

Minutes
CHINO BASIN WATERMASTER
Advisory Committee
July 24, 2003

A meeting of the Advisory Committee was held at the offices of the Chino Basin Watermaster, 8632 Archibald Ave., Suite 109, Rancho Cucamonga, CA, on July 24, 2003 at 10:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Nathan deBoom	Milk Producers Council
Vic Barrion	Reliant Energy, Etiwanda LLC
Gerald Black	Fontana Union Water Company
James T. Bryson	Fontana Water Company
Dave Crosley	City of Chino
Robert DeLoach	Cucamonga County Water District
Mohamed El Amamy	City of Ontario
Jack Hagerman	State of California Institute for Men
Sylvia Hale	State Attorney General's Office
Peter Hettinga	Dairy
Ken Jeske	City of Ontario
Mark Kinsey	Monte Vista Water District
Mike Maestas	City of Chino Hills
Henry Pepper	City of Pomona
Jeff Pierson	Crops
J. Arnold Rodriguez	Santa Ana River Water Company
Ray Wellington	San Antonio Water Company

Appropriative Pool Members Present

Bill Stafford	Marygold Mutual Water Company
---------------	-------------------------------

Watermaster Consultants Present

Dave Argo	Black & Veatch
Michael Fife	Hatch & Parent
Steven Lee	Reed & Hellyer, Special Counsel
Mark Wildermuth	Wildermuth Environmental, Inc.

Watermaster Staff Present

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

Others Present

Sandra Elrod	Inland Empire Utilities Agency
Raul Garibay	City of Pomona
Dave Hill	Inland Empire Utilities Agency
Rick Hansen	Three Valleys Municipal Water District

Chair deBoom called the meeting to order at 10:00 a.m.

INTRODUCTION

Mr. Rossi introduced Gordon Treweek who recently joined Watermaster as Project Engineer and reported that Daniel Maurizio would join Watermaster on August 12, 2003 as Senior Project Engineer.

AGENDA - ADDITIONS/REORDER

Mr. Rossi said that staff did not include "Salt Credits" as a business item on the agenda because the Appropriative Pool had taken action at their meeting to take no action. However, Mr. Kinsey had anticipated the item would be agendized to allow Monte Vista Water District to follow up with a request made by the Watermaster Board. He asked that it be placed on the agenda in August.

I. CONSENT CALENDAR**A. MINUTES**

1. Draft Minutes - Meeting of the Advisory Committee held May 29
2. Draft Minutes - Meeting of the Advisory Committee held June 19

B. FINANCIAL REPORTS

1. Cash Disbursement Report – June 2003
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2002 through May 31, 2003
3. Treasurer's Report of Financial Affairs For May 1 through May 31, 2003
4. Revenues and Expenses Compared With Adopted 2003-04 Budget

C. WATER TRANSACTIONS

1. Notice of Sale or Transfer of 1,000 acre-feet of Monte Vista Irrigation Company's Fiscal-Year 2002-2003 Annual Production Right to the Monte Vista Water District. (Noticed May 21, 2003; Pools Recommended Approval June 12, 2003)
2. Notice of Sale or Transfer of Right to Produce Water in Storage from Cucamonga County Water District to Fontana Water Company in the amount of 10,000 acre-feet. (Noticed May 28, 2003; Pools Recommended Approved June 12, 2003)

D. RESOLUTION 03-05

Resolution of the Chino Basin Watermaster, Requesting that the Inland Empire Utilities Agency be the Lead Agency for the California Department of Water Resources Grants for AB303 Funding on behalf of the Chino Basin Watermaster and the Chino Groundwater Basin.

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

Moved, to approve Consent Calendar Items A through D as presented.

II. BUSINESS ITEMS

None

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Special Referee Workshop on MZ1 Interim Subsidence Plan - October 30, 2003
A motion was filed with the Court to continue the MZ1 Workshop originally scheduled for July 17, 2003 to August 7, 2003 in order to gather more data to provide the Special Referee with a comprehensive update on the MZ1 Subsidence Interim Plan. Upon the Special Referee's recommendation, the Court continued the workshop to October 30.
2. Hearing regarding Cyclic Storage Agreement Amendment
The hearing for the Seventh Amendment to the Cyclic Storage Agreement with Metropolitan Water District has been set for September 4. Counsel does not anticipate any problems obtaining Court approval.
3. Chino Land & Water Appeal
Counsel Fife reported that Chino Land & Water has filed an appeal and the Court of Appeals has set a briefing schedule. Chino Land and Water's opening brief will be due by August 11. Lewis Investment Company and their attorneys, Best, Best & Krieger, indicated a strong willingness to allow Watermaster to work with them in preparing their

response. However, Watermaster may want to consider filing an Amicus Brief and should discuss this further once the Chino Land & Water's opening brief becomes available.

