

Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING
October 28, 2004

The Advisory Committee Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on October 28, 2004 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

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

Agricultural Pool

John Huitsing	Crops
Pete Hettinga	Dairy

Non-Agricultural Pool

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

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	Finance Manager
Gordon Treweek	Project Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Rick Rees	Geomatrix Consultants, Inc.
John Rossi	Western Municipal Water District
Rich Atwater	Inland Empire Utilities Agency
Josephine Johnson	Monte Vista Water Company
Rick Hansen	Three Valleys Municipal Water District

The Advisory Committee meeting was called to order by Chair Jeske at 9:14 a.m.

AGENDA - ADDITIONS/REORDER

No additions or reorders were made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting held on September 30, 2004

B. FINANCIAL REPORTS

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

C. WATER TRANSACTION

1. Consider Approval for Transaction of Notice of Sale or Transfer from West Valley Water District to Monte Vista Water District in the amount of 650 acre-feet; Date of Application: July 26, 2004
2. Consider Approval for Transaction of Notice of Sale or Transfer – The Transfer of Monte Vista Irrigation Company's FY 2004-05 Annual Production Rights to the Monte Vista Water District. The Total Quantity of Water to be Transferred is Estimated at 1,100 acre-feet; Date of Application: July 26, 2004

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

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

II. BUSINESS ITEMS

A. URS PROPOSAL REGARDING COLLEGE HEIGHTS

Mr. Manning introduced Mr. Treweek to review the URS proposal regarding College Heights and the background leading up to the new proposal. Mr. Treweek reviewed the studies which were conducted by URS which consisted of the installation of four new monitoring wells to supplement the two existing wells located immediately downgradient of the College Heights East Basin. Mr. Treweek pointed out new construction and various working sites for recharge on an aerial map. Mr. Treweek commented that the recommendation was to approve the additional geotechnical services proposed by URS in their revised cost proposal dated September 28, 2004. Mr. Treweek stated that after careful review of the proposal by the GRCC it was decided to scale back work and noted the proposal includes the drilling of three additional borings downgradient of the College Heights Basins; installing monitoring wells with depths of 100 and 140 ft in the two deeper borings, and a single monitoring well with a 50 ft boring; and installing pressure transducers and data loggers, provided by Watermaster, in 11 new and existing monitoring wells. The question regarding a time frame for monitoring these wells was presented. Mr. Treweek stated that monitoring will take place over the next several years on what will occur when the City of Upland puts storm water into the Basin. The question of the cost of the wells was presented. Mr. Treweek noted these wells will be \$70,000 and Chino Basin Watermaster will put in the transducers in the existing wells for another \$14,000. Mr. Treweek stated we can meet our recharge obligations using the other two basins, leaving the College Heights Basin open for study. The question of whether we will use this Basin at a 20% capacity during the study period was presented. Mr. Treweek stated we are not proposing to use this basin at all other than for study during this period. A lengthy discussion ensued with regard to the use of the Upland and College Heights Basins. Chair Jeske suggested we discuss with Upland the possibility of obtaining an annual report that would give us the amount of storm water that went into Upland and how much water we are anticipating to get from it. The concern regarding additional monitoring wells was presented to the Committee members and staff. Mr. Wildermuth stated the concern is being able to track the mound of recharged water as it moves out from the basin. Mr. Wildermuth gave a detailed description of what was needed in order to capture enough data to make a sound decision for potential operations of the College Heights Basin in the future. A discussion ensued regarding recharging the basins and the damage that could be caused at or near Arrow Highway. Mr. Treweek stated it was several inches/feet that would cause a concern and not a few inches of rain water. Mr. Wildermuth presented a technical description of how the Upland Basin with the new modifications will be capable of holding recharge water and explained how there will

not be geological malfunctions because of those modifications. Mr. Manning stated we are anticipating using the College Heights Basins in the future; we feel we need to acquire more data before we are comfortable about when and how we can use those two basins. Chair Jeske reiterated what staff's recommendation was for this item and noted this is included in this years' budget. Mr. Bowcock inquired regarding obtaining a "Master Plan" of what is intended to be done regarding these basins. A discussion ensued with regards to Mr. Bowcock's statement. Mr. Hansen stated that he is in full support of the motion to approve the URS proposal for an additional scope of work and welcomes as much technical data as possible. Ms. Rojo gave some insight to the costs with monies coming from the recharge program grant. Chair Jeske inquired to the timing of installing the new wells. Mr. Treweek stated the plan for URS is to have their driller on site in November and data from this storm season would be added to the collection of data and could be very beneficial. It was noted that data which could be very valuable to us could be missed if the motion was not passed and work was not started immediately by URS. Chair Jeske asked staff to bring this item back in November with an update of progress and operating plan and any recommendations as to where and how that could improved between the City of Upland, Chino Basin Watermaster, and Inland Empire Utilities Agency.

