

PERS00225

Minutes
**CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING**
June 9, 2011

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

Agricultural Pool Members Present Who Signed In

Bob Feenstra, Chair
John Hultsing
Gene Koopman
Rob Vanden Heuvel
Glen Dunnington
Jeff Pierson
Jennifer Novak

Dairy
Dairy
Milk Producers Council
Milk Producers Council
Crops
Crops
State of California, Dept. of Justice, CIM

Watermaster Board Member Present

Paul Hofer

Crops

Watermaster Staff Present

Deal Alvarez
Dantelle Maurtzo
Joe Joswiak
Ben Pak
Sherri Molino

Chief Executive Officer
Senior Engineer
Chief Financial Officer
Senior Project Engineer
Recording Secretary

Watermaster Consultants Present

Joe LeClaire
Mark Wildermuth

Wildermuth Environmental Inc.
Wildermuth Environmental Inc.

Others Present Who Signed In

Dan McKinney
Craig Stewart
Paul Deutsch
John Mura
Maisha Westropp
Ryan Shaw
Gil Aldaco

Ag Pool Special Counsel
Geomatrix
Geomatrix
City of Chino Hills
Orange County Water District
Inland Empire Utilities Agency
City of Chino

Chair Feenstra called the Agricultural Pool meeting to order at 9:09 a.m.

AGENDA - ADDITIONS/REORDER

Chair Feenstra introduced Dan McKinney as the Agricultural Pool's special legal counsel.

Chair Feenstra stated John Mura, the Chairman of the Appropriative Pool, is present today to provide information regarding the pending Watermaster budget.

Chair Feenstra stated Joe LeClaire is here from Wildermuth Environmental to give a presentation on the plume and other aspects of water quality in the area.



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I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held May 12, 2011

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of April 2011
2. Watermaster VISA Check Detail for the month of April 2011
3. Combining Schedule for the Period July 1, 2010 through April 30, 2011
4. Treasurer's Report of Financial Affairs for the Period April 1, 2011 through April 30, 2011
5. Budget vs. Actual July through April 2011

*Motion by Novak second by Vanden Heuvel, and by unanimous vote
Moved to approve Consent Calendar Items A and B, as presented*

Added Comment:

Chair Feenstra offered comment on the plumes which included concerns regarding contamination. Chair Feenstra stated this board has made a number of recommendations and motions regarding that plume. Chair Feenstra stated this board has also requested some sampling and tests to be conducted, as well as information requests; many of those never were done. Chair Feenstra offered some history on these requests and noted these concerns will be addressed today by Joe LeClaire.

Added Comment:

Chair Feenstra asked Mr. Mura to provide comments regarding the pending Watermaster 2011-2012 budget. Chair Feenstra stated Mr. Mura has taken a look at the budget numbers and also looked at areas of concern over the past few years. Mr. Mura stated he is here today to offer comment and answer questions regarding the pending Watermaster budget. Mr. Mura thanked Chair Feenstra for the introduction and for making him feel welcome at his first Agricultural Pool meeting. Mr. Mura stated everyone is under pressure regarding their costs and demands, and costs incurred cannot always be passed on to the customer. Mr. Mura stated parties took the lead in putting in a lot more effort in trying to understand what the actual costs were in order to maximize every penny spent. Mr. Mura stated an enormous process was gone through with the engineering firms to see what actually is necessary to be done for this year due to various obligations, or to understand if the project(s) are something that can be put off for another year with no consequences. Mr. Mura stated he believes the work that was put into this budget was at a higher level than was ever done in the past. Mr. Mura stated the Appropriators understand their requirements for Agricultural Pool expenses and that is not being disputed. Mr. Mura stated drastic cuts were made to legal and engineering costs and yet the Appropriators are seeing an added expense this year for special legal counsel regarding the restated Judgment. Mr. Mura asked Chair Feenstra to take a hard look at costs and determine, within your Pool, what is the real and necessary cost. Mr. Mura stated Chair Feenstra explained in a recent phone conversation, that this is a worthy cost and it is something the Agricultural Pool wants to continue to do. Mr. Mura stated at the last Appropriative Pool meeting the latest revision of the Watermaster budget was presented for adoption and at that meeting, the Appropriative Pool was shocked to see an extra \$100,000 added at the last minute to the budget for additional Agricultural Pool legal services. Mr. Mura stated the parties went through a series of workshops and regular Pool meetings for several months, and then, at the eleventh hour, to have that dollar amount put into the budget on the day the Appropriative Pool was asked to approve it, threw people off guard. Mr. Mura stated the Appropriative Pool did not say it was not a worthy cost; however, the Pool did take an action to approve the budget minus that line item expense and to request the Agricultural Pool provide some sort of justification for that cost. Mr. Mura stated the Appropriative Pool had to go through and justify almost everything in the budget, and the parties are asking the Agricultural Pool to perform the same task of justification. Mr. Mura stated several parties have looked at the restated Judgment and understand it will be a major effort; however, the entire Appropriative Pool's legal expenses for last year totaled \$80,000 and we are the key players in the Paragraph 31 Motion appeal which involved a lot of legal work and two hearings. Mr. Mura stated

