

Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

March 10, 2011

The Agricultural Pool Meeting was held at the offices of the office of Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on March 10, 2011 at 9:00 a.m.

Agricultural Pool Members Present Who Signed In

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

Watermaster Board Member Present

Paul Hofer	Crops
------------	-------

Watermaster Staff Present

Danielle Maurizio	Senior Engineer – Interim CEO
Joe Joswiak	Chief Financial Officer
Ben Pak	Senior Project Engineer
Sherri 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
Ryan Shaw	Inland Empire Utilities Agency
Marsha Westropp	Orange County Water District
Ken Jeske	California Steel Industries (CSI)
Curtis Paxton	Chino Desalter Authority

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

AGENDA - ADDITIONS/REORDER

Chair Feenstra added Business Item C: Regional Water Quality Control Board Letter to the agenda. Chair Feenstra noted a copy of the letter which will be discussed is available on the back table.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held February 10, 2011

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

Moved to take item A separately for approval, as presented

Motion by deBoom, second by Durrington, and by majority vote – Novak, Pierson, and Vanden Heuvel abstained

Moved to approve Consent Calendar item A, as presented

A discussion regarding the proxy signed by Jeff Pierson for Rick Rees to vote in his absence was received during the February 10, 2011 meeting and is in filed at Watermaster. It was noted the minutes will reflect Mr. Reese was representing Crops and not the State of California.

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of January 2011
2. Watermaster Visa Check Detail for the month of January 2011
3. Combining Schedule for the Period July 1, 2010 through January 31, 2011
4. Treasurer's Report of Financial Affairs for the Period January 1, 2011 through January 31, 2011
5. Budget vs. Actual July through January 2011

C. WATER TRANSACTIONS

1. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 60.000 acre-feet of water from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio's Annual Production Right, with any remainder to be recaptured from storage. Date of Application: January 26, 2011
2. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 60.000 acre-feet of water from San Antonio Water Company to the Monte Vista Water District. This lease is made first from San Antonio's Annual Production Right, with any remainder to be recaptured from storage. Date of Application: January 26, 2011
3. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 274.294 acre-feet of water from San Antonio Water Company to the Monte Vista Water District. This lease is made first from San Antonio's Annual Production Right, with any remainder to be recaptured from storage. Date of Application: January 28, 2011
4. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 880.000 acre-feet of water from San Antonio Water Company to the City of Upland. This lease is made first from San Antonio's Annual Production Right, with any remainder to be recaptured from storage. Date of Application: January 26, 2011
5. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 895.190 acre-feet of water from San Antonio Water Company to the City of Upland. This lease is made first from San Antonio's Annual Production Right, with any remainder to be recaptured from storage. Date of Application: February 1, 2011

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

Moved to approve Consent Calendar items B and C, as presented

II. BUSINESS ITEMS

A. RESTATED WATERMASTER JUDGMENT – AGRICULTURAL POOL PARTY LIST

Ms. Maurizio stated this item is regarding the Restated Watermaster Judgment – Agricultural Pool Party List, which has been worked on by a sub-committee for several months. The original list came from the Judgment. Ms. Maurizio noted Watermaster updates its database as people come into, and leave, the basin. There are still a lot missing or that still needs to be intervened into the Judgment. Ms. Maurizio stated a process needs to be developed which will ultimately go to the court for approval before the intervention process can begin for those parties, and staff is seeking approval of the process at this point in time. Ms. Maurizio stated there is an outlined procedure in the meeting packet which staff and the sub-committee feels is appropriate to move this forward. Ms. Maurizio explained in detail how the sub-committee went through lists, maps, and other data to come up with the new party list. Ms. Maurizio stated it will be the well owners that will be intervened, and a letter will be issued to them which will be signed by Chair Feenstra. It might make them feel more comfortable in signing a letter endorsed by the Chairman of the Agricultural Pool; the letter will explain the circumstances in detail and it will also give them an

opportunity to contest it. Ms. Maurizio stated this process will also be advertised; however, that portion of the process is not finalized. Ms. Maurizio stated there is also a process that will be developed in the future to help maintain the lists accurately. Counsel Fife stated staff wants to get the people/parties who are not in the Agricultural Pool into the Pool, and then the people/parties who should not be in it, out of it. There are complications because there are so many people on the list. Counsel Fife stated the reason we are going to the court is because there are due process concerns. Counsel Fife stated the staff letter clearly outlines the steps which are being proposed. Those were reviewed in detail. Counsel Fife stated, along with the letter the people/parties who are in the Judgment will receive an order from the court stating when they sell their property they must notify the Watermaster of the sale, and to also notify the buyer about the Judgment and all that it entails. This should ensure that every time there is a property transaction, the new person should be captured and this will keep the Agricultural Pool list updated on an ongoing basis. A lengthy discussion regarding the user and/or the owner's need to take care of this, new well drilling, and how to enforce this new effort ensued. Chair Feenstra offered comment on this item and inquired about a scenario if the Watermaster was to disband. Counsel Fife stated the Watermaster was created by the Judgment, and if something would ever happen to Watermaster that would not negate the Judgment. It's the Judgment that allocates the water and what is happening to the water. Counsel Fife stated, if for whatever reason the Judgment was turned over, then possibly common law rights would take over. A discussion regarding Chair Feenstra's comments ensued.

