

Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
January 14, 2010

The Agricultural Pool Meeting was held at the offices of the office of Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on January 14, 2010 at 9:00 a.m.

Agricultural Pool Members Present

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

Watermaster Board Members Present

Paul Hofer	Agricultural Pool
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Watermaster Staff Present

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

Watermaster Consultants Present

Michael Fife	Brownstein, Hyatt, Farber & Schreck
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Others Present

Steven Lee	Reid & Hellyer
Gil Aldaco	City of Chino
Dave Crosley	City of Chino
Pete Vicario	City of Chino
Ryan Shaw	Inland Empire Utilities Agency
Martha Davis	Inland Empire Utilities Agency
Marsha Westropp	Orange County Water District
Craig Stewart	State of California, CIW

Chair Feenstra called the Agricultural Pool meeting to order at 9:01 a.m.

AGENDA - ADDITIONS/REORDER

No additions or reorder were made to the agenda.

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 called.

I. ANNUAL ELECTIONS - ACTION

A. Calendar-Year 2010 Agricultural Pool Members

The Agricultural Pool membership shall consist of not less than ten representatives selected at large by members of the pool. Pool members will be asked to make any necessary changes to the following list in order to establish pool membership and alternates during calendar year 2010:

Current Agricultural Pool Members

Dairy: Robert Feenstra
 Gene Koopman
 Peter Hettinga
 Nathan deBoom
 John Huitsing
 Rob Vanden Heuvel
 Crops: Glen Durrington
 Jeff Pierson
 State: Pete Hall
 Edward Gonsman
 Jennifer Novak
 Nate Mackamul

Current Alternates:

Dairy: Syp Vander Dussen
 Crops: Dan Hostetler
 State: Henry Provencher
 Richard Alvarado

B. Calendar Year 2010 Agricultural Pool Officers

Nominations will be heard for Pool Chair, followed by nominations for Pool Vice-Chair.

Chair	<u>Bob Feenstra</u>
Vice-Chair	<u>Jeff Pierson</u>
Secretary/Treasurer	<u>Watermaster Chief Executive Officer</u>

C. Calendar Year 2010 Advisory Committee Members & Officers

The pool members will be asked to determine the ten agricultural representatives to serve on the Advisory Committee and, according to the rotation sequence established among the pools, appoint a representative to serve as Chair of the Advisory Committee during calendar year 2010

Chair	Appropriative Pool _____
Vice-Chair	Non-Agricultural Pool _____
2nd Vice-Chair	Agricultural Pool <u>Gene Koopman</u>

D. Calendar-Year 2010 Pool Representation on Watermaster Board

The Pool members will be asked to consider selecting two representatives to serve on the Watermaster Board during Calendar-Year 2010 and one or two alternate representatives.

Member: Paul Hofer Alternate: Bob Feenstra or Jeff Pierson
 Member: Geoffrey Vanden Heuvel Alternate: Bob Feenstra or Jeff Pierson

II. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held December 10, 2009

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of November 2009
2. Watermaster Visa Check Detail for the month of November 2009
3. Combining Schedule for the Period July 1, 2009 through November 30, 2009
4. Treasurer's Report of Financial Affairs for the Period November 1, 2009 through November 30, 2009
5. Budget vs. Actual July through November 2009

C. CHINO BASIN WATERMASTER INVESTMENT POLICY

Resolution 10-01 – Resolution of the Chino Basin Watermaster, San Bernardino County, California, re-authorizing the Watermaster's Investment Policy

D. LOCAL AGENCY INVESTMENT FUND

Resolution 10-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF)

E. NOTICE OF INTENT

Annual Filing of Notice of Intent Regarding the Determination of Operating Safe Yield

Motion by Novak, second by Pierson, and by unanimous vote – Durrington abstained

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

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. December 11, 2009 Court Hearing

Counsel Fife stated the hearing which was discussed at the last meeting did take place on December 11, 2009. The purpose of that hearing was for the new judge to introduce himself and to find out what he could expect from our case. Counsel Fife noted the Judge Reichert seems excited about working on our case and noted he was Judge Gunn's research attorney during the Peace Agreement period. A discussion regarding Judge Reichert ensued. Counsel Fife noted another hearing was scheduled by Judge Reichert for September 24, 2010 at 10:30 a.m. to decide on the motion to approve the updated Recharge Master Plan which is the next Condition Subsequent out of the December 21, 2007, order approving the Peace II Agreement.