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the Appropriative Pool budgeted \$1,000 for legal to review the work done on the restated Judgment; a quote was provided by legal counsel for 3 to 4 hours of work for review. Mr. Mura stated when a party puts \$100,000 in the budget, it may not get spent; however, the other parties get assessed on the full amount whether or not it is spent. Mr. Mura stated the Appropriative Pool wants to try and keep the assessments the same or less than last year and expenses must be justified. There are a lot of projects that are being deferred this year because of that burden, and then to add an additional \$100,000 for something that may or may not be necessary was a real surprise to the Appropriators. Chair Feenstra asked for thoughts from Mr. Pierson. Mr. Pierson stated since he made the motion to hire special counsel, and noted we are not all attorneys we are mainly private businessmen that operate farms and dairies within the Agricultural Pool, we don't have the legal understanding to know what this judicial rewrite will be. Mr. Pierson stated, through the Pool Chairman and Desl an appropriate amount was settled upon, and because of budgetary reasons, a budget and an allocation of costs was created. Mr. Pierson stated we, as a group, understand that we are part of a family and we need to make sure that whatever is rewritten in the Judgment does not jeopardize the Agricultural Pool's interests. Mr. Pierson stated the dollar amount is really unknown at this time. Mr. Pierson stated this Pool will judicially monitor dollars that are being spent, and is open to other suggestions. Mr. Pierson stated it was the Watermaster CEO and the Agricultural Pool chairman's best judgment in creating that allocation of cost; special counsel will be focused on specific issues. Mr. Pierson stated the Agricultural Pool is in the process of reviewing the role and responsibilities of general legal counsel, which was brought up at the last Advisory Committee meeting. Mr. Koopman stated the Agricultural Pool is very careful when it comes to spending money and offered comment on a matter that happened a few years ago regarding having to go through the Watermaster process for a budget amendment. He noted it was not granted when asked, and the matter was about to be taken to court because of what is written in the Peace Agreement. Mr. Koopman stated at that time that he would never let that happen again; that is one reason why the \$100,000 is being put into the budget. A discussion regarding what happens to monies that are not spent at the end of the fiscal year ensued. Mr. Koopman offered history on other past financial issues that the Agricultural Pool has had to go through. Ms. Novak offered comment on monies not spent in the budget. Ms. Novak stated she agrees with Mr. Koopman and disapproves of having to go through the Watermaster process to ask for money every time something is under-budgeted. Ms. Novak offered comment on the item. Mr. Koopman spoke of for a budget amendment and noted it almost had to come to a Paragraph 31 Motion threat to get the needed money. Ms. Novak stated she believes the Agricultural Pool does not incur the expenses that could be incurred, and offered comment on the State representatives choosing not to be paid a stipend. Ms. Novak stated the true cost of having the expertise of the right attorneys, is not rolled into a \$60,000 a year estimate. Ms. Novak stated the Judgment is a huge issue and that is where the Agricultural Pool rights flow from. It could take an hour to review the restated Judgment or it could take several hours; nobody knows. Ms. Novak stated it is important for all to pay close attention to what is being done with this regard. Ms. Novak stated this is not an ongoing expense that is going to be incurred, rather just a one-time effort, and stated the Agricultural Pool can work with the Appropriative Pool to save money. Chair Feenstra stated Mr. McKinney has been in contact with Scott Slater. Chair Feenstra stated he has personally gone over Mr. McKinney's contract and he will work closely with this Pool. Chair Feenstra offered comment on a recent project with Watermaster staff and explained how this saved Watermaster approximately \$25,000. Chair Feenstra stated this Pool is very careful on who should be attending meetings and who shouldn't. Chair Feenstra stated he can assure the Appropriative Pool and the Watermaster Board that he will be very aware of what is being spent and done. Mr. Pierson inquired about the Appropriative Pool's decision to go forward with the budget minus the \$100,000, and how is this going to be resolved. Chair Feenstra stated this is going to be resolved today. Mr. Alvarez stated the action taken by the Appropriative Pool is that the Pool has approved the budget conditionally upon receiving additional justification of the requested legal expenses. Once that is provided their need for justification is satisfied and the budget should be moved forward through the process. Mr. Koopman stated he does not ever remember questioning the Appropriative or Non-Agricultural Pools budgets. Mr. Koopman stated the budget is set, it is what it is, and the Pool will do its very best to stay within budget, or below. Mr. Pierson spoke on the accelerated unpumped water which is being given to the Appropriative Pool at a tremendous discount, and is part of the Peace Agreement. Ms. Novak offered comment on an item similar to this one in the past and noted at that time, discretion was

