

Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

November 15, 2007

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on November 15, 2007 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

Ken Jeske, Chair	City of Ontario
Robert Young	Fontana Union Water Company
Mike McGraw	Fontana Water Company
Dave Crosley	City of Chino
Anthony La	City of Upland
Raul Garibay	City of Pomona
Marty Zvirbulis	Cucamonga Valley Water District

Non-Agricultural Pool

Kevin Sage	Vulcan Materials Company (Calmat Division)
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Agricultural Pool

Jeff Pierson	Ag Pool, Crops
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Watermaster Board Members Present

Sandra Rose	Monte Vista Water District
Terry Catlin	Inland Empire Utilities Agency

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

Rich Atwater	Inland Empire Utilities Agency
Tom Love	Inland Empire Utilities Agency
Rick Hansen	Three Valleys Municipal Water District
Robert Tock	Jurupa Community Services District
Bob Lemons	RBF Consulting

Chair Jeske called the Advisory Committee meeting to order at 9:16 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Joint Appropriative and Non-Agricultural Pool Meeting held October 11, 2007

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of October 2007
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2007 through September 30, 2007
4. Treasurer's Report of Financial Affairs for the Period September 1, 2007 through September 30, 2007
5. Profit & Loss Budget vs. Actual July 2007 through September 2007

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

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

II. BUSINESS ITEMS**A. CYCLIC STORAGE AGREEMENT**

Mr. Manning stated this is Watermaster's 8th amendment to the Cyclic Storage Agreement. This agreement was discussed at the recent Strategic Planning Conference in October 2007. It is a mutual agreement between Metropolitan Water District, Inland Empire Utilities Agency, and Chino Basin Watermaster. Renewing and utilizing the cyclic storage agreement offers a strategy that will be necessary in the future. Mr. Manning stated this agreement is under Watermaster's control and the ability to get the water into the ground so staff has control of the buy back is very important. The 100,000 storage number was left in this amendment and it was the number used in the original agreement. A discussion ensued with regard to this item.

Motion by Zvirbulis, second by Garibay and by unanimous vote

Moved to approve the Cyclic Storage Agreement, as presented

B. FINAL WILDERMUTH MODELING REPORT

Mr. Manning stated staff has been discussing the Wildermuth Report for several months and revisions have been made along with holding a workshop. Mr. Manning stated this final report needs to be approved to receive and file so that it can be filed with the court.

Motion by Garibay, second by Pierson and by unanimous vote

Moved to receive and file the final Wildermuth Modeling Report, as presented

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. November 29, 2007 Peace II Hearing
Counsel Fife stated there are documents Watermaster will be filing today with the court as Watermaster's supplemental transmittal. The first document that will be filed is the final Wildermuth Modeling Report, which was just received and filed; the other item will be a declaration from Mr. Wildermuth which explains the differences between the draft report and the final report. A copy of that declaration is on the back table. The other items that will be filed today are several joinders and declarations from the parties regarding Peace II and the Modeling Report support.
2. November 15, 2007 MZ1 Hearing
Counsel Fife stated this hearing will take place today at 1:30 p.m. regarding the MZ1 Long Term Plan. There is no opposition regarding this plan that counsel or staff is aware of; the hearing should go quickly and quietly.
3. Hanson Aggregates
Counsel Fife stated the Watermaster Board approved counsel bringing a law suit against Hanson Aggregates because of the damage that was done to the Lower Day Basin. After counsel got that approval, Hanson Aggregates was approached to let them know a law suit was going to be filed and Hanson Aggregates then offered a settlement amount. The settlement amount was \$100,000 which was an extremely low offer. The law suit will be

pursued for \$800,000 dollars in damages and Watermaster will be the co-plaintiff in this suit with Inland Empire Utilities Agency.

