

Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING
August 11, 2005

The Joint Appropriative and Non-Agricultural Pool Meeting were held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on August 11, 2005 at 9:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Dave Crosley, Chair	City of Chino
Rita Kurth	Cucamonga Valley Water District
Raul Garibay	City of Pomona
Gerald J. Black	Fontana Union Water Company
Mohamad El-Amamy	City of Ontario
J. Arnold Rodriguez	Santa Ana River Water Company
Mike McGraw	Fontana Water Company
Bill Stafford	Marygold Mutual Water Company
Charles Moorrees	San Antonio Water Company
Mike Maestas	City of Chino Hills

NON-AGRICULTURAL POOL MEMBERS PRESENT

Justin Scott-Coe	Vulcan Materials Company (Calmat Division)
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Watermaster Staff Present

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	Finance Manager
Gordon Treweek	Project Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Jill Willis, Legal Counsel	Cucamonga Valley Water District
Josephine Johnson	Monte Vista Water District

Chair Crosley called the meeting to order at 9:04 a.m.

AGENDA - ADDITIONS/REORDER

No additions or reorders were made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Joint Appropriative and Non-Agricultural Pool Meeting held July 14, 2005

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of July 2005
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2004 through June 30, 2005
3. Treasurer's Report of Financial Affairs for the Period June 1, 2005 through June 30, 2005

4. Profit & Loss Budget vs. Actual July 2004 through June 2005

C. WATER TRANSACTION

1. **Consider Approval for Transaction of Notice of Sale or Transfer** – The City of Upland has agreed to purchase from the West End Consolidated Water Company water in storage in the amount of 14,425 acre-feet; Date of Application: August 1, 2005
2. **Consider Approval for Transaction of Notice of Sale or Transfer** – The transfer of Monte Vista Irrigation Company's FY 2005-06 Annual Production Rights to the Monte Vista Water District. The total quantity of water to be transferred is estimated at 1,050 acre-feet; Date of Application: July 20, 2005
3. **Consider Approval for Transaction of Notice of Sale or Transfer** – The City of Ontario has agreed to purchase from the City of Upland a portion of Upland's water in storage in the amount of 16,000 acre-feet; Date of Application: August 1, 2005
4. **Consider Approval for Transaction of Notice of Sale or Transfer** – Fontana Water Company has agreed to purchase from Cucamonga Valley Water District water in storage in the amount of 2,500 acre-feet; Date of Application: June 8, 2005 (from 7/14/05 meeting)

D. STATUS REPORT NO. 15

Consider Authorization to File OBMP Status Report No. 15 with Court and Authorize Staff and Counsel to Make Minor Edits as Necessary

*Motion by Black, second by Garibay, and by unanimous vote – Non-Ag concurred
Moved to approve Consent Calendar Items A through D, as presented*

II. BUSINESS ITEMS

A. NORTH GUALALA AMICUS

Counsel Fife stated there is an outline of an amicus brief in the meeting packet and on the back table there is the draft amicus brief to file; the two briefs are similar and the final brief will be prepared after the item is fully approved. The appellate court in North Gualala in which the State Board is a party to litigation over the test for their jurisdiction and the discussion has been brought to a clear point about whether it is an Impact Test or Known and Defined Channel Test. Others are arguing about other factual things; however, the central question surrounding this case is, "what is the test" and is the issue before the appellate court. This gives the Chino Basin an interesting opportunity because that issue has been put before the court and any risk that there might be from a court addressing that issue has now been brought forth. The opportunity is that in an appellate case where the State Board is a party, the court could possibly say to the State Board that they have no jurisdiction over groundwater pumping even if that groundwater pumping induces recharge from a surface stream. This decision would be very beneficial to the Chino Basin. Counsel is asking for approval to complete the amicus brief and file it with the court by the first part of next month at the latest. The final brief will be presented to the Advisory and Watermaster Board committees along with being presented at the Attorney-Manager meetings; there will be a lot of discussion prior to the filing of the amicus brief.

*Motion by El-Amamy, second by Rodriguez, and by unanimous vote – Non-Ag concurred
Moved to approve the completed amicus brief for filing, as presented*