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given to the Advisory Committee Agricultural Pool representatives as to how to vote at that meeting. Chair Feenstra thanked Mr. Mura for attending and asked for closing comments from Mr. McKinney. Mr. Mura thanked the committee for allowing him to come and present this position personally. Mr. Mura noted there is a lot of good, and bad, history with the various Pools; however, the past is the past and we need to move forward productively. Mr. Mura offered his closing comments. Chair Feenstra thanked the parties for being here and offering their comments, and inquired if the Pool wanted to change its position. Mr. Koopman offered closing comments. Mr. McKinney stated paragraph 6.4 in the Peace Agreement specifically confirms that Special Project expenses are to be paid by the Watermaster. Mr. McKinney stated he went through the original Peace Agreement negotiations and those costs were around \$100,000. He believes the judicial rewrite is not going to require that; however, in speaking with Scott Slater, even Scott does not really know what it is going to take to complete this task. Mr. McKinney stated this could go very easy or go on and on like the Peace Agreement; however, if it took 20 or 30 workshops it could cost that much - that is a realistic cost. Ms. Novak noted the official agenda item is not even up yet. Ms. Novak inquired about the unspent monies. A discussion regarding Ms. Novak's comments on unspent money ensued. Mr. Alvarez stated if there is money left over in the budget, it would either go into some type of reserve or it would be used to subsidize future years' budgets. Mr. Vanden Heuvel inquired if Business Items were being discussed yet, and if action is going to be taken today. Chair Feenstra stated yes, on any action that may be considered. Mr. Vanden Heuvel stated he really appreciates Mr. Mura coming today to discuss this matter with this Pool. Mr. Vanden Heuvel stated he recalls a conversation to hire special counsel, and that he fully supports that decision; however, he does not recall this committee taking any official action on a budget number. Mr. Vanden Heuvel stated, unless he missed that discussion, this is the first time he is hearing this \$100,000 special counsel budget amount, and stated these discussions may have happened among other members of the Pool since the last meeting. Mr. Vanden Heuvel stated that what Mr. Mura is asking for is justification and the best person to provide that justification is Mr. McKinney as he is the one that was hired to perform this task. Mr. Vanden Heuvel stated, as far as he understands there may be some workshops, but the main role of Mr. McKinney is to make sure the effort, as it moves along, is representing any special interest of the Agricultural Pool by representing the Peace Agreement, Peace II, and the original Judgment. We are not trying to create legislation but this is a paperwork exercise. Mr. Vanden Heuvel stated this exercise is taking three documents and turning them into one, and he completely understands where the Appropriative Pool is coming from in terms of their concerns for the \$100,000, they will, in turn, have to go to the rate payers to collect those monies. Mr. Vanden Heuvel stated he was on this committee when this Pool had to go and ask for more money and it was at first denied; however, he personally can't vote in favor of the \$100,000 budget at this point in time unless more justification is obtained from Mr. McKinney. Chair Feenstra stated at the last meeting he was asked by Mr. Alvarez to come forward with a number, and that number was provided. Chair Feenstra stated this Pool and counsel do not really know what is going to be involved in this entire project, and stated he wanted to make sure they did not find themselves in the awkward position this Pool was in the last time it needed money. Mr. Durrington stated he thinks it will be more than \$100,000 depending on the litigation that goes on with the rewrite, and stated care must be taken that no mistakes are made. Mr. Durrington stated he estimates the amount will be around \$150,000. Mr. Koopman stated people just have to look at past budgets, as far as legal counsel costs are concerned. Mr. Koopman stated he questions the Appropriative Pool's \$1,000 quote for approximately three hours of work. Chair Feenstra offered comment on money being moved around the in the budget, and how unhappy he has been with that process. Chair Feenstra stated he is pleased that Mr. Alvarez is here, and that it will be a new day and a new look. Chair Feenstra offered final comments and stated he will get back with Mr. Mura in the near future; however, he does not expect a change. Mr. Mura stated that in discussions within the Pool this needs to go through the process, and asked that the Agricultural Pool take a more conservative approach with a lower number. Then, if more money is needed, come back and ask for more money. Mr. Mura stated he understands there is a trust factor here but he suspects the Pool will not come up against the same barriers as in the past. Mr. Mura stated the Appropriative Pool is not just asking about the \$100,000, but focusing on the overall \$220,000 as a whole. Mr. Mura thanked the Agricultural Pool for their time.

