

Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

June 10, 2010

The Agricultural Pool Meeting was held at the offices of the office of Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on June 10, 2010 at 9:00 a.m.

Agricultural Pool Members Present Who Signed In

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

Watermaster Board Members Present

Paul Hofer	Crops
Michael Camacho	Inland Empire Utilities Agency
Geoffrey Vanden Heuvel	Ag Pool Dairy

Watermaster Staff Present

Danielle Maurizio	Senior Engineer
Joe Joswiak	Chief Financial Officer
Ben Pak	Senior Project Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

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

Others Present Who Signed In

Steven Lee	Reid & Hellyer
Marsha Westropp	Orange County Water District
Ryan Shaw	Inland Empire Utilities Agency
Rick Rees	Geomatrix Consultants, Inc.
Ken Jeske	City of Ontario
Dave Crosley	City of Chino

Chair Feenstra called the Agricultural Pool meeting to order at 9:05 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Verbatim Minutes of the Agricultural Pool Meeting held May 13, 2010

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of April 2010

2. Watermaster Visa Check Detail for the month of April 2010
3. Combining Schedule for the Period July 1, 2009 through April 30, 2010
4. Treasurer's Report of Financial Affairs for the Period April 1, 2010 through April 30, 2010
5. Budget vs. Actual July 2009 through April 2010

C. LOCAL AGENCY INVESTMENT FUND

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

It was noted Ms. Novak requested several items which were discussed regarding financial items to be attached to the minutes for approval in July. The recording secretary acknowledged they would be gathered together and attached to the minutes *(Tape counter 015-026)*

Motion by de Boom, second by Durrington, and by unanimous vote

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

II. BUSINESS ITEMS

A. CHINO CREEK WELL FIELD LOCATIONS *(Tape counter 032-099)*

Ms. Maurizio noted the language has been revised since this agenda was distributed due to a meeting with the CDA just prior to the Appropriative Pool meeting, which revised the recommendation. Ms. Maurizio noted the revised recommendation is in the staff letter and a copy of that staff letter is available on the back table. Ms. Maurizio offered comment on the recommendation and how the new recommendation meets the needs of the parties. Ms. Novak stated she had sent Andy Malone several questions via email and she did receive responses back; those conversations are on the back table for review. Ms. Novak inquired into the role of Watermaster and Wildermuth Environmental to the Desalter wells and the Chino Desalter Authority (CDA); including Watermaster's authority on what the CDA actually does concerning the placement of the wells. Ms. Novak also inquired about what, if any, influence do the Pools, the parties, and Watermaster have on this ongoing process. Counsel Fife stated this activity is outside the normal scope of Watermaster approvals and offered comment on legal process for well sites that might cause a problem. Counsel Fife stated this approval is different because the CDA is moving forward with the project that accomplishes Watermaster goals in terms of hydraulic control and the OBMP in general. Counsel Fife offered comment on liability for different projects. The Regional Board complaint against Watermaster brings some of these liability concerns into focus. Counsel Fife stated the CDA is moving forward with a very large, very expensive project whose purpose is to accomplish hydraulic control. Through the facilitation process that is presently taking place, the CDA members have asked for some assurance from Watermaster that they are doing the right thing. Ms. Novak inquired about the CDA moving forward with the implementation of its new wells without the approval of the Watermaster Board. Counsel Fife stated the CDA does not need the approval of the Watermaster Board to move forward. A lengthy discussion regarding Ms. Novak's inquiries, pumping, and Wildermuth modeling ensued. Mr. Malone stated before the wells are constructed the CDA will share data with Watermaster staff to review what their final well design will be. A discussion regarding the CDA's progression and who sits on the CDA board ensued. Mr. Jeske stated the board consists of one member each from the City of Norco, Santa Ana River Water Company, City of Ontario, Jurupa Community Services District, City of Chino, City of Chino Hills, Western Municipal Water District, and Inland Empire Utilities Agency and they all designate by action of their governing boards. Mr. Jeske offered comment on a technical committee who also advises the CDA and noted Western Municipal Water District is acting as the lead on the expansion team. A lengthy discussion regarding this matter ensued. Ms. Novak voiced her concerns over the two new wells near CIM and noted CIM does pump in the shallow and the deep zones, and a discussion regarding this subject ensued. Counsel Fife stated the action today is identifying for the CDA that the location of the wells is appropriate to accomplish the goals of the Chino Creek Well Field; however, it is the shallow zone that is preferred for hydraulic control and there are subsidence issues with pumping from the deep zone. A discussion regarding design and GPM modeling ensued. Ms. Novak reiterated staff's

