

Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING
August 26, 2004

The Advisory Committee Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on August 26, 2004 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

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| Ken Jeske, Chair | City of Ontario |
| Dave Crosley | City of Chino |
| Ray Wellington | San Antonio Water Company |
| Arnold Rodriguez | Santa Ana River Water Company |
| Mike McGraw | Fontana Water Company |
| Raul Garibay | City of Pomona |
| Gerald Black | Fontana Union Water Company |
| Mike Maestas | City of Chino Hills |
| Mark Kinsey | Monte Vista Water District |

Agricultural Pool

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| Robert Nobles | State of California Institute for Men |
| John Huising | Milk Producers Counsel |

Non-Agricultural Pool

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| Bob Bowcock | Vulcan Materials Company (Calmat Division) |
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Watermaster Board Members Present

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| Robert Neufeld | Fontana Union Water Company |
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Watermaster Staff Present

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| Sheri Rojo | Chief of Watermaster/Finance Manager |
| Danielle Maurizio | Senior Engineer |
| Sheri Lynne Molino | Recording Secretary |

Watermaster Consultants Present

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| Michael Fife | Hatch & Parent |
| Mark Wildermuth | Wildermuth Environmental Inc. |

Others Present

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| Rich Atwater | Inland Empire Utilities Agency |
| Martha Davis | Inland Empire Utilities Agency |
| Dave Hill | Inland Empire Utilities Agency |
| Josephine Johnson | Monte Vista Water Company |
| Rick Rees | Geomatrix for CIM |
| Bill Stafford | Marygold Mutual Water Company |
| Ken Manning | San Gabriel Valley School District |

The Advisory Committee meeting was called to order by Chair Jeske at 9:05 a.m.

AGENDA - ADDITIONS/REORDER

Chair Jeske recognized the new Chief Executive Officer for the Chino Basin Watermaster, Ken Manning, and welcomed him to the Advisory meeting. Chair Jeske noted there would be a formal introduction for Mr. Manning at the Watermaster Board meeting with lunch provided after the meeting.

Chair Jeske informed the Committee Members there was an upcoming Groundwater Resources Association Conference in September and applications for that conference are available on the back table. Chair Jeske noted the regularly scheduled Advisory meeting on September 23 could possibly be changed to September 30 due to several Committee members' attendance at that conference.

Due to a lack of quorum at the start of the meeting, Chair Jeske asked that the Consent Calendar and Business Items section be placed on hold until the arrival of the required members.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney/Manager Meetings

Counsel Fife noted that Item D in Business Item section could be discussed now since it is an information only item and is in correlation with Attorney/Manager meetings. Counsel Fife commented the Attorney/Manager meetings are moving forward and progress is being made on different areas including the storage issue. In those meetings a resolution for the salt credit issue has been concluded which is represented by way of an amendment to the Peace Agreement. The first amendment has been distributed and discussed by all parties involved with the Attorney/Manager process; copies will be available as a hand out later today. This is not an action item today it must go through the Pool process first, however, it is being distributed today for review. The next meeting will be held at Best Best and Krieger on September 13 at 9:00 a.m. Mr. Kinsey noted the Monte Vista Water District's took action on the first amendment last night and authorized us to ratify it once it goes through the Watermaster process. Counsel Fife commented for Watermaster purposes there is not only a first amendment but also a Resolution, noting that Watermaster is not a signatory to the Peace Agreement by which needing to pass a Resolution committing Watermaster to proceed in accordance with the Peace Agreement. The question of whether or not there are a certain number of entities that need to have a Resolution of their governing bodies before we take this first amendment to the court was presented. Counsel Fife stated that unless there are exigent circumstances all parties who signed the original Peace Agreement will need to consent to the first amendment. Chair Jeske stated that all signatories will need to take this item to their individual Boards. Counsel Fife commented he was anticipating this will be done in the month of September due to an October court date.

