

Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING
March 27, 2003

The Advisory Committee Meeting was held at the offices of the Chino Basin Watermaster, 8632 Archibald Ave., Suite 109, Rancho Cucamonga, CA, on March 27, 2003 at 10:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Nathan DeBoom, Chair	Dairy, Milk Producers Council
<u>Agricultural Pool</u>	
Robert DeBerard	Crops
Jack Hagerman	State of California Institute for Men
Gene Koopman	Dairy
<u>Non-Agricultural Pool</u>	
Steve Arbelbide	California Steel Industries
<u>Appropriative Pool</u>	
Gerald Black	Fontana Union Water Company
Dave Crosley	City of Chino
Mohamed El Amamy	City of Ontario
Mark Kinsey	Monte Vista Water District
Rita Kurth	Cucamonga County Water District
Mike Maestas	City of Chino Hills
Michael McGraw	Fontana Water Company
Carol McGreevy	Jurupa Community Services District
Henry Pepper	City of Pomona
J. Arnold Rodriguez	Santa Ana River Water Company
Ray Wellington	San Antonio Water Company

Watermaster Pool Members Present

Martha Davis	Appropriative Pool, Inland Empire Utilities Agency
Raul Garibay	City of Pomona
Bill Stafford	Appropriative Pool, Marygold Mutual Water Company

Watermaster Staff Present

John Rossi	Chief Executive Officer
Sheri Rojo	Finance Manager
Mary Staula	Recording Secretary
Devonya Williams	

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Scott Slater	Hatch & Parent
Dave Argo	Black & Veatch, Inc.
Mark Wildermuth	Wildermuth Environmental, Inc.

Other Presents

Rick Hansen	Three Valleys Municipal Water District
Josephine Johnson	Monte Vista Water District
Tom Love	Inland Empire Utilities Agency
Diane Sanchez	State Department of Water Resources
Gerald Thibeault	Regional Water Quality Control Board

The Advisory Committee meeting was called to order by Chair deBoom at 10:05 a.m.

AGENDA - ADDITIONS/REORDER

None

I. CONSENT CALENDAR

A. MINUTES

1. Draft minutes of the Advisory Committee Meeting held January 30, 2003
2. Draft minutes of the Advisory Committee Meeting held February 27, 2003

B. FINANCIAL REPORTS

1. Cash Disbursement Report – February 2003
2. Combining Schedule Of Revenue, Expenses And Changes In Working Capital For The Period July 1, 2002 through January 31, 2003
3. Treasurer’s Report of Financial Affairs For The Period December 1, through January 31, 2003
4. 2002-03 Actual YTD Revenues And Expenses Compared With Adopted 2002-03 Budget

Motion by Kinsey, second by Crosley, and by unanimous vote

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

II. BUSINESS ITEMS

A. OBMP STATUS REPORT #6

Mr. Rossi verified that OBMP Status Report #6 came forward from the Pools with a recommendation to approve and file with the Court, authorizing staff and legal counsel to make non-substantive edits as necessary.

Motion by DeBerard, second by Wellington, and by unanimous vote

Moved, to recommend the Board approve OBMP Status Report No. 6 for filing with the Court on March 31, 2003 and authorize staff and legal counsel to make non-substantive edits as necessary.

B. CONSIDER NOTICE TO TERMINATE CURRENT OFFICE LEASE

Previously, staff was authorized to work toward relocating Watermaster's current office to Cucamonga County Water District's (CCWD) facility once their operational staff moves out (estimated late-August). It is necessary for Watermaster to exercise the early termination clause in its lease now. If Watermaster is unable to move by September 30, the current office space will remain available on a month-by-month basis. Staff is working with CCWD on the terms of the lease for their facility, which should be ready for committee review in May.

Mr. Black reported that it is going to cost more than originally anticipated to refurbish the old CCWD facility. Mr. Rossi said that preliminary findings still indicate that Watermaster's lease for the CCWD facility will be about the same dollar amount currently expended for rent, electricity, security, etc. for twice the square footage and a private parking lot. Details are currently being worked out on how the upgrade costs will factor in.

Motion by Kinsey, second by Pepper, and by unanimous vote

Moved, to recommend staff be authorized to notify the current landlord by April 1 of Watermaster's intent to terminate its lease in September.

