

Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

April 27, 2006

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on April 27, 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
Mike McGraw	Fontana Water Company
Frank LoGuidice	Fontana Union Water Company
Rosemary Hoerning	City of Upland
Dave Crosley	City of Chino
Ashok K. Dhingra	City of Pomona
Charles Moorrees	San Antonio Water Company
Mark Kinsey	Monte Vista Water District
J. Arnold Rodriguez	Santa Ana River Water Company
Justin Brokaw	Marygold Mutual Water Company

Non-Agricultural Pool

Bob Bowcock	Vulcan Materials Company (Calmat Division)
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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.
Dave Argo	Black & Veatch

Others Present

Chris Diggs	Fontana Union Water Company
Bill Kruger	City of Chino Hills
Steven G. Lee	Ag Pool Legal Counsel
Rick Hansen	Three Valleys Municipal Water District
Martha Davis	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.

I. CONSENT CALENDAR

A. MINUTES

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

B. FINANCIAL REPORTS

5. Cash Disbursements for the month of March 2006
6. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2005 through February 28, 2006
7. Treasurer's Report of Financial Affairs for the Period February 1, 2006 through February 28, 2006
8. Profit & Loss Budget vs. Actual July through February 2006

C. WATER TRANSACTION

Consider Approval for Transaction of Notice of Sale or Transfer – Cucamonga Valley Water District has agreed to purchase from West Valley Water District water in storage in the amount of 500 acre-feet. Date of application: January 10, 2006

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

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

II. BUSINESS ITEMS**A. MZ1 SUMMARY REPORT**

Mr. Manning stated this item was presented to the pools and had unanimous votes in favor of this item except for a one negative vote by the City of Chino Hills. Staff, counsel, and technical consultants are recommending the approval of the presented MZ1 Summary Report. This summary report was designed out of the MZ1 workshop in May of 2005 where the Special Referee made recommendations, this being one of those, and to be in compliance with the court, staff is asking that this report be approved and forwarded to the Watermaster Board for their approval. This report also includes the guidance criteria of the MZ1 management and meets the needs for this agency and for the court.

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

Motion approve the February 2006 MZ1 Summary Report, as presented

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. Peace II Process**

Counsel Fife stated there was a meeting held the week before last on the Peace II process and staff and counsel are currently taking comments on the proposal that was released prior to that meeting. Staff is anticipating scheduling follow up meetings shortly. Staff and counsel are optimistic to be able to bring something to the Watermaster Board members in May for their approval to place the approved term sheet through the Watermaster process in June in preparation of the court mandated workshop in July.

2. Santa Ana River Water Rights Application

Counsel Fife stated this item has been a long on-again/off-again process and presently it is on the forefront again. Counsel Fife stated in May of 2005, the other parties that are involved in this process (including Orange County Water District (OCWD), Western Municipal Water District (WMWD), San Bernardino Municipal Water District, and the City of Riverside) decided they were ready to move forward on their applications and bring their applications to hearing by the beginning of 2006. Counsel Fife stated it has been made known to the parties involved that Watermaster is confident in our projects, positive in our validity of our application, and if they are ready to go to the State Board to get confirmation of their rights, we will follow suit. The last time this item was in motion, counsel and staff met with the State Board's staff to discuss the details of our application along with trips made to Sacramento and after that attempt the issue faded away and has been silent ever since. Counsel Fife stated OCWD has now reissued a programmatic environmental impact report for their water rights application. The notice of availability is on the back table for review. With this news, counsel is anticipating WMWD to follow suit and if this does

happen counsel, in concert with WMWD, will approach the State Board. Counsel Fife stated it is Watermaster's position that we have all the rights to all the surface water that passes through the Chino Basin and staff has expressed to the State Board that we do not need to do any further CEQA work and believe Watermaster is solid on our part of our application.

Counsel Fife stated there is an interesting development in legislation regarding Senate Bill 1795 which is being sponsored by the Stockton East Water District. The purpose of the legislation is to amend the water code, to say that any water rights application that is for the diversion of surface flows to use as groundwater recharge will not need an underground storage supplement. This is a part of the application that is very onerous and requires a lot of reporting. The State Board in recent years has stated they will regard a diversion for the purpose of recharge as that ultimate pumping is the actual diversion and everything prior to that just a pipe basically and what the State Board is going to regulate is the ultimate pumping. This SB1795 would rectify this situation and make our application much easier. To date there is no opposition to this bill and staff and counsel are hopeful this bill will get passed. A brief discussion ensued with regard to water plans.

