

Minutes
**CHINO BASIN WATERMASTER
ANNUAL MEETING
APPROPRIATIVE POOL**

January 15, 2004

The Annual Appropriative Pool Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on January 15, 2004 at 3:00 p.m.

Appropriative Pool Members Present

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

Watermaster Staff Present

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

Watermaster Consultants Present

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

Others Present

Robert Neufeld	Cucamonga County Water District
David De Jesus	Three Valleys Municipal Water District
John Schatz	John J. Schatz, Attorney at Law

The Appropriative Pool meeting was called to order at 3:07 p.m.

AGENDA - ADDITIONS/REORDER

Mr. Kinsey requested that item VI Pool Member Comments be heard directly after the Consent Calendar and the Monte Vista Water District letter regarding Maximum Beneficial Use Proposal be added as an agenda item in section VI Pool Member Comments.

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

Motion, to add hear VI Pool Member Comments after the Consent Calendar and to add the Monte Vista Water District letter to the agenda

I. ANNUAL ELECTIONS – Action

A. Calendar Year 2004 Appropriative Pool Officers

Nominations will be heard for Pool Chair, followed by nominations for Pool Vice-Chair, to serve during calendar year 2004.

Chair	<u>Mike Maestas, City of Chino Hills</u>
Vice-Chair	<u>Dave Crosley, City of Chino</u>
Secretary /Treasurer	<u>John V. Rossi, Watermaster Chief Executive Officer</u>

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

The previous Chair, Ken Jeske turned over the meeting to the new Chair, Mike Maestas

B. Calendar Year 2004 Non-Major Appropriators on the Advisory Committee

Non-Major Appropriators will be asked to elect two representatives to serve on the Advisory Committee during calendar year 2004.

- () 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 – **1st Representative**
- (x) Santa Ana River Water Company – **2nd Representative**
- () 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

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

C. Calendar Year 2004 Advisory Committee Members & Officers

According to the rotation sequence established among the pools, the appropriators be asked to appoint the Appropriative Pool Chair, or a designated representative, to serve on the Advisory Committee during calendar year 2004.

Chair	Appropriative Pool	<u>Ken Jeske, City of Ontario</u>
Vice-Chair	Agricultural Pool	_____
2 nd Vice-Chair	Non-Agricultural Pool	_____

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

D. Calendar Year 2004 Pool Representation on the Watermaster Board

Based on the Court-adopted Rotation Schedule for Representatives to the Watermaster, during calendar year 2004, the City of Chino Hills, The City of Pomona, and the Fontana Union Water Company will represent the Appropriative Pool on the Watermaster Board. The City of Chino Hills has Selected Councilman W.C. "Bill" Kruger, and the Fontana Union Water Company has Selected Director Robert Neufeld.

II. CONSENT CALENDAR

A. MINUTES

1. Minutes of the of the Appropriative Pool meeting held November 13, 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, San Bernardino County, California, re-authorizing the Watermaster's Investment Policy

E. WATER TRANSACTION

Consider Approval for Transaction of Notice of Sale or Transfer from West San Bernardino County Water District to Cucamonga County Water District in the Amount of 500 acre-feet

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. ALLOCATION OF VOLUME VOTE

Overlying Appropriative Pool Allocation of Volume Vote effective Calendar Year 2004

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

Moved, to approve Consent Calendar Items B through G and I, as presented

Chair Maestas moves to have Item A and Item H pulled for the following changes:

Minute Item I. A Appropriative Pool Members Present should be:

Gerald Black, Fontana Union Water Company

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

Item I. H Status Report #9 pulled for the following changes:

Make minor edits are allowed to be made as necessary

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

(Note VI Pool Member Comments taken out of order at the request of Mr. Kinsey)

VI. POOL MEMBER COMMENTS

Mr. Kinsey presented a letter from Monte Vista Water District dated January 15, 2004 regarding Maximum Beneficial Use Proposal (hand out) and discussion ensued with regard to slowing down the action of the Regional Board who is meeting Thursday, January 22, 2004 for approval on the Maximum Beneficial Use Proposal because Committee members felt that the conditions proposed by the Regional Board are not consistent with provisions of the Peace Agreement and commitments made by the parties have not been reviewed properly and approved via the proper channels.

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

Motion, to schedule a special Appropriative Pool conference call for Wednesday, January 21, 2004 at 1:00 p.m. to review RWQCB's Basin Plan Amendment relative to the Chino Basin Watermaster and review possible revised language to be considered for approval at the January 22, 2004 RWQCB's meeting

III. BUSINESS ITEMS

A. APPLICATION TO DWR – MZ3 INVESTIGATION

Mr. Rossi expressed the desire to proceed with the filing of the grant application to DWR for the reasons that more monitoring wells need to be installed, further studies are required for the MZ3 area, and substantial information was presented last year to warrant grant funding. Since Watermaster can not file grant applications, Inland Empire Utilities Agency will file on our behalf. Staff recommends we move forward on this grant application, which is to be filed by January 28, 2004.

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

Moved, to approve the filing of the application to DRW by means of Inland Empire Utilities Agency filing on our behalf

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

Mr. Rossi identified two questions that were presented during the Committee and Watermaster Board meetings in November 2003. The first question addressed was the cost to situate consulting assistance at the Regional Board's office to prepare Draft Clean Up and Abatement orders to potential responsible parties. Mr. Rossi referred to page 108 of the agenda packet for

information in regards to the potential responsible parties identified from RWQCB files. 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 was the cost after the orders were issued to the potential responsible parties. Mr. Rossi stated that this second question could not be answered for the reason that we could not foresee the outcome from the potential responsible parties. 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.

