

**Minutes**  
CHINO BASIN WATERMASTER  
**Joint Meeting**  
**Appropriative Pool & the Non-Agricultural Pool**  
*July 10, 2003*

A Joint Meeting of the Appropriative Pool & Non-Agricultural Pool was held at the offices of the Chino Basin Watermaster, 8632 Archibald Ave., Suite 109, Rancho Cucamonga, CA, on July 10, 2003 at 10:00 a.m.

**APPROPRIATIVE POOL MEMBERS PRESENT**

Ken Jeske, Chair	City of Ontario
Gerald Black	Fontana Union Water Company
Dave Crosley	City of Chino
Raul Garibay	City of Pomona
Mark Kinsey	Monte Vista Water District
Rita Kurth	Cucamonga County Water District
Mike McGraw	Fontana Water Company
Carole McGreevy	Jurupa Community Services District
Mike Maestas	City of Chino Hills
J. Arnold Rodriguez	Santa Ana River Water Company
Ray Wellington	San Antonio Water Company

**NON-AGRICULTURAL POOL MEMBERS PRESENT**

Vic Barrion	Reliant Energy, Etiwanda LLC
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**Watermaster Consultants Present**

Dave Argo	Black & Veatch
Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental, Inc.

**Watermaster Staff Present**

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

**Others Present**

Cari Dale	City of Ontario
Mohamed El Amamy	City of Ontario
Rick Hansen	Three Valleys Municipal Water District
Josephine Johnson	Monte Vista Water District
Tom O'Neill	Jurupa Community Services District
John Schatz	Jurupa Community Services District

Chair Jeske called the meeting to order at 10:05 a.m.

**AGENDA - ADDITIONS/REORDER**

None

**I. CONSENT CALENDAR****A. MINUTES**

1. Draft Minutes - Joint Meeting Appropriative & Non-Agricultural Pools held April 10
2. Draft Minutes - Meeting of the Appropriative Pool held May 15
3. Draft Minutes - Special Meeting of the Appropriative Pool held May 21
4. Draft Minutes - Joint Meeting Appropriative & Non-Agricultural Pools held June 12

**B. FINANCIAL REPORTS**

1. Cash Disbursement Report – June 2003
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2002 through May 31, 2003
3. Treasurer's Report of Financial Affairs For May 1 through May 31, 2003
4. 2002-03 Actual YTD Revenues And Expenses Compared With Adopted 2002-03 Budget

**C. WATER TRANSACTIONS**

1. Application to Recapture Water in Storage by Fontana Water Company in the amount of 2.516 acre-feet stored by the Nicholson Trust and Transfer Annual Production Right or Safe Yield from The Nicholson Trust to Fontana Water Company in the amount of 4 acre-feet (*Notice mailed June 11, 2003*)

Mr. McGraw pointed out that Fontana Water Company submitted the incorrect Recapture Plan and will provide the correct plan upon returning to his office.

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

***Moved, that the Appropriators approve Consent Calendar Items A - C with submittal of corrected Recapture Plan for Item C.***

**II. BUSINESS ITEMS****A. REVIEW OF COST APPORTIONMENT RELATED TO OBMP SALT CREDITS**

Mr. Kinsey explained that Monte Vista Water District's (MVWD) understanding during the Peace Agreement negotiations was that in return for subsidizing the desalter, salt credits would be cost apportioned back to the Appropriators. If the State Board adopts the Maximum Benefit Proposal/Basin Plan Amendment, salt credits will go away. At previous meetings, Mr. Kinsey presented charts and graphs supporting this concern. Additionally, if the Maximum Benefit Proposal is approved, MVWD will end up subsidizing the recharge operation of a basin that is outside its jurisdiction. There may be solutions to eliminate their concerns before this becomes a legal issue. In order to explore solutions, action on the Maximum Benefit Proposal/Basin Plan Amendment would have to be delayed.

Discussion ensued in which the difference between "salt balance" and "salt credit" was defined; ownership of recycled water was clarified; and, whether or not the Regional Board would be willing to create a salt credit program was contemplated. There was a recap of and a brief discussion regarding suggestions that might allow the parties to move forward with this item. The following motion was made and Chair Pool Jeske requested the minutes reflect the Ayes, Noes and Abstentions.

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

**Ayes:** City of Chino, City of Chino Hills, Cucamonga County Water District, Fontana Union Water Company, Fontana Water Company, City of Ontario, Nicholson Trust, City of Pomona

**Noes:** Jurupa Community Services District, Monte Visa Irrigation Company, Monte Vista Water District, San Antonio Water Company

**Abstain:** Santa Ana River Water Company

***Moved, that because the Regional Board has not issued salt credits, the Appropriative Pool recommends that Watermaster take no action at this time on MVWD's request regarding salt credit allocation per to the Peace Agreement.***

#### **B. FUTURE EXPANSION OF CHINO I AND CHINO II DESALTERS**

Tom O'Neill, Jurupa Community Services District (JCSD), gave a presentation on behalf of the Chino Basin Desalter Authority (CDA) concerning expansion of the Chino I desalter and construction of Chino II desalter. There is rapid development taking place in the southern area of the Basin and concern regarding the availability of land within the next two-three years. He noted that it would be beneficial for the CDA to acquire land now for future desalters and desalter expansions as well as cost effective if the users of the desalted water were in close proximity of the wells/facilities for easy access to existing pipelines and booster stations. Discussion ensued whether development fees or land dedication requirements are being imposed on the developers in the area to help fund the purchase of land. Mr. O'Neill reported that the CDA is negotiating with the property owners as part of the development plans to set up sights for Chino I expansion and the future construction of Chino II desalter. Purchase of the property is a CDA expense that is charged to the operating and capital budget. However, because the CDA is not a direct water retailer, they do not have the ability to impose a fee for or issue connection permits.

