

Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

September 27, 2007

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on September 27, 2007 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

Ken Jeske, Chair

Mark Kinsey

Raul Garibay

Robert Young

Mike McGraw

Dave Crosley

Anthony La

Bill Kruger

Robert DeLoach

J. Arnold Rodriguez

Charles Moorrees

Non-Agricultural Pool

Bob Bowcock

Agricultural Pool

Bob Feenstra

Jeff Pierson

City of Ontario

Monte Vista Water District

City of Pomona

Fontana Union Water Company

Fontana Water Company

City of Chino

City of Upland

City of Chino Hills

Cucamonga Valley Water District

Santa Ana River Water Company

San Antonio Water Company

Vulcan Materials Company (Calmat Division)

Ag Pool, Dairy

Ag Pool, Crops

Watermaster Board Members Present

Sandra Rose

Terry Catlin

Ken Willis

Monte Vista Water District

Inland Empire Utilities Agency

West End Consolidated Water Company

Watermaster Staff Present

Kenneth R. Manning

Sheri Rojo

Gordon Treweek

Danielle Maurizio

Sherri Lynne Molino

Chief Executive Officer

CFO/Asst. General Manager

Project Engineer

Senior Engineer

Recording Secretary

Watermaster Consultants Present

Michael Fife

Mark Wildermuth

Hatch & Parent

Wildermuth Environmental Inc.

Others Present

Rich Atwater

Robert Tock

Bob Lemons

Steve Orr

Marty Zvirbulis

Richard Rees

Rosemary Hoerning

Ron Craig

Inland Empire Utilities Agency

Jurupa Community Services District

RBF Consulting

City of Upland

Cucamonga Valley Water District

CIM/DOS

City of Upland

RBF Consulting

Steven G. Lee
Steve Kennedy
Rick Hansen

Ag Pool Legal Counsel
Brunick Battersby, McElhane & Beckett
Three Valleys Municipal Water District

Chair Jeske called the Advisory Committee meeting to order at 9:01 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 August 23, 2007

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of August 2007
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2007 through July 31, 2007
4. Treasurer's Report of Financial Affairs for the Period July 1, 2007 through July 31, 2007
5. Profit & Loss Budget vs. Actual July 2007 through July 2007

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

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

II. BUSINESS ITEMS

A. Dr. SUNDING MICRO-ECONOMIC REPORT

Mr. Manning stated the Micro-Economic Report has been received from Dr. Sunding and includes the two benchmark runs which were discussed in the scoping meetings. There was a special Watermaster Board conference call meeting held recently and at that meeting the Board authorized Dr. Sunding to provide a third benchmark that would be an addendum to this report. This report is complete as it is now submitted to the Advisory Committee and going onto the Watermaster Board today. A brief discussion ensued with regard to this item Mr. Moorrees stated on behalf of San Antonio Water Company he wants to reserve the right to explore production based assessments.

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

Moved to receive and file the Dr. Sunding Micro-Economic Report, as presented

B. ADOPT RESOLUTION 07-05 (PEACE II LEGAL DOCUMENTS)

Mr. Manning stated this is the item that has been worked on for several years now and is ready for its adoption. Staff is recommending this committee adopt Resolution 07-05 and move it on to the Watermaster Board for their approval and direct counsel to file it with the court. There is another follow up meeting scheduled for tomorrow to discuss the Socio-Economic Report. Chair Jeske noted the three items which are still being discussed are related to desalters, recharge, and recycled water. A discussion ensued with regard to these three items. Chair Jeske stated the Resolution being presented today is to adopt and file it with the court and to also allow other items to be discussed. Counsel Fife stated the three areas and the negotiations that are going on tomorrow concerns Watermaster's obligations under exhibits H & I of the Judgment, with regard to assessments. These are not subject issues that are covered in these set of legal documents; it is a separate issues that we are discussing. We have committed to complete those discussions prior to court action on the Peace II documents. A lengthy discussion ensued with regard to the Peace II Legal Documents and a volume vote was asked to take place for the motion to adopt Resolution 07-05 and to direct legal counsel to file with the court.

Motion by DeLoach, second by McGraw, and by majority volume vote

Moved to adopt Resolution 07-05 and direct legal counsel to file with the court, as presented

C. 20-GALLON CHALLENGE

Mr. Manning stated the resolution being presented today is very similar to the resolution recently adopted by Inland Empire Utilities Agency. This type of resolution has also been approved by San Diego County Water Authority and Metropolitan Water District of Southern California. This challenge is asking people within the Chino Basin to conserve water and will be putting Chino Basin Watermaster on record as supporting that voluntary water conservation effort.

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

Moved to adopt Resolution 07-05 encouraging residents and business to help drought-proof the Chino Basin by participating in the 20-Gallon Challenge for voluntary water conservation in the Chino Basin, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Court Approval re Subsidence Long Term Plan

Counsel Fife stated with regard to the approval of the Subsidence Long Term Plan, there is a hearing scheduled for November 15, 2007 and an MZ1 hearing scheduled with the Special Referee on October 3, 2007 here at the Chino Basin Watermaster office starting at 10:00 a.m.; a court reporter has been scheduled for this hearing.

