

Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

October 11, 2012

The Agricultural Pool Meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on October 11, 2012 at 1:30 p.m.

Agricultural Pool Members Present

Bob Feenstra, Chair	Dairy
Nathan deBoom	Dairy
John Huitsing	Dairy
Gene Koopman	Milk Producers Council
Jeff Pierson	Crops
Glen Durrington	Crops
Pete Hall	State of California, CIM
Julie Cavender	State of California, CIM

Watermaster Board Members Present

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

Watermaster Staff Present

Peter Kavounas	General Manager
Danielle Maurizio	Assistant General Manager
Joe Joswiak	Chief Financial Officer
Sherri Molino	Recording Secretary

Watermaster Consultants Present

Brad Herrema	Brownstein, Hyatt, Farber & Schreck
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Larry Dimock	California Department of Corrections
Dave Crosley	City of Chino
Paul Deutsch	Amec
Rick Rees	Amec
Mark Kinsey	Monte Vista Water District
Justin Scott-Coe	Monte Vista Water District
Bob Gluck	City of Ontario
Marsha Westropp	Orange County Water District
Tom Love	Inland Empire Utilities Agency
Ken Jeske	KJ Consulting

Chair Feenstra called the Agricultural Pool meeting to order at 1:33 p.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held September 13, 2012
2. Minutes of the Special Confidential Agricultural Pool Meeting held September 21, 2012

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of August 2012
2. Watermaster VISA Check Detail for the month of August 2012
3. Combining Schedule for the Period July 1, 2012 through August 31, 2012
4. Treasurer's Report of Financial Affairs for the Period August 1, 2012 through August 31, 2012
5. Budget vs. Actual Report for the Period July 1, 2012 through August 31, 2012

Motion by deBoom, second by Durrington, and by unanimous vote – Durrington abstained from the September 21, 2012 minutes

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

II. BUSINESS ITEMS

A. MATERIAL PHYSICAL INJURY ANALYSIS

Mr. Kavounas stated Watermaster received an application from Vulcan Materials Company for recharge and it is Watermaster's process to ask our engineering consultant, Wildermuth Environmental Inc. (WEI) to perform a Material Physical Injury (MPI) Analysis. Mr. Kavounas stated the MPI Analysis was done and, based on existing prior reports, indicated there was a potential for water quality injury. The analysis is being presented to this committee with a staff recommendation to receive and file the MPI Analysis. Mr. Kavounas stated we believe the MPI Analysis was done appropriately based on the information Watermaster and WEI had and staff is recommending to receive and file this analysis, which is different from the next item which is for the Application for Recharge. Mr. Kavounas stated both the Appropriative and Non-Agricultural Pools moved to receive and file the MPI Analysis. Mr. Durrington inquired as to where there would be recharge. Mr. Kavounas stated it would be at the Vulcan Pit. Mr. Wildermuth stated the Vulcan Pit is in the City of Fontana. A discussion regarding the potential for MPI ensued.

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

Moved to receive and file the Wildermuth Environmental Inc. Material Physical Injury Analysis for Vulcan Material Company, as presented

B. APPLICATIONS FOR RECHARGE

Mr. Kavounas stated the Application for Recharge has the potential for water quality injury. Mr. Kavounas stated there are prior reports that indicate the presence of a maintenance yard in the recharge pit, there were prior investigations that were done, and written reports that indicated more work needed to be done to identify possible contamination in the areas surrounding the Vulcan Pit. Mr. Kavounas stated, at this point, staff is recommending the Application for Recharge be approved conditioned upon additional studies being done. Mr. Kavounas stated the studies would be soil analyses to identify if there is any contamination in or around the area where recharge would actually take place. Mr. Kavounas stated the applicant, at this point, has not submitted a plan saying where exactly and how the water would be recharged. Mr. Kavounas stated what is being proposed is that the applicant is being asked to show a detailed recharge plan and would provide Watermaster with the exact studies done to prove the soils are not contaminated and would not spread or have any water quality injury to the basin; then and only then would Vulcan Materials Company be given the approval to proceed with recharge. Mr. Kavounas stated there is a concern about what needs to be done first, meaning do we force the applicant to do the studies/analyses and soil studies first, and then give them the go ahead for the recharge, or do we tell them that they will get the approval to recharge after they have provided proof. Mr. Kavounas stated staff is recommending the approval of the application conditioned upon soil studies and an analysis be done to the satisfaction of the Watermaster and the adjourning consultant. Mr. Koopman stated he would feel more comfortable if Watermaster performed the studies and paid for those costs versus Vulcan Materials Company (VMC) doing it. Mr. Kavounas stated he believes VMC would be hiring a reputable company to do those studies. Mr. Kavounas stated it was staff's recommendation that WEI would design the necessary studies and would specify which studies need to be performed, and then we would expect the VMC consultant to perform the requested studies. Mr. Kavounas stated it is his experience those are done by firms that hold certain registrations and licenses, and they will

