

Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

March 11, 2010

The Agricultural Pool Meeting was held at the offices of the office of Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on March 11, 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
Nathan Mackamul	State of California, CIW

Watermaster Board Members Present

Paul Hofer	Crops
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Watermaster Staff Present

Ken Manning	Chief Executive Officer
Danielle Maurizio	Senior Engineer
Ben Pak	Senior Project Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

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

Others Present

Steven Lee	Reid & Hellyer
Gil Aldaco	City of Chino
Dave Crosley	City of Chino
Jerry Thibeault	Regional Water Quality Control Board
Marsha Westropp	Orange County Water District
Ryan Shaw	Inland Empire Utilities Agency
Tom Love	Inland Empire Utilities Agency
Chris Berch	Inland Empire Utilities Agency
Ken Jeske	City of Ontario
Scott Burton	City of Ontario

Chair Feenstra called the Agricultural Pool meeting to order at 9:15 a.m.

AGENDA - ADDITIONS/REORDER

Chair Feenstra welcomed Jerry Thibeault from the Regional Water Quality Control Board. There were no other additions or reorders made to the agenda.

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Agricultural Pool Meeting held February 11, 2010

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of January 2010
2. Watermaster Visa Check Detail for the month of January 2010
3. Combining Schedule for the Period July 1, 2009 through January 31, 2010
4. Treasurer's Report of Financial Affairs for the Period January 1, 2010 through January 31, 2010
5. Budget vs. Actual July 2009 through January 2010

C. INTERVENTION INTO THE AGRICULTURAL POOL

Intervention of Rafael Treto into the Agricultural Pool

Ms. Novak pulled item 1B for discussion. Ms. Novak offered comment on the discussions that took place over a year ago regarding the Agricultural Pool attorney's fee bills. Ms. Novak stated that as part of the resolution for those bills was that a member of the Agricultural Pool would review the attorney fee bills as part of an approval process of the budget. Those are the attorney's fees bills for Watermaster to pay and Ms. Novak noted it was her understanding this has not happened. Mr. Koopman stated he remembered the Agricultural Pool increased the amount of money in the budget for the attorney category and on the special projects category which ended up being paid by the Appropriators. Mr. Manning stated that, in reviewing the budget numbers recently, the Agricultural Pool is just under 50% of expenditures of the budget that was allocated to the Pool. Mr. Manning confirmed those items are paid by the Appropriative Pool. Mr. Pierson acknowledged this was correct from his recollection also. A discussion regarding this matter ensued.

Mr. Koopman stated he would like a discussion regarding the proposed intervention and inquired about the location of the property/well. Mr. Manning offered the physical address and discussed the process for the County of San Bernardino in their issuing of permits for wells. Mr. Manning stated it is clearly an Agricultural endeavor for this intervention. A discussion regarding the correct pool for this intervention ensued. Mr. Manning noted a meter is being put on the well for monitoring the water usage.

Mr. Huitsing inquired about a \$71,000.00 check in the cash disbursements detail made out to the Auto Club Speedway. Mr. Manning stated this check was for the disbursement for the sale of the water. When Watermaster purchased the water from the Overlying Non-Agricultural Pool, it was then disbursed amongst the members of the Non-Agricultural Pool, and the Auto Club Speedway is one of the members of the Non-Ag party. Ms. Novak inquired about the financial disbursements and if they would include the checks that haven't been cashed for that transaction. Mr. Manning stated it is not reflected here in the presented financial reports. Ms. Novak inquired if any of the Overlying Non-Agricultural Pool checks have been cashed. Ms. Manning stated only one has been cashed so far to his knowledge. Ms. Novak inquired if by approving the financial items today would that suggest the Agricultural Pool agrees it was appropriate for Watermaster to write the checks as part of the dispute between the Overlying Non-Agricultural Pool and the Appropriative Pool. Mr. Koopman offered comment on the lengthy Peace II process for this particular item and noted it was very well stipulated in the agreement at the time, and stated there seems to be some problems with that presently. Mr. Koopman stated the problems with this situation are not on the part of the Watermaster and Watermaster wrote the checks because of the agreement that was reached in Peace II. Ms. Novak stated she was hoping part of the Agricultural Pool package would contain some of the minutes from the meetings that discussed this matter because the summary that is given here is not the entire description of what each of the Pool's think their dispute is. Ms. Novak commented on a recent set of verbatim minutes done for a recent Pool meeting and how they better outline what the Overlying Non-Agricultural Pool says is their dispute in this matter.

