

Minutes  
CHINO BASIN WATERMASTER  
**ANNUAL MEETING OF THE  
APPROPRIATIVE POOL**  
January 16, 2003

The Appropriative Pool Meeting was held at the offices of the Chino Basin Watermaster, 8632 Archibald Ave., Suite 109, Rancho Cucamonga, CA, on January 16, 2003 at 10:00 a.m.

**NON-AGRICULTURAL POOL MEMBER PRESENT**

James Jenkins	San Bernardino County Department of Airports
Les Richter	California Speedway
Michael Thies	Space Center Mira Loma

**APPROPRIATIVE POOL MEMBERS PRESENT**

Ray Wellington, Chair	San Antonio Water Company
Rich Atwater	Inland Empire Utilities Agency
Robert DeLoach	Cucamonga County Water District
Mohamed El Amamy	City of Ontario
Mark Kinsey	Monte Vista Water District
Mike Maestas	City of Chino Hills
Henry Pepper	City of Pomona
J. Arnold Rodriguez	Santa Ana River Water Company
Kyle Snay	Southern California Water Company
Bill Stafford	Marygold Mutual Water Company
Ray Wellington	San Antonio Water Company

Watermaster Staff Present

John Rossi	Chief Executive Officer
Traci Stewart	Chief of Watermaster Services
Sheri Rojo	Finance Manager
Michelle Lauffer	Water Resources Specialist
Mary Staula	Recording Secretary/Administrative Assistant

Watermaster Consultants Present

Michael Fife	Hatch & Parent
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Others Present

Dan Arrighi	Fontana Water Company
Raul Garibay	City of Pomona
Rick Hansen	Three Valleys Municipal Water District
Josephine Johnson	Monte Vista Water District
Rita Kurth	Cucamonga County Water District
Eric Mills	MWH

The meeting was called to order by Chair Wellington at 10:12 a.m.

**AGENDA - ADDITIONS/REORDER**

None

**I. ANNUAL ELECTIONS**

**A. Calendar year 2003 Appropriative Pool Officers**

Nominations were heard for Pool Chair, followed by nominations for Pool Vice-Chair, to serve during calendar year 2003.

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

***Moved, to elect Ken Jeske as Chair of the Appropriative Pool during calendar year 2003.***

Motion by El Amamy, second by DeLoach, and by unanimous vote

***Moved, to elect Robert DeLoach as Vice-Chair of the Appropriative Pool during calendar year 2003.***

Chair	<u>Ken Jeske, City of Ontario</u>
Vice-Chair	<u>Robert DeLoach, Cucamonga County Water District</u>
Secretary /Treasurer	<u>Watermaster Chief Executive Officer</u>

**B. Calendar year 2003 Non-Major Appropriators on the Advisory Committee**

The Non-Major Appropriators were asked to select two representatives to serve on the Advisory Committee during calendar year 2003. A ten-minute caucus was requested. Upon reconvening at 10:25 a.m., the following nominations were heard:

Motion by Kinsey, second by Stafford, and by unanimous vote of the Non-Major Appropriators

***Moved, to select the San Antonio Water Company and the Santa Ana River Water Company to continue serving on the Advisory Committee during calendar year 2003.***

- ( ) Arrowhead Mountain Springs Water Company
- ( ) Inland Empire Utilities Agency
- ( ) Los Serranos Country Club
- ( ) Marygold Mutual Water Company
- ( ) Monte Vista Irrigation Company
- ( ) Nicholson Trust
- ( ) Norco, City of
- (X) San Antonio Water Company**
- (X) Santa Ana River Water Company**
- ( ) San Bernardino, County of (Prado Shooting Park)
- ( ) Southern California Water Company
- ( ) Upland, City of
- ( ) West End Consolidated Water Company
- ( ) West San Bernardino County Water District

**C. Calendar year 2003 Advisory Committee Members & Officers**

According to the rotation sequence established among the pools, the Appropriators were asked to appoint the Appropriative Pool Chair, or a designated representative, to serve as 2<sup>nd</sup> Vice-Chair of the Advisory Committee during calendar year 2003.

