

Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
August 15, 2006

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on August 15, 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	Dairy
Pete Hettinga	Dairy
Robert Nobles	State of California CIW
Edward Gonsman	State of California CIM
Dan Hostetler	Cal Poly Pomona

Watermaster Board Member Present

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

Chair deBoom called the meeting to order at 9:08 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 18, 2006

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of July 2006

C. WATER TRANSACTION

1. **Consider Approval for Transaction of Notice of Sale or Transfer** – Fontana Water Company has agreed to purchase from San Antonio Water Company water in storage in the amount of 5,000 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2005/2006. Date of application: June 26, 2006

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

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

II. BUSINESS ITEMS**A. ANNUAL MONITORING PROGRAM AGREEMENT BETWEEN IEUA & CBWM**

Mr. Manning stated the Memorandum of Understanding (MOU) which is before this pool is the result of continued operations between Inland Empire Utilities Agency (IEUA) and Chino Basin Watermaster (CBWM) which started in 2004 with the initial cost sharing agreement to perform monitoring. This MOU is identical to the budget approved amount in terms of the amount of anticipated cost. The monitoring agreement is a 50/50 share other than those issues that are related to recycled water which are 75/25. Since the original agreement was put in place there has been a lot of activity and CBWM and IEUA has constructed nine new monitoring wells and implemented new surface and ground water monitoring programs. Staff is recommending the approval of the Annual Monitoring Program Agreement at this time. Mr. Feenstra inquired into the release of private well data. Mr. Manning stated the data will be kept in-house and will not be released. The concern of private well data being released was presented to Counsel Lee. Counsel Lee stated there is no greater concern now than when this was passed in 2004 with regard to Watermaster releasing private and confidential information. A lengthy discussion ensued with regard to this item. It was requested by the Agricultural Pool committee members that Watermaster staff bring back a more detailed description of what kind of monitoring is being done for this program. Mr. Manning stated we would put something together to present at the next meeting.

Motion by Durrington, second by deBoom, and by majority vote – Mr. Hettinga and Mr. Feenstra voted no on this item

Moved to approve the Annual Monitoring Program Agreement between Inland Empire Utilities Agency and Chino Basin Watermaster, as presented

B. UPDATE OF RESOLUTION 01-01

A number of years ago Watermaster had made a determination that staff was going to use the same costs/charges that are being applied to those types of requests for copied documents from the San Bernardino Superior Court. Watermaster adopted the same rate structure for our use and policy. The costs have gone up to \$.50 center per page and in staying in concert with their rate structure, staff is requesting to update our Resolution 01-01 to reflect the new rates. Parties to the judgment have their fees waived; however, non-parties to the judgment pay the copying fee if they want copies made. Recently there have been two requests for documents; one was a massive request for copied documents, making it even more important to adhere to the new Superior Court rate change. A brief discussion ensued with regard to actual costs.

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

Moved to approve the updating of Resolution 01-01 regarding Chino Basin Watermaster's cost structure, as presented

C. STATUS REPORT 2006-01

Mr. Manning stated that in February of 2006 the court reappointed the Watermaster Board and extended the Watermaster in its current capacity. That was also the end of our reporting requirements for the court based upon the previous five year order. In the course of making that determination the court ordered Watermaster to start a new sequence of reporting. In conversations with the court, they have requested we change our formatting that we are currently reporting to them. A new format was adopted to meet those new requirements and the report will be filed with the court two times a year in June and in December. This is the first report and we are using the year and the number of the report in the title for ease of recognition and filing.

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

Moved to approve filling Status Report 2006-01 with the court, as presented

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**1. Goodrich Subpoena

Counsel Fife stated the actual subpoena was distributed last month at the Advisory Committee and Watermaster Board meeting. Counsel Fife noted that Goodrich with regard to the water quality litigation in the Rialto Basin has served Chino Basin Watermaster with a subpoena basically asking for copies of every document that we have on file. Counsel attempted to explain to Goodrich the volume of documents they were requesting, however, the notification was not well received and they noted they still wanted every single document requested in the subpoena. Counsel has responded to their request by using Watermaster's standard form that we give to entities who make either public records act requests or any other copying request. Counsel Fife noted Watermaster is a judicial branch entity and is not subject to either the subpoena power of federal district court nor are we subject to the public records act, although, we are very open with everything we have and we will provide the copies which are requested for a fee. Because this request is coming from a law firm we did ask for an advance deposit before we would begin the copying process in the amount of \$25,000 dollars. A brief discussion ensued with regard to this issue.

