

Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE, NON-AGRICULTURAL POOL
AND ADVISORY COMMITTEE MEETING

November 18, 2004

The Joint Appropriative, Non-Agricultural Pool and Advisory Committee Meeting were held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on November 18, 2004 at 9:00 a.m.

APPROPRIATIVE POOL AND ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

Ken Jeske, Chair Advisory Committee	City of Ontario
Nathan deBoom	Milk Producers Council
Gerald Black	Fontana Union Water Company
Mark Kinsey	Monte Vista Water Company
Dave Crosley, Vice-Chair Appropriative Pool	City of Chino
Ray Wellington	San Antonio Water Company
J. Arnold Rodriguez	Santa Ana River Water Company
Jim Taylor	City of Pomona
Mike Maestas	City of Chino Hills

Agricultural Pool

Gene Koopman	Milk Producers Council
Pete Hettinga	Dairy
John Huitsing	Crops

Non-Agricultural Pool

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

Terry Catlin	Inland Empire Utilities Agency
Robert Neufeld	Fontana Union Water Company
Paul Hofer	Agricultural Pool, Crops

Watermaster Staff Present

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

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Rich Atwater	Inland Empire Utilities Agency
Martha Davis	Inland Empire Utilities Agency
Dave Hill	Inland Empire Utilities Agency
Rick Rees	Geomatrix Consultants, Inc.
Rick Hansen	Three Valleys Municipal Water District
Justin Scott-Coe	Vulcan Materials Company (Calmat Division)
Steven G. Lee	Ag Pool Legal Counsel
Josephine Johnson	Monte Vista Water District

Chair Jeske called the meeting to order for the Advisory Committee and Vice-Chair Crosley acknowledged the Appropriative Pool Meeting at 9:15 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to this agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Joint Appropriative & Non-Agricultural Pool Meeting held on October 14, 2004
2. Minutes of the Advisory Committee Meeting held on October 28, 2004

B. FINANCIAL REPORTS

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

C. TWENTY-SIXTH ANNUAL REPORT

D. WATER TRANSACTION – (FOR ADVISORY COMMITTEE MOTION ONLY)

1. Consider Approval for Transaction of Notice of Sale or Transfer from City of Pomona to Monte Vista Water District in the amount of 2,500 acre-feet; Date of Application: September 1, 2004

*Motion by Wellington, second by Kinsey, and by unanimous vote – Non-Ag concurred
Moved to approve Consent Calendar Items A through D, as presented*

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

II. BUSINESS ITEMS

A. ANALYSIS OF MATERIAL PHYSICAL INJURY

Mr. Manning stated that Mr. Wildermuth will address this item that is regarding the proposed application by Inland Empire Utilities Agency (IEUA) for the proposed Phase II for Recycled Water Program. Mr. Wildermuth referred to the staff letter and request written by IEUA starting on page 53 of the packet. IEUA is requesting Watermaster perform a material physical injury analysis on Phase II of their Recycled Water Recharge Program. A few years ago IEUA made a similar request and Watermaster approved a "conditional" approval depending upon IEUA being able to provide demonstration that they have completed the DHS process and they were able to secure a permit from the Regional Board. This is a similar request, only in this case, rather than having IEUA provide all the documentation for review, IEUA is requesting Watermaster to actually perform the technical work or at least a portion of the technical work to support that program since IEUA will be reimbursing Watermaster all costs incurred. There is no new cost to Watermaster to perform this task; Watermaster's consultant would do this based on their proposal using the data bases and modeling work that is already available. Mr. Wildermuth was requested to give an overview of the type of analysis that Wildermuth, Inc. will undertake to determine if there is any material physical injury. Mr. Wildermuth stated they would be investigating what is in the proposed Title 22 regulations, which is what DHS would use to come back with a finding that there is no harm, the other criteria that would be dealt with is in respect to Hydraulic Control, water quality impacts, and Basin Plan issues, which will all be examined. The question of what type of action is this request was presented. Counsel Fife noted there is no budget impact since IEUA is reimbursing Watermaster. Mr. Wildermuth

