

Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING
February 26, 2004

The Advisory Committee Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on February 26, 2004 at 10:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Agricultural Pool

Nathan deBoom, Vice-Chair
Jack Hagerman
John Huitsing

Milk Producers Council
State of California, CIM
Milk Producers Council

Non-Agricultural Pool

Bob Bowcock

Vulcan Materials Company (Calmat Division)

Appropriative Pool

Ken Jeske, Chair
Mike Maestas
Raul Garibay
Michael McGraw
Gerald Black
Bill Stafford
J. Arnold Rodriguez
Dave Crosley
Henry Pepper

City of Ontario
City of Chino Hills
City of Pomona
Fontana Water Company
Fontana Union Water Company
Marygold Water Company
Santa Ana River Water Company
City of Chino
City of Pomona

Watermaster Staff Present

John Rossi
Gordon Treweek
Danielle Maurizio
Sheri Rojo
Sherri Lynne Molino

Chief Executive Officer
Project Engineer
Senior Engineer
Finance Manager
Recording Secretary

Watermaster Consultants Present

Michael Fife
Mark Wildermuth

Hatch & Parent
Wildermuth Environmental, Inc.

Other Presents

Dave Hill
Sondra Elrod
Steven G. Lee
Josephine Johnson
Gerard Thibeault

Inland Empire Utilities Agency
Inland Empire Utilities Agency
Agricultural Pool Legal Counsel
Monte Vista Water District
Regional Water Quality Control Board

The Advisory Committee meeting was called to order by Chair Jeske at 10:04 a.m.

AGENDA - ADDITIONS/REORDER

It was asked that section III REPORTS/UPDATES, under B. CEO/STAFF REPORT, item 1 be presented prior to section II BUSINESS ITEMS due to time constraints for Mr. Wildermuth.

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Advisory Committee Annual meeting held January 29, 2004
2. Minutes of the Appropriative Pool Special Conference Call held January 21, 2004

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of January 2004
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through December 31, 2003
3. Treasurer's Report of Financial Affairs for the Period December 1, 2003 through December 31, 2003
4. Profit & Loss Budget vs. Actual July 2003 through December 2003

C. WATER TRANSACTION

1. Consider Approval for Transaction of Notice of Sale or Transfer from West San Bernardino County Water District to Cucamonga Valley Water District in the Amount of 500 acre-feet

Motion by Black, second by Bowcock, and by unanimous vote

Moved to approve Consent Calendar Items A through C, as presented

This item was taken out of sequence per request under agenda additions/reorder.

III. REPORTS/UPDATES**B. CEO/STAFF REPORT**

Mark Wildermuth Will Make a Presentation Regarding OBMP Progress through December 31, 2003

Mr. Wildermuth gave the second portion of the OBMP Progress presentation which focused on Desalter production and its impact on the basin. Mr. Wildermuth reminded the Committee that he had previously given the presentation on Hydraulic Control and will be covering topics such as Groundwater Monitoring, Water Quality Committee, MZ1 Management Plan, and Balance of Recharge and Discharge in his future presentations. Mr. Wildermuth reviewed several maps that detailed TDS levels, Nitrate, and water quality anomalies. Lastly, he reviewed current Desalter activities which brought about a brief discussion. Questions were presented, whereupon Mr. Wildermuth felt his responses would be best answered at the March meetings after discussion with Mr. Rossi and review of gathered information.

II. BUSINESS ITEMS**A. REQUEST FROM CITY OF CHINO CREDIT AGAINST OBMP ASSESSMENTS (FORM 7)**

Mr. Rossi confirmed the recommendation by the Pools to seek review by Mark Wildermuth for various languages contained in the Peace Agreement and Rules and Regulations with respect to the issue of requested credit against OBMP Assessments. Mr. Rossi reviewed page 48 titled "Table 1 Initial List of Programs and Projects for Form 7 Applications" detailing the left column for "Program Element and Activity" and the right column for "Potential Action by a Party that Could be Eligible for Credit Against OBMP Assessment or for Reimbursement". Questions were presented regarding the effect on assessments and the request to receive a matrix reviewing various comments be brought back at the next meeting for discussion. A discussion ensued and several interpretations were received. Mr. Rossi stated that he was anticipating receiving comments from the Committee members from recent Pool meetings along with the Advisory and Watermaster Board, at which time he will be able to present back accumulated comments. These comments will be compiled and brought back to the March meetings.