2. Stakeholder Non-Binding Term Sheet

Counsel Fife stated the Special Referee Workshop regarding the stakeholder non-biding term sheet was held on July 26, 2006 and that workshop seemed to go very well. We are now waiting for a report from the referee and Ms. Schneider stated she anticipated her report coming to Watermaster sometime in the September time frame. Professor Sunding is also working on his revised report on the economic analysis. Some comments have been received by parties and if any others wish to make comments on Professor Sunding's report, they need to do so quickly because he finished his first report quickly which means his revised report will be done just as timely. Once we receive the referee's report as discussed at the workshop, we will then prepare a road map that describes what we see as being the process from here on out as requested by the referee.

3. Vulcan Assignment to San Antonio Water Company

Counsel Fife stated this item was originally on the agenda, however, the attachments were added later. Watermaster regularly gets assignments and this assignment is strictly between Appropriators and Non-Agricultural Pool members (not Ag Pool assignments). We regularly have those and there is no approval that is necessary by Watermaster; Watermaster is simply notified that an Appropriator has provided water to a Non-Ag Pool member and wants a credit against that Non-Ag Pool members water rights. Watermaster gets these types of assignments ever year and processes them as part of the annual production calculations, after the fact. Calmat and San Antonio Water Company have submitted for an assignment on Form 10, however, this particular one has been going on since 1980 and they have never reported it. They want Watermaster to do the assignment going back twenty six years. The affect of this would be to take approximately 8,000 acre-feet of water which is currently held in storage by Calmat and for it to go to San Antonio for storage. Because assignments don't require approval, this is not being brought to this committee today for approval, it is simply notification. Watermaster would not have to act on this until we get to the assessment process, although, Watermaster does have a lot of questions about the appropriateness of this assignment. There is a map on the back table which shows the Chino Basin boundaries and in looking at this map it appears the Calmat facility is outside the Chino Basin, which has also raised a number of questions. Mr. Bowcock who represents Calmat at the Appropriative Pool meeting introduced the argument that Calmat was originally in the Chino Basin and if you go back in time you can see that many years ago it was in the Chino Basin and over time it has moved. Mr. Bowcock argued it was a contiguous and continuous project and so it does not matter that it is now outside the basin. Counsel Fife stated staff and counsel has not yet analyzed the information presented and there is much more data to collect before we can proceed. A

discussion ensued with regard to this issue. Counsel Fife stated another issue that was raised by Appropriators' at the meeting was whether this creates a policy where if somebody wants to change their mind about something they did years ago – they can simply change their mind, which is what San Antonio and Vulcan/Calmat are appear to be doing. We are looking at these questions, we are looking at this assignment, we are providing notice to everybody that they have submitted a Form 10 and are asking an assignment that goes back to 1980. Mr. Manning offered comment regarding this particular assignment and stated this item needed to be day lighted and there are several questions yet to be answered. A discussion ensued with regard to an economic impact regarding this assignment.

B. WATERMASTER ENGINEERING REPORT

1. Basin Outflows Regarding the Chino Airport Plume

Mr. Manning stated at the special referee's workshop Mr. Wildermuth gave an excellent presentation on the hydrology of the basin for the decisions that are being made as part of Peace II. During that discussion at the workshop the special referee made comments and asked a question regarding a portion of the presentation and Mr. Wildermuth noted he did not have the exact answer prepared at that time to answer the question. Mr. Manning stated that Mr. Wildermuth noted at the workshop that he would gather the proper information and present his findings back to the Pools, Advisory Committee, and Watermaster Board. This is the portion that was missing out of the Wildermuth presentation. Mr. Malone stated he will be reviewing a bit about our current monitoring program/data and discussing the need for additional desalter well pumping in the southern end of the basin to achieve hydraulic control. We will also be looking at some of the computer simulation model results to put in the additional desalter pumping that is needed and see what that tells us about the achievement of hydraulic control out into the future and then lastly our next steps to optimize the future well field design. The monitoring data that we have collected to date shows we do not have hydraulic control on the west side of the basin. Mr. Malone reviewed several contour maps to support their findings and presented the next steps in detail. A question regarding background colors on the contour maps was presented. Mr. Malone reviewed what each color represented. A discussion ensued with regard to the two plumes which were presented on the maps. Mr. Manning offered comment on the past meetings with the PRP's and noted there were other meetings scheduled in the near future. Mr. Manning stated this clean up is not going to happen overnight, we are still in the beginning stages of clean up remediation. A discussion ensued with regard to the desalter wells and the plumes. Mr. Malone stated that Peace II mentions other parties possibly participating in the desalters so Black & Veatch, RBF, and Wildermuth Environmental got together and ran some scenarios on where we could put wells in certain places and what would that affect be on hydraulic control. Mr. Malone reviewed some of the recently collected data on those modeling results. A discussion ensued with regard to Mr. Malone's presentation.

