

**Minutes**  
**CHINO BASIN WATERMASTER**  
**ADVISORY COMMITTEE MEETING**  
*February 24, 2005*

The Advisory Committee Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on February 24, 2005 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
Robert DeLoach	Cucamonga Valley Water District
James T. Bryson	Fontana Water Company
Ray Wellington	San Antonio Water Company
Henry Pepper	City of Pomona
J. Arnold Rodriguez	Santa Ana River Water Company
Raul Garibay	City of Pomona
Rich Atwater	Inland Empire Utilities Agency

**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
Gordon Treweek	Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

**Watermaster Consultants Present**

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

**Others Present**

Martha Davis	Inland Empire Utilities Agency
Craig Bush	Integrated Resources Management
Raul Garibay	City of Pomona
Rick Hansen	Three Valleys Municipal Water District
Josephine Johnson	Monte Vista Water Company

The Advisory Committee meeting was called to order by Chair Jeske at 9:10 a.m.

**AGENDA - ADDITIONS/REORDER**

There were no additions or reorders made to this agenda.

**I. CONSENT CALENDAR**

**A. MINUTES**

1. Minutes of the Annual Advisory Committee Meeting held January 27, 2005

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of January 2005
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2004 through December 31, 2004
3. Treasurer's Report of Financial Affairs for the Period December 1, 2004 through December 31, 2004
4. Profit & Loss Budget vs. Actual July 2004 through December 2004

*Motion by Bowcock, second by DeLoach, and by unanimous vote*

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

**II. BUSINESS ITEMS**

**A. CONSULTANT AGREEMENT WITH THE FURMAN GROUP**

Mr. Manning stated this item comes before the Advisory Committee with unanimous approval by the Pools; Watermaster staff feels representation is needed in Washington to assist in coordinating activities that are going on amongst the parties in the Chino Basin. Issues are starting to progress towards funding on specific issues dealing with reclaimed water, additional infrastructures within the basin, and potential clean up funds that might be made available. There are at least five different lobbyists working on behalf those agencies and if Watermaster is going to be effective in being able to monitor and assist in those areas; staff feels some representation is needed. Mr. Manning stated this is not a lobbying contract; this is a consultant services agreement with Hal Furman/The Furman Group. Mr. Furman is a long time associate who has worked with Mr. Manning for approximately twelve years. Mr. Manning stated that he is very confident in Mr. Furman's ability to perform this duty for Watermaster. In the meetings that took place last week in Washington DC both Mr. Furman and Mr. Wyman worked together in coordinating the activities in DC and worked very well as a team. This consulting contract is \$2,500 dollars a month which is about half of what the normal fee would be; this was done because of the type of work Mr. Furman will be tasked to do for Watermaster and staff feels this is an important venture for Watermaster in order to allow staff to be effective in coordinating legislative activities. The question of what kind of work generally has The Furman Group performed in the past was presented. Mr. Manning recapped several of the legislative activities that Mr. Furman has worked on and noted he specializes in water issues. Mr. Manning noted that The Furman Group is not registered in Washington as a lobbyist on Watermaster's behalf and stated that Mr. Furman has a very clear understanding of what his limits of responsibility are and what Watermaster's expectations are for his position in Washington. Watermaster does not have an agenda in Washington; the main objective of The Furman Group will be to assist Watermaster's staff in understanding the dynamics of what is going in Washington and to help coordinate those activities on this end. Mr. Manning acknowledged the contract was amended from the last time it was presented to the Pools to incorporate verbiage regarding liability insurance coverage.

*Motion by Kinsey, second by DeLoach, and by unanimous vote*

***Moved to approve the consultant agreement with The Furman Group, as presented***

**B. APPROVAL OF STIPULATION**

Mr. Manning stated that on November 4, 2002 Watermaster filed an application with the State Resources Control Board to divert underground storage; Counsel Fife will be addressing this item further, however, staff is asking for approval for the presented stipulation with East Valley Water District on the comments they made to Watermaster's application. Watermaster's water rights application does not list any points of diversion on the Santa Ana River itself. Counsel Fife stated that is what Watermaster is acknowledging in the presented stipulation, that Watermaster has no points of diversion from the Santa Ana River itself.