recommendation. Chair Feenstra offered comment on well water levels that fluctuated because of desalter activity. A map was shown and discussed regarding hydraulic control relative to where the dairies and the management zones are located; this map was discussed in detail. Mr. Koopman asked about an agreement with the CDA and counsel Fife stated there were a set of principals rather than an actual agreement, and those principles were adopted by the Watermaster Board at its last meeting. A lengthy discussion regarding hydraulic control, water quality, economics, TCE, and various issues ensued. Mr. Malone offered comment on what Wildermuth Environmental is working on including the model. Chair Feenstra instructed Mr. Malone to communicate with Mr. Wildermuth and the Wildermuth team as to discussions that may have taken place a year or more ago with Mr. Atwater and IEUA staff as to the well fields and how to gain hydraulic control. Mr. Malone stated he would be able to accommodate that request and would report back at a future meeting. A discussion regarding the map that was handed out and subsidence ensued. Mr. Malone discussed a deep groundwater barrier which led to a discussion. Chair Feenstra asked which staff members worked on this project from Wildermuth. Mr. Malone stated Andy Malone, Joe LeClaire, and Wen-Hsing Chaing. Ms. Novak offered the locations of the wells which were provided to her by Andy Malone. Chair Feenstra inquired as to where Mr. Manning was this morning and Ms. Maurizio noted he was at the Regional Board hearing that he was directed by the Watermaster Board to attend.

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

Moved to approve the CDA's proposed locations of Wells I-16 and I-18, provided that they are constructed with perforations in the shallow aquifer in accordance with Wildermuth Environmental Inc. ongoing evaluation to achieve hydraulic control and will not conflict with the OBMP goal to minimize or abate permanent subsidence, as presented

B. CHINO BASIN WATERMASTER 2010-2011 BUDGET (Tape counter 100-809)

Ms. Maurizio stated staff is asking for approval for the 2010-2011 budget today; last month there was a preview presented. Chair Feenstra asked for the final date for the approval needed on the budget. Mr. Joswiak stated the date for approval from the Watermaster Board is on June 24, 2010. Chair Feenstra noted until all concerns are met here today, a special meeting might be called to discuss this issue. Mr. Joswiak referenced the staff letter in the meeting package starting on page 54 in the meeting packet. On May 13th a preliminary budget was presented to the Agricultural Pool and the Appropriative Pool and at that point in time the budget was approximately \$8.1 million dollars. The budget has gone through several revisions through a budget ad-hoc committee and from comments through the Watermaster process. Mr. Joswiak gave the 2010-2100 budget presentation in detail. Ms. Novak inquired about the reduction for the Agricultural Pool Technical Consultant. Mr. Joswiak noted that cost was brought down to an actual cost by reviewing past expenditures. A discussion regarding the reductions ensued. Mr. Lee noted the Agricultural Pool has asked Frank Brommenschenkel to review more than he has done in the past. A discussion regarding Special Project reductions, Ag Pool compensation, and verbatim minutes ensued. It was noted Steve Lee would attend all Watermaster meetings so that he can report back to the Agricultural Pool members and increase the Ag Pool legal budget. Mr. Koopman offered history on past discussions regarding the Agricultural Pool budget categories and asked that the numbers remain the same as the 2009-2010 budget. Chair Feenstra offered comment about the verbatim minutes and noted the pool did not want verbatim minutes of their own meeting; the Agricultural Pool wanted verbatim minutes of all other Watermaster meetings so that the pool could be better informed at what takes place at other meetings. Ms. Novak expressed concern over destroying tapes so quickly; however, Mr. Joswiak stated meeting takes are now been kept indefinitely. Ms. Novak requested a copy of all the Agricultural Pool tapes be sent to her after each meeting and the recording secretary stated that will happen. A lengthy discussion regarding minutes and the need for transparency ensued. It was noted the Agricultural Pool no longer needed verbatim minutes for their meetings; however, it would be helpful to have the tape counter number listed on the minutes to locate certain items on the tapes. The Agricultural Pool discussed at length the budget categories which needed to be adjusted and

the decision was to adjust the following line items: 8467: \$100,000 – 8467-1: \$18,000 – 8470: \$12,000 – 8471: \$65,000 and a motion was made with the noted adjustments. Mr. Huitsing offered comment on the outdated cassette recording tapes as opposed to the newer technology which led to a lengthy discussion on digital recording availability. Mr. Joswiak noted staff is looking into what types of digital recording devices are now available at a reasonable cost.