B. DRY YEAR YIELD CONTRACT

Mr. Manning noted that this item was sent through the Pools, Advisory, and Watermaster Board and at the Appropriators Pool meeting there were some comments received regarding exploring the opportunities with the Metropolitan Water District (MET) for getting some financial remuneration for the privilege of putting more than 25,000 acre-feet, as part of the put cap, into the Dry Year Yield Program. Both Rich Atwater and Mr. Manning have approached MET following the Appropriators meeting and MET had no interest in discussing this issue. There are some basic reasons why MET does not want to discuss this, one being they have two

parties that are interested in paying to have this water put into their basins. That is the basic reason why MET is not interested in opening discussions on the funds issue. Staff also feels that there is a real advantage to be able to put this water in above the 25,000 acre-feet. Staff's recommendation is to go ahead and have this committee approve this item; the Advisory and Watermaster Board has already approved this item unanimously. This item is being brought back to this pool more as an information item and a consensus to make sure that every pool has had a chance to discuss and react to this request. The action by this pool will have no bearing on the fact this item has already been approved and is being presented due to the request to bring this item back with information on the possibility of obtaining financial compensation. A discussion ensued with regard to this issue. A question of how they are going to be getting the water into the basin was presented. Mr. Manning stated there are numerous ways this can happen; spreading would be one way, however, in lieu is the method that most of the water is going in. The question regarding other agencies taking more in lieu deliveries was presented. Mr. Manning stated this has not been discussed with other individual agencies. The question regarding the "put" and "take" mentioned in the staff letter was presented. Mr. Manning stated that this item is for only the put and not the take. A brief discussion ensued with regard to the Dry Year Yield contract.

*Motion by Garibay, second by El-Amamy, and by unanimous vote – Non-Ag concurred
Moved to approve the one year waiver of the 25,000 acre-foot put cap for 2006, as presented*

III. REPORTS/UPDATES

A. **WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Attorney-Manager

Counsel Fife reported that by the Watermaster Boards' direction this item is to be placed on the agenda every month to keep all parties informed. The meetings are going well and there is a scheduled meeting today at 1:00 p.m. at the Cucamonga Valley Water Districts office.

2. Board Re-Appointment

Counsel Fife stated that the Watermaster Board directed counsel at the last Board meeting, for the purposes of discussion, to draft a first draft of the motion for the re-appointment of the nine member board; the Board's term is up September 28, 2005. Counsel feels this does not need to be filed this month; at the earliest this will need to be filed in September. The direction was to draft a motion for the purpose of discussion which is why this item was placed on the agenda under the legal counsel report section. There is no action being requested today and this item is being presented today for discussion purposes only. Mr. Manning noted there are two letters relative to this issue available for the Appropriative and Non-Agricultural Pool on the back table; one letter is from Western Municipal Water District and the other is from Cucamonga Valley Water District (CVWD). A comment was received regarding Mr. DeLoach addressing legal issues as to how this item was brought up at the Watermaster Board meeting and an inquiry was made to counsel if they had any comments on that. Counsel Fife noted that this letter was only made available prior to the start of the meeting and that he has not yet had an opportunity to review the letter in detail. Counsel Fife stated that in terms of the process for putting this on the agenda at the board meeting was that it was added to the agenda at the board meeting by an urgency vote of the board. It was placed on the agenda solely for discussion purposes; no action was taken except to direct counsel to draft a preliminary brief. It is believed that the bottom line of Mr. DeLoach's letter is to ask the committee members not to take action in approving the brief and Counsel Fife noted that an approval of the brief is not being asked for at this time. Ms. Willis reiterated that the primary purpose of the CVWD letter is to raise some procedural questions regarding how the board took action primarily to encourage the pools to engage in discussion and not to take action at this time. Counsel Fife stated that staff and legal counsel is working on behalf of the board; legal counsel represents the

board, in the pools discussion of this issue and if any of the committee members are uncomfortable with our presence in that discussion, the committee can feel free to ask us to leave. The question/comment was presented that Chair Neufeld made some comments at the recent Watermaster Board meeting which prompted a discussion; is it possible that this pool be given a summary of the discussions at that board meeting? Ms. Willis stated that she is not aware of Mr. Neufeld's comments; however, with regard to the position of Cucamonga Valley Water District, at this time CVWD is not prepared to say they are in support of the nine member board as it is currently constituted. What is anticipated, over the next several weeks, is to formulate a more specific position with respect to what Cucamonga thinks would be a good alternative. Once that position is decided upon, it would be raised with the various agencies and would then come forth with a proposal. It is unclear at this time with respect if that proposal would take place separately of the process that the board has directed Watermaster legal counsel to undertake which is to file a motion. Cucamonga's position is that more time needs to be given for discussion and direction before any action is taken. Chair Crosley noted that in light of the two letters being presented at this mornings meeting, this item needs to be brought back on the September agenda for an update and/or further discussion.

