

Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
July 18, 2006

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on July 18, 2006 at 9:00 a.m.

Agricultural Pool Members Present

Nathan deBoom, Chair	Dairy
Jeff Pierson	Crops
Glen Durrington	Crops
John Huitsing	Dairy
Bob Feenstra (by proxy)	Dairy
Pete Hettinga	Dairy

Watermaster Board Member Present

Sandra Rose	Monte Vista Water District
Paul Hofer	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
Andy Malone	Wildermuth Environmental Inc.

Chair deBoom called the meeting to order at 9:11 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 June 20, 2006

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of June 2006
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2005 through May 31, 2006
3. Treasurer's Report of Financial Affairs for the Period May 1, 2006 through May 31, 2006
4. Profit & Loss Budget vs. Actual July through May 2006

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

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

II. BUSINESS DISCUSSION ITEM – NO ACTION REQUIRED**A. DATA REQUEST PROCEDURE**

Chair deBoom stated this item was placed on the agenda for this month from a request by the Agricultural Pool committee members last month for additional information to be brought back. Mr. Manning stated this item was held over from last month in anticipation that Mr. Koopman would be in attendance at the August meeting. With Mr. Koopman not being in attendance, this item can be held over for the September agenda or a brief overview of the two data requests can be given. The Agricultural Pool committee members asked that a brief report be given on the outcome of the two data requests. Mr. Manning noted there were two data requests presented to the Agricultural Pool last month; one was for the City of Chino. That one was requesting release of data within a two mile radius around a particular well in order to be able to make decisions and to assist them in their permitting process with the Department of Health Services. The other request was for the Chino Airport Plume. This request was a result of the Chino Airport's clean up and abatement orders and their interest in them getting information about the wells in the adjacent area. With regard to the Chino Airport's request, Watermaster sent out the request for release of data post card and out of the entire lot that was sent only one was received back stating they did not want their information released. Watermaster has in its policy that if we do not get a returned receipt for a letter that is sent out to an owner, we then determine the answer is a no for release of data. With regard to the City of Chino's request, only nine post cards were returned stating they did not want their well data released. A discussion regarding the post cards that are sent out requesting release of data ensued. Chair deBoom inquired to the types of requests that will be forthcoming over the next several months. Mr. Manning stated that the majority of the requests that will come through Watermaster in the future are primarily represented by two requests we just had; these are the norm or typical requests. Chair deBoom inquired if Watermaster has sent recent well water quality data to the individual private well owners recently. Mr. Manning stated the last time the well water quality data was sent out was a few years ago and this is something that staff is currently working on with Wildermuth Environmental. A discussion ensued with regard to private well owners receiving water quality information. A report will be given with this regard in the near future. Mr. Manning stated what Watermaster staff was proposed at the last Agricultural Pool meeting is for these types of requests is to alter the policy for those instances for when we are working with entities who are parties to the Judgment. The same process would be followed in that the letters asking for the request of release of well data but then staff will notify the Agricultural Pool at their next meeting as opposed to asking first and then mailing out the letters. In the case of a PRP wells where they will be working with the Regional Board, staff would use the same process. If anyone else would come to us and ask for information we would come to the Agricultural Pool first and then proceed with the letters being sent out. This would give staff a jump start on responding to the requests by known parties. The other option would be to call the Pool chairman and inform them of the request to see if we could be pre-approval in that manner and then bring it back to the Pool for notification. Chair deBoom stated he does not believe the Agricultural Pool committee members are comfortable to change the process from how it has been handled in the past to a more expedited process at this point in time. A discussion ensued with regard to the presented offer to expedite the procedure.

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Counsel Fife stated in June the Watermaster Board did approve the non-binding Peace II Term Sheet and the next step after that decision is to have a workshop with the referee. That workshop is scheduled for July 26, 2006 starting at 11:00 a.m. at the Chino Basin Watermaster office. The intention of the workshop is that we will ultimately be going to go to the court on the Peace II Term Sheet, possibly in the September time frame, to ask for an initial approval of the term sheet. The purpose of the workshop next week is to take evidence that will be used at that hearing. Counsel Fife state rather than having lengthy presentations given to Judge Gunn, we will provide the presentations to the referee and the referee's assistant that will create a record and on the basis of that record the court will

make its decision. There will be a court reporter present at the workshop and we are anticipating a presentation by the economist that has been hired to do the cost benefit analysis of Hydraulic Control and the desalter element in the term sheet. We are also going to have a presentation by Mark Wildermuth concerning all of his technical analysis that went into the term sheet. We may or may not have a presentation given by Joe Scalmanini who is doing a review of the Wildermuth model. We are anticipating the workshop to last the entire day after it begins, lunch will be served, and all parties are invited to attend.