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

Moved to approve staff recommendation for the proposed procedure for Updating the List of Agricultural Pool Names to the Judgment, as presented

B. ADD ADDITIONAL ALTERNATE(S) TO AGRICULTURAL POOL

Ms. Maurizio stated at the last Agricultural Pool meeting there was a problem with obtaining a quorum, and it was asked this item be agendaized this month. Chair Feenstra noted it would not serve this committee well by adding more members. The situation last month was that no phone calls were made prior to the meeting to ensure a quorum. Mr. Vanden Heuvel agreed that there are seventeen current members and getting a quorum should not be a problem if calls are made in advance. Mr. Vanden Heuvel noted several members attend a Farm Show each February and it might be a problem every February to get a quorum. Ms. Maurizio noted this will be put into the meeting tickler file and will be discussed at the annual meeting as to how to handle the February meeting. A discussion regarding this matter ensued.

No motion was made.

Added Item:

Chair Feenstra stated in conversations throughout the different Pools, and in dealing with the plume for several years, the Regional Water Quality Control Board (RWQCB) finally put out a letter to the City Manager of Ontario. Chair Feenstra stated the letter is quite clear as to what the executive officer has sent out, and the outcome is still unclear on the part of the City of Ontario. Chair Feenstra stated this board would like to have a collaboration of all parties to work for a suitable solution that would not only address the plume, but address who is responsible, or needs to be involved in the solution process to the plume. The committee agreed it was great to see the letter and an attempt to see the problem finally addressed. Chair Feenstra offered comment on this matter. Mr. Jeske discussed his past roll with the City of Ontario and his role now with the Non-Agricultural Pool and as chair of the Advisory Committee. Ms. Novak offered comment on her ability to discuss this matter because she is not a part of this process for any other client and offered further comments. A lengthy discussion regarding this subject, potable water, and good quality water ensued. Mr. Vanden Heuvel stated this is all about trying to find responsible parties, but at some point the next step is going to have to happen that will actually start mitigating the effects on the groundwater. If this letter would result in nothing and is ignored we have no choice but to take the next step. Chair Feenstra inquired about what infrastructure will be in place that will address this plume, and could it actually

clean up the plume. Mr. Malone stated the water can be pumped and it can be treated. At the Chino I Desalter the water that is being pumped by some of these wells is treated to get the volatile organic compounds out; all those technologies exist. A discussion regarding clean up technologies ensued. Chair Feenstra inquired about the discussions that took place during the last Watermaster Board session. Counsel Fife stated the reported actions can be discussed; however, what was discussed in the actual closed session can't be revealed. Chair Feenstra noted one of the actions was that an ad-hoc committee was formed of Mr. Willis, Mr. Kuhn, Mr. Vanden Heuvel, and Ms. Lantz to address this situation. Along with that ad-hoc committee, Scott Slater was appointed to be a facilitator. Chair Feenstra noted he sees possible conflicts with Counsel Slater acting as a facilitator. Mr. Lee noted Counsel Slater has acted as a facilitator in the past and has had good results and he does not know of any conflicts. Counsel Fife stated he knows of no legal conflicts, if there are any they have been disclosed. A discussion regarding legal conflicts ensued. It was noted Chair Feenstra needs to stay apprised on what is taking place at the ad-hoc committee meetings and report back to the Agricultural Pool members. A discussion regarding what contamination is being cleaned currently at the Chino I Desalter and general cleanup ensued.

III. REPORTS/UPDATES

A. **WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. April 22, 2011 Hearing

Counsel Fife stated the April 22, 2011 hearing is still on the calendar, and the purpose of that hearing is for court approval of the Resolution which was passed by the Watermaster Board recently. This Resolution is not ready to go to the court and it is felt it will not be ready in time for the scheduled hearing; this will be requested to be pushed out to a later date. Counsel Fife stated the members of the CDA had a conference call yesterday, and whether or not the Resolution would be completed by April 22nd was the main topic. The general outcome was that it would need to be rescheduled to a later date. Counsel Fife stated the contingency that is preventing the Resolution from being ready is the unfinished Metropolitan Water District's (MWD) approval of the LRP subsidy for the desalter water; it will be going to the MWD board in the April/May time frame.

2. Calendar of Events for Paragraph 31 Appeal

Counsel Fife stated the Non-Agricultural Pool's opening brief was due on March 8, 2011. It is unclear if the brief was filed or not because no copy was received. Counsel Fife stated California Steel Industries did ask the Court of Appeal for an extension and was granted that extension; however, Watermaster did not respond to their request because it is prudent this matter be resolved quickly; no order has been seen on this. A discussion regarding the extension ensued. Counsel Fife stated Watermaster wants to file its response brief as soon as possible.