Counsel Fife stated there is a hearing scheduled for September 14, 2007 regarding the City of Chino's motion against the City of Chino Hills. It is counsels' understanding that this hearing is going to be continued; there is a stipulation in circulation to that affect. It has been signed by the City of Chino and by Chino Basin Watermaster. This will be continued until a mid February time frame.

Counsel Fife stated the Chino Basin Watermaster, Wildermuth Environmental Inc., and Hatch and Parent were served with subpoenas from the City of Chino Hills regarding the relating documents concerning the MZ1 Long Term Plan. There is a letter on the back table in response to their subpoena. The letter indicates that staff and counsel find the subpoena objectionable on a number of grounds, not the least of which is that Chino Basin Watermaster is not subject to subpoenas being a court appointed entity; however, in the spirit of cooperation we did respond to the subpoena by which all three of the served parties reproduced their entire files relating to Management Zone 1; it was approximately 5 gigabytes and was produced electronically and they are receiving that information today.

B. ENGINEERING REPORT

1. Status Report on Basin Modeling Work

It was noted this presentation will be given in its entirety at the Watermaster Board meeting today.

C. FINANCIAL REPORT

1. Water Activity Report Status

Ms. Rojo stated the Water Activity Reports have been sent out and we are anticipating receiving them back in a timely manner.

D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated the Governor has called for a special session of the Legislature to deal with two issues; first is health care and the other is water. The democrats in Sacramento have made a measure for a new bond measure that would be on the February ballot. It is SB 378; the democrat's proposal is for a \$5 billion dollar bond and has a number of provisions in it that is different from what the Governor's response is. The democrats have put an amendment to the SB 378 on the table and the Governor's proposal is for an \$8.3 billion dollar bond and there are differences in each amendment. Mr. Manning reviewed the differences between the two provisions in the amendments.

2. Recharge Update

Mr. Manning stated Chino Basin Watermaster is still recharging the water that is made available to us which is all in the way of recycled water and some storm water; approximately 250 acre-feet. No recharge water is available from Metropolitan Water District.

E. INLAND EMPIRE UTILITIES AGENCY

1. Three-year Recycled Water Business Plan

Mr. Love stated that water supply issues are front page news because of drought conditions and the endangered species regulatory and litigious environment. As a result, IEUA priorities during the next fiscal year will be significantly affected by the potential reduction of MWD imported supplies to our service area. To compound the water problems during the past winter had the lowest annual rainfall total on record in southern California. Utilizing our MWD drought groundwater storage account, increasing recycled water use and additional conservation measures will be critical to assuring adequate supply to our 800,000 residents. Mr. Love reviewed the Planned Recycled Water Use chart in detail. Mr. Love stated the recycled water three year business plan will focus on rapidly and cost effectively increasing the current amount of recycled water with a structured business plan. The plan will have annual usage goals, metrics, and requirements for monthly progress reports. The plan will be revised and updated annually. Mr. Love reviewed the goals, background and status, supply and demand, and the three year plan. Several maps were reviewed and discussed in detail.

2. Drought Planning Update

Mr. Atwater stated IEUA will hold a board of directors' workshop on October 2, 2007 on drought planning. The purpose of this workshop will be to develop a drought allocation plan for IEUA retail agencies, to coordinate with MWD and other member agencies, to administer MWD Dry Year Yield implementation, to coordinate with Chino Basin Watermaster, and to implement a water conservation action plan and a recycled business plan. Mr. Atwater noted all parties are welcome to attend the workshop.

3. Proposed Landscape Rebate Programs

Mr. Atwater discussed the Pervious Concrete Rebate Program which is a pilot incentive rebate program and the Synthetic Turf Rebate Program that IEUA is currently working on.

4. Monthly Water Conservation Programs

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. Hansen stated Metropolitan Water District is preparing for a \$60 per acre-feet increase for the next three years. Mr. Hansen stated this winter MWD will be shutting down the Rialto Feeder and dropping the isolation valves.

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

September 27, 2007	9:00 a.m.	Advisory Committee Meeting
September 27, 2007	11:00 a.m.	Watermaster Board Meeting
October 1, 2007	11:30 a.m.	Golf Tournament Tee Off
October 1, 2007	5:00 p.m.	Kick off Reception for Strategic Conference
October 2, 2007	7:30 a.m.	Strategic Planning Follow Up Conference
October 3, 2007	10:00 a.m.	MZ1 Workshop w/ Special Referee
October 11, 2007	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
October 16, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
October 25, 2007	9:00 a.m.	Advisory Committee Meeting
October 25, 2007	11:00 a.m.	Watermaster Board Meeting

The Advisory Committee meeting was dismissed by Chair Jeske at 10:25 a.m.

Secretary: _____

Minutes Approved: October 25, 2007