B. CEO/STAFF REPORT

1. Rialto Pipeline Availability

Mr. Manning noted there is a copy of a cartoon prepared by Metropolitan Water District regarding their distribution system available on the back table. This is an information and awareness issue for all committee members. Mr. Manning reviewed the handout in detail and specifically pointed out the Rialto Pipeline. It was noted that as of July 14, 2005, the Metropolitan Water District (MET) has cut off most of the deliveries along the Rialto Pipeline other than those which is necessary to feed surface treatment facilities. The rest of the water on the Rialto Pipeline is being diverted down to the Diemer plant in order to feed the central core or central pool which is the area over to the Venice/Palace Verdes area. That area is normally served by the Jensen plant. Because the Jensen plant is going through some ozone treatment refurbishing installation it is pretty well shut down. During this hot weather this water has to be fed through the Diemer plant which means the Rialto Pipeline is essentially shut down for us; that is important in itself. This points out that if there is a need to divert water through the system to other parts, especially to the West, for the most part that means the Rialto Pipeline will be shutdown – this causes great concern. Mr. Manning expressed that we have just experienced the wettest rainy season in one hundred years and we can't get replenishment water. Currently there are 2 cfs going into the Etiwanda Spreading Grounds, 10 cfs going into Lower Day (that was just recently increased from 7 cfs), and 5-6 cfs going into Hickory which is being used for blending for reclaimed water. Watermaster staff is now engaged in discussions with Inland Empire Utilities Agency and Metropolitan Water District about potential for obtaining additional turnouts off the Etiwanda Pipeline and looking for ways to create more duplication within the system. Our basin capacity is 100 cfs which could be taken off the Rialto Pipeline if it were made available to us; that is our spreading capacity verses today in which we are receiving approximately 12-20 cfs depending on the daily circumstances. This causes some concern, mainly because many of our basins are ready to take in water and are currently sitting dry. Mr. Manning stated this issue is being addressed and an update on this situation will be brought back at the next meeting.

2. Ontario Airport Clean Up & Abatement Update

Mr. Manning stated that the Regional Board has mailed out clean up and abatement orders on July 27, 2005; the orders went out to Aerojet General, Boeing, Department of Defense, Northrop Grumman, Lockheed-Martin, and General Electric. In the clean up and abatement order there was a letter that accompanied the orders which call for those organizations to meet on August 30, 2005 at the Regional Board office wherein a technical briefing would be held. A number of topics will be discussed at that briefing such as efforts that have already been undertaken, an overview of future work, discussions of

various scenarios, discussions relating to the legal and administrative steps, and options for early settlement. Watermaster staff will have a large part in directing that meeting. At the Water Quality Committee meeting on August 22, this topic will be discussed and that committee will be reviewing some of the technical presentations that will be given at the Regional Board technical briefing on August 30, 2005.

3. Basin Maintenance Update

Mr. Treweek stated this is a report on the Basin Maintenance Program that is on-going during the summer which will provide an update on some of the basin activities and restorations. Mr. Treweek referred to the handout titled; "Recharge / Maintenance Schedule" dated August 12, 2005. Mr. Treweek noted that since the 14th of July, MWD has shut off our water supply and due to that shut off staff has accelerated the maintenance for the Montclair Basin and on the Ely Basin for restoration completion. This will leave the Turner Basins as the major basins requiring maintenance. We can't get water to put into the Turner Basins even if they were cleaned up because the City of Rancho Cucamonga is rebuilding the Haven Avenue storm drain. That storm drain is what carries the water from the MWD turnout down to the Turner Basins. The City of Rancho Cucamonga has informed Watermaster that the rebuilding of the Haven Avenue storm drain will not be completed until mid October; at that point the Turner Basins will be back up and able to receive water. As soon as MWD can release water again to our basins they are capable to receive approximately 100,000 cfs or about 6,000 acre-feet a month as Mr. Manning stated in an earlier report.

IV. INFORMATION

- 1. Quarterly Status Report No. 14
No comment was made regarding this item.
- 2. Newspaper Articles
No comment was made regarding this item.

V. POOL MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

At 9:36 a.m. the open joint Appropriative and Non-Agricultural Pool meeting was adjourned and the confidential session convened.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

At 10:30 a.m. the confidential session was adjourned and the joint Appropriative and Non-Agricultural Pool meeting convened.

Chair Crosley asked Counsel Fife to state the outcome of the closed session discussions.

Counsel Fife reported that the committee members have taken action to support the personnel proposal that was presented and that will also be presented to the Board at their meeting later this month.

VIII. FUTURE MEETINGS

August 8, 2005 9:00 a.m. Personnel Committee Meeting

August 9, 2005	9:00 a.m.	GRCC Meeting
August 11, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
August 11, 2005	1:00 p.m.	Attorney-Manager Meetings @ CVWD
August 18, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
August 18, 2005	1:00 p.m.	Attorney-Manager Meetings @ CVWD
August 22, 2005	1:00 p.m.	Water Quality Meeting
August 25, 2005	9:00 a.m.	Advisory Committee Meeting
August 25, 2005	11:00 a.m.	Watermaster Board Meeting

The Joint Appropriative & Non-Agricultural Pool Meeting Adjourned at 10:31 a.m.

Secretary: _____

Minutes Approved: September 8, 2005