

Minutes
CHINO BASIN WATERMASTER
**Special Meeting of the
Appropriative Pool**
June 25, 2003

A special meeting of the Appropriative Pool was held at the offices of Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, California 91710, on June 25, 2003 at 10:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Robert DeLoach, Vice-Chair	Cucamonga County Water District
Gerald Black	Fontana Union Water Company
Dave Crosley	City of Chino
Mohamed El-Amamy	City of Ontario
Raul Garibay	City of Pomona
Mark Kinsey	Monte Vista Water District
Mike McGraw	Fontana Water Company
Ray Wellington	San Antonio Water Company
Ken Waring	Jurupa Community Services District

AGRICULTURAL POOL MEMBERS PRESENT

Rick Rees	Geomatrix for State of California
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Watermaster Consultants Present

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

Watermaster Staff Present

John Rossi	Chief Executive Officer
Mary Staula	Recording Secretary

Others Present

Rita Kurth	Cucamonga County Water District
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Vice-Chair DeLoach called the Special Meeting of the Appropriative Pool to order at 10:10 a.m.

1. MONTE VISTA WATER DISTRICT'S REQUEST FOR REVIEW OF SALT CREDITS PER THE PEACE AGREEMENT

Mr. Kinsey presented charts and graphs supporting the concerns of Monte Vista Water District (MVWD) regarding salt credit benefits. During negotiations of the Peace Agreement, it was his understanding that the appropriators would receive a cost apportionment of OBMP salt credits in return for subsidizing the desalters. He compared the cost apportionment with and without implementation of the Maximum Benefit Proposal/Basin Plan Amendment. He said that approval of the Maximum Benefit Proposal/Basin Plan Amendment by the State Water Resources Control Board would change the business deal that had been negotiated in the Peace Agreement by removing this benefit. Additionally, MVWD believes that salt credits should be assigned to the appropriators before recycled water (net), not on total credits (gross). Mr. Kinsey noted that MVWD never agreed to subsidize the Recycled Water Program.

Mr. Kinsey reviewed the charts prepared by MVWD indicating the \$(in millions)/Fiscal Year being expended by the appropriators to subsidize the desalters, as well as the recycled water recharge

supported by OBMP programs from Year 2003 through 2020. The history and interpretation of salt removal and salt credits that had been discussed during formulation of the Peace Agreement were revisited.

Further discussion ensued among the members regarding the amount of salts currently being removed at Desalter I. It was noted, however, that the numbers have not yet been quantified. Under the OBMP, salt credits from Desalter I will first go toward cleaning up the legacy contamination in the Basin; whereas, the Desalter I expansion and the future Desalter II will fall under the 80/20 Rule. Additionally, only the Regional Water Quality Control Board can issue salt credits and they have not done so. Therefore, some of the Appropriators expressed that because salt credits do not exist, this discussion or concern is moot. Staff was asked to talk with the Regional Board about the assignment of left over salt credits or the accumulation of salt credits.

Mr. Kinsey indicated that MVWD feels very strongly about this matter. He added that MVWD never agreed to subsidize the Recycled Water Program. To resolve an inequity, Mr. Kinsey suggested that less expensive recycled water be purchased.

With regard to receiving a benefit in exchange for subsidizing the desalters, several of the Appropriators commented that the only benefits they anticipated during negotiations of the Peace Agreement were more general, in terms of a basin-wide benefit. As to salt credits benefits, the fundamental question is whether or not there will be salt credits in the future.

Staff prepared a white paper as requested and at their last meeting, the Watermaster Board requested that MVWD provide the figures to support their concerns to resolve this issue. Requested information will be provided to the members of the Board and the item rescheduled for possible action at the next Appropriative Pool meeting in July.

Secretary

Minutes Approved: August 14, 2003