stated Wildermuth, Inc. would not just be reviewing other parties' work, that there is a pretty substantial chunk of work which needs to be conducted. Counsel Fife commented since this does involve Watermaster in IEUA's permitting process it would be helpful to obtain clear instruction from the Pools, Advisory Committee, and the Board directing staff to participate in this process. Chair Jeske stated that a motion for a budget change would have to be made because this item was not in the budget and Mr. Manning concurred that this item was not in the budget. Mr. Atwater gave a brief history regarding this process which began in June of 2002 noting Watermaster approved the Phase I of this project at that time. With the Basin Plan approved, the Regional Board will have on its consent calendar to approve the permit to do the recharge for Phase I. We need to maintain Watermaster's independence in reviewing IEUA's application whether on Phase I or now with Phase II with the remaining reports. Having Wildermuth, Inc. perform the work is the most cost effective way and still allows the independence in review that all parties are looking for. Phase I permit will be secured in the next few months and Phase II is anticipated to be complete by next summer. The question regarding processes was presented. Mr. Atwater confirmed that even though Phase I was approved the same process in requesting Phase II and a letter will be forthcoming requesting that process to start.

Motion by Jeske, second by Wellington, and by unanimous vote – Non-Ag concurred

Moved to approve analysis of material physical injury for IEUA's proposed Phase II Recycled Water Recharge Program and to direct Watermaster to set up a revenue and expense account for it, as presented

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

Moved to approve analysis of material physical injury for IEUA's proposed Phase II Recycled Water Recharge Program and to direct Watermaster to set up a revenue and expense account for it, as presented

B. FY 2004-2005 ASSESSMENT PACKAGE

Chair Jeske noted there was an assessment package workshop last week which was chaired by Mr. Maestas; there were some recommendations that came out of that workshop. Mr. Manning confirmed that the workshop covered the assessment package in detail and reviewed some formatting changes; spoke about where Watermaster thinks the vision of the assessment package will be going. At that workshop there were some suggestions that we look into a few issues including look backs as well as the water rights assignment issue; those are just two of the issues that we will be looking at in the future. Those two issues are referenced in the handout letter written to Mark Kinsey on the back table; it summarizes some of the issues which were discussed at the workshop. Mr. Manning noted the assessment package looks very similar to the package which has been handed out for the past several years; however, there are some substantial differences in it. The staff has gone through the package and attempted to make it easier to read, and this is the first phase of some additional changes Watermaster will be making over the next year. Mr. Manning thanked Ms. Rojo for a wonderful job in putting together the package and her availability to answer questions. Ms. Rojo noted that most of the committee members present today were at the workshop and unless it was deemed necessary she would not review the entire package and just take questions. Ms. Rojo stated that at the workshop policy issues and assessment package issues were raised. Chair Jeske inquired to the committee member's pleasure and it was noted only questions would be needed at this time. Ms. Rojo commented before she would take any questions she wanted to inform the committee members there was a revised edition of the Assessment Package available on the back table. The question of whether this revised copy included the allocation of the 12,000 acre foot was presented. Ms. Rojo stated that it did not include that figure. Mr. Manning stated that if it was the wish of this body to include the 12,000 acre feet, what we will need is a finding by the group that in fact substantial completion of the recharge project was met and then the 12,000 acre feet would go into the Assessment Package. The question of which 12,000 acre feet staff's referring to was presented.

