

Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

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

Agricultural Pool Members Present Who Signed In

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

Agricultural Pool Members Present Who Did Not Signed In

Nathan deBoom	Dairy
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Watermaster Board Members Present

Paul Hofer	Crops
Michael Camacho	Inland Empire Utilities Agency

Watermaster Staff Present

Ken Manning	Chief Executive Officer
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 G. Lee	Reid & Hellyer
Dave Crosley	City of Chino
Gil Aldaco	City of Chino
Jo Lynne Russo-Pereyra	Cucamonga Valley Water District
Ryan Shaw	Inland Empire Utilities Agency
Marsha Westropp	Orange County Water District

AGENDA - ADDITIONS/REORDER

Chair Feenstra offered comment on Julie Cavender from the State of California, CIM joining the Agricultural Pool and asked for a motion.

Motion by Pierson, second by Vanden Heuvel, and by unanimous vote

Moved to add Julie Cavender as an Agricultural Pool member, as presented

A discussion regarding the upcoming confidential session of the Watermaster Board and who may attend ensued. Chair Feenstra noted he will be asking Chairman Willis at that meeting if Mr. Lee can attend the confidential session. Mr. Manning stated he has also made a similar request to Chairman Willis regarding Watermaster legal counsel and Watermaster consultants being present and that request was granted.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held November 4, 2010

B. FINANCIAL REPORTS

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

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

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

II. BUSINESS ITEMS

A. RESTATED WATERMASTER JUDGMENT

Mr. Manning stated the draft Restated Watermaster Judgment was provided separately on the ftp site when the agenda package was noticed for the convenience of printing this large document separate of the meeting package. Mr. Manning stated this task is being performed at the request of our Judge. There is a hearing scheduled for January 26, 2011 and this was an item scheduled to be presented at that hearing; however, while the staff letter in your meeting package does ask for approval, staff is now asking that you do not approve it at this time. Mr. Manning stated staff and counsel believe the Judge will allow an extension of time for consideration of this matter. Mr. Manning stated the Pools need additional time for consideration of this item for various reasons. Mr. Manning noted the same recommendation for non-approval at this time was given to the Appropriative and Non-Agricultural Pool recently. Chair Feenstra inquired if those Pools agreed to the extension of time and Mr. Manning stated they had. A discussion regarding this matter ensued. Counsel Fife stated nothing is being changed in the Restated Judgment; it is merely to show the thirty years of amendments made to the 1978 Judgment. Counsel Fife offered comment on the added footnotes which now indicate where the amendments are located. Counsel Fife stated the added footnotes now raise the question if they will be put into the final version, and if they are then part of the Judgment. Another question that was raised - what is to be done with the party lists that have obviously changed over the last thirty years? This topic has been discussed at the meetings for the past several months. Counsel Fife stated these issues should be dealt with prior to taking this item to the court for approval. After discussion with the parties it was decided to work these issues out first and then take it to court. Mr. Koopman inquired about the Agricultural Pool party lists and noted he knows for a fact that some of the parties listed in 1978 are dead, have moved, or the properties have changed owners. Mr. Manning stated that what staff is asking, in addition to the postponement of approval, is the recommendation for Chair Feenstra to possibly appoint a sub-committee to assist Watermaster staff in the development of the final list which would be included with the final Judgment. A lengthy discussion regarding the proposed sub-committee and this matter ensued. Ms. Novak offered comment on this issue. It was noted Watermaster staff will present some dates to the sub-committee to meet in the first part of January.

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

Moved to agendaize this item to the January, 2011 agenda, as presented

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

Moved to form a sub-committee for review of Agricultural well owners and users with Bob Feenstra, Rob Vanden Heuvel, John Huitsing, and Watermaster staff, as presented

B. CHINO BASIN WATERMASTER REAPPOINTMENT OF THE NINE-MEMBER BOARD

Mr. Manning stated this item comes before the Watermaster process every five years. Mr. Manning stated many Appropriators had come, independently of this item being on the agenda, to discuss the reappointment of the nine-member Board and collectively they all stated they want to see it move through the process as a reappointment of the existing nine-member Board. Staff is seeking a motion to approve this item with a recommendation to the Advisory Committee and Watermaster Board. After discussion it was noted the Agricultural Pool wanted Paul Hofer and Geoffrey Vanden Heuvel to remain as the Agricultural Pool Watermaster Board representatives.

