

4. Profit & Loss Budget vs. Actual July 2004 through June 2005

C. WATER TRANSACTION

1. **Consider Approval for Transaction of Notice of Sale or Transfer** – Fontana Water Company has agreed to purchase from Cucamonga Valley Water District water in storage in the amount of 2,500 acre-feet; Date of Application: June 8, 2005
2. **Consider Approval for Transaction of Notice of Sale or Transfer** – The Fontana Water Company has agreed to purchase from West Valley Water District water in storage in the amount of 1,000 acre-feet; Date of Application: June 8, 2005
3. **Consider Approval for Transaction of Notice of Sale or Transfer** – Fontana Water Company has agreed to purchase from Nicholson Trust water in storage in the amount of 5.458 acre-feet; Date of Application: July 5, 2005

D. STATUS REPORT NO. 15

Consider Authorization to File OBMP Status Report No. 15 with Court and Authorize Staff and Counsel to Make Minor Edits as Necessary

Motion by DeLoach, second by Kinsey, and by unanimous vote

Moved to approve Consent Calendar Items A through D, as presented

II. BUSINESS ITEMS

A. NORTH GUALALA AMICUS

Mr. Manning noted that Counsel Fife has been giving monthly update reports on the progress of the North Gualala law suit and at this point staff and legal counsel feel it is a good opportunity to provide some input that could possibly result in a favorable outcome for the Chino Basin. Counsel Fife stated that staff is looking for an approval and motion to direct counsel to file an amicus brief. There is a revised copy of the brief available on the back table that is much more substantive than the one provided in the meeting packet. The brief is still in the draft stage and there has been discussions regarding the timing of the filing. Counsel Fife noted that two amicus briefs were filed yesterday regarding this case. Counsel Fife offered insight as to timing of filing amicus briefs. It was noted that ACWA and the Chino Basin Watermaster will be waiting to file their amicus briefs until the State Board's brief is distributed and reviewed. Even though the brief is still in draft form staff is asking for approval to file if for some reason the timing issue turns out that the brief needs to be filed promptly. Counsel Fife stated that counsel's intent is to not finish the brief until the end of next month. It would be helpful to have the approval in place so that if a timing issue presents itself that filing of the brief has been approved. A brief discussion ensued with regard to the State Board filing their brief. Counsel Fife stated that the draft brief that is presented on the back table will be completely consistent with the final brief that will be filed with the court; no new arguments will be made other than what is presented in the draft.

Motion by DeLoach, second by Kinsey, and by unanimous vote

Moved to approve the completed amicus brief for filing, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney-Manager
Counsel Fife stated the Attorney-Manager process is moving forward and the next meeting is scheduled for next Thursday; a revised copy of the Consensus will hopefully be made available well in advance of that meeting.
2. Board Re-Appointment
Counsel Fife stated that at the last Watermaster Board meeting the board directed counsel to prepare a draft pleading concerning the need to extend the nine member board for another five year term. A pleading has been drafted and a copy has been provided in the meeting packet. Counsel Fife noted that this is the same draft that was presented to the Pools a few weeks ago. This item is being presented under Legal Counsel Reports

because it is being distributed for the purposes of discussion and not action. Counsel Fife stated that staff and legal counsel represent the board and if there is going to be a discussion about a response by the Advisory Committee or any kind of strategic discussion that the committee wants to have, it would be appropriate to ask staff and counsel to leave the room for that discussion. Mr. Manning noted that there are two letters which have been received from Cucamonga Valley Water District (CVWD) and Western Municipal Water District (WMWD). The letter from CVWD, paraphrased, simply states that they would prefer this discussion not take place until the appropriate time and WMWD letter was in support of the nine member board as it is currently comprised. Both of those letters are on record and copies are available on the back table for review. Chair Bowcock inquired to the wishes of the committee members whether it will be discussed or be received as a legal counsel report only. A question if this report would ultimately be filed with the court was presented. Counsel Fife stated there is a timing question because the term of the board does expire September 30, 2005, which does allow for another board meeting to convene. Counsel has been informed by the Special Referee and by the court that the Special Referee will be on vacation for most of September. If this motion is filed in August, the court would not be prepared to deal with this matter before the end September; at some level there is going to be a need for some kind of extension. Chair Bowcock stated that it was his belief that come September, if no action was taken we would be considered delinquent and inquired if that statement was correct. Counsel Fife stated it is unclear because the Judgment does not state what happens if there is no extension at the end of a five year period; the court, most likely will give an explicit extension. Counsel Fife stated that it is felt that by the end of September there will be some type of explicit treatment of the problem. No further discussion took place.