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Added Comment:

Chair Feenstra stated he and Mr. LeClaire have recently spoken on the phone, and the presentation that he is giving today has been put off several times; there are some major issues with water quality that need to be addressed. Chair Feenstra stated he wants to get through this agenda on the fast track to allow enough time for this important presentation.

II. BUSINESS ITEMS

A. **DISCUSSION AND POSSIBLE ACTION -- DATE, TIME, LOCATION CHANGE FOR MONTHLY MEETING**

Mr. Alvarez stated the first Business Item is for the consideration of rescheduling the Pool meetings. Mr. Alvarez offered comment on how the Pool committees, the Advisory Committee, and Watermaster Board work. Mr. Alvarez stated one of the things that has become apparent is that the agenda is basically the same with all three Pools. It makes sense to consider having all of the Pool meetings on the same day, as was done in the past, and it would be a more efficient way to conduct business. Staff recommends moving the meeting from Inland Empire Utilities Agency to Chino Basin Watermaster, still on the second Thursday of the month, but at 1:00 p.m. Mr. Alvarez stated the Appropriative and Non-Agricultural Pools discussed this at their meetings and are in consensus with this change. Chair Feenstra stated he has discussed this matter with Mr. Alvarez, Mr. Pierson, and others on this board, and 1:00 p.m. is the preferred time. Mr. Koopman stated this used to be the way the meetings were scheduled and there was a specific reason for that change. Mr. Koopman offered history regarding this item. Mr. Pierson offered comment on this matter and noted he does not care if a change is made. A brief discussion regarding this matter ensued. Chair Feenstra stated he is required to sign every invoice of counsel and he will do the same with the special counsel.

