

Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

May 24, 2007

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on May 24, 2007 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

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

Non-Agricultural Pool

Bob Bowcock	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
Nathan deBoom	Agricultural Pool, Dairy

Watermaster Board Members Present

Sandra Rose	Monte Vista Water District
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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.

Others Present

Gary Meyerhofer	Carollo Engineering
Steve Orr	Richards Watson Gershon
Marty Zvirbulis	Cucamonga Valley Water District
Bill Kruger	City of Chino Hills
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
Jennifer Novak	State of California

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

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting held April 26, 2007

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of April 2007
2. Combining Schedule for the Period July 1, 2006 through March 31, 2007
3. Treasurer's Report of Financial Affairs for the Period March 1, 2007 through March 31, 2007
4. Profit & Loss Budget vs. Actual July 2006 through March 2007

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 500 acre-feet of water from West Valley Water District's storage account to Monte Vista Water District. This lease is made first from WVWD's net underproduction, if any, in Fiscal Year 2006-07, with any remainder to be recaptured from storage. Date of Application: October 31, 2006
2. **Consider Approval for Notice of Sale or Transfer** – Fontana Water Company has agreed to purchase from The Nicholson Trust water in storage in the amount of 0.720 acre-feet, and annual production right in the amount of 6.974 acre-feet

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

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

II. BUSINESS ITEMS

A. MEMORANDUM OF AGREEMENT 2006-2008 MANAGEMENT ZONE 3 MONITORING PROGRAM

Mr. Manning stated this Memorandum of Agreement (MOA) is for the Management Zone 3 (MZ3) area and is for Chino Basin Watermaster to engage in the construction and development of two wells that are funded by the AB 303 grant. In July, 2002, there was a letter from the Regional Board expressing some concern about the MZ3 contaminants. At that point in time Chino Basin Watermaster staff initiated the monitoring program and started monitoring the existing wells within the area and staff has been looking at additional wells. Inland Empire Utilities Agency (IEUA) was able to acquire an AB 303 grant that allowed us to get \$250,000 to fund a portion of these wells. The arrangements are simple in terms; the cost of the wells are about \$545,000, additional IEUA expenses are approximately \$90,000 dollars and all will be paid by Chino Basin Watermaster minus the \$250,000 grant funds. This grant will be administered by IEUA staff. Mr. Manning stated staff is seeking approval for this MOU at this time.

Motion by DeLoach, second by Kinsey, and by unanimous vote – Non-Ag concurred

Moved to approve the Memorandum of Agreement 2006-2008 for the Management Zone 3 Monitoring Program, as presented

B. MZ1 LONG TERM PLAN – NO ACTION REQUIRED

Mr. Manning stated this item is on the agenda for information only and to begin answering questions. Staff intends to bring this item back next month for approval. In 2002, Chino Basin Watermaster began its interim plan for the management of subsidence which called for a

forbearance program to be established. A technical committee was established at that time. That committee worked with Wildermuth Environmental Inc. to develop a scientific approach to understanding what was going on in the subsidence area. In May, 2005, we had a workshop with the Special Referee and her technical assistant whereby we explained the information we had developed at that point in time. At the same time staff was developing Guidance Criteria. The Guidance Criteria was adopted by the Watermaster Board in May 2006 and it is now May, 2007, and the court is anxious for the adoption of a Long Term Plan (LTP). The court has made it clear over the last six months that they believe staff has enough information based upon the workshop to develop a Long Term Plan. Mr. Manning stated in conversations we have had in the past basically we have two separate elements here; we have the LTP and the Alternative Water Supply Program that we are developing. The Alternative Water Supply Program is an important element and staff is going to continue to develop that program. However, the LTP itself stands independently from the Alternative Water Supply Program. Staff is working with the parties in MZ1 to develop the water program and if the parties in MZ1 decide that there is a hybrid or variation of this program that they feel would work better, staff will work with them to help initiate that plan as well. This item is on the agenda as notification that staff is going to be working through this and hopes to have it approved in June for the Long Term Plan.