B. CEO/STAFF REPORT

1. Rialto Pipeline Availability

Mr. Manning stated this item is being brought today because of the events that have occurred over the last six weeks and is a place to kick off future discussions. On July 14, 2005 the Metropolitan Water District (MWD), on the Rialto Pipeline, shut all of our access to replenishment water and because of problems within the system, MWD diverted water from the Rialto Pipeline to other uses. Mr. Manning referred to the cartoon handout which is from MWD that shows the system within its service area and our issue has to do with getting water down into what is called their central pool. Normally, that water is fed to them by the Jensen Plant, but because of the high temperatures and some ozone work on the actual plant, in order to get water to their central pool MWD diverted water from the Rialto Pipeline down to Diemer and then from Diemer to the central pool. Chino Basin is capable of taking in 100 cfs a day into all of our recharge basins, but we are only getting approximately 7 cfs. Earlier this week, 60 cfs is now being released into a variety of our basins. Mr. Manning stated that the Chino Basin is relying on MWD and based upon the scenario presented, Chino Basin gets slighted. As Watermaster begins looking at strategies for supplying water to this basin for recharge, areas other than the Rialto Pipeline need to be considered and reviewed. There are discussions taking place with MWD regarding increasing some of the turnouts on the Rialto Pipeline. This is a heads up item for future discussions as staff begins to strategize about how we are going to meet demands for 2025. Mr. Kinsey offered comment regarding replenishment deliveries and noted that he recently attended a Three Valleys board meeting which MWD also attended and gave a presentation on their 2025 Capital Improvement Plan and Funding Plan. Mr. Kinsey stated that at that presentation it was noted that within MWD's whole system, at 2025 the only area that does not have a redundant means of moving water into it is the Chino Basin area. Mr. Kinsey noted that the Chino Basin needs to have the same redundancy in water supply from MWD. A brief discussion ensued with regard to redundancy efforts. Mr. Manning acknowledged that it is incumbent upon us to look within our own existing system and at ways we can make our system work better if we are going to meet our demands. This item will be discussed further at future meetings.

2. Ontario Airport Clean Up & Abatement Update

Mr. Manning stated that the Regional Board has mailed out clean up and abatement orders on July 27, 2005. In the clean up and abatement orders there was a letter that accompanied the orders which called for those organizations to meet on August 30, 2005 at the Regional Board office wherein a technical briefing would be held. A number of topics will be discussed at that briefing such as efforts that have already been undertaken, an overview of future work, discussions of various scenarios, discussions relating to the legal and administrative steps, and options for early settlement. Watermaster staff will have a large part in directing that meeting. At the Water Quality Committee meeting on August 22, this topic was discussed and that committee will be reviewing some of the technical presentations that will be given at the Regional Board technical briefing on August 30, 2005.

3. Basin Maintenance Update

Mr. Treweek stated this is a report on the Basin Maintenance Program that is on-going during the summer which will provide an update on some of the basin activities and restorations. Mr. Treweek referred to the handout titled; "Recharge / Maintenance Schedule" dated August 12, 2005. Mr. Treweek noted that since the 14th of July, MWD has shut off our water supply and due to that shut off; staff has accelerated the maintenance for the Montclair Basin and on the Ely Basin for restoration completion. This will leave the Turner Basins as the major basins requiring maintenance. We couldn't get water to put into the Turner Basins even if they were cleaned up because the City of Rancho Cucamonga is rebuilding the Haven Avenue storm drain. That storm drain is what carries the water from the MWD turnout down to the Turner Basins. The City of Rancho Cucamonga has informed Watermaster that the rebuilding of the Haven Avenue storm drain will not be completed until mid October; at that point the Turner Basins will be back up and able to receive water. As soon as MWD can release water again to our basins they are capable to receive approximately 100,000 cfs or about 6,000 acre-feet a month as Mr. Manning stated in an earlier report. A discussion ensued with regard to the work being done on the basins.

