

Revised Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING
March 25, 2004

The Advisory Committee Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on March 25, 2004 at 10:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

Ken Jeske, Chair	City of Ontario
Raul Garibay	City of Pomona
Michael McGraw	Fontana Water Company
Gerald Black	Fontana Union Water Company
Dave Crosley	City of Chino
Henry Pepper	City of Pomona
Martin Zvirbulis	Cucamonga Valley Water District
Mark Kinsey	Monte Vista Water Company
Ray Wellington	San Antonio Water Company

Agricultural Pool

Nathan deBoom, Vice-Chair	Milk Producers Council
Jack Hagerman	State of California, CIM

Non-Agricultural Pool

Bob Bowcock	Vulcan Materials Company (Calmat Division)
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Watermaster Staff Present

John Rossi	Chief Executive Officer
Gordon Treweek	Project Engineer
Danielle Maurizio	Senior Engineer
Sheri Rojo	Finance Manager
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Andy Malone	Wildermuth Environmental Inc.

Other Presents

Rich Atwater	Inland Empire Utilities Agency
Dave Hill	Inland Empire Utilities Agency
Sondra Elrod	Inland Empire Utilities Agency
Steven G. Lee	Agricultural Pool Legal Counsel
Josephine Johnson	Monte Vista Water District
Vic Barrion	Reliant Energy, Etiwanda
Bill Steele	United States Bureau of Reclamation
Ron Craig	RBF Consulting

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

AGENDA - ADDITIONS/REORDER

None were added or deleted to this section.

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Advisory Committee meeting held February 26, 2004

B. FINANCIAL REPORTS

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

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

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

II. BUSINESS ITEMS**A. IEUA STORAGE AGREEMENT**

Mr. Rossi referred to page 27 of the packet titled, "Storage and Recovery Program Storage Agreement Between Chino Basin Watermaster, Inland Empire Utilities Agency, and Three Valleys Municipal Water District Regarding Implementation Of The Dry Year Yield Project." Counsel Fife remarked this draft agreement may need minor edits, however, was seeking a recommendation for approval.

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

Moved to approve bringing this recommendation for the Storage Agreement to the Watermaster Board and onto the court for final approval and to authorize staff and counsel to make minor edits, as needed

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

1. Monte Vista Water District Motion – Hearing April 22, 2004

Counsel Fife referred to the memo from Hatch & Parent dated March 26, 2004 which was available on the back table and will be presented to the Board today. Counsel Fife commented it does not seem necessary, at this time, for Watermaster to formulate a response to the motion. Watermaster would like to initiate a meeting of the attorney/manager group prior to the hearing date of the motion to begin a process consistent with the relief requested.

2. Chino Land & Water Update

Counsel Fife updated the Committee on the March 3, 2004 appeal by Chino Land & Water. The Court, once again, denied that there is any merit whatsoever to Chino Land & Water's claims. Counsel Fife summarized the Court hearing and noted unless they take this case to the Supreme Court this will be the end of this case.

3. MZ1 Workshop with Special Referee

Counsel Fife stated that this was the Subsidence Interim Plan and that a workshop was to take place in October which was moved because the extensometer and peizometer's had just begun to collect data when it was time for the workshop. We still need to schedule this and you will be seeing an announcement at a later date for this workshop.

4. Wilson v. Chino Basin Watermaster

Counsel Fife informed the Committee the insurance company has assumed the cost of paying for the defense and the recovery. Commenting there was a demur hearing held on March 24, 2004 on the complaint and noted counsel had not received a status report on that yet. Counsel Fife noted that Watermaster was asking for the case to be dismissed due to statute of limitation problems but again, have not heard on the outcome of the

hearing. Discussion ensued with regard to a projection of cost and time frame if this case is not dismissed. Counsel Fife ensured the Committee the insurance company is covering the legal defense and the settlement. General Counsel will stay involved by watching the pleadings and keeping the parties informed.

Added Question:

Chair, Jeske inquired if Monte Vista Water District would be excluded from the attorney/managers meeting from item one. Counsel Fife assured the Committee that MVWD could attend the meeting and commented that this item will be discussed in an open session at the Board meeting; we are not contemplating going into closed session.

B. CEO/STAFF REPORT

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

Mr. Rossi informed the Committee this presentation on the MZ1 was presented at the Pool meetings and will be given at the Board meeting. He then inquired if the Committee members wanted to view the presentation again, or pass since they had previously seen it or were staying for the Board meeting and would see it then. It was decided to pass on this presentation.

