

Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL
POOL MEETING

April 8, 2004

The Joint Appropriative and Non-Agricultural Pool Meeting were held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on April 8, 2004 at 3:00 p.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Dave Crosley, Vice-Chair	City of Chino
Ken Jeske	City of Ontario
Robert DeLoach	Cucamonga Valley Water District
Gerald Black	Fontana Union Water Company
Raul Garibay	City of Pomona
Mark Kinsey	Monte Vista Water District
Mike McGraw	Fontana Water Company
Ray Wellington	San Antonio Water Company
Bill Stafford	Marygold Mutual Water Company

NON-AGRICULTURAL POOL MEMBERS PRESENT

Bob Bowcock	Vulcan Materials Company
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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 Legal Counsel Present

Michael Fife	Hatch & Parent
Joe LeClaire	Wildermuth Environmental Inc.

Others Present

Josephine Johnson	Monte Vista Water District
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Vice-Chair Crosley called the meeting to order at 3:04 p.m.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Appropriative and Non-Agricultural Pool meeting held March 11, 2004

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2004
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through February 29, 2004
3. Treasurer's Report of Financial Affairs for the Period January 1 through February 29, 2004
4. Profit & Loss Budget vs. Actual July 2003 through February 2004

C. WATER TRANSACTION

1. Consider Approval for Transaction of Notice of Sale or Transfer from Southern California Water Company to Fontana Water Company the Amount of 2000 acre-feet

2. Consider Approval for Transaction of Notice of Sale or Transfer from West Valley Water District to Monte Vista Water District the Amount of 650 acre-feet
3. Consider Approval for Transaction of Notice of Sale or Transfer from City of Pomona to Fontana Water Company the Amount of 500 acre-feet

Mr. Rossi added comment, before the final motion, on Water Transaction Item C #2 between West Valley Water District and Monte Vista Water District, noting this is not a typical staff recommendation regarding this transaction due to Monte Vista not submitting a recapture plan. Watermaster does not perform a material physical injury analysis until the recapture plan is submitted. Mr. Rossi's recommendation was to have the Committee consider approval with the contingency that the water can not be removed from their storage account until they file a recapture plan. Discussion ensued with regard to Monte Vista's prior recapture plans on file and a brief description between this water transaction and their prior transactions took place. The question of whether or not this particular transaction fell under the 85/15 qualifications was presented. Mr. Rossi acknowledged the 85/15 concept needed to be investigated by counsel and assured the Committee members the water which was placed into storage, under this transaction, would be tracked appropriately. Counsel Fife clarified the motion for item 2 as being only an application for transfer and not an application for recapture, commenting this was the only approval being sought at this point in time. Noted Counsel Fife, Monte Vista Water District is fully aware this motion is for transfer of water and not for recapture. Lastly regarding this item, comment was received concerning this water being held over in storage and if it will be subject to storage losses. Mr. Rossi confirmed the water will be held in storage and this particular topic will be investigated and discussed as a policy issue at a later date.

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

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

II. BUSINESS ITEMS

A. POLICY DISCUSSIONS REGARDING CREDITS AGAINST OBMP ASSESSMENTS (FORM 7)

Mr. Rossi informed the Committee this issue is being handled through the attorney/manager meetings and with that, this item is being placed on hold for this meeting.

B. 2004/2005 WATERMASTER BUDGET

Mr. Rossi gave the proposed budget presentation for fiscal 2004-2005. He reviewed Watermaster's emphasis for the coming year which included, Dry Year Yield Implementation, Recharge Improvements, Hydraulic Control Monitoring Program, Water Quality Committee, MZ1 Subsidence Program, and Optimize Watermaster Database(s). Mr. Rossi commented the total expenditures were slightly more than prior year while assessment levels will remain about the same, administrative costs were down, and noting general counsel legal costs continued to decrease. Lastly, Mr. Rossi examined further financial impacts in detail. A brief discussion ensued regarding some of the presented engineering budgeted items. Mr. Rossi confirmed these items were mainly concerning the MZ1 area. Mr. Rossi informed the Committee that the request for budget approval will be put on the agenda next month for consideration and invited anyone with questions to contact him prior to that meeting to be reviewed and discussed.

C. CONSIDER AGREEMENT WITH CITY OF UPLAND AND IEUA FOR RECHARGE PROJECT

Mr. Rossi informed the Committee that Watermaster was seeking approval of an agreement with the City of Upland and Inland Empire Utilities Agency regarding inclusion of the Upland Recharge Basins in the facilities improved pursuant to the Recharge Master Plan. Mr. Rossi explained in detail how the agreement originated and what the benefit would be to the basin by this endeavor with the City of Upland. Noting the funds for use in implementing the Recharge Master Plan will be dedicated to work at the Upland Recharge Basin and in exchange, approximately 200 acre-feet of capacity of the basin will be dedicated for conservation purposes. This agreement would provide advance funding to the City of Upland in order for them to move forward with their project. The City of Upland will control the water from a flood control standpoint during the rainy months Watermaster would have the opportunity to recharge imported water as well. The agreement also states that the new yield water associated with

storm water would be accounted for as “new yield” to the parties rather than being allocated back to the city of Upland. Mr. Rossi requested a motion to move forward with this agreement allowing minor edits to be made which in turn will allow the City of Upland to secure contracts and final financing. Discussion ensued with regard to the types of water being held in the 200 acre-feet agreement. Mr. Rossi stated, at this time, no discussions to recharge recycled water had taken place, only imported and storm water at this time. Counsel Fife stated the agreement guarantees Watermaster 200 acre-feet of capacity year round, 365 days a year and the other capacity can be used for flood control; regardless of how it is used, Watermaster receives all water recharged.