Mr. Manning stated this is the new yield resulting from the recharge facilities improvement project. Mr. Manning noted that staff is prepared to give a detailed description of construction progress as of June 30, 2004 which will also include the two recent storms from this past October. It was noted that the committee members wanted to hear the breakdown of completion. Mr. Manning stated Mr. Treweek has prepared a chart capturing said data and asked Mr. Treweek to review that chart at this time. Mr. Treweek referred to the hand out titled, "CBFIP Construction Status" which gives a detailed description of construction activities for the West Fontana, DeClez, San Sevaive, Day Creek, Deer Creek/Cucamonga, West Cucamonga, and San Antonio Basins. The handout was reviewed line by line in detail; examining the status of Excavation, Rubber Dam/Drop Inlet, SCADA/Sluice Gate, and MWDSC Turnouts for each basin. Chair Jeske added comment noting what was agreed to as far as substantial completion was if you look at the column titled, "Rubber Dam/Drop Inlet", to ascertain status. Chair Jeske inquired about Hickory East and West and Mr. Treweek verified those were not pertinent to storm water. Chair Jeske inquired about Victoria and Jurupa and Mr. Treweek verified those were not going to be completed until 2006. Mr. Manning stated that from an operational point of view, which will be part of the staff report which is being reported on later in the agenda, between the first two storms these facilities recharged about 3,000 acre feet of water. A discussion regarding capacity ensued. Chair Jeske reiterated the reason for today's discussion is to come to an agreement as to when to start applying storm water and not recycled water or imported water. Chair Jeske inquired if the committee felt there was "substantial completion" of the facilities to allow the facilities to take storm water in. Ms. Rojo noted that on page 57 of the package which references "Potential Source Water Recharge Capacities for the Chino Basin Recycled Water Groundwater Recharge Project" which outlines the ultimate potential for recharge by basin. Mr. Kinsey offered history on past discussions regarding making the decision to review this situation and come to a conclusion regarding the 12,000 acre feet which should be added to this assessment package. Mr. Manning recognized the representatives from the Agricultural Pool and noted this is not a regular occurrence. The appointed three member committee is prepared to approve any alterations that may be made to the assessment package or offer comment so that this may go to the Board this afternoon with all Pool and Advisory Committee recommendations. A discussion ensued regarding man power and operational capabilities. Mr. Manning stated there is a meeting scheduled at IEUA next week to discuss staffing in more detail. Mr. Koopman reviewed the discussion which took place during the recent Agricultural Pool meeting regarding the 5 year review average and a discussion ensued. Mr. Wildermuth noted the process which was adopted by Watermaster was to treat the recharge hydrology the "new hydrology" captured by the storms just like we treat all the other inflows to the Chino Basin that make up the safe yield; we do not change the yield every year based on how much it rains, we know in the long term the yield is about 40,000 acre feet. We looked at how our basins would perform as they were designed and took away some of the features because they were still undecided upon or some of them were not quite definable and those were left off. If we then find out the basins do not perform as we thought they would and the actual recharge was less, due to the perc rates or hydraulic capacity; after we get 5 years of data and rerun the hydrology with the different basin characteristics we can either add or delete and can then true up numbers. A discussion ensued regarding Mr. Wildermuth's comments. It was asked of Ms. Rojo to point out the adjustments and/or changes relative to the tables which were handed out at the workshop on the Assessment Package. Ms. Rojo noted those were handed out at the workshop and were not included in the package today, however copies were still available if needed. Ms. Rojo stated the adjustments were included in the figures presented in the packet and were reflected as adjustments of the water in storage and adjustment to the dollars assessed which is reflected on page 9 of the assessment package. Mr. Manning reiterated there were two items at the workshop left open, one was the assignments and the other was the period of time for adjustments for past reporting errors. In reviewing the presented documentations and discussions a motion was made to adopt the presented Assessment Package including the 12,000 acre feet, the assignment of storm water recharge, to refer the prior years of adjustments as they relate to the Jurupa discrepancy for further review, and make final

substantial completion of the storm water facilities. Ms. Rojo added to the motion regarding a typographic error in the current package where the interest pro ration, numbers should be negatives (reducing assessments) not positive (adding to assessments).

Motion by Jeske, second by Wellington, and by unanimous vote – Non-Ag concurred

Moved to approve the FY 2004-2005 Assessment Package to include the 12,000 acre feet, refer the prior years of the Jurupa discrepancy for further review, make final substantial completion of storm water facilities, and make the changes to the positive numbers on page 9 to negative which will reduce the assessment numbers, as presented

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

Moved to approve the FY 2004-2005 Assessment Package to include the 12,000 acre feet, refer the prior years of the Jurupa discrepancy for further review, make final substantial completion of storm water facilities, and make the changes to the positive numbers on page 9 to negative which will reduce the assessment numbers, as presented

Motion by Koopman, second by Huitsing, and by unanimous vote

Moved to ratify the motion made by the Agricultural Pool on November 16, 2004 to the FY 2004-2005 Assessment Package to include the 12,000 acre feet, refer the prior years of the Jurupa discrepancy for further review, make final substantial completion of storm water facilities, and make the changes to the positive numbers on page 9 to negative which will reduce the assessment numbers, as presented

