

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

August 18, 2005

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on August 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
Jeff Pierson	Crops
John Huitsing	Dairy
Pete Hettinga	Dairy
Bob Feenstra	Milk Producers Council
Edward Gonsman	State of California, CIM

**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
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 meeting to order at 9:10 a.m.

**AGENDA - ADDITIONS/REORDER**

There were no additions or reorders made to the agenda.

**I. CONSENT CALENDAR**

**A. MINUTES**

1. Minutes of the Agricultural Pool Meeting held July 19, 2005

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of July 2005
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2004 through June 30, 2005
3. Treasurer's Report of Financial Affairs for the Period June 1, 2005 through June 30, 2005
4. Profit & Loss Budget vs. Actual July 2004 through June 2005

**C. WATER TRANSACTION**

1. **Consider Approval for Transaction of Notice of Sale or Transfer** – The City of Upland has agreed to purchase from the West End Consolidated Water Company water in storage in the amount of 14,425 acre-feet; Date of Application: August 1, 2005
2. **Consider Approval for Transaction of Notice of Sale or Transfer** – The transfer of Monte Vista Irrigation Company's FY 2005-06 Annual Production Rights to the Monte Vista Water District. The total quantity of water to be transferred is estimated at 1,050 acre-feet; Date of Application: July 20, 2005
3. **Consider Approval for Transaction of Notice of Sale or Transfer** – The City of Ontario has agreed to purchase from the City of Upland a portion of Upland's water in storage in the amount of 16,000 acre-feet; Date of Application: August 1, 2005

**D. STATUS REPORT NO. 15**

Consider Authorization to File OBMP Status Report No. 15 with Court and Authorize Staff and Counsel to Make Minor Edits as Necessary

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

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

**II. BUSINESS ITEMS**

**A. NORTH GUALALA AMICUS**

Mr. Manning noted that this item has been reviewed under the General Legal Counsel section of the agenda for the past several months; this item is now being presented as an action item. Counsel Fife stated that the Appropriative and Non-Agricultural pool did direct completing this item and taking it to the Board for final approval with a unanimous vote. The committee asked counsel to give a brief summary regarding this item. Counsel Fife reported this item is about a groundwater dispute in Northern California and what it centers around is the State Water Resources Control Board's jurisdiction over groundwater pumping. The State Board has consistently, over the last few years, tried to expand their jurisdiction. This concerns the extent to which the State Board can exert jurisdiction over groundwater pumping. In North Gualala there is groundwater pumping by the North Gualala Water Company, it is in the vicinity of a surface stream, and the State Board decided that the North Gualala Water Company was pumping underflow from the stream. North Gualala has a lot of technical analyses performed by Joe Scalmanini that said that this groundwater pumping was not underflow, that it is percolating groundwater. The North Gualala Water Company and the State Board disagreed and the State Board asserted jurisdiction and North Gualala appealed. The test for determining State Board jurisdiction is whether there is a known and defined channel. The trial court, rather than looking at that test, said that if the groundwater pumping has an impact on a surface stream then State Board jurisdiction exists. This determination went a step further because North Gualala Water Company's pumping doesn't actually affect the surface stream; it would be "if" they actually pumped a lot more than they actually do, they could affect the surface stream. The court said that because of that possibility, the State Board has jurisdiction. North Gualala is taking this decision up on appeal. Counsel and staff are recommending the filing of the amicus, in the general sense, wanting to encourage the courts to rule in North Gualala's favor which could actually benefit the Chino Basin in the long run. A lengthy discussion ensued with regard to the court's decision and the filing of the brief.

*Motion by Feenstra, second by Koopman, and by unanimous vote – Non-Ag concurred*

***Moved to approve the completed amicus brief for filing, as presented***

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Attorney-Manager

Counsel Fife stated that the Attorney-Manager process is moving forward steadily; there is a meeting scheduled for this afternoon. Counsel and staff is still anticipating a completion

at the end of this month/beginning of next month and it is felt by all that there is good progress being made. Counsel Lee stated there is about 80% complete agreement on the issues presented but there is still some minor negotiating to be done. Mr. Koopman inquired to the feel at the Attorney-Manager meetings regarding the Agricultural transfer fee issue. Counsel Lee stated that no party has come out and said that fee can't be applied. Mr. Manning noted that it is felt there are still some deal points that have to be resolved. The agreement amongst the parties is that the total deal is not done until all the points are finished and as Counsel Lee stated, there are about 80% of those deal points resolved nevertheless none of them are resolved until all of them are resolved.

