

Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING
April 14, 2005

The Joint Appropriative and Non-Agricultural Pool Meeting were held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on April 14, 2005 at 9:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT

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

NON-AGRICULTURAL POOL MEMBERS PRESENT

Justin Scott-Coe	Vulcan Materials Company (Calmat Division)
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Watermaster Board Members Present

Al Lopez	Western Municipal Water District
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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
Sheri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Josephine Johnson	Monte Vista Water District
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Chair Crosley called the meeting to order at 9:06 a.m.

AGENDA - ADDITIONS/REORDER

Mr. Manning noted that the Agricultural Pool meeting which was previously scheduled for Tuesday, April 19 has been changed to Thursday, April 21 and is still being held at IEUA.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Joint Appropriative and Non-Agricultural Pool Meeting held March 10, 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 January 1, 2005 through February 28, 2005
4. Profit & Loss Budget vs. Actual July 2004 through February 2005

Motion by Kinsey, second by Jeske, 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 that the City of Ontario has requested that Watermaster confirm the understanding of the parties to the Peace Agreement that the property which is known as the Edison Farm Property be eligible for conversion credit upon the conversion to urban use. The City of Ontario has submitted a letter requesting Watermaster's signature and staff felt it necessary to take this letter through the Watermaster process before such signature was applied. Mr. Manning reviewed sections of the submitted letter in the package starting on page 23 and noted the property is within conversion area one and has always been included in the area assumed to be convertible during the process. Staff feels this request is consistent with the intent of the Judgment and should be eligible to receive a conversion credit. The motion is requesting the authorization to sign the submitted letter. The question if whether there was a need to sign the letter was presented. Mr. Manning stated that the City of Ontario has asked that the letter be signed insuring there is no doubt in the future that this property is eligible for conversion. The question of when this item was first discussed was presented. Mr. Jeske stated this item was first discussed in some of the manager meetings held last fall and noted it was in 1995 when the conversion map was put together. A discussion ensued with regard to the owner of the properties first written request and its eligibility which was discussed at that time. Mr. Jeske noted the City of Ontario wants something in writing and on record that verifies the eligibility because of the request which came from a member of the non-agricultural pool.

Mr. Manning expressed that the inclusion of this discussion in the minutes would also suffice if no other written document came forth for recognition that the property was within conversion area one and discussed throughout the entire Watermaster process. A discussion ensued with regard to use of Agricultural water and/or Non-Agricultural water and the rights that go with the use of the water as well as the need for an accurate record to be maintained. A discussion regarding Kaiser water rights ensued. Counsel Fife stated that the issue which arises regarding this particular piece of property and the non-agricultural pool member is that unlike any other water right holder in the non-agricultural pool, this is an agricultural operation. In looking at the Judgment in Exhibit H Paragraph 10 the discussion about eligibility for conversion is in terms of agricultural use of the property. This is a matter of agreement through the discussions that this property would qualify for conversion under the terms of the Judgment. The attempt in running this item through the Pool, Advisory, and Watermaster Board process is to create that paper trail so in the future there is a clear process that was gone through in order to make the decision. A question regarding the amount of conversion taking place was presented. Mr. Jeske stated it is slightly over 200 acres.

Motion by Black, second by DeLoach, and by unanimous vote – Non-Agricultural concurred

Moved to approve the submitted letter written by the City of Ontario confirming the Edison Farm Property is eligible for conversion credit and is in conversion area