Added Comment:

Mr. Manning added comment by informing the committee members that next years assessment process will be slightly different. As this year's assessment package process was undertaken, it was noted that there basically existed two different processes that were involved. The first related to the actual water transactions of the previous year, namely, production, transfers of rights, buy/sell transactions, etc. The other process was assigning a dollar value to the final water activity. To simplify the process next year, the water activity will be summarized and presented to the individual group members for approval prior to compiling the data and assigning dollar values to the transactions to avoid multiple versions of the assessment package with constantly changing dollar amounts as the water activity changes. This will help simplify the process and keep the water activity separate from the actual numbers. The second change with the adoption of protocols that are included within the assessment package; we have a computer program which is currently being implemented which will turn these numbers into a routine process that will be logical and easily followed on a year to year basis.

C. 2004-2005 ANNUAL MONITORING PLAN AND BUDGET

Mr. Wildermuth noted that this past May/June the cooperative agreement with IEUA was approved by the Pools, Advisory Committee, and Board. In that agreement was a vacancy purposely left in the agreement because we were unsure as to what the costs were going to be for the construction of wells and lysimeters needed to monitor recharge where recycled water was going to occur. Since that time the findings of fact have come out by DHS and IEUA wants to move forward in constructing wells and lysimeter nests to do the necessary monitoring for compliance purposes. Inland Empire would like to reimburse Watermaster to have Watermaster staff and Wildermuth, Inc. get the wells and lysimeters designed and installed. What is required is an amendment to the Annual Monitoring Plan.

Motion by Wellington, second by Black, and by unanimous vote – Non-Ag concurred

Moved to approve the revised Annual Monitoring Plan and Budget as contained in the staff report, as presented

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

Moved to approve the revised Annual Monitoring Plan and Budget as contained in the staff report, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Santa Ana River

Counsel Fife stated there was only one item to report on, however, there has been an update on the Hydraulic Control Report which involved suspending the Attorney/Manager process while waiting for this report. It was reported the results from that report will be available in December; we are anticipating when all parties return from the holidays the Attorney/Manager meetings will begin meeting again and we will begin reviewing that report.

At the American Groundwater Trust conference which was held a few weeks ago a presentation on the Santa Ana River was given. It was noted that this process will be much more difficult than anybody had anticipated ten years ago when it started. Watermaster, as a part of our efforts with our application are pushing the parties to come together with their Environmental Impact Report (EIR) rather than doing it on their own we could do it as a group technical analysis and look at the whole process as a group instead of individually. The question regarding the two other entities who are working on their EIR's and if they have been contacted to participate in the "group" effort was presented. Counsel Fife noted that Watermaster has initiated the discussions with Western and with OCWD.

B. STAFF REPORT

1. Cyclic Account Update

Mr. Manning stated that while we did take in water in October that will not change our decision to take water out of the cyclic storage by the end of year; the end number has not been decided fully, however we are still anticipating it to be at least the 11,000 acre feet of carry over replenishment from the prior year. Watermaster will update the parties of the final number in January.

2. Stormwater Recharge Update

Mr. Manning stated instead of fully reviewing what was previously discussed to refer to the handout titled, "Chino Basin Groundwater Recharge FY 2004/2005 Storm Event 1". Mr. Manning reviewed the bottom line total which was approximately 1,500 of captured water. We are learning from every storm event exactly how to operate these basins more efficiently. There is a meeting scheduled next week to discuss staffing so that we can get 24 hour coverage with IEUA and others. As we move forward we will keep all parties informed on storm events. Mr. Manning noted Watermaster is creating a reporting process by which each storm event the Pools, Advisory Committee, and Board will receive information about the performance of the recharge to the basins.

3. College Heights Monitoring Update

Mr. Manning commented that the Watermaster Board approved going ahead with the two monitoring wells that were directly to the west and southwest of the Upland Basin. Those are moving forward; staff concurred with the Board's decision that the monitoring well to the northwest of the project directly west of College Heights was not needed. Watermaster has had discussions with the City of Upland and have encouraged them to speak with their developers to possibly install that monitoring well themselves because they would have more benefit from that than we would at this point in time.