2. Board Re-Appointment

Counsel Fife stated that the Watermaster Board directed counsel at the last Board meeting, for the purposes of discussion, to draft a motion for the re-appointment of the nine member board; the Board's term is up September 28, 2005. Counsel Fife noted the process for putting this on the agenda at the board meeting was by an urgency vote of the board. Counsel feels this does not need to be filed this month; at the earliest this will need to be filed in September. The direction was to draft a motion for the purpose of discussion which is why this item was placed on the agenda under the legal counsel report section. There is no action being requested today and this item is being presented today for discussion purposes only. Counsel Fife noted there are two letters relative to this issue available on the back table; one letter is from Western Municipal Water District and the other is from Cucamonga Valley Water District. This is an issue of debate and it was placed on the agenda solely for discussion purposes; no action was taken except to direct counsel to draft a preliminary brief. The question of why this item is being brought through the process so late and Counsel stated that it was felt that it should be addressed after the Attorney-Manager process was completed. There is no question that all parties are pleased with the progress that has been made in the past five years. There is some discussion about the composition of that board and that discussion has ranged from, is nine the right number, is the representation on the board the way it should be, and do the municipal water districts have too much of a voice in comparison to the producers who are paying the bills. A lengthy discussion ensued with regard to the events that took place during the original process to put together the nine member Watermaster Board. Chair deBoom inquired if there is any type of action the Agricultural Pool can take to reconfirm the acceptance of present configuration of the nine member board today. Mr. Manning stated that based upon what staff is presenting today in distributing a copy of the motion, no action is being requested today. It is staff's anticipation this item will come back in September as part of the agenda or the issue will be dropped, one of the two. If it comes back as part of the agenda that means this item has not been resolved within the system and at that time it would be appropriate for this pool to take an official position as the Agricultural Pool. The question if the constitution of the board did change would that hurt the Agricultural Pool and Counsel Fife stated that any change would have to be approved by the court.

**B. CEO/STAFF REPORT**

1. Rialto Pipeline Availability

Mr. Manning noted there is a copy of a cartoon prepared by Metropolitan Water District regarding their distribution system available on the back table. This is an information and awareness issue for all committee members. Mr. Manning reviewed the handout in detail and specifically pointed out the Rialto Pipeline. It was noted that as of July 14, 2005, Metropolitan Water District (MET) has cut off most of the deliveries along the Rialto Pipeline other than that which is necessary to feed surface treatment facilities. The rest of the water on the Rialto Pipeline is being diverted down to the Diemer plant in order to feed the central core or central pool which is the area over to the Venice/Palace Verdes area. That area is normally served by the Jensen plant. Because the Jensen plant is going through some ozone treatment refurbishing installation it is pretty well shut down. During

this hot weather this water has to be fed through the Diemer plant which means the Rialto Pipeline is essentially shut down for us; that is important in itself. This points out that of the Chino Basin is effected if there is a need to divert water through the system to other parts, especially to the West. For the most part, that means the Rialto Pipeline will be shutdown and this causes great concern. Mr. Manning expressed that we have just experienced the wettest rainy season in one hundred years and we can't get replenishment water. Currently there are 2 cfs going into the Etiwanda Spreading Grounds, 10 cfs going into Lower Day (that was just recently increased from 7 cfs), and 5-6 cfs going into Hickory which is being used for blending for reclaimed water. Watermaster staff is now engaged in discussions with Inland Empire Utilities Agency and Metropolitan Water District about obtaining additional turnouts off the Etiwanda Pipeline and looking for ways to create more duplication within the system. Our basin replenishment capacity is 100 cfs which could be taken off the Rialto Pipeline, if it were made available to us; that is our spreading capacity today in which we are receiving approximately 12-20 cfs depending on the daily circumstances. This causes some concern mainly because many of our basins are ready to take in water and are currently sitting dry. Mr. Manning stated this issue is being addressed and an update on this situation will be brought back at the next meeting. Mr. Koopman offered comment regarding ocean desal water and noted that the Chino Basin would be better off using recycled water. A discussion ensued with regard to running reclaimed water through the desalter plant versus putting it into the ground.