one,

as presented

B. FORBEARANCE PROGRAM

Mr. Manning stated this item is to present the consideration to approve the continuance of the Management Zone 1 (MZ1) Forbearance Program into a fourth year. Program Element Four in the OBMP acknowledges the existence of subsidence and fissuring within MZ1 and requires that information be collected and analyzed by Watermaster so that an effective long term plan can be developed and that certain actions would be taken under the interim management plan to minimize subsidence and fissuring or reduce them to tolerable levels. One of the central components of the Interim Plan is the voluntary forbearance program and any party to the Judgment may be eligible to participate in the voluntary forbearance program by exercising the election. Watermaster staff and consultants have participated in the technical committee meetings and through these committees have found that MZ1 technical investigations have produced important data, however, at this point in time the continuation of the forbearance agreement would be advantageous for Watermaster in receiving additional data before decisions are made. Staff is recommending the continuation for another year the Forbearance Agreement and that Agreement is attached with a staff letter in the meeting package. The question that while under the forbearance program has Watermaster had to purchase any substitute water for any of the agencies forbearing was presented. Mr. Manning stated not to this point no. Chair Crosley noted that at a recent meeting the appropriators obligated themselves to purchase water if needed and as to date there has not been a need to purchase water.

Motion by Wellington, second by DeLoach, and by unanimous vote – Non-Agricultural concurred

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. Staff had recommended and Watermaster had agreed that Watermaster would continue to keep the field staff employed by Wildermuth Environmental Inc. with the exception of one employee and the hiring of an additional employee. This is the agreement from which Watermaster would work in the future utilizing staff from Wildermuth Environmental for the purposes of monitoring and other testing purposes. Staff is recommending the approval of the submitted contract. Mr. Jeske noted that the contract refers to field services and the agenda item states field staff and recommends Watermaster use consistent language and verbiage that is clear to PERS, worker's comp, and other reasons that Watermaster is not hiring staff.

Motion by DeLoach, second by Wellington, and by unanimous vote – Non-Agricultural concurred

Moved to approve the Field Services Contract, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney-Manager Meetings

Counsel Fife stated the next meeting is scheduled for today at noon and materials for that meeting have gone out over the past few days. Mr. Jeske expressed displeasure in the timing for receiving materials for the attorney-manager meetings and stated materials

which were received late yesterday were not adequately reviewed for comments today. It was asked that materials be sent out in a timelier manner leaving time for proper assessment or questions. Counsel Fife stated that Mr. Jeske's request was well noted and the goal will be to pass out materials more rapidly. A discussion ensued with regards to this material matter and the schedule of the meetings. It was noted that maybe materials be sent out as received instead of waiting until all the paperwork is gathered to give ample time for review.

2. Santa Ana River Application Process

Counsel Fife stated that in the meeting packet there is a copy of the Forest Service's withdrawal of protest to Watermaster's application. There is expectation that East Valley Water District will follow suit at any time to submit a withdrawal. This leaves two additional protests, one from the Department of Fish and Game and the other from Cucamonga Valley Water District, which is presently being worked on. Staff and counsel met with staff members of the State Board in the beginning of March and at that meeting the State Board asked for a statement concerning our application and an explanation on how that works in with our environmental work, the OBMP, and the Basin Plan Amendment. Staff is creating that requested documentation and will be made available for review; this is not an item that will run through the Watermaster process.

One of the interesting things that is coming out of this application is there are many findings in our PEIR and in the Basin Plan that the recharge of storm water is not just something that does not have an adverse impact but is actually something that has a beneficial impact. In addition there has been a lot of litigation recently about storm water, under the clean water act, and permitting of storm water and in that sense Watermaster is also having a benefit because we are preventing storm water from escaping from the basin. Watermaster may be proposing that the Watermaster project, as opposed to everyone else's project, actually improves things and should be considered as a mitigation measure more than something that might have an impact.

3. North Gualala Litigation Amicus

Counsel Fife noted this item was mentioned a few months ago and at that time the trial court decision was distributed. This was a trial court decision finding that the groundwater pumping had a conceivable impact on a surface stream and falls under the State Board permitting jurisdiction. There is going to be an appeal of that case and when the briefs begin to be filed in that appeal staff might want to review those documents and consider whether Watermaster has a perspective that should be added to the discussion. Counsel has discussed this with the attorney for North Gualala and he is expecting the opening briefs and the appeal will be due sometime in the June time frame.

