

Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

March 23, 2006

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

ADVISORY COMMITTEE MEMBERS PRESENT

Agricultural Pool

Nathan deBoom, Chair	Ag Pool/Dairy
Bob Feenstra	Ag Pool/Dairy

Appropriative Pool

Ken Jeske	City of Ontario
Robert DeLoach	Cucamonga Valley Water District
Mike McGraw	Fontana Water Company
Rosemary Hoerning	City of Upland
Dave Crosley	City of Chino
Jim Taylor	City of Pomona
Charles Moorrees	San Antonio Water Company
Mark Kinsey	Monte Vista Water District
J. Arnold Rodriguez	Santa Ana River Water Company
Mike Maestas	City of Chino Hills
Justin Brokaw	Marygold Mutual Water Company

Non-Agricultural Pool

Bob Bowcock	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
Sandra Rose	Monte Vista Water District

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

Chris Diggs	Fontana Water Company
Bill Kruger	City of Chino Hills
Frank Brommenschenkel	Frank B. & Associates
Ash Dhingra	City of Pomona
Martha Davis	Inland Empire Utilities Agency
Henry Pepper	City of Pomona
Terry Catlin	Inland Empire Utilities Agency
Tom Love	Inland Empire Utilities Agency

The Advisory Committee meeting was called to order by Chair deBoom at 9:10 a.m.

AGENDA - ADDITIONS/REORDER

No comment was made regarding this item.

Added: Opening Remark

Mr. Jeske stated that Ontario Councilman Jerry DuBois who was a good friend and colleague in the water industry passed on earlier this week and will be greatly missed by many people. Mr. Jeske asked that his memory be memorialized by adjourning this meeting in his memory. It was noted the memorial service for Mr. DuBois will be held on Saturday, March 25, 2006 at 10:00 a.m. at Chaffey High School on Euclid Avenue in Ontario.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting held February 23, 2006

B. FINANCIAL REPORTS

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

Motion by McGraw, second by Rodriguez, and by unanimous vote

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

II. BUSINESS ITEMS

A. CONTRACT FOR DRILLING AND CONSTRUCTION OF A NESTED PIEZOMETER

Mr. Manning stated the monitoring equipment in the MZ1 area that has exposed subsidence has been experiencing difficulties. The centerpiece of this monitoring program is the nested piezometers which are located at the Ayala Park facility. The facility was constructed for the purpose of determining the extent of subsidence that is caused by pumping. During the course of the testing that has been performed at that this site. Periodic anomalies have caused staff to question the reliability of gathered data from these nested piezometers. It has been recommended by our consultants that staff evaluate and consider installing new piezometers so that clearer and more accurate data can be gathered to analyze and document. The subsidence issue is an important issue to all Watermaster parties and staff wants to make sure we have an adequate monitoring program in place. The contract which is in the meeting package is with the Layne Christensen Company of Fontana in the amount of \$292,000. Staff is pleased with this contracting company who has done work in this area for us. Staff is recommending moving forward with this item that has been unanimously approved by the Pools. Chair deBoom inquired to the number of companies who bid on this project. Mr. Malone stated two companies came through with a bid. Mr. Jeske inquired if the City of Chino has approved the work to be performed and Mr. Malone acknowledged that this has been approved by the City of Chino. It was also noted the MZ1 Technical Committee is in full support of this endeavor. A discussion ensued with regard to the work that will be performed. Mr. Malone gave a detailed description of how the new piezometers will work more efficiently than the previous ones and noted there is a one year warranty included.

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

Moved to approve the Layne Christensen Company contract for drilling and construction of a nested piezometer at Ayala Park in Chino, as presented

B. IEUA/DWR GRANT FUNDING AGREEMENT

Mr. Manning stated in January 2005, Inland Empire Utilities Agency (IEUA) received a grant of \$15,500,000 from the Department of Water Resources (DWR) through the Proposition 13 Groundwater Recharge and Storage Programs. Mr. Manning noted that the purpose of this grant was to fund IEUA's Chino Basin Conjunctive Use Expansion Program. The total project cost for this program was estimated to be \$40 million with the local share being funded through IEUA's Water and Sewer Rate revenue and a combination of various State and Federal funds. Mr. Manning stated in 2002, a separate grant of Proposition 13 money was given to IEUA that was used to fund implementation of Watermaster's Recharge Master Plan. That project involved a total cost of approximately \$40 million. One half of this project cost was paid through grant funds, and the one-half local share was split evenly between IEUA and Watermaster. Through the initial implementation of the Recharge Master Plan, most, but not all, of the identified recharge basin improvements were constructed; the available funding fell short of being able to fund all of the identified improvements. Mr. Manning noted that additional improvement work was identified as necessary over the course of initial project construction and over the past year of use of the facilities. IEUA has proposed using a portion of the most recent grant funding to perform further improvement work on the recharge basins. IEUA has also proposed using \$5,250,000 of grant money for this purpose, using the same cost sharing arrangement that was used for the grant money that was used for initial implementation of the Recharge Master Plan. Staff is recommending moving forward with this agreement and this was approved unanimously by the Pools. Mr. Love stated this is consistent with the agreement regarding cost sharing on the first set of improvements on the \$40 million dollar project, which was 50% grant funded and 50% shared equally between IEUA and Watermaster. A question was presented regarding operating and maintenance (O&M) costs and Mr. Manning stated agreements are in place that handles the O&M costs. A discussion regarding costs ensued.