follow technical specification. Mr. Pierson stated he agrees with Mr. Kavounas that if we define a procedure in which the testing is to be done and the testing laboratory is under WEI's supervision it should be done professionally and to our specification. Mr. Pierson stated he would expect that Watermaster would be involved with its review and final approvals, including having any other Pool who want their technical expertise to review the findings and what testing is appropriate. Mr. Pierson stated he hopes that the tests prove that there are no MPI found through the testing from any sort of chemical contamination. Mr. Kavounas stated he agrees, and what Watermaster will bring back to the next month's Pool meetings will be those specified studies that would be performed on site, and if the studies have already been conducted, staff would also be presenting those results as well. Chair Feenstra inquired to Mr. Wildermuth if his firm would be doing the oversight on this testing. Mr. Wildermuth stated yes, if he was directed to do that. Mr. Durrington asked that when a copy of the results is received by Watermaster that another copy be sent to Chair Feenstra. Mr. Durrington shared his concerns about receiving the results. Mr. Pierson inquired what the other two Pools recommended for their motions. Mr. Kavounas stated the Appropriative Pool moved to approve Watermaster staff's recommendation as presented in the staff letter and to approve the recharge permit with the added request that staff reports back to the Appropriative Pool the results of any further analysis. Mr. Kavounas stated the Non-Agricultural Pool moved to approve staff recommendation. Mr. Koopman inquired why we would be asked to approve the application for recharge before we received the results of the study. Mr. Kavounas stated that was basically the same question asked at other meetings and the conclusion was, if we give the applicant approval with a condition, it is more conducive for them to do the studies as opposed simply giving them a hurdle without any certainty of what happens if they cross that hurdle. Mr. Pierson stated VMC has the right to apply for this application and our concern would be if they commence with recharge without having our final approval after review of the physical injury results. Mr. Pierson stated he does not have a problem approving the application; however, I really want to make sure that it is contingent upon the results of Watermaster's criteria for studying the physical injury chemical analysis. Mr. Pierson stated he would make a motion that this Pool approves the Application for Recharge based upon the final results being brought back to this Pool, and that no recharge would be conducted until any chemical analysis or study was approved. Mr. Hall offered comment on the discussions that took place at the Appropriative Pool meeting this morning. Counsel Herrema stated Mr. Bowcock was concerned with the conditions being placed on the Recharge Applications once all the conditions were met on the application. A discussion regarding Mr. Bowcock's comments at the Appropriative Pool meeting this morning and the responsibilities of the Regional Water Quality Control Board (RWQCB) ensued. Mr. Pierson stated we have before us a report by WEI that states there could possibly be MPI so that recharge needs to be conditioned upon proving to Watermaster that they have mitigated that potential for the issue. Mr. Pierson stated he has no problem with the application; he has a problem if there is physical injury. Mr. Kavounas stated what makes this an interesting application is because this has not come up before with these types of results where there could be a potential for injury. Mr. Kavounas stated the same discussions took place at the Appropriative Pool meeting and the question is, where does that second approval come in; does it come in through the Watermaster process again or do we let WEI set the specification for the site characterization or the sampling studies that need to be done, and then give their okay to give approval for VMC to recharge. Mr. Kavounas stated the Appropriative Pool wants to see what the site characterization requirements would be and to see those results; however, they were comfortable with Watermaster giving the approval. Mr. Kavounas stated the one thing Watermaster does not want to do is to discourage recharge in the basin. Mr. Kavounas stated presently the motion on the floor adds a significant component of time which the applicant was especially concerned about, and that was a factor in the Appropriative Pool coming up with their final motion. Mr. Pierson stated as the maker of the motion, I would rephrase it to mimic the Appropriative Pool's motion. A discussion regarding a potential motion and a time frame for the testing ensued.