Ms. Novak noted it seems the Non-Ag Pool's dispute is whether appropriate notice was given. Ms. Novak further commented on the checks distributed to the Non-Ag members. Mr. Koopman stated he thinks the process was done in a timely fashion, as far as the Watermaster is concerned, and Chair Feenstra noted this is only what is being reported to us. Mr. Koopman acknowledged that if the checks were not written, then that would have been a violation of the Peace II Agreement. Mr. Manning stated Peace II is a contract with specific provisions that Watermaster must comply with, and one of those provisions is the filing of that notice; Watermaster still contends and will contend that Watermaster has done this properly and has done it effectively. Mr. Manning stated the writing of the checks was one of the other actions that needed to take place as part of that contract. Mr. Manning stated Watermaster feels it has complied with all provisions of the contract. Mr. Manning stated the Overlying Non-Agricultural Pool has not defined what it is that they object to in the process; nothing has been filed with Watermaster or with the court with this regard. Mr. Manning stated if the checks were not written then Watermaster would have been clearly in violation of the contract. Ms. Novak stated maybe the motion today could contain a caveat to show the Agricultural Pool does not show favor to one side or the other by approving the financial items. A discussion regarding this matter, minutes, and a possible motion ensued. Mr. Manning noted past minutes are available on the Watermaster website and/or Watermaster staff can provide them when a party requests them. A discussion ensued regarding the caveat Mr. Manning presented and it was agreed to by the members of the Agricultural Pool.

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

Moved to approve Consent Calendar item A through C and attached a caveat on the financial statements that this present no prejudice in terms of the disagreement between the Non-Agricultural Pool, Appropriative Pool, and the Watermaster on the actual notice that was given, as presented

Added Comment:

Chair Feenstra commented on being the chair of the Agricultural Pool which automatically puts him on the Watermaster Personnel Committee, and noted that the committee is a closed committee and items discussed in those meetings are not to be discussed outside those meetings by the members of that committee. Chair Feenstra recognized, while not disclosing the Personnel Committee discussions, there has been a change of Watermaster staff and noted Sheri Rojo has resigned her position with Watermaster. Chair Feenstra inquired about how the financial aspects are being handled at Watermaster with that staff position being open. Mr. Manning stated for day-to-day operations, Watermaster staff is keeping things moving forward. Mr. Manning stated to assure that the day-to-day activities continue to be handled properly, and to oversee that process, Watermaster has contracted with Cucamonga Valley Water District. Todd Corbin, who is their CFO/Assistant Manager, will perform that task. The scope of work Mr. Corbin will be doing is limited to day-to-day activities and he will have nothing to do with the Assessment Package, dealing with water rights, or any of those sorts of accounting functions. Mr. Manning stated Watermaster is in the process of interviewing candidates for the CFO position and is confident that that position will be filled quickly. A discussion regarding bringing in the Cucamonga Valley Water District's CFO/Assistant General Manager ensued.

II. BUSINESS ITEM

A. AGRICULTURAL POOL AUTHORIZATION TO RELEASE GROUNDWATER LEVEL AND GROUNDWATER QUALITY DATA FROM ABGL TO THE CITY OF ONTARIO AND TO THE CHINO BASIN WATERMASTER

Mr. Manning stated there have been a series of discussions over the past several years regarding the two different plumes which are going to eventually impact the Chino Desalter Authority (CDA) wells in the southern portion of the basin. Mr. Manning noted one of the plumes is the Chino Airport plume, and the other is the Ontario International Airport (OIA) plume. Mr. Manning stated with regard to the OIA plume, and in speaking with an appointed group, the ABGL, which is their partnership name, amongst four of the Potential Responsible