Motion by Novak second by Pierson, and by unanimous vote

Moved to approve moving the Agricultural Pool meetings to the second Thursday of the month at 1:00 p.m. and hold the meetings at Chino Basin Watermaster office, as presented

B. **WATERMASTER 2011-2012 BUDGET**

Mr. Alvarez stated this item is on the Watermaster 2011-2012 budget, and Mr. Joswiak will give a presentation on this item. Chair Feenstra stated the presentation can be given; however, asked that only the items that were changed be focused on to save time. Mr. Joswiak gave the budget presentation and highlighted all the changes made since the budget process started. Ms. Novak asked if this included the \$100,000 and Mr. Joswiak noted it does. Ms. Novak noted even with the \$100,000 in this budget the assessments have gone down, and now that meetings are being consolidated it should reduce costs even further. A discussion regarding the changes and cost savings ensued. Chair Feenstra offered comment on changes at Watermaster. Mr. Huising inquired about legal expenses for the Restated Judgment for the Appropriative Pool; three or four hours at \$1,000.00. However, in the budget it shows \$62,000. Mr. Joswiak stated the amount that Mr. Mura is talking about is for John Schatz costs, and the \$62,000 is for Brownstein costs. A discussion regarding the Restated Judgment costs ensued. Mr. Pierson inquired as to what has been spent to date on the Restated Judgment for legal costs. Counsel Fife stated he does not know the hours; however, there was a handout at the last Budget Workshop where it was broken down into each step and time. Counsel Fife stated since some of those costs would be for this month, which is outside of this budget period, 25% was taken off to figure for what was already done. Mr. Pierson stated it would be helpful to receive the total costs and hours for the actual Restated Judgment from start to finish. Counsel Fife stated the costs to date have been fairly nominal and the process has stopped and started several times. A lengthy discussion regarding carryover funds ensued. Mr. Alvarez stated some items are over budget, and some are under budget, and at the end of the day you want to balance the entire budget. If there is a surplus it goes to reserves or to offset future years' expenditures. Ms. Novak stated Mr. Vanden Heuvel is correct, we never did discuss an actual budget amount as part of this committee and, based on the comments received today, the chair

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tried to come up with a number that could be used for the budget through a discussion with Mr. Alvarez and Mr. McKinney. Ms. Novak offered comment on costs savings provided to the budget. Mr. Vanden Heuvel stated he does not think it is unreasonable to ask the attorneys to provide some sort of reasonable estimate. Mr. Vanden Heuvel stated that this Pool is asking Mr. McKinney to review what is already done, and if it costs \$100,000 and an adequate explanation is provided as to why it costs that much, the motion will be supported. Chair Feenstra stated he appreciated the parties' comments today and offered closing comments. A lengthy discussion regarding the process taken for the Peace Agreement negotiations, and the hours and costs for the Restated Judgment, ensued. Mr. Vanden Heuvel offered final comments on the special counsel costs. Chair Feenstra stated he has looked at legal expenses and noted the Agricultural Pool must cover what is needed or possibly needed for this important assignment.

*Motion by Novak, second by Koopman, and by majority vote, Vanden Heuvel voted no
Moved to approve the Watermaster 2011-2012 Budget with the \$100,000 in it, as
presented*

Added Comment:

Chair Feenstra stated he is going to make a change for the presentation by Wildermuth Environmental since there was a 45 minute discussion on one item earlier. Chair Feenstra stated he will be in contact with Joe LeClaire to fine tune the presentation, which was sent to him last night. Chair Feenstra stated this presentation will be given next month.