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

Moved to approve the Vulcan Material Company's Application in so far as Recharge is concerned if it demonstrates, to Watermaster's satisfaction, that the water recharged at the Vulcan Pit will not become contaminated through contact with the soil, or that any water quality degradation caused by contact with the soil will not result in a chemical concentration in the recharge water to increase to a level that would exceed a maximum contaminant level established in California Code of Regulation Title 22 or a notification level established by the Department of Public Health. Also, Watermaster should expressly condition the Storage element so that it is expressly subject to subsequent Watermaster determinations on: (1) the quantity of Local Supplemental Water in Storage; (2) the priority among all competing applications for Local Storage Agreements, (3) the general terms and conditions concerning Preemptive Replenishment and Storage; and (4) Watermaster staff to report back next month on the results of further analysis, as presented

C. WATER QUALITY SAMPLING OF PRIVATE AGRICULTURAL POOL WELL(S)

Mr. Kavounas stated a request was made by the Agricultural Pool to collect and analyze samples from a particular property that Watermaster has recently been made aware of; Watermaster staff is proposing to proceed with the sampling. Mr. Kavounas stated if it is not necessary to sample all three wells and staff can sample just one and still obtain the needed information while meeting the Pool's needs then that would be preferred. Mr. Kavounas stated if there is money in account 8471, which has been set up for the Agricultural Pool's special projects, then staff will be ready to proceed if this pool is ready to approve this item. Chair Feenstra stated he hoped the members have had time to read the recommendation which included an estimate of cost; as the chair, he believes this is an important item and something should be performed on this request. Mr. Pierson stated he would make a motion the Agricultural Pool authorizes Watermaster staff to collect and analyze a sample which will be billed against the Pool's special project line item. Chair Feenstra called for support. Mr. Koopman inquired if the samples are going to be taken directly from the wells and not the taps. Mr. Kavounas stated that is correct. Mr. Kavounas inquired to the maker of the motion, how many wells are being authorized to sample. Mr. Pierson stated since the wells are all in a very close proximity that only one needs to be tested. Mr. Koopman stated he believes those particular wells are in the path of the plume and that Watermaster was not aware of those wells. Mr. Koopman offered comment on the history of wells being tested by Watermaster and others, and his question is how many wells are out there that Watermaster does not know about. Chair Feenstra stated Mr. deBoom worked with Ms. Maurizio and Mr. Yoo from Watermaster on a project to locate well owners not too long ago and how those three wells got missed was hard to believe. Ms. Maurizio stated when we all were working on that study, we were more concentrated on the wells we knew about and the users of those wells, and she can't tell you how many wells we don't know about, because we don't know about them. Chair Feenstra stated now that Watermaster knows about them will they be put in the proper designation of the Agricultural Pool. Ms. Maurizio stated, yes. Mr. Durrington stated he had two wells and nobody ever recorded them. Mr. Pierson inquired if the users of wells that we don't know about, and those users have not intervened into the Judgment into the Agricultural Pool; is that a process we are going to be doing with these three wells. Ms. Maurizio stated she still needs to have that discussion; however, one of the wells can be traced back to an original owner who was a party to the Judgment in this case. Ms. Maurizio stated some times when new wells are found that are not traced back to anybody, Watermaster has to intervene them. Chair Feenstra offered comment on the owners of the three wells and their concern over possible contamination. Mr. deBoom inquired how future well testing needs to be handled; does the recommendation need to come through the Agricultural Pool, through the property owner, or through Watermaster? Chair Feenstra stated there will be request submitted on behalf Robert Feenstra and the property owner. Chair Feenstra offered comment on the procedure. Mr. Kavounas stated if someone wants their well tested they need to go through the Watermaster process coming through the Agricultural Pool is the preferred method. Mr. Kavounas stated when a request is made due to possible contamination then testing needs to be done; however, if the testing veers off into other directions as it has previously, that is not

