

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

*April 26, 2007*

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on April 26, 2007 at 9:00 a.m.

**ADVISORY COMMITTEE MEMBERS PRESENT**

Appropriative Pool

Ken Jeske, Chair	City of Ontario
Raul Garibay	City of Pomona
Robert DeLoach	Cucamonga Valley Water District
J. Arnold Rodriguez	Santa Ana River Water Company
Mark Kinsey	Monte Vista Water District
Mike McGraw	Fontana Water Company
Robert Young	Fontana Union Water Company
Charles Moorrees	San Antonio Water Company

Non-Agricultural Pool

Kevin Sage	Vulcan Materials Company (Calmat Division)
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Agricultural Pool

Jeff Pierson	Agricultural Pool, Crops
Bob Feenstra	Agricultural Pool, Dairy
Pete Hall	State of California CIM
Rick Rees	State of California CIM
Nathan deBoom	Agricultural Pool, Dairy

**Watermaster Board Members Present**

Sandra Rose	Monte Vista Water District
Terry Catlin	Inland Empire Utilities Agency
Ken Willis	West End Consolidated Water Company

**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.

**Others Present**

Gary Meyerhofer	Carollo Engineering
Marty Zvirbulis	Cucamonga Valley Water District
Bill Kruger	City of Chino Hills
John Rossi	Western Municipal Water District
Gil Aldaco	City of Chino Basin Watermaster
Tom Love	Inland Empire Utilities Agency
Martha Davis	Inland Empire Utilities Agency
Rick Hansen	Three Valleys Municipal Water District
Steve Lee	Reid & Hellyer
Tom Crowley	West Valley Water District
Rich Atwater	Inland Empire Utilities Agency

Chair Jeske called the Advisory Committee meeting to order at 9:05 a.m.

### **AGENDA - ADDITIONS/REORDER**

Mr. Manning noted Business Item C. is being pulled from the agenda and will be brought back at a later date.

#### **I. CONSENT CALENDAR**

##### **A. MINUTES**

1. Minutes of the Advisory Committee Meeting held March 22, 2007

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

1. Cash Disbursements for the month of March 2007
2. Combining Schedule for the Period July 1, 2006 through February 28, 2007
3. Treasurer's Report of Financial Affairs for the Period February 1, 2007 through February 28, 2007
4. Profit & Loss Budget vs. Actual July 2006 through February 2007

##### **C. WATER TRANSACTION**

1. **Consider Approval for Notice of Sale or Transfer** – Fontana Water Company has agreed to purchase from West Valley Water District water in storage in the amount of 1,000 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2006-2007. Date of Application: February 12, 2007
2. **Consider Approval for Notice of Sale or Transfer** – The one-year lease of 5,230 acre-feet of water from the City of Chino's annual production rights to the City of Ontario. This lease is made first from Chino's net under-production in Fiscal Year 2006-2007, with any remainder to be recaptured from storage. Date of Application: February 9, 2007

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

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

#### **II. BUSINESS ITEMS**

##### **A. CONTRACT WITH GARY MEYERHOFER**

Mr. Manning stated at the March 8, 2007 Appropriative and Non-Agricultural Pool meeting Mr. Rossi from Western Municipal Water District gave a presentation and a recommendation that Inland Empire Utilities Agency (IEUA), Western Municipal Water District (WMWD), and Three Valleys Municipal Water District (TVMWD) get together and hire a consultant that would assist in the development of the Desalter Expansion Program. Because there are so many different moving parts, upcoming court dates, and Regional Board deadlines; we need somebody that would be directly involved in pulling the project together in order to insure all bases are being covered. Mr. Manning and Mr. Jeske were tasked to meet with three prospective candidates and after the review process it was decided Gary Meyerhofer at Carollo Engineers would be the person recommended for the job. Mr. Meyerhofer has a great deal of knowledge about the basin, he knows the parties that are involved, and he has worked on similar projects in the past. Included in the meeting package is Mr. Meyerhofer's resume and a copy of the task order is also attached to outline the duties that he would be performing. There is a maximum dollar amount set at \$75,000 dollars for this position which will be paid by each of the three agencies (IEUA, WMWD, and TVMWD) at \$25,000 dollars each. Chino Basin Watermaster will be doing the hiring and the overseeing of Mr. Meyerhofer. Staff is anticipating this project will take between four and six months to be completed. Updates as to the progress on this project will be given monthly at the regularly scheduled meetings.