2. Santa Ana River Application Process

Counsel Fife reviewed the recent issues with the Santa Ana River application process noting the recently released Environmental Impact Report (EIR) from Orange County Water District (OCWD) which the State Board has recently commented on. Counsel Fife noted OCWD quite possibly will have to redo their EIR at some level. Counsel Fife has spoken to Mr. Rossi and Western Municipal Water District will be putting out their EIR in the next 30 to 60 days. Counsel Fife stated that San Bernardino Municipal Water District has put out their EIR and comments are due back on that. Counsel will be looking at our CEQA compliance noting the position on CEQA is that we are finished due to our PEIR and our findings of our consistency for the Recharge Master Plan. That will be reviewed again in light of the State Board's position with regards to OCWD EIR; we will not be redoing any of our environmental work, however, it may be supplemented.

In addition there are a number of items with regard to the Santa Ana River which are coming along which include the critical habitat with Prado Basin (staff has started attending task force meetings regarding this issue) noting the comment period on the critical habitat designation has been extended. Watermaster also has the Basin Plan Amendment which is being reviewed by the State Board presently and will hopefully be processed in a timely manner. Counsel Fife commented there are a lot of issues going on with the Santa Ana River presently and because of that we will be seeing quite a bit of action on the Santa Ana River.

Chair Jeske noted there was a recently reported Agreement between Redlands, Bear Valley, et al, San Bernardino Muni, and Western; Counsel Fife noted that Mr. Rossi had commented on that Agreement at the last Board meeting they have come up with a Settlement Agreement concerning water rights to the Seven Oaks Dam water and the result is that all of the upper water shed entities are going to withdraw their protests of each others applications. Counsel Fife stated with this their applications will begin to move more smoothly through the process.

B. STAFF REPORT

1. Phase VII Bid Results

Ms. Rojo stated the Phase VII bid results for the Recharge Improvement Project was included into the package for a review only. Mr. Wellington inquired about totals on the Phase VII bid results whether they indicated above or below funding availability. Mr. Atwater gave a detailed explanation on the bid packages and commented this information was available on their web site, however, felt we were right on target. Mr. Wellington reiterated that through bid package VII we have all the basins in the original set up except the College Heights Basin. It was noted that additional work would need to be performed at the College Heights Basin to get it up and running. Ms. Rojo commented we are on budget for completion dates and dollars spent.

2. Groundwater Modeling Update/Interim Results

Ms. Rojo remarked that Mr. Wildermuth has been working diligently on this project and wanted him to provide the group with an update on his efforts. Mr. Wildermuth stated that Metropolitan through Inland Empire Utilities Agency funded the development of a detailed groundwater model of the Chino Basin and some surrounding areas. Mr. Wildermuth stated the only area where we found problems in calibrating that model was in the area of the deep zone in Chino Hills. As a parallel effort to the OBMP we have been collecting groundwater well data every 15 minutes for about 40 or 50 wells and noted that on the west side of the Basin there is an extensometer facility and from that we have been able to come up with revised aquifer properties which have excellent calibration right now. Our ongoing efforts presently support our Peace II process; we now have a recalibrated model and will be receiving planning information shortly from Black & Veatch. Once we receive that information we will go back and re-run those scenarios as well as some scenarios that were requested by appropriators in the Peace II process. Mr. Wildermuth commented this will allow us to review different groundwater production scenarios in the lower end of the basins which will give us an idea if we need to construct a large wellfield and desalter south of the existing desalter well fields or if we can achieve the goals of the OBMP with a series of distributed facilities located north of the existing desalter well fields. Mr. Wildermuth anticipates having some results in approximately two weeks and producing a full document from that in about four weeks.

3. Update on the Draft Chino I and Chino II Desalter Projects Groundwater Monitoring and Mitigation Plan

Ms. Rojo commented there have been discussions regarding Desalter II and an update on this was given at the recent Agricultural Pool meeting, however, that presentation was put on hold while we continue dialog with the Chino Desalter Authority. Ms. Rojo noted that on page 155 of the packet is the July 2004 Progress Report for the Chino I Expansion and Chino II Desalter Project if more information on this is needed.

