

**Minutes**  
**CHINO BASIN WATERMASTER**  
**ADVISORY COMMITTEE MEETING**

*February 23, 2006*

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on February 23, 2006 at 9:00 a.m.

**ADVISORY COMMITTEE MEMBERS PRESENT**

**Agricultural Pool**

Bob Feenstra	Ag Pool/Dairy
Jeff Pierson	Ag Pool/Crops

**Appropriative Pool**

Ken Jeske	City of Ontario
Robert DeLoach	Cucamonga Valley Water District
Rich Atwater	Inland Empire Utilities Agency
Gerald J. Black	Fontana Union Water Company
Mike McGraw	Fontana Water Company
Rosemary Hoerning	City of Upland
Dave Crosley, serving Chair	City of Chino
Jim Taylor	City of Pomona
Bill Kruger	City of Chino Hills
Eunice Ulloa	Chino Basin Water Conservation District
Mark Kinsey	Monte Vista Water District
Bill Stafford	Marygold Mutual Water Company

**Non-Agricultural Pool**

Justin Scott-Coe	Vulcan Materials Company (Calmat Division)
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**Watermaster Board Members Present**

Ken Willis	West End Consolidated Water Company
John Anderson	Inland Empire Utilities Agency

**Watermaster Staff Present**

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	CFO/Asst. General Manager
Gordon Treweek	Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

**Watermaster Consultants Present**

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.
Andy Malone	Wildermuth Environmental Inc.

**Others Present**

Mohamad El-Amamy	City of Ontario
Chris Diggs	Fontana Water Company
Steven G. Lee	Ag Pool Legal Counsel
Bill Curley	City of Upland
Rick Hansen	Three Valleys Municipal Water District
Craig Stewart	CIM/Geomatrix
Frank Brommenschenkel	Frank B. & Associates

The Advisory Committee meeting was called to order by Chair Crosley at 9:07 a.m.

## **AGENDA - ADDITIONS/REORDER**

There were no additions or reorders made to the agenda.

### **I. CONSENT CALENDAR**

#### **A. MINUTES**

1. Minutes of the Annual Advisory Committee Meeting held January 26, 2006
2. Minutes of the Advisory and Watermaster Board Conference call held January 30, 2006

#### **B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of December 2005
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2005 through November 30, 2005
3. Treasurer's Report of Financial Affairs for the Period November 1, 2005 through November 30, 2005
4. Profit & Loss Budget vs. Actual July through November 2005
5. Cash Disbursements for the month of January 2006
6. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2005 through December 31, 2005
7. Treasurer's Report of Financial Affairs for the Period December 1, 2005 through December 31, 2005
8. Profit & Loss Budget vs. Actual July through December 2005

#### **C. INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2005**

Receive and File the Annual Audited Financial Statements for Fiscal Year Ended June 30, 2005

*Motion by DeLoach, second by McGraw, and by unanimous vote*

***Moved to approve Consent Calendar Items A through C, as presented***

### **II. BUSINESS ITEMS**

There were no comments made regarding this item.

### **III. REPORTS/UPDATES**

#### **A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Attorney Manager Process/Discussion of Peace II Agreement  
Counsel Fife stated this item regarding the Attorney Manager Process and the Peace II Agreement will be combined for discussion and/or review in item 2 – Court Hearing Update.
2. Court Hearing Update  
Counsel Fife stated a hearing took place on February 9, 2006; on the back table there are copies of several of the pleadings which were filed at that hearing. There were a number of responses made to the Special Referee's report and a number of joinders in Watermaster's response ultimately resulting in the order that was given to counsel on February 9. Counsel Fife stated for those who have not had an opportunity to read the order; it commends Watermaster and the parties for all the good work that has been done over the past five years. The court was very specific given the nature of the pleadings that were filed to point out that the court believes Watermaster is doing a very good job; however, the order did articulate that similar to when it reappointed the nine member board in 2000, the court continues to have a concern about the implementation of the desalter element of the Optimum Basin Management Plan (OBMP). The court has not been privy to our internal discussions regarding the desalters and wishes to be kept informed and assured that Watermaster is moving forward to implement the OBMP and reach the OBMP goal of 40,000 acre-feet of desalting capacity in the southern end of the basin. Counsel Fife stated

that while the court has indeed reappointed the nine member board for another five year term unconditionally, the court has ordered a workshop be held in July 2006 at which Watermaster and the parties are expected to present to the court, through the Special Referee, the plan for getting to the next increment of desalting capacity. No specific date as been selected for the July workshop to date, however it will be scheduled shortly. The desalting component is one of the items under discussion for the Peace II process and now that the issue of the nine member board has concluded the Peace II process needs to begin again. Counsel Fife stated the questions that were presented at the workshops in November 2005 which were to have responses drafted by Watermaster and Wildermuth Environmental will be completed and ready for release shortly and will kick off the next set of Peace II meetings.