4. Colonies Litigation

The Colonies litigation was previously discussed and Watermaster was asked to become involved. Counsel Fife said there was a stay on the litigation and Watermaster decided to revisit possible involvement if the stay was lifted. The stay has been lifted and it is now back on the radar screen. Counsel will talk to the parties and their attorneys to see what kind of involvement Watermaster could have that would be beneficial.

Mr. DeLoach said the ruling by the Court that the County's easements are no longer valid brings to question all of the County's easements on all County Flood Control properties including those that involve Watermaster and its parties participating in Storage & Recovery and Recharge. Mr. Kinsey suggested an analysis identifying the recharge facilities affected by that.

At Mr. Wellington's request, Counsel reported that the City of Chino's Paragraph 15 motion is on calendar for September 18, which is tied to the August 1 deadline for indicating participation. The City of Chino has submitted their forbearance form and once the City of Chino Hills indicates participation for the next year, the City of Chino's motion will be continued to August 2004. Mr. Rossi indicated that the City of Chino Hills took action authorizing the City Manager to make the determination regarding forbearance. Their decision is anticipated prior to August 1.

B. CEO REPORT/UPDATES

1. Update regarding Storage & Recovery Project

Mr. Rossi explained that this project is an effort to store additional water above the Metropolitan Water District storage agreement for 100,000 acre-feet. At the workshop held at 8:30 a.m. on July 20, the parties discussed a scope of work presented by Black & Veatch to help culminate the work already done and all of the components necessary to market storage capacity. He offered to show the Black & Veatch presentation given to the pools earlier this month. The final scope of work should come forward to the pools for consideration in August and a bound copy will be provided in advance.

2. Update regarding request from JCSD on behalf of the Chino Desalter Authority for clarification of desalter replenishment obligation

Watermaster has received two letters from JCSD regarding the replenishment obligation for future desalters. The Appropriative Pool directed staff to put together a steering committee to meet with JCSD to discuss the issues and timing associated with this work. Staff hopes to come back in September with the issues identified and a request for direction. Mr. Kinsey said that Monte Vista Water District would submit a letter to ensure the analysis responds to several basic questions in compliance with the OBMP.

3. Update regarding MVWD request concerning salt credits

Mr. Rossi reported that action taken by the Appropriative Pool on July 14 regarding the salt credit issue has been typed and placed on the back table. The Non-Agricultural Pool abstained from the action taken by the Appropriative Pool and the Agricultural Pool took no action. Mr. Kinsey said that MVWD is currently working with two consulting firms, one is a financial firm to confirm MVWD's economic analysis of salt credits and the other is a planning firm to help them evaluate salt credits and apply a value to them.

4. Update regarding Water Quality Committee meeting on July 21, 2003

The Water Quality Committee met last Monday morning. Mr. Thibeault provided an update on the Perchlorate Task Force and Mr. Wildermuth talked about some perchlorate issues in the Basin outside of that particular anomaly and presented a map showing each of the major water quality anomalies and plumes within the area. The next meeting will be held August 27, 1:30 p.m. at Watermaster. Their first quarterly report will be prepared

within the next 60 days.

5. Report regarding opportunities to recharge water in the Chino Basin
Watermaster is on part of the State Project System and because Metropolitan has water available, they are offering it for recharge purposes in the Chino Basin. Staff has had a series of meetings with Metropolitan staff and IEUA staff and it was decided to put water into the Trust Storage Account until the new storage account has been approved. Two connections have been turned on to receive wet water into the Basin at 100% deferred cost as part of the Long Term Storage Program. The Appropriators will be able to take portions of this water as an in-lieu delivery through their water treatment plants at no cost, at a higher water quality for blending purposes later this year. Watermaster first has to commit to Metropolitan to turn off wells and allow water to build up in the Basin. There is another Metropolitan program for long-term in-lieu storage and staff is working with the Appropriators with regard to in-lieu capabilities.
6. Status regarding Hydraulic Control Monitoring Meeting held July 8 @ IEUA
Staff continues to meet with Orange County Water District and IEUA. Staff hopes to present a more comprehensive report on the Hydraulic Control Monitoring Program in September.
7. CBWM/IEUA awarded \$250,000 AB303 Grant from DWR
Watermaster/IEUA has been awarded \$250,000 from the Department of Water Resources' AB303 Grant Program and another \$270,000 to complement that from USBR for the Hydraulic Control Monitoring Program.

