

Draft Minutes
CHINO BASIN WATERMASTER
ANNUAL MEETING
ADVISORY COMMITTEE BOARD
January 29, 2004

The Annual Advisory Committee Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on January 29, 2004 at 10:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Agricultural Pool

Nathan deBoom	Milk Producers Council
Gene Koopman	Milk Producers Council
Pete Hall	State of California, CIM
Wayne Davison	State of California, CIW

Non-Agricultural Pool

Bob Bowcock	Vulcan Materials Company (Calmat Division)
Vic Barrion	Reliant Energy, Etiwanda

Appropriative Pool

Mike Maestas	City of Chino Hills
Ken Jeske	City of Ontario
Raul Garibay	City of Pomona
Robert DeLoach	Cucamonga Valley Water District
Michael McGraw	Fontana Water Company
Gerald Black	Fontana Union Water Company
Rich Atwater	Inland Empire Utilities Agency
Carole McGreevy	Jurupa Community Services District
Bill Stafford	Marygold Water Company
Mark Kinsey	Monte Vista Water District
Ray Wellington	San Antonio Water Company
J. Arnold Rodriguez	Santa Ana River Water Company

Watermaster Board Members Present

Bill Kruger	City of Chino Hills
Bob Neufeld	Cucamonga Valley Water District

Watermaster Staff Present

John Rossi	Chief Executive Officer
Gordon Treweek	Project Engineer
Sheri Rojo	Finance Manager
Danielle Maurizio	Senior Engineer
Sheri Lynne Molino	Recording Secretary

Watermaster Consultants Present

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

Other Presents

Barrett Kehl	Chino Basin Water Conservation District
Rita Kurth	Cucamonga Valley Water District
Dave Hill	Inland Empire Utilities Agency
Martha Davis	Inland Empire Utilities Agency
Sondra Elrod	Inland Empire Utilities Agency
Dan McKinney	Reid & Hellyer
Phil Rosentrater	Western Municipal Water District

The Annual Advisory Committee meeting was called to order by Chair deBoom at 10:06 a.m.

ADVISORY COMMITTEE OFFICERS, CALENDAR YEAR 2004 - Information

<u>Ken Jeske</u>	Chair	(Appropriative Pool)
<u>Nathan de Boom</u>	Vice-Chair	(Agricultural Pool)
<u>Bob Bowcock</u>	Second Vice-Chair	(Non-Agricultural Pool)
<u>John Rossi</u>	Secretary/Treasurer	(Chief Executive Officer)

AGENDA - ADDITIONS/REORDER

None

RECOGNITION

Chair, Jeske presented Vic Barrion with a commemorative inscription for "Appreciation of Service" as the preceding Chair representing the Non-Agricultural Pool and thanked him for his outstanding service and dedication to Watermaster. Mr. Barrion accepted the plaque and thanked all parties for making his duties easier and for all he learned while presiding as Chair. Mr. Barrion informed the members that he will be serving as Vice-Chair this year and is looking forward to a great new year.

II. CONSENT CALENDAR

A. MINUTES

1. Minutes of the of the Advisory Committee Meeting held November 20, 2003

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of November 2003
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through October 31, 2003
3. Treasurer's Report of Financial Affairs for the Period October 1, 2003 through October 31, 2003
4. Profit & Loss Budget vs. Actual July 2003 through October 2003
5. Cash Disbursements for the month of December 2003
6. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through November 30, 2003
7. Treasurer's Report of Financial Affairs for the Period November 1, 2003 through November 30, 2003
8. Profit & Loss Budget vs. Actual July 2003 through November 2003

C. INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS FOR YEAR ENDED

Consider Receiving and Filing the Annual Audited Financial Statements for Year Ended June 30, 2003

D. CHINO BASIN WATERMASTER INVESTMENT POLICY

Resolution 04-01 - Resolution of the Chino Basin Watermaster, re-authorizing the Watermaster's Investment Policy