what the money is for. Mr. Huitsing inquired about the data that is collected for this well. Mr. Kavounas stated staff will collect the data and that data then belongs to the property owner. Mr. Kavounas stated if there is a concern about who is drinking the water, its Watermaster's understanding that once the data is released to the property owner then they have been notified and the owner(s) need to do whatever necessary from there. Chair Feenstra offered comment on safe drinking water. A discussion regarding notification processes ensued. Mr. Pierson stated he thinks we should actively facilitate the process from the property owner to the RWQCB and attempt to get the RWQCB to act. Counsel Herrema stated his answer would be consistent with what Mr. Kavounas has already stated in that the information would be gathered consistent with Watermaster's policy, and since in this case it is the property owner who is asking for the information, Watermaster would share that data with them, and facilitate to the extent possible that provision of clean water be there. Chair Feenstra spoke on the RWQCB. Chair Feenstra asked what Mr. Jeske's thoughts are on this matter. Mr. Jeske stated he thinks that Watermaster has provided copies of water quality analysis in a double column process, where this is the results of the testing and these are the standards where there are standards adopted and applied. Mr. Jeske stated whomever receives that has to be able to read the two columns and see if Column A is greater or less than Column B, which is the standard, and then they can draw their own judgment as to their water quality status. Mr. Jeske stated he does not recall Watermaster becoming a regulatory authority as to the ultimate solution or source for potable water. Mr. Jeske offered further history on this matter. Mr. Koopman stated we are not asking Watermaster to do anything other than the testing with funds out of our special projects, what we are saying is not the Watermaster, but that the Agricultural Pool is going to be the facilitator to get those people potable water, and he personally thinks it's part of our responsibility of the people we represent to do that. Mr. Jeske would entail the Pool and the Pool's attorney has been doing that recently by meeting with the RWQCB and possibly with some of the potential responsible parties to see if they could facilitate discussion remediation, let alone provision of alternate water; those are all things that any of the Pools could determine to get in the middle of and the expenses are strictly time, which is volunteer time by Pool members or their representatives, expense that is in your administrative budget. Chair Feenstra stated all we want to know is that all humans and animals are drinking safe clean drinking water and he offered history on this matter. A discussion on standards and water quality ensued. Mr. Kavounas stated the request here today is to collect the data, and staff will collect the data, we will provide it to the property owner and provide it as we have always done in the format that was described by Mr. Jeske. Mr. Kavounas stated, at that point, Watermaster has met at least an obligation to put the data in some context; beyond that Watermaster would be stepping outside its bounds to do anything more than that. Mr. Durrington inquired about the tenant finding out if only the owner knows about the collected results. Mr. Koopman stated the owners have to disclose the information. Mr. Pierson stated the owners will be held liable for nondisclosure.

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

Moved to authorize Watermaster staff to analyze one well and to use the Special Projects fund to pay for this sampling, as presented

D. OLD BUSINESS

1. IEUA Recycled Water Presentation

Mr. Kavounas stated the last time this Pool met there was interest expressed to have Inland Empire Utilities Agency (IEUA) providing information on recycled water uses, and Mr. Tom Love is here to provide that information. Mr. Love gave the Recycled Water Fire Flow Considerations October 2012 presentation. Mr. Love reviewed the Objectives, Recycled Water Regulations for Fire Systems, Recycled Water Quality, Fire Department Water Supplies Design Guidelines, IEUA Regional Recycled Water System, Current use of Recycled Water and PW in the Fire Protection Systems, and the Summary. Chair Feenstra asked that he receive several copies of this presentation. A lengthy discussion regarding Mr. Love's presentation ensued. Mr. Love stated there are benefits to using recycled water and there is a site where we have recycled water available to use on a dead end line and explained this item further. Chair Feenstra offered comment on hearing things like there is