4. Discuss holiday meeting schedules

Mr. Manning noted there were no meetings scheduled for the month of December and stated that the Watermaster staff is available and will accommodate the desires of any member if the need arises to schedule a meeting. There is an MZ1 meeting scheduled for December 8, 2004. Lunch will be served today and Mr. Manning encourages all to stay if their schedules allowed.

Added Question:

The question of whether all recharge basins are equipped with a suitable measuring devices was presented. Mr. Manning stated all have methods computed to measure captured water, although, they are not what Watermaster wants down the line; once the SCADA system is complete we will have a much more accurate measuring system in place.

C. METROPOLITAN WATER DISTRICT MEMBER AGENCY REPORT

1) INLAND EMPIRE UTILITIES AGENCY

a. Rialto Pipeline Shutdown – Task Force Update – Rich Atwater

Mr. Atwater noted that last Tuesday Rick Hansen and he met with representatives at Metropolitan regarding work on the Rialto Pipeline. The issue is after the emergency shutdown last June, can we put in the isolation valves or blind flanges, so that we can isolate portions of the 30 miles of the Rialto Pipeline. Operations are looking at installing those items; there is a meeting in January to review the plans.

b. MWD Status Report – Rich Atwater

Mr. Atwater commented on the issue of the groundwater replenishment rates. In working with several agencies it is felt there is not going to be a great increase on the five dollars next year; it will be frozen and we are working on a case study in the main San Gabriel Basin to get rid of the MWD proposal and try and improve and enhance the existing replenishment program.

c. FY 2003/04 Water Production Report

No comment was made regarding this item.

d. Water Resources Report (handout)

No comment was made regarding this item.

e. Water Conservation Status Report

Mr. Atwater stated that others voted against staff's direction to continue the horizontal washing machine rebate.

f. Recycled Water Program

No comment was made regarding this item.

g. Chino Basin Facilities Improvement Project

No comment was made regarding this item.

h. State/Federal Legislation

No comment was made regarding this item.

i. Public Relations

Mr. Atwater commented on a recent meeting regarding the drought in trying to make sure that we get community based environmental messages out to the public. Mr. Atwater mentioned that in last Saturday's issue of Daily Bulletin there was a story printed about the new model homes and that each of the new models will have

outdoor California friendly landscape and indoor state of the art water appliances. IEUA is trying to connect with the public and make those messages known. This is a real positive effort.

Mr. Atwater noted the inland feeder is way behind schedule and over budget and the contractor just literally walked off the job.

Mr. Atwater reminded the committee members about the water workshop on November 16, 2004 from 7:30 a.m. to 11:00 a.m. which is being hosted by IEUA, Three Valleys Municipal Water District and the Metropolitan Water District. The event will feature information on how to conserve water and how people can earn rebates.

2) THREE VALLEYS MUNICIPAL WATER DISTRICT

a. Relevant Activities – Rick Hansen (oral)

Mr. Hansen thanked Watermaster for putting his item on the agenda; however he had nothing to report on at this time.

IV. INFORMATION

1. Reminder That the Reorganization of Board, Advisory Committee, and Pools Take Place in January

Chair Jeske noted this item was included to remind the various committee members there would be reorganization in January and to start planning now as to the rotation schedule. Mr. Manning stated a rotation schedule would be made available prior to the annual meetings.

2. Newspaper Articles

No comments were made regarding this item.

V. POOL MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

January 13, 2005	9:00 a.m.	Annual Appropriative Pool Meeting
January 13, 2005	11:00 a.m.	Annual Non-Agricultural Pool Meeting
January 18, 2005	9:00 a.m.	Annual Agricultural Pool Meeting @ IEUA
January 27, 2005	9:00 a.m.	Annual Advisory Committee Meeting
January 27, 2005	11:00 a.m.	Annual Watermaster Board Meeting

The Joint Appropriative, Non-Agricultural Pool and Advisory Committee Meeting Adjourned at 10:30 a.m.

Secretary: _____

Appropriative and Non-Agricultural Pool Minutes Approved: January 13, 2005

Advisory Committee Minutes Approved: January 27, 2005