

**Minutes**  
**CHINO BASIN WATERMASTER**  
**ADVISORY COMMITTEE MEETING**  
January 30, 2003

The Advisory Committee Meeting was held at the offices of the Chino Basin Watermaster, 8632 Archibald Ave., Suite 109, Rancho Cucamonga, CA, on January 30, 2003 at 10:00 a.m.

**ADVISORY COMMITTEE MEMBERS PRESENT**

Nathan DeBoom, Chair	Dairy, Milk Producers Council
Steve Arbelbide, Vice-Chair	California Steel Industries
Ken Jeske, 2 <sup>nd</sup> Vice-Chair	City of Ontario
<u>Agricultural Pool</u>	
Robert DeBerard	Crops
Jack Hagerman	State of California Institute for Men
Jeff Pierson	Crops, Unitex Corporation
<u>Non-Agricultural Pool</u>	
Vic Barrion	Reliant Energy, Etiwanda LLC
<u>Appropriative Pool</u>	
Gerald Black	Fontana Union Water Company
Jim Bryson	Fontana Water Company
Dave Crosley	City of Chino
Robert DeLoach	Cucamonga County Water District
Raul Garibay	City of Pomona
Mike Maestas	City of Chino Hills
Carol McGreevy	Jurupa Community Services District
Ray Wellington	San Antonio Water Company

**Watermaster Pool Members Present**

Rich Atwater	Appropriative Pool, Inland Empire Utilities Agency
James Jenkins	Non-Agricultural Pool, County Department of Airports
Bill Stafford	Appropriative Pool, Marygold Mutual Water Company
Bill Thompson	Appropriative Pool, City of Norco

**Watermaster Board Members Present**

Mike McGraw	Fontana Water Company
-------------	-----------------------

**Watermaster Staff Present**

John Rossi	Chief Executive Officer
Sheri Rojo	Finance Manager
Mary Staula	Recording Secretary

**Watermaster Consultants Present**

Michael Fife	Hatch & Parent
--------------	----------------

**Other Presents**

Dave Hill	Inland Empire Utilities Agency
Martha Davis	Inland Empire Utilities Agency
Sandra Elrod	Inland Empire Utilities Agency
Rita Kurth	Cucamonga County Water District
Henry Pepper	City of Pomona
Diane Sanchez	State Department of Water Resources

The Advisory Committee meeting was called to order by Chair deBoom at 10:05 a.m.

**AGENDA - ADDITIONS/REORDER**

Request to add II.B. Letter to SAWPA regarding Proposition 13 Funds

**RECOGNITION OF SERVICE**

Steve Arbelbide, California Steel Industries, was presented with a plaque expressing appreciation for the years he has dedicated to Watermaster activities. Mr. Arbelbide thanked the staff for their support and everyone for the education he has received as a result of his involvement with Watermaster.

**I. CONSENT CALENDAR**

**A. MINUTES**

- 1. Minutes of the Joint Meeting of the Non-Agricultural Pool, Appropriative Pool and Advisory Committee held December 12, 2002

**B. FINANCIAL REPORTS**

- 1. Cash Disbursement Report - December 2002
- 2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2002 through November 30, 2002
- 3. Treasurer's Report of Financial Affairs for the Period November 1 through November 30, 2002
- 4. 2002-03 Actual YTD Revenues and Expenses Compared with Adopted 2002-03 Budget

**C. INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2002**

**D. NOTICE OF INTENT TO CHANGE OPERATING SAFE YIELD OF CHINO BASIN (pursuant to Judgment Exhibit 1 Paragraph 2(b))**

**E. RESOLUTION 03-01, AUTHORIZING AND DESIGNATING SIGNATORIES OF DEPOSITORY AGREEMENTS, DEPOSITORY CARDS AND DEPOSITS, TRANSFERS AND WITHDRAWALS OF FUNDS**

**F. DRAFT TWENTY-FIFTH ANNUAL REPORT**

Motion by DeLoach, second by Black, and by majority vote

Abstention: Wellington on B through E. He did not receive supporting materials prior to the meeting.