Parties, they have been required by the Regional Board to do some work with the placement of four wells; Watermaster endorsed the work enthusiastically. Mr. Manning noted a fifth well has been mentioned; however, work on that well has not been started. Mr. Manning stated the data that was collected as part of the Regional Boards' investigation of this plume was done independently of Watermaster and was done at the approval of private agricultural well owners in the portion of the basin where Watermaster has very little data. Watermaster and the City of Ontario would like to have access to that information in order to evaluate the claims being made by ABGL about where that plume of contamination originates. Mr. Manning discussed Watermaster's very clear set of confidentiality procedures that are followed when releasing data for private wells. Mr. Manning stated in the letter that what Watermaster and the City of Ontario are asking the Agricultural Pool to sign and release to ABGL, is consistent with the same terms that Watermaster has used in the releasing of data. Mr. Manning stated Chair Feenstra has a copy of this letter with this regard, and noted this letter has not been released yet. Mr. Manning stated the letter outlines the conditions that this data would be released to both the City of Ontario and to Watermaster. Mr. Manning stated the ABGL would provide Watermaster and the City of Ontario with a map with a dot on it, with a sanitized number of a well; this number could not be matched up with any other number and data would then be associated with that well. Mr. Manning stated for Watermaster's purposes that is all that is needed to further our knowledge for the plume investigations. Mr. Manning acknowledged after speaking with Mr. Jeske, this is all the information the City of Ontario also needs. Mr. Manning stated staff recommendation is based upon the draft letter Chair Feenstra has, and others that outline that exact procedure. Mr. LeClaire offered comment on changing the word sanitized and reviewed a map which would be similar to the one Watermaster and the City of Ontario would be getting from ABGL, and ensured the Agricultural Pool confidentiality agreement would not be disrupted with receiving this information. A discussion regarding the word sanitized and confidentiality ensued. Mr. Lee stated the legal exposure was not related to the Agricultural Pool; however, what it relates to is the individual well owners may have disclosure obligations opposed by law if they sell or lease the property, and those are the type of obligations being discussed here today for private well owners. Chair Feenstra inquired if something somehow got out could a party sue the Agricultural Pool. Mr. Lee stated he did not believe so and noted those private wells owners have already allowed the ABGL to test their wells. A lengthy discussion regarding the need for sanitation and this matter ensued. Mr. Manning referenced the agreement made with the Agricultural Pool regarding the release of information which was done prior to him joining Watermaster. Counsel Fife offered the history regarding the release of data for the Agricultural Pool and private well owners in 2001/2002 after the start of the OBMP. Counsel Fife stated the outcome from those discussions was an expression from the Agricultural Pool that it was generally okay with the release of information; however, it did not want to deal with it in just a blanket way and that every request would come through the Ag Pool and be dealt with individually. Counsel Fife stated ever since that decision every information request has individually come through the Agricultural Pool. Counsel Fife noted this is a different kind of request because Watermaster is not releasing information, it is the one requesting it, and in wanting to stick with the same process as approved it would just be reversed. A discussion regarding the release of information ensued. Mr. deBoom acknowledged the past discussions and added a letter was created to send to each of the individual pumpers. If they object to the information being sent they can opt out of the testing. Mr. Lee noted this all sounds consistent with what has been done on three or more prior requests. Chair Feenstra commented on contaminated wells and the testing of those contaminated wells. Mr. Manning spoke on Chromium 6 regarding Watermaster's legal involvement, and on staff's recommendation to allow ABGL to release their data to Watermaster and the City of Ontario using the same criteria as in the past because of the data being given to the City of Ontario, who has different requirements for public records requests. A lengthy discussion regarding this matter, contamination testing and public records release, confidentiality, and the draft letter handed out during this discussion ensued. Mr. LeClaire stated the potential polluters have all the extensive data that Watermaster has collected plus the data they have collected; Watermaster and the City of Ontario, who are parties that are harmed, only have the data we have collected – we want all the data that we have and they have. Mr. LeClaire acknowledged the ABGL group

wants to provide the data they have collected to us. Mr. Pierson stated he does not have a problem with Watermaster receiving the data, reviewing it, and then, it being decided after discussion with the Agricultural Pool, the release of data to the City of Ontario – in that order. Mr. Thibeault offered comment on the data needed and what good science it takes to get the plumes cleaned up. A lengthy discussion regarding Mr. Thibeault's comments and private well data being released ensued. Mr. Hofer commented on a needed confidential session with only the members of the Agricultural Pool and its counsel.

