

Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING
May 17, 2007

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 May 17, 2007 at 10:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Raul Garibay, Chair	City of Pomona
Rosemary Hoerning	City of Upland
Robert DeLoach	Cucamonga Valley Water District
Mark Kinsey	Monte Vista Water District
Charles Moorrees	San Antonio Water Company
Mike McGraw	Fontana Water Company
Mike Maestas	City of Chino Hills
Ken Jeske	City of Ontario
J. Arnold Rodriguez	Santa Ana River Water Company
Robert Young	Fontana Union Water Company

NON-AGRICULTURAL POOL MEMBERS PRESENT

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

Watermaster Board Members Present

Sandra Rose	Monte Vista Water District
-------------	----------------------------

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.
Tom McCarthy	Wildermuth Environmental Inc.

Others Present

Rich Atwater	Inland Empire Utilities Agency
Marty Zvirbulis	Cucamonga Valley Water District
Wyatt Troxel	Inland Empire Utilities Agency

Chair Garibay called the joint Appropriative and Non-Agricultural Pool meeting to order at 10:01 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Joint Appropriative and Non-Agricultural Pool Meeting held April 12, 2007

This item was pulled for discussion.

Mr. DeLoach asked that Consent Calendar Item B be pulled for discussion. Mr. DeLoach inquired into the Reid & Hellyer bill in the amount of \$5,600.00 dollars and asked that Ms. Rojo to email him with the details. Mr. DeLoach also noted there is another bill for almost \$33,000 dollars listed in the financial report from the Special Referee for the month.

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of April 2007
2. Combining Schedule for the Period July 1, 2006 through March 31, 2007
3. Treasurer's Report of Financial Affairs for the Period March 1, 2007 through March 31, 2007
4. Profit & Loss Budget vs. Actual July 2006 through March 2007

*Motion by DeLoach, second by Moorrees, and by unanimous vote – Non-Ag concurred
Moved to approve Consent Calendar Item B, as presented*

C. WATER TRANSACTION

1. Consider Approval for Notice of Sale or Transfer – The City of Upland has agreed to purchase from West End Consolidated Water Company a portion of West End's water in storage in the amount of 3,800 acre-feet. The 85/15 rule does not apply and a recapture plan has not been completed as Upland intends to immediately sell 10,000 acre-feet of water in storage to the Fontana Water Company. Date of application: April 11, 2007

*Motion by DeLoach, second by Kinsey, and by unanimous vote – Non-Ag concurred
Moved to approve Consent Calendar Item A and C, as presented*

II. BUSINESS ITEMS

A. MEMORANDUM OF AGREEMENT 2006-2008 MANAGEMENT ZONE 3 MONITORING PROGRAM

Mr. Manning stated in 2000 the Regional Water Quality Control Board had some issues with the Management Zone 3 (MZ3) water quality and asked that the Chino Basin Watermaster partake in performing sampling within the MZ3 area. Watermaster has been doing that sampling and other extra monitoring on those wells since that request was made. Mr. Manning stated Inland Empire Utilities Agency (IEUA) was successful in obtaining a grant for \$250,000 dollars that will help us to offset some of the costs for additional wells that we are going to be drilling to offset the cost there. The MZ3 Agreement with IEUA is here today for a recommendation for approval. It was noted this agreement will be going to the IEUA Board on June 5, 2007 for their approval. This cost is reflected in the Watermaster budget and a very important issue. Mr. DeLoach commented that he was very surprised that this is still part of the original Peace Agreement process program element. Mr. DeLoach stated he was under the impression there were more monitoring wells intended for this project than what is called out in the staff report. Mr. Kinsey commented that it appears by reading the report that there are numerous more reasons why we would want to install these monitoring wells that go beyond the characterization of the salt from the Kaiser TDS plume. There is Regional Board concern about historical recharge of waste water at RP3 and it seems there are other parties that should be sharing the cost of this. Mr. Kinsey read portions of the staff letter for discussion purposes. Mr. Atwater stated Inland Empire Utilities Agency (IEUA) did an agreement with Jurupa Community Services that the Watermaster process approved in 2002; Mark Wildermuth and IEUA staff worked extensively with Jurupa. The IEUA Board approved the agreement to sell to Jurupa water which was approved by the Regional Sewage Policy. This project is the second phase which more than benefits Ontario and Jurupa lower down in the well field; and includes the MZ3 strategy that we have worked together in the Peace Agreement for the last five years. Mr. Manning stated that IEUA cooperates with us in terms of sharing on the monitoring costs. Mr. Kinsey stated IEUA has shown they have more than paid for their share