B. WATERMASTER ENGINEERING CONSULTANT REPORT

1. Update on Report on Balance of Recharge and Discharge

Mr. Wildermuth stated as reported at the pool meetings, the Balance of Recharge and Discharge/Hydraulic Control Modeling Report is out as a draft report. Mr. Wildermuth stated that opposed to all the numbers the engineers have been working over the past twelve months, the numbers are slightly different; however, the final answer comes out the same. Mr. Wildermuth noted one item that is different; and this has been collaborated by all the new monitoring data that has come out of the Hydraulic Control mentoring program, which is we do not have hydraulic control on the far west side of the basin. This area would be in the vicinity of Desalter I, wells one through four which are deep wells, and then just west of those wells. There is an opportunity that we can obtain hydraulic control by installing more desalter wells in that location; we can't control that area by re-operation. This report will be finalized at some point in time or will be accepted as a draft report as final.

Added Comment:

Mr. Wildermuth stated recently the Regional Board was anticipating coming up with waste discharge requirements for the recharge of imported water. The Regional Board has now put out that tentative order for review which contains objectives that must be met in order to recharge water. The order has faults and will need to be looked at carefully and the Regional Board is asking for comments by May 1, 2006 which has caused uproar by agencies wanting this deadline pushed back for sixty days for proper review. Mr. Manning commented this is an item Watermaster will want to review and phone calls on this issue have been received. Mr. Manning suggested to the parties who phoned him would be to have the agencies get together and put together a "united" set of recommendations. Ms. Davis added comment regarding sending out a united message for the delay on this issue.

C. CEO/STAFF REPORT

1. Consequences of Non-Implementation of Peace II

Mr. Manning stated following discussions with the special referee, it was suggested a brief summary be put together and presented to the parties on this subject matter. Hatch & Parent was tasked to go through all the consequences and provide a memo to be presented at the meetings to bring the parties up to speed on the consequences. Counsel Fife stated this memo is a brief overview of some of the consequences if Peace II is not completed. Counsel Fife noted that other than water quality, all the rest of the items are tied to specific deadlines, all of which will kick in whether we do Peace II or not. The

ultimate conclusion of the memo is the choice in dealing with these issues as a unit and in a coordinated way or dealing with them on an individual basis. It was noted that “no action” really constitutes “action” because something will happen eventually if one chooses to do nothing – there will be a consequence.

2. DataX Presentation

The Advisory Committee members declined on seeing the DataX Presentation at this meeting. It was noted the presentation was given at each of the pool meetings and will be given at the Watermaster Board meeting today. Mr. Manning gave a brief overview of the DataX program and noted Watermaster staff is currently using the system and is very pleased with it.

3. Legislative Update

Mr. Manning stated he believes SB 1795 bill will be amended shortly and will assist our efforts in the Chino Basin to declare the water as beneficial use. Mr. Manning stated there is a new bill presented by Senator Simitian SB 1612 which has been pulled by the senator because it was not going to get a hearing. This is a \$3 billion dollar general obligation bond and noted even if the bill was passed it would still have to go through the voters. Mr. Manning noted the portion of the bill that was of interest to us is for the first time since 1982 it had discussion about a bypass facility around the Delta as the basis for the bill. It was noted this bill will be introduced at a later date.

4. MWD Groundwater Study

Mr. Manning stated in September of 2005, Metropolitan Water District (MWD) asked groundwater managers in the MWD service area to meet at their office to discuss putting together a very cursory look at groundwater basins in Southern California within and in some cases outside the service area. The purpose would be to answer questions from their board relative to, “Is there any potential for groundwater storage as opposed to surface storage?” MWD staff is collecting data for this report. Recently Ms. Grebbien, Mr. Rossi and Mr. Manning met with MWD staff to talk about what MWD is exactly looking for due to the vagueness of their request for data. Mr. Manning stated he expressed a concern to MWD staff that if they were going to be gathering groundwater data that they needed to have a groundwater savvy person on staff or in a consultant capacity that can deal with the data. MWD noted they were going to be addressing that concern. Mr. Manning noted several other basins opted to fill out the questionnaire that was sent by MWD; however, Chino Basin Watermaster opted to send them our State of the Basin Report and some of our underlying governance documents and then schedule meeting directly with them to discuss their need to fill in the gaps.

5. Workshops Update

Mr. Manning stated there is a Boardmanship workshop scheduled for board members and any other party who wishes to attend today after the Board meeting. This meeting has been scheduled by a request from board member Sandra Rose who wanted a better understanding of her role as a board member for the Chino Basin Watermaster. Hatch & Parent will be conducting this workshop.

A budget workshop has been scheduled for Ms. Rojo to present the proposed 2006/2007 budget on Tuesday, May 2, 2006 starting at 9:00 a.m.