4. Water Right Permit 19895

Counsel Fife stated is an order from the State Water Resources Control Board. That order denies a petition for an extension of time that was filed three years ago on Watermaster's permit 19895. The Santa Ana River hearing was recently conducted and Watermaster has two permits to perform diversions. Those two permits were obtained by the Flood Control District with regard to the Day Creek Project and the San Sevaine Project when those projects were started in the late 1980's. Those permits have been under the control of the Flood Control District and were transferred a few years ago when Watermaster completed the Facilities Improvement Project. During the time they were held by the Flood Control, the Flood Control did all the reporting on them and had all the contact with the State Board. Over that period with regard to permit 19895, the reports that the Flood Control District filed were not consistent in their using the correct permit numbers on their reports. Construction on some of the other permits was proceeding much slower than the construction on permit 19895. This reporting has lead to inconsistent reporting on the projects status. Counsel Fife stated due to this situation the State Board declared the project for permit 19895 has not proceeded with due diligence and therefore revoked the permit. Counsel stated staff had no knowledge this consideration was taking place. Counsel has submitted a request to the State Board asking them to reconsider their decision; this pleading was filed recently with the board. Counsel stated the pleading points out the Flood Control's errors in their reports and also stated this project not only proceeded in a timely manner but that this project has been completed for several years. A discussion ensued with regard to this matter.

B. ENGINEERING REPORT

1. Engineering Update

No comment was made regarding this item.

C. FINANCIAL REPORT

1. Assessment Package Update

Ms. Rojo stated all OF the Water Activity Reports have been sent out and several have been received back. Ms. Rojo noted staff has now had opportunities to work out discrepancies in numbers and are currently missing five different Water Activity Reports submitted. Once the last few are received staff will be able to run the Assessment Package. Ms. Rojo stated that Mr. Jeske at the last Appropriators meeting suggested that Watermaster should consider assessing the party a penalty.

D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated Congress has passed the WRDA Act, and has been sent the bill on to the president. There was a great deal of dissention at the administrative level about the WRDA Bill, most of that was centered around the idea that the house passed a bill that was \$13 billion dollars and the senate passed a bill that was \$14 billion dollars and then they had a joint committee to resolve the differences and ended up with a bill that was \$23 billion dollars. This was then sent on to the president who did not like it and vetoed it. Congress has enough votes in the both the house and senate, and as of last week both the house and senate overrode the veto; WRDA is now the law of the land in terms of the ability to get money. Mr. Manning stated there is money in that bill for projects in the Chino Basin. Regarding state legislature, the governor put together an extraordinary session of the assembly to deal with health care issues and water; no rulings have come out of this assembly to date. Mr. Manning stated he attended a Policy Briefing and Hearing last week and was able to offer comments to the parties regarding water projects for the Chino Basin. The parties at that hearing discussed in length the arguments over surface storage versus groundwater storage.

2. Recharge Update
Mr. Manning stated this month has been the same as the last few months with only a few hundred acre-feet of urban run off being captured.

E. INLAND EMPIRE UTILITIES AGENCY

1. Draft Recycled Water Three Year Business Plan
Mr. Love gave a presentation on the Draft Recycled Water Three Year Business Plan. Mr. Love stated the focus will be on rapidly and cost effectively increasing the current amount of recycled water with a structured business plan. The plan will have annual usage goals and monthly progress reports. The plan will be revised and updated annually. The goal will be to satisfy demand (direct and indirect) by June 2010 for up to 50,000 acre-feet per year. The cost for the three year implementation including laterals and retrofit financing, which will be \$120 million dollars. Funding will come from a combination of grants, SRF loans, bond funds, MWD LRP program, and recycled water sales. Mr. Love reviewed several charts and maps. Mr. Love stated the proposed actions will be to adopt a three year business plan, adopt lateral and on-site retrofit financing, and to adopt regional statement of support for water recycling.
2. Adoption of Statement of Support for Water Recycling
No comment was made regarding this item.
3. Local Lateral and Retrofit Financing
No comment was made regarding this item.
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.
8. Planning and Water Resources Quarterly Update
No comment was made regarding this item.

F. 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

November 8, 2007	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
* November 13, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
* November 15, 2007	9:00 a.m.	Advisory Committee Meeting
* November 15, 2007	11:00 a.m.	Watermaster Board Meeting
December 13, 2007	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
December 18, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
* December 20, 2007	9:00 a.m.	Advisory Committee Meeting
* December 20, 2007	11:00 a.m.	Watermaster Board Meeting

* Notes a change in the normal monthly meeting date

The Watermaster Advisory meeting was dismissed by Chair Jeske at 9:50 a.m.

Secretary: _____

Minutes Approved: December 20, 2007