

Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
August 18, 2009

The Agricultural Pool Meeting was held at the offices of the office of Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on August 18, 2009 at 9:00 a.m.

Agricultural Pool Members Present

Bob Feenstra, Chair	Dairy
Nathan deBoom	Dairy
John Huitsing	Dairy
Rob Vanden Heuvel	Milk Producers Counsel
Gene Koopman	Milk Producers Counsel
Jeff Pierson	Crops
Jennifer Novak	State of California, Dept. of Justice, CIM
Pete Hall	State of California, CIM

Watermaster Staff Present

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	CFO/Asst. General Manager
Ben Pak	Senior Project Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Brownstein, Hyatt, Farber & Schreck
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Steven Lee	Reid & Hellyer
Gil Aldaco	City of Chino
Pete Vicario III	City of Chino
Martha Davis	Inland Empire Utilities Agency

Chair Feenstra called the Agricultural Pool meeting to order at 9:09 a.m.

AGENDA - ADDITIONS/REORDER

Mr. deBoom offered comment on Glen Durrington's health condition.

CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to the Agricultural Pool Rules & Regulations, a Confidential Session may be held during the Watermaster Pool meeting for the purpose of discussion and possible action.

No confidential session was held.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held July 21, 2009

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of July 2009
2. Watermaster Visa Check Detail for the month of June 2009

3. Combining Schedule for the Period July 1, 2008 through June 30, 2009
4. Treasurer's Report of Financial Affairs for the Period June 1, 2009 through June 30, 2009
5. Budget vs. Actual July 2008 through June 2009

A discussion regarding expenses for the Agricultural Pool, allocation of costs, and requested notes on some of the pages in the Financial Statements ensued.

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

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

Added Item:

Chair Feenstra commented on the Special meetings that were held on July 30, 2009 regarding the water auction and asked Mr. Manning to give an update on what took place at those meetings. Mr. Manning noted the stipulation was approved by the Pools, Advisory Committee, and Watermaster Board to modify the language in the stipulation which will allow the auction to move forward. Mr. Manning commented on how the auction will take place while using FTI/Harold Lea as the professional auction service. Mr. Manning noted possible dates to hold the auction are October 27 or October 28, 2009. A discussion regarding the upcoming auction ensued.

II. BUSINESS ITEM

A. NOTICE OF INTENT TO PURCHASE

Mr. Manning stated the Notice of Intent to Purchase is one of the steps that needs to be taken care of in order for Watermaster to secure purchasing the water from the Overlying Non-Agricultural Pool. One of the procedural steps that were built into the Peace II Agreement was the delivery of this Notice of Intent to Purchase. Counsel Fife noted there was a change from what is in the meeting packet because action was taken at the Appropriative Pool meeting last week. Watermaster will purchase the water from the Non-Agricultural Pool on behalf of the Appropriative Pool. The key to this notice is the Appropriative Pool directing Watermaster to proceed. Within 30 days of issuing the Notice of Intent to Purchase, Watermaster will have to tender payment to the Non-Agricultural Pool for the water as specified in the Peace II Agreement. Counsel Fife stated hopefully the auction will be finished so that the proceeds can be used. Counsel Fife stated the change that occurred at the Appropriative Pool is that the Peace II Agreement requires identifies the purpose for which the water is going to be used. The actual amount that is available to purchase from the Non-Agricultural Pool is not 36,000 acre-feet; however, it is 38,652 acre-feet. The auction is being set at 36,000 acre-feet and the Appropriative Pool decided the 2,652 acre-feet would be dedicated to Desalter replenishment. The notice will be changed to reflect that change.

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

Moved to approve the Notice of Intent to Purchase, as presented

Added Item:

Mr. Manning stated an item regarding meeting dates needs to be added to the agenda. Mr. Manning offered background on why this item is being added to the agenda. A discussion regarding this item ensued and it was decided that the Agricultural Pool will change their meeting date from the third Tuesday of every month to the second Thursday at 9:00 a.m. of every month starting in October. The meeting will still meet at the Inland Empire Utilities Agency office.

Added Comment:

Mr. Manning commented that the Appropriative Pool feels the Watermaster should draft its own open meeting rules that would apply to Watermaster. Mr. Manning stated this item falls nicely into what Watermaster staff is currently working on for the new Policy Manual. A discussion regarding the Brown Act and Watermaster policies ensued. Mr. Manning stated he will keep the parties updated on the Policy Manual and the open meeting rules as they both develop.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. August 11, 2009 Hearing

Counsel Fife stated the August 11, 2009 hearing took place and went very well. The hearing concerned the ongoing status report of the OBMP, Program Elements 7, 8, and 9, and the approval of the Watermaster's motion to approve the template Storage & Recovery Agreement. A proposed order was submitted which was worked out in advance and the judge did sign the revised order as submitted and notice was provided to the parties. Counsel Fife stated a few items did come up at the hearing because of losing Judge Wade to retirement regarding transitioning into another judge. Counsel Fife commented on Judge Wade's recommendations for the new judge transition. There is another hearing scheduled for September 17, 2009 if it is needed and can be cancelled if it is not needed. Counsel Fife offered comment on a case management order that would be submitted to Judge Wade which would serve as a signal to the next judge. This case management order could let the court know where Watermaster is on various matters. This order will go through the Watermaster process.