No action was taken.

Chair Feenstra called for a special confidential session.

The Agricultural Pool special closed session was convened at 10:55 a.m.

Chair Feenstra reconvened the open Agricultural Pool meeting at 10:56 a.m. and noted Danni Maurizio would take Ken Manning's place if the meeting went past 11:15 a.m.

A brief discussion regarding the draft letter ensued.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Peace II SEIR

Counsel Fife stated under the Peace II Agreement that the parties committed to doing a CEQA review of Peace II and to update the original CEQA work for OBMP that was done in 2000. This work has been in process and a Notice of Preparation came out approximately a year ago and had very few comments with that regard. Since then, Tom Dodson has been working on the document and it is almost complete.

B. ENGINEERING REPORT

1. 2010 Basin Plan Amendment

Mr. Manning stated with regard to the 2010 Basin Plan Amendment, staff is currently working through a few issues and noted Mr. Wildermuth gave a report at the Appropriative Pool meeting this month and will give that same report at the Advisory Committee meeting next week.

2. Recharge Master Plan Update

Mr. Manning stated there are going to be two half day workshops scheduled off-site of Watermaster for a thorough review of the Recharge Master Plan; the first one has been scheduled for April 21, 2010, and the second will be in May; however, the date has not been scheduled. All aspects of the plan will be discussed at these meetings and then it will go through the Watermaster process prior to it being filled with the court on July 1, 2010.

C. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated there are many legislative things happening presently, including the budget issue and the water bond elections. Mr. Manning commented on Meg Whitman, a governor candidate, who has publically endorsed the water bond.

2. Recharge Update

Mr. Manning stated the most recent copy of the recharge update is on the back table. Mr. Manning reviewed the spreadsheet in detail.

3. ALCOA Monitoring Wells

Mr. Manning stated this topic was discussed about a year or so ago. The ALCOA offsite wells were installed in 1999/2000 and they are part of the offsite groundwater monitoring network. Those wells were monitoring the issue of migration of salt plumes from ALCOA.

The Regional Board has determined the pollution did not reach the groundwater and has given ALCOA a No Further Action letter. Mr. Manning stated instead of ALCOA destroying the wells, Watermaster has been in discussions with them to try and take over those wells and that appears to be what will take place. Agreements are being worked on presently to transfer those wells over to Watermaster and are being defined as equipment. A discussion regarding these monitoring wells ensued.

4. Turner Basins/Guasti Park Task Force

Mr. Manning stated Watermaster is participating on this task force at the request of the county. This group is made up of Chino Basin Water Conservation District (CBWCD), Inland Empire Utilities Agency, the County of San Bernardino, the City of Ontario, and the City of Rancho Cucamonga to talk about the piece of properties that are adjacent to and across the street from the Turner Basins, at the corner for Fourth and Archibald. There is a desire to expand recharge in that area by Watermaster and the CBWCD. Mr. Manning noted the county would like a design plan done by May which an extremely fast plan. A discussion regarding recharge basins with regard to snow melt ensued.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

Ms. Novak inquired about a discussion that took place at the Appropriative Pool meeting regarding a possible fine by the Regional Water Quality Control Board (RWQCB). Mr. Manning stated as part of the Basin Plan Amendment, Watermaster has applied for relief for part of the Hydraulic Control Monitoring Program that Watermaster administers. Mr. Manning noted approximately \$500,000 a year is spent on Hydraulic Control Monitoring, and in discussions with the RWQCB, Watermaster staff is trying to get that amount of monitoring reduced by approximately \$200,000, which would be a savings for Watermaster. Mr. Manning stated no progress has been made with this regard until other activities take place with the desalters; however, a great deal of work is going into working out these issues. Ms. Novak inquired about an actual dollar fine. Mr. Manning stated he has not been informed that, that activity is going to take place definitively.

Ms. Novak inquired about the disputes presently taking place in the Watermaster family and Watermaster's ability to go forward with the desalter program. Mr. Manning stated it is his opinion that up to this point, he does not think it has had an effect, and slow down in the Chino Desalter Authority is not related to the Non-Agricultural Pool parties. Mr. Manning stated, in the future, this contention between the two parties of Watermaster and with Watermaster has the potentiality of bringing it to a halt.