not enough recycled water out there to provide for other uses. Mr. Love stated under the regional sewage contract, there are provisions that the agencies that are contributing waste water flow to the plants will have the first right to the amount of recycled water that they contributed in waste water. Mr. Love offered further comment on recycled water supply and its use on fire trucks. Chair Feenstra asked if the water is safe and Mr. Love stated yes, it is. Mr. Koopman offered comment on water used on fire trucks and how safe it is. Chair Feenstra inquired if the system is engineered sufficiently to provide the City of Ontario or the City of Chino fire flow within in the agricultural preserve area, or are you looking at millions of dollars in improvement to make it work. Mr. Love stated generally the system is not engineered to meet those fire flow requirements as they exist today; however improvements could be designed and implemented that could make either section. Chair Feenstra spoke on the vast opportunities for using recycled water and noted Mr. Koopman will also be taking this matter to the IEUA board. Mr. Jeske stated he can't speak to whatever is current in the last three years at the City of Ontario; however when he worked there we were doing all of the master planning for that area for infrastructure, and we looked at the recycled water system and the potable water system, and we looked at what would be the best way to provide fire flow and fire protection. Mr. Jeske stated because of all of the facilities on the existing water supply systems being sized to provide fire flow requirements, we found that it was much more efficient to expand that system for fire flow, which was not anywhere close in price comparison to try and design two systems. Mr. Jeske stated all of that extra cost would ultimately be borne by the purchasers of the homes and in the pricing of the homes. Mr. Jeske stated the decisions were to stay with standard operating procedures designed in municipal systems to provide fire flow water, therefore lessening the cost of the recycled water system so it could be used for its intended purposes. Mr. Jeske offered further comment on fire flow and this matter. Chair Feenstra noted Bob Gluck and Dave Crosley are in the audience, and the City of Ontario has offered to help if there is not enough water. Chair Feenstra stated what he is hearing from this presentation is that there is adequate water for fire flow. Mr. Love stated yes, there is adequate flow and as mentioned, the amount of water that is used for firefighting compared to the other demands, potable or irrigation, is very small. Chair Feenstra stated this is an important issue to recycled water and discussed this matter in detail. Chair Feenstra stated he is going to push this matter because this is a green environmental thing that we can all benefit from. Chair Feenstra spoke on this matter. Chair Feenstra stated this is the right thing to do to protect our precious water and use recycled water in other areas where needed and can be utilized instead of using drinking water. Mr. Koopman stated it all comes down to money and it is IEUA's responsibility to put in trunk lines where they can, and IEUA is using around 23,000 acre-feet of water a year for agricultural use for recycled water - that is a lot of water; there are limits mainly due to money constraints. Chair Feenstra stated he does not like the word no, and noted we all must work together on this – we are clearly missing opportunities. Mr. Durrington inquired if most developers are putting in recycled lines. Mr. Love stated yes, they are. Chair Feenstra offered final comment on this matter. Mr. Pierson spoke on this matter and noted this is something that is so expensive he does not know who can do this type of project from a logical standpoint. Chair Feenstra stated he and a few other members want to come in and meet with Mr. Kavounas at Watermaster, and also go to IEUA and meet with Mr. Love on this important matter. Mr. Kavounas stated our goal is to meet the needs of the Pools, Advisory Committee, and the Watermaster Board, and he thanked Mr. Love for his time and for providing this presentation on such short notice.

2. Data Request

Mr. Kavounas stated this is an old business item that was addressed at last month's meeting. Mr. Kavounas stated Watermaster followed its process and got a release from the property owner and staff provided them with their requested data sample results; this request is now complete.

III. REPORTS/UPDATES**A. LEGAL REPORT****1. Order Adopting Restated Judgment, Approved Intervention of Tad Nakase (TDN Land Company) Into Chino Basin Judgment**

Counsel Herrema stated at the last Pool meeting he updated the parties on the motion that had been filed for adoption of the Restated Judgment and approval of the intervention of Tad Nakase into the Chino Basin Judgment. Counsel Herrema stated on the 27th of September the court issued its order adopting the Restated Judgment as the operative copy the Judgment and there is a copy of that on the Watermaster FTP site under Legal 2012 Restated Judgment. Counsel Herrema stated the court made one minor change to the order that had been proposed and agreed upon by Watermaster legal counsel and counsel for the Pools; it's a minor change to one word, "caveat" to "condition", which does not change the effect of order as we presented it.

B. ENGINEERING REPORT**1. Modeling Update**

Mr. Wildermuth stated there are two items under the Engineering Report section; however, he will take both Item 1 and 2 under the Modeling Update. Mr. Wildermuth noted this is a refresher presentation because the majority of the presentation has been given at prior meetings. Mr. Wildermuth gave the Update to the Chino Basin Groundwater Model and Evaluation of Basin Dynamics presentation. Mr. Wildermuth stated he would like to start the planning calibrations next month and get scenario 2 done next month also; however, that will depend on making assurances from the Appropriative Pool that we got the production estimates right. Mr. Wildermuth stated he would like to schedule a workshop in November on calibration. Mr. Wildermuth stated sometime in the New Year we will schedule some workshops on the planning scenarios. Mr. Hall inquired if the workshops will be open to all to attend. Mr. Wildermuth stated the workshops will be held at the Watermaster office and all the parties should be invited. Mr. Wildermuth stated Watermaster staff will send out a notice on the workshops dates and they should also be in the future meeting section on the meeting agendas.

