

Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

April 28, 2005

The Advisory Committee Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on April 28, 2005 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

Ken Jeske, Chair	City of Ontario
Mark Kinsey	Monte Vista Water Company
Dave Crosley	City of Chino
Robert DeLoach	Cucamonga Valley Water District
Mike McGraw	Fontana Water Company
Ray Wellington	San Antonio Water Company
J. Arnold Rodriguez	Santa Ana River Water Company
Gerald J. Black	Fontana Union Water Company
Raul Garibay	City of Pomona
Rich Atwater	Inland Empire Utilities Agency

Agricultural Pool

Nathan deBoom	Milk Producers Council
John Huitsing	Crops
Pete Hettinga	Dairy

Non-Agricultural Pool

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

John Anderson	Inland Empire Utilities Agency
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Watermaster Staff Present

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	Finance Manager
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

Josephine Johnson	Monte Vista Water District
John Rossi	Western Municipal Water District
Rick Hansen	Three Valleys Municipal Water District
Steven Lee	Ag Pool Legal Representative
Luis Juarez	Three Valleys Municipal Water District
Rick Rees	CIM/Geomatrix
Lisa Hamilton	GE

Paul Deutsch

GE – Geomatrix

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 the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting held March 24, 2005

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2005
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2004 through February 28, 2005
3. Treasurer's Report of Financial Affairs for the Period February 1, 2005 through February 28, 2005
4. Profit & Loss Budget vs. Actual July 2004 through February 2005

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

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

II. BUSINESS ITEMS

A. EDISON PROPERTY CONVERSION

Mr. Manning stated this item was discussed at one of the recent Attorney-Manager meetings. At that meeting the discussion focused on the letter that the City of Ontario had requested Watermaster sign regarding allowing the conversion for the former Sunkist property, referred to as the Edison property located, within conversion area one. Staff found that the interpretation was consistent with how staff was working with the property. At the Attorney-Manager meeting it was also felt that this request and information was correct and recommended this item be taken through the Watermaster process for approval. Mr. Wellington noted some conflict in discussions and the fact staff has concurred that this property is eligible for conversion as presented in the language in the presented letter. Mr. Wellington stated that if this letter is signed as presented it appears to clearly say that Watermaster agrees with the conversion and introduces water rights which have not been part of the discussions. Mr. Wellington expressed his uneasiness in approving the presented letter. Mr. Manning noted that at the recent Appropriators Pool meeting there were discussions as to whether or not this letter was the appropriate vehicle in which to make this statement and it appeared that it was an either/or that the action could be taken to provide assurance through the minutes or by the signing of the letter. The City of Ontario would like to have the presented letter on file because this property is slightly different in that it is a piece of property that is owned by a member of the overlying Non-Agricultural which is different than most of the properties located within conversion area one. It was noted that there was a request from an appropriator requesting a letter of clarification and there is no problem with that issue, however, there are some language issues regarding water rights that need to be addressed. Chair Jeske noted there were two issues stated in the letter, one being the determination of whether or not the area is eligible for conversion and the second is really an issue for the overlying Non-Agricultural producer. Both issues were addressed in one letter to save time, however, if Watermaster wants to write a separate letter stating that this property is eligible for conversion that would be acceptable to the city. Mr. Bowcock stated that the verbiage in the letter does not appear that it does any harm to the Non-Ag overlyer so the language is benign

and can be removed if necessary. Counsel Fife reiterated the motion stating that a separate letter be drafted acknowledgement of the eligibility for land use conversion.

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

Moved to approve to respond to the appropriators request to provide a letter that Watermaster has determined that it is eligible for Agricultural conversion and that filing pursuant to the Judgment will be dully considered, as presented

B. FORBEARANCE PROGRAM

Mr. Manning noted that the Forbearance Agreement is a voluntary agreement which was initially set for three years that allows those who participate an opportunity to forbear production within Management Zone 1 (MZ1). It has come to staff's attention that we are now at the end of that three year agreement, however, it is necessary for additional studies and the request has been made to continue the Forbearance Agreement for one more year. This action would allow that additional year be added onto the agreement and to allow time for additional studies within the MZ1 area.

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

Moved to approve the continuance of the Forbearance Program for another year, as presented

C. FIELD SERVICES CONTRACT

Mr. Manning commented that this item is part of the ongoing transition of the field staff and the way Watermaster has been conducting business. Mr. Manning reminded the committee members that it has been decided at a previous meeting regarding the sale of Watermaster vehicles to Wildermuth Environmental and the hiring of one of Wildermuth's staff onto the Watermaster staff along with the hire of an additional employee. Those steps have all been set in place and this contract allows for the final step for the field staff to implement the transaction so that there is a clear understanding of exactly what Wildermuth Environmental will be doing with the employees which will be doing work for Watermaster. Mr. Manning states that this recommendation comes from unanimous vote from the pools and staff recommends approval from the Advisory Committee at this time.

