

Minutes
CHINO BASIN WATERMASTER
ANNUAL AGRICULTURAL POOL MEETING
January 13, 2011

The Annual Agricultural Pool Meeting was held at the offices of the office of Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on January 13, 2011 at 9:00 a.m.

Agricultural Pool Members Present Who Signed In

Bob Feenstra, Chair	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
Julie Cavender	State of California, CIM
Pete Hall	State of California, CIM

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
Robert DeLoach	Cucamonga Valley Water District
Ryan Shaw	Inland Empire Utilities Agency
Marsha Westropp	Orange County Water District
Rick Reese	State of California, Dept. of Justice, CIM
Eunice Ulloa	Chino Basin Water Conservation District

Chair Feenstra called the Agricultural Pool meeting to order at 9:03 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. ANNUAL ELECTIONS - ACTION

A. Calendar-Year 2011 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 made the necessary changes to the following list for pool membership and alternates during calendar year 2011 as follows:

2011 Agricultural Pool Members

Dairy: Robert Feenstra
Gene Koopman
Nathan deBoom
John Huitsing
Rob Vanden Heuvel
Crops: Glen Durrington
Jeff Pierson
State: Pete Hall
Jennifer Novak
Robert Nobles
Julie Cavender

2011 Current Alternates:

Dairy: Syp Vander Dussen
Peter Hettinga
Crops: Dan Hostetler
State: Michael Hughes
Brian Pahel

B. Calendar Year 2011 Agricultural Pool Officers

Nominations took place for the Pool Chair and Vice-Chair to serve during calendar year 2011.
Appointees:

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

C. Calendar Year 2011 Advisory Committee Members & Officers

Nominations took place for the 2011 Advisory Committee Vice-Chair position to serve during calendar year 2011.
Appointee:

Vice-Chair **Agricultural Pool** Jeff Pierson

D. Calendar-Year 2011 Pool Representation on Watermaster Board

Nominations took place for the Watermaster Board representatives and their alternates during Calendar-Year 2011.
Appointees:

Member: Paul Hofer Alternate: Pierson either/or Feenstra
Member: Geoffrey Vanden Heuvel Alternate: Feenstra either/or Pierson

II. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held December 9, 2010

B. FINANCIAL REPORTS

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

C. INTERVENTION INTO THE AGRICULTURAL POOL

Intervention of Restorative Justice Center (dba the Community Garden Project of Rancho Cucamonga) into the Agricultural Pool

D. NOTICE OF INTENT

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

E. CHINO BASIN WATERMASTER INVESTMENT POLICY

Resolution 11-01 – Resolution of the Chino Basin Watermaster, San Bernardino County, California, re-authorizing the Watermaster's Investment Policy

F. LOCAL AGENCY INVESTMENT FUND

Resolution 11-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF)

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

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

I discussion regarding item A and item F ensued.

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

Moved to approve Consent Calendar items A and F, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Draft Restated Watermaster Judgment

Counsel Fife stated this item was court requested and Watermaster staff, counsel, and other parties are moving forward on gathering information and having meetings to compile all necessary information to complete this item. Once this item is completed it will be submitted to the court for approval. Ms. Novak inquired about the Draft Restated Watermaster Judgment being on the Watermaster ftp site. Mr. Manning stated it will be put back on the Watermaster ftp site today and a notice will be sent out.

2. January 21, 2011 Hearing

Counsel Fife stated the only item that will be presented to the court for approval on January 21st will be the reappointment of the Watermaster nine-member board. The judge will also discuss status on Watermaster matters.

3. January 26, 2011 Settlement Conference

Counsel Fife stated the Paragraph 31 Motion case has been approved into the mediation process and this matter is scheduled to appear at a Settlement Conference on January 26, 2011; notice regarding this matter has been served on all parties by Watermaster. Counsel Fife stated the order states the full governing Board, Pool, and other parties must appear at this conference; however, if each entity appoints designated representatives to appear for them that would be considered. Counsel Fife stated each entity can file the change in representatives with the presiding court for their approval prior to the actual Settlement Conference. Counsel Fife stated the Watermaster Board authorized Geoffrey Vanden Heuvel, Charles Field, and Michael Camacho to represent the Chino Basin Watermaster Board at the January 26, 2011 Settlement Conference. A discussion regarding this matter ensued. It was noted Steven Lee would be in attendance. After discussion it was decided Jennifer Novak, Jeff Pierson, and Pete Hall be appointed to represent the Agricultural Pool at the January 26th Settlement Conference and Counsel Lee would file the appropriate paperwork with the court.

4. Santa Ana Sucker Critical Habitat Designation

Counsel Fife stated recently news was received from the US Fish and Wildlife Service that the designation of river habitat has gone in the other direction and the areas that Chino Basin were seeking to have excluded from the sensitive habitat did not turn out as planned/hoped. Counsel Fife stated greater reaches of the Santa Ana River are now being designated for Sucker habitat and there is an ongoing process to discuss the next steps. Counsel and staff are going to monitor and participate as directed by the Watermaster Board. There is not a full report available presently; however, a full report will be given at a

future meeting. Chair Feenstra offered comment on the new designation area. Chair Feenstra commented on a recent article written for the Orange County Register about the volume of water that would be released at the Prado Dam. A lengthy discussion regarding the critical habitat new designation and concerns ensued.