**C. INLAND EMPIRE UTILITIES AGENCY (IEUA)
INTER-AGENCY WATER MANAGERS' REPORT**

1. Conservation Programs - Dave Hill
Mr. Hill provided a newspaper article regarding IEUA's Water Broom Distribution Program. IEUA is planning a school information day and will be inviting representatives from the school districts to IEUA's facilities in Chino to receive information regarding grants and other programs available to them. The Toilet Rebate Program is going well with over 300 rebates so far, the High Efficiency Clothes Washer Rebates Program should be closing in on 2,000 rebates within a month or so, Swimming Pool Cover Rebates have been extended to September 30 and IEUA has received an \$8,500 grant from Metropolitan Water District to study the Pool Cover Rebate Program with regard to use habits and real conservation savings.
2. Public Relations - Sondra Elrod
Ms. Elrod received complements from Advisory Committee members for putting together IEUA's Open House. She invited everyone to visit their new facilities, which are equivalent in size to 40 average homes but equivalent in energy consumption to only four average homes. She reported on bids received for a new public relations firm. Six bids were submitted and all were highly qualified. However, the firm that stood out the most was the Sorrel Group. They came on board with IEUA on July 15. Mr. Rossi met with them and one of their first tasks will be to prepare a brochure for Watermaster. IEUA continues to use the Dolphin Group for legislative matters.
3. Recycled Water Program - Tom Love
Mr. Love reported that they have been working on the delivery of recycled water to Reliant Energy. IEUA also continues to work on expanding their regional system. With Phase I and Phase II facilities they will have recycled water available to virtually all of the improved recharge basins. In the City of Chino, they have two large agricultural customers using recycled water for approximately one year. However, one may be part of the initial development of sub-area 2 and will stop using the recycled water. They are trying to find some way to replace that use. Also, in June they executed an amendment to their MWD Rebate for Recycled Water expanding it from Carbon Canyon only flows to include flows

throughout their entire distribution system. A lengthy discussion ensued.

4. Facilities Improvement Project - Tom Love
On recharge projects, IEUA just opened bids on the Phase 3 bid package (3 of 7 bid packages planned) for the Jurupa Basin Pipeline.
5. IEUA June Water Resources Report
Mr. Rossi reported that IEUA's June Water Resources Report was previously provided. Mr. Hill handed out graphics put together on a monthly basis regarding imported water deliveries, comparing purchases between the current and last fiscal years in relation to the Tier 1, Tier 2 breakpoint.
6. State/Federal Legislation - Martha Davis
Ms. Davis is in Washington, D.C. and her report is provided in written form in the package. Mr. Rossi commented that he put copies on the back table of Mr. Neufeld's testimony to Ken Calvert's committee regarding perchlorate, on behalf of Chino Basin.
7. MWD Dry Year Yield Program - John Rossi
Mr. Rossi explained that work has been on-going for some time on the analysis regarding material physical injury for the dry year yield storage account. A service was sent out electronically yesterday of the package and the process, not including the actual Dry Year Yield Program Report which is extremely voluminous. Watermaster received several of them and prepared a sign-up sheet for those who want one. The parties will be given ample time to read the report and staff hopes to receive comments, if any, within the next two months. He said this item would be on the August agenda to for discussion.

D. OTHER AGENCY REPORTS

None

IV. COMMITTEE MEMBER COMMENTS

None

V. OTHER BUSINESS

None

VI. FUTURE MEETINGS AND EVENTS

August 14, 2003	8:30 a.m.	Storage & Recovery Workshop
	10:00 a.m.	Joint Meeting of the Appropriative & Non-Agricultural Pools
	1:00 p.m.	Agricultural Pool Meeting
August 28, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

Chair deBoom adjourned the meeting at 10:50 a.m.

Secretary

Minutes Approved: August 28, 2003