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

Moved to approve the agreement regarding recharge facilities improvements matching funds Cost Sharing Agreement between Inland Empire Utilities Agency and the Chino Basin Watermaster dated March, 2006, as presented

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**1. Attorney Manager Process/Discussion of Peace II Agreement

Counsel Fife stated we are at the eve of being able to put out the report that will respond to the questions that were brought up during the workshops in November and December, 2005. Wildermuth Environmental is finished with their work and there are some legal issues that counsel needs to respond to. Staff is anticipating those responses will be out within the next week. After that release, staff and counsel will be prepared to move into finishing the Peace II process. This might involve coming back to the parties with the original agreement which was distributed in October 2005, or if there is a need to modify that document, we can then discuss how we will go about that process. A question regarding confidentially was presented and Counsel Fife stated the same attorney-manager confidentially agreements will remain in place at the next round of meetings. A brief discussion ensued regarding the next set of meetings and Mr. Manning reviewed the tight timeline in order to meet the July Special Referee's workshop deadline. Mr. Manning stated there will be an item on the April agenda specifically detailing the consequences of not implementing Peace II.

B. WATERMASTER ENGINEERING CONSULTANT REPORT1. Update on Report on Balance of Recharge and Discharge

Mr. Wildermuth stated one of the many things Wildermuth Environmental is doing for the Watermaster is this presented item which deals with certain provisions of the Peace Agreement and with Peace II. This report, as of late last night, was completed in an administrative draft form. Mr. Wildermuth stated that a "draft administrative form" is a

document, for all intent and purposes, 95% to 97% complete. The report will first be circulated through the Watermaster staff and Watermaster legal counsel to ensure all the technical questions are answered that were presented at the workshops regarding the Peace II Term Sheet. It is most likely staff and counsel will turn this document around quickly and staff is anticipating very little changes to be made and this item will be sent through the Watermaster process.

C. CEO/STAFF REPORT

1. USGS-GAMA Program

Mr. Manning stated in May this pool is going to be given a presentation on the USGS-GAMA Program which is a groundwater ambient water monitoring and assessment program. This is where the USGS comes into various groundwater basins and tests and evaluates water quality (called the GAMA Program). Mr. Manning stated he recently had a conversation with Robert Kent from USGS, who is the person who will be giving the May presentation, by letting him know that this basin is already light years ahead of other basins in data collection and data management and that we will gladly cooperate in assisting him in his quest by offering data that we have already gathered. Staff is trying to avoid letting the USGS come in and test where they want and then take incorrect or uncorroborated data back to our legislature and let legislature make assumptions against isolated tests. This is an awareness issue and a full presentation will be given in May on this item.

2. Legislative Update

Mr. Manning stated a number of people were in Washington last week talking with members of congress about issues relative to California water issues. This was the ACWA Legislative Agenda that was being discussed. This agenda gave us an opportunity to talk about the issues which are taking place within our own basin. Because of the tight schedules and the hastiness at those ACWA meetings, staff and representatives will be returning in a few weeks to talk in greater detail specifically Chino Basin issues and where we think congress can be effective in meeting our mission in delivering an affordable water supply.

Mr. Manning stated that there is a meeting being held, as we speak, with Senator Margett and Senator Dutton who are currently negotiating, on our behalf, to put money into the bond for the Chino Basin. The deadline for getting our bond issue onto the ballot is March 10, 2006. It appears by several conversations with legislatures that our interests are being protected and staff is in contact with them quite frequently.

3. SAW DMS Data Coordination

Mr. Manning stated there are a few letters provided in the meeting packet which parties have probably already received a copy of wherein SAWPA is asking to come in and talk to the parties about data at each agency. After Watermaster staff received this letter, an email was sent to Daniel Cozad at SAWPA which expressed to him that staff would like to coordinate this through Watermaster; it is preferred that SAWPA not work with all the individual parties and that there are reasons and benefits to work with Watermaster in a joint effort on this item. By working together Watermaster can eliminate a lot of duplicated work efforts and also possibly save them some money. Mr. Manning stated this is an awareness issue and that Daniel was open and receptive to the idea.

4. Department of Health Services Public Hearing on Recycled Water

Mr. Manning noted the flyer for the Department of Health Services Public Hearing on Recycled Water is available on the back table. This meeting is co-sponsored by Watermaster and Mr. Manning encouraged all members to attend this important hearing in support of recycled water. The hearing is on April 20, 2006 at 9:30 a.m. here at the Watermaster offices.