Mr. Manning stated that Counsel Fife and he have an appointment with the City of Chino Hills on May 31, 2007 to discuss the program. The City of Chino Hills has expressed some concerns with the plan as it has been presented. Staff will report on that meeting with Chino Hills at the June meeting. Mr. Kruger stated with regards to Mr. Manning's comments, the City of Chino Hills agrees this item needs to be further discussed because the plan that is being presented does not satisfy the needs of Chino Hills. Mr. Crosley inquired if the written comments that the City of Chino had submitted to the Chino Basin Watermaster were going to be distributed. Mr. Manning stated the comments were received and they will be distributed at the appropriate time to the parties. Chair Jeske noted he was pleased to hear that a meeting was finally scheduled for Chino Basin Watermaster staff and the City of Chino Hills staff to reconcile this situation.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Santa Ana River Water Right Application

Counsel Fife stated the hearing regarding the Santa Ana River Water Rights Application took place starting on Wednesday, May 2, 2007 and it was finished on Tuesday, May 8, 2007. It was a very good hearing for Chino Basin Watermaster. We had no opposition to our evidence and we worked out deals with all the parties in advance of the hearing. Counsel now needs to finish up our closing brief and submit a proposal to the State Board for our permit and we are anticipating filing the brief by June 6, 2007. The relationship with Orange County was very cordial and we worked out a very detailed stipulation with them in advance that took some of the harder issues off the table. All in all the hearing went extremely well and there is a DVD copy of the entire hearing for any party who would like a copy.

2. Referee Report Regarding Status Report Transmittal

Counsel Fife stated Chino Basin Watermaster served all the parties with the actual transmittal from the Special Referee; a copy of that transmittal is in the meeting packet and there is a scheduled hearing today at 1:30 p.m. We have not only had Watermaster's submittals of the Status Report and the Referee's comments about the Status Report, we also had a pleading by the Conservation District joining in the Referee's recommendations. A few days ago we had received a pleading from Monte Vista Water District (MVWD). Both of these pleadings were served on the parties. The substance of the MVWD pleading was requesting the court, in addition to all of the recommendations made by the Special Referee, to also order Chino Basin Watermaster to hold a scoping workshop on the economic report by Dr. Sunding. MVWD requested the workshop be held by July 1, 2007; staff had already intended to schedule that workshop and we were going to talk about that at today's meeting, we wanted to schedule that immediately. A notice was sent out

yesterday regarding the workshop for Dr. Sunding's scoping analysis which has been scheduled for June 7, 2007 from 1:00 to 3:00 p.m. here at the Chino Basin Watermaster office. The morning of June 7, 2007, Dr. Sunding will be made available for individual 30 minute appointments with parties who have not yet met with him or would like to have an additional meeting. Dr. Sunding has met with several parties already; if any party wants to schedule a meeting with Dr. Sunding on that morning, please call the Watermaster office to set that appointment. Counsel is going to attend the hearing this afternoon and we are anticipating obtaining an order that looks a lot like what the Referee recommended in her report.

3. Sunding Report

Counsel Fife stated this item was covered in the previous item and no further comments were made.

B. ENGINEERING REPORT

1. 2007 Watermaster Model Update

It was noted this presentation was given at the Pool meetings and the Advisory Committee members opted to skip the presentation for this meeting. Mr. Wildermuth stated the full presentation would be given at the Watermaster Board meeting later today if any party wishes to stay and see it then.

C. FINANCIAL UPDATES

1. Budget Presentation

Mr. Manning stated as mentioned at the pool meetings earlier this month, the 2007/2008 Watermaster budget was not ready to be presented at the pool meetings and that it is ready to be presented today at the Advisory Committee and the Watermaster Board meetings in draft form. The actual 2007/2008 budget will be presented for approval on the June agendas. Ms. Rojo stated the Appropriative Pool formed a Budget Advisory Committee and they have been meeting over the last couple months to go over some of the issues relating to the budget and assessment process. Ms. Rojo stated she will cover in her presentation some of those issues discussed at the Budget Advisory Committee and at the Budget Workshop which was recently held. Ms. Rojo commented on the Watermaster Assessments and noted Watermaster is primarily a budget driven organization. Ms. Rojo stated at the very first meeting of the Budget Advisory Committee the subject of options for stabilizing assessments was discussed. Ms. Rojo reviewed the 2005/2006 and 2006/2007 budgets and the differences for the assessments in various categories. An optional assessment calculation was also presented. Ms. Rojo discussed the Assessment History from the 2001/2002 through 2006/2007 fiscal years. The administrative costs for the 2007/2008 budget which included Cola @ 4%, Reduction in Public Relations/Outside Consultants, and a new and reduced increase in Information Technology. Ms. Rojo reviewed budgeted work and accounting of categories for general OBMP Engineering, Production Monitoring, In-Line Meter Installation/Maintenance, Groundwater Quality Monitoring, Groundwater Level Monitoring, Recharge Basin Water Quality Monitoring, Ground Level Monitoring, Hydraulic Control Monitoring, Recharge and Well Monitoring, PE2 Comprehensive Recharge Program, PE3/5 Water Supply Plan – Desalter, PE4 Management Zone Strategies, PE6/7 Cooperative Efforts/Salt Management, PE8/9 Storage Management/Conjunctive Use, and the Inactive Well Protection Program. A lengthy discussion regarding abandoned wells ensued. Mr. Manning stated the actual budget will be presented next month for approval on the June agendas.