4. Pending Legislation

Counsel Fife commented that there are a few items of legislation that Watermaster is following and have been distributed at the last few meetings. These bills are being revised and there are some interesting revisions that will need to be discussed. The senate bill #1453 regarding water courts are continuing to move forward. One of the issues under that bill is that the divisions for water courts are following the Regional Board divisions, which means the area that Watermaster will be reporting to will be the Santa Ana division and the court that is being listed in the bill as the center for that division is Orange County. The bill as it has been revised states that in any water adjudication if any party in the adjudication makes a motion to move the case into a water court, it will be moved into a water court. There is a good chance at how the bill is written that Watermaster will end up in Orange County.

Senate bill #21, which is another bill being watched, concerned use of state water project water. There were some concerns about this bill as limiting the amount of water that we would ultimately be able to use for replenishment purposes. That bill has been completely gutted; it now mandates studies about how to improve the reliability of the State Water Project.

Senate bill #773, which concerns recharge of recycled or treated water. The last time this bill was passed out it was only a paragraph long and basically stated if you are recharging water that meets drinking water standards you do not need a permit from a Regional Board. It is now about ten pages long and does not give as much protection as that "blanket" you do not need a permit statement. One interesting pieces of this bill concerns ownership of recharged water and specifies that anybody who recharges water, treated wastewater, into a groundwater basin as a complete ownership interest in that water, even if that basin is an over drafted basin. Counsel is not sure where this bill is heading and will keep an eye on any changes as this is presenting to be a very interesting bill. A discussion ensued with regards to senate bill #773.

B. CEO/STAFF REPORT

1. Budget Workshop Update

Mr. Manning noted that the date for the budget workshop has been set for May 2, 2005 from 12:00 p.m. to 2:00 p.m. and lunch will be served for this meeting. At that meeting the budget and the implications of the budget will be gone through in detail. The budget will be available shortly and the committee members will be notified when it becomes available on our web site and/or ftp site. With the workshop meeting in early May, it is anticipated to have the budget in the May package to start through the Watermaster process if all goes well at the workshop. Once the budget is made available, if there are any questions, parties do not need to wait for the workshop to get in touch with Watermaster staff, staff will be available prior to the meeting.

2. Storm Report Review

Mr. Manning stated there is a handout on the back table dated April 16, 2005 which provides information for the storm water summary. Mr. Manning noted that through March 3rd there was a little over 11,000 acre-feet of recaptured water which puts us just under 15,000 acre-feet for the season and there appears to be a few more storms heading our way before the end of the storm season. The basins are still receiving some snow melt and we are recharging approximately 10 c.f.s. Montclair and Brooks. San Sevaine One is now finished in terms of its repairs and will be able to start taking MET water as early as next week.

3. Replenishment Obligation Update

Mr. Manning remarked that in terms of our replenishment obligations inside MZ1 there is currently about 2,440 acre-feet still of obligation in MZ1 as of today. Outside of MZ1 there is approximately 11,713 acre-feet of obligation. The question regarding the amount still due on the 6,500 acre-feet obligation was the 2,440 acre-feet and Mr. Manning stated that was correct.

4. Turner Basin Renovation Test

Mr. Manning noted that Mr. Vanden Heuvel had introduced this sub-contractor to Watermaster and felt that they had some technology that could benefit the Watermaster's recharge basins. This is a sub-contractor out of Long Beach, California; they have 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 very fine layers of clay and sand and clay and sand. Their biggest challenge was trying to break up that fine layer so it could be then sucked up into their equipment and removed it from the basin floor. By the time the test was concluded in the five days 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 the 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 100%. 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 Tucson Arizona. A comment regarding the basins which are generally dry and keeping them wet basically 365 days a year which would possibly create wetlands was presented. Mr. Manning stated that discussions have not yet been taken to that degree to understand the implications of keeping the basins wet for 365 days a year. This test was to see if it 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. The question regarding cost was presented. Mr. Manning stated the test was a modest amount and did have success in Turner basin in being able increase the recharge rate in Turner 3.