2. Update Regarding AGWA Strategic Planning Session

Mr. Rossi reported that the Association of Groundwater Agencies has embarked on a strategic planning effort. He detailed a meeting recently held to work through various issues in an attempt to redefine the Agency. It was decided that four sub-committees would be formed out of the main group and each sub-committee would have largely one main focal point; such as Regulatory Issues, Legislative Issues, Metropolitan Water District Issues, and Communications.

3. Update Regarding MWD Perchlorate Task Force

Mr. Rossi with the assistance of Mr. Rich Atwater, Inland Empire Utilities Agency (IEUA) encouraged Metropolitan Water District to allow John Rossi, Robert DeLoach, and Mark Wildermuth to join the Perchlorate Task Force. Mr. Rossi commented he attended the ACWA Groundwater Committee meeting recently and about an hour was dedicated to the Perchlorate issue and the groundwater contamination clean up issues. No date has been set for the next meeting. Mr. Rossi will keep Committee members apprised of its progress.

Chair Jeske commented recently Senator Soto held a Senate Task Force meeting on Perchlorate and at that meeting was the executive officer of the Santa Ana Regional Board who commented at that meeting that 100% of their remediation and enforcement allocation is being spent on the one Perchlorate problem in Rialto.

Mr. Rossi offered comments from the last Board meeting regarding Perchlorate and how they felt it was important to apply some of the political discussions to some of the groundwater clean up issues. A brief discussion ensued with regard to Mr. Rossi's statement. Mr. Rossi added comment regarding the twenty six million dollar grant application Watermaster applied for which included four elements of improvements or expansion on the Desalter, Perchlorate Well Head Treatment, Upland Basin, and Recycled Water Program for IEUA. Out of the twenty six million we are anticipating an award in the amount of ten to fifteen million, meaning we will need to begin an internal dialogue about the funding cut backs and where the funds will applied in the near future.

4. Update Regarding Recharge

Mr. Rossi informed the Committee the Watermaster Board requested an update regarding recharge at the last Board meeting.

Mr. Treweek introduced his presentation on the Chino Basin Facilities Improvement Project March 2003 – March 2004 and noted his presentation would cover four discussion topics. The discussed topics included; Budget and Schedule, Immediate Concerns, On-Going Projects, and Future Projects. Several slides of basins were viewed and an update was given on each basin to date. Mr. Treweek reviewed the construction budget status, which totaled \$32,000,000. Lastly, the construction schedule through November 2004 was reviewed and discussed. The construction schedule included excavation, connection, force main, pump station, monitoring, imported supply, and flexibility. Mr. Treweek commented that security issues would be worked on at these sites. Mr. Treweek reviewed the damage done to the Montclair Basin and its current status since the Christmas storm noting it will not show great improvement until this Spring/Summer time frame due to the extensive amounts of silt deposited from the recent fires.

Mr. Rossi updated the Committee on the 6,500 acre foot MZ1 as well as a 16,800 acre foot replenishment obligation with the amounts of recharge to date and the recharge problems the basins are facing due to the silt. Discussion ensued with regard to the Peace Agreement, the cyclic storage account, and wet water recharge.

Mr. Treweek was asked if all the original recharge basins in the OBMP were shown in his presentation charts and whether the seven contracts mentioned showed recharge improvements to all of them. Mr. Treweek commented all basins were on the original charts, although, it was also noted three basins were actually taken off this current chart. Noting the first removed basin was the Wineville Basin due to poor percolation, second was the San Sevaine Basins, 1, 2, and 3 due to endangered species habitats, and thirdly the Etiwanda Conservation Ponds due to loss of land lease.

A brief discussion on the Upland Basin ensued and Mr. Rossi stated Watermaster is working with the City of Upland and noted that the work on the Basin will be paid by the City of Upland. Mr. Rossi wanted to add an update on the current negotiation with the City of Upland regarding the Upland Basin. We had an opportunity to combine our efforts for the improvement of the College Heights Basins and the Upland Basin. We are currently in the process of discussing if we would consider utilizing funding to provide improvements in their basin in exchange for a conversion pool, whereby we could do supplemental water recharge. We are currently in the process of discussing this and will be bringing this subject back for consideration. Mr. Rossi commented that one of the concepts he wanted to present was; we have been holding the line that any water we recharge in that basin would be credited to the Watermaster per the Recharge Master Plan Allocation Concept, which means it would come back in the form of increase in the Safe Yield rather than to an individual agency like Upland. Noting this would be part of the whole policy discussion the Committee may perhaps have regarding this venture.