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

***Moved to approve the contract for project facilitation of the Chino Basin Desalters from Gary Meyerhofer at Carollo Engineers, as presented***

**B. SAN DIEGO COUNTY WATER AUTHORITY MOU**

Mr. Manning stated this item is regarding the ongoing work that Chino Basin Watermaster is doing with various agencies on storage and recovery agreements. Staff is working with Castaic Lake Water Agency, San Diego County Water Authority, and Metropolitan Water District (MET) to expand storage and recovery programs within this basin. Staff has met with San Diego County Water Authority and they are very interested in working with us and have consented to assisting in a study that would examine the physical facilities within this basin to see if there are any fatal flaws to the process of combining the agencies into a storage and recovery program. Mr. Manning stated there is approximately 250,000 acre-feet in storage presently. Metropolitan Water District has 100,000 acre-feet and wants to expand to 150,000 acre-feet. Both San Diego and Castaic have not specifically stated how much water they are interested in storing, although, it is in the ranges of 50,000 to 70,000 acre-feet; those details will be worked out during the course of the study. Staff has requested that Black and Veatch prepare a scope of work and a copy of that is in the meeting package. San Diego has consented to paying for 1/3 of the cost of the program. Mr. Manning stated this item has been approved by all three Pools; however, the Agricultural Pool requested a 90 day hold off on starting the study to allow more time to work with Metropolitan Water District on a compatible Long Range Program and an extension on the Dry Year Yield Program. Staff is recommending we go ahead and approve the agreement with San Diego County Water Authority contingent upon getting approval from Castaic Lake Water Agency for a similar agreement to fund the study; with that we will have enough participants to move forward and perform the study and find out if we have compatibility within the three agencies to work on a storage and recovery program. Mr. Manning stated San Diego has expressed an interest in being involved in this basin. Mr. Kinsey stated at the April Appropriative Pool meeting Monte Vista Water District brought up the matter regarding Western Municipal Water District (WMWD) and Three Valleys Municipal Water District (TVMWD) participating in this program although they are not participating financially in the MOU. Mr. Manning stated he has spoken to TVMWD and has not spoken to WMWD about potentially participating financially in this study. A brief discussion ensued with regard to financial responsibilities on this project. Mr. Kinsey inquired about the 90 day delay in starting the study. Mr. Manning stated the Appropriators will be kept informed and another confidential session will take place after the next Appropriator Pool meeting. We are having continuous meetings with MET, WMWD, TVMWD, and IEUA and staff will keep all the parties apprised of any new information. A discussion regarding the Dry Year Yield Program ensued. Mr. Atwater stated if any member of the Appropriative Pool or Advisory Committee wants to participate at the table and any meetings with MET, all are welcome. Mr. DeLoach inquired about the 90 day wait period and its affect on the MOU. Mr. Manning stated waiting 90 days will not affect the study and noted there is a contingency within the MOU that we must have an agreement with Castaic Water Agency before we move forward and we are not there yet with Castaic. A discussion ensued with regard to this matter.

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

***Moved to approve the MOU with San Diego County Water Authority regarding analysis of storage and recovery opportunities in Chino Basin although Watermaster staff must wait 90 days prior to starting the study, as presented***

**C. VOLUME VOTE**

This item was pulled from the agenda.

**III. REPORTS/UPDATES****A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**1. Santa Ana River Hearing

Counsel Fife stated the Santa Ana River Water Right Application process began in 1999 with the fully appropriated streams hearing and our signing of the Orange County Accord. We have been preparing for this hearing for the past seven years and now we are in the final stages for our hearing in May 2007. All testimonies and exhibits, everything that we

