

Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING
July 14, 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 July 14, 2005 at 9:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Dave Crosley, Chair	City of Chino
Robert DeLoach	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

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
Andy Malone	Wildermuth Environmental Inc.

Others Present

Josephine Johnson	Monte Vista Water District
Paul Deutsch	GE/Geomatrix Consultants
Rick Hansen	Three Valleys Municipal Water District

Chair Crosley called the meeting to order at 9:07 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 June 9, 2005

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of June 2005

Item B1 was pulled for discussion:

Mr. DeLoach inquired into the cash disbursements on page 15 of the package regarding the Agricultural Pool lawyer fees which have risen over the past few months. Mr. Manning stated these higher fees are due to the Peace II process. It was asked that the Financial Manager provide Mr. DeLoach a copy of the bills presented to Watermaster by the Agricultural Pool lawyers.

2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2004 through May 31, 2005
3. Treasurer's Report of Financial Affairs for the Period May 1, 2005 through May 31, 2005
4. Profit & Loss Budget vs. Actual July 2004 through May 2005

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

C. WATER TRANSACTION

1. Consider Approval for Transaction of Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from West Valley Water District water in storage in the amount of 1,000 acre-feet; Date of Application: May 27, 2005
2. Consider Approval for Transaction of Notice of Sale or Transfer – The City of Ontario has agreed to purchase from the City of Chino a portion of Chino's water in storage in the amount of 5,350 acre-feet; Date of Application: May 27, 2005

Item C2 was pulled for discussion:

It was decided that item C2 contained incorrect information and was to be reviewed by staff and brought back for consideration on the August agenda.

3. Consider Approval for Transaction of Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from Nicholson Trust water in storage in the amount of 5.458 acre-feet; Date of Application: July 5, 2005

D. NOTICE OF CONRAD & ASSOCIATES, LLP TO PERFORM FISCAL YEAR 2004-05 FINANCIAL STATEMENTS AUDIT

The Conrad & Associates Fee Will Not Exceed \$6,850.00

*Motion by DeLoach, second by Black, and by unanimous vote – Non-Ag concurred
Moved to approve Consent Calendar Items A, C1, C3, and D, as presented*

II. BUSINESS ITEMS

A. DRY YEAR YIELD CONTRACT

Mr. Manning stated that Watermaster has been approached by the Metropolitan Water District (MET) and Inland Empire Utilities Agency (IEUA) to consider lifting the cap of 25,000 acre-feet on the Dry Year Yield Program (DYY Program) in lieu of the amount of water that is in the system presently based upon the amount of rainfall received this year. Under the current DYY Program there are three limits that are effecting Watermaster; 1) the maximum is 100,000 acre-feet, 2) there is a 25,000 acre-feet per year storage agreement, in terms of the maximum amount of storage that can go into the basin, and 3) no more than 33,000 acre-feet that will be withdrawn. The only change on the cap that MET and IEUA are requesting for one year is the 25,000 acre-feet of storage agreement because they feel they can exceed that amount this year. The motion that is being recommended today is the waiver for one year 25,000 acre-foot cap for 2006. The question of whether this is a one time waiver and they will park 100,000 acre-feet was presented. Mr. Manning stated staff was not sure if they would be placing 100,000 acre-feet into storage, however, Watermaster staff will have the ability at any time to

cut it off at any point. This Pool can also place a cap on this motion if it feels that is necessary. It was noted that this water would be going into the DYY storage account. Counsel Fife stated that they will still be limited to their 33,000 maximum take and do have the right to store up to 100,000. The question if there has been an actual acre-foot amount discussed that will be placed into the storage account was presented. Mr. Manning stated the amount of water had not been discussed, nevertheless that they know they will exceed the 25,000 acre-feet limit. A lengthy discussion ensued regarding the possibility of charging a fee for anything over 25,000 acre-feet and also regarding losses. Mr. Manning stated that based upon the discussions with Wildermuth Environmental, the universal loss factor appears to be at 6%. Counsel Fife noted that whatever is done with the losses is independent of this cap issue that is being discussed today. A discussion ensued with regard to water deliveries and losses. Mr. Manning stated that staff is comfortable in handling the water and in removing the 25,000 acre-foot cap, although if the committee members feel more comfortable in placing a cap, staff will agree to those terms. Chair Crosley inquired if there was a particular deadline or time frame for this action to take place. Mr. Manning stated that MET and IEUA have requested this request takes place in July or early August and that Watermaster is in the position to start taking the water now. Counsel Fife stated that it would be acceptable if this Pool sent the message that there is concern about additional costs that could be incurred by taking more than 25,000 acre-feet of water and need to consider whether MET needs to pay more. Mr. Hansen offered comments regarding the discussions/comments which were offered regarding this item.