#### **B. WATERMASTER ENGINEERING CONSULTANT REPORT**

1. Evaluation of the Cumulative Effects of Transfers Pursuant to the Peace Agreement

Mr. Wildermuth stated this item has been reported on at all pool meetings in detail and Mr. Wildermuth inquired if the parties today still wanted to be updated on this item. It was noted the committee members wanted to hear a brief update. Mr. Wildermuth stated he was going to combine this item with item no. 2 – Hydraulic Control since both items are related to each other. Mr. Wildermuth stated that Watermaster has an obligation every two years, ending in odd years, to prepare an analysis of the balance of recharge and discharge in every area and sub area of the basin as well as to evaluate the cumulative effect of transfers. As of July of 2005 those analyses have been completed as best as they could be at that time but because of the negotiations under Peace II, that work was put on hold. An administration draft report was produced which sat un-acted upon until now. Since then, a lot of model work to analyze the balance of recharge and discharge in the basin in support of the Peace II process has taken place. That work is now complete and the final touches with maps are being completed and will be forthcoming. Internally there will be an administrative draft of that effort and shortly the report will be out for review by all parties. Inside of that report is the analysis of cumulative effect of transfers which can't be looked at independently because both the hydraulic control and the cumulative effect of transfers are used by Watermaster to figure out a supplemental water recharge plan. The purpose of the balance of recharge and discharge is for Watermaster to look at how the basin is functioning relative to pumping and to try and design a supplemental water recharge plan to bring the basin into balance hydrologically. This is an issue that came up also during the Peace I discussions by the Management Zone 1 pumpers. There is an excerpt in the meeting packet for review which is basically the same excerpt released in July of 2005. The cumulative effect of transfers has resulted in the avoidance of about 26,000 acre-feet of wet water recharge; that is primarily a result of transfers among parties and using water from storage accounts. The market system put into place by the Judgment which allows parties to buy water from under-producers and move it to over-producers has been a good thing overall. The conclusion is that there has been no material physical injury from the transfer process and the actual transfer process has been of benefit.

2. Hydraulic Control Update

This item was discussed under item 1 – Evaluation of the Cumulative Effects of Transfers Pursuant to the Peace Agreement.

#### **C. CEO/STAFF REPORT**

1. 85/15 Update

Mr. Manning noted this is a notification item only and this item is being addressed at the Appropriative Pool meetings by a request from the Appropriative Pool Members.

2. Volume Vote Update

Mr. Manning noted this is a notification item only and this item is being addressed at the Appropriative Pool meetings by a request from the Appropriative Pool Members.

3. Department of Water Resources Grant Financing Update  
Mr. Manning stated that staff fully expects that next month the Pools, Advisory Committee, and Watermaster Board will be dealing with a contract wherein terms will be discussed relative to the financing of the Department of Water Resources (DWR) Grant – a grant that totals over \$10M; that is a 50/50 split between Chino Basin Watermaster (CBWM) and Inland Empire Utilities Agency (IEUA). Included at the back table is a handout which is a breakdown of the projects that are included within this DWR grant, it is a \$5M dollar grant with a \$5M dollar match; half paid by CBWM and half paid by IEUA, meaning that Watermaster is agreeing to contribute \$2.5M towards this grant. The terms of repayment are presently being worked out with IEUA. Mr. Atwater offered history on past funding agreements and debt services for improvements and noted the debt service for this new grant will be a policy issue brought through the Watermaster process in the near future.
4. San Diego County Water Authority RFP for Groundwater Conjunctive Use Project  
Mr. Manning stated that the San Diego County Water Authority has released their RFP and staff has had the opportunity to review that proposal and staff is inclined to submit a proposal. Mr. Manning noted that San Diego is anxious to have Watermaster involved and staff feels they are willing to discuss terms with us.

