

Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
October 18, 2005

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on October 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	Dairy

Watermaster Board Member Present

Paul Hofer	Crops
Geoffrey Vanden Heuvel	Crops

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
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Steve Lee	Reid & Hellyer
Josephine Johnson	Monte Vista Water District
Dave Crosley	City of Chino

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 September 20, 2005

B. FINANCIAL REPORTS

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

C. WATER TRANSACTION

1. Consider Approval for Transaction of Notice of Sale or Transfer – The City of Pomona has agreed to purchase water in storage from the City of Upland a portion of Upland's pumping rights of up to 1,000 acre-feet. Date of application: October 5, 2005

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

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

II. BUSINESS ITEMS**A. MATHIS & ASSOCIATES CONSULTANT AGREEMENT**

Mr. Manning stated the item on the agenda today is a result of his annual review after his last set of goals and objectives were approved by the Watermaster Board. One of the objectives was to do a strategic planning retreat for the members and stake holders within the Watermaster family. At the same time the Personnel Committee expressed concern that Chino Basin Watermaster was using our attorney firm as the person who was working with staff on goals and objectives and doing the evaluation, the committee felt that position would be better served by a party who was separated from the organization. The Personnel Committee directed staff to seek an outside firm who could handle those personnel consulting matters and in looking at Mathis and Associates resume it was noted their firm can perform in the areas of personnel and strategic planning matters. Staff is making the recommendation that Mathis and Associates be hired as a consultant to work with Watermaster in those areas and help perform the health benefit analysis, assist in the CEO evaluation process, and to facilitate the strategic planning meeting. Mr. Manning stated that it was previously planned to hold the Strategic Planning Retreat this December, however, due to over scheduling of the hotel we have been asked to postpone the retreat. This retreat will not happen in December although this important meeting will still take place in the early part of 2006 when schedules permit. A long discussion ensued with regard to the presented contract and the qualifications of Mathis and Associates to perform the duties that are needed at Watermaster. It was decided that no motion would be made today and that this item would be brought back on the November agenda and would incorporate a list of qualifications from Mathis and Associates.

No motion was made regarding this item and the Agricultural Pool committee members asked that this item be brought back for discussion/review on the November agenda.

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

Counsel Fife stated the attorney-manager process is continuing; there is an underlying agreement and the document that is being produced is almost complete. It is counsel and staff's hopes that an agreement will be presented to the Watermaster Board this month for their instruction to send it back through the Watermaster process. Face to face meetings are no longer taking place and matters are being handled via conference calls and hopefully that signifies that what is left to accomplish are only minor issues. Counsel Lee stated the final agreement will be circulated through all the Pools and will be completely explained and all questions answered. Counsel Fife noted that under the CEO staff report there will be a report by Mr. Wildermuth on the first steps towards the technical aspects of the Peace II Agreement.

2. September 22, 2005 Hearing

Counsel Fife stated this item is regarding the September 22, 2005, hearing which concerned the reappointment of the nine member board issue. Last month two proposals were presented to the Agricultural Pool for motions to present to the court; one was to ask the court for a further continuance of the issue until February 9, 2006 – that was done at the September 22, hearing. The order from that hearing is available on the back table; we asked the court to make an interim reappointment of the board until February 9, 2006 with rotation to occur as specified in the rotation schedule and then to schedule a hearing for February 9, to consider the

reappointment issue. The court did agree with that proposal. Counsel Fife noted that in terms of scheduling, Watermaster does not typically schedule meetings in December, and in order to make the February 9 hearing date a motion would need to be filed at the beginning of January for the reappointment. If Watermaster is not going to hold December meetings that motion would need to pass through the Pool, Advisory Committee, and Watermaster Board in November. Counsel Fife stated that if November is too soon to make a decision then December meetings will need to be scheduled. Mr. Koopman inquired if there were any discussions taking place on changing the make up of the current or rotation schedule of the Watermaster Board. Counsel Fife stated that by direction of the Board, staff and legal counsel have not engaged in any such discussions and when they do occur or have occurred; staff and legal counsel has left the room. Counsel Fife stated he is not aware of the content of those discussions. Counsel Lee stated that he can apprise members of those discussions after the meeting today.