Mr. Rossi stated that the Non-Agricultural Pool voted to move forward with the assistance to the Regional Board and the Agricultural Pool moved to table this request and have the Regional Board give a presentation on these issues prior to voting. Mr. Rossi offered to contact Jerry Thibeault of the Regional Board and request he give a presentation on these issues for the next Pool meetings in February. After a brief discussion it was agreed that moving forward on assisting the Regional Board at the cost of \$25,000 dollars in total was acceptable, although it was strongly noted that Watermaster should be reimbursed as promptly as possible. Also, having the Regional Board give a presentation on what they are actually working towards was requested.

Motion by Jeske, second by De Loach, and by unanimous vote

Moved, to approve assistance to the Regional Board with a cap of \$25,000, the condition that Watermaster is first in line to be reimbursed for this assistance and that the Regional Board will give a presentation to the Committee 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, and 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 last on the CEO/STAFF REPORT section due to the time constraints and the length of the presentation.

2. Presentation Regarding Storm Damage to Construction at Victoria Basin

Mr. Rossi reported on the damage incurred on Christmas day during a rain storm (1/2 inch) due to construction in the basin at the time of the storm which led into Mr. Treweek's presentation. Mr. Treweek detailed the damage of this storm which lies North of the 210 freeway near the 15 freeway interchange. Mr. Treweek noted the San Sevaine Channel and Etiwanda Channel share a wall that separates the two channels at this location of construction that received the most significant damage. Mr. Rossi added comment to this presentation calling the storm, "a perfect storm" because of the combination of events that played into the storm damage, specifically the additional run-off from the fire burn areas. Mr. Rossi noted that there was no loss of equipment, although about \$20,000 worth of work was destroyed and about \$300,000 of clean up work had already been completed. It will cost an estimated \$1,000,000 to \$1,500,000 for total clean up and damage repair. Staff will be working with IEUA and the Flood Control District to determine who is responsible. FEMA funding will be pursued as well. Mr. Rossi and Mr. Treweek met with representatives from the Flood Control District on Tuesday and felt it was a positive meeting and will keep the Committee apprised to the outcome of further meetings.

3. Status Update on Recharge Project

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.

(Note item 1 taken out of order at the request of Mr. Rossi)

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

Mr. Rossi requested Black & Veach and Wildermuth Environmental, Inc. prepare a presentation on the work that has been done relative to the OBMP Program elements since July 2000. Mr. Rossi invited Mark Wildermuth, over the next several months, to provide portions of that presentation at the Committee and Watermaster Board meetings, which will provide current statuses. Mr. Wildermuth discussed and reviewed slides on two major topics for the first section of the presentation on Maximum Benefit and Hydraulic Control. Mr. Wildermuth broke down these two topics, which are all related to the OBMP and the Peace Agreement. Future topics will include Desalters, Chino Basin Facilities Improvement Program, Storage & Recovery, Ground Water Monitoring, Water Quality Committee, MZ1 Management Plan, and Analysis of Balance of Recharge and Discharge. Mr. Wildermuth added that Watermaster has put in a first class monitoring system to measure and record subsidence. Lastly, Mr. Wildermuth commented on the potential consequences for failure to meet our commitments, which again are all OBMP commitments.

V. INFORMATION

A. MONTE VISTA WATER DISTRICT

Mr. Rossi addressed the December 11, 2003 letter concerning the 2003/2004 Assessment Package from Monte Vista Water District that highlighted three questions which were; 1) How to reallocate funds, 2) Desalter production, and 3) New yield. Mr. Rossi stated Chino Basin Watermaster would be preparing a letter to Monte Vista Water District to address these three questions.

B. METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Mr. Rossi reviewed the December 11, 2003 letter by Metropolitan Water District of Southern California in regard to an update of availability of replenishment deliveries for winter. Mr. Rossi stated there is a need for recharge water and until new turnouts are built, we will be behind the recharge plan. Some water will be transferred from the cyclic account to meet replenishment obligations.

C. JURUPA COMMUNITY SERVICES DISTRICT

Mr. Rossi reviewed the November 19, 2003 letter by Jurupa Community Services District concerning groundwater quality investigation activities and the related proposed OBMP scope of work in regards to the Kaiser plume's potential impact of JCSD's existing and future wells, and Chino desalters' wells. Mr. Rossi felt that the concerns for the Kaiser plume will be in part addressed by the AB303 Grant which will help us design a work plan for the MZ3 group.

VI. POOL MEMBER COMMENTS

Note: This item was pulled to be taken out of order and was addressed preceding the Consent Calendar.

No other comment made under this item.

VII. OTHER BUSINESS

None

VIII. FUTURE MEETINGS

January 12, 2004	1:30 p.m.	AGWA Meeting
January 14, 2004	9:00 a.m.	MZ1 Technical Group Meeting
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
March 1, 2004	1:00 p.m.	Watermaster Board Meeting

The Annual Appropriative Pool Meeting Adjourned at 5:05 p.m.

Secretary: _____

Minutes Approved: February 12, 2004