

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

*September 25, 2008*

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on September 25, 2008 at 9:00 a.m.

**ADVISORY COMMITTEE MEMBERS PRESENT**

**Appropriative Pool**

Robert DeLoach, Chair	Cucamonga Valley Water District
Ken Jeske	City of Ontario
Bill Kruger	City of Chino Hills
Mark Kinsey	Monte Vista Water District
Umesh Shah	Jurupa Community Services District
J. Arnold Rodriguez	Santa Ana River Water Company
Anthony La	City of Upland
Rich Atwater	Inland Empire Utilities Agency
Mike McGraw	Fontana Water Company
Robert Young	Fontana Union Water Company
Gil Aldaco	City of Chino
Charles Moorrees	San Antonio Water Company
Raul Garibay	City of Pomona

**Non-Agricultural Pool**

Bob Bowcock	Vulcan Materials Company (Calmat Division)
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**Agricultural Pool**

Jeff Pierson	Ag Pool, Crops
Jennifer Novak	Department of Justice/CIM
Nathan Mackamul	State of California/CIW

**Watermaster Board Members Present**

Terry Catlin	Inland Empire Utilities Agency
Ken Willis	City of Upland
Charles Field	Western Municipal Water District

**Watermaster Staff Present**

Sheri Rojo	CFO/Asst. General Manager
Ben Pak	Senior Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

**Watermaster Consultants Present**

Michael Fife	Brownstein, Hyatt, Farber & Schreck
Mark Wildermuth	Wildermuth Environmental Inc.

**Others Present**

Brent Yumasaki	Metropolitan Water District
Mohamad El-Amamy	City of Ontario
Tammy Jones	Sunkist
Ron Craig	RBF Consulting
Eric Schoenen	City of Pomona
Michael Camacho	Visitor
David Penrice	Aqua Capitol Management

Eunice Ulloa  
Martha Davis

Chino Basin Water Conservation District  
Inland Empire Utilities Agency

Chair DeLoach called the Advisory Committee meeting to order at 9:08 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 July 24, 2008

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of July 2008
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2007 through June 30, 2008
4. Treasurer's Report of Financial Affairs for the Period June 1, 2008 through June 30, 2008
5. Budget vs. Actual July 2007 through June 2008
6. Cash Disbursements for the month of August 2008
7. Watermaster Visa Check Detail
8. Combining Schedule for the Period July 1, 2008 through July 31, 2008
9. Treasurer's Report of Financial Affairs for the Period July 1, 2008 through July 31, 2008
10. Budget vs. Actual July 2007 through July 2008

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

***Moved to approve Consent Calendar Items A and B, as presented***

**C. INTERVENTION**

1. Consider Approval for Intervention into the Overlying (Non-Agricultural Pool) – City of Ontario (as an Overlying Non-Agricultural Party)

Item C was pulled for separate discussion and motion. Mr. Kinsey offered comment on the intervention. Ms. Rojo stated Watermaster received an application for an intervention from the City of Ontario pursuant to the arrangements agreed to in the Peace II Agreement, paragraph 4.4. Staff has reviewed the application and feels it is in compliance with intervention approved in the past. The City of Ontario will be considered a Non-Agricultural Pool member. Staff recommends this intervention be approved. A discussion regarding this item ensued.

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

***Moved to approve Consent Calendar Item C, as presented***

**II. BUSINESS ITEMS**

**A. SEMI-ANNUAL STATUS REPORT**

Ms. Rojo stated this Semi-Annual Status Report will be filed with the court and will give the court an update on work and achievement occurring within the basin over a six month period. This report used to be a quarterly report; however, the court requested that it be changed to a semi-annual report. Ms. Rojo stated staff is looking at different ways to change the formatting on the report which will make it easier to read. Staff is seeking approval to receive and file this report.

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

***Moved to receive and file the Semi-Annual Status Report with the court, as presented***

**B. BUDGET AMENDMENT**

Ms. Rojo stated this item is in conformance with the new policies adopted recently regarding budget amendments. This item pertains to the debt service paid to Inland Empire Utilities Agency which was previously budgeted for the Phase I aspect of the Recharge Master Plan project. Watermaster provides that money to IEUA and at the end of the year IEUA uses that money to pay our portion of the debt service. This year the amount was originally budgeted at \$360,000 which was the amount that IEUA told Watermaster would be the amount necessary to cover the debt service; however, the invoice was received at \$560,000 also noting a \$45,000 credit, which would then require a budget amendment of \$151,594 for approval. A discussion regarding this item ensued. Mr. Atwater stated this item originated in 2002 and was set up with a variable rate. IEUA staff originally estimated the payment based on estimates of the variable interest rate which is currently at 1.5% and IEUA staff is estimating a rate for the year of 3% which is how the \$500,000+ number came to be. A discussion regarding this matter ensued. Ms. Rojo stated that this debt service payment will be charged to the appropriators based on their percent share of operating safe yield.