Added Item:

Mr. Manning noted that available on the back table is an additional handout regarding supplemental and storm water recharge; it was asked at a past meeting that parties be kept informed on a monthly basis of how we are doing on recharge. As was noted by Mr. Treweek, we appear to be on target for our recharge goal, receiving supplemental than storm water at this point in time. This chart will be made available with updates each month.

Added Item:

Mr. Manning stated for advance notice a Personnel Committee meeting will be scheduled in April 2006.

Added Item:

Mr. Manning noted last week a number of members of the Chino Basin sponsored with IEUA and SAWPA a Legislative Update with members of the legislature, staff, and committees in Sacramento. This was a very successful endeavor and was well attended.

#### **D. INLAND EMPIRE UTILITIES AGENCY**

1. MWD Status Report – Richard Atwater  
Mr. Atwater stated the Metropolitan board did select a new general manager Jeff Kightlinger and in speaking with him last week he seemed very interested in working with all the member agencies and the groundwater basin managers on local storage and local projects.
2. Recycled Water Implementation Schedule – Richard Atwater  
Mr. Atwater stated that a discussion took place at the recent Agricultural Pool meeting and it was decided at that meeting that a presentation regarding recycled water would be given to the pools to give a more detailed description on activities at the March meetings.

Mr. Atwater noted a meeting was held with the Department of Health Services (DHS) and the Regional Water Quality Control Board about three weeks ago and the meeting went extremely well. A hearing date has been scheduled for April 20, 2006 at 10:00 a.m. here at the Chino Basin Watermaster office by the suggestion of DHS. Mr. Atwater asked that

support be given asking DHS to grant a permit for Phase II. Mr. Wildermuth added comment on the lack of reliability from state project water and because it is not 100% reliable for replenishment purposes larger basins or more capacity is needed so we will be able to take water when available. A discussion ensued with regard to reclaimed and recycled water.

3. Water-Energy NEXUS "CaLeep" Study – Martha Davis

Mt Atwater stated that at the recent leadership breakfast it was discussed that poor ties have been working with the Energy Commission over the last few years to minimize electric demands on Edison in purchasing natural gas. Mr. Atwater made note of the rising high costs of energy and how using energy efficient products shows a significant reduction in costs. One of the key points that is coming out of this new program is from water conservation standpoint' the PUC is directing Edison to provide financial funding to water utilities to encourage energy conservation for both home owners and for agencies to utilize more efficient pumps.

4. Monthly Water Conservation Programs Report

No comment was made regarding this item.

5. Groundwater Operations Recharge Summary

No comment was made regarding this item.

6. Monthly Imported Water Deliveries Report

No comment was made regarding this item.

7. State/Federal Legislation Reports

No comment was made regarding this item.

8. Public Relations Report

No comment was made regarding this item.

**E. OTHER METROPOLITAN MEMBER AGENCY REPORTS**

Mr. Hansen stated one of the unions at Metropolitan has been without a contract since June 30, and they have now gone to mediation; there is a potential that not only Metropolitan agencies but also sub-agencies may be targeted for picketing – this is an advance possibility notice.

**IV. INFORMATION**

1. Newspaper Articles

There was no comment made regarding this item.

**V. COMMITTEE MEMBER COMMENTS**

Mr. Feenstra stated he wanted to express his thankfulness in the great work that Inland Empire Utilities Agency (IEUA) is doing for Agricultural endeavors in using recycled water for watering several areas. Mr. Feenstra commented on the recycled water programs that IEUA is involved with currently and in the future.

Mr. Bill Stafford from Marygold Mutual Water Company announced his retirement plans and noted that Mr. Justin Brokaw will be attending the meetings on a regular basis as of March 1, 2006. He thanked all the committee members for an exciting several years. All in attendance thanked Mr. Stafford for his years of dedication and commitment and wished him an enjoyable retirement.

**VI. OTHER BUSINESS**

There was no comment made regarding this item.

**VII. FUTURE MEETINGS**

February 23, 2006      9:00 a.m.      Advisory Committee Meeting

February 23, 2006	11:00 a.m.	Watermaster Board Meeting
March 9, 2006	9:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
March 21, 2006	9:00 a.m.	Agricultural Pool Meeting @ IEUA
March 23, 2006	9:00 a.m.	Advisory Committee Meeting
March 23, 2006	11:00 a.m.	Watermaster Board Meeting

The Advisory Committee Meeting Adjourned at 9:40 a.m.

Secretary: \_\_\_\_\_

Minutes Approved: March 23, 2006