2. Auction Update

Counsel Fife noted this item was discussed as an added item earlier on the agenda.

B. ENGINEERING REPORT

1. Recharge Master Plan Update

Mr. Wildermuth stated Wildermuth Environmental staff is working diligently on the Recharge Master Plan. A meeting with Black & Veatch took place last month to go over a plethora of supplemental water recharge projects and those will be brought back through the Watermaster process in September. Mr. Wildermuth stated with regard to the modeling work that has been being worked on to optimize recharge and pumping is almost complete. A new Material Physical Injury report has been created for Peace II so that it could be used in CEQA.

2. Balance of Recharge & Discharge Discussion

Mr. Wildermuth stated Watermaster is obligated to do the balance of recharge and discharge report every other year and Wildermuth staff will be working with Watermaster staff on trying to get a memo distributed for discussion next month. Mr. Wildermuth noted after discussions have taken place and any changes that need to be made are done, it will then be finalized. Mr. Wildermuth stated Watermaster has complete control and discretion on supplemental recharge in the Chino Basin pursuant to the Peace Agreement and there are certain issues in the Peace Agreement that Watermaster has to contend with. One of those issues is the 6,500 acre-foot MZ1 recharge commitment every year. That amount accrues annually if it is not satisfied in MZ1 area; then the balance of recharge and discharge has to be done after that.

Added Comment:

Chair Feenstra inquired about the survey of well samples with regard to hexavalent chromium. Mr. Manning stated this project is 80-90% finished and the information gathered will be presented by Joe LeClaire at next month's meeting.

C. FINANCIAL REPORT

1. Year End Project/Budget Update

Ms. Rojo advised the pools that all water activity reports had been sent out plus some have already been received back. We are looking to receive back all of the water Activity Reports by the end of the week and staff is looking forward to the holiday the assessment package workshop in early September.

3. Year End Audit Update

Ms. Rojo Stated that Watermaster's fiscal year ended June 30, 2009 and our annual audit is currently under way. If anyone has any questions or issues regarding Watermaster's financial activities, please see Ken Manning.

D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated now that the state budget has been approved, it appears there is certain consensus that the water issues are taking front and center stage in Sacramento. There are five separate bills that have been developed as part of a master water plan to resolve Delta issues and water problems in the State of California. Those five bills are being reviewed starting next week with a joint committee meeting between the assembly and senate. This first meeting will be the start of a series of meetings and will take approximately four weeks to resolve. There are still discussions on what the joint committee will look like in terms of who will sit on the committee. Mr. Manning noted those five bills were sent to all the parties last week.

Mr. Manning stated he had an opportunity to meet face-to-face with former Senator Mike Machado and Tom Zukerman who represent interests in the Delta. Mr. Manning commented on the topics discussed at this meeting.

2. Recharge Update

No comment was made regarding this item.

3. Agricultural Pool Voluntary Agreements

Mr. Manning noted the Agricultural Pool Voluntary Agreements are done; however, Danni Maurizio is on vacation so she will give this report next month.

IV. INFORMATION

1. Newspaper Articles

Chair Feenstra offered comment on a recent Los Angeles Times article regarding the Inland Empire Utilities Agency.

Added Item:

Chair Feenstra asked Gil Aldaco from the City of Chino to give an update on the recycled water connections that are being worked on. Mr. Aldaco stated this is moving at a slow and steady pace. Work is being done on the channel that is within the CIM property to reconstruct it along with working on the permitting issues. Mr. Aldaco stated the City of Chino is also working on new service connections within the Jurupa Community Services District. Some grant funding agreements are being worked on for some of the pipelines. Mr. Aldaco noted that CIM has indicated an interest to utilize recycled water for landscaping around the perimeter of the buildings and structures as well as for some of the restroom facilities.

V. POOL MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

August 11, 2009	9:30 a.m.	Watermaster Hearing @ San Bernardino Court
August 13, 2009	8:00 a.m.	MZ1 Technical Committee Meeting @ CBWM
August 13, 2009	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting @ CBWM
August 18, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
August 27, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
August 27, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
August 27, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM

The Agricultural Pool meeting was dismissed by Chair Feenstra at 10:26 a.m.

Secretary: _____

Minutes Approved: September 15, 2009