C. CEO/STAFF REPORT

1. Storm Water/Recharge Report

Mr. Treweek stated our actual recharge for July was 1,600 acre-feet and our goal was 3,800 acre-feet. The reason we only achieved about 40% was that Metropolitan Water District shut down all the replenishment water during the very-hot dry period. We are now back running at full bore and we are recharging about 200 acre-feet a day in our basins. The only basin that is not working right now is the Lower Day Basin which is being cleaned out presently. Mr. Treweek recapped the future CBFIP facilities and reviewed the schedule of yield for the CBFIP facilities. Mr. Manning stated what was just reported is an optimistic view of our recharge operations and we look at it as the best case scenario based upon where we are today and we also believe most of it achievable with a lot of work. There are still things that need to happen to make this workout. We are thinking of ways to meet our obligations for recharge, this was one of the items the special referee mentioned at the workshop and is also critical to the court. We are thinking about where we need to be in

the year 2030 and this is part of the planning we are working on as to how to get there, along with our upcoming Strategic Planning Conference that is being held in October 2006.

2. Legislative/Bond Update

Mr. Manning stated Sacramento meetings will take place this month which is the last month of the session so anything that does not get off the floor and onto the governors desk is canned and will have to come back in the next session. We are in the middle of an election cycle and the filing period ends tomorrow for elections for seats that are up for election this year. There is a lot of political stirring going on right now. There will be a lot of activity seen over the next couple weeks.

3. Hanson Aggregate Update

Mr. Manning stated this item is actually an information update and that if and when this item is discussed it will be in closed session from now on and will probably be discussed at the next Watermaster Board meeting at the end of the month.

4. Budget vs. Actual Update

Mr. Manning stated this item is in response to a letter written by Robert DeLoach to the chairman of the Agricultural Pool regarding the legal fee overage from the budgeted amount. A response letter was written back by Nathan deBoom, the chairman of the Agricultural Pool, in regard to the overage which included some great suggestions.

5. IEUA Landscaping Alliance

Mr. Manning stated there are a number of events that are all coming together at the same time, like the Strategic Planning Conference which is also related to this Alliance. Along the lines of the IEUA Landscaping Alliance, there is a series of workshops that RAND has offered to hold. The first workshop happens to tag on very nicely to the October conference and RAND wants to hold those in the same time frame as our conference. In September, we are going to be moving the Advisory Committee and the Watermaster Board meeting to the IEUA facilities and after the Board meeting we will have lunch and then go directly into the first RAND session which we will use as our pre-conference kick off. The first session will be addressing water supply and global warming water supply issues here in California.

6. Data Request Procedure Update

No comment was made regarding this item.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

2. IE PAN Invitation

Mr. Feenstra offered comment on Gary Miller and encouraged all to participate in this event.

V. POOL MEMBER COMMENTS

Mr. Feenstra stated he is working with the new warden at CIM and they both are going to be working on getting more recycled water to the prison so that the grounds can be greener and better looking.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

August 10, 2006	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
August 15, 2006	9:00 a.m.	Agricultural Pool Meeting @ IEUA
August 24, 2006	9:00 a.m.	Advisory Committee Meeting
August 24, 2006	11:00 a.m.	Watermaster Board Meeting

August 29, 2006 9:00 a.m. GRCC Meeting

The Agricultural Pool Meeting Adjourned at 10:45 a.m.

Secretary: _____

Minutes Approved: September 19, 2006