*Motion by Crosley, second by DeLoach, and by unanimous vote*

***Moved to approve the stipulation between East Valley Water District and Chino Basin Watermaster, as presented***

### III. REPORTS/UPDATES

#### A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

##### 1. Attorney-Manager Meetings

Counsel Fife stated a reminder for the upcoming meeting was issued at the beginning of the week. The 2005 milestone issues needs to be resolved in a timely manner. Counsel Fife commented that he has been asked about process and counsel's idea is that within the next week Hatch & Parent will issue an agenda and will solicit feedback from the parties if there are new issues that have arisen since the last meeting; noting the Salt Credit issue has been resolved leaving six issues to be resolved out of the seven that were on the table at that time. Mr. Kinsey noted the timing issues needs to be discussed. Mr. DeLoach concurred with Mr. Kinsey's statement of timing constraints and noted there were issues left off the table in 2004 and felt the most pressing issues should be tackled first that are laid out in the Peace Agreement. Chair Jeske reiterated that we want to do the right thing in the first place, to not rush through issues, and to put together a schedule to accomplish that and identify the items that are required to meet a deadline. A discussion ensued with regard to a time line and deadlines. Mr. Atwater noted that we not only have a court deadline but that we have a Regional Board deadline to meet. Mr. Atwater stated that what we give the court and/or Regional Board in September can be in the form of a progress report and that would be acceptable. Counsel Fife added that in the Basin Plan Amendment it was carefully worded that what was acceptable to the Regional Board is what will be acceptable to the court. It was noted that when an agenda is constructed that the items that are subject to our obligation in 2005 come first or identified as priority.

##### 2. Santa Ana River Application Process

Counsel Fife stated there is going to be a considerable amount of activity concerning the Santa Ana River in 2005. Counsel Fife stated that with this stipulation and noting that counsel has been in contact with the Forest Service and provided them with a lot of materials; they have indicated that within the next few weeks the Forest Service will be in the position to withdraw their protests. Counsel Fife stated that a resolve should happen with Cucamonga Valley Water District on their concerns; that will leave only the protest from the Department of Fish and Game. Counsel Fife noted the Department of Fish and Game has protested all the Santa Ana River applications; they are going to be a general environmental voice within the application process. Counsel Fife noted he attended a meeting recently with OCWD, Western, and Watermaster and is hopeful all will be moving into the completion of this process as a group. OCWD and Western had an optimistic view of going to the SWRCB on their applications this year. Western is looking at finalizing their EIR within the next few months and OCWD will be re-issuing their EIR; staff is hoping these documents will be reviewed by Wildermuth Environmental prior to them being issued.

3. Kuehl Legislation

Counsel Fife noted a discussion regarding the Kuehl legislation was started at the Pool meetings; the Senator's office has now released proposed text of the bill and that is available on the back table. This is being referring to it as a "mega water bill"; it is roughly thirty pages long. The handout conforms to the summary that is in the packet; Hatch & Parent is drafting a more comprehensive analysis which will be sent out without delay.

**B. CEO/STAFF REPORT**

1. Storm Report

Mr. Manning stated that with an effort to keep the committee members apprised on what is happening with the recent storms; Mr. Treweek has an update to provide. Mr. Treweek noted a handout is available on the back table entitled Chino Basin Watermaster Storm Water Recharge Summary FY 2004/2005 which recaps the storm water that was captured in the first seven storm events this year. The report begins when Watermaster had ten functional basins; these were basins that could be pre-set so that whether supplemental water or storm water was used they were ready to accept water; even without the SCADA system Watermaster could monitor the progress. By January Watermaster had added three more basins and with the storm water coming in, Watermaster was able to perform daylight demonstration projects. The daylight demonstration projects have been extended to 24 hour a day basis; Watermaster staff monitors them physically. Mr. Treweek reviewed the handout in detail and noted that in storm event eight approximately 2,000 acre feet of water is being anticipated in capture, which will bring the total capture of water this year to 10,000 acre feet. Mr. Manning noted that every basin that is available to Watermaster is full.

2. State of the Basin

Mr. Manning stated the Executive Summary is on page 47 of the packet and staff is anxious to finalize this report and noted the full text report is available on the Watermaster and Wildermuth web pages. Comments are still being taken, however, if no other comments are received within the next few days this report will be finalized and posted.

3. Federal Update

Mr. Manning commented last week a delegation from the Chino Basin visited Washington DC and noted the goals which were set for this meeting were achieved. Staff and the other visitors wanted to make an impression on those people who are serving as representatives in this area, which in fact, the Inland Empire is working together as a team. John Rossi from Western Municipal Water District, Martha Davis and Rich Atwater from Inland Empire Utilities Agency, Chino Basin Watermaster, and Cucamonga Valley Water District was represented. What was sought after was to portray to the parties in DC that Chino Basin is looking at issues in our area as a region and not just as isolated individuals. Both Senator Feinstein and Congressmen Dryer's office specifically commented to the fact they were especially pleased that our parties are working together as a team effort. Ground work for long term funding issues is needed and was laid out in conversations, potentially in the areas of desalter expansion and basin clean up. Hand out materials was left with several parties and Mr. Manning especially thanked Martha Davis for an outstanding job at putting together the package. Mr. Manning also thanked Dave Wyman, the lobbyist for both Cucamonga Valley Water District and for Inland

Empire Utilities Agency, for assisting in developing the materials and the talking points for the attended meetings. Mr. Manning stated that all together it was an exceptional set of meetings. During the visit in DC, congressmen Dyer dropped the bill concerning reclaimed water for both Inland Empire and Cucamonga Valley.