B. DISCUSS ASSISTANCE TO REGIONAL WATER QUALITY CONTROL BOARD ON WATER QUALITY ANOMOLY SOUTH OF ONTARIO AIRPORT

Mr. Rossi commented by unanimous Pool recommendation, which was an authorization in an amount not to exceed \$25,000 for counsel assistance to the RWQCB, he was offering this information to the Advisory Committee for comment. A brief discussion ensued and a recommendation was presented.

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

Moved to approve counsel assistance for the Regional Board not to exceed \$25,000

C. BASIN PLAN AMENDMENT

Legal counsel was tasked to provide an analysis of consistency of the Basin Plan Amendment, the Peace Agreement, and associated documents. Counsel Fife offered a presentation which examined the a) Judgment, b) Peace Agreement, c) OBMP (Phase I Report and Implementation Plan), d) Court Orders, and e) Rules and Regulations. Counsel Fife stated the Basin Plan Amendment contains both "Maximum Benefit" standards as well as "antidegradation" standards. Counsel Fife described the Maximum Benefit component of the Basin Plan Amendment as adopted by RWQCB and emphasized two issues addressed by the Peace Agreement: the Desalter schedule requirement and IEUA's waste discharge exceedance desalter requirement. The schedule for implementation for the next 20 mgd of desalter capacity, pursuant to the Peace Agreement that implements the Chino Basin OBMP, and as required by the San Bernardino Superior Court, must be submitted to the Regional Board by the Chino Basin Watermaster by October 1, 2005 was discussed in length. Counsel Fife read the September 28, 2000 Court Order, and sections of the Implementation Plan, Program Element 3 found on page 23 and 26. It was noted that the Desalter schedule requirement was defined primarily by the Court and the OBMP, and not by the Basin Plan Amendment. Counsel Fife noted that the parties could decide not to submit a schedule to RWQCB and the consequence would be reversion to antidegradation standards. Counsel Fife also reviewed the Basin Plan Amendment language regarding IEUA's waste discharge exceedance desalter requirement and a discussion ensued. The Peace Agreement sections regarding commitments relative to the next desalter were discussed in terms of their relationship to the Basin Plan Amendment.

A discussion took place in regards to Counsel Fife's presentation which included the topic of salt credits. Counsel Fife mentioned that salt credits could be very relevant in the Basin Plan Amendment if the Regional Board reverts to the use of the antidegradation standards.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Chino Land & Water – Hearing on March 3, 2004 in Riverside
Counsel Fife reported that oral argument in the appeal of this case is scheduled for March 3, 2004 at 8:30 am in Riverside. Each side will be given 15 minutes for argument.
2. MZ1 Workshop with Special Referee
Counsel Fife commented that this meeting as originally scheduled was delayed in order to allow for more data to be collected. A new workshop will be scheduled, likely for sometimes in May.
3. DYY Storage Agreement and Court Approval
A storage agreement for final approval of the DYY project is near completion. Counsel has worked with IEUA to develop storage agreement terms and it is anticipated that the draft agreement will be presented to the Pools in March.

4. Basin Plan Amendment Review
Item 4 was covered by Counsel Fife's previous presentation and no further comment was made.
5. SWRCB Water Right Fee
Counsel Fife commented due to the statewide budget issues, the SWRCB has moved forward with implementation of a recent law that allows them to impose a fee upon SWRCB permitted water rights. Because Watermaster holds such rights in the San Sevaine system, the SWRCB has sent a bill to Watermaster. Because of the limited amount of Watermaster's rights, and the relatively small amount of the fee, the cost to Watermaster will be about \$1200. Counsel reports that other groups who are more significantly impacted have initiated litigation against the SWRCB.

Counsel Fife added below comment to III REPORTS/UPDATES section A. GENERAL LEGAL COUNSEL REPORT

Counsel Fife referenced the additional handout on the back table regarding the January 26, 2004 Loeb & Loeb letter written to Mr. Rossi of the Chino Basin Watermaster requesting copies of any and all documentation on the subject of the former Kaiser facility near Fontana, California.

It was declared by Mr. Ken Jeske of the City of Ontario, that at which time any motion regarding this issue was made, he would have to abstain from voting pursuant to the City of Ontario's settlement agreement.