E. WATER TRANSACTION

1. Notice of Sale or Transfer – the transfer of Monte Vista Irrigation Company FY 2003-04 Annual Production Rights to the Monte Vista Water District. The total quantity of water to be transferred is estimated at 1,040 acre-feet. (*Notice mailed November 7, 2003*)
2. Notice of Sale or Transfer – the lease and/or purchase of 2,500 acre-feet of water from the City of Pomona's production rights to the Monte Vista Water District. This lease is made first from the City's net under production, if any, in FY 2003-04, with any remainder to be recaptured from storage. (*Notice mailed November 7, 2003*)

F. NOTICE OF INTENT

Annual Filing of Notice of Intent Regarding the Determination of Operating Safe Yield

G. ANNUAL REPORT

Consider Authorization to File the Annual Report for Fiscal Year 2003 with Court, and Authorize Staff to Make Minor Edits as Necessary

H. STATUS REPORT #9

Consider Authorization to File Status Report 9 with Court and Authorize Staff and Counsel to Make Minor Edits as Necessary

I. CHINO BASIN WATERMASTER ELECTING TO RAISE AND FIX EMPLOYER'S CONTRIBUTION

A Resolution, #04-02, of the Chino Basin Watermaster Electing to Raise and Fix the Employer's Contribution Under the Public Employees' Medical and Hospital Care Act at an Amount Prescribed per Section 22825 of The Government Code

J. ALLOCATION OF VOLUME VOTE – (Advisory Committee Only)

Advisory Committee Allocation of Volume Vote effective Calendar Year 2004

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

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

III. BUSINESS ITEMS

A. APPLICATION TO DWR – MZ3 INVESTIGATION

Mr. Rossi informed the Advisory Committee that the request to file the grant application to DWR was unanimously voted in favor for at the Annual Pool meetings on January 15, 2004 and due to time constraints the application had to be filed by January 28, 2004, which Inland Empire Utilities Agency filed on our behalf as instructed by the Pools. Mr. Rossi amiably thanked Mr. Atwater and IEUA for filing this important grant application for Chino Basin Watermaster.

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

Moved, to ratify filing the grant application

B. DISCUSS ASSISTANCE TO REGIONAL WATER QUALITY CONTROL BOARD ON WATER QUALITY CONTAMINATION SOUTH OF ONTARIO AIRPORT

Mr. Rossi informed the Committee on the three separate decisions made by the Pools on January 15, 2004 which were; 1) the Non-Agricultural Pool voted unanimously to have Wildermuth Environmental provide staffing assistance, 2) the Agricultural Pool voted unanimously to delay action on this item until the Regional Board was able to present additional information in February at the Pool meetings, and 3) the Appropriative Pool unanimously voted to approve assistance to the Regional Board with a cap of \$25,000 and with the condition that Watermaster be reimbursed for this assistance and that the Regional Board will give a presentation to the Committee in February.

Mr. Rossi subsequently identified the two main questions that were presented during the Committee and Watermaster Board meetings in November 2003. The first question addressed the cost to situate consulting assistance at the Regional Board's office to prepare Draft Clean Up and Abatement orders to potential responsible parties identified from RWQCB files. Mr. Rossi referred to page 117 of the agenda packet for information in regards to the potential responsible parties previously being identified. Mr. Rossi proposes that \$20,000 - \$25,000 would cover the cost to Wildermuth Environmental, Inc. to provide staff to work with the Regional Board in this regard. The second question addressed the cost after the orders were issued to the potential responsible parties. Mr. Rossi stated that these costs could not be estimated at this time given the uncertainty of the response from the PRP's receiving the orders. Mr. Rossi reiterated that the consultant would work at the direction of the Regional Board and stated the Regional Board

has all the authority and responsibility to complete this task; labor assistance would be the resource only. Staffing assistance would be provided by Wildermuth Environmental, Inc. and would include preparation of draft abatement orders for the Regional Board. Staff recommends we move forward on providing the assistance/resource the Regional Board desires.

Discussion ensued as to the deliberations at Pool meetings along with their final recommendations.

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

Moved, to delay action on this item and request to inquire about additional information from the Regional Board in February

IV. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Wilson v. Watermaster

Counsel Fife addressed this new lawsuit as a small lawsuit between an automobile (Watermaster staff) and a bicycle (Mr. Wilson) and felt that this case would come to a fairly quick resolution. Counsel Fife commented that this case may not have been filed timely which may exceed the Statue of Limitations Law and that no hearing as been set to date.

