

Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING
February 27, 2003

The Advisory Committee Meeting was held at the offices of the Chino Basin Watermaster, 8632 Archibald Ave., Suite 109, Rancho Cucamonga, CA, on February 27, 2003 at 10:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Nathan DeBoom, Chair	Dairy, Milk Producers Council
<u>Agricultural Pool</u>	
Robert DeBerard	Crops
Jack Hagerman	State of California Institute for Men
<u>Non-Agricultural Pool</u>	
Vic Barrion	Reliant Energy, Etiwanda LLC
<u>Appropriative Pool</u>	
Gerald Black	Fontana Union Water Company
Dave Crosley	City of Chino
Robert DeLoach	Cucamonga County Water District
Mohamed El Amany	City of Ontario
Raul Garibay	City of Pomona
Mark Kinsey	Monte Vista Water District
Mike Maestas	City of Chino Hills
Michael McGraw	Fontana Water Company
Carol McGreevy	Jurupa Community Services District
J. Arnold Rodriguez	Santa Ana River Company
Ray Wellington	San Antonio Water Company

Watermaster Pool Members Present

Martha Davis	Appropriative Pool, Inland Empire Utilities Agency
Bill Stafford	Appropriative Pool, Marygold Mutual Water Company

Watermaster Staff Present

John Rossi	Chief Executive Officer
Sheri Rojo	Finance Manager
Devonia Williams	Temporary Recording Secretary

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Scott Slater	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental, Inc.

Other Presents

Sandra Elrod	Inland Empire Utilities Agency
Josephine Johnson	Monte Vista Water District
Barrett Kehl	Chino Basin Water Conservation District
Tom Love	Inland Empire Utilities Agency
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

None

I. CONSENT CALENDAR

A. FINANCIAL REPORTS

1. Cash Disbursement Report – January 2003
2. Combining Schedule Of Revenue, Expenses And Changes In Working Capital For The Period July 1, 2002 through December 31, 2002
3. Treasurer’s Report of Financial Affairs For The Period December 1, through December 31, 2002
4. 2002-03 Actual YTD Revenues And Expenses Compared With Adopted 2002-03 Budget

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

Moved to approve Consent Calendar Items A.1 through 4, as presented.

II. BUSINESS ITEMS

A. PRESENT MWD DRY YEAR YIELD PROJECT AGREEMENT

Mr. Rossi reported that after several meetings, the participating agencies to this Agreement reached a consensus on funding allocations, performance obligation targets and other project facility elements for the Dry Year Yield Project. To date, grant funding has been approved, the CEQA deadline was met, and an analysis for calculating the present value of cash flow streams generated by the project was prepared by Black & Veatch and included in the agenda package. The Pool Committees forwarded a recommendation that staff move forward. As requested by JCSD, IEUA provided a written summary of the basin-wide benefits of the Chino Basin Conjunctive Use Dry Year proposed project with MWD.

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

Moved, to approve staff begin processing the Dry Year Yield Project Agreement between Metropolitan Water District (MWD), Inland Empire Utilities Agency (IEUA) and Watermaster, the related storage application and the engineering analysis.

In response to the February 24, 2003 letter provided, Mr. Wellington wanted to ensure that a matrix is designed to compare the terms of this project with key elements contained in the OBMP Implementation Plan and the Peace Agreement in order to meet the long term funding expectations of the Appropriators. Mr. Rossi suggested that legal staff prepare findings based on the concept/criteria of this business deal for committee approval in March. Legal Counsel Slater requested direction for legal staff to cure any discrepancies in the agreement before implementing a final version. Counsel provided a memorandum of review of Metropolitan Dry Year Yield Master Agreement as a handout.

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

Moved, to amend above motion to include direction to General Legal Counsel to investigate, allowing for modification to the Dry Year Yield Project Agreement of any discrepancies found between agreements before moving forward with the final Dry Year Yield Project Agreement.