2. Planning Scenarios

This item was covered under the Modeling Update item.

C. GM REPORT**1. Recharge Master Plan Update Timing**

Mr. Kavounas stated the Recharge Master Plan Update (RMPU) is heavily engaged in by all the parties, and for him personally it was important to take a step back and understand what each item, document, filing, project, etc. is and when it's due. Mr. Kavounas stated he put his thoughts together, compiled them on a spreadsheet, and noted he can make that chart available to any party who wishes to see it. Mr. Kavounas stated he has shared the spreadsheet with John Schatz, who is working with the Appropriative Pool on some RMPU amendment issues. Mr. Kavounas stated his conclusion from reviewing Watermaster's history on the RMP is that the court expects a refinement of the stormwater recharge facilities projects along with the funding and implementation plan by October 2013, and completion of projects by 2018. The court asked for a committee to be established for monitoring reporting and accounting practices for local stormwater recharge and new yield, but did not set a due date for when that work had to be done. The committee that the court ordered is the Steering Committee and the work itself is Task 5. Mr. Kavounas stated the analysis funding and implementation plans for projects were ordered by the court to commence but, again, there is no explicit date when the court said that they have to be done, although the implicit date is October 2013. In December 2011, the Watermaster Board adopted a motion to complete the RMPU amendment work including stormwater recharge matters, funding, and implementation plans by December 2012. In December 2011, the Watermaster Board adopted a motion, which was also adopted by the Advisory Committee, to complete the RMPU amendment work by December 2012. Mr. Kavounas

stated the Board filed a progress report with the court in June 2012 as was required, and the report expressed the Board's direction that all the work would be completed by December 2012, and stated that progress would be made consistent with the Board's action. Mr. Kavounas stated with regard to status, as of today, last month Watermaster prepared a strawman for Task 5 for discussion purposes only. The Appropriative Pool has been meeting and discussing this actively, with John Schatz as the facilitator, and we have received comments from four entities which have been circulated. Mr. Kavounas stated the next step would be to work with the Pools and come up with a process forward.

2. Safe Yield Calculation

Mr. Kavounas stated he came across the same question, which is what are the obligations with regard to the safe yield calculation, and his conclusion from digging through history is that, according to Rules & Regulations, the safe yield shall be recalculated in 2010/2011 based on data from a ten year period of 2000/2001 to 2009/2010. Mr. Kavounas stated there was a 2008 stipulation to the court addressing comments made by Monte Vista Water District, and the stipulation included the language that Watermaster shall include in the RMPU a comprehensive analysis and explanation of how and whether Watermaster will schedule a redetermination of the safe yield. Mr. Kavounas stated moving forward and looking at that document the 2010 RMPU states that the Watermaster should use the methodology described in section 3.4 to recompute safe yield in 2010/2011 and should apply this method every five years thereafter. Mr. Kavounas stated with regard to status, the safe yield re-computation was not done in 2011 or since. A discussion regarding deadlines and storage agreements ensued. Mr. Koopman stated he hopes everyone wants to get this done and find resolution. Counsel Herrema stated there are some existing Storage Agreements. Mr. Kavounas stated we don't want to do anything to discourage storage in the basin. Mr. Koopman stated if there is water in storage and there is no agreement, could that not then be declared new water and the property of the Watermaster. Counsel Herrema stated any finding like that would have to go through the Watermaster process and he really does not see that happening. Mr. Koopman offered history on the original adjudication regarding the Agricultural Pool's water rights and guaranteed water. Mr. Koopman inquired about the Agricultural Pool having storage rights in the basin. Counsel Herrema stated he does not believe there are any storage rights that are exclusively called out, and it may be more of a measurement issue on the ability to pump the safe yield; however, that can be looked into further if that is the committee's request. Chair Feenstra asked that counsel or staff look into that matter. Counsel Herrema responded that the Appropriative Pool has designated four or five people to participate in the storage discussion when that is held in the future.