Motion by Pierson, second by Vanden Heuvel, and by unanimous vote

Moved to approve the Chino Basin Watermaster reappointment of the nine-member Board, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Paragraph 31 Appeal

Counsel Fife stated on the back table there is a copy of an order from the Court of Appeal dated November 22, 2010. Counsel Fife stated both the Non-Agricultural Pool and California Steel Industries asked for extensions of the deadline to file their opening briefs. The Court of Appeal indicated it is considering the case for their settlement process which is a mediation process. Watermaster did file a statement with the Court of Appeal indicating Watermaster did not feel this case was appropriate for the settlement process given the nature of the case and time sensitive issues. Counsel Fife stated the Court of Appeal has decided this was a case for the settlement process and an order to that effect is on the back table and because of that the deadlines for filing briefs have all been taken off calendar. Counsel Fife stated counsel has been directed to file another settlement conference statement; these will not be confidential. Counsel Fife noted he does not know how long this will take; the order does not give any timelines. Counsel Fife stated on the back table there is a copy of the second order for the procedure for the settlement conference which is scheduled for January 26, 2011. Counsel Fife commented on the court's description of the process which is attached to the order. Mr. Lee stated he recently received a call from the clerk of the Court of Appeal who was trying to understand how the Agricultural Pool was involved in this case and after their discussion; it was Mr. Lees' understanding, the entire Agricultural Pool did not need to attend the settlement conference. A discussion regarding this matter, the sale of the Non-Agricultural Pool water to Watermaster, and who should attend the settlement conference to represent the Agricultural Pool ensued. Mr. Lee offered comment on the Court of Appeal settlement process which has been in effect for approximately eight to ten years. A discussion regarding the appeal process ensued.

2. Resolution 2010-04

Counsel Fife stated originally the January 21st hearing was scheduled to submit the Resolution concerning the desalter to the court for approval; however, there were a number of items to happen before it was submitted and it does not appear those items are going to be finished in time for the Resolution to be submitted for the January 21st hearing. Counsel Fife stated the restated Judgment will not be submitted in January either; however, the nine-member Board issues will be submitted at the January 21, 2011 hearing.

3. January 21, 2011 Hearing

This item was discussed under the Resolution 2010-04. No further comments were made.

B. ENGINEERING REPORT

1. Watermaster Review of CDA Proposed Chino Creek Well Field Wells
Mr. Malone stated there is a line item in Watermaster's budget this year for Watermaster staff to review the locations and the proposed well designs of the Chino Creek Well Field as it progresses. Mr. Malone commented on the review process. Mr. Malone reviewed a map of the wells in detail. A discussion regarding Mr. Malone's presentation of wells and any contamination in those wells ensued.
2. Managed Aquifer Recharge Symposium – Jan 25-26, 2011 at the Atrium Hotel Orange County
Mr. Malone stated this is an information item only and there is a handout regarding this item on the back table. Mr. Malone stated Mr. Wildermuth was asked to make a presentation and have a poster session on the Recharge Master Plan on January 25-26, 2011 at the symposium; it is not yet known the time Mr. Wildermuth's presentation is scheduled for. Mr. Malone noted this is being handled financially through Wildermuth Environmental and is not a Watermaster expense.

C. CEO/STAFF REPORT

1. Legislative Update
Mr. Manning stated the elections are over and it will be an interesting time in the legislature. Mr. Manning stated he was, as well as many others, recently at ACWA Conference. Mr. Manning stated one of the days there was a breakfast where a panel discussed the bond measure going to 2012. Mr. Manning reviewed the discussions and presentations given at the conference and panel breakfast.