plan to present at the hearing will be sent in advance of the hearing. There is a copy of the Notice of Intent to Appear on the back table. Counsel Fife stated we will be using Ken Manning, Mark Wildermuth, Mr. Dodson, and a Botanist to talk about riparian habitat, and then the chair of the Santa Ana Sucker Conservation team from SAWPA will also be testifying on our behalf. We will also have a very helpful policy statement from the City of Ontario and the City of Chino will be filing a policy statement in our favor shortly. We did have a pre-hearing conference last Thursday which went very well for Chino Basin; we are the only applicant who has no protests against our application. We were able to convince the Department of Fish and Game to dismiss its protest. We verbally put out a request at the pre-hearing conference that since we are the only party with no protests and given that an application that has no protests can be granted without a hearing, we did not think it was right that anybody should be able to cross examine us or present any evidence about our project. This was agreed upon by the other parties present at the hearing. The attorney for the Center of Biological Diversity stated they have no problem at all with the Chino Basin; they are not going to cross examine us. The hearing officer then instructed counsel to go get stipulations which counsel is now collecting. We now have stipulations from most of the non-applicants that they will neither cross examine us nor will they present any evidence about our application. On Monday when our testimony is received we are going to present a follow up letter that states nobody has protested us and everybody has agreed not cross examine or present any evidence about the Chino Basin.

## **B. ENGINEERING REPORT**

### **1. Review of Scalmanini Report**

Mr. Wildermuth stated this report was given at all the April Pool meetings and noted he would give the presentation again to this committee or would just answer questions. The committee members noted Mr. Wildermuth did not need to give the presentation at this meeting. Mr. Kinsey inquired if the Scalmanini Report was going to be filed with the court. Counsel Fife stated this report was done at the request of the parties and not by the court; therefore, the report will not be filed with the court. The report was intended as a peer review and would not be relevant to what the court would want or need with regard to its content. Mr. Kinsey inquired regarding the portion of the Scalmanini Report that discussed re-operation assumptions. Counsel Fife stated the use of the model in light of the revisions is dealt with in Counsel Slater's report; the revisions are in process and have been in process and were actually budgeted for by Watermaster prior to the Scalmanini Report. Counsel Fife stated the Scalmanini Report did in fact state the model being used is adequate for the purposes that it was intended to be used for even though there were recommendations to make the model better. A discussion ensued with regard to the report and the model.

## **C. FINANCIAL UPDATES**

### **1. Budget Advisory Committee Update**

Ms. Rojo stated this committee has met twice now and will be meeting again in the near future. Ms. Rojo stated the major question that came out of the last meeting was how and when to implement the recommendations. Staff will be working on the extended budget this year and is looking to come up with options for stabilizing Watermaster assessments. Updates on the progress of this committee will continue to be given at the Watermaster meetings. Mr. Garibay stated one of the topics discussed at the last Budget Advisory Committee meeting was that the current method of assessing costs was somewhat simplistic. Another topic for the group was to take a look at the reserve policy that Watermaster currently has in place. There was discussion on the issue of being able to develop a plan to obtain Water Activity Reports earlier in order to get the Assessment Package out in a more timely manner. This committee is looking at developing a three to five year budget. There were also discussions regarding the judgment that requires Watermaster to charge minor parties a minimum \$5.00 dollar assessment to help recover administration costs.

**D. CEO/STAFF REPORT**1. Legislative Update

Mr. Manning stated there is an update on the back table on some of the legislative issues. There were approximately 3,000 bills introduced before the deadline of February 23, 2007. Many of those are considered to be spot bills which are filed with not a lot of wording or content and will then be changed later to reflect the real issues. The Legislative Analyst Office (LAO) has done a report on policy areas which turned out to be very interesting on some of the areas on which they reported. The LAO analysis includes advising the legislature to proceed carefully regarding implementation of Proposition 1E and Proposition 84 in terms of the intent of the voters. The LAO also questioned funding for the State Water Project given that the Department of Water Resources budget includes 72 new positions and encouraged legislative oversight of the funds. In addition, the LAO urged the legislature not to move forward on surface storage proposals until cost sharing agreements are in place. Also the LAO recommended that water users have the full responsibility for funding the projects included in the Bay Delta Conservation Plans and recommended that funds for the South Delta Improvement Program not be funded because in their opinion, funding would be premature. Senator Machado is considering legislating to a 500 year flood standard, but is undecided if that standard should only be for the Central Valley or statewide. One of the bills that Watermaster has been following very closely is the Simitian SB 27 bill which has currently been amended to change the nature of the bill from what would include the by pass facility to more of a support for existing activities within the Delta. Mr. Manning stated SB 862 was resubmitted which is Sheila Kuehl's bill in which she has added Steinberg as a co-author. This is the redo of the old SB 810 which became SB 1620 and is now SB 862; the Water Resource Bill. There will be a lot of people getting on board and supporting this bill. A discussion ensued with regard to legislation and water issues.

