

Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

December 8, 2011

The Agricultural Pool Meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on December 8, 2011 at 1:00 p.m.

Agricultural Pool Members Present Who Signed In

Bob Feenstra, Chair	Dairy
Nathan deBoom	Dairy
John Huitsing	Dairy
Gene Koopman	Milk Producers Council
Jeff Pierson	Crops
Jennifer Novak	State of California, Dept. of Justice, CIM

Watermaster Board Member Present

Paul Hofer	Crops
Geoffrey Vanden Heuvel	Dairy

Watermaster Staff Present

Danielle Maurizio	Senior Engineer, Interim CEO
Gerald Greene	Senior Environmental Engineer
Joe Joswiak	Chief Financial Officer
Sherri Molino	Recording Secretary

Watermaster Consultants Present

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

Others Present Who Signed In

Tracy Egoscue	Paul Hastings
Gil Aldaco	City of Chino
Chris Berch	Inland Empire Utilities Agency
Paul Deutsch	Geomatrix Consultants, Inc.
Eunice Ulloa	Chino Basin Water Conservation District
Bob Gluck	City of Ontario

Chair Feenstra called the Agricultural Pool meeting to order at 1:15 p.m.

AGENDA - ADDITIONS/REORDER

No additions or reorders were made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

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

Motion by Pierson second by Koopman, and by unanimous vote – one abstention by Novak
Moved to approve Consent Calendar items A, as presented

B. FINANCIAL REPORTS

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

Motion by Novak second by Koopman, and by unanimous vote

Moved to approve Consent Calendar items B, as presented

C. REQUEST FOR STORAGE AGREEMENTS

1. **Consider Approval for Notice of Local Storage Agreement** - The City of Upland has submitted an application for a Local Storage Agreement for 9,500.000 acre-feet to be placed into a Local Supplemental Storage Account. Date of Application: November 29, 2011
2. **Consider Approval for Notice of Local Storage Agreement** - San Antonio Water Company has submitted an application for a Local Storage Account for 2,000.000 acre-feet to be placed into a Local Supplemental Storage Account. Date of Application: December 1, 2011

Ms. Maurizio noted the request for Storage Agreements was deferred by both the Appropriative and Non-Agricultural Pools. Mr. Koopman asked why. Ms. Maurizio stated Storage Agreements have been discussed for approximately 15 years now; they get brought up, then they get tabled for a while, and then brought up again. Ms. Maurizio stated there are a number of parties that have already put in a request for Storage Agreements over the last few years that have also been tabled. Ms. Maurizio stated that these on the agenda today were brought forward recently, so Watermaster went ahead and began the process to bring them forward; however, the other parties are saying if these Storage Agreements are being considered then the others need to be considered also, and there is a the cap of 100,000 acre-feet of supplemental storage that needs to be kept in mind. Staff has not had the opportunity to do the Material Physical Injury Analysis on these yet so both of the Pools decided to defer it for this month. Mr. Koopman inquired about how much out of the 100,000 acre-feet have been prescribed. Ms. Maurizio stated approximately 65,000 acre-feet.

Ms. Novak commented, with that stated, she would like to approve Item B. and was seconded by Mr. Koopman. Ms. Novak stated the reason she motioned on Item B. was that she was not present for the meeting in which the minutes are prepared and would have to abstain, and on Item C. she would like to move to defer that for however long the other Pools are deferring that as well; Mr. Pierson seconded the motion. Chair Feenstra inquired to his legal counsel if with a quorum is it okay that Ms. Novak abstains from a motion, and inquired if this Pool needed six votes. Ms. Egoscue stated no, not with an abstention. Chair Feenstra called for the question.

Motion by Novak second by Pierson, by unanimous vote

Moved to defer the Local Storage Agreements, as presented

Mr. Pierson stated Ms. Novak did not move Item A. – and Mr. Pierson moved to approve the minutes. Mr. Koopman seconded the motion. Chair Feenstra called for the question.

Mr. Geoffrey Vanden Heuvel asked Watermaster staff what the process is to deal with the items that were deferred by the other Pools today for Item C. Ms. Maurizio stated the Material Physical Injury Analysis needs to be performed on these, as well as on any other agreements, and it is not just the agreements, it is the application for recharge as well. Ms. Maurizio stated that before any of them can move forward the Material Physical Injury Analysis needs to be accomplished. Ms. Maurizio stated this is really a bigger issue and that she does not see this being settled in the next month or two. Ms. Maurizio stated there was a Storage Workshop about a year-and-a-half ago when Mr. Manning was here, and there was discussion if is this a reservation of right for storage or is it first-come first-served of actual water in the ground getting

