

Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
November 15, 2005

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on November 15, 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
Dan Hostetler	Cal Poly Pomona

Watermaster Board Member Present

Geoffrey Vanden Heuvel	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

Watermaster Consultants Present

Michael Fife	Hatch & Parent
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Others Present

Steve Lee	Reid & Hellyer
Dave Crosley	City of Chino
Mark Kinsey	Monte Vista Water District
Gil Aldaco	City of Chino
Frank Brommenschenkel	Consultant for Reid & Hellyer

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

AGENDA - ADDITIONS/REORDER

Item 1C Water Transaction was pulled from the Consent Calendar for discussion. The City of Chino has requested some information and that will be added to the CEO Report under III Reports/Updates.

I. CONSENT CALENDAR

A. MINUTES

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

B. FINANCIAL REPORTS

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

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

Pulled for discussion. This item will be moved to be presented and discussed after the Business Items.

C. WATER TRANSACTION

1. Consider Approval for Transaction of Notice of Sale or Transfer – Monte Vista Water District has agreed to purchase from the City of Chino Hills a portion of the City's water in storage in the amount of 5,000 acre-feet. Date of application: October 18, 2005

II. BUSINESS ITEMS

A. MATHIS & ASSOCIATES CONSULTANT AGREEMENT

Mr. Manning stated this item was on the agenda last month and after the Agricultural Pool meeting it was decided more information was needed before bringing this item to the Advisory Committee and the Watermaster Board; this item was pulled off the agenda for those two meetings. The item being presented today includes a revised contract that includes the indemnification clause and other minor adjustments which were requested. Staff is asking the approval of the revised contract to assist in personnel and strategic planning requirements. A brief discussion regarding costs ensued.

Motion by Koopman, second by Pierson, and by unanimous vote
Moved to approve the revised Mathis & Associates consultant services agreement, as presented

B. FISCAL YEAR 2005/2006 ASSESSMENT PACKAGE

Mr. Manning stated there was an Assessment Package Workshop held on November 2, 2005 that was well attended. At the workshop, Ms. Rojo presented the new format and changes that were incorporated into the 2005/2006 Assessment Package. Ms. Rojo reviewed the presentation titled, "Assessment Package Fiscal Year 2005/2006 Based on 2004/2005 Production". This presentation was given in the form of a handout and it was noted the full presentation will be given at the Advisory Committee and Watermaster Board meeting. Ms. Rojo noted that part of what staff wants to do is develop a budget package data base to tie both the budget and assessment package together. The development of a budget package database will allow integrated production and assessment/budget information which will generate and automate data required for other calculations such as, 1) Assessment fee summaries, 2) Fringe benefit rates, 3) Overhead rates, and 4) Labor budgeting by project. Ms. Rojo noted that due to some minor changes that came out of the workshop the data that was released at the workshop in the binders need to be replaced with the revised data. A new binder is available for all parties who were not at the workshop and new inserts are available for those who were at the workshop to replace the old information. A question was presented regarding the column titled new yield. Ms. Rojo stated that column represents storm water that will potentially go into the ground this winter. A question regarding early transfer was presented. Ms. Rojo stated this figure is calculated annually and the 32/8 is adjusted annually. A discussion regarding assignments ensued. It was requested that the Land Use Conversion maps be shown to the Agricultural Pool Committee members in the form of a brief presentation at the next meeting. It was requested that an MZ1 presentation regarding water transfers which could possibly affect material physical injury be given at the next meeting.

Motion by Koopman, second by Pierson, and by unanimous vote
Moved to approve the fiscal year 2005/2006 Assessment Package, as presented

Pulled for discussion from the Consent Calendar.

C. WATER TRANSACTION

1. Consider Approval for Transaction of Notice of Sale or Transfer – Monte Vista Water District has agreed to purchase from the City of Chino Hills a portion of the City's water in storage in the amount of 5,000 acre-feet. Date of application: October 18, 2005

A lengthy detailed and technical discussion ensued with regard to the Monte Vista Water District/City of Chino Hills water transaction. No motion was made regarding this item and it was decided that this item will need to be held open and brought back on the December agenda for technical review by Frank Brommenschenkel, Wildermuth Environmental Inc., and the MZ1 Technical Committee before the Agricultural Pool will consider a motion for approval. It was requested that Mark Wildermuth be present at the meeting when this item is brought back for reconsideration.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney-Manager Process

Counsel Fife stated the parties have reached an agreement which was taken to the Watermaster Board in October. The request at the board level was to refer the agreement to the pools and ultimately back to the board for action. At that meeting, the Board felt it was premature to do that and there needed to be more discussion before the agreement was sent through the Watermaster process for action. A Peace II workshop has been scheduled at the Board's request on November 17, 2005. The purpose of this workshop will be to walk through, in detail, the agreement and answer questions. At the November Watermaster Board meeting staff will requested to start the process to move the agreement through the Watermaster process. Mr. Vanden Heuvel offered comment regarding the proposed Peace II Agreement and noted that he has had ample time to review the agreement and that he has attended two subsequent meetings on the agreement to obtain some additional information which also allowed time for lengthy discussions at those meetings. Mr. Manning agreed that after the workshop staff will be recommending the Peace II Agreement be approved to move forward at the next Watermaster Board meeting.