Motion by DeLoach, second by El-Amamy, and by unanimous vote – Non-Ag concurred
Moved to refer this item back to staff for financial consideration and/or losses which will be reported back to the Appropriative and Non-Agricultural Pool on the August Pool agenda

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney-Manager

Counsel Fife stated there has been as schedule made available for today's meeting times. No materials were passed out prior to today; however, materials will be presented during the course of the day. Counsel and staff are still anticipating a conclusion to be drawn by the end of August.

2. MZ1 Special Referee Report

Counsel Fife noted that the referee did put out a report concerning the recent workshop. It was discussed at both the Advisory Committee and Watermaster Board meeting although was not discussed with this committee. All parties were served with a copy of this report and if additional copies are needed there are some available here today.

3. Court Filings

Counsel Fife stated that the special referee suggested that staff should submit two documents following the workshop relating to the MZ1 area and subsidence; 1) a summary of the workshop, and 2) guidance criteria. Counsel does not know exactly what the guidance criteria will look like, however the intention was to be something between the summary, which is a report of technical findings, and an actual Long Term Plan, which is a plan of how to deal with the subsidence. Ms. Schneider is looking for a mid-point, for instance what kind of guidance Watermaster can give to the parties based on the technical information. Counsel has been directed to prepare those items and file them with the court and give the court a schedule for preparing a Long Term Plan.

There are a few other filings which need to be filed with the court which are a couple of Status Reports, the final copy of the Annual Report, and the final copy of the State of the Basin Report. These will all be filed at the same time to be efficient and deal with all of them in one hearing.

The North Gualala case, which has been reported on for the past several months, now has a released briefing schedule. North Gualala will be filing its opening brief within the next 30 days, the State Water Resources Control Board will then have 70 days to respond, and then North Gualala will have another 20 days to respond to their response, which means there is an actual 90 day cycle to get all the briefs filed. This is an issue of great concern to the Chino Basin because of not only the Agricultural pumping in the southern end of the basin but also the desalters. Counsel Fife stated this is something that Watermaster should weigh in on and proposed to draw up a draft/outline of an amicus brief and have that possibly available by the Board meeting in July for review.

B. CEO/STAFF REPORT

1. Wet Basin Rehabilitation Program Update

Mr. Manning stated that a few months ago a joint exercise with Scuba Duba, where they went into the Turner Two Basin and ran a 5 day test on equipment which they manufactured and developed. This test was to see if it is feasible to clean the basins while they are still wet. Staff is still working with that firm on developing some concepts but in the meantime staff from Inland Empire Utilities Agency, Chino Basin Watermaster, County Flood, and the Conservation District are working together to brainstorm as to what other alternatives might be available for wet basin restoration. There are a number of basins that because of the potential of being wet for almost 365 days a year, because of reclaimed water recharge, that we might be in the position to be financially enhanced if they are able to be cleaned while wet. A committee has been formed for this task and that committee is working on ideas. Hopefully by September and in going through the Watermaster process a report which will need feedback on how the committee members would want staff to proceed will be available for presentation. Staff will try and have all costs and financial benefits available at that presentation. The question if whether the basin is continuing to spread at this point was presented. Mr. Manning stated that a report on what is going on with spreading will be given later on in the meeting.

2. Progress on College Heights Test

Mr. Manning commented that staff found an opportune moment for Watermaster to begin work in trying to test at the College Heights basins and determine whether or not the College Heights Basins were going to provide any benefit in the future. Approximately 9 months ago it was decided that in the College Heights Basins, because of the potential of using College Heights Basins in conjunction with the Upland Basins might cause a problem underneath Arrow Route. Staff wanted to explore the characteristics of the Upland Basin before we could determine how we were going to possibly use College Heights. Due to the massive amount of rainfall received this last year and the opportunity to test the Upland Basin, it was felt this was an opportune moment to start testing College Heights using the water that was coming down from the San Antonio Channel from San Antonio Dam (the release that is not being taken by PVPA) and using that water to do the testing. Mr. Manning asked Mr. Treweek to give an update as to the results of that test over the last two weeks. Mr. Treweek reviewed several charts which examined College Heights West, College Heights East, and the Upland Basins. Watermaster wanted to enhance our ability to measure what was occurring in the subsurface so 4 new monitoring wells were installed. With the installation the new wells staff is much better able to monitor what occurs as water is recharged into the College Heights Basins. Starting on July 1, 2005 water was received from the San Antonio Channel into the west basin at a real low flow rate of 3 cfs; over the next couple weeks monitor was to what occurs in the nearby well levels. Mr. Treweek reviewed the changes that have occurred in the added wells for the past two weeks. The plan is to continue recharging at 3 cfs until it plateaus and then it will be increased to 6 cfs. It will then be run at that level for a few weeks to a month until the water daylight in the reconfigured Upland Basin. This will give staff an idea of how much and at what rate water can be recharged in these basins. The question if the 3 cfs flow is continuing today was presented. Mr. Treweek noted that was correct. A discussion ensued regarding a seen slope in the diagrams that were being

presented. A question regarding elevation levels was presented and discussed. Mr. Manning stated that this test is going to be continued for a number of weeks to try and find out the characteristics of the water. What is trying to be found out is if the College Heights Basin are adding a significant amount of capability to our recharge efforts here in the Chino Basin and this test will be able to allow staff to make some determinations. In discussions with the City of Upland, they are not finished with their improvements in the Upland Basin and do intend to break through the clay layer sometime in the future. Watermaster will take these results, merge those with the plans of the City of Upland, and then be back with the Conservation District and IEUA with some recommendations as to where we can go in the future. Mr. Treweek noted that construction began for this pipeline which will connect the junction structure and the rubber dam to the storm drain at the City of Upland which was put in last year.

