

*Minutes*  
**CHINO BASIN WATERMASTER**  
**AGRICULTURAL POOL MEETING**  
October 17, 2006

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on October 17, 2006 at 9:00 a.m.

**Agricultural Pool Members Present**

Nathan deBoom, Chair	Dairy
Gene Koopman	Milk Producers Council
Jeff Pierson	Crops
Glen Durrington	Crops
John Huitsing	Dairy
Bob Feenstra	Dairy

**Watermaster Board Member Present**

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

**Others Present**

Jennifer Novak	State of California
Steve Lee	Reid & Hellyer
Frank Brommenschenkel	Frank B & Associates

Chair deBoom called the meeting to order at 9:09 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 September 19, 2006

**B. FINANCIAL REPORTS**

1. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2006 through July 31, 2006
2. Treasurer's Report of Financial Affairs for the Period July 1, 2006 through July 31, 2006
3. Profit & Loss Budget vs. Actual July 2006
4. Cash Disbursements for the month of September 2006
5. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2006 through August 31, 2006 (page 23)

6. Treasurer's Report of Financial Affairs for the Period August 1, 2006 through August 31, 2006
7. Profit & Loss Budget vs. Actual July 2006 through August 2006

### C. GOVERNMENTAL SAVINGS ACCOUNT

1. Transfer from Bank of America Governmental Savings Account to the Bank of America Chino Basin Watermaster Governmental Checking Account

*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. NEW YIELD ALLOWANCES FOR FY 05-06

1. New Yield Allowances for the FY 05-06 Assessment Package at 50% of Desalter Production

Mr. Manning stated the staff report was not put into the package when the package was sent out due to staff was working with its consultants to make sure this item was represented correctly. The staff report along with the technical report reflects the determination of whether or not the desalter production created an amount of new yield at 50% or at 30%. 50% has been used the past. This year staff is making a different recommendation based on the technical information received. Wildermuth Environmental and Watermaster staff is recommending that 30% of the desalter production or 4,950 acre-feet be used in this year's assessment package. The 30% number represents work that was done in the April report by Wildermuth Environmental. The Appropriative and Non-Agricultural Pools motioned to delay taking action on this item for one month in order to allow more time to review the information. A discussion ensued with regard to the 30% vs. 50% numbers. A subsequent meeting to review this information appears to be needed and Watermaster staff will let the parties know the date that meeting is scheduled. Mr. Vanden Heuvel offered comment on desalter production and future pumping needs. A lengthy discussion ensued with regards to modeling and future adjustments to numbers. It was decided the Agricultural Pool would adopt the same motion that the Appropriative and Non-Agricultural Pool made last week regarding this item.

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

***Moved to table this item until next month after further review***

## III. REPORTS/UPDATES

### A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Storage and Recovery Negotiations

Counsel Fife stated another meeting took place with the San Diego County Water Authority. Since the last time these committees met we have also had another meeting Castaic Lake Water Agency and Metropolitan Water District. There was discussion at the last Appropriative Pool meeting that it was premature of staff to move forward discussing terms with any of these entities about a Storage & Recovery Program before getting feedback from the Appropriative Pool on what kind of terms the Appropriators would like to see in such agreements. There has been discussion over the past few weeks regarding this committee and it is counsels understanding that the Appropriative Pool is going to convene an ad-hoc committee for that purpose.

2. Desalter Negotiations

Counsel Fife stated we are continuing to talk with Western Municipal Water District about the desalter proposal that has been on the table for about a year now. Western is very anxious to move forward with some sort of agreement because they have some grant funds that will expire in the not too distant future and they would like to spend those monies. One proposal Western has put forth was that there does need to be more technical and feasibility analysis done and they would be willing to move forward with those

studies if we could come with an agreement that if one of the other agencies took the desalter option away from Western, there would be some level of reimbursement to them for having done all the technical work supporting the desalter project. Staff and counsel will be discussing this proposal with them in order to move this project forward. If and when any agreement does materialize that agreement would be sent through the Watermaster process for review and approval.

3. Peace II Term Sheet

Counsel Fife stated we have continued to have conversations with the special referee regarding the workshop and its outcome. It appears the best process for moving forward may be coming to the court, on our own initiative, to ask for preliminary approval the Hydraulic Control and Basin Re-Operation Plan. Staff felt this was going to be the plan prior to the workshop, that Watermaster was going to come to the court and ask for something and on the basis of the workshop the referee would then be able to advise the court. The special referee suggested at the workshop that a report come forward from the workshop; although, it appears the best way to move this forward is to have Watermaster go to the court first asking for a paragraph 31 review of the Hydraulic Control Basin Re-Operation project. Counsel is going to be moving forward with the preparation of that motion; however there is not a time frame for that work. The motion would be brought through the Watermaster process prior to its filing with the court.

4. Hanson Aggregates

Counsel Fife stated there as a meeting scheduled for yesterday to discuss the Lower Day Basin however that meeting was cancelled by Hanson because they were not ready to meet. This meeting has been pushed out a few weeks and we are anticipating that meeting to take place prior to the next Appropriative Pool meeting so that a full report can be given at the next meeting. The problem which occurred at the Lower Day Basin has been fixed and the basin is back in operation. The discussion which will take place with Hanson will be solely for cost recovery.