C. PRESENTATION ON CURRENT STATUS OF WATER QUALITY PROGRAM

With the monitoring and modeling data that is now available, Mr. Rossi said they could move forward with forming a Water Quality Committee under OBMP Program Element 6. The Pool Committees requested staff bring this item back in April for consideration. Senator Soto's SB 34 legislation introducing the formation of a Water Quality Authority and how that might fit into Watermaster's program was discussed.

Mr. Wildermuth provided overheads and reported that groundwater modeling is near completion and simulated scenarios of the Dry Year Yield Program are being conducted. His maps indicated collective water quality monitoring results, pre-OBMP and post-OBMP. He reported that they are monitoring approximately 150-200 wells/year plus there is a cooperative program in-place for collecting data from the State Department of Health Services, the Regional Water Quality Control Board (RWQCB) and the County Flood Control District. A comprehensive geographical information system on the Basin has also been developed. Watermaster is working with regulatory agencies to define water quality challenges and to refine the water quality management criteria. Current monitoring has been refined to identify and characterize water quality anomalies such as the Volatile Organic Compounds (VOCs) anomaly north of the Chino I Desalter well field. Water samples are being analyzed for general minerals, general physical parameters, hexavalent chromium, silica, barium, perchlorate, 1,2,3-trichloropropane, etc.

Discussion ensued regarding the Kaiser Steel plume. Mr. Wildermuth reported that the exact location of Kaiser's plume is unknown, which could be a significant problem for the City of Ontario and Jurupa Community Services District. He recommended initiative be taken to reactivate or redevelop the monitoring wells in order to find the plume. Mr. Thibeault, RWQCB, said that the City of Ontario has been monitoring the wells on both sides of the Kaiser plume and it appears that Well #30 is being impacted. Initial modeling for the Kaiser settlement, which brought monies and water in for the first desalter, indicated those wells would not be affected. In September, the RWQCB will hold a public hearing regarding this matter.

Mr. Argo reported that water quality monitoring ties into the Dry Year Yield and Storage and Recovery Projects. When discussing storage programs, water quality issues come into play. The Storage and Recovery Program document will include an assessment of treatment technologies that deal with various water qualities. The good news is that RO treatment can remove perchlorate as well as TDS. Black & Veatch has developed a range of construction and operation costs as part of the Metropolitan Dry Year Yield Project Report. In general, they will quantify water quality issues and pick the treatment technologies needed. They plan to show the specific technology picked to solve individual problems related to projects advanced by each retail agency. Mr. Argo said that storage & recovery, conjunctive-use and partnerships are absolutely necessary to protect and save local resources.

Mr. Wildermuth continued his presentation focusing on the modeling work. After reviewing the mapping, the data flow building up and the water quality anomalies, he said this is the right time to form a Water Quality Committee. A monitoring plan to evaluate the state of hydraulic control in the southern end of the Basin has not yet been developed. Also, Watermaster will be developing a key well program based on future sampling.

Mr. Rossi pointed out how timely this data is as far as discussing SB34 and in a larger context, approaching regional water quality issues. He hoped for feedback on the information provided today in order to talk about the formation of a Water Quality Committee and discuss where to go from there at meetings in April.

Ms. Kurth questioned whether there are powers that Watermaster does not have that a Water Quality Authority would need to take over to fill the void. In response, Mr. Rossi said only four things come to mind: 1) the ability to identify problems and Watermaster is certainly a long way down that road; 2) the ability to get monies and this Basin, with the help of Inland Empire Utilities Agency has certainly demonstrated our ability to bring funding in for projects; 3) the ability to sue polluters, which Watermaster has not considered in the past but probably has the ability to do, and; 4) the political where-with-all and institutional ability to follow through and resolve issues and again, Watermaster has demonstrated an ability to take on problems and the where-with-all to solve them. He explained however, that until Watermaster can determine what it is actually dealing with, it is unknown if some of the anomalies described earlier will require different strategies.