B. **ENGINEERING REPORT**

1. Basin Plan Amendment Issue as it Relates to Surface Water Monitoring

Mr. Malone stated the Basin Plan Amendment is going through its process right now. It is exiting the CEQA process presently and then it needs the approval of the Regional Water Quality Control Board (RWQCB) and the Office of Administrative Law. Mr. Malone reviewed how the Basin Plan Amendment will affect the Chino Basin Watermaster in detail. Mr. Malone reviewed maps regarding flow and water quality in detail. Mr. Malone stated the surface water monitoring is not prudent to be an effective method to determine Hydraulic Control. This argument was made to the RWQCB and they have accepted and acknowledged it does not make sense to spend effort and money on the surface water monitoring. Efforts should be concentrated on groundwater monitoring around the Desalter Well Field. Mr. Malone stated a lot of money is spent on surface water monitoring along the Santa Ana River, so that will be a potential savings; however, no relief will be seen until the Basin Plan Amendment is finalized. Mr. Malone stated it appears this will not be final until the end of 2011. The surface water monitoring will have to continue until that time. Mr. Malone stated the RWQCB is now spearheading a Regional Surface Water Monitoring Program and it is not going to be as intensive as what Watermaster has been doing for

monitoring. The RWQCB will come back to all the permittees, who include Watermaster and IEUA, and ask for some participation in surface water monitoring at a much reduced scale. A lengthy discussion regarding this item ensued.

2. Recharge Master Plan Implementation in MZ3

Mr. Malone stated, as reported previously regarding the Recharge Master Plan Implementation in the MZ3 area, that the Riverside County Flood Control and Chino Basin Water Conservation District is trying to implement its water conservation mission. Those parties have monies and have expressed interest in helping Watermaster implement some Recharge Master Plan Projects that would benefit Riverside County agencies. The Chino Basin Water Conservation Water District and Chino Basin Watermaster has come up with some proposals for specifically the Jurupa, Wineville, Declez, RP-3 and Riverside basins; some improvements could be done on them that would increase storm water capture and increase recycled and imported water recharge. Mr. Malone stated there are more detailed handouts that describe what those proposals are. Chair Feenstra inquired about the area affected at the Archibald Plume, and if any water is being drawn from them into other wells for cleanup purposes. Mr. Malone stated this will have to be discussed at another time because he was unsure of the questions being asked. Chair Feenstra stated that would be fine to discuss this at a future meeting; however, the main question is how we get the water to a Desalter for cleanup. Mr. Malone referenced a map and explained the mechanics of this cleanup, which would include installing additional pipelines to the Desalter facility if that is where the treatment was going to occur. Mr. Malone offered comment on wellhead cleanup options. A lengthy discussion regarding cleanup and treatment ensued. Mr. Malone stated there was a request to actually look at water quality data and that can be done at a future meeting.

3. Water Quality at CDA Wells Impacted by Chino Airport and Current Treatment Techniques

Chair Feenstra stated this item was covered during discussions of other items.

C. CEO/STAFF REPORT

1. Recharge Update

Ms. Maurizio reviewed the recharge numbers for February and the total numbers to date.

Added Comment:

Ms. Maurizio stated at a recent meeting it was requested to have SAWPA give a presentation on the critical habitat; however, staff has not be able to make those arrangements to date, so possibly by the April meeting.

IV. INFORMATION

1. Cash Disbursements for February 2011

No comment was made regarding this item.

2. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

Mr. Lee stated he will look up the quorum question and provide a report next month.

Mr. Hofer commented on the Agricultural wells that nobody knows about, or are having trouble tracking down the owners of those wells, and the comment made regarding a possible enforcement. Mr. Hofer stated he is troubled by this statement and felt people are not actively trying to subvert the system; it is just one more thing they have to do that they just might not be aware of. It is troubling there might be a new law that makes an ordinary citizen that is just trying to get by a criminal. Mr. Hofer stated what needs to be done is more due diligence and to make further attempts to find out where the wells are instead of enforcement. Mr. Hofer thanked Ms. Novak on her comments on

where her responsibilities lie in this legal process and found them to be very helpful. Chair Feenstra commented on Mr. Hofer's comments. Mr. Durrington stated the well information can be obtained by the Edison Company. Ms. Maurizio stated staff will look into that option.

VI. OTHER BUSINESS

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, March 10, 2011	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, March 17, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
Thursday, March 17, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, March 17, 2011	10:30 a.m.	Land Subsidence Committee Mtg. @ CBWM
Thursday, March 17, 2011	1:00 p.m.	CEO Interview Panel Meeting @ CBWM
Tuesday, March 22, 2011	9:00 a.m.	GRCC Meeting @ CBWM
Thursday, March 24, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Friday, April 22, 2011	10:00 a.m.	Chino Basin Watermaster Court Hearing

The Agricultural Pool meeting was dismissed by Chair Feenstra at 10:26 a.m.

Secretary: _____

Minutes Approved: April 14, 2011