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

**II. BUSINESS ITEMS**

**A. MAXIMUM BENEFIT ANALYSIS**

The contract issued to Risk Sciences to perform a maximum benefit analysis was approved and is complete. Staff requested authorization to pay administrative costs related to the contract, incurred by Santa Ana Watershed Project Authority (SWPA) in the amount of \$31,220.

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

***Moved, to approve staff recommendation to process payment of Invoice No. 50041 in the amount of \$31,220 for administrative costs incurred by SAWPA.***

Item II.B added

**B. LETTER TO SAWPA REGARDING PROPOSITION 13 FUNDS**

Mr. Rossi reported that due to the current budget crises, the State has indicated they might withhold future grant monies. A hearing will take place February 11 for testimonies on related issues. Staff asked for authorization to send a letter to SAWPA expressing concerns from Watermaster's perspective and encouraging them to meet commitments.

Mr. DeLoach said the CEO does not need authorization to send the letter but he might consider having the letter signed by Watermaster's Board Chair.

### III. REPORTS/UPDATES

#### A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney/Managers Meeting(s)

General Legal Counsel Fife reported that an attorney/managers meeting would be held in February. A specific date has not been set.

2. Colonies Project, Recharge Related Issues

Although a decision has not been made regarding Watermaster involvement, Counsel Fife has been asked to monitor the issues surrounding the Colonies Project and provide status updates. Currently, the Regional Water Quality Control Board has a "cease and desist order" on the project and any change in the status will be reported next month.

3. Niagara Bottling Company

Appropriate measures are being taken to ensure that Niagara Bottling Company files a "Petition In Intervention" into the Judgement due to past and present production from an on-site well of approximately 300-400 acre-feet annually. To date, Niagara Bottling Company has not been willing to file the petition to resolve the matter. General Legal Council Fife will draft a legal complaint against Niagara Bottling Company for failure to intervene for attorney/managers to review at their February meeting.

4. Chino Land & Water, SBSC Case No. RCV 064284

General Legal Counsel Fife said that a hearing is scheduled for February 6 to respond to the demurrers filed in this case. Immediately following the hearing, he will update Watermaster staff of any Court action or Court order.

Counsel Fife added that Watermaster's Twenty-fifth Annual Report would be filed with the Court tomorrow if approved by the Watermaster Board later this afternoon.

#### B. CEO/STAFF REPORT

1. Watermaster Project Meeting Updates

- **MZ1 Program**

Mr. Rossi said the MZ1 Technical Committee has met four times to discuss the MZ1 draft monitoring work plan and associated budget. Mr. Wildermuth will give a presentation in February detailing the plan.

- **MWD Dry Year Yield Program**

An application for \$27.5 million DWR grant funds for the Dry Year Yield Program was submitted on behalf of seven agencies on January 2. Both technical and contract engineering people have been meeting to work through the \$1.6 million advanced funding to accomplish the CEQA work. A master agreement is being negotiated between MWD and IEUA and details should be available for reporting next month.

- **Recharge Improvements Operating Agreements**

Mr. Rossi reported that \$20 million in Proposition 13 funds would come through IEUA for the purpose of improving storm water, recycled water and recharge water. Four agencies (IEUA, SB County Flood Control District, Chino Basin Water Conservation District and Chino Basin Watermaster) have approved the Recharge Operations Agreement. Work will now focus on soliciting bids for improvements in several phases.

- **American Association of Environmental Engineers Recognition**

Mr. Rossi announced that Black & Veatch has submitted Watermaster's Optimum Basin Management Program (OBMP) to the American Association of Environmental Engineers for recognition of excellence in planning water supply and water quality improvements.

2. Watermaster Administrative Updates

- **Montclair Basins-Spreading (6500 AF)**

Watermaster concluded spreading activities in Montclair Basin of 6500 acre-feet supplemental water in December.

- **Board Member Appointments**

Mr. Rossi announced the new Watermaster Board appointments:  
 Vic Barrion, Reliant Energy, Etiwanda (Non-Agricultural Pool replacement)  
 Dan Rodriguez, City of Pomona (new Appropriative Pool member)  
 Bob Kuhn, Three Valleys Municipal Water District (replacing Muriel O'Brien)  
 Mike Whitehead, Nicholson Trust, Non-Major Producer (new Appropriative Pool member)

3. **Other Updates**

- **Senator Soto's Legislation SB34**

Discussions are on-going regarding legislation concerning a possible water quality authority. Mr. Rossi will deliver updates as discussions move forward.

