

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

*November 20, 2008*

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on November 20, 2008 at 9:00 a.m.

**ADVISORY COMMITTEE MEMBERS PRESENT**

Appropriative Pool

Robert DeLoach, Chair	Cucamonga Valley Water District
Mark Kinsey	Monte Vista Water District
Ken Jeske	City of Ontario
Robert Tock	Jurupa Community Services District
Ron Craig	City of Chino Hills
Anthony La	City of Upland
Dave Crosley	City of Chino
Charles Moorrees	San Antonio Water Company
Raul Garibay	City of Pomona

Non-Agricultural Pool

Kevin Sage	Vulcan Materials Company (Calmat Division)
------------	--

Agricultural Pool

Jeff Pierson	Crops
Jennifer Novak	Department of Justice/CIM
Pete Hall	State of California/CIM
Rob Vanden Heuvel	Milk Producers Counsel

**Watermaster Board Members Present**

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

**Watermaster Staff Present**

Ken Manning	CEO
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
Scott Slater	Brownstein, Hyatt, Farber & Schreck
Mark Wildermuth	Wildermuth Environmental Inc.

**Others Present**

Marty Zvirbulis	Cucamonga Valley Water District
Sandra Rose	Monte Vista Water District
Steve Nix	City of Chino Hills
John Mura	City of Chino Hills
Craig Parker	Inland Empire Utilities Agency
Martha Davis	Inland Empire Utilities Agency
David DeJesus	Three Valleys Municipal Water District
Steven Lee	Reid & Hellyer

Michael Camacho  
Eunice Ulloa

Visitor  
Chino Basin Water Conservation District

Chair DeLoach called the Advisory Committee meeting to order at 9:06 a.m.

**AGENDA - ADDITIONS/REORDER**

There were no additions or reorders made to the agenda. Mr. Manning noted the staff report for the TMDL Study has been revised and is available on the back table. Mr. Manning noted the December 18, 2008 IEUA DYY meeting which is listed in the Future Meeting section of the agenda has been changed to December 12, 2008 at 9:00 and will be held at the IEUA offices.

**I. CONSENT CALENDAR**

**A. MINUTES**

1. Minutes of the Advisory Committee Meeting held October 23, 2008

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of October 2008
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2008 through September 30, 2008
4. Treasurer's Report of Financial Affairs for the Period September 1, 2008 through September, 2008
5. Budget vs. Actual July 2008 through September 2008

**C. INTERVENTIONS**

1. Consider Approval for the Red Hill Country Club Intervention into the Overlying Non-Agricultural Pool

*The Red Hill Country Club Intervention was not approved after a lengthy discussion.*

2. Consider Approval for the Aqua Capital Management Intervention into the Overlying Non-Agricultural Pool

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

***Moved to approve Consent Calendar Items A, B, and C2, as presented***

**II. BUSINESS ITEMS**

**A. 2008/2009 ASSESSMENT PACKAGE**

Mr. Manning stated the Assessment Package is in the meeting packet and a workshop was held on October 30, 2008 regarding this item. The Assessment Package reflects all the production from last year and production was down and therefore the cost per acre-foot has increased over the prior year. Mr. Manning stated a presentation was given to the pools by Ms. Rojo. A brief discussion regarding the assessment package ensued.

*Motion by Crosley, second by Garibay, and by unanimous vote*

***Moved to approve the 2008/2009 Assessment Package, as presented***

**B. CONTRACT WITH BLACK & VEATCH**

Mr. Manning stated the proposed contract with Black & Veatch is to perform services on the Recharge Master planning process. This process was discussed at the recent Strategic Planning Conference as well as many other meetings. The work that needs to be performed for this plan is going to be broken up into pieces. Mr. Manning noted there are no changes or impact to the current budget with regard. The company who actually does the work..

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

***Moved to approve the contract with Black & Veatch, as presented***

**C. BUDGET TRANSFERS****1. Budget Transfer from OBMP & Water Quality Committee Expense to Recharge Master Plan and Watermaster Legal Counsel for \$413,750.00**

Mr. Manning noted staff is seeking approval for two budget transfers this month. When the original budget was developed and approved in June, the Appropriative Pool requested and the Watermaster Board agreed to adopt a budget account related to legal expenses that was not sufficient based upon the information that was provided at that time. It was asked that the budget be lowered in the category of legal fees and then bring the budget back when the assessment package was being approved with amore accurate amount for Watermaster legal fees. This actual budget transfer will move money from the OBMP category to the legal category meaning there will not be an increase to assessments associated with this transaction.