up to that cap. Ms. Maurizio stated there are a lot of big issues to be worked out on this and hopefully now people are really ready to work on them. Mr. Vanden Heuvel stated then the answer to the question is there is no defined process to resolve this. Mr. Pierson stated not until it comes back up again. Ms. Maurizio stated she thinks this will lead up to a workshop. Counsel Fife stated what was discussed at the Appropriative Pool was that this item would stay on the agenda so that there is continued dialog through the Pool process, and next month staff would come back with a Material Physical Injury Analysis and a description of what is going on with all these existing Storage Accounts. Mr. Pierson inquired about the staff report stating that there does not appear to be any material physical injury to a party. Mr. Pierson stated if we need a new Material Physical Injury Analysis then how did this get agendized. Ms. Maurizio stated this is the policy we have and we knew it was going to be controversial because we have been talking about Storage Agreements for a very long time. Ms. Maurizio stated the issue too, is that the City of Upland and San Antonio Water Company have real water right now, and if they don't put it in the ground now they are going to lose it unlike the previous requests for Storage Agreements where they just want to reserve the space. Ms. Maurizio stated Watermaster wanted to get the conversation going and it was on the Consent Calendar because that is the typical way to move these types of requests through the Watermaster process. Ms. Maurizio stated this is just the process to get the conversation going. Chair Feenstra inquired if "we" was talking about her or who "we" is. Ms. Maurizio stated she consulted with legal counsel and Mr. Wildermuth about the implications of putting this water in. Ms. Maurizio stated the recycled water is the big trigger for the Material Physical Injury Analysis; otherwise, just supplemental water itself is a benefit to the basin because it is in the MZ1 area, so it helps the water levels in the area. Counsel Fife stated like a typical storage application, it was put on the agenda and issues were raised, which is actually the typical process as a way of vetting issues and getting them on the table. Mr. Koopman inquired about the others that are on the list of having applications in, and noted Inland Empire Utilities Agency (IEUA) is on that list. Ms. Maurizio stated yes, IEUA is on that list as well as Monte Vista Water District for 10,000 acre-feet, City of Fontana for 5,000 acre-feet, Fontana Water Company for 10,000 acre-feet and there is one that she is unable to locate from Cucamonga Valley Water District from the year 2000 at approximately 40,000 to 50,000 acre-feet. There is also the IEUA one, and possibly others that have not been found. Mr. Koopman stated what he is hearing is more than 100%. Ms. Maurizio stated that is correct and that is why this is a big issue. Mr. Koopman stated maybe the Agricultural Pool better step in there too as well as IEUA. A lengthy discussion regarding this matter ensued. Mr. Vanden Heuvel stated for the benefit of the Agricultural Pool, he has done some research on this issue and there is quite a bit of back door storage that has occurred over the last ten years. Mr. Vanden Heuvel stated back door means its unpumped safe yield that then becomes stored, and the question is, is it supplemental water or something else. Mr. Vanden Heuvel stated there are issues with that and hopes that during the process there is clarity. Mr. Vanden Heuvel offered comment on the 100,000 acre-foot cap and the reserving of space. Mr. Vanden Heuvel inquired if the City of Upland and San Antonio Water Company are letting this water go because they have not been able to get a Storage Agreement. Ms. Maurizio stated right now they cannot recharge and we might be able to bring this back next month with just their Application for Recharge as a standalone without the agreement and they can recharge it; however, that is also questionable and may set a precedent for doing that. Mr. Koopman offered further comment on replenishment water rates. A discussion on Mr. Koopman's comments ensued. Mr. Vanden Heuvel stated he is wondering if, for the Agricultural Pool to just defer Item C., should we not just pass a motion encouraging the Watermaster to do whatever they need to do to preserve the opportunity of this 11,500 acre-feet of water coming into the basin and offered final comment on this matter. Chair Feenstra stated Mr. Vanden Heuvel almost offered a recommendation for this item. Mr. Pierson stated he was the second on Item C. and he would defer to the motion maker for her comments. Ms. Novak stated her motion was that if this was going to be worked through the Pools, then let the Pools offer their thoughts on the record, and then if any further work needed to be done by staff, then that also needed to be done. Ms. Novak stated the question is, are we making a statement or are we making assumptions about whether or not there is Material Physical Injury for anything else that is out there that we don't know about; the question is how complete is the

