues with their CEQA work and will most likely need to re-issue their EIR's. Watermaster is ready if this does happen in 2006; Watermaster's CEQA work is complete. After the review of the analysis that has been done on Watermaster's project, which is just storm water recharge, Watermaster record shows is that this project not only does not have adverse affects on the environment but is actually a benefit to the environment and that is seen through the Regional Board's Basin Plan Amendment. This is the position being taken at the Board that Counsel is not only ready to go to hearing on this project but our project makes the environment better.

3. North Gualala Litigation Amicus

Counsel Fife stated a trial court decision was distributed a few months ago on this item and the reason it is a concern, is that in that decision, a trial court found that groundwater pumping in the vicinity of a surface water body fell under the jurisdiction of the State Water Resources Control Board. This does happen when the groundwater pumping is in the underflow of a river, however, in this instance it was not underflow; the court found that the reason State Board jurisdiction was justified that this groundwater had an impact on the surface water body. This is a concern to the Chino Basin where our entire body flows towards the Santa Ana River; under the reasoning of this decision all pumping could fall under the jurisdiction of the State Board and require a permit from them. If this decision is appealed which raises the prospect of an appellate decision that agrees with the trial court and that would be very problematic. This item is being watched very closely.

4. Pending Legislation

Counsel Fife noted this last item is general pending legislation and there are a few items which have already been discussed. Senate bill #820 which is very interesting bill because of its sections concerning agricultural and urban water management plans. The bill of interest to the Chino Basin is AB1453 which is a proposal to create water courts. This is a bill that everyone as a pool should look at and possibly have Counsel Lee review it. The reason this bill is of such interest is because they are proposing to create a system of water courts which would hear primarily adjudications. The water court districts are mirroring the Regional Board's districts so that the district of relevance to Watermaster would be called the Santa Ana district and the court that would hear all the judications in the Santa Ana district would be the Orange County Superior Court. The current draft of the bill states that if any party in adjudication makes a motion and asks to be in a water court, the case will then go to a water court. A discussion ensued with regards to this bill and district locations.

B. CEO/STAFF REPORT

1. Budget Workshop Update

Mr. Manning stated the budget workshop has been set for May 2, 2005 at the Chino Basin Watermaster offices from 12:00 p.m. to 2:00 p.m. and lunch will be served. The budget should be finalized this week and will then be posted to our ftp site for review prior

to that workshop. The question if this was an open meeting was presented and Mr. Manning stated that it was open to all interested parties.

2. Storm Report Review

Mr. Manning commented that staff has been attempting to provide as much information as possible as to how the basins have been operating during the course of the storm season. After storm event #9 there is just less than 15,000 acre-feet of water that has been able to have been replenished through our improved systems. The SCADA system is still not up and running fully and this number is calculated based on visual observations, however, this number is felt to be a relatively confident number. It is understood there is another storm front moving in by this weekend so there might be one more storm to include in these numbers for this storm season. During the process, staff has concluded the same amount of water can be captured with less rain due to the large amounts of rain at one time coming down making capture difficult because it is just passing through the system. Discussions are open with the Flood Control and during this past rainy season a good rapport has been built up with them. Staff is very optimistic about next year's rainy season and the capture of water with the assistance of IEUA and Flood Control. Mr. Feenstra spoke on the recent decision by the President to declare several cities in the Ventura, Los Angeles, Orange County, and San Bernardino area as disaster areas due to the high volume of rain this season. A discussion ensued with regard to filing applications for funding for the basins due to this decision.

3. Replenishment Obligation Update

Mr. Manning stated there are still obligations to be met in MZ1 in the amount of 2,400 acre-feet. Out side the MZ1 area there is still 11,713 acre-feet and the basins are starting to take water into Montclair and Brooks presently. Staff will keep the committee members apprised of any new information regarding the replenishment.

4. Turner Basin Renovation Test

Mr. Manning noted this was an idea which came to Watermaster by the way of Mr. Vanden Heuvel's recommendation. The company Scuba Duba and felt they had some technology that might be advantageous to our basins. Staff is looking at someday keeping the basins wet 365 days a year and if that is the case the basins will need some sort of renovation. In an effort to see if this scenario was even possible a five day test took place with Scuba Duba performing work and testing for Watermaster. By the end of the fifth day they actually increased the recharge rate in Turner 2. A proposal has been made by them to perform this work on a continuing basis, however, that proposal was not what staff was looking for and Scuba Duba is working on a revised proposal. A discussion ensued with regard to the Turner basins and reclaimed water recharge.

5. MZ3 Water Quality Update

Mr. Manning stated that as of last week the installation of the two monitoring wells over in the MZ3 area. Within the next month staff will begin gathering data from testing; the concern is the extent that the Kaiser plume has moved down towards the Jurupa area. Staff will keep the committee members apprised after results come in.

Added Comments:

Mr. Manning noted there is a handout on the back table of a copy of the Desalter Authority Groundwater Monitoring and Mitigation Plan. This is being distributed now because the Agricultural Pool has a special interest in this plan and will be on the agendas next month to go through the

Watermaster process. The mitigation plan is what will be on interest to the Ag users in this part of the basin. Members of the Chino Desalter Authority will be present next month to provide a complete presentation on this plan. A discussion ensued with regard to the plan which was submitted last time and the changes that were then incorporated from those discussions.

A question regarding a recent approval of a bill which would provide funds for clean up for Perchlorate was presented. Mr. Manning stated the Baca bill did pass through the House, however, still needs to go through the senate and will provide monies for clean up and will most likely go to the Lockheed and the Rialto plums. A discussion ensued with regard to this bill, Perchlorate, and where the funds will be distributed. The question regarding the status of the clean up and abatement orders for Ontario was presented. Mr. Manning stated that the parties are waiting for the Regional Board to issue those and in turn they are waiting for Watermaster to give them a commitment and this item will be discussed in closes session at the Watermaster Board meeting on April 28, 2005. A lengthy discussion ensued with regard to the Regional Board waiting to do their job on these orders and the type of assistance they need with the potential responsible parties responses.

Mr. Manning mentioned the recent Agricultural tour and thanked Mr. Koopman and Metropolitan Water District for an outstanding job on the tour and weekend. It was extremely interesting and informative and Mr. Koopman did an great job of hosting.

IV. INFORMATION

- 1. Status Report No. 12
No comment was made regarding this item.
- 2. Status Report No. 13
No comment was made regarding this item.
- 3. Newspaper Articles
No comment was made regarding this item.

V. POOL MEMBER COMMENTS

Mr. Feenstra gave praise to the corrections facility and noted the great change in that area in seeing how green and productive that area is now and spoke on keeping that type of work up in this basin.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

April 14, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
April 14, 2005	12:00 p.m.	Attorney-Manager's Meeting @ CVWD
April 19, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
April 20, 2005	9:00 a.m.	MZ1 Technical Committee Meeting
April 28, 2005	9:00 a.m.	Advisory Committee Meeting
April 28, 2005	11:00 a.m.	Watermaster Board Meeting
May 2, 2005	12:00 p.m.	Budget Workshop

The Agricultural Pool Meeting Adjourned at 10:23 a.m.

Secretary: _____

Minutes Approved: May 17, 2005