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

***Moved, to appoint Appropriative Pool Chair Jeske to serve as the 2<sup>nd</sup> Vice-Chair of the Advisory Committee during calendar year 2003.***

Chair	Agricultural Pool	<u>N/A</u>
Vice-Chair	Non-Agricultural Pool	<u>N/A</u>
<b>2<sup>nd</sup> Vice-Chair</b>	<b>Appropriative Pool</b>	<u>Ken Jeske</u>

**D. Calendar year 2003 Pool Representation on the Watermaster Board**

Based on the Court-adopted Rotation Schedule for Representatives to the Watermaster, during calendar year 2003 the Cities of City of Chino, the City of Pomona and a Non-Major Appropriator will represent the Appropriative Pool on the Watermaster Board.

Actions taken by the City Councils of Chino and Pomona were reported:

***Dennis Yates and Glen Duncan were reappointed as representative and alternate representative, respectively, by the City of Chino to serve a second term on the Watermaster Board.***

***Dan Rodriguez was appointed representative and Paul Lantz alternate representative by the City of Pomona to serve on the Watermaster Board.***

The Non-Major Appropriators were asked to elect a representative and an alternate to serve on the Board, effective January 30, 2003. At 11:25, a 15-minute caucus was called. The meeting reconvened at 11:30 a.m. and nominations were heard for the following agencies:

San Antonio Water Company  
Monte Vista Irrigation Company  
Nicholson Trust

A volume vote was requested and the secretary called the roll among the Non-Major Appropriators present. The volume vote resulted in one abstention, one vote for Monte Vista Irrigation, one vote for San Antonio Water Company and four votes for Nicholson Trust:

***Nicholson Trust was elected by the Non-Major Appropriators to serve on the Watermaster Board during calendar year 2003.***

Nicholson Trust named the following representative(s):

**Board Member: Michael Whitehead Alternate Member: Robert Nicholson**

**II. 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))**

Submitted annually as a placeholder

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

Annual resolution authorizing and designating signatories of financial agreements and transactions

**F. WATER TRANSACTION**

Lease of Water Production Rights from the City of Pomona to the Fontana Water Company in the amount of 2,500 acre-feet for fiscal year 2002-03 (Noticed December 11, 2002)

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

Included separately for filing with the court by January 31, 2003

There were no questions regarding the Consent Calendar items. Mr. Wellington announced that he would be abstaining from the vote, as he did not receive the agenda materials for review prior to the meeting.

Motion by Pepper, second by Kinsey, and by majority vote

Abstention: Wellington

***Moved, to approve the Consent Calendar, as presented.***

**III. BUSINESS ITEMS**

**A. MAXIMUM BENEFIT ANALYSIS**

Mr. Rossi referred to page 48 of the meeting package. The contract amount for Risk Sciences to perform the Maximum Benefit Analysis was previously approved through the Watermaster process. Mr. Rossi explained that additional administrative costs were incurred by the Santa Ana Watershed Project Authority (SAWPA) to assist with this effort and staff was requesting approval of approximately \$17,000 to cover the costs to attend meetings and assist with presentation of the concept. That amount also includes the annual \$2,000 for Watermaster participation in the TIN/TDS Task Force. He reviewed the time invested and the work performed by SAWPA on this project and reported that the successful outcome justifies the additional expenditure. When asked about the amount of SAWPA's invoice versus the amount being requested, Mr. Rossi explained that \$14,000 of that had been previously approved. Discussions continued regarding the monetary and recharge benefits that will be derived from the maximum benefit concept once applied. It has been approved by the Regional Water Quality Control Board (RWQCB) and is pending approval by the State Board in April or May.