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

Moved to approve the URS proposal for and additional scope of work for monitoring, as presented

III. REPORTS/UPDATES

A. **WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. First Amendment to Peace Agreement

Counsel Fife stated that everyone has now obtained approval to sign the First Amendment or has already signed and forwarded their signature page to Watermaster except for the State of California who has their own process; we are confident we will have their signature prior to the new hearing date of December 2, 2004 at 2:30 p.m.

2. Attorney/Manager Meetings

Counsel Fife reminded the Committee members that we are waiting for technical work on the Hydraulic Control; Mr. Wildermuth now has that needed information concerning the water supply plans and will begin doing the model runs and we are hoping for a product in about three weeks. Once that is complete we will schedule the technical meeting to go over that work product and back on schedule with the Attorney/Manager meetings.

3. Basin Plan Amendment Approval

Counsel Fife noted the Basin Plan Amendment Approval was approved by the State Water Resources Control Board on September 30, 2004 and it now goes to the office of Administrative Law and the Environmental Protection Agency. We do not have any official schedule for that, however anecdotal indications indicate it could be by the end of this year.

4. Litigation updates

a. South El Monte Operable Unit CERCLA litigation

Counsel Fife noted this item is in the San Gabriel Basin and some very interesting claims are being made; this litigation pertains to Perchlorate contamination. The reason it is of interest to us is that the responsible parties in that case discovered that Colorado River water contained Perchlorate and that it was being used for recharge purposes in the San Gabriel Basin. They filed a cross complaint against both Metropolitan Water District and against the San Gabriel Watermaster as potentially responsible parties because they may have placed Perchlorate in the basin. When the first presentation was given, it was just after the cross complaint had been filed against the Watermaster. Since then there have been a number of pleadings going back and forth; the Watermaster has asserted judicial immunity. Aerojet has

responded that the Watermaster can't assert judicial immunity because the court doesn't have the power to be a Watermaster. Aerojet claims judicial immunity does not apply and if it does then the court has exceeded its authority in creating a Watermaster. This would have a lot of implications for the rest of the Watermasters' around the state. The Watermaster has now responded that courts do have the power to create Watermasters and have asked for sanctions against Aerojet for making such an outrageous claim. Mr. Manning added comment that within the last few weeks the court has appointed a "Special Master" to try and bring some conclusion and settlement on the issue. The motions that are to be considered are to be heard on November 1, 2004.

b. Castaic UWMP decision

Counsel Fife noted there is a copy of the Urban Water Management Plan (UWMP) decision; this is an appellate decision that came out September 22, 2004. This was a long standing dispute with the Castaic Lake Water Agency in that they had an UWMP that was challenged a couple years ago by a local environmental group. It was supported by the lower court; however, the environmental group took to the decision to the appellate court claiming that it was invalid because it didn't properly discuss their use of contaminated ground water. The appellate court overturned the trial court meaning it invalidated the UWMP. Counsel Fife described the UWMP in detail and with that the court identified the time frame to prepare treatments for pumps and noted there was a gap in time between when you find out you need the treatment to when you can actually use the pumps once they have been set up for treatment. The case is looking at a very specific scenario in an UWMP where they did not describe the timing properly; it does not say you can not use contaminated water as a back up supply it just states you must get the timing right for treatment.

Added Comment/Question:

The question of whether or not any new information on the Santa Ana River applications was presented. Counsel Fife stated there has been a lot of action occurring on this; Western MUNI has put out their draft Environmental Impact Report (EIR) last week. There has also been a feasibility study for the raising of Prado Dam that came out in the July/August time frame; that is an OCWD Army Corp project. Activities are going forward on the Santa Ana sucker. San Bernardino Water Conservation District has put out their draft EIR on their application. OCWD also has put out their draft EIR. There is a lot going on and we will see shortly some movement on the process going forward. Counsel Fife stated that our application will be greatly helped by the work Mr. Wildermuth is doing on Hydraulic Control because that is where our nexus with the Santa Ana River is.

The question regarding the legal classification for the groundwater issue that was handed back to the Board was presented. Counsel Fife reviewed the issue that Mr. Wellington was referring to and gave a brief update on the status.