2. Chino Land & Water v. Watermaster

Counsel Fife referred to this case as "a long one" and informed the Committee the case had actually been dismissed 4 – 5 months ago, although added that Chino Land & Water did file an appeal, which has also been dismissed. The Judge told Chino Land & Water they had no case and actually dismissed this case with an appellate decision leaving no opening for another case to be filed. Counsel Fife noted the official report was available at the back table for all interested parties to review.

3. DYY Storage Agreement

Counsel Fife reported on the approval of the Metropolitan Water District deal which was a long procedure for the Article 10 application. Counsel Fife stated he is in the process of preparing the draft Dry Year Yield Storage Agreement that will be brought back to the Committee Members and the Watermaster Board in February.

B. CEO/STAFF REPORT

1. Mark Wildermuth Will Make a Presentation Regarding OBMP Progress through December 31, 2003

Mr. Rossi requested that item 1 be presented at the Watermaster Board meeting since the majority had previously viewed the presentation at the Pool meetings.

2. Presentation Regarding Storm Damage to Construction at Victoria Basin

Mr. Rossi noted there was no new information to be reported on regarding item 2 and requested that this item also be passed on presentation and to be given at the Watermaster Board meeting since the majority had previously viewed the presentation at the Pool meetings. Consensus agreed to abstain from the presentation at this meeting.

3. Status Update on Recharge Project

Mr. Kehl of the Chino Basin Water Conversation District gave a brief presentation on the Montclair basin with regard to the recent damage caused by silt in the basin from the fires. A brief discussion ensued in relation to fire damage and repercussions presently and in the future primarily for the reason the rainy season was not in full motion.

Mr. Rossi offered that he and Mr. Treweek recently met with representatives from the Flood Control District and felt it was a positive meeting and will keep the Committee apprised to the outcome of further meetings. Mr. Rossi commented that Inland Empire Utilities Agency

worked with the final plan for bid package #7 and is currently working on finalizing the plans for commitments. Mr. Rossi stated this process was going well and would be brought back to the Committees in March.

4. Discuss RWQCB Action on 1/22/04 Approving Basin Plan Amendment

Mr. Rossi in working with the Regional Board handed out Item No. 12, 01/22/2004 TDS/Nitrogen Basin Plan Amendment Errata Sheet and focused on Pages 5 of 8 and 6 of 8 for language amendments regarding future desalter development. Both Mr. Rossi and Mr. Wildermuth concurred that the new language appeared flexible in its content. Several comments were received and discussion continued on the changed language which presently reads and appears to give Watermaster what it was looking for as far as consistent wording and flexibility. Mr. Jeske stated he was in attendance at the January 22, 2004 Regional Board meeting and commented that the written verbiage is what he heard and saw written on the screen at the meeting.

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

Moved, to delay action on the language in the TDS/Nitrogen Basin Plan Amendment until February, and recommend to Watermaster Board to direct counsel to review The Basin Plan Amendment language for consistency with the OBMP and Peace Agreement

C. INLAND EMPIRE UTILITIES AGENCY

1. MWD IRP/Long Range Finance Plan Update – Rich Atwater (oral)

Mr. Atwater spoke on the additional handout regarding the Metropolitan Water (MWD) proposed rate increases – public hearing on February 9, 2004. Mr. Atwater requested that the Committee members take the time and read the MWD staff report and bring comment back to him as soon as possible for the reason that the hearing is scheduled for February 9, 2004 at 10:00 a.m. Mr. Atwater stated that we wants to win on rate issues and all input would be valuable.

2. Draft Annual Conservation Report – David Hill (attached)

Mr. Hill presented the Status Report on the Water Conservation Program for Fiscal Year 2002-03 and requested from the Appropriators all comments via the phone, emails or by letters.