4. Water Activity Report Update

Mr. Manning stated that part of his goals and objectives is to bifurcate the assessment package, the budget package, and the water activity report so that they all work together but independently. Mr. Manning noted that Ms. Rojo has done a tremendous amount of work on this project; this project is coming together well. Mr. Manning stated that Ms. Rojo will be using the City of Ontario as a case in point to provide an illustration as to what this water reporting report would look like. Ms. Rojo stated that part of Watermaster's responsibilities involve requiring each agency to report to Watermaster various types of water activity including: land use conversions, assignments, production, transfers and sales/leases. That information is forwarded to Watermaster through various documents and then compiled. This report presented on the screen and as a handout recaps the water activities. This is the first time this document is being presented to the parties and everyone is encouraged to offer comments and suggestions on how to improve the format or titling. Ms. Rojo reviewed in detail the 2003-2004 Water Production report for the City of Ontario. Ms. Rojo noted that this report will be mailed out to each agency. It will be asked that it be reviewed, signed, and either mailed or faxed back to Chino Basin Watermaster.

C. INLAND EMPIRE UTILITIES AGENCY

1. MWD Status Report – Richard Atwater

Mr. Atwater stated that he and other staff members have continued to attend meetings on rate structure issues, growth charge, and replenishment rates. Mr. Atwater noted that he is available to meet with parties regarding the Rialto Pipeline and reliability in the System Overview Study. Mr. Atwater gave a brief update on the recent meeting with DHS.

2. State Water Plan (B160) – Martha Davis

No comment was made regarding this item.

- 3. Planning and Water Resources Quarterly Report
No comment was made regarding this item.
- 4. State/Federal Legislation Reports
No comment was made regarding this item.
- 5. Community Outreach/Public Relations Report
No comment was made regarding this item.

D. OTHER MWDROPOLITAN MEMBER AGENCY REPORTS

Mr. Rossi reported on the task which was given by the new chair out of Orange County to develop some consensus on his fourteen bullet points that have not been dealt with over the last twenty years. The general managers have now MWD twice and have pared that list down to seven items and noted that the primary issue is growth charge and treated water peaking charge. There is a possibility of a board workshop being scheduled for mid September to discuss these and other issues off that list. Mr. Rossi reviewed several of the areas that are experiencing immense growths and some of the concepts being discussed by parties regarding growth charges. A brief discussion ensued with regard to growth concepts and economics.

IV. INFORMATION

- 1. Quarterly Status Report No. 14
No comment was made regarding this item.
- 2. Newspaper Articles
No comment was made regarding this item.

V. COMMITTEE MEMBER COMMENTS

Mr. Kinsey inquired about being finished with the 6500 acre-feet recharge under the Peace Agreement and if the 32,500 acre-feet have been MWD. Ms. Rojo stated that we were short the previous year and that had to be tacked on to last year and that Watermaster staff would look into this inquiry and get back with him.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

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| August 22, 2005 | 1:00 p.m. | Water Quality Meeting |
| August 23, 2005 | 9:00 a.m. | GRCC Meeting |
| August 25, 2005 | 9:00 a.m. | Advisory Committee Meeting |
| August 25, 2005 | 11:00 a.m. | Watermaster Board Meeting |
| September 8, 2005 | 9:00 a.m. | Appropriative & Non-Agricultural Pool Meeting |
| September 20, 2005 | 9:00 a.m. | Agricultural Pool Meeting @ IEUA |
| September 22, 2005 | 9:00 a.m. | Advisory Committee Meeting |
| September 22, 2005 | 11:00 a.m. | Watermaster Board Meeting |

The Advisory Committee Meeting Adjourned at 9:51 a.m.

Secretary: _____

Minutes Approved: September 22, 2005