5. Goodrich Subpoena

Counsel Fife noted there is paper work on the back table regarding this item. Goodrich a few months back served Watermaster with a subpoena and asked for every document in Watermaster's possession. Counsel had a discussion with Goodrich and finally was able to come convince them that it would be much more expeditious if they would submit their request as a document request through the normal Watermaster channels and then if they would also narrow it to something specific instead of every document in our possession. Goodrich has now given us a list of the type of documents they want and then a map on which they drew a circle around a specific area in which they are looking for information. In looking at the map they provided, about 75% of the information they are looking for is outside the Chino Basin and we tried to explain to them that this particular area in which they were seeking information is not something Watermaster collected. With regard to information being needed for the Fontana area, they will be advised that under our policy Watermaster does not give out this kind of information without specific written approval from the entity it would affect. Currently Mr. Wildermuth is working up a cost estimate for how much staff time it will take for Wildermuth to provide all this information. Once we have that cost estimate we will give that to Goodrich and reveal to them how much we will be able to give them and the costs associated with that and ask for some sort of deposit.

**B. WATERMASTER FINANCIAL REPORT**

1. Water Activity Report (WAR)

Ms. Rojo stated staff has been working on the water activity reports; we are still missing about eleven reports.

2. Assessment Package

Ms. Rojo stated the Assessment Package Workshop is scheduled for Monday, October 30, 2006 at 9:00 a.m. here at the Chino Basin Watermaster office.

**C. CEO/STAFF REPORT**

1. Storm Water/Recharge Report

Mr. Treweek stated on the back table is the spreadsheet for the first quarter of this fiscal year. We have caught up to our goal of achieving 60,000 acre-feet of recharge water. This is a good sign because we are now approaching our storm season so we will have to cut back on the levels of imported water that we store in the basins so that if we do get some rainfall we will have the needed capacity. This month we will start cutting back on the levels in the basin and will hopefully start getting storm water.

An issue over the past couple years has been silt that the storm water brings into our basins. IEUA is responsible for the daily operation and what they developed to help us out in this area this year are some test vials that their technicians will take out in the field and they can compare the turbidity of the storm water with the turbidity that we have recorded in these vials. The turbidity essentially gives a reading of silt levels. Mr. Treweek handed the sample vials out for examination by the committee members. For those basins where we have a controlling sluice gate, we can install a turbidity meter and instead of having a technician have to physically go to these sites the turbidity meter can give us a reading and that information can automatically be transferred down to the control station. Once the operator at the control stations receives the information they can make the determination to keep the sluice gate open or to close it.

Mr. Treweek stated the second item regarding silt in the basins which is now being referred to by Watermaster staff as (SERT) Silt Extraction and Removal Train and has a short presentation in order to update the committee members on what staff has been working on. Mr. Treweek gave his presentation on SERT and noted the objective will be to remove a thin layer of silt from the bottoms of our operating recharge basins. A lengthy discussion ensued with regard to the SERT presentation. Mr. Manning offered comment on our investigations to better remove silt from the basins and to keep them wet 365 days a year.

2. Legislative/Bond Update

Mr. Manning stated there is an election coming up very shortly and in looking at some of the preliminary polling for the bonds really will depend on voter turn out. The lower the voter turn out, the less chance there is going to be for any of the bonds to pass. A complete report on all the legislative issues will be given at the Advisory Committee meeting later this month.

3. Water Fair

Mr. Manning stated the Water Fair took place last weekend and seemed to be a tremendous success. There were approximately 1,000 people who passed through during the four hour event. The message was terrific and with such a positive outcome we will continue to try and make this an annual event. Mr. Manning thanked all the parties who made this event so successful.

4. Strategic Planning Conference Recap

Mr. Manning stated on the back table is a copy of the analysis on the evaluations. The trend on the evaluations was that people were very pleased with the format and with the conference in general. On a rating of 1 to 10 (10 being best) the average score for this conference was 9.62. There was a lot of information gathered from the conference and we are hopeful that by the time the Advisory Committee and the Watermaster Board meet there will be a breakdown done from the actual breakout sessions to create a matrix of all actions and discussions from the conference.

5. Treatment of Desalter Forgiveness

Mr. Manning stated this is the action item which was acted on earlier under Business Items.

**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**

Mr. Manning stated the next Agricultural Pool meeting is scheduled for the week of Thanksgiving and inquired if there was a better date for this committee to hold that meeting. After a discussion it was decided to move the Agricultural pool to November 15, 2006 at 1:00 p.m. and will still be held at IEUA.

**VII. FUTURE MEETINGS**

October 12, 2006	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
October 17, 2006	9:00 a.m.	Agricultural Pool Meeting @ IEUA
October 24, 2006	9:00 a.m.	GRCC Meeting
October 26, 2006	9:00 a.m.	Advisory Committee Meeting
October 26, 2006	11:00 a.m.	Watermaster Board Meeting

The Agricultural Pool Meeting Adjourned at 11:05 a.m.

Secretary: \_\_\_\_\_

Minutes Approved: November 15, 2006