C. PURCHASE OF 50,000 ACRE-FEET WATER FROM METROPOLITAN WATER DISTRICT

Mr. Alvarez stated Watermaster has been presented the opportunity to purchase some low cost water that Metropolitan Water District (MWD) has made available at the replenishment rate for the first time since 2007. Mr. Alvarez stated that because this opportunity has presented itself in a very short period of time Watermaster needs to take advantage of the water being made available between now and the end of this year at the rate of \$409 per acre-foot, plus subsequent mark up rates. Mr. Alvarez stated this item has been discussed at several meetings, including the Advisory Committee and the Watermaster Board last month. Mr. Alvarez stated Watermaster is moving forward and developing strategies; however, the commitment is to try and get 50,000 acre-feet of water into the ground. Mr. Alvarez stated that water purchase will be in two parts, subject to change, as this moves through the process, with 25,000 acre-feet of water being preemptive replenishment for Desalter obligations of which will start in 2013, and 25,000 acre-feet will also be preemptive replenishment for those agencies which need replenishment water. Mr. Alvarez stated the Advisory Committee and Watermaster Board previously approved taking action to expedite getting agreements in place for the purchase of the water by those agencies which need preemptive replenishment. Mr. Alvarez stated Watermaster has two applications right now, and there might be more forthcoming. The action staff is seeking today is to approve the applications of Fontana Water Company and Niagara Water Company for local storage agreements. Mr. Alvarez stated the second action staff is seeking is to waive the thirty day notice period so that Watermaster can move forward getting all the agreements executed expeditiously. Mr. Alvarez stated he has a third item to discuss, which would be the follow up on the 25,000 acre-feet of preemptive replenishment for the Desalter obligation. Watermaster was requested to look at various financing alternatives. Mr. Alvarez stated he has a presentation to give on some of those options. Mr. Alvarez stated Watermaster is first requesting action on the first two items. Ms. Novak stated the State of California has the right to have a storage program and she believes the other parties of the Agricultural Pool do not. Ms. Novak stated she thinks she remembers something controversial about applications for storage that came up about a year ago. There were some committee meetings on this, and in those meetings there were issues brought up, such as if different producers were situated differently based on whether they paid into some of the improvements in the basin for storage or not. Counsel Fife stated you are remembering a set of issues that does not have anything to do with this. The City of Fontana, who is not a producer, has no water

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rights and hasn't paid into the OBMP, wanted a storage account; there were questions raised on how that would be accomplished. Counsel Fife stated that issue does not relate to this; both the parties for these applications have paid into the OBMP. Mr. Durrington inquired about the effect 50,000 acre-feet of water being put into the ground, along with all the snow melt, is going to have on Hydraulic Control along the basin. Mr. Alvarez stated it should not affect Hydraulic Control and offered comment on how Hydraulic Control works. A discussion regarding this matter ensued. Mr. Alvarez restated Watermaster recommendations for approval.

Motion by Koopman second by Durrington, and by unanimous vote

Moved to approve as follows: 1. Approve the applications of Fontana Water Company and Niagara Water Company for Local Storage Agreements, and 2. Request that the Watermaster Board waive the thirty day notice period (Watermaster Rules and Regulations Section 10.10) and the twenty-one day consideration period (Watermaster Rules and Regulations Section 10.11) for Applications for Local Storage Agreements, so that the Advisory Committee and Watermaster Board may approve the Local Storage Agreements in June. This request is sought with the express acknowledgment that it does not create precedent for future applications, as presented

Added Comment:

Mr. Alvarez stated the second part of the replenishment water purchase deals with the financing aspect. Mr. Alvarez stated at the last Appropriative Pool meeting, the Pool directed staff to look at financing alternatives; this is a work in progress. Mr. Alvarez stated when this item first came to the committee the recommendation was to finance this endeavor through a Special Assessment; however, in researching this option, it was made known that the Appropriative Pool parties had not previously budgeted for this expense so that option is out. Mr. Alvarez discussed the Special Assessment, Watermaster Bank Financing, and Regional Agency Financing alternatives in detail.

At 10:45 a.m. Chair Feenstra turned the Agricultural Pool meeting over to Vice-Chair Pierson.

Mr. Koopman spoke on Inland Empire Utilities Agency using Option "A", and that option will go to their Board. Mr. Koopman stated he had not heard some of the comments that Mr. Alvarez made today and there should be a fourth option, in that Watermaster finance it themselves. Mr. Koopman offered comment on the financial options. Mr. Alvarez stated one of the key points presented here is that we have been presented with an opportunity and a challenge. Staff is proceeding very judiciously, and at the same time taking advantage of the opportunity. Mr. Alvarez stated water started being put into the ground on May 16, 2011. Watermaster was the first agency to start taking water from MWD and that water is going in the ground as we speak. There are agreements with at least two member agencies to purchase some of that water because they are in an overdraft situation and they need replenishment water. Mr. Alvarez stated it is in the best interest of Watermaster to purchase this water in the future, and for Watermaster to have water in its own account for the benefit of everyone; however, financing mechanisms do need to be completed. Mr. Alvarez offered comment on the State water supply. Mr. Alvarez stated Watermaster needs to have reserves and to look at what those should be, and the policy discussions are something he is looking forward to. Mr. Koopman inquired about this water being subject to the 2% loss factor. Mr. Alvarez stated that it is a good question, and he prefers it not be. Mr. Koopman stated it would make a big difference if Watermaster did not subject itself to 2% losses; that changes the numbers quite a bit. A discussion regarding this matter and funding issues ensued.