C. METROPOLITAN WATER DISTRICT MEMBER AGENCY REPORT

1. Rialto Pipeline Shutdown – Task Force Update – Rich Atwater (oral)

Mr. Atwater noted this item was discussed at the July Advisory Committee meeting and with discussions with Metropolitan Water District (MET) they are working with the San Gabriel Valley Municipal Water District on our concept of having emergency back up connections. Mr. Atwater commented there is work being done with engineering studies about how to isolate the 30 mile reach of the Rialto pipeline from Devils Canyon to Live

Oak. Cucamonga has provided background information on how to improve their 7 day outage and it is expected to get the information from the WFA participants in about mid September. Once those items are put together the gathered information will be used at the next meeting with MET.

2. MWD Status Report – Rich Atwater (oral)
Mr. Atwater noted there is a scheduled meeting on September 10 regarding the groundwater replenishment rates and commented he is still advocating having the rates reduced next year, however, in the meantime MET will be publishing their proposed rates in the next few months which will not take effect until January 1, 2006. There is a member agency workshop on the replenishment rates scheduled.
3. College Heights Project Status Report – Tom Love (oral)
Mr. Atwater mentioned that Mr. Love could not attend today’s meeting, however, there was a written summary on the College Heights Basin Seepage Evaluation – Status Report now available on the back table. Mr. Atwater summarized the handout and reviewed the summary of tasks which included 1) Install four additional monitoring wells at strategic locations, 2) Develop protocol for seepage test, 3) Using information collected from wells and seepage test develop a flow model, 4) Flow model will be used to predict water surface elevations in embankments and below adjacent and nearby property, and 5) Develop operating parameters and monitoring requirements to safely recharge in College Heights and Upland Basins. Mr. Atwater commented there is still a lot of work to be done and he will provide a more detailed update next month.
4. Proposition 50 Grant Funding Status Report – Martha Davis (oral)
Ms. Davis reported on the prop 50 bond monies and noted there was an available hand out which described the various programs, grant program status, and comments which will be made a part of the regular monthly report updates. Ms. Davis gave detailed descriptions on two “hot” programs 1) Water Use Efficiency under Chapter 7 of Cal Fed (noting the final PSP was released on August 11, 2004 and there is a workshop at IEUA regarding this issue on August 31). Ms. Davis commented there was new language that has been included in the grant application which is cause for concern particularly for Southern California. 2) Integrated Regional Water Grant Program under Chapter 8 which was the large five hundred million programs within Cal Fed that was intended to fund infrastructure that would provide integrated water supply water quality benefits in California. Ms. Davis noted the integrated package will start moving very quickly and with encouragement all parties should take a close look at the definitions that are in the guidelines because it is the definitions that can strain what we can and cannot qualify for in terms of an application. Ms. Davis stated that SAWPA is very interested in being helpful in coordinating applications regionally.
5. Water Resources Report (handout)
No comment was made regarding this item.
6. Water Conservation Status Report
No comment was made regarding this item.
7. Recycled Water Program
No comment was made regarding this item.
8. Chino Basin Facilities Improvement Project
No comment was made regarding this item.
9. State/Federal Legislation
No comment was made regarding this item.

- 10. Public Relations
No comment was made regarding this item.

The Consent Calendar was taken out of order by Chair Jeske.