B. ENGINEERING REPORT

1. MZ1 Progress Report

Mr. Malone stated a new Land Subsidence Committee has emerged out of the MZ1 Technical Committee. This new committee is now open to all parties and will give way to a larger group focusing on a broader area than just the Management Zone 1 area. Mr. Malone gave a preview of what will be presented for the first meeting which is scheduled for January 20, 2011 at 11:00 a.m. Mr. Malone discussed the Chino Basin Watermaster Webpage which was developed by Watermaster and the new links which will provide current live data for PA-7 Water Level at Ayala Park, pictures and data on land subsidence and ground fissuring, and other MZ1 related information. Mr. Malone stated this webpage is providing the pumpers in MZ1 area some information as to where the water level is relative to the management criteria which is at a depth of 245 feet. Mr. Malone reviewed several maps for subsidence and fissuring and offered comment in detail on the maps. A discussion regarding Mr. Malone's presentation ensued.

2. Modeling of the Chino Desalter Well Field

This item was reported under item 1. MZ1 Progress Report.

C. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated most of the focus in Sacramento is on the budget, spending cuts, and taxes. Mr. Manning reviewed current legislative events. Mr. Manning discussed how new legislation could affect redevelopment projects. Chair Feenstra inquired about agency funds. Mr. Manning stated Watermaster does not receive state funds.

2. Recharge Update

Mr. Manning stated December was a very good month for recharging storm water; 6,700 acre-feet was captured which is a record month for Watermaster. Mr. Manning thanked Inland Empire Utilities Agency and the partnership of the Flood Control and the Conservation District for developing a program to capture storm water. Mr. Manning noted the 6,700 acre-feet is enough water for 65,000 people for one year. Mr. Manning noted he has heard from the Metropolitan Water District there is a possibility that there will be water made available to Watermaster; however, the conditions are not fully known and they would like to know the availability in our basins to take in water under some program. A discussion regarding snowpack water ensued. Chair Feenstra inquired about damages to the basins from the recent heavy rains. Mr. Manning stated the damages were considered normal and so far there have been no overwhelming damages. A discussion regarding the price of water, water levels, and percolation rates ensued.

3. Notice of Availability - Non-Agricultural Water

Mr. Manning stated every year the Peace II Agreement calls for the Non-Agricultural Pool to have an outlet for accumulating water that they can make available. The Non-Agricultural Pool parties must notify Watermaster by the end of December if they are going to make water available. Mr. Manning stated the Non-Agricultural Pool has not declared any water being available this year.

4. New Board Member from the City of Pomona

Mr. Manning stated the new representative from the City of Pomona will unofficially be Paula Lantz. Mr. Manning noted Ms. Lantz has served on the Watermaster Board previously. Mr. Manning noted Inland Empire Utilities Agency has not yet made its

designation for the Watermaster member. A discussion regarding the State coming on the Board and Ms. Novak offered comment with this regard.

5. CDA Update

Mr. Manning stated following the fine that was issued from the Regional Water Quality Control Board the Watermaster Board appointed Scott Slater and himself to work with the CDA on the development of all the documents necessary and all the procedures to get the expansion of the desalters moving forward; the CDA at their Board meeting last week took action on all of the documents necessary for the expansion to take place and the passed those suite of documents and actions unanimously. At the same time this matter was being worked on, the CDA hired a new general manager, Curtis Paxton. Mr. Manning offered some comments on Mr. Paxton's background. The CDA is moving ahead with the development of their wells. Mr. Manning stated Western Municipal Water District is still pursuing the LRP Agreement with the Metropolitan Water District.

6. Restated Watermaster Judgment Ag Well Sub-Committee Report

Mr. Manning stated the Restated Watermaster Judgment Ag Well Sub-Committee has met a couple of times and are working on a list current Agricultural Members. So many people in the Agricultural area have either moved, died or sold their property, or some other situation has come up with their information. This committee is moving forward on their progress and will mostly likely meet a few more times. Chair Feenstra noted they have added Nathan deBoom to the committee because of his overall knowledge of the area.

7. General Electric Pool Designation

Mr. Manning stated General Electric entered into the Judgment as an Appropriative Pool member after the original adjudication; however, they have always been treated as a Non-Agricultural Pool member and have been listed in our Annual Reports and Assessment Packages as a Non-Agricultural Pool member for over a decade now. Watermaster has no record of this change or why this they were originally placed into the Appropriative Pool. GE recognizes they belong in the Non-Agricultural Pool and have confirmed they want to stay in the Non-Agricultural Pool. Watermaster has asked they make a formal request to be put into the Non-Agricultural Pool and the proper paperwork will be filed with the court. Then they will be put in the Restated Watermaster Judgment as a Non-Agricultural Pool member. A lengthy discussion regarding this matter ensued.

IV. INFORMATION

1. Cash Disbursements for December 2010

No comment was made regarding this item.

2. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

Chair Feenstra offered comment on the TCE issue. Mr. Manning stated the plume exists and the Regional Board will have a demand on those who are responsible to take some action to eliminate the plume. That will have to be worked out by the PRP's when they become responsible parties and the deal is actually made. Watermaster responsibility is to work with the Regional Board in the development of information. The PRP/ABGL Group made a presentation to the Watermaster Board at their last meeting and Watermaster staff and consultants are putting together a draft response to that presentation. Watermaster is still working with the ABGL Group on this matter. Chair Feenstra stated Mr. Pierson and himself are attending meetings regarding the plume and offered comment on the issue. A lengthy discussion regarding this matter ensued.

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.

VIII. FUTURE MEETINGS

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
Thursday, January 20, 2011	11:00 a.m.	Basin Subsidence Committee Mtg. @ CBWM
Friday, January 21, 2011	10:30 a.m.	CBWM Court Hearing @ Chino Courthouse
Wednesday, January 26, 2011	9:30 a.m.	State Court of Appeal @ Riverside Courthouse
Thursday, January 27, 2011	11:00 a.m.	Annual Watermaster Board Meeting @ CBWM

The Annual Agricultural Pool meeting was dismissed by Chair Feenstra at 10:43 a.m.

Secretary: _____

Minutes Approved: February 10, 2011