information in front of us. Ms. Novak agrees that if somebody has water to put in the ground now it should go forward. Mr. Koopman stated if we don't do something, they are going to lose it which is not good. Mr. Koopman offered further comment on this matter and referenced the last water purchase in how slow the system can work. Ms. Novak commented that she thought she understood that they could resubmit under what is called recharge, and allow them to use it as recharge as opposed to reserving space. Ms. Maurizio stated Watermaster can try and bring that process through in January but they are still losing the opportunity in December. Mr. Pierson stated maybe the Agricultural Pool should attempt to make a motion for Watermaster to attempt posthaste to obtain an Application for Recharge for the benefit of these two parties. Chair Feenstra stated that is the motion Mr. Koopman made and Mr. Pierson stated he seconded the motion. Mr. Pierson offered comment on Ms. Novak's motion. Ms. Egoscue asked that it be clarified that there is an Application for Recharge. Ms. Maurizio stated that is included within the package on page 65 is the City of Upland's Application for Recharge. Ms. Maurizio stated she would add that it includes recycled water on it and that is the trigger for the Material Physical Injury Analysis. Ms. Maurizio stated the Application for Recharge for the San Antonio Water Company is on page 79. Mr. Wildermuth stated the City of Upland is nowhere close to putting recycled water in the ground; a lot of work has to be done for them to do that but it is merely to say that in the exercise of that Storage Agreement that at some point in the future they will be ready. Mr. Wildermuth stated some preliminary work has been done but they still have to do the CEQA. Mr. Wildermuth offered further comment on the City of Upland. Chair Feenstra asked the recording secretary to read the motion. The motion was read to approve the applications for recharge which are presented in the meeting package with the documentation for the Local Storage Agreements. Ms. Novak asked for clarification. Ms. Egoscue stated the actual agenda notice is for the consideration of a Local Storage Agreement and that there was a motion to defer that; however, the question for Watermaster counsel is can the Application for Recharge now be moved even though it does not appear it was noticed. Counsel Fife stated the Application for Recharge is part of the meeting package and Form 2 is there for consideration. Ms. Novak stated it is there; however, there has been no notice that an Application for Recharge would be separate from the Application for Storage. Counsel Fife stated yes it can. A lengthy discussion regarding the agenda item ensued. Ms. Novak noted her concern over the lack of clarity on this item and she will be voting no. A discussion regarding Storage Agreements ensued. Mr. Pierson offered comment regarding separating the Local Storage Agreement from the Application for Recharge before making a motion. Ms. Egoscue stated the cleanest way to proceed is if this was noticed for consideration for the Application for Recharge, and that this is on the Consent Calendar. Ms. Egoscue stated if this Committee wants to consider the approval for the Storage Agreements, they must have a motion and vote on the Storage, and then if this Committee wants to consider the Recharge Application, the proper procedure is to make a motion on the Recharge. Ms. Egoscue stated it is appropriate to proceed with the deferred votes, having rested, and the proceeding with this new motion. Mr. Koopman asked that staff put together a list of everybody who has applied for storage, how much they applied for, and then how to proceed with this matter in the future. Mr. Pierson stated this will then go to the Advisory Committee, and Chair Feenstra stated that is correct. Counsel Fife stated the Advisory Committee can be notified of this motion; however, the other two Pools did defer this item. Counsel Fife stated this would not be on the agenda for action next week and would be reported as an information only statement. Chair Feenstra asked that Ms. Maurizio report this matter at the upcoming Advisory Committee meeting.

Motion by Koopman second by Pierson, and by majority vote – Novak voted no

Moved to forward with the Applications for Recharge which were presented in the meeting package with the documentation for the Local Storage Agreements, as presented