Added Item:

Mr. Crosley passed out a handout of a map showing the locations of some wells noting that the wells that were in question were represented by a circle being drawn around them. Mr. Crosley stated the purpose of this added item is to request access to existing data that corresponds to the wells located within the circled area on the handout. The request is being made due to the City of Chino, in pursuit of its master water supply plan, needs to develop potable water wells to meet the demand. A portion of that demand is represented by the shaded portion of the map which is the development of the College Park Project. Discussions are taking place with the developer of the College Park Project about developing a potable well water facility sufficient to meet the water demand represented by that development project. On that map it shows five other potential sites that the City of Chino plans to evaluate with the assistance of a technical consultant and that consultant has indicated to the City of Chino that in order to conduct the technical evaluation of the suitability of those five sites, that it would be most helpful if they had data corresponding to the wells indicated on the map. Mr. Crosley stated that he is asking for data that the Watermaster already has in its database; no staff members of the City of Chino are going to go to those sites and collect new data, this is simply a literature search and evaluation of existing data. It has been the City's understanding that in order to have access to that existing data, it is necessary to make this request at this pool meeting. A lengthy discussion ensued with regard to Mr. Crosley's request. Chair deBoom noted there was a need to first find out which of these wells are active and which are inactive to start a process to release information. Mr. Manning stated that his understanding from the discussion was that there is not problem releasing information on inactive or abandoned wells; however, the

established procedure/policy to contact active well owners for their permission to release information needs to be completed prior to any release of data. Chair deBoom stated that by the direction of the Agricultural Pool Committee Members the course that will be taken in this matter is to first find out which wells are inactive and/or abandoned and active well owners will be contacted for their permission of release of data. Mr. Manning stated that Watermaster staff will send out the letters to the appropriate well owners.

B. CEO/STAFF REPORT

1. Peace II Workshop

Mr. Manning noted the workshop has been scheduled for Thursday, November 17, 2005, at 8:00 a.m. at a nearby facility to the Chino Basin Watermaster and strongly encouraged all interested parties to attend. Mr. Manning noted that Counsel Slater and Mr. Wildermuth will be at the workshop to answer questions. An extensive discussion ensued with regard to the Peace II Agreement. Mr. Manning stated issues and questions will be discussed in greater detail at the upcoming workshop and due to the sensitivity of this discussion it should not be discussed further at this meeting.

2. Recharge Activities Update

Mr. Treweek reviewed the changes that have taken place over the last year with regard to basin capacity, basin refurbishing, and overall changes. Mr. Treweek noted that last year as we approached the storm season there were about 50-60% of the basins in full operating capacity. The others were held up due to physical construction on some sites, by lack of an operating procedure that was acceptable to the Flood Control District, and by the SCADA system not being in place. Mr. Treweek stated that as of today we are operating at 95% availability. Mr. Treweek gave an update on the Turner Basin. The draft Operations Manual has been reviewed by several parties and is now being worked on for the final edits, it is anticipated to have in completed prior to the beginning of this years storms season. The SCADA system is complete only for what the Flood Control required; more work is needed on several other areas – progress is being made; however, the system is not fully functional. Mr. Treweek reviewed the basin capacity issues and plans for improvement. Mr. Manning stated Chino Basin Watermaster is committed to making the necessary changes to improve the basins and our operational systems.

3. Minor Rep Election Update

Mr. Manning noted the minor rep elections were held at last weeks Appropriative and Non-Agricultural Pool meeting. Nicholson Trust and West End Consolidated Water Company both had nominated representatives and after the elections and the votes were tallied it was noted that Mr. Ken Willis of West End Consolidated Water Company won the minor rep election by volume vote.

4. Agricultural Pool Water Fee/Tax Update

Mr. Manning stated this item has been left on the agenda for several meetings now, however, it is believed that Counsel Lee is working with the committee members on resolving this issue amicably. Chair deBoom stated that Counsel Lee has written something up on this issue and will be distributing that after the meeting today.

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

November 8, 2005	9:00 a.m.	GRCC 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	8:00 a.m.	Peace II Term Sheet Workshop @ Lions East
November 17, 2005	12:00 p.m.	Lunch @ CBWM
November 17, 2005	1:00 p.m.	Advisory Committee Meeting
November 17, 2005	2:00 p.m.	Watermaster Board Meeting
* December 6, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
* December 8, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
* December 15, 2005	9:00 a.m.	Advisory Committee Meeting
* December 15, 2005	11:00 a.m.	Watermaster Board Meeting

* Note: These meetings are tentatively scheduled

The Agricultural Pool Meeting Adjourned at 12:03 a.m.

Secretary: _____

Minutes Approved: December 15, 2005