3. Notice of Availability

Mr. Kavounas stated the notice of availability is on an annual cycle, and due to the conversations which took place at the Appropriative and Non-Agricultural Pool meetings this morning he would ask that Counsel Herrema provide this update. Counsel Herrema stated the report on the agenda today was to be for the normal call for Notice of Availability of Non-Agricultural Pool members who are interested in making their water available through the physical solution transfer process that is outlined in Exhibit G to the Judgment. Counsel Herrema stated one issue that has come up in regard to that, which was anticipated, is that there may not be a Metropolitan Water District (MWD) replenishment rate published for 2013. Counsel Herrema stated exclusively included in Exhibit G in regard to those physical solutions transfers, is that the rate for that water will be tiered off that MWD replenishment rate; it was anticipated that MWD will no longer publish such a rate. Counsel Herrema stated the two Paragraph 31 Settlement Agreements both detailed a process whereby the Non-Agricultural Pool, the Appropriative Pool members to those agreements, and the Watermaster Board as a signatory to those agreements as well, would enter into a process to determine what a substitute rate would be. Counsel Herrema stated the Appropriative Pool took action to recommend that Watermaster prepare a pleading or a notice to the court to request that a substitute rate be used for this year for transfers that would be

accomplished subject to the regular process this winter, and then that would be tiered off the MWD Tier I untreated rate. Counsel Herrema stated the Non-Agricultural Pool was provided the Appropriative Pool's motion and they took similar action. Counsel Herrema stated those actions will be taken to the Watermaster Board consistent with the provisions of those Settlement Agreements, and then if there is concurrence we would prepare a pleading asking the court to allow a deviation from the provisions of Exhibit G to the Judgment, and then take that through the entire Watermaster process next month for filing.

D. AGRICULTURAL POOL LEGAL COUNSEL REPORT

Chair Feenstra stated he gave Ms. Egoscue a pass for today because she had another commitment and for the November Agricultural Pool meeting again, due to her schedule which will not allow her to have our next meeting date available. We have asked Mr. Dan McKinney to attend the November meeting as our legal counsel representative.

IV. INFORMATION

1. Cash Disbursements for September 2012
No comment was made.

V. POOL MEMBER COMMENTS

Mr. Durrington asked that at the next Agricultural Pool meeting staff discuss mining water in Cadiz Valley on the next agenda. Chair Feenstra asked that be put on the November Pool agenda.

VI. OTHER BUSINESS

Mr. Kavounas discussed future meetings.

The regular open Agricultural Pool meeting was convened to hold its confidential session at 3:20 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 3:56 p.m.

There was no reportable action.

VIII. FUTURE MEETINGS AT WATERMASTER

Thursday, October 11, 2012	9:00 a.m.	Appropriative Pool Meeting
Thursday, October 11, 2012	11:00 a.m.	Non-Agricultural Pool Conference Call Mtg.
Thursday, October 11, 2012	1:30 p.m.	Agricultural Pool Meeting
** Tuesday, October 16, 2012	2:00 p.m.	Pre-Assessment Package Workshop
Thursday, October 18, 2012	8:00 a.m.	IEUA DYY Meeting
Thursday, October 18, 2012	9:00 a.m.	Advisory Committee Meeting
Thursday, October 18, 2012	10:00 a.m.	RMPU Steering Committee Meeting.
Thursday, October 25, 2012	11:00 a.m.	Watermaster Board Meeting
** Tuesday, October 30, 2012	2:00 p.m.	Assessment Package Workshop

Thursday, November 1, 2012	10:00 a.m.	RMPU Steering Committee Meeting
Thursday, November 8, 2012	9:00 a.m.	Appropriative Pool Meeting
Thursday, November 8, 2012	11:00 a.m.	Non-Agricultural Pool Conference Call Mtg.
Thursday, November 8, 2012	1:30 p.m.	Agricultural Pool Meeting
Thursday, November 15, 2012	8:00 a.m.	IEUA DYY Meeting
Thursday, November 15, 2012	9:00 a.m.	Advisory Committee Meeting
Thursday, November 15, 2012	10:00 a.m.	RMPU Steering Committee Meeting
* Thursday, November 15, 2012	11:00 a.m.	Watermaster Board Meeting
Tuesday, November 20, 2012	9:00 a.m.	GRCC Meeting

Minutes Agricultural Pool Meeting

October 11, 2012

* **NOTE:** Watermaster Board Meeting changed from November 22nd to **November 15th** due to the Thanksgiving Holiday

** **NOTE:** Recently added

Chair Feenstra adjourned the Agricultural Pool meeting at 3:57 p.m.

Secretary: _____

Minutes Approved: November 8, 2012