

MINUTES

**SIX BASINS WATERMASTER
ADMINISTRATION/FINANCE COMMITTEE
1021 E. Miramar Avenue, Claremont, California
Wednesday, June 23, 2010**

1. Call to Order / Roll Call

The meeting was called to order at 3:15 p.m. with a quorum of committee members present as shown below.

Committee Members:	John Giboney, Pomona College Dan Horan, Three Valleys MWD Pat Malloy, City of Claremont Tom Thomas, City of Upland
Staff Attending:	Anibal Blandon, ALDA Engineering/6BWM Staff Vicki Hahn, 6BWM Staff James. Linthicum, 6BWM Staff Mike Sovich, 6BWM Staff
Others Attending:	Shaun Stone, City of Upland Mark Wiley, City of Upland

2. Public Comment

There were not any requests for public comment.

3. Budget Goals for Calendar Year 2011

Staff informed the committee of the discussion regarding the budget that had taken place in the preceding Engineering & Technical Committee (E & T) the highlights of which follow.

Staff provided a background summary of previous projects and introduced their recommendations for budget consideration for calendar year 2011 as follows:

- A.** Continue enhancing spreading facilities at the US Army Corps of Engineers property. – Estimated at \$200,000 for two spreading berms and \$275,000 for three berms.

- B. Develop three spreading basins on the west side of the diversion channel at the Thompson Creek Dam. Estimated at \$250,000 – could be cost shared with PVPA.

- C. Construct a new observation well in the LCHB to replace Pomona Well No. 20; estimated at \$400,000.

As recommended it is anticipated the annual assessment would increase by approximately \$5.00 for every \$100,000 considered for maintenance projects.

Budget discussion will be initiated during the July 28, 2010 board meeting.

During the E & T Committee meeting Director Garibay, City of Pomona indicated that Pomona utilizes Pomona Well No. 20 as a peaking well only and that he would be willing to work with Watermaster to have it remain an observation well when not used for production.

Staff recommended that as part of the budget that the Watermaster continue the trend of the last few years in expanding the maintenance efforts of the San Antonio Spreading Grounds (SASG). As requested in the E & T Committee, staff will perform a technical analysis regarding the performance of the maintenance already completed at SASG and report back to the committee at the August 25, 2010 meeting.

Director McDonald, PVPA, suggested that another project to be considered would be a full scale, long-term Master Plan for the spreading grounds and the Basin as a whole. PVPA has done some preliminary work in this area and staff has also done some work in the area with CDM. It was suggested is that a proposal be developed that included a peer review of the groundwater models, what has already been done, and the next steps to consider. The committee concurred that whatever is decided, ultimately the consultant on the project should report to the committee to ensure the greatest possible balance. It was also suggested that TVMWD, as staff, should have a minor role in the Master Plan process due to possible conflicting goals.

4. Committee Structure

Members of the Administrative & Finance Committee joined the Engineering & Technical Committee to conduct a joint discussion on this item since it was included on both of their respective agendas.

During the May 26, 2010 Board meeting it was approved that standing committee meetings would be held beginning at 2:00 p.m. on the fourth Wednesday of all even months, except for December. Staff is recommending that rather than have two separate committees, a “committee of the whole” be established beginning at 2:00 p.m. on the fourth Wednesday of each even month. It is expected that this will allow for greater collaboration and coalition among the committee members.

The one caveat that was requested is that those items that are more administrative in nature be grouped and those that are more technical in nature be grouped, and that time elements are attached to each discussion item. This would allow for members of the "committee of the whole" to enter/exit the proceeding during the time on the agenda that is most relevant for their purpose. It was further agreed that no action would be taken at committee level, even though there may be times when a voting contingency is present. Also the committee of the whole would be scheduled as an open and public meeting subject to all requirements of the Ralph M. Brown Act.

There was consensus to attempt to see if the "committee of the whole" concept works for a period of at least two months and determine continuation thereafter or whether it made sense to resume the separate committees after that time.

5. Other Issues

There was no discussion on this item.

6. Adjournment

The Six Basins Administration-Finance Committee was adjourned at 3:30 p.m. to the next Committee of the Whole meeting at 2:00 p.m. on Wednesday, August 25, 2010.

Recorded by: Vicki Hahn
Executive Assistant

MINUTES

**SIX BASINS WATERMASTER
ENGINEERING / TECHNICAL COMMITTEE
1021 E. Miramar Avenue, Claremont, California
Wednesday, June 23, 2010**

1. Call to Order / Roll Call

The meeting was called to order at 2:00 p.m. with a quorum of committee members present as shown below.

Committee Members:	Raul Garibay, City of Pomona Dan Keeseey, City of La Verne Ben Lewis, Golden State Water Company Bill McDonald, Pomona Valley Protective Association Charles Moorrees, San Antonio Water Company
Staff Attending:	Anibal Blandon, ALDA Engineering/6BWM Staff Ray Evangelista, 6BWM Staff Mario Garcia, 6BWM Staff Vicki Hahn, 6BWM Staff Rick Hansen, 6BWM Staff Mike Sovich, 6BWM Staff
Others Attending:	Fred Lantz, Pomona citizen Teri Layton, San Antonio Water Company Pat Malloy, City of Claremont Jerry Mesa, City of La Verne Shaun Stone, City of Upland Mark Wiley, City of Upland

2. Public Comment

There were not any requests for public comment.