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

Moved to approve the Field Services Contract, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney-Manager Meetings

Counsel Fife noted the next Attorney-Manager meeting is to be held today at 1:00 p.m. at the Cucamonga Valley Water District's office. Materials have been distributed for this meeting and counsel noted he has copies if any party needs them prior to the meeting.

2. Santa Ana River Application Process

Counsel Fife stated there was nothing new to report on since the Appropriative Pool meeting and noted there have been some withdrawals of the protests from both the US Forest Service and East Valley Water District. This leaves Watermaster's application protested by the Department of Fish and Game, which is a very generic protest. The protest from Cucamonga Valley Water District is being worked on. All this recent activity

came up due to Orange County Water District and Western Municipal Water District indicating a desire to go to hearing on their applications in the first quarter of 2006. The items that Watermaster need to complete its application process are finished and counsel is ready to go to a hearing at any time.

3. North Gualala Litigation Amicus

Counsel Fife stated the North Gualala case is going to be appealed. This could potentially cause the Chino Basin problems if we receive an appellate court decision that said that the State Board has permitting jurisdiction over groundwater pumping that could conceivably have an impact on a surface water body. Nothing has been filed or scheduled to date and counsel will keep the committee members apprised on this case.

4. Pending Legislation

Counsel Fife stated that there are a few bills being watched presently and noted that assembly bill 1453 was discussed at length at the pool meetings. No new action has occurred on 1453 since those meetings and the language of that bill still causes some concern. Senate Bill 773 and SB 371 deals with injection into a groundwater aquifer and have been recently amended. SB 773 concerns injection of drinking water and SB 371 concerns injection of recycled water, both are intended to make it easier to do those activities.

B. CEO/STAFF REPORT

1. Budget Workshop Update

Mr. Manning noted that the budget workshop is scheduled for Monday, May 2, at noon and lunch will be served. The budget has been made available as of last week on the CBWM ftp site. The workshop is not the only opportunity to ask questions and noted that Sheri Rojo and he would be available for questions prior to and after that workshop. A lot of work has gone into the preparation of this budget and this workshop will allow parties to review the budget in detail.

2. Storm Report Review

Mr. Manning stated this item is for update purposes only and with the exception of the storm last night as through storm event #10 14,560 acre-feet of storm water has been captured, which is a significant amount. In our discussions with Inland Empire Utilities Agency, Flood Control, and the Conversation District staff has learned a lot during this storm season about how our basins operate. These storms were a blessing and a challenge all at the same time; a blessing in that there was a lot of water captured and a challenge because taking all this free water means this water would contain silt and sediment. There are also some maintenance issues that have been discussed and that we will need to have money spent on refurbishing the basins so that they are capable of taking MET deliveries in the next few months. Watermaster is very pleased with almost 15,000 acre-feet of storm water captured and this rainy season was a very good opportunity to test for the system overall.

3. Replenishment Obligation Update

Mr. Manning noted in our obligation up until these last deliveries that we have taken from MET there is approximately 2,440 acre-feet still obligated for MZ1. Outside the MZ1 area there is approximately 11,713 acre-feet of obligation still needed. This is just a heads up item as where we are currently and final numbers will be given out once this last data has been reviewed and all the numbers are in.

4. Turner Basin Renovation Test

Mr. Manning noted that Mr. Vanden Heuvel had introduced a sub-contractor to Watermaster and felt that they had some technology that could benefit the Watermaster's recharge basins. The sub-contractor has a business where they use a suction system and divers who clean ponds and lakes at golf courses and marinas. Scuba Duba felt they had some technology that could be utilized in cleaning out the recharge basins in the event staff wanted to keep the basins wet, which is a long term goal of Watermasters'. Turner 3 was used as a demonstration/test site over a five day period; over that period they went through a lot of changes and calibrating of their equipment. What they found was multiple layers of very fine clay. Their biggest challenge was trying to break up that fine layer so it could be then sucked up into their equipment and removed from the basin floor. By the time the test was concluded, their analysis was that their equipment could be modified to perform this kind of work and are working on a revised proposal to execute this task. The original proposal was discarded due to cost. The test was interesting and this concept needed to be presented to the committee members on an initial basis because discussions will open up at a later date as to where this type of technology might be used noting this technology is not applicable to all the basins. At some point in the future a different test might be required using their technology after it is modified again. Mr. Treweek, who worked very closely with Scuba Duba, noted that he wishes to explore other options before committing to this type of project. Mr. Treweek spoke on what is being done in the Orange County basins and noted that their basins are much larger than ours, however, there is much to learn from what they are presently doing as well as in other regions like Tucson Arizona. This test was to see if it keeping the basins wet year round was even feasible to be able to consider the services offered by this sub-contractor; there were some reservations, although this company seems confident they can make it happen; staff will keep the committee members updated.