Ms. Kurth said in her experience, Water Quality Authorities were formed to seek outside funding. That is not needed in Chino Basin. Also CCWD recently learned of a new bill being promoted by Fontana, Ontario and Pomona, to create an Inland Valley Groundwater Clean-up District Act and expressed that these different layers of governance are not needed for things that Watermaster is already talking care of. Mr. Thibeault said the RWQCB has limited resources and staff, but perhaps through a cooperative process with Watermaster, enforcement measures could be taken on substantiated cases of pollution.

(Item added by Revised Agenda)

D. DRY YEAR YIELD PROJECT STORAGE & RECOVERY FUNDING AGREEMENT WITH METROPOLITAN

Staff is working with IEUA and MWD on some non-substantive changes in the language of the Funding Agreement. However, with approval to execute the Agreement subject to completing the non-substantive changes, the Agreement could be filed with the Court and staff could move forward with design funding the projects. This is one of a two-piece approval process on the Dry Year Yield Project. The remaining piece will be retail agreements with required storage agreements, which will be noticed for a 90-day review and comment period prior to going through the Watermaster process for approval.

Mr. Wellington asked how much of the \$43.3 million over the 25 year period would be spent on the collective overall benefits of the OBMP. Mr. Rossi said that a workshop is being scheduled to discuss the benefits by project. In the interim, staff is only requesting approval and execution of the master agreement for funding.

Motion by Pepper, second by Kurth, and by majority vote

Noes: Mr. Wellington

Moved, to recommend approval of the Dry Year Yield Project Storage & Recovery Funding Agreement with Metropolitan Water District.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Chino Land & Water SBSC Case No. RCV 06484

A brief attorney/managers conference call took place yesterday to take initial comments on the Chino Land & Water Company’s Notice of Appeal. An appeal could be filed within the next seven days. A brief discussion took place regarding the next course of action by Watermaster. Legal Counsel Fife explained that Watermaster’s action would not be determined until an actual appeal has been filed and Lewis has responded to the appeal.

2. Attorney/Managers Meeting(s)

None

3. Niagara Water Company Well Production

Watermaster General Legal Counsel received authorization to file legal action against Niagara Water Company (Niagara). Since that time, Niagara has expressed a desire to intervene into the Judgment. Counsel Fife and Mr. Rossi will meet with them again this afternoon regarding additional data that is needed and to discuss the terms pertaining to past production. Staff anticipates submitting Niagara's intervention for approval next month.

ADDED

4. Santa Ana River Application

In January, Watermaster's application was officially noticed and began a sixty-day protest period that will expire Monday, March 31. One protest has been received from the U. S. Forrest Service, which was filed in error. Their intent was to protest anything having to do with Seven Oaks Dam. They plan to withdraw this protest.

B. CEO/STAFF REPORT

1. MZ-1 Interim Monitoring Program for March 12, 2003

Quarterly updates associated with progress on the MZ-1 Interim Plan will be provided and filed with the Court.

~~2. Dry Year Yield Project *Item moved to II.D above by Revised Agenda.*~~

3. Recharge Improvement Project

Mr. Rossi handed out a report that IEUA will be providing on a regular basis regarding the Recharge Improvement Project. A tentative date of April 11 has been set for the Recharge Basin Project groundbreaking. Progress is being made with the U. S. Army Corps of Engineers with regard to permits and jurisdictional issues. They plan to meet again tomorrow.

4. Replenishment Water Order

Watermaster has been able to fulfill some of its replenishment obligation, about 5900 acre-feet, with actual wet water available from MWD. To the extent the wet water runs out before Watermaster has completed its obligation, the balance will be taken out of the cyclic account.

5. SB34 Legislation

SB34 legislation was discussed earlier in the meeting along with related items. Mr. Rossi met in Sacramento with Senator Machado, Mr. Atwater, Mr. Whitehead and others to continue discussing criteria for the grant funding process.

ADDED

6. Personnel Committee Meeting

The Personnel Committee met yesterday to finalize a draft of the Watermaster Employee Manual that will come forward to the Board next month. Currently, the CBMWD Employee Manual that came with the employees at the time of separation is still being used for personnel-related matters.