II. BUSINESS ITEMS**A. CHINO BASIN WATERMASTER RESERVES**

Ms. Maurizio stated the reserves have been discussed for a few months now in meetings. Ms. Maurizio stated it first came up during the budget process and the question has been raised by several Appropriators as to how much money is in the reserves, are there excess reserves, what do we do with them, and she noted there are other issues involved in this also. Ms. Maurizio stated there are three issues that need to have discussion started today: 1) How does Watermaster handle the reserves with regard to this year's Assessment Package and is staff is going to be doing the Assessment Package in January, Ms. Maurizio stated staff is seeking direction this month on that and this is an immediate need; 2) The issue off excess reserves and what might happen with those funds is open for discussion; and 3) A potential policy development is the third issue, which it appears there is some time for discussion on this last item. Mr. Joswiak gave the Operating Reserves presentation in detail. Mr. Joswiak reviewed the History of Operating Reserve including several spread sheets on Chino Basin Watermaster Assessment Calculations for various years. A discussion on the presentation and the funds on hand ensued. Mr. Joswiak stated staff needs direction on should the "30/30 Reserve" and the "Funds On Hand" be handled in the same manner as they were during the budget process. Mr. Joswiak stated in addition, some questions for discussion and considerations are: 1) What options are available for the Excess Reserve funds (i.e. kept by Watermaster for future emergency uses, returned to Pool Members based upon some rationale, reduce future assessments, etc.); 2) Developing a policy would provide a uniform practice and does Watermaster need a formal written Operating Reserve Policy; 3) Should there be a separate reserve for the purpose of purchasing Replenishment Water when there are significantly attractive opportunities; and 4) How does Watermaster fund unforeseen expenditures in the future. Chair Feenstra inquired if staff has looked back at what Watermaster has done in the past with excess reserves. Mr. Joswiak stated the excess reserves have never been redistributed and the balance has built up since 2001. Mr. Koopman asked for a review of one of the slides Mr. Joswiak presented. Mr. Joswiak reviewed the slide in greater detail. A discussion regarding the slide in question ensued. Chair Feenstra inquired if staff was looking for a motion regarding whether these reserves are refunded or held. Ms. Maurizio stated for these particular reserves, it is the Appropriators who decide what they do with their portion, and the Non-Agricultural Pool to decide what to do with their portion. Ms. Maurizio stated the immediate action needed is to make sure Watermaster is going forward with the Assessment Package. A discussion regarding this matter ensued. Ms. Maurizio stated there is no Policy and the motions made earlier are that the Appropriative and Non-Agricultural Pool made motions that their excess funds, after what Watermaster needs for the reserves and the six months operating costs, would be given back through the invoices that go with the Assessment Package. Mr. Pierson asked for what was being asked for in the staff report. Ms. Maurizio reviewed the staff letter and noted Item 2 is the issue that Watermaster staff needs direction on with regard to the Assessment Package. Ms. Maurizio stated the other items mentioned the staff letter is to start conversations. A lengthy discussion regarding this matter ensued. Mr. Koopman offered comment on the assessments and noted those assessments belong to the Agricultural Pool. Mr. Koopman offered history on how the Agricultural Pool bills are paid by the Appropriators. A discussion regarding Mr. Koopman's comments and the recommendation Watermaster is seeking ensued. Ms. Maurizio stated the Appropriative Pool feels they were overcharged and they have overpaid, and they are due a refund now. Ms. Maurizio reviewed this matter in detail. Ms. Novak offered comment on the budget process which took place recently and the discussions at the Agricultural Pool meetings over budgeting because money did not go back. Mr. Koopman asked how the Appropriative Pool wants the money back. Ms. Maurizio stated the Appropriative Pool wants it back in the pro-rated percent in which it got there in the first place, and to do that we would be looking at the last four years of assessments, and then it would be given back to them in that form. Mr. Koopman stated he would like to see staff come back with other alternatives with other things, that the money could be put into beneficial use for the whole basin. Mr. Pierson offered final comment on the six month operating costs kept for Watermaster and the 30/30 reserve being the proper amount. A discussion regarding what the reserve balance is made up from and this matter ensued. Counsel Fife asked for clarification on the motion. A discussion regarding

the recommendation ensued. Counsel Fife stated Watermaster needs direction on how to prepare the upcoming Assessment Package. Mr. Vanden Heuvel noted it is their money, they paid it, they are going to get it back, and they gave direction on how pay it. Chair Feenstra asked what this Committee wants to do. Mr. Joswiak clarified the numbers being presented and what staff is looking for. Chair Feenstra offered final comments and noted he made a recommendation for staff to come back with options on how to use this money.

Chair Feenstra recommend Watermaster staff look at bringing this item back with options on how to allocate the reserve funds

B. TURNER BASIN IMPROVEMENT PROJECT AGREEMENT

Ms. Maurizio stated this item is regarding the Turner Basin Improvement Project Agreement and introduced the item in detail. Mr. Greene gave the Cost Sharing Agreement for Turner Basin/Guasti Park Recharge Improvements presentation. In the presentation Mr. Greene reviewed the Groundwater Recharge Projects in detail, including the Bureau of Reclamation Grant with Inland Empire Utilities Agency. A detailed map of the Change in Groundwater Levels from Spring 2000 to Spring 2010 was reviewed. Mr. Greene reviewed the Turner Basin Task Force Summer 2010 as well as the Milliken Grade Separation Project in detail. The Proposed Cost Sharing Agreement and Cost Recovery Projection, and Staff Recommendations were reviewed in detail. Chair Feenstra commented on this great project and the effort between Watermaster and Inland Empire Utilities Agency. A discussion regarding this item ensued. Chair Feenstra inquired what the other Pool's motions were on this item. Ms. Maurizio stated both the Appropriative and Non-Agricultural Pool moved unanimously to approve the cost sharing agreement. A discussion regarding the agreement ensued and Mr. Greene stated this agreement is a not to exceed contract to Watermaster. Ms. Novak inquired how the other two Pools voted and Ms. Maurizio stated the Appropriative and Non-Agricultural Pool both approved this item. Ms. Maurizio stated the Non-Agricultural Pool added an additional statement to their motion, stating they would like Watermaster to use the unbudgeted revenue that Watermaster received in August to pay for the whole three year agreement.