5. MZ3 Water Quality Update

Mr. Treweek noted that Watermaster has started to move ahead with the water quality monitoring program for Management Zone 3 (MZ3); Wildermuth is taking samples from approximately 18 wells and then there are 2 additional wells being tested, these are the renovated wells (MP2 and KOFS). Staff wants to receive the first of four surveys that will be done over the course of the year and from that first survey staff feels that data will show where the next two new wells will be installed which will be in between where the old Kaiser plume had been identified and the Jurupa Community Services intake wells. This last week Inland Empire Utilities Agency was awarded the \$250,000 dollar grant from DWR towards the construction of one of those two potential wells. Samples will begin this week and things are in place to receive results for the next Water Quality meeting in May. Chair Jeske offered comment on areas for these two new wells.

C. INLAND EMPIRE UTILITIES AGENCY

1. MWD Status Report – Richard Atwater

Mr. Atwater stated that one of the side effects due to this great winter we have had is that MWD water sales have dropped dramatically. This will allow us to move a lot of replenishment water this year.

2. MWD Projected Rates and Changes – Richard Atwater

No comment was made regarding this item.

3. Rialto Pipeline – Richard Atwater

Mr. Atwater stated that Mr. Hansen and himself expect Metropolitan to approve at their May board meeting the isolation valves on the Rialto Pipeline, which means there will be another shutdown this winter.

4. Recycled Water Report – Tom Love

Mr. Atwater noted that Mr. Love was not able to attend this meeting; however, the recent Recycled Water Report was emailed and made available on the back table for review.

Mr. Atwater stated that IUEA is beginning construction on Phase II this summer, Phase I is almost completed. As a reminder Phase I was almost 100% funded by the State Water Resources Board grant and low interest loan and Phase II will be similarly funded and IEUA is expecting to use federal funds next fall. Phase III will primarily funded with DWR grant and will be working with Watermaster on that portion of the DWR grant.

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

Mr. Atwater thanked Ms. Davis and Ms. Elrod and others who worked on this program for all their efforts in the "Garden in Every School Program". ACWA has given the area the award for that project for public education. Since this is water awareness month there are a lot of activities happening and if anyone has any suggestions on events Mr. Atwater asked that parties please contact Sondra Elrod at IEUA.

D. OTHER METROPOLITAN MEMBER AGENCY REPORTS

Western Municipal Water District:

Mr. Rossi thanked those who attended the special ceremony to introduce Dennis Underwood, the new CEO/GM for Metropolitan Water District. Mr. Rossi discussed some of the new concepts that Mr. Underwood will be focusing on and at a recent engagement in San Diego Mr. Galleano urged managers to speak to Mr. Underwood and present concepts and ideas that MET can do for water agencies focusing on the Colorado River. Mr. Rossi spoke on potable water and sales. Mr. Rossi stated that various projects are taking place presently with some having a direct impact on the Chino Basin and felt this committee might want to view the systems overview presentation sometime soon. Chair Jeske inquired if the presentation that Mr. Rossi spoke about would be of any interest to the parties present. It was noted by the committee members that this presentation would want to be seen at the Appropriative Pool meeting.

Three Valleys Municipal Water District:

Mr. Hansen stated that in looking at our neighbors, the sphere of influence of the health of others has an impact on all of us. A few of the things that have taken place lately at Three Valleys are that MWD, Three Valleys, and the City of Pomona recently approved for the Pomona facilities for wellhead treatment. Yesterday two more agreements were approved with the other water agencies for expansion of reclaimed water. Three Valleys has finalized and approved their Feasibility Study on spreading connections and well development. Mr. Hansen spoke on the Three Valleys EIR which will be available next week with a public hearing

scheduled for later in June/first in July. Mr. Hansen spoke on various treatment plants and desalters.

IV. INFORMATION

1. Status Report No. 12

Mr. Manning noted that while the Pools and Advisory Committee approved both Status Report #12 and #13, the Watermaster Board wanted more time for review and asked that this item be placed back on the calendar for April for their approval.

2. Status Report No. 13

Mr. Manning noted that while the Pools and Advisory Committee approved both Status Report #12 and #13, the Watermaster Board wanted more time for review and asked that this item be placed back on the calendar for April for their approval.

3. Newspaper Articles

Mr. Manning stated these articles that are placed in the meeting package are relevant to the happenings in the Chino Basin and are for information purposes only.

V. COMMITTEE MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

April 28, 2005	9:00 a.m.	Advisory Committee Meeting
April 28, 2005	11:00 a.m.	Watermaster Board Meeting
April 28, 2005	1:00 p.m.	Attorney-Manager Meeting @ CVWD
May 02, 2005	9:00 a.m.	GRCC Meeting
May 02, 2005	12:00 p.m.	Budget Workshop
May 12, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
May 17, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
May 18, 2005	9:00 a.m.	MZ1-Meeting
May 24, 2005	9:00 a.m.	Water Quality Meeting
May 25, 2005	10:30 a.m.	MZ1 Special Referee Workshop
May 26, 2005	9:00 a.m.	Advisory Committee Meeting
May 26, 2005	11:00 a.m.	Watermaster Board Meeting

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

Secretary: _____

Minutes Approved: May 26, 2005