and invested in facilities necessary to monitor any legacy nitrate related impacts in RP3. A discussion ensued with regard to monitoring and water quality.

Motion by Kinsey, second by DeLoach, and by unanimous vote – Non-Ag concurred

Moved to approve the Memorandum of Agreement 2006-2008 for the Management Zone 3 Monitoring Program, as presented

B. MZ1 LONG TERM PLAN – NO ACTION REQUIRED

Mr. Manning stated this item has been on the agenda numerous times over the last year-and-a-half. Watermaster by agreement has put forth the effort to try and develop a solution for the Management Zone 1 (MZ1) area of subsidence. One of the working items that are needed to be developed is the Long Term Plan (LTP) and the LTP is essentially the work that has been done by Wildermuth Environmental (WE); they have been performing a lot of work in the MZ1 area. WE has incorporated work with the piezometers to locate a depth which water could be pumped in order for us not to create inelastic subsidence in the MZ1 area. This month the Long Term Plan is being presented as an information item and staff intends to request approval for the plan in June through the Watermaster process. Mr. Manning stated what Watermaster is proposing is a two part solution to the MZ1 area; the first is the Long Term Plan which follows the guidance criteria that has already been passed unanimously and been put forth to the parties in the MZ1 area. Mr. DeLoach stated he has had the opportunity to sit in on a few of the MZ1 Technical Committee Meetings and at those meetings the parties seemed okay with the plan, however, does this plan look like something that all of the parties can live with? Mr. Manning stated the Long Term Plan in itself is very simple stating to the parties, if you are going to pump, we are advising that if you pump below the 245 foot level they could possibly cause subsidence. Mr. Manning stated he feels that the majority of the parties are on board with this plan and noted the court is looking for the LTP and has made that very clear; the court feels there has been enough science done in the MZ1 area that we know what is going on there and they are looking for the LTP to be part of our court submittal. Mr. Maestas stated the City of Chino Hills is not on board with this plan and while there has been a lot of work done, Chino Hills thinks we will be affected primarily by how we produce out of our wells. Mr. Maestas stated to date there has been nothing put on the table that the City of Chino Hills has bought off on; this is going to restrict pumping and dictate how and when we can't operate these wells. Mr. Maestas stated this plan does impact us quite a bit and to his knowledge he is not giving the okay. Mr. DeLoach inquired if the alternative water supply portion in the LTP address the needs of Chino Hills. Mr. Maestas stated it does not address it fully because what it does is take control out of his hands. A discussion ensued with regard to this matter. Mr. Manning stated Watermaster staff and the technical group has been working with the MZ1 Technical Committee and has asked for input from the City of Chino Hills in the past and at this point they have not received any alternative language. The only alternative now is to try and move forward with what we have. Chair Garibay inquired if there has been any attempt to get the staff of the City of Chino Hills and the Watermaster staff together outside of this type of setting for dialog regarding this issue. Mr. Manning stated there have been a number of ovations made by staff to the City of Chino Hills to get together but no meetings ever took place on this matter. Mr. Manning stated the City of Chino Hills has been an uncooperative party in terms accepting meetings to sit down and discuss alternative plans. Absent any changes or alternative plans from the City of Chino Hills, Watermaster staff feels it is time to move forward and if within the next couple of weeks there is an opportunity to sit down and discuss this we will accommodate such a meeting. Ms. Hoerning stated all parties approved the Guidance Criteria which established the 245 elevation and the LTP solidifies that this is in fact the level and inquired if the alternative water supply plan as a possible way of addressing some of these issues to serve water if they are asked to restrict water. Mr. Manning stated the meeting of the deadlines of the court is a priority but we are also trying to be sensitive to the needs of the parties in MZ1. We must be able to replenish in MZ1 both wet water and possibly consider in lieu solutions. Mr. Manning stated staff feels the LTP is a natural continuation of the Guidance Criteria; there are no drastic changes from the Guidance Criteria, it also calls for the additional science to go on with MZ1 so that we can better characterize what is going on