Mr. Manning offered comment on the state budget. The current Governor is trying to work with the new legislature in trying to deal with the budget issues before the new Governor steps in. Mr. Manning stated, from what he has heard, the legislatures are inclined to wait until Governor Brown gets into office to begin working on this matter. Mr. Manning stated the Governor elect is more concerned at making sure everybody has the same information as to what the budget needs are, which is very important with all new legislative people coming in. Chair Feenstra offered comment on the budget issue and inquired how the new budget might affect Watermaster. Mr. Manning stated there are very few direct consequences because Watermaster works as an arm of the court administering a Judgment where people have obligations. Mr. Manning stated the secondary effect would be that, with all of the agencies that Watermaster works with and funds, the Watermaster will be going through traumatic financial difficulty and needs to understand that in moving forward an undue burden is not put on those agencies. This will be an ongoing discussion and be watched very closely and on every level. A discussion regarding this matter ensued.

2. Recharge Update
Mr. Manning stated the most recent recharge numbers will be presented at the Advisory Committee and Watermaster Board meeting at the end of the month.
3. Riverside County Flood Control District
Mr. Manning stated this is a more recent situation that has come up, and both he and Mr. Pak have had conversations with the Riverside County Flood Control and Conservation District staff. Riverside County Flood Control and Conservation District discussed assisting financially and partnering on a Recharge Master Plan Project that would benefit the County of Riverside. Mr. Manning stated dialog is still taking place and a meeting with Watermaster, Wildermuth Environmental, Inland Empire Utilities Agency, and others to brainstorm some ideas will be scheduled. Mr. Manning stated this is very good news.
4. MOU for Ontario Airport Data Gathering Reimbursement Agreement
Mr. Manning stated Dave Crosley is the chairman of the Water Quality Committee and a Water Quality meeting was held approximately a month ago. Mr. Manning stated at that meeting statements were made regarding the Ontario Airport Plume and the data that has been collected by other parties regarding this plume; not all parties have acquired this data,

including Watermaster. Mr. Manning stated if Watermaster is not successful in acquiring this data, an effort is going to have to be made on the behalf of Watermaster next year to acquire that data. Mr. Manning stated a quote from Wildermuth on what it would cost to duplicate that data is in the amount of \$50,000. In discussions with the City of Upland, the City of Ontario and Inland Empire Utilities Agency have stepped up and offered to front the money to get that data collection done early. Mr. Manning stated there is a draft Term Sheet on the back table for an MOU that will be brought back through the process in January that will solidify the terms of the agreement to go ahead and develop that data so that Watermaster is not at a disadvantage with the PRP group. Mr. Manning offered comment on the ABGL group coming to give a presentation on their data at the Watermaster confidential session next week. A lengthy discussion regarding the information being presented for the closed session, the actual data needed by Watermaster, and the issues related with PRP's data ensued.

III. INFORMATION

1. Cash Disbursements for November 2010
No comment was made regarding this item.
2. Newspaper Articles
No comment was made regarding this item.

IV. POOL MEMBER COMMENTS

Chair Feenstra stated Mr. Robert DeLoach has resigned from Cucamonga Valley Water District and will be going into the consulting business; we wish him well.

V. 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 held.

VIII. FUTURE MEETINGS

Thursday, December 9, 2010	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, December 16, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, December 16, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
* Thursday, December 16, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, January 6, 2011	1:00 p.m.	Annual Appropriate Pool Meeting @ CBWM
Thursday, January 6, 2011	2:30 p.m.	Annual Non-Agricultural Pool Meeting
Thursday, January 13, 2011	9:00 a.m.	Annual Agricultural Pool Meeting @ IEUA
Tuesday, January 18, 2011	9:00 a.m.	GRCC Committee Meeting @ CBWM
Thursday, January 20, 2011	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, January 20, 2011	9:00 a.m.	Annual Advisory Committee Meeting @ CBWM
Friday, January 21, 2011	10:30 a.m.	CBWM Court Hearing @ Chino Courthouse
Thursday, January 27, 2011	11:00 a.m.	Annual Watermaster Board Meeting @ CBWM

*** Note: Date changes due to holiday schedules**

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

Minutes Agricultural Pool Meeting

December 9, 2010

Secretary: _____

Minutes Approved: January 6, 2011