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

***Moved to approve the budget transfer from OBMP & Water Quality Committee Expense to the Recharge Master Plan and Watermaster legal counsel, as presented***

**2. Funding of the Farming Portion of the Middle Santa Ana Watershed TMDL Study – Budget Transfer Request for \$21,000**

Mr. Manning stated this is an Agricultural Pool request for the farming portion of the TMDL Study and administrative fees associated with this study. This item was brought forward from the Agricultural Pool meeting last month and at that meeting it was decided to seek payment for this item through the Watermaster process as a Special Project. This will require Watermaster staff to move monies around to cover the \$21,000 since this was not a budgeted cost. It was noted that Mr. Jeske requested a written report be submitted to the Appropriative Pool on the actual TMDL study at the November Appropriative Pool meeting. Mr. Jeske inquired as to how this bill was paid last year. Mr. Manning stated these costs were paid for by the Agricultural Pool with their money. A discussion regarding this payment coming from the Appropriative Pool and this type of special project ensued. Mr. Lee offered comment regarding this item and noted he thoroughly reviewed the Peace Agreement and the Rules and Regulations regarding what a special project is and feels this item qualifies as a special project that should be paid by the appropriators. A discussion regarding the Agricultural Pool funds ensued. Mr. Manning stated Watermaster staff would put together a report on the requests made.

*#1 Motion by Jeske, second by Kinsey, and by majority vote – Pierson opposed and Novak abstained*

***Moved to continue the item without prejudice and to have legal and staff review the TMDL requirements including a background analysis of the study, to review the regional program benefit to Watermaster, and to review if other studies or programs that relate to this topic are eligible for other parities to bring forward for payment through the Watermaster process, as presented***

*#2 Motion by Jeske, second by Pierson, and by unanimous vote*

***Moved to have a complete report brought back on the history of the funds currently held by the Agricultural Pool and an investigation as to what is the scope of a special project, as presented***

**D. DELINQUENT ASSESSMENT POLICY**

Mr. Manning stated when the item regarding delinquent payments/fees was brought through the Watermaster process last month it was noted Watermaster did not have a formal approved delinquent assessment policy to refer to when this type of situation came up. This month staff is bringing a draft delinquent assessment policy through the process to offer staff clear direction in handling delinquent assessments. It was noted not only does this draft policy request at least a 10% interest per year but has a 2% late penalty as well. This new policy will be enforced as a

going forward policy. It was noted the Appropriative Pool lowered the CEO's waiver amount from \$1,000 to \$200. A discussion ensued with regard to this matter.

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

***Moved to approve the Delinquent Assessment Policy and to allow Watermaster staff to waive up to \$200, any un-waived assessment amounts or interest unpaid from one year will be invoiced to the party on the following year's assessment invoice, as presented.***

**E. CONDITION SUBSEQUENT NO. 7**

Mr. Manning stated this item has been approved by the Pools and a full presentation was given at the Pool meetings. Mr. Wildermuth noted his presentation it will be given at the Watermaster Board meeting.

*Motion by Scott-Coe, second by Crosley, and by unanimous vote – Non-Ag concurred*

***Moved to approve the corrected initial schedule to account for un-replenished pre-Peace II desalter production from the re-operation water (other than the amount allocated to WMWD) because (a) engaging in physical replenishment will delay the achievement of hydraulic control; and (b) there will be greater yield benefits. To provide the court tables illustrating historical storm water recharge estimates for the period 2000/01 through 2006/07 and a description of the method used by Watermaster to compute new storm water estimates that was adopted by the Watermaster in 2003 and the schedule for the first correction to the new storm water recharge estimate; new prediction and correction will be computed in the summer of 2009, as presented***

**F. ITEM REFERRED BACK FROM WATERMASTER BOARD FOR WAIVER OF INTEREST CHARGES**

Mr. Manning stated this item was referred back to this committee from the Watermaster Board. The vote at the October Advisory Committee was unanimous to allow a complete waiver for the two submitted parties; however, when the item was presented to the Board, they instructed staff to take this item back to the Advisory Committee to reconsider the approval to waive the interest fees. A discussion regarding the discussions that took place at the Watermaster Board meeting regarding this item ensued. Mr. Manning noted Chairman Willis did assign two members of the Board to examine this matter and their recommendation was to not do anything because the terms written in the Judgment were sufficient for start to use to assess the interest charges. A discussion regarding the waiver ensued.

*Motion by Jeske, second by Pierson, and by unanimous vote – Non-Agricultural Pool abstained*

***Moved to deny the waiver and to apply the interest up to the date the payment was received with no additional interest charges incurring, as presented***