in those areas of concern. Mr. DeLoach inquired from the City of Chino Hills if this LTP absolutely does not work, what are the alternatives? Mr. Maestas stated they would want a relocation of their facilities. Mr. DeLoach inquired if the City of Chino Hills has put in writing the request to have their facilities relocated. Mr. Maestas stated he was not sure if that has ever been put in writing. A lengthy discussion ensued with regard to this matter.

C. VOLUME VOTE

Mr. Manning stated the volume vote was presented to the Pools last month and the Pools took action to approve the volume vote; however, after the meeting there was some question whether or not Watermaster staff was accurately interpreting the action taken by the Appropriative Pool the year prior. Mr. Manning stated he had reviewed the minutes from that prior year and those minutes are characterized in the staff report, the essence was they took no action and did not want to pursue the issue any further and would discuss the issue at a future meeting. When reviewing the minute's staff attempted to interpret what staff thought was the intent of the parties and then put together the volume vote for approval. The question that came up was whether or not replenishment water should be included in the volume vote calculation. Watermaster staff has no recommendation on how the volume vote is calculated; staff does have an interest in resolving this because we are now in the process of putting together a database. The next evolution of the Assessment Package database will include an automatic calculation of the volume vote immediately upon the acceptance of the Assessment Package by the Pools, Advisory Committee, and Watermaster Board. Staff needs to have that calculation built into the database and before we do that we would like to make sure there has been sufficient discussion and daylighting of the issues and to do that, staff feels the appropriate way to do this is to recommend to have this item taken to a committee for a full evaluation. Since the Budget Advisory Committee has already been established staff feels this would be the appropriate committee to forward this task to. The committee members spoke and stated they agreed this item should be given to the Budget Advisory Committee for review.

Chair Garibay authorized this item to be taken to the Budget Advisory Committee for review

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Santa Ana River Water Right Application

Counsel Fife stated the hearing regarding the Santa Ana River Water Rights Application took place starting on Wednesday, May 2, 2007 and it was finished on Tuesday, May 8, 2007. It was a very good hearing for Chino Basin Watermaster. We had no opposition to our evidence and we worked out deals with all the parties in advance of the hearing. Counsel now needs to finish up our closing brief and submit a proposal to the State Board for our permit. The relationship with Orange County was very cordial and we worked out a very detailed stipulation with them in advance that took some of the harder issues off the table. All in all the hearing went extremely well.

2. Referee Report Regarding Status Report Transmittal

Counsel Fife stated Chino Basin Watermaster served all the parties with the actual transmittal from the Special Referee; a copy of that transmittal is in the meeting packet. The report is regarding comments to Watermaster's submittal of the OBMP Status Report. The main content of the notification is that there is a hearing scheduled for May 24, 2007 and we are hoping appearances will not be necessary and that the court will accept the Status Report and the schedules that were submitted. With that we are all looking forward to the completion of Peace II.

