

Minutes
**CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING**

September 20, 2005

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on September 20, 2005 at 9:00 a.m.

Agricultural Pool Members Present

Nathan deBoom, Chair	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	CFO/Asst. General 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
Gary Hackney	Inland Empire Utilities Agency

Chair deBoom called the meeting to order at 9:05 a.m.

AGENDA - ADDITIONS/REORDER

No additions or reorders were made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

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

B. FINANCIAL REPORTS

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

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

Moved to approve Consent Calendar Items A through B, as presented

II. BUSINESS ITEMS**A. PRELIMINARY ANALYSIS OF MATERIAL PHYSICAL INJURY**

Mr. Manning stated this item is for the preliminary analysis of Material Physical Injury and in 2004 Inland Empire Utilities Agency (IEUA) had requested Watermaster perform an analysis of Material Physical Injury for its proposed Phase II Chino Basin Recycled Water Project. That analysis was referred to Wildermuth Environmental and included in the meeting packet is a copy of that report. Mr. Manning asked that the committee members turn to the conclusion on page 27 and noted that the project proposed by IEUA will not result in a material physical injury to the Chino Basin or other parties. Mr. Manning noted that what Wildermuth is doing with this report is saying we are still waiting for some information, however, that the project will proceed as designed and that if IEUA does what the report states they will do, there will not be any material physical injury with the project. Staff is asking the Pools to recommend to the Advisory Committee and the Watermaster Board is to receive and file this report. A discussion ensued with regard to this report and blending requirements.

Motion by Pierson, second by Durrington, and by unanimous vote

Moved to receive and file the analysis of material physical injury, as presented

B. MOTION TO RE-APPOINT BOARD FOR ANOTHER FIVE YEAR TERM – POSSIBLE ACTION

Counsel Fife stated this is the issue of board reappointment and offered the chronology that has taken place over the last few weeks. The motion that is in today's meeting packet is the motion that was distributed last month that the board directed counsel to prepare last July. It is presented today as it was presented at the Appropriative Pool for approval of this motion, which is a motion to the court requesting reappointment of the nine member board. At the Appropriative Pool meeting, the Appropriative Pool took a different action than the one being requested in the packet; they requested and sent their request to the Board that the Board direct counsel to draft a different motion, that motion is to ask the court to set a hearing date for reappointment of the Board out several months and to request the court to extend the nine member board until that hearing date. That was the action that the Appropriative Pool took and after that action, counsel conferred with the court, the court agreed that it would be willing to push this issue out until February 9, 2006 if requested. A special closed board meeting was convened last Tuesday and the Board, while taking the Appropriative Pool's request directed counsel to draft the motion asking for a hearing on February 9, 2006 and an extension of the board term until that time. What this Pool has before it is the original action that went before the Appropriative Pool and the new action that the Board has approved; either one can be approved at this time for recommendation to the Advisory Committee and Watermaster Board. Director Hofer stated that at the special closed Watermaster Board meeting, both Director Vanden Heuvel and himself were in attendance on that call and voted in favor of the extension of the nine member board. The question of what the extension was for was presented. Counsel Fife stated the term of the nine member board officially expires September 30, 2005; however due to the Peace II process, we are not ready to approach the court to extend the board for another five year term. A discussion ensued with regard to what is taking place at the Attorney-Manager meetings and on the Watermaster Board conference call regarding this issue. It was decided that the Agricultural Pool members would break out into a confidential session at this time.

At 9:28 a.m. the open Agricultural Pool meeting was adjourned and the confidential session convened.

At 9:41 a.m. the confidential session was adjourned and the open Agricultural Pool meeting reconvened.

Mr. Pierson stated that he would like to make a motion that the Agricultural Pool, in the spirit of cooperation with the other two pools and in concert with our two board members who represent this pool, support the extension with a few statements added to it for our pool. The Agricultural Pool requests that any discussions that are made by parties to change the nine member board, which this pool supports, be done in public and in the light of day, in front of all the pools and

that we do support the nine member board as presented in the draft motion that is front of us today and that we support our two pool members being part of the board.