C. INLAND EMPIRE UTILITIES AGENCY

1. MWD Update

Ms. Davis began IEUA's report with the status of MWD water supplies. In light of a series of dry years, MWD is anticipating a serious shortage. Indications are that the recent rains did not contribute enough to make a difference. In the long run, our Conjunctive-Use and Dry Year Yield programs with MWD will help to ensure future supply in this area.

- Colorado River - QSA

A new QSA agreement is being proposed. Of significance to the Chino Basin is that part of the financing package proposes to use between \$250 million to \$500 million out of Proposition 50 funds. Although \$50 million was always earmarked for addressing Salton Sea issues, an additional \$200 million will go to MWD to satisfy the QSA. The concern is which Prop 50 pocket the funds would be taken from. The likelihood is the 40% reserved for Southern California, which happens to be \$200 million. IEUA will be sending a letter to MWD asking for a complete analysis of the proposed QSA in order to understand the elements.

2. Conservation Programs

- Draft Water Conservation Information Package

DWR just announced its grant award for conservation programs. MWD received funding to cover all of our service areas for continuation of rebates for high efficiency clothes washers, etc.

- Grant Programs

IEUA submitted a grant proposal for a toilet retrofit program for CIM and they received 100%, \$2 million, for that program to be implemented. None of the surcharge from the retail agencies for the purchase of MWD water will go into that program.

The State of California State Water Resources Control Board just came out with a grant opportunity, its non-point source solution and watershed planning and project implementation, in the amount of \$138 million from different funding sources. There will be a two-step process for qualifying, 1) conceptual grant proposals are due May 9 and, 2) if they like the conceptual proposal, they will invite you to apply and write full grant proposals. They anticipate reviewing full grant proposals next fall, making awards by January and have the money available by the summer.

3. Legislative Update

- Proposition 50 - SB21

Copies of SB21 were handed out.

- Santa Ana River Conservancy (AB 496)

A briefing was held at SAWPA last week for the proposal to establish a conservancy for the watershed.

- Water Recycling/Title 16

Mr. Atwater is attending a hearing today being held by Ken Calvert's Subcommittee on Energy and Water to focus specifically on Title 16.

- Federal and State Legislative Issues

State Water Resources Control Board has decided not to use the \$100 million from Proposition 50 that was earmarked for water recycling projects, but to use it instead for other programs. A budget hearing is scheduled for next week and IEUA will be writing a letter to the Chairman of that budget subcommittee and she encouraged everyone to do the same.

4. Other

Copies of appropriations letters IEUA sent to Congress for programs that would benefit our region were included in the package. Ms. Davis asked for others to write letters of support for the programs.

D. OTHER AGENCY REPORTS

None

IV. COMMITTEE MEMBER COMMENTS

Mr. Stafford expressed concern about the FAX he received yesterday requesting a quarterly production report not including any additional information about the amount of water his agency currently has in storage, etc. Mr. Rossi said he would review that with Mr. Stafford after the meeting.

V. OTHER BUSINESS

Mr. Rossi pointed out the AGWA/WEF Conference at the Double Tree in Ontario on April 8 and 9. Discussion items will cover perchlorate, the QSA, and other items as well.

Additionally, Watermaster’s May meetings have been moved forward to avoid conflicting with the ACWA conference time frame.

VI. FUTURE MEETINGS

- April 10 10:00 a.m. Joint Meeting – Appropriative & Non-Ag Pools
- 1:00 p.m. Ag Pool Meeting
- April 24 10:00 a.m. Advisory Committee Meeting
- 1:00 p.m. Watermaster Board Meeting
- *May 15, 2003 10:00 a.m. Joint Meeting - Appropriative & Non-Ag Pools
- 1:00 p.m. Ag Pool Meeting
- *May 29, 2003 10:00 a.m. Advisory Committee Meeting
- 1:00 p.m. Watermaster Board Meeting

(*Please Note: May meetings will be held the 3rd and 5th Thursdays due to a conflict with ACWA)

FUTURE EVENTS

- April 8 & 9, 2003 AGWA/WEF Water Quality Conference @ Ontario Doubletree
- April 11, 2003 Tentative Recharge Basin Project Groundbreaking
- May 7, 8, 9, 2003 ACWA Conference @ Lake Tahoe

The meeting adjourned at 11:10 a.m.

Secretary

Minutes Approved: April 24, 2003