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

**1. November 13, 2008 Hearing**

Counsel Fife stated a new judge has been appointed to Chino Basin Watermaster and last week was the first hearing with Judge Wade. There were two very brief hearings in the past with Judge Wade but this was the first hearing of any length. There were two main topics at this hearing; 1) approval of Conditions Subsequents 1 through 6, and 2) the receipt and filing of the Annual Report and the Status Reports. Judge Wade did note during the hearing that the status reports that Watermaster has been filing are not helpful and he does not want them written and/or filed with the court any longer. In place of those the judge wants status reports and updates to be given to him verbally. The next hearing is scheduled for February 2<sup>nd</sup> & 3<sup>rd</sup> where the judge wants to be educated about "all things Chino Basin." Counsel Fife stated the judge wants to hear about the OBMP and how implementation is proceeding, recharge activity and recharge numbers. Mr. Manning noted staff and counsel

will provide an outline in advance of the hearing so that the parties have an idea of what will be discussed at the hearing. Counsel Fife noted the motion regarding the dismissal of the Special Referee was not granted at this time; however, Judge Wade did comment to the Special Referee who was present via a conference call that specific written orders by the judge to her would be the only way she was to perform any tasks. This would be on an as needed basis while Judge Wade gets himself familiar with the ins and outs of Chino Basin Watermaster processes, policies, and endeavors. Counsel Fife stated Judge Wade does want to discuss governance at the next hearing.

2. February 2 & 3, 2009 Hearing

Counsel Fife noted this item was discussed under the November 13, 2008 Hearing item.

**B. ENGINEERING REPORT**

1. Oral Progress Report on Engineering Activities, September – October 2008

No comment was made regarding this item.

**C. CEO/STAFF REPORT**

1. Legislative Update

Mr. Manning stated a detailed report from IEUA is in the meeting packet that outlines current legislative issues.

2. Recharge Update

Mr. Manning noted the most current recharge update spreadsheet is available on the back table for review.

3. Replenishment Obligation

Mr. Manning stated Watermaster does have a replenishment obligation of about 20,000 acre-feet this year. Watermaster does not have a source for that water at this point in time identified. Staff will be making the call to buy water out of storage from producers; similar to what was done last year. The water will be purchased at the MWD replenishment rate.

4. MOU on Accounting Procedures for the Dry year yield Program

Mr. Manning stated this item was put on the agenda in case there were any questions because this item was on a recent agenda as an action item. Metropolitan Water District was asking the three municipal water districts, Three Valleys Municipal Water District, Western Municipal Water District, Inland Empire Utilities Agency, and Chino Basin Watermaster to sign an agreement on accounting procedures. Watermaster's position was that it would not sign the MOU because it was merging three documents into one and Watermaster was not signatory on all three documents; signing the MOU on that basis would not be appropriate. The suggestion to MWD was to just submit something on accounting procedures for the DYY Program only that could be reviewed.

5. MWD Groundwater Study

Mr. Manning stated the MWD Groundwater Study is still going on through workshops and meetings with consultants and MWD staff so that they can get a better understanding of what recommendations they are going to make to the State Water Recourse Board in June 2009. Four sessions have already taken place and they are adding a fifth session to further their education and Continue dialog with the parties.

**D. INLAND EMPIRE UTILITIES AGENCY**

1. MWD Water Supply Allocation Plan Update

Ms. Davis stated there are some new handouts available on the back table regarding the MWD Water Supply Allocation Plan. Ms. Davis noted there has been a lot of discussion between the agencies about what would make sense as a timeframe for MWD to implement its Water Supply Allocation Plan. Many agencies are pushing for an early start

date and as early as January. MWD made the decision to make it a goal to begin in April of 2009 leaving parties' time to plan for implementation.

2. Dry Year Yield/Dry Year Expansion Status Report  
Ms. Davis stated the DYY meeting was just held prior to this meeting and a copy of a presentation that was given by Black & Veatch is available on the back table. The next DYY meeting will be held at the IEUA offices instead of Watermaster on December 12, 2008 at 9:00 a.m.
3. Phase II Recharge Capital Improvements Status Report  
Mr. Craig offered comment on the SCADA system and the recharge project.
4. Quarterly Planning & Water Resources Report  
No comment was made regarding this item.
5. Recycled Water Newsletter  
No comment was made regarding this item.
6. Monthly Water Conservation Programs Report  
No comment was made regarding this item.
7. Monthly Imported Water Deliveries Report  
No comment was made regarding this item.
8. State and Federal Legislative Report  
No comment was made regarding this item.
9. Community Outreach/Public Relations Report  
No comment was made regarding this item.

#### **E. 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 18, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
November 18, 2008	1:30 p.m.	Joint Appropriative & Non-Agricultural Pool Meeting
November 20, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
November 20, 2008	9:00 a.m.	Advisory Committee Meeting
November 20, 2008	11:00 a.m.	Watermaster Board Meeting
November 20, 2008	1:30 p.m.	Roundtable Discussion
December 11, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
December 16, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
December 12, 2008	9:00 a.m.	IEUA Dry Year Yield Meeting @ IEUA
December 18, 2008	9:00 a.m.	Advisory Committee Meeting
December 18, 2008	11:00 a.m.	Watermaster Board Meeting

Minutes Advisory Committee Meeting

November 20, 2008

The Advisory Committee meeting was dismissed by Chair DeLoach at 10:15 a.m.

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

Minutes Approved: December 18, 2008