3. Policy Issues Regarding Transfers of Production Rights

During the April 29, 2010 E & T Committee discussion was initiated among the parties regarding the establishment of formal policies related to the transfer of production rights among the parties. Staff was given direction to draft revisions to the Operating Plan for the purpose of clarifying policies regarding transfers and production rights.

During this same meeting Director La suggested the forming of an ad hoc committee to review and evaluate technical details associated with issues such as modeling, storage, leaking, spreading, and the like. Staff proposed this suggestion during the

May 26, 2010 board meeting and following expanded discussion among the board regarding different concerns regarding representation and influence issues the formation of an ad hoc committee was declined and President Thomas referred the item back to the E & T Committee for further deliberation and alternative proposal if so desired.

At the June 23, 2010 E & T Committee staff provided proposed revisions to the existing Watermaster's Rules and Regulations, Article IV, Section H included as Attachment 3A for discussion. Expanded discussion ensued regarding the proposed revisions, in particular categorization of the "color" of water resulting from the transfer of production rights.

The committee also reviewed Attachment 3C – Transfer of Production Rights. Attachment 3C replaces the existing forms shown in the plan as Attachment 2C – Exhibit B – Permanent Transfer of Base Annual Production Right and Exhibit C – Temporary Assignment of Base Annual Production Right. Various concerns were raised regarding the ability to track transfers by water category. Staff affirmed that they have the ability to track transfers in this manner. Staff will develop a table that shows the classification of the water as to whether it is operating safe yield (OSY) or replacement water.

Director Moorrees, San Antonio Water Company (SAWC) addressed this issue as it concerns the language in the SAWC storage and recovery agreement where the color of water is classified as imported. It is uncertain, but likely was as a result of a template agreement for Three Valleys MWD utilized to craft the SAWC storage and recovery agreement and that term was not converted to the correct categorization. Expanded discussion ensued and consensus was reached that the water from SAWC comes from a natural watershed, but as it transfers to Six Basins is categorized as imported. It should have been classified as native water versus imported.

Staff was directed to review the minutes for the period 2006-2007 for both the S & R Ad Hoc Committee and the Six Basins Watermaster Board to determine whether the minutes were clear on this issue when the storage and recovery agreement for SAWC was being developed and to bring their findings back to the Committee for consideration. It was suggested that however this water ends up being classified, staff will ensure that the same classification applies to the water that was transferred from the City of Upland to Three Valleys MWD respectively on the rights that were inherent to SAWC. As a non-agendized item, it will need to return to committee before taking further action at the board level.

Director Moorrees inquired about the loss/priority status of S & R water that is introduced into the basin as replacement water. Staff replied that once the S & R water becomes replacement water in the basin it is segregated from the loss process since it has already been used.

Director Layton asked whether Attachment 3C as it concerns carryover applies to transfer only, or transfer with carryover rights. Staff replied that it has been a non-

issue thus far; however it could potentially become an issue if rights were transferred between party A and B that could/does include the carryover rights. The proposed Transfer of Production Rights form addresses this.

Director Keesey, City of La Verne, requested clarification on the strikeout language under Attachment 3A, Section H – Transfer of Rights. Staff replied that this should not have appeared at all, that it was a result of proposed editing that it ended up showing up this way. The strikethrough language was never part of the original rules and regulations and was not submitted by staff as part of the final recommended revisions.

Director Garibay, Pomona requested terminology change in Attachment A, item 2 – Time for Filing Transfer Documents with Watermaster as follows:

Current: All transfer documents to Watermaster shall be submitted at least 15 days in advance of the upcoming Watermaster meeting, wherein the proposed transfer shall be considered.

Proposed: All transfer documents to Watermaster shall be submitted at least 15 days in advance of the upcoming Watermaster **Board** meeting, wherein the proposed transfer shall be **acknowledged**.

Director Garibay asked for clarification on Attachment 3A, section 4, paragraph 2 as follows... *All temporary transfers of Base Annual Production Rights or Carryover Rights shall be included as part of the Transferee's allowable production for the calendar year that the transfer is effective.* The question was whether it was necessary to insert the word "previous" preceding calendar. Staff replied that in most cases that would be true, but that in the event that a mid-year transfer occurred, that language change would not accommodate the situation. It was agreed that the statement should stay as written.

Director Garibay requested clarification regarding transfers between storage and recovery accounts. Staff replied that the following scenarios are allowable: Storage to Storage or Storage to Production is eligible. Production to storage is ineligible. Staff will review the language and ensure that the intent behind this is written clearly.