B. CEO/STAFF REPORT

1. Basin Re-Operation/HCMP Update

Mr. Wildermuth gave the presentation "Summary of Provisional Hydraulic Control Modeling Results" to the committee members. An analysis of the calculations of potential replenishment obligation was reviewed in detail. Alternative desalter II expansion scenarios by Western Municipal Water District were examined and the decrease in annual Santa Ana River discharge at Prado Dam was reviewed and discussed. Mr. Wildermuth stated that discharge from Chino North to the Santa Ana River is very small for all post OBMP pumping and replenishment scenarios. Several maps regarding groundwater and geology were observed. Mr. Wildermuth looked at the revised table regarding reduced replenishment costs and increased power costs for pumping and replenishment plans. The change in storage attributable to forgiving the replenishment obligation of the desalters through 2030 was reviewed in detail. Engineering to be completed include, 1) finalizing series of simulations based on term sheet for Watermaster and others, 2) finalizing simulations to estimate loss from storage with/without desalters, 3) development of Hydraulic Control Operating Plan, and 4) draft report completed in mid November. A discussion ensued with regard to the presentation.

2. Water Quality Update

Mr. Wildermuth gave the presentation "Annual Report of Santa Ana River Water Quality" to the committee members. A review of the background was given and it was noted the 2004 Basin Plan Amendment contains several requirements for ongoing monitoring and reporting. Pursuant to the Amendment, certain participants are required to conduct the following investigations: a) recomputation of ambient water quality for the period 1984 to 2003, b) preparation of an annual report of Santa Ana River Water Quality, and c) demonstration of nitrogen loss in Reach 3 of the Santa Ana River. Mr. Wildermuth reviewed what data collections are needed by individual parties. The location of non-tributary discharges and surface water sampling stations map was reviewed in detail. A brief analysis was given on the Santa Ana River Reach 2 and Reach 3. Mr. Wildermuth offered conclusions for 2004 and noted the results of these monitoring programs indicate the water quality of Santa Ana River is in compliance with basin plan objectives. It was noted that the Basin Plan Amendment required monitoring and analyses and the background and objectives in the December 2004 Basin Plan Amendment were evaluated. Nitrogen loss monitoring was chemically broken down and calculated nitrogen loss coefficients for the Santa Ana River were presented. Mr. Wildermuth provided a summary for this presentation and a brief discussion ensued.

3. November meeting schedule

Mr. Manning noted due to the Thanksgiving holiday the Advisory Committee and Watermaster Board meetings will be moved up one week to November 17, 2005 and to please adjust calendars to reflect this new date. It was also noted that it appears the meetings in December

will take place and all parties will be notified in advance of those meetings; staff will attempt to schedule December meetings in the early part of December.

4. Agricultural Pool Water Fee/Tax Update

Mr. Manning stated this item has been a running item placed on each agenda for several months now for update. Mr. Koopman gave comment regarding Agricultural transfers and a discussion ensued. Mr. Manning offered comment on the procedure that was agreed to in the Rules and Regulations, Peace I process. Mr. Koopman discussed the concept of zero cost and inquired to the comments made being in the actual Peace Agreement. Counsel Fife stated the back up for counsel and staff's statements are found in Exhibit G, paragraph 6, on page 66. Counsel Lee stated that he would discuss this item with interested parties after the meeting.

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

October 13, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
October 18, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
October 18, 2005	9:00 a.m.	GRCC Meeting
October 20, 2005	9:00 a.m.	Assessment Package Workshop
October 27, 2005	9:00 a.m.	Advisory Committee Meeting
October 27, 2005	11:00 a.m.	Watermaster Board Meeting
November 10, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
November 15, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
* November 17, 2005	9:00 a.m.	Advisory Committee Meeting
* November 17, 2005	11:00 a.m.	Watermaster Board Meeting

* Note: meeting is one week early due to Thanksgiving

The Agricultural Pool Meeting Adjourned at 11:15 a.m.

Secretary: _____

Minutes Approved: November 15, 2005