I. CONSENT CALENDAR

A. MINUTES

- 1. Minutes of the Advisory Committee meeting held on July 22, 2004

B. FINANCIAL REPORTS

- 1. Cash Disbursements for the month of July 2004
- 2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through June 30, 2004
- 3. Treasurer's Report of Financial Affairs for the Period June 1 through June 30, 2004
- 4. Profit & Loss Budget vs. Actual July 2003 through June 2004

C. WATER TRANSACTION

- 1. Consider Approval for Transaction of Notice of Sale or Transfer from West Valley Water District to Fontana Water Company in the amount of 500 acre-feet; Date of Application: May 27, 2004

D. STATUS REPORT #11

Consider Authorization to File Status Report 11 with Court and Authorize Staff and Counsel to Make Minor Edits as Necessary

*Motion by McGraw, second by Black, and by unanimous vote
Moved to approve Consent Calendar Items A through D, as presented*

Business Items was taken out of order by Chair Jeske.

II. BUSINESS ITEMS

A. CONSIDER IEUA FUNDING REQUEST

Ms. Rojo commented the National Academy of Sciences is doing an investigation and this request was coming by way of unanimous recommendation from the Pools.

*Motion by Wellington, second by DeLoach, and by unanimous vote
Moved to approve the IEUA funding request, as presented*

B. CONSIDER AGREEMENT TO FORM A TASK FORCE

Ms. Rojo commented that under the Maximum Benefit proposal Watermaster has committed to the Basin Monitoring Program for Nitrogen and is a once every three year study and has been budgeted for and this request was coming by way of unanimous recommendation from the Pools.

*Motion by Wellington, second by Black, and by unanimous vote
Moved to approve the agreement to form a task force, as presented*

C. CONSIDER AGREEMENT TO CONDUCT A NITROGEN LOSS MONITORING PROGRAM

Ms. Rojo commented this is a one time test and has no real cost due to the fact that these are tests we are already performing and have been budgeted for. This gathered data will be combined with that of other agencies and this request was coming by way of unanimous recommendation from the Pools.

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

Moved to approve the agreement to conduct a nitrogen loss monitoring program as presented

D. CONSIDER FIRST AMENDMENT TO PEACE AGREEMENT AND WATERMASTER RESOLUTION 2004-__

Chair Jeske noted legal counsel had previously reviewed this item and commented counsel stated this item does not require action due to the fact this item needs to go through the Pool process prior to action from this committee. Chair Jeske noted this item should have action taken on it to refer this agreement to go through the Pool process for those parties who need to take this item to their Boards. The question of whether or not the first amendment which was being approved to move through the Pool process was the one provided in the packet or the one which was provided as a hand out was presented. Counsel Fife stated the revised first amendment which was provided as a hand out was the one which will be presented through the Pools and the Watermaster Resolution is the one that is in the packet.

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

Moved to approve forwarding this first amendment to the Peace Agreement through the Pool process and adopting it as a resolution through the Watermaster Board, as presented

IV. INFORMATION

1. Chino Basin Desalter Authority – Chino I Expansion and Chino II Desalter Project – Progress Report
No comment was made regarding this item.
2. CBFIP Mapping Information Facilities Location / Operational Stats / Startup Dates
No comment was made regarding this item.
3. Dry Year Yield Operating Plan
No comment was made regarding this item.

V. COMMITTEE MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

VIII. FUTURE MEETINGS

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| August 25, 2004 | 9:00 a.m. | MZ1 Technical Committee Meeting |
| August 26, 2004 | 9:00 a.m. | Advisory Committee Meeting |
| August 26, 2004 | 11:00 a.m. | Watermaster Board Meeting |
| September 9, 2004 | 9:00 a.m. | Joint Appropriative & Non-Agricultural Pool Meeting |
| September 13, 2004 | 9:00 a.m. | Attorney/Manager Meeting @ BB&K |
| September 21, 2004 | 9:00 a.m. | Agricultural Pool Meeting @ IEUA |
| September 23, 2004 | 9:00 a.m. | Advisory Committee Meeting |
| September 23, 2004 | 11:00 a.m. | Watermaster Board Meeting |

The Advisory Committee Meeting Adjourned at 9:55 a.m.

Secretary: _____

Minutes Approved: September 30, 2004