2. Recharge Update

Mr. Treweek stated the most recent recharge update spreadsheet is available on the back table for review. Mr. Treweek noted Watermaster has met our recharge obligations and has added water to the Dry Year Yield Storage Account. Staff recognizes that the Cyclic Account that we have with Metropolitan Water District will expire at the end of 2007, and staff has decided not to recharge any more water until that account gets extended. Staff has shutdown bringing in any imported water and the only water we have now is the runoff and the small amounts of recycled water for recharge efforts.

**E. INLAND EMPIRE UTILITIES AGENCY**1. Foothill Water Supply Reliability Report

Mr. Love gave his report on the Southern California Foothill Communities Regional Water Supply Reliability Program. Mr. Love noted some of the program features will include this project being regional in scope and the possibility to develop a federal and local funding partnership. There will be shifts in focus toward local management strategies and a reduction dependence on imported supply reliability, and it can reduce the need to construct costly above ground storage facilities. Mr. Love reviewed the list of program development partners. The main project components such as emergency interconnections from the San Gabriel Valley Municipal Water District pipeline to the Water Facilities Authority, Three Valleys Municipal Water District and Cucamonga Valley Water District treatment plants in the Eastern San Gabriel Valley and Inland Empire, recharge connections from the SGVMWD was reviewed. Another main component will be the recharge connections from the SGVMWD pipeline in the Chino Basin. We will build an interconnection from the Metropolitan Water District Foothill Feeder to the SGVMWD pipeline in the San Dimas/La Verne area. There will be a 14 mile imported replenishment water pipeline from Azusa into the Raymond Basin terminating in Pasadena. All of these are part of the main project components and extremely important to the study. Mr. Love

reviewed the budget for this project and noted the proposed WSRP budget is at \$50,000,000 dollars. Some of the current activities include a preliminary design for WFA/TVMWD emergency connection and the replenishment connection is complete, the initial funding requested from participating agencies is \$5,000 each, the conceptual design and the preliminary CEQA kick-off will be in May, and there will be a stakeholder meeting in May.

2. Rialto Pipeline Shut Down  
No comment was made regarding this item.
3. Summer Water Conservation Needs  
Mr. Atwater stated he and Martha Davis will have a meeting with the conservation coordinators next week and at that meeting we will be focusing on public education and voluntary conservation this summer. Mr. Atwater stated he, John Rossi, and Rick Hanson will be at Metropolitan Water District to discuss the rate increases that go into effect January 1, 2008. This is the first time in about three or four years that we have increased the raw water rate. Mr. Atwater noted this year we will be doing a study on how to keep the replenishment rate at an affordable level. A discussion ensued with regard to rate increases.
4. Monthly Water Conservation Programs Report  
No comment was made regarding this item.
5. Monthly Imported Water Deliveries Report  
No comment was made regarding this item.
6. State and Federal Legislative Report  
No comment was made regarding this item.
7. Community Outreach/Public Relations Report  
No comment was made regarding this item.

#### **F. OTHER METROPOLITAN MEMBER AGENCY REPORTS**

Mr. Rossi commented on the \$460,000 contract on the Chino II expansion that the City of Ontario, Jurupa Community Services, and Western Municipal Water District agreed to move forward utilizing matching monies with the \$5M dollar grant that Western received for that expansion. Mr. Rossi stated Metropolitan Water District is going to be sending out a notice of their intent to shut off the interruptible Agricultural deliveries; this is a very significant issue. Mr. Rossi commented on the recently formed Groundwater Coalition and the efforts being made on educating the state legislature on the importance of groundwater.

#### **IV. INFORMATION**

1. Newspaper Articles  
No comment was made regarding this item.
2. Capital Project Budget Approval for MWD Turnout CB14 Discharge Facilities Relocation  
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 26, 2007                      9:00 a.m.                      Advisory Committee Meeting

April 26, 2007	11:00 a.m.	Watermaster Board Meeting
May 15, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
* <b>May 17, 2007</b>	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
May 24, 2007	9:00 a.m.	Advisory Committee Meeting
May 24, 2007	11:00 a.m.	Watermaster Board Meeting

\* Appropriative & Non-Agricultural Pool Meeting changed from May 10, 2007 to **May 17, 2007**

The Advisory Committee meeting was adjourned by Chair Jeske at 10:10 a.m.

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

Minutes Approved: May 24, 2007