*Motion by La, second by Moorrees, and by unanimous vote*

***Moved to approve Budget Amendment, as presented***

**C. INLAND EMPIRE UTILITIES AGENCY DRY YEAR YIELD REPORT BY IEUA STAFF**

Mr. Atwater noted his presentation was given at all three Pool meetings and if the parties agree, he would just answer any questions instead of giving the presentation again. The Pool members agreed. A discussion regarding the DYY Expansion and possible modifications to the Peace II Agreement ensued.

*No motion was made regarding this item; it was presented as information only*

**III. REPORTS/UPDATES****A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. Santa Ana River Water Right Final Decision**

Counsel Fife stated the Watermaster application was unanimously approved on September 2, 2008. Counsel Fife noted the Orange County Water District and Western Municipal Water District's applications are still in the process of being reviewed and counsel will monitor the progress of those applications.

Counsel Fife commented on a Tongva American Indian person who is claiming to be the Tongva tribal litigator. This person also commented on our decision and was adamant that the decision was illegal and everything about the process was illegal and he stated a claim to the water rights in the Chino Basin. A great deal of correspondence has taken place between him and counsel, Watermaster staff, and the State Board staff over the last 30 days. This matter will be brought back as things progress with regard to this person and possible litigation.

**2. LRP Funding Agreement**

Counsel Fife stated this item is part of the agreement with MWD concerning the LRP Funding. There are commitments made to MWD about the expansion of the Dry Year Yield Program and those commitments must be met by September 1, 2009; a process will be gone through to accomplish completion by this date. On page 97 it states that by September 1, 2009 Watermaster needs to have approval of expansion of the DYY Program and Watermaster must waive losses on the MWD Storage Account; both for the original 100,000 acre-feet and this additional expansion. These are conditions which will allow us to hold onto the LRP money.

3. Report on the Issue of Governance

Counsel Fife stated this item came up due to a joint pleading filed by the City of Chino Hills, City of Chino, and Monte Vista Water District about the Special Referee and although Watermaster is not participating in those discussions, one of the issues those parties raised was the issue of governance. The allegation states that Watermaster has failed to fulfill its duties under a prior stipulation. In August, a Watermaster Board conference call took place and MVWD who was on that call asserted to the committee that Watermaster and Watermaster staff had not adequately addressed the governance issue. Counsel and staff's understanding was that at the last Strategic Planning Conference in 2007, the issue of governance was covered and the parties participating at that time felt that the issue had been adequately covered and Watermaster had fulfilled its responsibilities under the stipulations that it entered into and that the matter could be tabled. Due to the issues in the pleadings with the court; and because of the statements made, counsel felt this matter should be put under the Legal Counsel Report and to then make an inquiry of the Advisory Committee as to whether Watermaster has or has not fulfilled its responsibility comment regarding this matter. Ms. Rojo stated staff needs some sort of statement that this committee concurred that the issue has been resolved or that it has not been resolved. Counsel Fife stated at the Appropriative Pool that committee asked that this item be brought back as an action item in October with a detailed staff letter outlining events. A discussion regarding actions taken by each pool ensued.

4. Status of Judge Selection

Counsel Fife stated Chino Basin Watermaster has been assigned a new judge, Judge Wade. That assignment was made on September 15, 2008; notice to the parties was sent out on September 16, 2008. Judge Wade serves at the San Bernardino Court. A discussion regarding this matter ensued.

5. MOU of Water Accounting Procedures in Chino Basin

Counsel Fife stated staff has received a proposed MOU from Metropolitan Water District concerning the accounting procedures regarding the Dry Year Yield account. It is being distributed to all the parties for review and comment. Counsel Fife reviewed page 125 in the meeting packet in detail and asked for the parties to review this and provide comment. This item will be brought back as an action item in October. A discussion regarding this item ensued.

**B. ENGINEERING REPORT**

1. Oral Progress Report on Engineering Activities, July – August 2008

Mr. Wildermuth referenced tables that were extracted items taken from a report that Wildermuth Environmental did for a consortium of agencies. They are recalculations of ambient TDS and total inorganic nitrogen or nitrate in groundwater. The importance to this committee is that this is how the Regional Board keeps track of what the ambient TDS is in the north management zone and part of our compliance obligation with the Max Benefit. Mr. Wildermuth reviewed the two tables in detail. A discussion regarding Mr. Wildermuth report ensued.

**C. CEO/STAFF REPORT**

1. Legislative Update

Ms. Rojo stated that the State budget has finally passed.