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

Moved to approve Watermaster 2010-2000 budget with amendments made to Agricultural Pool Administration categories: 8467: \$100,000 – 8467-1: \$18,000 – 8470: \$12,000 – 8471: \$65,000, as presented

C. CONDITION SUBSEQUENT NO. 8 (Tape counter 810-1161)

Ms. Maurizio stated staff is seeking approval for resolution 10-03 for adopting an updated Recharge Master Plan for submittal to the court in fulfillment of Condition Subsequent Number Eight. The court did require Watermaster to fulfill Conditions Subsequent Numbers One through Eight. Condition Subsequent numbers One through Seven have already been completed. This is due to the court by July 1, 2010. Watermaster will have fulfilled that requirement by the submittal of the Recharge Master Plan. Ms. Maurizio offered comment on the events that took place with the development of the Recharge Master Plan. Ms. Maurizio stated because of some of the events that have taken place, Watermaster has had to look at the Recharge Master Plan differently. Watermaster is asking for the court to accept a report that outlines the critical issues, and in many cases staff cannot recommend specific actions until there is more information gathered. One of those instances would be for the Urban Water Management Plan, which will not be approved until June of 2011. Ms. Maurizio stated in submitting this, it was decided the best approach for this item would be to construct a resolution that brought together this mechanism. Both Inland Empire Utilities Agency and Watermaster can adopt a resolution and have it accompany the Recharge Master Plan with the commitment that this plan will be continually reviewed. This will then turn the Recharge Master Plan into a living document/plan which provides the court an assurance it will be reviewed periodically; the first review will be 18 months starting from July 1, 2010. Ms. Maurizio noted there are various policy issues written into this plan which will need to be discussed and further developed. Staff is asking for an approval of the Resolution 10-03 in satisfaction of the court order Condition Subsequent Number Eight. Ms. Novak offered comment on the guidance document that is needed to proceed. Mr. Jeske offered comment on the discussions which took place at the Recharge Master Plan Workshops on this matter including the guidance document. Mr. Vanden Heuvel offered comment on the IEUA resolution which references Conditions Subsequent No. Five and No. Six. Counsel Fife stated Condition Subsequent No. Five and Six was a filing that was made with the court in one pleading; however the issue for the Recharge Master Plan was Condition Subsequent No. five. Counsel Fife stated Condition Subsequent No. Five was the outline of the Recharge Master Plan and that was required to be submitted by July 1, 2008. When it was submitted the process was described that was going to move forward for the overall plan. Counsel Fife reviewed additional details in the pleading for Condition Subsequent No. Five. A lengthy discussion regarding changes that have occurred since the original conditions subsequents were developed and filed over the years ensued. Ms. Maurizio read the motion which was made by the Appropriative Pool which was different than the recommendation presented to them in their staff letter to reflect language applicable to the upcoming Paragraph 31 Motion. A question regarding the Non-Agricultural Pool motion which was made by a majority vote and Ms. Maurizio noted the city of Ontario abstained.

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

Moved to approve Resolution 10-03 adopting updated Recharge Master Plan for submittal to the court in fulfillment of Condition Subsequent Number 8 subject to reconsideration if terms and conditions for purchase of water from the Non-Agricultural Pool change as a result of disposition of Paragraph 31 Motion, as presented