**C. INLAND EMPIRE UTILITIES AGENCY REPORT**

1. **MWD Conjunctive Use Program/Dry Year Yield**

Mr. Atwater reported that a benefit of moving forward on the MWD Conjunctive Use Program would allow agencies to manage their peaks and incur cost savings.

2. **MWD Rate Structure Update**

MWD will hold a public hearing on February 11 to discuss the water rates structure for calendar year 2004. Proposed rates will increase the treatment surcharge by \$10 acre-foot and change the capacity reservation charge for WFA and Cucamonga. Implementation of the proposed rate structure will not have a direct impact on Watermaster.

3. **IRP Update**

Mr. Hill said a Board Workshop was held January 29 to discuss the IRP Update presented by Steve Arcala and Tim Blair. The workshop included various questions regarding the possibility of a full, 2.25 million acre-feet Colorado River aqueduct for normal hydrology and enhanced conservation; however, this was not confirmed. MWD will continue to work with IEUA's Board to fulfill the demands and expectations already set forth.

4. **Conservation Programs**

- **Water Awareness Program**

Mr. Hill noted that as a part of introducing the concept of water awareness, IEUA will send out sample table tents to more than 300 restaurants in the Inland Empire. Interested parties are requested to respond via fax.

- **Water Rebate Program**

Over 900 rebates have been issued through the Program. The goal is to issue 1,000 rebates in IEUA's service area. Mr. Hill said the goal should be met in February. With MWD funding, this program can continue through the end of calendar year 2003.

- **Pool Rebate Program**

Pool rebates began a few weeks ago and ten rebates have been issued. This pilot program is set to issue 250 rebates by the end of June. The pool rebate marketing materials are available at Leslie's Pool Supply stores. In relation to this rebate program, feedback will be used to develop a 5-1/2 year strategy plan.

ICP proposals must be submitted to MWD before February 7 to qualify for available funding (\$275,000) to implement the following:

- a. Pool Cover Survey Project
- b. Float Control Device Project
- c. Restaurant Steamer Study Joint Project
- d. Landscape Management Program
- e. School Education Program

5. **Legislative Update**

Ms. Davis called attention to the legislation update in the package, although there are a few additional items to report:

- a. California legislators continue to focus on FY 2003-04 budgets.
- b. The Governor has agreed to drop the Vehicle License Fee proposal. If initiated, agencies would have experienced a 10% to 18% budget cut.

- c. Budget trailer bills have been approved both by the Senate and Assembly, deleting the cap on waste discharge fees and authorizing the State Water Resources Control Board to set fees based on cost recovery.
- d. Property tax shifts are still being negotiated; there is no concrete proposal as of yet.
- e. State agencies administering Proposition 50 funds through grant programs. IEAU is working with Watermaster and retail agencies to research and develop priority projects for achieving water quality and water supplement benefits.
- f. The Senate approved the Omnibus Bill for FY 2003 funding, pending an upcoming conference between the Senate and House.
- g. Continuing to move forward with authorization on FY 2004 funding for water quality improvement, local recycling and groundwater clean up.

**6. Communications Programs**

- A leadership breakfast will be held February 25 at 7:30 a.m., Doubletree Hotel. Mr. Rossi will report on water conservation activities and review highlights of the rebate program during a water demonstration.
- The Dolphin Group has put together the final marketing packet to be submitted to local newspapers, councils, boards, and chambers upon approval.

**7. Other**

None

**D. OTHER AGENCY REPORTS**

None

**IV. POOL MEMBER COMMENTS**

None

**V. OTHER BUSINESS**

Mr. Rossi reminded everyone of the AGWA and WEF Groundwater Conference April 8 & 9.

**VI. FUTURE MEETINGS**

February 13, 2003	10:00 a.m.	Joint Meeting of the Non-Agricultural & Appropriative Pool Agricultural Pool Meeting
	1:00 p.m.	
February 27, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

The meeting adjourned at 11:00 a.m.

\_\_\_\_\_  
Secretary

Minutes Approved: March 27, 2003