Motion by Koopman second by deBoom, and by unanimous vote

Moved to approve staff recommendation to enter into a cost sharing agreement between Chino Basin Watermaster and Inland Empire Utilities Agency for the Turner Basin Improvement Project, as presented

C. ANNUAL FINDING WITH COMPLIANCE OF UPDATED RECHARGE MASTER PLAN

Ms. Maurizio stated Watermaster is required to make this annual finding, that it is in substantial compliance with the 2010 Recharge Master Plan Update; this will be the first required one for Watermaster to do on this plan annually. Ms. Maurizio stated Mr. Wildermuth's report is included in the meeting package. Ms. Maurizio stated Wildermuth's latest report indicates there is enough recharge capacity; Watermaster knows there is an imbalance of recharge and discharge that exists in the MZ3 and specifically in the Jurupa area. Ms. Maurizio stated Watermaster is working on addressing those issues. Ms. Maurizio stated to show we are in compliance, Watermaster has committed to the process toward implementing the Preemptive Replenishment Program.

Motion by Pierson second by Koopman, and by unanimous vote

Moved to approve recommending that the Board adopt the finding in the Wildermuth Report that Water is in substantial compliance with the 2010 Recharge Master Plan Update, as presented

D. WEST VENTURE DEVELOPMENT WATER RIGHTS

Ms. Maurizio stated this item was on the agenda last month; however, was deferred to this month. Ms. Maurizio stated originally this was Red Star Fertilizer who was an original party to the Judgment and had 15.657 acre-feet of safe yield as a Non-Agricultural Pool party. Ms. Maurizio stated they were then acquired by Anaheim Citrus and then eventually by West Venture Development Company. Ms. Maurizio stated West Venture subdivided the land into

approximately thirty-three lots and then sold the lots; they abandoned their rights in fiscal year 1991-1992 but the rights have remained unallocated since that time. Ms. Maurizio stated there is correspondence from West Venture attached in the meeting package in back of the Watermaster staff letter. Ms. Maurizio reviewed the West Venture letters. Ms. Maurizio noted in the first letter stated they wanted their rights to be allocated to the parties of the Non-Agricultural Pool, pro rata effective to their safe yield; however, in the second letter they stated that is still held true but there was to be notice to the property owners of those thirty-three lots to give them an opportunity to object, and then to ultimately proceed from direction from the court. Ms. Maurizio stated nothing has been done with those rights for all this period of time; however, as of about a month or two ago there was a request from the Non-Agricultural Pool to move forward with that, and to pro rata divide it out to the Non-Agricultural Pool members. Mr. Koopman inquired as to what the Judgment says. Counsel Fife stated this is an interesting legal situation. Counsel Fife stated the Judgment is very brief but very clear on the issue of abandonment. Counsel Fife stated because the direction in the Judgment in paragraph 61, states that loss of water rights whether by abandonment, forfeiture, or otherwise, shall be accomplished only by 1) By written election of the owner of the right, filed with Watermaster, or 2) By order of the court. Counsel Fife stated those are the only two ways that abandonment can take place and there is written direction from the land owner is to ask the court for a decision. Counsel Fife stated the recommendation is that counsel will tee it up for the court and Watermaster's position will be to follow the direction of the land owner, and then anyone else wants to argue how it should be done, that will be up to them in front of the court, while allowing the court to make the final decision. A discussion regarding Counsel Fife's comments and this matter ensued. Ms. Maurizio stated the Appropriative Pool deferred this item and the Non-Agricultural Pool approved staff recommendation that it be reallocated to the members of the Pool, and to wait to move it onto the Advisory Committee and the Watermaster Board until the Appropriative Pool acts on this item. Chair Feenstra asked that counsel describe the Non-Agricultural Pool's motion in greater detail. Counsel Fife stated the Non-Agricultural Pool took action to approve staff recommendation but then they told staff that we did not have to move on to the Advisory and Watermaster Board, that they would wait until they saw what the Appropriative Pool would do. A brief discussion regarding this item ensued

No action was taken.

E. MAILING OF ARCHIBALD SOUTH PLUME WATER QUALITY RESULTS

Ms. Maurizio stated staff is looking for direction from the Agricultural Pool on this item. Mr. Maurizio stated staff has been out taking samples on this plume and while they have been out there doing that, they have been asked by several owners and users about receiving the water quality results. Ms. Maurizio stated there are a number of different ways to go about this and staff wanted the Agricultural Pool's direction. Ms. Maurizio stated in the past if a person had asked for the water quality results, Watermaster has sent that to them, as long as they were the owner and results were not sent to the user unless the owner specifically asked us to do so. Ms. Maurizio stated the ABGL Group has also been doing sampling and Gail from the ABGL Group suggested Watermaster that the ABGL Group has a joint letter that goes out to the owners and potentially the users also. Chair Feenstra stated he has already told Watermaster to release all the data that Watermaster has. Chair Feenstra offered history on this matter. Chair Feenstra stated this Committee has taken the position that everyone should have safe drinking water within the agricultural preserve area. Chair Feenstra stated if there are any results which have been taken by anyone that shows contamination, the owner/user should know about those results. Chair Feenstra stated his recommendation today is to release all the information. Mr. Koopman inquired to legal about disclosing water contaminants in leases and if that is not done, can this committee be held legally liable. Counsel Fife stated this discussion has taken place for years and the policy long ago put in place, as a matter of policy, is that Watermaster notifies whoever the registered owner of the property is, and anything beyond is that is the owner's responsibility. Chair Feenstra offered comment on this matter. Chair Feenstra stated let's just make it policy that you are required either by sale, title or by lease of their property, that you are required to notify them of what the quality of water is on your property.