5. Monthly Recharge Update

Mr. Manning noted that by commitments made at previous meetings in which Watermaster would provide the parties with monthly recharge updates at these meetings, a copy of the most recent update is available on the back table. Mr. Treweek stated we have been fortunate recently in having some late spring storm events. Mr. Treweek reviewed the handout in detail and noted we are pretty much on target as far as capturing water; our goal for the year is 50,000 acre-feet and in order to achieve that we need more months like February with its heavier rain storms. Some of our basins are only recharged, at this point in time, with only storm water and this recharge situation will be rectified shortly via our DWR grant for improvements.

Added Comment:

Mr. Manning stated when he came to the Chino Basin one of the first things he did was join the Ontario Kiwanis Club and one of the first people he met in that club and embraced him was Jerry DuBois. Mr. DuBois inducted Mr. Manning into the Kiwanis Club and has been a good friend ever since and Mr. Manning stated he is going to be greatly missed. Mr. DuBois was a true advocate for the City of Ontario. Mr. Manning agreed this meeting should be adjourned in Congressman DuBois honor.

D. INLAND EMPIRE UTILITIES AGENCY

1. MWD Status Update

Mr. Love stated the Department of Water Resources will maintain the 70% allocation on the State Water Project. This also means there will be a lot of supply available and hopefully capacity will not be reached at the Rialto pipeline in July and August. The new MWD general manager, Jeff Kightlinger, will be out for a reception which will be hosted by Eastern Municipal Water District and Western Municipal Water District, Inland Empire Utilities Agency, and others. Watermaster staff with IEUA and MWD staff met and discussed the operating plan for the DYY Program for the upcoming year; things are moving well on this program. A brief discussion ensued with regard to water deliveries.

2. Phase 2 Chino Basin Recycled Water Groundwater Recharge Project

Mr. Love stated there a scheduled DHS & Regional Water Quality Control Board public hearing on Thursday, April 20, 2006 starting at 9:30 a.m. and is being held at the Chino Basin Watermaster office. Mr. Love offered history on the public hearing which was held in December of 2003 regarding Phase 1 basins. Mr. Love is asking all the appropriators to speak in support of this program that has broad regional benefits to the groundwater basin.

3. Regional Water Conservation Program and Proposed FY Budget

Ms. Davis gave the IEUA Regional Water Conservation Program FY 2006/2007 Proposed Conservation Initiatives and Budget presentation. Ms. Davis reviewed the conservation programs that are currently in place which include: Conservation Rebates, Landscape Programs, School Programs, Public Information Programs, and Member Agency Support Programs. Ms. Davis also reviewed the proposed new conservation programs which include: Ultra Low Flow Toilets, new Landscape Programs, broader Public Information Programs, and more School Programs. The fiscal year 2006/2006 conservation program revenues were discussed in detail noting IEUA will continue to seek additional funds through state grants and other programs to augment the conservation budget.

4. Recycled Water Update

Mr. Jeske stated that while at the Agricultural Pool meeting which was held prior to this meeting today, it was brought up at that meeting one of issues in getting recycled water into the ground and it taking over a year for it to go through the process. Mr. Jeske stated

that perhaps that length of time is understandable where there is a regional wide groundwater basin involved; however, the City of Ontario has experienced the same familiarity on a site-by-site basis where we are proposing direct reuse of recycled water that is not making its way back in immediate recharge into the groundwater basin. Mr. Jeske spoke on permitting and landscaping watering issues.

- 5. Monthly Water Conservation Program Report
Mr. Love stated this report is provided in the meeting package for review.
- 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.
- 9. Groundwater Update
No comment was made regarding this item.

E. OTHER METROPOLITAN MEMBER AGENCY REPORTS
No comment was made regarding this item.

IV. INFORMATION

- 1. Newspaper Articles
No comment was made regarding this item.

V. COMMITTEE MEMBER COMMENTS
No comment was made regarding this item.

VI. OTHER BUSINESS
No comment was made regarding this item.

VII. FUTURE MEETINGS

March 23, 2006	9:00 a.m.	Advisory Committee Meeting
March 23, 2006	11:00 a.m.	Watermaster Board Meeting
March 28, 2006	9:00 a.m.	GRCC Meeting
April 13, 2006	9:00 a.m.	Joint Appropriative Pool Meeting
April 18, 2006	9:00 a.m.	Agricultural Pool Meeting @ IEUA
April 27, 2006	9:00 a.m.	Advisory Committee Meeting
April 27, 2006	11:00 a.m.	Watermaster Board Meeting

Advisory Committee Meeting Adjourned at 10:00 a.m. in honor of Congressmen Jerry DuBois

Secretary: _____

Minutes Approved: April 27, 2006