Ms. Novak stated the dispute going on may not affect the Agricultural Pool; however, to the extent that it may have an effect on bigger things, whether short term or long term, she does think an effort should be made to keep the Agricultural Pool informed as to what is going on. Mr. Manning stated Watermaster staff will do that. Ms. Novak noted there are members of this pool on the Advisory Committee and those parties need to have all the information to allow better decisions. Mr. Pierson acknowledged the Agricultural Pool sometimes does not get the same presentations or information as the Appropriative and Non-Agricultural Pool members do, and noted not all parties get to attend the Advisory Committee meetings. Mr. Pierson stated the same information does need to be presented at all meetings so it can be discussed and keep our representatives that do go to the other meeting aware of the full issues so they can make informative decisions. Mr. Manning stated he fully understands. A presentation can be scheduled for the next Agricultural Pool meeting on the Basin Plan Amendment. Mr. Durrington noted it would be helpful to have the other Pool's minutes available.

Mr. Koopman offered comment on the possibility of a fine regarding the desalters.

Chair Feenstra addressed Mr. Manning and stated this was a good point for him to leave for the airport, and inquired as to where Mr. Manning was going. Mr. Manning stated he was going to a water conference in Seattle. Ms. Maurizio took Mr. Manning's place at the dais.

Ms. Novak inquired about the Overlying Non-Agricultural Pool Paragraph 31 Motion filed with the court. Counsel Fife stated the Non-Agricultural Pool has not filed a Paragraph 31 Motion; however, it has been understood that they do plan to do so. Ms. Novak inquired about a deadline to file that motion. Counsel Fife stated there will be some discussion about the deadline because there is a conflict in the dates; the Overlying Non-Agricultural Pool feels the date is March 21, 2010, and Watermaster counsel is not convinced that is the deadline for their Paragraph 31 Motion. Paragraph 31 says that a motion must be filed 90 days after the relevant board action. The relevant board action that we believe is under dispute is the August 27, 2009, board action to approve the Notice of Intent to Purchase, which would mean the Paragraph 31 Motion is already untimely. Mr. Koopman commented on this action affecting the Peace II Agreement. Counsel Fife stated he does not know the full intent of the Appropriative Pool with regard to their letter, and noted the Peace II order which had conditions subsequent attached to it, which are tasks that Watermaster had to perform. The order was clear that failure to perform any one task would render the court's approval of the entire Peace II package null and void, and that was the court's language, using null and void. A discussion regarding this Peace II matter ensued.

Chair Feenstra stated any document that carries his name produced by Watermaster always be sent to Steve Lee first or in conjunction with him. Chair Feenstra asked for a signed copy of the draft letter that was given to him at the start of the meeting. Counsel Fife stated this letter is only a draft for consideration by the pool today and has not gone out to any person or party.

VI. OTHER BUSINESS

No comment was made regarding this item.

The regular open meeting was convened to hold its confidential session at 11:25 a.m.

VII 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.

The Agricultural Pool closed session was convened at 11:50 a.m.

There were no reported actions.

VIII. FUTURE MEETINGS

Thursday, March 11, 2010	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, March 18, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, March 18, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, March 18, 2010	2:00 p.m.	MZ1 Technical Committee Meeting @ CBWM
Thursday, March 25, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, March 25, 2010	1:00 p.m.	Recharge Master Plan Workshop @ CBWM
Thursday, April 8, 2010	9:00 a.m.	Agricultural Pool Meeting @ IEUA
* Thursday, April 8, 2010	1:00 p.m.	Appropriative Meeting @ CBWM
* Thursday, April 8, 2010	2:30 p.m.	Non-Agricultural Pool Meeting @ CBWM
Thursday, April 15, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, April 15, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
Wednesday April 21, 2010	9:00 a.m.	RMP Half Day Workshop @ Rancho Central Park
Thursday, April 22, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM

* Notes a different day than the regularly scheduled 1st Thursday of every month meeting and will return to the normal schedule on May 6, 2010

Minutes Agricultural Pool Meeting

March 11, 2010

The Agricultural Pool meeting was dismissed by Chair Feenstra at 11:50 a.m.

Secretary: _____

Minutes Approved: April 8, 2010