Director Garibay requested clarification on Attachment 3A, Section 4, "b", as it concerns transfers when the basin is at capacity and whether that is still allowable. Staff replied that this is still allowable as the original water is already in the basin taking up space; however the transferred water is susceptible to loss since there is no determination. This would be an example of storage to production as discussed previously.

Director Garibay suggested that the area on the Transfer of Production Rights form, Attachment 3C, more clearly delineate whether the field is for a temporary or permanent transfer. Staff will review the form and determine if that can be more clearly identified.

There was a consensus of those committee members present to move forward with the recommended changes. The revised document will be brought to the full Watermaster board during the July 28, 2010 meeting. Staff will further review the 2006-2007 minutes for both the S & R Ad Hoc Committee and the Watermaster Board to ascertain whether the existing S & R Agreement for San Antonio Water Company needs to be modified due to the phrasing "imported" water. This will be returned to the committee during their August 25, 2010 meeting to review before submitting to the Board.

4. City of Pomona's "Historical Replenishment" under Section VI.B.9

Director Garibay introduced dialogue regarding Pomona's spreading obligation at the end of 2010 under Section VI.B.9 of the Judgment.

Six Basins legal counsel reviewed this issue as it concerns the Six Basins Judgment and provided her opinion and related documents that were included as Attachment 4-1 (legal analysis); Attachment 4-2 (Section VI.B.9 of the Judgment) and Attachment 4-3 (Water Storage & Recovery Agreement between City of Pomona and Six Basins Watermaster).

The question being analyzed is: whether Pomona's obligation to spread replenishment water for Six Basins' benefit expires twelve years after the effective date of the Judgment (December 2010).

Pursuant to Section VI.B.9(d) of the Judgment, "Pomona has no continuing obligation to spread or replenish". Therefore there is no obligation; however, if Pomona does continue to spread water, the replenishment and recovery are determined pursuant to Section VI.B.9.(d).

The Judgment provides that historical replenishment is 130 AF/annually or 1,560/AF over a twelve-year period. $130 \times 12 = 1,560$. With the requirement of the Judgment set to expire at December 2010, Pomona is seeking opinion whether their obligation remains the same. It was agreed that in total the spreading obligation remains the same, 1,560/AF over a twelve year period; though there is some flexibility to go under or over in some years. There was an extensive discussion regarding the interpretation of the flexibility. It was suggested that rather than causing the Judgment to be reopened for this matter, that the Rules and Regulations or the Six Basins Operations Plan could be modified to clarify exactly what the obligation would be and to memorialize today's discussion for the future.

Final action on this item remains undetermined. Staff will review options as to whether it is necessary to reopen the Judgment to clarify this issue, or whether it can be addressed as a modification to the Rules and Regulations, Operations Plan, or approved as a minute action at a regular Watermaster Board meeting

5. Draft Budget Goals for Calendar Year 2011

Staff provided a background summary of previous projects and introduced their recommendations for budget consideration for calendar year 2011 as follows:

- A. Continue enhancing spreading facilities at the US Army Corps of Engineers property. – Estimated at \$200,000 for two spreading berms and \$275,000 for three berms.

- B. Develop three spreading basins on the west side of the diversion channel at the Thompson Creek Dam. Estimated at \$250,000 – could be cost shared with PVPA.

- C. Construct a new observation well in the Lower Claremont Heights Basin to replace Pomona Well No. 20; estimated at \$400,000.

As recommended it is anticipated the annual assessment would increase by approximately \$5.00 for every \$100,000 considered for maintenance projects.

Budget discussion will be initiated during the July 28, 2010 board meeting.

Director Garibay indicated that Pomona utilizes Pomona Well No. 20 as a peaking well only and that he would be willing to work with Watermaster to have it remain an observation well when not used for production.

Mr. Lantz suggested that staff consider putting together a presentation for the Board that evaluates the performance of the maintenance work done on the berms at the SASG thus far and to predict enhanced performance expected if the recommended improvements for the CY 2011 budget are made.

The committee directed staff to prepare and deliver a performance report at their August 25, 2010 meeting that can be reviewed before moving to the full Board as part of the budget process.

Director McDonald, PVPA, suggested that another project to be considered would be a full scale, long-term Master Plan for the spreading grounds and the Basin as a whole. PVPA has done some preliminary work in this area and staff has also done some work in the area with Camp Dresser McKee. It was suggested is that a proposal be developed that included a peer review of the groundwater models, what has already been done, and the next steps to consider. The committee concurred that whatever is decided, ultimately the consultant on the project should report to the committee to ensure the greatest possible balance. It was also suggested that TVMWD, as staff, should have a minor role in the Master Plan process due to possible conflicting goals.

6. Committee Structure

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There was consensus to attempt to see if the "committee of the whole" concept works for a period of at least two months and determine continuation thereafter or whether it makes sense to resume the separate committees after that time.

7. Other Issues

There was no discussion on this item.

8. Adjournment

The Six Basins Engineering & Technical Committee was adjourned at 3:15 p.m. to the next Committee of the Whole meeting at 2:00 p.m. on Wednesday, August 25, 2010.

Recorded by: Vicki Hahn
Executive Assistant