3. Public Relations – Sondra Elrod (oral)

Ms. Elrod reviewed the IEUA calendar for February and added the San Bernardino Special Districts raising awareness meeting for February 20, 2004 from 8:30 a.m. to 1:00 p.m. Ms. Elrod asked that if there were any questions regarding the Special Districts meeting to contact her at IEUA. Ms. Elrod thanked Mr. Rossi in advance for agreeing to speak on “Recharge” at the upcoming Leadership Breakfast scheduled for February 24, 2004 from 7:30 a.m. to 9:00 a.m. at IEUA.

4. MWD Pilot New Model Home Project – David Hill (Oral)

Mr. Hill referenced an additional handout which discussed a Pilot Project to Demonstrate New Technology to Developers and Homebuyers.

5. Water Resources Report – David Hill (attached)

Mr. Hill referenced the attached January 2004 Water Resources Planning Activity Update.

6. Recycled Water Program – Tom Love (attached)

In Mr. Love’s absence Mr. Atwater summarized the IEUA’s January 2004 Recycled Water Summary and highlighted the active projects currently being worked on. Mr. Atwater commented that Martha Davis, Sondra Elrod and he work together on conservation, school programs and other various ventures and would appreciate any suggestions on regional conservations programs.

7. Chino Basin Facilities Improvement Project (Recharge) – Tom Love (attached)
Attached starting on page 163 is the January 2004 Chino Basin Facilities Improvement Project Summary for review.
8. State/Federal Legislation – Martha Davis (attached)
Ms. Davis reviewed the December Legislative Report from Geyer and Associates which provides a monthly report on state activities on behalf of IEUA. Ms. Davis briefly discussed the status of Proposition 50 funding guidelines. Lastly, Ms. Davis summarized the December Legislative Report from Dolphin Group which provides a monthly report on activities on behalf of the Chino Basin/Optimum Basin Management Program Coalition which included the Year-End 2003 Status Report.

D. OTHER AGENCY REPORTS

None

V. INFORMATION

A. CORRESPONDENCE FROM PARTIES

- 1) Monte Vista Water District Letter Dated 12-11-03 Regarding Fiscal Year 2003/2004 Assessment Package
Mr. Rossi commented that Chino Basin Watermaster in working with legal counsel was in the process of preparing a response letter to Monte Vista Water District regarding Fiscal Year 2003/2004 Assessment Package.
- 2) Monte Vista Water District Letter Dated 01-15-04 Regarding Salt Credit Allocation Pursuant to the Provisions of the Peace Agreement
Mr. Rossi stated that Chino Basin Watermaster was working with legal counsel to concur that a written response was obligatory.
- 3) Monte Vista Water District Letter Dated 01-15-04 Regarding Maximum Beneficial Use Proposal
Mr. Rossi stated that Chino Basin Watermaster was working with legal counsel to concur that a written response was obligatory.
- 4) Monte Vista Water District Letter Dated 01-20-04 Regarding Regional Board Resolution No. R8-2004-0001
Mr. Rossi presented this letter for informational purposes only.
- 5) San Antonio Water Company Letter Dated 01-21-04 Regarding Regional Board Meeting of January 22, 2004 Agenda Item No. 12 – Basin Plan Amendment
Mr. Rossi presented this letter for informational purposes only.
- 6) Jurupa Community Services District Letter Dated 11-19-03 Regarding Kaiser Plume
Mr. Rossi presented this letter for informational purposes only.

B. METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Mr. Rossi offered this letter was presented to the Pools on January 15, 2004 and there was no new information to report on.

VI. COMMITTEE MEMBER COMMENTS

None

VII. OTHER BUSINESS

None

VIII. FUTURE MEETINGS

January 27, 2004	2:00 p.m.	Storage & Recovery Work Group
January 29, 2004	10:00 a.m.	Advisory Committee Annual Meeting
	1:00 p.m.	Watermaster Board Annual Meeting
February 5, 2004	2:00 p.m.	Water Quality Meeting
February 12, 2004	1:00 p.m.	Agricultural Annual Pool Meeting
	3:00 p.m.	Joint Appropriative & Non-Ag Pool Meeting
February 26, 2004	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

The Annual Advisory Committee Meeting Adjourned at 11:24 a.m.

Secretary: _____

Minutes Approved: February 26, 2004