B. STAFF REPORT

1. Replenishment/Cyclic Account

a. Summary of Replenishment Deliveries

Mr. Manning reviewed the replenishment obligations and noted we were unable to meet our obligations with wet water for 2002/2003. Water will need to be taken out of the cyclic account to meet some of these past obligations and will keep the committee members apprised of the decisions made regarding this issue. Mr. Kinsey noted there has been no feedback from MET in terms of availability of replenishment deliveries. Mr. Atwater stated we will maximize as much wet water replenishment that we can.

2. November/December Meeting Schedules
 Mr. Manning pointed out that the normally scheduled November Advisory Committee Meeting falls on Thanksgiving Day and taking into consideration that information thought it best to move the meeting to the week prior unless there were any objections. Mr. Manning noted during the last Appropriative and Non-Agricultural Pool meeting it was decided they would join the Advisory Committee meeting on November 18, 2004 due to the date their meeting was to take place was also a holiday day. The Agricultural Pool will remain meeting on their scheduled day of November 16, 2004, however, at that meeting will appoint a 3 person sub-committee to join joint meeting due to any changes that may or may not be made to the proposed 2004-2005 Assessment Package.

3. Inland Empire Landmark Water Supply Program Named "Outstanding Project of the Year"
 Mr. Manning called attention to an award on display (in the Lobby) which was presented to the Watermaster along with the Chino Basin Water Conservation District and the Inland Empire Utilities Agency (IEUA); this is the Outstanding Project of the Year award for the Recharge Basins. We will house the award in our facility for a time and then it will go to IEUA for display.

4. Notice of Attendance of Special Referee's Technical Assistant at MZ1 Meeting
 Mr. Manning noted that on page 57 of the packet is notice that Mr. Scalmanini was to be attending the November 17, 2004 MZ1 meeting and will also be taking a field trip to look at some facilities once the meeting concludes – however, it now appears that he will not be able to attend the meeting on that date and will need to reschedule his attendance.

5. Update on Status Reports
 Mr. Manning stated he had recently attended a meeting in Sacramento with Anne Schneider, our special referee, and they talked about the quarterly status reports and noted that she had requested that we consider going from quarterly status reports to semi-annual reports. This is a good sign that they are requesting fewer reports and they feel comfortable with the information that they are receiving from us. We will be changing from a quarterly report to a semi-annual as she has requested.

6. Assessment Package Workshop – November 10, 2004
 Mr. Manning stated that the draft Assessment Package is available on the back table today and that the appropriators have asked a special workshop on the package to be held on November 10, 2004 at 9:00 a.m. at the Chino Basin Watermaster office. This will give people an opportunity to review questions or concerns prior to the meetings on November 18, 2004.

Added Comment:

Mr. Manning stated we have been able to recapture some of the recent storm water; storm number one captured approximately 1,000 acre-feet of planned recharge and 1,500 acre-feet of incidental recharge into the basins the second storms numbers are not in but will report back as soon as those numbers are available.

C. METROPOLITAN WATER DISTRICT MEMBER AGENCY REPORT

1) INLAND EMPIRE UTILITIES AGENCY

- a. Rialto Pipeline Shutdown – Task Force Update – Rich Atwater (oral)
 Mr. Atwater commented there were several items for Inland Empire Utilities Agency, most of which were written and made available in the packet and since Mr. Love nor Ms. Davis were unable to attend today's meeting he will comment briefly on his items. Mr. Atwater commented on the Rialto Pipeline shutdown noting that he and several other people met the MET staff this past Monday and felt it was a productive meeting;

there is a follow up meeting scheduled on November 16, 2004. In working with the MET staff they are looking at isolation valves, which is not very expensive, so that from Devils Canyon to Live Oak Reservoir we don't have to shut down all thirty miles of pipe. That part of the conversation went very well, however, the more complicated part was in getting the MET staff to be more comfortable in working with Foothill, Upper District, Three Valleys and IEUA on various tasks.

Mr. Atwater commented on the two highest priorities at this moment in time being the \$110 horizontal washing machine rebate and then the issue of replenishment rates; there is a workshop on that scheduled tomorrow at 10:00 a.m. at MET. One of the issues that we face on replenishment rates is if we lower the replenishment rate some people perceive that is causing the tier I and tier II rates to go up and we are trying to work through that issue.

Mr. Atwater noted that the DHS prop 59 for chapter 4 and 6, IEUA's staff is more than willing to help you regarding the pre-application, which is available on the back table, must be filled out and sent in by December 1, 2004. There will be a workshop at IEUA for this in the near future with DHS.

Mr. Atwater stated that SAWPA and the other agencies have agreed to have SAWPA make one application. The idea behind that is to have SAWPA apply for the maximum amount of \$50 million dollars and then split five ways; that is not due until March 2005.