B. CEO/STAFF REPORT

1. Storm Water/Recharge Report

Mr. Treweek stated there is a handout on the back table which summarizes the year end recharge totals. We have recharged 49,000 acre-feet from "all sources", imported, storm, and recycled water. A plan for fiscal year 06-07 has been drawn up and is available on the back table; the plan consists of four pages. The first page is on imported water, the second page is on storm water, the third page recycled water plan, and the fourth is a summary; we anticipate 60,000 acre-feet of recharge for the next fiscal year. There were two assumptions made in drawing up the new plan, that MWD would continue to provide replenishment water and that we will have an average rainfall year. This year our rainfall was about 20% below average. Our Phase II design consultant Kennedy Jenks has been brought under contract and they will design our Phase II improvements this fiscal year with the idea that in July of 2007 the Phase II improvements will be designed and constructed and that will add 15,000 acre-feet to the total replenishment. Watermaster staff has already identified some additional basins that we want to either lease or purchase; the Etiwanda Conservation Ponds, Victoria Basins South, and improvements to the Upland Basin that would constitute as a Phase III design for fiscal year 08-09. We are anticipating in the year 2008 we will be able to report that we can recharge 80,000 acre-feet. A discussion regarding College Heights Basin ensued.

2. Legislative/Bond Update

Mr. Manning thanked Rich Atwater and Martha Davis for the work they are doing in the legislative area. Regarding Proposition 84, Inland Empire Utilities Agency and Metropolitan Water District have both taken positions of favor on Prop 84. It is an issue that all the agencies should be looking at. Mr. Manning stated this is the Caves initiative which is a \$5.4 billion dollar bond issue that is a water bond broken down into a \$2.7 billion dollar water bond and \$2.7 billion dollar environmental bond and it does provide money for the Santa Ana regions. There is a lot of discussion on this proposition

3. Hanson Aggregate

Mr. Manning stated this item has now been in the newspaper a few times and some of those articles are in the meeting packet under information. Mr. Manning noted last month a letter was sent to Hanson Aggregate which was signed by Rich Atwater and himself informing Hanson that we have silt build up in our Lower Day Basin which is just below the 210 freeway. The letter stated that preliminary investigations have pointed to the fact that we suspect Hanson was the cause of the silt from illegal discharges from their Hanson plant. A few weeks ago the Daily Bulletin phoned and scheduled an appointment with us go out with them to look at the damaged area and at Hanson facilities. Watermaster staff met with the Daily Bulletin staff at the site and showed them the problems first hand. We received a letter from Hanson Aggregate yesterday which informed us that they firmly believe they did not cause any of this damage because they practice Best Management Practices and this type of incident could not take place. Watermaster is now looking at our options as to how to proceed next and staff will keep the parties apprised. Mr. Manning stated the Daily Bulletin has taken this event on and feels it is news worthy material; they are spending a lot of time and resources on following up on this item. Mr. Manning stated we are looking at approximately \$1.2 million dollars in losses and that figure is going up almost every day. A discussion ensued with regard to this issue.

- 4. Annual Monitoring Program Agreement between IEUA & CBWM
Mr. Manning stated this is actually a notification item that this agreement is being worked on and will be coming up for approval through the Watermaster process in August.

III. INFORMATION

- 1. Newspaper Articles
No comment was made regarding this item.

IV. POOL MEMBER COMMENTS

No comment was made regarding this item.

V. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

July 13, 2006	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
July 17, 2006	1:00 p.m.	AGWA Meeting @ CBWM
July 18, 2006	9:00 a.m.	Agricultural Pool Meeting @ IEUA
July 25, 2006	9:00 a.m.	GRCC Meeting
July 26, 2006	11:00 a.m.	Workshop for Peace II w/ Special Referee
July 27, 2006	9:00 a.m.	Advisory Committee Meeting
July 27, 2006	11:00 a.m.	Watermaster Board Meeting

The Agricultural Pool Meeting Adjourned at 10:05 a.m.

Secretary: _____

Minutes Approved: August 15, 2006