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

Moved to support the extension of the nine member board until the February 9, 2006 court hearing and to maintain the current make up of the nine member board as it stands, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney-Manager

No comment was made regarding this item.

B. CEO/STAFF REPORT

1. Wet Basin Maintenance Update

Mr. Manning stated this item was to be covered by Gordon Treweek, however, he has been called away to serve for jury duty in Pasadena. Mr. Manning stated he would present a brief overview today and that this full presentation will be given at the Advisory Committee and Watermaster Board meeting, which will include a presentation by Scuba Duba who was brought into the picture by Mr. Vanden Heuvel. Mr. Manning commented that what has been done over the last several months regarding wet basin maintenance is an analysis of our basins and our ability to spread the kind of water that is going to be necessary for several years out. It is obvious that once we include reclaimed water we are going to keep a number of our basins wet 365 days a year. We are anticipating an increase in our requirement to recharge water. If parties look at the Urban Water Management plans and the planning documents that have been developed by the producers within our basin, by the year 2025 if we just used our existing basins we are going to be about 30,000 acre-feet short of recharge capacity in our basins – even with all the improvements that we are currently undertaking. It is important that we use reclaimed water and we keep our basin full as long as possible. This creates one problem and that is maintenance of the basins; they clog because of silt and debris that floats down the channels. The traditional method has been to let them dry up (this takes about a three month period) to dry them up and clean them out and get them back on line. Staff is now looking at other strategies where we can increase the amount of water that is recharged and that calls into the strategy of trying to clean out the basins while they are wet. A discussion ensued with regard to basin clean up and Mr. Manning offered the dynamics on several of the basins. Mr. Manning stated that staff is hoping to strike some interest in this process of cleaning the basins while wet and wanted to get direction by the committee members if there was an interest to move forward.

2. Water Quality Update

Mr. Manning stated there was a meeting held on the clean up and abatement orders in Ontario at the offices of the Regional Board in Riverside; all parties mentioned as PRP's were in attendance. At that meeting the Regional Board presented a good case as to why those six PRP's should be included. Following that presentation, Mr. Wildermuth gave a presentation on costs for clean up. Mr. Thibeault requested that the parties reconvene in approximately 30-45 days wherein the negotiations would begin. Since that meeting, Mr. Manning has been in touch with staff at the Desalter Authority to keep them apprised because one of the solutions being presented would be the inclusion of the Desalter Authority. Chair deBoom asked that he be kept informed as to when the next meetings would take place and noted there was a great deal of interest in this situation by the Agricultural Pool.

3. Legislative Update

Mr. Manning noted that the last day to pass bills in the legislature is September 9, the date the governor has then to sign those that are passed; there are a few bills that staff has

been watching closely. The bills that are being watched are: AB 373 this bill is being supported by all recycling agencies and is currently parked on the senate floor, SB 187 which is a drinking water standards bill and is currently being held in committee, SB 820 has been revised several times and a full report on this bill will be given at the Advisory Committee meeting, SB 1067 was apposed by most drinking water agencies but it has passed both houses and is being sent to the governor, HR 213 which is a perchlorate bill is being watched closely, and SB 376 the Three Valleys stand by charge bill did pass both houses and was signed by the governor the day before yesterday. Mr. Manning noted that he will get updates on all of these and other bills and present a more complete report at the Advisory Committee and Watermaster Board meetings.

4. Agricultural Pool Water Fee/Tax Update

Mr. Manning stated this is an ongoing item that was asked to be placed on the agenda for updates. Chair deBoom stated that the Agricultural Pool is focusing on putting together a subcommittee to work on this item.

IV. INFORMATION

1. 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

September 6, 2005	9:00 a.m.	GRCC Meeting
September 8, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
September 20, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
September 22, 2005	9:00 a.m.	Advisory Committee Meeting
September 22, 2005	11:00 a.m.	Watermaster Board Meeting

The Agricultural Pool Meeting Adjourned at 10:04 a.m.

Secretary: _____

Minutes Approved: October 18, 2005