Ms. McGreevy explained that first and foremost is the need to determine how future replenishment obligations will be met. There would be no point in expanding Chino I or constructing Chino II without that decision because MWD water would be cost prohibitive.

A recommended was made that a committee be set up of parties interested in participating in future desalting activities. The committee could work out the details and a recommendation to bring back through the Watermaster approval process. A suggestion was made that the committee be small, possibly comprised of one CDA member, one Watermaster staff member and one non-CDA party to discuss and draft a list of issues. Mr. Wellington was selected to serve as the non-CDA party on that committee.

***No action required at this time.***

### **III. REPORTS/UPDATES**

#### **A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Santa Ana Application Response to Protests  
Legal Counsel filed Watermaster's Response to the protests in a timely fashion. To date, they have not seen any service of response from the other applicants. Counsel Fife reminded the parties that Watermaster is in this process in a defensive capacity only.
2. Hearing re Cyclic Storage Agreement Amendment  
The Cyclic Storage Agreement Amendment was signed at the last Watermaster Board meeting and will be filed for hearing upon receipt of a date from the Court.
3. Chino Land & Water  
Counsel Fife had nothing new to report on the Chino Land & Water case at this time.

#### **Item added...**

4. MZ1 Workshop  
In October 2002, the Court ordered an MZ1 Workshop on July 17, 2003 with the Special Referee to receive an update on the progress of the MZ1 Subsidence Interim Plan. The extensometers will go on this week and Watermaster continues to collect data. Counsel spoke with the Special Referee, the City of Chino and the City of Chino Hills and proposed

moving the workshop a few weeks into August to allow Watermaster time to assemble the data. The parties were agreeable and Counsel will ask the Court to move the date.

**B. CEO REPORT/UPDATES**

1. Balance of Recharge & Discharge in all areas, Determination of Operating Storage & Safe Storage, and the Cumulative Impact of Transfers  
A Draft Technical Memorandum on the Dry-Year Yield findings will be mailed to the parties within the next two weeks for consideration at the meetings in August.
2. Storage & Recovery Workshops  
Workshops have been scheduled monthly at 8:30 a.m. just prior to the 10:00 a.m. Joint Pool Meeting. At the workshop held earlier, they discussed a scope of work to help culminate the work that has been done and market storage capacity. The scope of work should come forward to the pools for consideration in August.
3. Status regarding MWD Operating Plan Meeting held July 3 @ IEUA
4. Report regarding opportunities to recharge water in the Chino Basin  
Mr. Rossi combined his report on Items 3 and 4. A second meeting was held last week on developing operating plans for next year relative to the Dry-Year Yield Program. The meetings are going very well. A \$270,000 grant from the U. S. Bureau of Reclamation and a \$250,000 grant from the State Department of Water Reclamation have been awarded for this program, which provides the resources needed to complete the initial phase during the next 12 months and move forward on the five-year program. Staff will provide additional details next month.
5. Status regarding Hydraulic Control Monitoring Meeting held July 8 @ IEUA
6. CBWM/IEUA awarded \$250,000 AB303 Grant from DWR  
Previously reported under Item 4.

**Item Added...**

7. Recruiting Efforts  
Mr. Wildermuth, Mr. Argo and Mr. Mills assisted Mr. Rossi with interviewing eight candidates last week to fill the two engineering positions. The level of applicants, qualifications and experience, was impressive. Three candidates were asked to return for a second interview and after references are checked, he anticipates making offers for the two positions. He anticipates starting the recruitment effort and making a decision regarding the Executive Assistant position within the next few weeks.

**C. OTHER AGENCY REPORTS**

*None*

**IV. COMMITTEE MEMBER COMMENTS**

*None*

**V. OTHER BUSINESS**

Chair Barrion said the Non-Agricultural Pool concurs with action taken by the Appropriative Pool to approve the Consent Calendar items (with a minor correction on the minutes) and abstains from voting on II.A "Review of Cost Apportionment Related to OBMP Salt Credits".

**VI. FUTURE MEETINGS AND EVENTS**

July 17, 2003	08:30 a.m.	MZ1 Workshop with Special Referee
	01:00 p.m.	Agricultural Pool Meeting
July 23, 2003	09:00 a.m.	MZ1 Technical Committee Meeting @ City of Chino
July 24, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board

August 14, 2003	8:30 a.m.	Storage & Recovery Workshop
	10:00 a.m.	Joint Meeting of the Appropriative & Non-Agricultural Pools
	1:00 p.m.	Agricultural Pool Meeting

Chair Jeske adjourned the meeting at 11:42.

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Secretary

Minutes Approved: August 14, 2003