Ms. Egoscue stated the data has already been sent to the Regional Board executive officer by his request, it has been sent to the state, and it is a matter of public record which anyone can have access to. Ms. Egoscue stated at this point, and barring any further information from our meeting packet, it's not clear that the Agricultural Pool has some legal ability to not allow this to be released; it is already public record. Ms. Egoscue stated she advises that the Agricultural Pool's recommendation is appropriate. Chair Feenstra stated that Ms. Egoscue recently had the opportunity to meet with the ABGL Group and asked that Ms. Egoscue share about that meeting. Ms. Egoscue stated the ABGL Group was approached by the Regional Board and it was requested by the executive officer that notification letters be sent out to the affected users, well owners, and the property owners. Ms. Egoscue stated the ABGL Group responded to the Regional Board that they did not conduct this testing, that it was the Watermaster that conducted the testing. The executive officer inquired as to when notification letters would be set out. Ms. Egoscue stated she was notified about this by the ABGL Group and she did not independently verify this with the executive officer and she will assume that is why it is on the agenda today. Chair Feenstra inquired if the results have been released to the Regional Board and Ms. Egoscue stated, to her knowledge, those results have been released to the Regional Board. A lengthy discussion regarding this matter ensued. Ms. Egoscue noted that the City of Ontario and the ABGL Group have submitted public reports on this plume to the Regional Board which should bring about more public awareness. Chair Feenstra offered comment on this item regarding the possibility of legal action. Mr. Pierson offered comment on this matter and noted now that this has been made known publically; maybe the Watermaster should be given authorization to send the results to both the tenant and the owner. Chair Feenstra offered comment on a presentation given by Tom Love at Inland Empire Utilities Agency recently. Ms. Novak stated the Regional Board has all of this data and is now in the public realm, and this committee can't stop them from releasing the data to any party they want unless some sort of representation was made by Watermaster as to who would or would not get this data and what it was for; this was not the direction of this Pool committee to have any sort of cover up and was actually brought up to make sure that all received the data. Ms. Novak offered further comment on this matter and noted this is a who is at fault issue, so she prefers Watermaster not be seen as choosing sides if it is Watermaster sampling. Chair Feenstra stated he understands that the ABGL Group will not release data/results to the City of Ontario because of actions by the Agricultural Pool. Chair Feenstra asked Ms. Egoscue if she is aware if the ABGL Group has released any data to the City of Ontario. Ms. Egoscue stated she is not aware of that release. Mr. Gluck stated the City of Ontario received something; however, he is not aware how comprehensive the documents are and a meeting took place a few weeks ago, where a lot of data was requested. Chair Feenstra stated the ABGL Group was supposed to give you everything. A discussion regarding tap samples ensued. Chair Feenstra stated it is the belief of this chair and this committee that all constituents should be provided, and how that should be done is still to be determined. Mr. Pierson stated if we have all their contact information, everything should go back to those people who were sampled either by well or by tap. Chair Feenstra asked that Counsel Fife work with Ms. Egoscue to make sure a letter goes out from Watermaster that is clear and precise as to how it is explained. Mr. Pierson offered some sample language for the letter. Mr. Gluck stated his concern regarding the direction and the letter writing is that the City of Ontario has received some correspondence from the ABGL Group to the home owner or maybe even tenant, and in the spirit of not creating additional confusion to the confusion that already exists to please let him review what the ABGL Group has already sent. A discussion regarding the prospective ABGL Group letter ensued. Chair Feenstra stated he will ask that Watermaster include Mr. Gluck on what is going to go out and that staff ask the ABGL Group what they have provided the City of Ontario. Ms. Maurizio stated she has she has two examples of letters that the ABGL Group sent out in April 2011 to the taps that they tested, and all it says is that your TCE was above the MCL or below the MCL and it did not state the actual number. A discussion regarding the ABGL Group letter and what details Watermaster should include ensued. Chair Feenstra stated the motion should read that staff is directed that all constituents be provided with the information whether they are in safe levels of drinking water, safe cooking water, or safe bathing water.