B. CEO/STAFF REPORT

1. Mark Wildermuth Will Make a Presentation Regarding OBMP Progress through December 31, 2003
This item was taken out of order and placed prior to II BUSINESS ITEMS.
2. Discuss MWD Rate Increase Proposal
Due to time constraints no comments were made regarding this item.
3. Update Regarding the Water Quality Committee Meeting of February 5, 2004
Due to time constraints no comments were made regarding this item.
4. Update Regarding Reimbursement of \$169,209 for Recharge Improvement Costs
Due to time constraints no comments were made regarding this item.
5. Discuss Process of Establishing Future Desalter Ad Hoc Committee
Mr. Rossi stated he thought it necessary to form an Ad Hoc Committee to specifically deal with the future desalter implementation processes and asked the opinion of the Committee members. It was noted there would be numerous negotiations on this issue and feed back was welcome. Mr. Rossi informed the Committee that he had met with Scott Slater three months ago to discuss issues and brainstorm on objectives and realities for upcoming desalter needs. A reminder was made that the Court must have a written outline for future desalters filed by September 2005 and that it would take approximately 6 to 9 months for the planning which is why it is vital to form an Ad Hoc Committee as quickly as possible.

A recess was called at 11:18 a.m. by Chair Jeske.

The Advisory Committee Meeting was reconvened at 11:32 a.m. by Chair Jeske.

C. INLAND EMPIRE UTILITIES AGENCY

1. MWD IRP/Long Range Finance Plan Update – Dave Hill (oral)
Mr. Hill presented a handout titled Member Agency Workshop dated February 19, 2004 Long Range Finance Plan that was not included in the package. Mr. Hill commented briefly on the contents of this report
2. Dry Year Yield Update – Rich Atwater (oral)
No comment was made on this item.
3. Regional Recycled Water Program Status Report – Dave Hill (attached)
Mr. Hill reviewed the IEUA Regional Recycled Water Program Status Report dated February 2004.
4. Proposition 50 Grant Opportunities Status Report – Dave Hill (oral)
Mr. Hill presented a handout titled Proposition 50 Information and Schedule Southern California Water Dialogue dated February 10, 2004 that was not included in the package. Mr. Hill reviewed this hand out and commented that there are funds available and that IEUA was working on criteria development to move forward on obtaining these funds.
5. Water Resources Report – David Hill (attached)
Mr. Hill spoke on the highlights of the February 2004 Water Resources Update which included 1) Santa Ana Watershed Project Authority, 2) Metropolitan Water District of Southern California, 3) CALFED, Updates, 4) Colorado River, Updates and Issues, 5) Water Conservation Activity Summery, 6) State Water Plan, and 7) Water Resources Coordination Calendar.
6. Water Conservation Status Report – Dave Hill (attached)
Mr. Hill summarized the various programs in the February 26, 2004 Water Conservation Report.
7. Recycled Water Program – Dave Hill (attached)
Mr. Hill presented the current Active Projects – Phase I in the January 2004 Recycled Water Summary.
8. Chino Basin Facilities Improvement Project (Recharge) – Dave Hill (attached)
Mr. Hill made no comment on this item.
9. State/Federal Legislation – Dave Hill (attached)
Mr. Hill stated that this report was attached to the packet and had no further comment on this item.
10. Public Relations (Outreach Update) – Sondra Elrod
Ms. Elrod reviewed the upcoming calendar of events, and highlighted the recent agency tours that took place earlier in February. Ms. Elrod commented on the agency outreach programs for the month of February.

IV. INFORMATION

Mr. Rossi informed the Committee that the refund had been received and Watermaster's portion was \$188,114.90 from Metropolitan Water District. Watermaster is analyzing the various ways to divide up the refund and Mr. Rossi commented that it should be equitably distributed. Further update will follow at the March meetings.

V. POOL MEMBER COMMENTS

No comments were made on this item.

VI. OTHER BUSINESS

No comments were made on this item.

VII. FUTURE MEETINGS

February 26, 2004	10:00 a.m.	Advisory Committee Meeting
March 1, 2004	1:00 p.m.	Watermaster Board Meeting
March 11, 2004	3:00 p.m.	Joint Appropriative & Non-Ag Pool Meeting
March 16, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
March 23, 2004	2:00 p.m.	Water Quality Committee Meeting
March 25, 2004	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

The Advisory Committee Meeting Adjourned at 11:55 a.m.

Secretary: _____

Minutes Approved: March 25, 2004