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

1. Paragraph 31 Motion *(Tape counter 1162-1169)*
Counsel Fife stated that all of the paperwork has been on file for several weeks and the hearing is next Friday at 10:30 a.m. in the Chino court house.
2. ACL Complaint *(Tape counter 1169-1284)*
Counsel Fife stated at the last Watermaster Board meeting the Board approved a settlement agreement with the Regional Board. Counsel Fife noted the basic terms of that settle agreement are that Watermaster and Inland Empire Utilities Agency (IEUA) jointly will pay the fine that was in the Regional Board's complaint. Half of that fine is going to be dedicated to a supplemental environmental project, that is a project within the Chino Basin, and then in exchange for doing that, a new schedule for attainment of hydraulic control will be supplied so that moving forward the parties are in compliance with the permits, and fines are no longer accruing. Counsel Fife stated also being put into place is a process for meeting with the Regional Board on a quarterly basis so that if the Chino Creek Well Field project does not move forward as planned, staff can bring that to the Regional Board's attention and revise the schedule to ensure remaining in compliance. The goal is to prevent a situation from arising again where the Regional Board can issue fines. Counsel Fife stated the Watermaster Board has approved the settlement agreement and it will also go to the IEUA board at their next meeting, and then the Regional Board will consider the agreement at their meeting, which is this morning. Mr. Manning is currently attending that meeting. Mr. Manning and Mr. Love will be giving a presentation concerning what is being done in the Chino Basin, compliance with all of the other conditions in the Basin Plan, and the general perspective on progress being made regarding hydraulic control. Counsel Fife noted the Watermaster Board did approve the settlement agreement on May 27, 2010; however, it was not a unanimous vote, the Non-Agricultural Pool voted against it. A discussion regarding this matter ensued. Chair Feenstra offered comment on his discussions with Mr. Atwater and the Regional Water Quality Control Board regarding the recent ACL fine. Mr. Koopman offered comment on the fine from the Regional Board.
3. CDA Facilitation *(Tape counter 1285- 1337)*
Counsel Fife stated this item is related to the ACL complaint. When the complaint was issued, the Watermaster Board directed Mr. Manning and Mr. Slater to engage in a process of mediation with the CDA parties to try and move the project along to get it back on track. Several meetings and conference calls took place during the month of May and a set of principals was developed for accomplishing the purpose of moving the project forward. Counsel Fife stated the Watermaster Board considered these principals on May 27, 2010, and approved them. These principals will be on the CDA agenda tonight for approval. Counsel Fife stated this project now seems to be moving forward and will continue as planned. A brief discussion regarding this item ensued.

Tape #3

B. CEO/STAFF REPORT

1. Legislative Update *(Tape Counter 015-016)*
Ms. Maurizio stated that the focus taking place legislatively is on the elections that took place two days ago in Sacramento.
2. Recharge Update *(Tape Counter 016-023)*
Ms. Maurizio stated a copy of the most recent recharge update is available on the back table for review. Ms. Maurizio reviewed the recharge spreadsheet in detail.

3. Potential Implementation of MWD's Water Supply Allocation Plan Update *(Tape Counter 024-026)*

Ms. Maurizio stated Mr. Manning asked her to report that he has been working with AGWA on putting together a joint agency response to MWD; meetings will take place over the next 60 days regarding this matter.

4. Monte Vista Irrigation Company History Update *(Tape Counter 027-034)*

Ms. Maurizio stated this item is in response from a request made and questions presented at the May Agricultural Pool meeting. Ms. Maurizio stated she has done research on this item and found paperwork dating back to some 1975 correspondence. Monte Vista Irrigation Company stated in that paperwork that they were established in 1908 to service growers in southwest Ontario. In doing further research including talking with Monte Vista Water District, by the time the Judgment was formed they were placed into the Appropriative Pool which is where they have remained since the formation of the Judgment.

5. 10-Year Review of Legal Expenses *(Tape Counter 035-049)*

Mr. Joswiak stated this item is in response from a request made and questions presented at the May Agricultural Pool meeting. Mr. Joswiak presented a PowerPoint spreadsheet which was reviewed and discussed in detail. A discussion regarding the 10-year review ensued. Chair Feenstra asked that a copy of the presented spreadsheet be forwarded to him via email for his records.

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

No comment was made regarding this item.

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.

No confidential session was called.

Chair Feenstra noted a special Agricultural Pool meeting will be scheduled in the near future.

VIII. FUTURE MEETINGS

Thursday, June 10, 2010	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, June 17, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, June 17, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
Friday, June 18, 2010	10:30 a.m.	CBWM Court Hearing @ Chino Court Room C1
Thursday, June 24, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM

The Agricultural Pool meeting was dismissed by Chair Feenstra at 11:17 p.m.

Secretary: _____

Minutes Approved: July 8, 2010