B. ENGINEERING REPORT

1. 2007 Watermaster Model Update

Mr. Wildermuth stated today's presentation is on the progress on Watermaster's Groundwater Model Update. The presentation will include topics on the Geologic Conceptual Model, the Percolation Model, estimated Evapotranspiration (ET) which is in

the in process, the Recharge and Routing Model which is in the calibration period, and our next steps. Mr. Wildermuth stated the specific questions to be answered with the new model are. What will be the impact of re-operation on subsidence in MZ1? What will be the impact on riparian resources in the Prado reservoir area from new desalter pumping and re-operation, and what does the new equilibrium look like when re-operation is terminated. The progress on Watermaster's Groundwater model is that we are incorporating the latest (since 2002) information from new wells and monitoring programs. We are also incorporating vadose zone flow and transport models along with non-linear ET functions for riparian vegetation. We have also extended the calibration from 11 years to about 40 years. New data sources for the conceptual model will include; subsidence investigation in the MZ1 area, 9 new HCMP well clusters, Chino II desalter wells, and other new monitoring wells, new appropriator wells, and OBMP water-level and water quality monitoring programs. A map of the new wells was reviewed in detail. The Percolation Model will reveal the thickness of unsaturated zone ranges from as low as 0 feet (Near Prado Basin) to as high as 1000 feet (north Chino basin). Mr. Wildermuth stated the vadose zone lithology varies from clay to gravel and sand and the vadose zone lithology is based on well completion reports which describe soil type based on USCS. Mr. Wildermuth discussed Evapotranspiration and stated the communities' field was verified by ecologists. A question regarding vegetation was presented. Mr. Wildermuth discussed the next steps to be taken which will include the completion of the extended calibration processing (May), construction of the groundwater flow model (June), the calibration of the groundwater flow model (June/July), the building of the compaction model (June/July), the running of the planning scenarios (August/September), and the documentation of planning scenarios (October).

C. FINANCIAL UPDATES

1. Budget Presentation

Ms. Rojo stated the budget is still in the process of being developed. A preliminary Budget Workshop was held on May 3, 2007 and there will be another workshop scheduled prior to the distribution of the final budget through the Watermaster process. Staff is anticipating a presentation will be given on the progress of the budget at the May Advisory Committee and Watermaster Board meetings.

D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated there is not much to report on as far as legislation is concerned.

The Santa Ana River Water Rights Application process went very well and Mr. Manning overheard several people commenting on how well prepared the Chino Basin Watermaster was for this hearing. Mr. Manning thanked Counsel Fife and expressed that he and his staff did an excellent job. Mr. Manning stated he will have a more complete legislative report to give and the Advisory Committee and Watermaster Board meeting later on this month.

2. Recharge Update

Mr. Treweek stated there are copies of the spreadsheet that incorporate recharge through the end of April on the back table. Last month, 500+ acre-feet of storm water was recharged which also includes any urban run off and 130 acre-feet of recycled water. Staff did receive notice that effective May 1, 2007 Metropolitan Water District will not be making any replenishment water available through the Rialto pipeline; which shuts us down as far as imported water is concerned. It does not appear that there will be much of a change between now and June 30th, the end of this fiscal year. We have imported and recharged 33,000 acre-feet of MET water, 4,000 acre-feet of storm water, and approximately 3,000 acre-feet of recycled water for a total of 40,000 acre-feet for this fiscal year. Our emphasis is to put recharge water into the MZ1 area and of our 33,000 acre-feet about 22,000 acre-feet went into MZ1 recharge area.

Mr. Treweek stated the Flood Control District sent out a letter to Inland Empire Utilities Agency on April 11, 2007 regarding the damage in the San Sevaine channel during the storms in 2005. The District estimates approximately \$2.2M dollars worth of damage to that channel during those storms and they are asking CBWM and IEUA to pay for half of that cost for repairs. Mr. Treweek gave a presentation on the Etiwanda – San Sevaine Recharge Project which also showed the damages done to the channel by the 2005 storms.

IV. INFORMATION

1. 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.

VII. FUTURE MEETINGS

May 15, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
* May 17, 2007	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
May 24, 2007	9:00 a.m.	Advisory Committee Meeting
May 24, 2007	11:00 a.m.	Watermaster Board Meeting

* Appropriative & Non-Agricultural Pool Meeting changed from May 10, 2007 to **May 17, 2007**

The Appropriative and Non-Agricultural Pool committee meeting was dismissed at 11:30 a.m.

Secretary: _____

Minutes Approved: June 14, 2007