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

Moved to approve bringing this recommendation for the Agreement with the City of Upland and IEUA for the Recharge Project to the Advisory Committee, Watermaster Board, and to authorize staff and counsel to make minor edits, as needed

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney/Manager Meeting – April 7, 2004

Counsel Fife informed the Committee the first attorney/manager meeting was held on April 7, 2004 noting the outcome of the meeting was the formulation of various committees to work on a range of issues. The next meeting is scheduled for April 28, 2004.

Added:

Counsel Fife referred to the hand out on the back table which is a recently issued patent. Commenting this is a looming issue. Counsel Fife referred to page 2 of this hand out under the heading “what is claimed is” which describes the type of projects covered by the patent. Counsel Fife reviewed these claims briefly. Counsel needs to investigate several aspects of this patent and its outcome. Several questions were presented and Counsel Fife commented he would be bringing this issue up to the ACWA legal affairs committee because every agency in the state that performs recharge will have a great interest in this.

B. CEO/STAFF REPORT

1. Presentation Regarding OBMP Progress through December 31, 2003

Mr. LeClaire from Wildermuth Environmental presented the fourth section of the Optimum Basin Management Program update. Mr. LeClaire summarized the known water quality anomalies and the Regional Board’s actions towards these issues. He reviewed the major Water Quality Committee activities that included, Chino Airport Plume, Ontario Airport Plume, Environmental Records Search/Perchlorate, Kaiser Plume, Stringfellow, and Key Well Programs. Commenting Mr. Treweek will cover the Kaiser plume after his presentation. A brief description of the Chino Airport site background was made along with reviewing the contamination timeline. TetraTech’s conclusions and observations were offered and discussed briefly. Several maps were analyzed with regard to the VOC, and then the Ontario Airport Plume was discussed in length.

Mr. Rossi commented regarding the Agricultural Pool well data being released to TetraTech and noted, with the Agricultural Pool’s approval, a letter was written and signed by both Watermaster and the Agricultural Pool Chairman requesting the release of captured well data. Out of the 60 wells which required a signed release from private well owners, only a few were either returned undeliverable or answered no. With this majority confirmation to move forward, well information was released to TetraTech. Mr. Rossi commented he was primarily pointing out this topic since Watermaster will be facing the question of release of well data once more with the Ontario VOC situation approaching.

Mr. LeClaire noted the Regional Board now possesses what is required to write cleanup and abatement orders against the potential responsible parties and the Watermaster has

agreed to provide technical assistance to the Regional Board per Committee and Board recommendations. Site background was reviewed while elaborating on several of the plume contamination investigation plans, which consisted of environmental records searches and key well programs to monitor the situation.

Mr. Treweek gave a brief update on the GE test cell facilities and the Kaiser plume. A discussion ensued regarding monitoring issues.

2. Update Regarding Water Quality Committee Meeting April 6, 2004

Mr. Rossi noted the Water Quality Committee Meeting was cancelled and was rescheduled for June 2, 2004 from 2:00 p.m. – 5:00 p.m.

3. Update Regarding MZ1 Technical Group Meeting April 7, 2004

No comment was made regarding this item.

IV. POOL MEMBER COMMENTS

Mr. Rossi commented on the Santa Ana Watershed Coalition letter dated April 2, 2004 which was provided as a handout. Watermaster for the second year in a row is being recognized by SAWPA as having done a project worthy of their Integrated Project of the Year Award. Last year we were recognized for the OBMP Program and this year for our more comprehensive recharge program. We will ask our partners from Flood Control and the Conservation District to join us in accepting this award.

Mr. Jeske addressed the Monte Vista Water District transaction requesting there be a bookkeeping record on these special types of transfers including such information as, where they are originating from, and where they are going to, and if we need further recapture plans so we can accomplish this as the Peace Agreement calls for. Mr. Kinsey commented on Mr. Jeske’s statements and noted this will be a last in, last out transaction. Mr. Rossi reiterated that Watermaster did have the ability, due to a more sophisticated data base, to track the transaction as last in, last out. If there was another transaction, it would then be second in and second out and on down the line. Noting that before Monte Vista pumped this water back out they will have to file a recapture plan for consideration of material physical injury analysis to be performed.

Counsel Fife was presented with a question regarding the attorney/managers meeting held on April 7, with regard to the formulated committees being set up to review 7 or 8 issues by which they would develop a report for review. The main focus for this question was to inquire if the persons who were set up to be on a particular committee were the same people who originally had issues with a particular subject, asking how they would be kept informed if they were not actually placed on that committee? It was noted that this question will be answered in the attorney/managers meetings, noting the second meeting will be primarily devoted to just this issue. It was stated those issues need to be addressed in the attorney/manager meetings and not at the Pool meetings. Counsel Fife agreed and offered comment to direct these types of issues to be brought up at the attorney/manager meetings.

V. OTHER BUSINESS

No comment was made regarding this item.

VI. FUTURE MEETINGS

April 6, 2004	2:00 p.m.	Water Quality Meeting
April 7, 2004	9:00 a.m.	MZ1 Technical Group Meeting
April 7, 2004	1:30 p.m.	Attorney/Manager Meeting
April 8, 2004	3:00 p.m.	Joint Appropriative & Non-Agricultural Pool Meeting
April 12, 2004	8:00 a.m.	GRCC Meeting

April 20, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
April 22, 2004	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting
April 29, 2004	2:00 p.m.	Storage & Recovery Meeting

The Joint Appropriative & Non-Agricultural Pool Meeting Adjourned at 4:45 p.m.

Secretary: _____

Minutes Approved: May 13, 2004