- b. MWD Status Report – Rich Atwater (oral)
No comment was made regarding this item.
- c. College Heights Project Status Report – Tom Love (oral)
No comment was made regarding this item.
- d. Southern California Water Quality Planning Project – Martha Davis (oral)
No comment was made regarding this item.
- e. Proposition 50 Grant Funding Status Report – Rich Atwater (oral)
No comment was made regarding this item.
- f. Water Resources Report (handout)
No comment was made regarding this item.
- g. Water Conservation Status Report
No comment was made regarding this item.
- h. Recycled Water Program
No comment was made regarding this item.
- i. Chino Basin Facilities Improvement Project
No comment was made regarding this item.
- j. State/Federal Legislation
No comment was made regarding this item.
- k. Public Relations
No comment was made regarding this item.

2) WESTERN MUNICIPAL WATER DISTRICT

a. Report on Western Municipal Water District Activities Associated with the Chino Groundwater Basin (oral)

Mr. Rossi commented on Western’s integrated resource plan (IRP) and noted Western’s Board took action on that last week; the concept of that plan is to get all of the wholesalers on the same page. Mr. Rossi discussed Western’s plans which are in line with MET’s programs and also noted discussions have been opened up with Jurupa because they have asked formally for a connection to Mills. Mr. Rossi commented on a second source of MET water to this basin that will be explored through the IRP process at Western in two phases; 1) Looking at what are some of the sources and opportunities in groundwater storage, and 2) Doing an economic analysis of what these options look like. The draft EIR which was put out by Western MUNI was a good effort. The State Board has had some heavy duty comments on the Conservation District in San Bernardino and Orange County so we are waiting to hear how we do as well. There have been some positive meetings recently and have signed a one year agreement with the State Board trying to get a demonstration together that we can work on. Mr. Rossi reviewed the issues with property taxes. Mr. Rossi discussed plume issue up in the City of San Bernardino; they have been working with the EPA and the DTSC and noted that through an ordinance that would be required by the judge to be issued by the City of San Bernardino to require the City of San Bernardino to authorize and permit all wells and extraction of recharge. Western is working with staff to come up with an alternative plan, the difficulty is that the judge is retiring in the fall; if there is no agreement at the local level we may talk with other basin managers.

3) THREE VALLEYS MUNICIPAL WATER DISTRICT

a. Relevant Activities – Rick Hansen (oral)

Mr. Hansen noted a few things that are going on in his area; Three Valleys has received grant monies from the Department of Water Resources for doing two different types of studies. We are looking at the feasibility of developing a spreading connection and pipelines into the San Antonio spreading grounds and also working on another study, when we do spread water, where down stream historically there has been a high groundwater problem, we are looking at ways to mitigate rising groundwater problems that could arise. In working with the City of Pomona on the MWD LRP grant program we are looking at November/December for CEQA approval. Through the Dry Year Yield Program the City of Pomona’s ION Exchange Plant that is in the Chino Basin is moving forward and we are looking at operation plans as well. Mr. Hansen discussed historical issues with the Rialto feeder. Chair Jeske gave his comments on proposition 1A and 65 that are coming forth next week and Mr. Hansen added his comments.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

2. American Groundwater Trust Conference -- November 5, 2004

Counsel Fife commented this will be an excellent conference and that all should attend if at all possible. Hatch & Parent is very involved with American Groundwater Trust and doing most of the organizing for this conference.

V. COMMITTEE MEMBER COMMENTS

Counsel Fife mentioned that there will be a confidential session added to the at the Board agenda for the Watermaster Board meeting which will meet at 11:00 a.m. today and is concerning the patent issue and if anyone has any questions regarding this issue to please contact him. A brief discussion ensued regarding this item.

VI. OTHER BUSINESS

Ms. Rojo noted the draft 2004-2005 Assessment Package was available on the back table and that there is a workshop scheduled for November 10, 2004 for all interested parties, however, prior to that workshop if has questions to please call her.

VII. FUTURE MEETINGS

October 27-29, 2004	All Day	Water Quality Conference - Ontario
October 28, 2004	9:00 a.m.	Advisory Committee Meeting
October 28, 2004	11:00 a.m.	Watermaster Board Meeting
November 10, 2004	9:00 a.m.	Assessment Package Workshop
November 18, 2004	9:00 a.m.	Appropriative Pool, Non-Agricultural Pool and Advisory Committee Meeting
November 18, 2004	11:00 a.m.	Watermaster Board Meeting

The Advisory Committee Meeting Adjourned at 10:22 a.m.

Secretary: _____

Minutes Approved: November 18, 2004