B. CONSIDER IMPLEMENTATION OF MZ1 MONITORING WORK PLAN

The Interim Plan for the Management of Subsidence that Watermaster filed with the Court established parameters for collecting data associated with subsidence in MZ1. As a result of many meetings, a Monitoring Work Plan has been developed that outlines several

monitoring elements including aquifer stress tests, land surface surveys and the use of satellite imagery. The related budget outlines specific tasks, engineering costs and other direct costs for each task. The Plan and related budget were included in the agenda package and reviewed at the meeting. Staff was asked to define the budgetary limits on the MZ1 Budget, Work Plan.

The Court requires Watermaster file a long-term plan for the management of subsidence in MZ1 three years from the date of the Interim Plan. Staff requested approval to implement the Monitoring Work Plan and the reallocation of funds in the FY 2002-03 approved budget for the associated costs.

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

Moved, to recommend the Board approve the Monitoring Work Plan for MZ1 subsidence and the reallocation of funds for the associated costs.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Chino Land & Water SBSC Case No. RCV 06484
At a hearing held February 6, Superior Court Judge Norell dismissed this case after considering papers filed for and against the demurrer.
2. Attorney/Managers Meeting(s)
An Attorney/Managers Meeting was held February 16 to discuss the dismissal of the Chino Land Water Company case and potential legal action against Niagara Water Company.
3. Niagara Water Company Well Production
After corresponding with representatives of Niagara Water Company regarding their well production and obligation to intervene into the Chino Basin Judgment, it was Legal Counsel's opinion that Watermaster should move forward with legal action in the matter.

B. CEO/STAFF REPORT

1. Update regarding fees and charges related to the SCIWP funded projects (attachment)
Mr. Rossi provided recent information that additional fees and charges may be imposed on agencies with approved SCIWP funded projects. A brief discussion ensued.
2. Status Update regarding Recharge Improvement Project
The Recharge Operations Agreement received approval by all four parties and is currently with the County for execution. The first Operating Committee Meeting between the four agencies will be scheduled in the near future. More information should be available for reporting at the March meetings.
3. Discussion regarding SB34 Legislation
Letters from Monte Vista Water District and the City of Rialto to Senator Soto regarding SB34 were handed out as information. It was determined that Watermaster would not submit anything with regard to the Senator regarding SB34 at this time. The committees will continue discussions in March with regard to this legislation.

C. INLAND EMPIRE UTILITIES AGENCY

1. MWD Update
Mr. Love, IEUA, provided an update on various MWD activities such as imported water sales (Tier 1/Tier 2), the revised capacity reservation charge proposal and the MWD annual progress report to the California State Legislature.
2. Colorado River and CALFED Activities
Mr. Love briefly reported on Colorado River and CALFED activities on behalf of Mr. Atwater.

3. Conservation Programs

Ms. Davis reviewed the current six-month conservation/communication programs proposed and implemented by IEUA.

4. Legislative Update

With regard to legislative issues, Ms. Davis discussed the trickling down affects of mid-year state budget cuts. With regard to ERAF Property Tax Shifts, IEUA is continuing to participate in local and regional coalitions to track them and to date; there are no concrete proposals.

Senator Machado supports allocation of Proposition 50 funds through competitive grant programs administered by State agencies. IEUA and Watermaster are working with retail agencies to develop a list of priority projects that will provide water quality and water supply benefits and coordinating with SAPA and MWD on Proposition 50 funding requests.

A January Legislative Report on the current state budget crisis was provided. In order to balance the FY 2002/03 state budget, \$10 billion cuts and/or fee increases are being considered at a special session. A chart was provided listing IEUA's bills of interest going through the special and regular sessions of the Legislature.

The Dolphin Group continues to pursue a number of efforts and issues on behalf of the Chino Basin Coalition. Their update was on page 111 of the agenda package.

5. Other
None

IV. COMMITTEE MEMBER COMMENTS

None

V. OTHER BUSINESS

None

VI. FUTURE MEETINGS

March 13, 2003	10:00 a.m.	Joint Meeting – Appropriative & Non-Ag Pools
	1:00 p.m.	Ag Pool Meeting
March 27, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

There being no further business to come before the Advisory Committee, the meeting was adjourned.

Secretary

Minutes Approved: March 27, 2003