D. SPECIAL PROJECT - TMDL STUDY (Discussion & Possible Action)

Mr. Vanden Heuvel stated he wants to remove this item. No further comment was made regarding this item.

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III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Paragraph 31 Appeal

Counsel Fife stated Watermaster filed its reply brief late last week. Counsel Fife stated the Appropriative Pool has asked for a continuance. The court granted them a 45 day continuance because settlement discussions are taking place directly between the Appropriative Pool and the Non-Agricultural Pool. Counsel Fife stated he understands those discussions have been productive and it looks like this may get resolved before anything else needs to be filed. Mr. Koopman inquired about the price of the water which was previously set in Peace II. Counsel Fife stated it wasn't in the Peace II Agreement itself it was in one of the attachments, it is in the Purchase and Sale Agreement. Ms. Novak inquired if any settlement between the Appropriative Pool and the Non-Agricultural Pool has to go through the Watermaster approval process in order for Watermaster to withdraw its brief and drop out of the action. Counsel Fife stated he takes direction from the Board; however, it would probably be safe to say that if the Appropriative Pool and Non-Agricultural Pool settled Watermaster would not hesitate to do whatever needed to be done to end this. Counsel Fife stated since Watermaster did not file the appeal, if the Appellants dropped the appeal, he does not know if the appellees have anything to say about that. Ms. Novak offered comment on policy interpretations. A discussion regarding this matter ensued.

2. Restated Watermaster Judgment

Counsel Fife stated this item was already discussed at length.

3. July 8, 2011 Court Hearing

Counsel Fife stated the July 8, 2011 court hearing is going to be moved to the September timeframe. There are a number of things the parties were anticipating for that hearing; however, the main one was the CDA Resolution and they are still waiting on MWD approval for the LRP Funding. MWD has not done that yet so they are not ready to go to court. A discussion regarding this matter ensued.

B. ENGINEERING REPORT

1. Presentation on Plume Contaminants

Vice-Chair Pierson stated Chair Feenstra moved this item to the next Agricultural Pool meeting in July.

C. CEO/STAFF REPORT

1. Recharge Update

Mr. Alvarez stated the most recent spreadsheet is available on the back table. Mr. Alvarez reviewed the numbers in detail. Mr. Alvarez stated the recharge water that has been spread is at 4,700 acre-feet of the Metropolitan Water District's replenishment water.

2. Horizontal Extensometer Update

Mr. Alvarez stated the negotiations regarding this item are going on right now and as soon as an agreement is ready it will come back through the Watermaster process.

IV. INFORMATION

1. Cash Disbursements for May 2011

No comment was made regarding this item.

2. Newspaper Articles

No comment was made regarding this item.

3. State Water Supply Conditions

No comment was made regarding this item.

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V. POOL MEMBER COMMENTS

Mr. Durrington stated there were guest speakers here today that were not on the agenda; agendas need to be correct as the meeting ran too long today.

A discussion regarding the new meeting schedule ensued.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to the Agricultural Pool Rules & Regulations, a Confidential Session may be held during the Watermaster Pool meeting for the purpose of discussion and possible action.

No confidential session was called.

VIII. FUTURE MEETINGS

Thursday, June 9, 2011	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, June 16, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
Thursday, June 16, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, June 16, 2011	10:30 a.m.	Land Subsidence Committee Meeting @ CBWM
Thursday, June 23, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM

The Agricultural Pool Committee meeting was dismissed by Vice-Chair Pierson at 11:10 p.m.

Secretary: _____

Minutes Approved: July 14, 2011