3. Basin Recharge Report

Mr. Manning noted this item is a summary of those activities that are going on today regarding recharge. Mr. Treweek referred to the Storm Water Recharge Summary Report which was provided as a handout. In reviewing the handout it was noted that there were 11 storm events which dropped approximately 50 inches into the foothill and our capture through the end of May was about 15,600 acre-feet. To be added to that capture is the snow melt which has been released from the San Antonio Dam and not taken by Pomona Valley which started on June 6, 2005 and continues on to the present day. All that water is being captured either in the Montclair or Brooks Basins. It has been estimated that this release has given us an additional 2,000 acre-feet of high quality snow melt. We have to subtract from these numbers the historical yield of the basin and that yield was identified earlier at 5,600 acre-feet, which included contributions from San Antonio Dam. Staff is confident that we have met the goal of 12,000 acre-feet. It was recognized that the storm flow of 50 inches of rainfall is far greater than the average years rainfall and in order to meet the goal of 12,000 acre-feet, availability and capacity has to be increased in the basins. Over the summer both availability and capacity has been improved at our basins. Mr. Treweek referred to the second handout entitled, "Recharge/Maintenance Schedule" which was drawn up at the start of the summer. The basins were scheduled for maintenance so that they could be recharging imported water and at the same time taking advantage of the \$1.2 million dollars in funds that IEUA has made available through FEMA and DWR grants to get ready for the next winter storms. Mr. Treweek reviewed in detail each of the basins/channels listed on the handout regarding maintenance. In summary there are 7 basins operational at about 100 cfs, another 20 cfs will be added by September 1, which will bring the total up to approximately 7,000 acre-feet per month of recharge. The renovations are progressing very well on the basins and by the storm seasons they will be in a lot better shape in respect to capturing rainwater. The question regarding mosquitoes being a problem now that there is more water spreading was presented. Mr. Treweek stated that there is a contractor secured that sprays for midge flies and have the phone number if there are any complaints, which there has been none so far, regarding any mosquitoes.

4. Report Updates

Mr. Manning stated that this item is to review some of the items that were mentioned in today's updates. The State of the Basin Report is completed and currently available for review and/or download on both the Wildermuth Environmental and Chino Basin Watermaster ftp site. This is the final draft and includes substantial changes that were made in storage and salt removal. Comments from Watermaster staff, the Special Referee, and Cucamonga Valley Water District were all incorporated into the final draft.

The Material Physical Injury Analysis for Recharge of Recycled Water Draft Report will be included in early August and will be processed through the Watermaster process and per the Watermaster Rules and Regulations.

The Recharge Operations Manual which was developed by Wildermuth Environmental and it is the document that will guide IEUA and their staff, Flood Control, Watermaster, Conservation District, and the City of Upland in the operations of the basins in the future using both SCADA and manual operations. This is the document that the County has been waiting for in order to be able to release responsibility for operations of these basins to Watermaster so that staff can operate them during the wet season. This coming rain year will be the first time to test this; the County is reviewing this document presently. This is an important document for Watermaster and Wildermuth and his staff have done an outstanding job in putting it together.

The Bi-Annual Analysis of the Balance of Recharge and Discharge Report will be completed by the end of July and will be available for viewing on Watermaster's web site along with Wildermuth's ftp site.

The Forbearance Agreement for MZ1 allows for production from any wells from July to September, the City of Chino Hills has voluntarily continued to not pump their deep production wells; the city is doing so to all for conclusions of the aquifer testing stress and strain diagrams that Mr. Malone are putting together.

As a special note: The City of Chino, Jurupa Community Services District, the City of Ontario, and the City of Chino Hills still needs to set up in many cases the land conversion and voluntary assignments inspections. Those need to be scheduled as soon as possible.

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

July 14, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
July 14, 2005	10:00 a.m.	Attorney-Manager Meetings
July 18, 2005	1:00 p.m.	AGWA Meeting
July 19, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
July 28, 2005	9:00 a.m.	Advisory Committee Meeting
July 28, 2005	11:00 a.m.	Watermaster Board Meeting

The Joint Appropriative & Non-Agricultural Pool Meeting Adjourned at 10:02 a.m.

Secretary: _____

Minutes Approved: August 11, 2005