5. MZ3 Water Quality Update

Mr. Manning noted that Mr. Treweek will be giving an update on the wells that are being installed. Mr. Treweek stated that over the past year staff has been trying to identify the good wells to monitor contaminants in MZ3; about twenty wells have been identified to use on a yearly groundwater sampling basis. Two of the key wells in those twenty wells are part of the Kaiser plume monitoring wells; these wells have been abandoned about a decade ago and have now been almost completely renovated. The next step will be to go out and start sampling the twenty wells; the work plan has been drawn up and we know what we are looking for. This will be the first step in getting a handle on the contaminants in MZ3.

Added Comments:

Mr. Manning noted on the back table there is a handout of an agreement for the data program that Ms. Maurizio gave a presentation on last month, based on the fact that staff will be moving forward on this program, staff has agreed with IEUA that an agreement is needed since we will be partnering with them on this. This agreement will go through the Watermaster process next month and this is a heads up on that issue; this agreement is on IEUA's agenda this month for approval.

Mr. Manning noted that the Baca bill for Perchlorate money did pass the house within the last two days and has gone on to the senate. The availability to get through the senate will be a bit more challenging in that Senator Feinstein is still promoting her national Perchlorate bill which is in direct contradiction to the Baca bill. This is a good thing that this bill passed through the house and we are hopeful we can help get it through the senate which should provide the basin with some additional clean up money.

IV. INFORMATION

- 1. Status Report No. 12
No comment was made regarding this item.
- 2. Status Report No. 13
No comment was made regarding this item.
- 3. Newspaper Articles
No comment was made regarding this item.

V. POOL MEMBER COMMENTS

Mr. Kinsey noted that at the upcoming Santa Ana Watershed Conference and Award Ceremony that is annually hosted by Southland Santa Ana River Watershed Coalition, Monte Vista Water District (MVWD) will be receiving the Integrated Project of the Year Award. Monte Vista Water District submitted an application for what is called the Monte Vista Aquifer Storage and Recovery Program (injection wells which are being constructed); we are very pleased to win that award. Mr. Kinsey thanked the Watermaster, the Conservation District, and Inland Empire Utilities Agency who supported the project in its very early stages. This is an excellent opportunity for MVWD to highlight what is going on in the Chino Basin which is unique and positive. The parties congratulated Mr. Kinsey and Monte Vista Water District and noted it was well deserved.

Mr. DeLoach stated that he will be attending a meeting with Richard Katz with the State Board on a couple of issues relating to Cucamonga Valley Water District, however, one of the items that are going to be mentioned is part of the problems that Watermaster is experiencing here with funding of Regional Boards. Mr. DeLoach noted he wanted to put this on the table during his meeting and will report back on his thoughts and comments on where Mr. Katz might go with this. Mr. Manning commented that staff will be pursuing this effort as well and has spoken to Senator Margett and he has a weekly conference call set up with the executive director in order to talk about issues relative to water and he has asked that he join in on a conference call to discuss the Regional Boards financial issues. A discussion ensued with regard to the Regional Board's funding issues and the Watermaster's involvement.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

April 14, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
April 14, 2005	12:00 p.m.	Attorney-Manager's Meeting @ CVWD
April 19, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
April 20, 2005	9:00 a.m.	MZ1 Technical Committee Meeting
April 28, 2005	9:00 a.m.	Advisory Committee Meeting
April 28, 2005	11:00 a.m.	Watermaster Board Meeting
May 02, 2005	12:00 p.m.	Budget Workshop

The Joint Appropriative & Non-Agricultural Pool Meeting Adjourned at 9:58 a.m.

Secretary: _____

Minutes Approved: May 12, 2005