2. Ontario Airport Clean Up & Abatement Update

Mr. Manning stated that the Regional Board has mailed out the clean up and abatement orders on July 27, 2005; the orders went out to Aerojet General, Boeing, Department of Defense, Northrop Grumman, Lockheed-Martin, and General Electric. In the clean up and abatement order there was a letter that accompanied the orders which call for those organizations to meet on August 30, 2005 at the Regional Board office wherein a technical briefing would be held. A number of topics will be discussed at that briefing such as efforts that have already been undertaken, an overview of future work, discussions of various scenarios, discussions to the legal and administrative steps, and options for early settlement. This is an important item for us because it is a plume of contamination that is primarily VOC, although there is a section in the plume which contains perchlorate. At the Water Quality Committee meeting on August 22, several topics will be discussed and that committee will be reviewing some of the technical presentations that will be given at the Regional Board technical briefing on August 30, 2005. A question regarding a time frame for action to be taken was presented. Mr. Manning stated that will be in our lifetime and the reason for that statement is because there are likely suspects. Chair deBoom inquired if Wildermuth Environmental was still pursuing this on Watermaster's budget. Mr. Manning acknowledged that the agreement that was made with the Regional Board for Wildermuth Environmental is that the Wildermuth staff will provide technical expertise to the Regional Board to evaluate and to design the actions and plans of the responsible parties. Watermaster has allocated within the Watermaster budget a sum of money that is available for the Regional Board to draw from in order to perform these technical reviews. If there are any legal costs involved in this matter the Regional Board will provide the funds for that. A lengthy discussion ensued with regard to the VOC plume and the possible actions by the responsible parties.

3. Basin Maintenance Update

Mr. Treweek stated this is a report on the Basin Maintenance Program that is on-going during the summer which will provide an update on some of the basin activities and restorations. Mr. Treweek referred to the handout titled; "Recharge / Maintenance Schedule" dated August 12, 2005. Mr. Treweek noted that since the 14<sup>th</sup> of July, the Metropolitan Water District (MWD) has shut off our water supply and due to that shut off staff has accelerated the maintenance for the Montclair Basin and on the Ely Basin for

restoration completion. This will leave the Turner Basins as the major basins requiring maintenance. We can't get water to put into the Turner Basins even if they were cleaned up because the City of Rancho Cucamonga is rebuilding the Haven Avenue storm drain. That storm drain is what carries the water from the MWD turnout down to the Turner Basins. The City of Rancho Cucamonga has informed Watermaster that the rebuilding of the Haven Avenue storm drain will not be completed until mid October; at that point, the Turner Basins will be back up and able to receive water. As soon as MWD can release water again to our basins we have a capacity to receive approximately 100,000 cfs or about 6,000 acre-feet a month as Mr. Manning stated in an earlier report. Chair deBoom inquired if there was a cartoon available of all the basins. Mr. Manning noted that Jim Theirl has put together a note book that shows pictures of the basins and a copy can be provided. The question if the San Sevaine basins will ever become available for any further water use was presented. Mr. Manning noted that basin was one of the basins which was taking in water when Metropolitan Water (MET) shut us off from getting water. The San Sevaine One was not percolating well, but after the county went in and did some refurbishing, we can't even put in a foot of water without it percolating into the ground, signifying this has turned out to be a very good facility for us. This is one of the turnouts that staff will eventually be asking MET to change from 20 cfs to 100 cfs and if we can get San Sevaine Two and Five refurbished, with using One, those three basins can easily take in 100 cfs without any problems. A discussion ensued with regard to the County Flood Control and conservation issues.