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

***Moved to approve payment of the additional \$17,000 administrative costs incurred toward the Maximum Benefit Concept.***

**IV. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

Prior to receiving Counsel Fife's report, Mr. DeLoach announced that Cucamonga County Water District was asked to provide a report on the impact of the Colonies Project to their agency. In response, he offered some ranges. He said that anywhere from 4500 acre-feet to 7500 acre-feet of water is pumped from 17 of the 23 wells located in the Cucamonga Basin on an annual basis. In terms of budget, that ranges from approximately \$2.5 million to \$2.7 million per year. Based on those ranges, the long-term impact would be devastating.

**1. Attorney/Managers Meeting(s)**

An Attorney/Managers Meeting has been scheduled for 1:00 p.m. January 29.

**2. Colonies Project, Recharge Related Issues**

The Regional Water Quality Control Board issued a Stop Work Order pending the issuance of a Waste Discharge Permit. The lawsuit filed by Cucamonga County Water District has been stayed to June 30, 2003 pending negotiations over the recharge issue. Watermaster General Legal Counsel is monitoring this matter and will advise staff of any updates.

**3. Niagara Bottling Company**

Counsel Fife reported that despite their efforts, Niagara Bottling Company is not convinced that they need to voluntarily intervene into the Judgement. Based on advice they received from their attorney, Watermaster may need to leave the matter up to the Court. Mr. Rossi provided copies of correspondence from Watermaster to Niagara, from Wayne Lemieux (Niagara's legal counsel) to Watermaster, and Hatch & Parent's response to Mr. Lemieux' letter.

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

Attorneys for Lewis Investment Company, LLC filed a Notice of Hearing of Demurrer; Demurrer; Memorandum of Points and Authorities in Support Thereof; Request for Judicial Notice; and Amended Proof of Service for hearing on February 6, 2003. This could bring Watermaster and all the parties back into the case. Watermaster General Legal Counsel will attend the hearing and provide an update in February.

**B. CEO/STAFF REPORT**

**1. Watermaster Project Meeting Updates**

• MZ1 Program

The Technical Group has been working on a budget associated with the MZ1 Work Plan. They hope to have the budget ready for committee approval next month.

• MWD Dry Year Yield Program

The parties have been discussing relationships between the master contract and the retail agreements. Discussions will continue on Tuesday, January 28. Mr. Atwater reported that the last issue to be worked out is administration of the storage account at Watermaster. The program is scheduled for MWD Board approval on March 11 and if all retail agreements are approved and executed by the March timeframe, they can pursue the grant funds and begin the projects. A brief discussion ensued regarding the allocation of funds and compliance with DWR grant requirements.

• Watermaster Administrative Updates

Montclair Basins-Spreading (6500 AF)

All supplemental water has been spread for this year.

Proposition 50 Priorities for Funding (Appropriative Pool Only)

Mr. Argo gave a presentation regarding potential priorities for Proposition 50 funding. Mr. Atwater said that the process for Proposition 50 funding is different from Proposition 13 in that it is subject to specific legislative appropriations. He suggested developing a consolidated working draft document that would represent the general priorities of the agencies working together. He added that the key is to communicate to the legislators that there is a consensus process in Chino Basin to ensure funding is equitably distributed. After the list of priority projects has been put together, a meeting will be scheduled with the Dolphin Group to assist with communicating the priorities within Chino Basin and emphasizing that this groundwater basin is an extremely valuable resource.

Public Relations - Dolphin Group (Appropriative Pool Only)

The Dolphin Group is in the process of preparing a proposal for the Watermaster Board that can be presented to the appropriator's boards or councils as well.

Added:

Recharge Operations Agreement  
The County approved the agreement last Tuesday.

- Other Updates
  - Senator Soto's Legislation  
Mr. Rossi reported that he recently met with Grace Burgess and hopes to have more information regarding SB34 next month.

**V. POOL MEMBER COMMENTS**

None

**VI. OTHER BUSINESS**

None

**VII. FUTURE MEETINGS**

February 13, 2003	10:00 a.m.	Joint Meeting of the Non-Agricultural & Appropriative Pool
	1:00 p.m.	Agricultural Pool Meeting
February 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 pool committee, the meeting adjourned at 11:25 a.m.

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Secretary

Minutes Approved: April 10, 2003