Motion by Pierson second by Novak, and by unanimous vote

Moved to mail water quality test results to owners and/or renters, all water quality results from testing done by Chino Basin Watermaster staff, and to include the City of Ontario in that mailing, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Update on 180 day deferral of December 17, 2011 Recharge Master Plan Filing

Counsel Fife stated there is a draft pleading on the back table for the 180 day deferral which was directed by the Watermaster Board. Counsel Fife stated with the Judge preferring Friday's, the next step would be to attempt to get a hearing after next week's Board meeting so staff can get direction to file the pleading, file it, and then have the hearing.

2. Aqua Capital Management versus California Steel Industries

Counsel Fife stated this lawsuit is in a different courtroom than Judge Reichert. Counsel Fife stated California Steel Industries has filed a demur where they have asked the court to dismiss the lawsuit on the basis that the issues have already been ruled on by our court, and then in the alternate, that the case be moved back to Judge Reichert to be in the adjudication courtroom. Counsel Fife stated the hearing on this is December 19, 2011 and Watermaster will attend to be on hand; however, Watermaster is not filing anything in it at this time.

Added Item:

Counsel Fife stated following the CDA hearing, there was a concern by the Agricultural Pool about clarifying the remedies of agricultural members when the CDA wells go on line. Counsel Fife stated he committed to communicate the resolution of that issue and he is still working on it. Counsel Fife stated he thinks that the best way to do this is to submit a supplemental order to the court and since counsel is going to be there next Friday, counsel would like to tell the court that it is going to be getting a supplemental order and possibly just submit that and the Judge can sign it. There is no dispute on this issue and it just needs to be documented and clear for when a dispute comes up in the future. Counsel Fife described what the supplemental order will look like. Counsel Fife stated when he has the language he can have Ms. Egoscue review it. A lengthy discussion regarding this matter ensued.

Added Item:

Chair Feenstra inquired about the Restated Judgment. Counsel Fife stated the process will be to pass the Restated Judgment back through the Watermaster process again. A brief discussion regarding this matter ensued.

B. AGRICULTURAL POOL LEGAL COUNSEL UPDATE

Ms. Egoscue stated both the ABGL Group and the City of Ontario have submitted formal reports on the Archibald South Plume with the executive officer of the Regional Board regarding the plume on what may or may not be the possible cause of it. Ms. Egoscue stated it is her understanding that the executive officer is going to allow a period of comment which is very short, noting the comments should all be in by the beginning of next year. Ms. Egoscue stated it is apparent there will be some action by the Regional Board subsequent to the final review of the comments and the reports. Ms. Egoscue stated it is also her understanding that the Regional Board staff has reviewed both reports and so the Regional Board is paying attention, and she wanted to keep the Pool up to date. Ms. Egoscue stated she wanted to briefly report that almost all of the testing has been completed in the area and it is her understanding there is currently no one drinking unsafe water; anyone who has wells that exceed is currently on replacement water. Ms. Maurizio stated that is what she was also told by the ABGL Group and noted she just recently got the list from them of the locations that have the tank; however, staff has not had a chance to respond to that yet. Ms. Maurizio stated a few people have declined the tank but that they drink bottled water; however, they are still showering in the water even if they are drinking

bottled water. Chair Feenstra offered further comment on this matter. Ms. Novak inquired where the reports were posted at. Ms. Egoscue noted they are not posted and she has requested copies from the ABGL Group, which is a CD and it is being copied and sent. Ms. Novak asked that Ms. Egoscue get her a copy of that. Chair Feenstra thanked all those involved in this matter.

C. WATERMASTER ENGINEERING REPORT

1. Chino Creek Wellfield Extensometer Location

Chair Feenstra stated he has received a notice from Frank Brommenschenkel about the well that needs to be in place and this has been discussed in previous meetings. Chair Feenstra stated he has received the property location information. Chair Feenstra offered further comment on this item for other property locations for this extensometer.

Mr. Wildermuth stated, with regard to the Chino Creek Wellfield Extensometer location which is an ongoing process, it was reported recently that Wildermuth has been working with the county, and the county fell out in their helping us pick a site. Mr. Wildermuth stated we were working after that with the Agricultural Pool. Frank Brommenschenkel has been trying to help us get a site by working with a private land owner. Mr. Wildermuth stated very recently the county came back with a proposed site which will now get us back on track. Mr. Wildermuth stated next week there will be more current information on this endeavor.

D. CEO/STAFF REPORT

1. RWQCB Basin Plan Amendment Update

Ms. Maurizio stated staff is still hoping to get the Basin Plan Amendment Update on the February calendar.

2. Recharge Update

Ms. Maurizio stated there are no new numbers for November; however, the new recharge update will be ready for the next Advisory Committee meeting next week. Ms. Maurizio offered the recharge numbers for October.