2. Financial Audit Update

Ms. Rojo stated Watermaster recently went through its annual financial statement audit and new auditing regulations will be presented to the today. As a result of new auditing standards that have passed; auditors will have to do a lot more field work. This will require increased communications with those charged with governance. Ms. Rojo discussed governing boards and audit committees. Mr. Rojo noted in an audit committee there needs

to be at least one person who understands/has financial knowledge. Those standards did affect Watermaster this year in that the auditors did a lot of increased internal control testing along with assessing and preparing a documentation of Watermaster's internal control procedures. They not only spoke to the CFO, they also spoke with the CEO, Board members, and Watermaster staff. Ms. Rojo noted staff is expanding our current internal control systems documentation to codify what we are already doing and assist the auditors in their testing. Staff will be exploring the establishment of an audit committee. Staff continuously performs risk assessments to seek ways to improve our process. A discussion regarding the revised audit standards ensued.

3. Recharge Update

Ms. Rojo stated the most recent recharge spreadsheet is available as a handout for review.

4. MWD Groundwater Conjunctive Use Study

Ms. Rojo stated staff has participated with MWD in a groundwater conjunctive use study since December, 2005. MWD has put together member agency representatives, and basin managers to formulate a groundwater assessment study. That committee is looking at formulating a report that would include an assessment of the overall basin management, the existing facilities and operations, historical production, recharge and water levels, water quality, and groundwater storage opportunities in their service area. Ms. Rojo stated that Ben Pak from Watermaster staff has been attending those meetings with Mr. Manning. Mr. Rossi offered comment on what that committee is doing.

5. Report on Anticipated Board Closed Session Items

Ms. Rojo stated there will be a closed Board session held at the Watermaster Board meeting today regarding Hanson Aggregates, Tongva American Indian tribe, and the two airport plumes.

6. Strategic Planning Conference Update

Ms. Rojo stated the Strategic Planning Conference in Lake Arrowhead will be held this weekend.

7. Regional Board Meeting on Max Benefit

Counsel Fife stated this item was reported on by Mr. Manning at the Pool meetings. A series of letters were received a few months ago about our schedule with regard to compliance with Max Benefit. The Regional Board expressed its displeasure at the pace of the development of our achievement of Hydraulic Control; we are about one year behind schedule. In summary, the executive director of the Regional Board did plan to ask the Board to schedule a hearing to consider whether the Max Benefit objectives should be removed from Chino Basin. Mr. Manning and Mr. Atwater attended that board meeting which was held on September 5, 2008 and assured the board that we were in fact moving forward. After discussions at that board meeting, the Regional Board directed Mr. Thibeault to hold off on the item but that if this process was not completed by October then they would schedule a hearing again to consider whether Chino Basin could still have access to the Max Benefit Objectives. Counsel Fife stressed that this is a very important item.

8. November and December Meeting Dates

Ms. Rojo noted as in previous years the Advisory Committee and the Watermaster Board meetings will need to be moved up one week to accommodate Thanksgiving Day and Christmas Day. The committee members agreed to move the meeting up one week in November and December.

**D. INLAND EMPIRE UTILITIES AGENCY**

1. Drought and MWD IRP/5 Year Supply Plan Update

Mr. Atwater noted there were several written reports on all the IEUA items for review.

2. Water Softener Rebate Program  
No comment was made on this item.
3. Final Water Demand and Supply Forecasts for Chino Basin Dry Year Yield Expansion Program CEQA Analysis  
No comment was made on this item.
4. Recycled Water Newsletter  
No comment was made on this item.
5. Monthly Water Conservation Programs Report  
No comment was made on this item.
6. Monthly Imported Water Deliveries Report  
No comment was made on this item.
7. State and Federal Legislative Report  
No comment was made on this item.
8. Community Outreach/Public Relations Report  
No comment was made on this item.

**E. OTHER METROPOLITAN MEMBER AGENCY REPORTS**

Mr. Rossi commented on Western Municipal Water District's effort to join the CDA.

**IV. INFORMATION**

1. Chino Basin Recycled Water Groundwater Recharge Program Quarterly Monitoring Report for April Through June 2008  
No comment was made regarding this item.
2. Senator Dianne Feinstein Secures Senate Committee Approval of Key Water Supply Legislation for the Chino Basin  
No comment was made regarding this item.
3. Newspaper Articles  
No comment was made regarding this item.

**V. COMMITTEE MEMBER COMMENTS**

No comment was made on this item.

**VI. OTHER BUSINESS**

No comment was made on this item.

**VII. FUTURE MEETINGS**

September 25, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
September 25, 2008	9:00 a.m.	Advisory Committee Meeting
September 25, 2008	11:00 a.m.	Watermaster Board Meeting
September 28-30, 2008		Strategic Planning Conference, Lake Arrowhead Resort
October 9, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
October 21, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
October 23, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
October 23, 2008	9:00 a.m.	Advisory Committee Meeting
October 23, 2008	11:00 a.m.	Watermaster Board Meeting

Minutes Advisory Committee Meeting

September 25, 2008

The Advisory Committee meeting was dismissed by Chair DeLoach at 10:00 a.m.

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

Minutes Approved: October 23, 2008