2. Santa Ana Critical Habitat

Counsel Fife stated this item came up in again this past December. Counsel Fife stated there is a map of the Santa Ana Sucker Critical Habitat Re-Proposed 2009 area on the back table which proposes to expand the designation of the critical habitat for the sucker. This notice was published in the federal register on December 9, 2009, and the notice is long and was not printed for distribution; however, a copy can made available. Counsel Fife reviewed the map in detail. Counsel Fife noted comments are due by February 5, 2010 and counsel is encouraging CBWM to comment. Counsel Fife stated he has heard there are going to be extensive comments coming from a coalition of parties who could be seriously affected by the proposed expansion area for critical habitat. A lengthy discussion regarding this matter ensued.

3. Auction Process

Counsel Fife stated the water auction was postponed and a meeting took place last month with some of the parties to discuss what next steps should be taken next. Counsel Fife stated any party who would like to participate in those meetings, the next meeting is on January 20, 2010 starting at 3:00 p.m. Feedback has been received from the parties who were at the previous meeting and staff will come forward with recommendations at a future meeting. Mr. Manning noted Dr. David Sunding was hired to perform an economical analysis on the water options; Dr. Sunding is working on a contract that will go through the Watermaster process. A lengthy discussion regarding this matter ensued.

Added Comment:

Chair Feenstra asked that Ms. Rojo give a brief update on the Agricultural Pool's money. Ms. Rojo stated interest rates are at around a half percent right now through LAIF. Mr. Koopman asked who the Agricultural Pool banks with. Ms. Rojo stated Watermaster banks at Bank of America. Mr. Koopman inquired if Watermaster staff had ever spoken to Citizens Bank. Ms. Rojo stated at one point in time Citizens Bank had conversations with Watermaster regarding investments. A brief

discussion regarding this matter ensued and Ms. Rojo stated she would look into other possible banks to place the Agricultural Pool funds and report back to the Pool members.

B. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated legislatively the most noteworthy topic from this month is the governor gave his state address recently. At that address the governor had a lot of points about having the water bond as a primary focus of this new year. The governor also made a commitment to education to not make major cuts in the areas of education, which means he is going to look at filling in the gap of about \$20 billion dollars from other potential funds. This could mean our parties will be looking at additional impacts somehow. Mr. Manning referenced a news article in the meeting packet from the San Gabriel Tribune blog that was published right after Christmas that appears to be of interest and summarizes how some people feel about water.

2. Recharge Update

Mr. Manning stated the recharge numbers for November, 2009, are on the back table for your review. It appears December will be a much better month as far as recharge is concerned, and the December report will be available by the next Advisory Committee meeting.

3. Policy Manual

Mr. Manning stated this item has been discussed in the last several months. A group of producers have been reviewing the Policy Manual and have made recommendations. Those recommendations will go through the Watermaster process in February. Watermaster is in the process of going through the recommendations and working on format and revisions.

Added Comment:

Mr. Manning noted the Watermaster Thirty-Second Annual Report for fiscal year 2008-2009 has been produced and copies will be made available at the Advisory Committee meeting next week.

III. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

Added Comment:

Mr. Aldaco stated things are moving along well for the use of recycled water in the areas that have been recently discussed at the Agricultural Pool meetings. Mr. Aldaco offered comment on the status of the projects the City of Chino is working on regarding recycled water and new piping. A discussion regarding this matter ensued.

V. POOL MEMBER COMMENTS

Chair Feenstra spoke about an offer for stored water on some of Mr. Koopman's property. Mr. Koopman offered comment on this matter.

Chair Feenstra commented on the plumes in the Chino Basin and asked that Watermaster staff ask Wildermuth Environmental staff to give an update on those plumes at an upcoming meeting. Mr. Manning noted he would inquire about the request for an update at a future meeting.

VI. OTHER BUSINESS

No comment was made regarding this item.

VIII. FUTURE MEETINGS

January 14, 2010	9:00 a.m.	Annual Agricultural Pool Meeting @ IEUA
January 21, 2010	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
January 21, 2010	9:00 a.m.	Annual Advisory Committee Meeting @ CBWM
January 26, 2010	9:00 a.m.	GRCC Meeting @ CBWM
January 28, 2010	11:00 a.m.	Annual Watermaster Board Meeting @ CBWM

The Annual Agricultural Pool meeting was dismissed by Chair Feenstra at 10:15 a.m.

Secretary: _____

Minutes Approved: February 11, 2010