3. Resolution of Preemptive Replenishment Water Purchase

Ms. Maurizio stated she is very happy to report that since the last Advisory Committee and Watermaster Board meetings Watermaster has signed the agreements with Jurupa Community Services District and with the City of Ontario. Ms. Maurizio stated the City of Ontario agreement was signed very quickly after the Board meeting, they gave a check to Watermaster almost immediately, and in turn Watermaster paid IEUA. Ms. Maurizio noted for your information the balance due to IEUA was paid in two checks. Ms. Maurizio stated on November 23, 2011 Watermaster paid IEUA in the amount given by the City of Ontario Agreement. Then the Jurupa agreement had to go back to their board on November 28, 2011 and they had the check and the agreement to Watermaster the next morning, and those funds were then taken to IEUA for the last payment on the balance due. Ms. Maurizio stated IEUA had to pay MWD by November 30, 2011, otherwise they were going to pay a late fee – Watermaster did get the monies due to IEUA in time so that they did not incur any penalties. Ms. Maurizio stated she attended the actual IEUA board meeting yesterday where Watermaster had officially asked for them to waive our penalties and interest because we paid them late according to their invoice; the IEUA board considered our request and they waived the fees for Watermaster. Ms. Maurizio stated Watermaster now has all the agreements needed and has paid IEUA in full for the water and all is good. Ms. Maurizio noted there is a handout on the back table which breaks down the water in further detail.

4. Notice of Availability of Non-Agricultural Pool Water

Ms. Maurizio stated this item is the Notice of Availability for the Non-Agricultural Pool water which starts on page 115 of the meeting packet. Ms. Maurizio stated this is just notification that if any party of the Non-Agricultural Pool parties would like to sell their water out of storage, they need to notify Watermaster by December 31, 2011 via email to Ms. Maurizio. Ms. Maurizio stated the notice is included in the meeting packet as well.

5. Annual and Election Meetings for January, 2012 Reminder

Ms. Maurizio stated this is for a reminder that the annual meetings will be in January, 2012 where the elections take place, and the dates are listed in the Future Meetings section of the agenda. Ms. Maurizio reminded the parties that the Board meeting has moved up a week to December 15, 2011 to accommodate the upcoming holiday. Ms. Maurizio stated on that day there will also be a Land Subsidence Committee meeting at 8:00 a.m. and a workshop has been added for the review of 2011 Groundwater Production & Replenishment Projections at 1:30 p.m. Chair Feenstra asked if Watermaster needed to know in advance of the meetings. Ms. Maurizio stated all the elections happen in January. Chair Feenstra thanked Ms. Maurizio for stepping up as interim CEO again, and thanked her for the great job she is doing.

E. OLD BUSINESS

No comment was made on this item.

IV. INFORMATION

1. Cash Disbursements for November 2011

No comment was made.

2. Newspaper Articles

No comment was made.

V. POOL MEMBER COMMENTS

Chair Feenstra discussed the Restorative Justice Center and the Community Gardens Project of Rancho Cucamonga briefly.

VI. OTHER BUSINESS

No comment was made.

The regular open Agricultural Pool meeting was convened to hold its confidential session at 3:12 p.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 confidential session concluded at 3:45 p.m.

No action was reported.

VIII. FUTURE MEETINGS

Thursday, December 8, 2011	9:00 a.m.	Appropriative Pool Meeting @ CBWM
Thursday, December 8, 2011	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, December 8, 2011	1:00 p.m.	Agricultural Pool Meeting @ CBWM
Thursday, December 15, 2011	8:00 a.m.	Land Subsidence Committee Meeting @ CBWM
Thursday, December 15, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
* Thursday, December 15, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, December 15, 2011	1:30 p.m.	Workshop for Review of 2011 Groundwater Production & Replenishment Projections
Thursday, January 12, 2012	9:00 a.m.	Annual & Election Appropriative Pool Meeting @ CBWM
Thursday, January 12, 2012	11:00 a.m.	Annual & Election Non-Agricultural Pool Conference Call Meeting – and at CBWM
Thursday, January 12, 2012	1:00 p.m.	Annual & Election Agricultural Pool Meeting @ CBWM
Thursday, January 19, 2012	8:00 a.m.	IEUA DYY Meeting @ CBWM

Minutes Agricultural Pool Meeting

December 8, 2011

Thursday, January 19, 2012	9:00 a.m.	Annual & Election Advisory Committee Meeting @ CBWM
Thursday, January 26, 2012	11:00 a.m.	Annual & Election Watermaster Board Meeting @ CBWM

* **Note:** Watermaster Board meeting date change due to the Christmas holiday

Chair Feenstra dismissed the Agricultural Pool meeting at 3:46 p.m.

Secretary: _____

Minutes Approved: January 12, 2012