C. INLAND EMPIRE UTILITIES AGENCY

1. Chino Basin Conjunctive Use Update (Bill Steele – Oral)

Mr. Atwater introduced Bill Steele from the United States Bureau of Reclamation, who is helping IEUA out on conjunctive use and working close with John and the Watermaster staff on several activities in the Chino Basin. Mr. Steele commented there were a lot of opportunities in the investigation program noting there were several budget cuts in the 2004 budget which left approximately \$271,000 to begin work with the Inland Empire and Watermaster. Mr. Steele reviewed other budget cuts by Congress. He stated there is an MOU between Inland Empire, Chino Basin Watermaster, and the Bureau of Reclamation. Mr. Steele affirmed we have identified the vegetated mapping, which is its first effort, and working on the potential of 9 monitoring wells. These monitoring wells will help support the Optimized Basin Plan and provide a good use of our funds to help out in this area. Another \$470,000 is being sought for the subsequent year.

Mr. Rossi commented that the overall program budget will be brought back as part of the proposed budget at next months meeting. Plans for the aforementioned supplement combined with local funding between Watermaster and IEUA consisting of the AB303 grant which we received from the State for about \$250,000, will be presented to the Committees next month. Mr. Rossi thanked Mr. Steele for attending today and acknowledged the work he has done to benefit our basin.

2. Dry Year Yield Update (Rich Atwater – Oral)

Mr. Atwater informed the Committee that Mr. Rossi and he are meeting with Metropolitan Water District on March 30, 2004 to work on the Dry Year Yield Agreement along with other related issues.

3. Request for Letters of Support for AB 2528 – Clarification of “Action Level” Water Quality Terminology – Martha Davis

Mr. Atwater explained the AB 2528 bill for the benefit of those who did not know what the bill was. A question and answer discussion ensued regarding what an Action Level is in comparison to a Notification Level and the effects of these on the public when notified by either of these Levels. The concern noted from this discussion was; expanding the types of water that water agencies have to report on, increasing the likelihood of having to report given the whole context of the regulations, and the reporting is so misunderstood to begin with, it creates such a lack of consumer confidence rather than more. Mr. Atwater acknowledged this concern and pointed out this is why we are an advocate of this bill to help the consumer have a better understanding of the context in these reports.

4. Water Resources Report – David Hill

Mr. Rossi commented the report written by Dave Hill starting on page 63 of the packet was the IEUA March 2004 Water Resources Update noting it was well written and contained various updates on activities, the 2003-04 water conservation budget, water conservation programs, and drinking water quality issues and activities and encouraged the Committee to read it.

Chair Jeske thanked IEUA for putting together all the information together and acknowledged it was a lot of hard work and appreciated their efforts.

5. Water Conservation Status Report – Dave Hill

No comment was made regarding this item.

6. Recycled Water Program – Tom Love

No comment was made regarding this item.

7. Facilities Improvement Project Summary

No comment was made regarding this item.

8. State/Federal Legislation – Martha Davis

No comment was made regarding this item.

9. Public Relations (Outreach Update) – Sondra Elrod

No comment was made regarding this item.

IV. INFORMATION

1. Mr. Rossi referred to correspondence written in response to a letter received from Monte Vista Water District regarding the Assessment Package. Mr. Rossi commented that Mr. Kinsey and he had an opportunity to discuss this response letter in detail and Mr. Rossi would be sending out a clarification letter which stemmed from that discussion.

V. COMMITTEE MEMBER COMMENTS

- No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

March 23, 2004	9:00 a.m.	Groundwater Recharge Coordinating Committee Meeting
March 25, 2004	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting
April 6, 2004	2:00 p.m.	Water Quality Meeting
April 7, 2004	9:00 a.m.	MZ1 Technical Group Meeting
April 8, 2004	3:00 p.m.	Joint Appropriative & Non-Agricultural Pool Meeting
April 20, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
April 22, 2004	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

The Advisory Committee Meeting Adjourned at 11:10 a.m.

Secretary: _____

Minutes Approved: April 22, 2004