6. Storm Water/Recharge Update

Mr. Treweek stated there is an updated Storm Water/Recharge Update available on the back table. It was noted 34,000 acre-feet of water has been recharged after nine months, there are four more months left in the storm season and we have been receiving above 5,000 acre-feet per month of recharge. This should bring us up to the 50,000 acre-foot goal for this year. February and March have had very good results of recharge due to recent storms. Mr. Treweek reviewed the handout in detail.

7. Draft Desalter III Alternative Study Update

Mr. Manning stated that as part of the Peace II process, staff has been discussing a relationship with Western Municipal Water District (WMWD) for the construction of a desalter program. There have been several questions regarding what the new desalter program might possibly look like. Mr. Dave Argo from Black & Veatch has been tasked by WMWD to look at some desalter alternatives and Mr. Argo is here to present five draft concept ideas. Mr. Argo presented the "Chino Basin Optimum Basin Management Program – Potential Deliveries of 10,000 AFY to WMWD / Development of New Chino III Desalter) presentation. The presentation was developed by Black & Veatch, in association with RBF Consulting and Wildermuth Environmental, Inc. It was noted Watermaster is exploring options for a third Chino desalter and a plan is needed to fulfill the objectives of the originally proposed Chino III Desalter which will maintain hydraulic control, meet Peace II objectives, and meet the goals of the Optimum Basin Management Program (OBMP). Mr. Argo stated a plan is needed to maintain hydraulic control in the basin and reviewed the goal to maintain historic agricultural pumping in the south basin to achieve required production of 40,000 afy. Mr. Argo stated five concepts were developed to meet these objectives of Chino III Desalter and reviewed in detail each of the possible concepts. Mr. Argo stated all concepts assume use of the existing Arlington Desalter pipeline for deliveries to Western. Facility and cost assumptions were based on existing Chino Desalter Authority facilities and construction costs. A facility model was developed to estimate the costs for each of the concepts presented. Mr. Argo reviewed several maps of wells in correlation to the five concepts in detail and discussed the next steps that will be taken with Watermaster and stakeholder approval. The hydraulic control summary chart was examined and discussed and Mr. Argo solicited questions and comments from committee members. A question regarding the numbers presented on the concepts which lead to a discussion. Mr. Argo stated the five concepts which were presented will most likely not be one of the options to choose from later on once more work has been done and recommendations received to make changes. Mr. Jeske made reference to the report on hydraulic control which was received last month on what we may need to do in certain issues. That report and findings may or may not tie into what Black & Veatch is trying to do. Mr. Jeske noted that in a meeting with the CDA the group was looking at five specific low cost alternatives to achieve both goals in hydraulic control and providing reliability to the agencies. There may be some work involved to merge what WMWD and the CDA are doing financially. Mr. Manning stated the extension of the work which was originally discussed was authorized and budgeted for in the Watermaster budget and is still within the original authorization. Discussions will still take place with WMWD on cost sharing ideas. A discussion ensued with regard to cost sharing and the Tier II rate.

D. INLAND EMPIRE UTILITIES AGENCY

1. Monthly Water Conservation Programs Report
No comment was made regarding this item.
2. Groundwater Operations Recharge Summary – handout
No comment was made regarding this item.
3. Monthly Imported Water Deliveries Report
No comment was made regarding this item.
4. State/Federal Legislation Reports
No comment was made regarding this item.
5. Public Relations Report
No comment was made regarding this item.

E. OTHER METROPOLITAN MEMBER AGENCY REPORTS

Mr. Hansen commented on the feedback received regarding waste discharge requirements for the recharge of imported water by the Regional Board. Mr. Hansen stated it is not just the Chino Basin area that would be affected; there would be a terrible president for all of Southern California. Mr. Hansen stated yesterday communications already began with Metropolitan Water District that they want MWD member agencies to all get involved in this process.

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

April 25, 2006	9:00 a.m.	GRCC Committee Meeting
April 27, 2006	9:00 a.m.	Advisory Committee Meeting
April 27, 2006	11:00 a.m.	Watermaster Board Meeting
April 27, 2006	1:00 p.m.	Boardsmanship Workshop
May 2, 2006	9:00 a.m.	Budget Workshop
May 11, 2006	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
May 16, 2006	9:00 a.m.	Agricultural Pool Meeting @ IEUA
May 25, 2006	9:00 a.m.	Advisory Committee Meeting
May 25, 2006	11:00 a.m.	Watermaster Board Meeting

The Advisory Committee Meeting Adjourned at 9:45 a.m.

Secretary: _____

Minutes Approved: May 25, 2006