D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated a detailed legislative report was given at the recent pool meetings and in adding to those comments, yesterday the Senate passed the Water Resources Development Act (WRDA). The President has expressed some concerns about it in the past and whether or not that is enough for him not to pass it, we do not know. Mr. Manning

stated in the Inland Empire Utilities Agency section of the packet starting on page 111 are very detailed reports regarding both federal and state legislative issues.

2. Recharge Update
No comment was made regarding this item.

E. INLAND EMPIRE UTILITIES AGENCY

1. Recycled Water and Environmental Compliance Update- Tom Love
Mr. Love gave his presentation on Environmental Compliance & Recycled Water Systems. A chart of recycled water use in acre-feet from March 2006 to March 2007 was reviewed. Mr. Love discussed the new upcoming connections in Chino, Chino Hills, and Ontario. It was noted there will be 1,350 acre-feet of new usage in April through July 2007. The projected ground water recharge for each of the Chino basins was reviewed. The recycled water projects estimated completion dates for the 7th & 8th street pipelines are April 2007, South Zone Pump Station for June 2007, RP4 1158 PZ Pump Station for April 2008, San Antonio Channel Pipeline Segment B for spring of 2008, and RP4 1158 Zone Reservoirs for spring 2008 were discussed. Mr. Love discussed the upcoming pipeline cleaning and what it will take to meet the summer time demands. The Rialto Feeder shutdown was discussed. Mr. Love stated the Chino Creek Wetlands consist of a detention pond, surface flow wetlands, sub-surface flow wetlands and a wetland stream. The total flow rate will be 1-2 MGD. Under normal operating conditions, the wetlands will be fed recycled water from a 10" recycled water line from the RP-5 RWPS. In the event of a storm the recycled water feed will be shut off and overflows from the detention pond will escape through the spillway and travel to the El Prado Road culverts in the stream. Photos of the Chino Creek Wetlands were reviewed. Mr. Love reviewed the Water Quality Compliance Summary and the Air Quality Compliance from January 2007 to present.
2. Summer Conservation and Delta Pump Issue – Rich Atwater
Mr. Atwater stated Southern California is having the driest year in record. Northern California and the High Sierras is about a third of their normal record. The Colorado River Basin is still in its sixth or seventh year of drought. Last Friday, Rick Hansen, John Rossi, and he participated in Metropolitan Water District Managers meeting; Jeff Kightlinger, the manager of MWD, talked extensively about the litigation on the Delta Pumps. The new news is that only about 25 shrimp were found when normally thousands are found. The result of all that with the litigation and the issues of the Fish & Game Permit for the Delta Pumps is this is going to add fuel to curtailment of pumping this fall; and that was also the conclusion of the MWD staff. A discussion regarding Mr. Atwater's comments ensued. If next year is dry, we are probably looking at a 2008 Drought Allocation Plan. In fact, in June, at the next meeting of the member agencies, the MWD staff will start working on a draft drought plan for next year. A discussion regarding drought allocations ensued.
3. Landscape Alliance Update
Mr. Atwater stated the Landscape Alliance began in March and IEUA has held a few workshops. The goal is to wrap up this program by the end of the year. With the drought, outdoor landscaping is going to be critical. The Metropolitan Water District will be having upcoming spots on the radio that will be running all summer about a voluntary 10% conservation message. IEUA is continuing our programs in working with home owners and landscapers in the area to reduce water usage for outdoor landscaping.
4. Draft Water Conservation Work Plan
No comment was made regarding this item.
5. Monthly Water Conservation Programs
No comment was made regarding this item.

- 6. Monthly Imported Water Deliveries Report
No comment was made regarding this item.
- 7. State and Federal Legislative Report
No comment was made regarding this item.
- 8. Community Outreach/Public Relations Report
No comment was made regarding this item.

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

Mr. Hansen commented on the possible drought issues and noted there are public information pieces that will hit in the papers this weekend. Three Valleys will be holding their leadership breakfast in a few weeks at the Sheraton Fairplex in Pomona and the speaker is Dr. Eric Scott who is a paleontologist. Mr. Hansen noted the he has seen Dr. Scott's presentations before and they are very entertaining and all are invited to that breakfast which will start at 7:30 a.m.

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

June 14, 2007	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
June 19, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
June 28, 2007	9:00 a.m.	Advisory Committee Meeting
June 28, 2007	11:00 a.m.	Watermaster Board Meeting

The Advisory Committee meeting was adjourned by Chair Jeske at 10:17 a.m.

Secretary: _____

Minutes Approved: June 28, 2007