### C. INLAND EMPIRE UTILITIES AGENCY

#### Added Comment:

Mr. Atwater thanked Mr. Manning for organizing the trip to Washington DC and Hal Furman in working with Three Valleys and noted the meetings were beneficial on several levels.

Mr. Atwater commented on HR802 and asked that letters of support be written and noted it is being supported by all five members of the Chino Basin.

Mr. Atwater commented on the September deadline for the Hydraulic Control, Max Benefit, and the desalters; HR177 will provide up to \$50 million dollars for the expansion of the desalters. Mr. Atwater noted IEUA is working on the state and federal level for funding for the desalters.

1. MWD Status Report – Rich Atwater

No comment was made regarding this item.

2. MWD Projected Rates and Changes – Rich Atwater

Mr. Atwater noted that John Rossi and he have been working diligently on the MET rate structure and stated there will be no change for the groundwater replenishment rate for next year, no change for the Tier I rate, however a \$15.00 dollar increase on the Tier II rate in calendar year 2006 will take place. Strategically MET rates are going to go up significantly and the two items that need to be discussed are the replenishment rates being kept as low as possible and having the Tier II rate go up at a faster pace than the Tier I rate. Mr. Kinsey inquired if there was anything that retail agencies can do collectively from Orange County, Chino Basin, and Riverside to assist in the effort to promote a reduction in the replenishment rate. Mr. Atwater commented on a recent case study and meetings that are coming up on the white paper. Chair Jeske inquired into a seasonal rate and Mr. Atwater stated that was probably not feasible, however in lieu could be discussed. A discussion ensued with regard to rate increases and replenishment deliveries.

3. Colorado River Alert – Rich Atwater

Mr. Atwater stated at Metropolitan and with the State of California concern has been expressed that the State of Arizona will amend the congressional act. Mr. Atwater reviewed the history of the congressional act and stated that what the State of Arizona wants to do is to change the priorities so that all parties are equal, which would have a dramatic impact on our water supply. Mr. Manning stated this issue was addressed at the recent ACWA meetings last week.

4. Recycled Water Report

No comment was made regarding this item.

5. Water Resources Report (handout)

No comment was made regarding this item.

6. State/Federal Legislation Reports

No comment was made regarding this item.

7. Public Relations Report

No comment was made regarding this item.

**D. OTHER METROPOLITAN MEMBER AGENCY REPORTS**

Mr. Hansen discussed the new pricing structure and surcharges. The new demand or "growth" charge will be looked at for this year. Mr. Hansen noted that MWD will also be looking at the price differential between Tier I and Tier II. The new system overview is being evaluated in great detail.

Mr. Hansen stated that at the Washington DC meetings and while presenting a unified team effort approach, for the Chino Basin, with the piece that appeared in the Daily Bulletin was an outstanding endeavor. All the offices that were visited and viewed the news paper article acknowledged the potential of doing something very good this for the Chino Basin.

Mr. Hansen spoke on the Three Valley's dedication that took place yesterday for the recently completed spreading grounds.

**IV. INFORMATION**

1. Newspaper Articles

No comment was made regarding this item.

**V. COMMITTEE MEMBER COMMENTS**

No comment was made regarding this item.

**VI. OTHER BUSINESS**

Mr. Manning noted that the Agricultural Pool meeting has changed from Tuesday, March 15, 2005 at 9:00 a.m. at Inland Empire Utilities Agency to Thursday, March 10, 2005 at 11:00 a.m. at Chino Basin Watermaster with lunch being served directly after the meeting due to several Agricultural Pool members being out of town on the regularly scheduled day.

**VII. FUTURE MEETINGS**

February 24, 2005	9:00 a.m.	Advisory Committee Meeting
February 24, 2005	11:00 a.m.	Watermaster Board Meeting
March 10, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
March 10, 2005	11:00 a.m.	Agricultural Pool Meeting @ CBWM
March 15, 2005	12:00 p.m.	Managers Meeting @ IEUA
March 21, 2005	1:00 p.m.	AGWA Meeting
March 24, 2005	9:00 a.m.	Advisory Committee Meeting
March 24, 2005	11:00 a.m.	Watermaster Board Meeting

The Advisory Committee Meeting Adjourned at 9:52 a.m.

Secretary: \_\_\_\_\_

Minutes Approved: March 24, 2005