4. Agricultural Pool Water Fee/Tax Update

Mr. Manning noted this item has been placed on the agenda for the past several months and discussions have taken place regarding this item at each of the meetings. A separate meeting regarding this item along with a few other topics took place last Friday. As a summary for that meeting, this item has to do with the Agricultural Pool being able to collect a fee for reclaimed water usage in the basin. Because that issue was never sent through to the Watermaster process, at the request of the Agricultural Pool, the Watermaster staff is not in the position to be able to enforce any kind of a transaction that would move money due to water usage to the Agricultural Pool. A conversation did take place with Mr. Koopman with regards to some suggestions that could be effective for creating some relationships between the cities and the Agricultural Pool for the promotion for reclaimed water. Legally, Watermaster as an agency cannot accomplish this task. Mr. Koopman offered comment on Agricultural transfers and inquired why if the Agricultural Pool wants to charge a fee for performing that transfer is it necessary to get the blessing of the Advisory Committee and Watermaster Board? Mr. Manning stated that if the Agricultural Pool itself wanted to accomplish that, the Agricultural Pool could move to create agreements with the Agricultural members of the pool and/or the cities to accomplish that. Mr. Koopman stated that the Agricultural Pool has no way of generating money, however, requests for money does occur occasionally and this would give us an opportunity to generate some money. A discussion ensued with regards to Orange County and the need to educate local congress members about water. Mr. Koopman stated that his motion would be to consider how we, as a group, can accomplish this task and get some sort of a fee that would be feasible. Mr. Koopman stated that an approval process needed to be obtained first. It was noted that no action is being taken at this meeting and that this item is being presented as a discussion topic only. A discussion ensued with regard to costs to achieve this fee and overlying beneficial use. Mr. Manning stated that there is no mechanism for the Watermaster, as an agency, to create a system to funnel water to the Agricultural Pool as a beneficiary of the transaction of either assignments or use of reclaimed water. The discussion over that process took place in June of 2004, the past minutes from that meeting were reviewed, and at that Pool meeting the decision was to not put it through the Watermaster process. In order for this staff to be able to intercede in this matter and help create the mechanism, staff would have to go through the Watermaster process and have direction from the Watermaster Board to do

that. This does not mean that the Agricultural Pool, by itself as the representatives for the Agricultural interests within this basin, could not work with the Agricultural interests and the cities to create the same mechanism absent the Watermaster Board or staff, and at this point in time, this is the only authority that would be available. A discussion ensued with regard to the economics to the city to pursue this matter. Mr. Manning stated that the Agricultural Pool could approach the three main participant cities (Chino, Jurupa, and Ontario) and create a contractual arrangement whereby the Agricultural Pool would act as the promoters of reclaimed water amongst the Agricultural Pool members. Mr. Manning suggested that a sub-committee be formed to get an Agricultural interest on board two years ahead of schedule for use of reclaimed water. That would be two years of assignments that city is getting that they didn't get before. That is a financial benefit that the cities could see clearly and it could generate money for the Agricultural Pool. A discussion ensued with regard to Mr. Manning's suggestion. Ms. Rojo offered a logical and systematic description of how this fee could be generated free of cost to the water user. An extensive discussion ensued with regard to assessments, transfers, and a contractual fee. It was decided that a White Paper needs to be formed with the assistance of Counsel Lee and the Agricultural Pool who will form a sub-committee to discuss some of the suggestions presented at this meeting or substantive meetings to start this process.

**IV. INFORMATION**

1. Quarterly Status Report No. 14  
No comment was made regarding this item.
  
2. Newspaper Articles  
No comment was made regarding this item.

**V. POOL MEMBER COMMENTS**

No comment was made regarding this item.

**VI. OTHER BUSINESS**

No comment was made regarding this item.

**VII. FUTURE MEETINGS**

August 8, 2005	9:00 a.m.	Personnel Committee Meeting
August 9, 2005	9:00 a.m.	GRCC Meeting
August 11, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
August 11, 2005	1:00 p.m.	Attorney-Manager Meetings @ CVWD
August 18, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
August 18, 2005	1:00 p.m.	Attorney-Manager Meetings @ CVWD
August 22, 2005	1:00 p.m.	Water Quality Meeting
August 25, 2005	9:00 a.m.	Advisory Committee Meeting
August 25, 2005	11:00 a.m.	Watermaster Board Meeting

The Agricultural Pool Meeting Adjourned at 10:40 a.m.

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

Minutes Approved: September 20, 2005