

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

May 13, 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 May 13, 2004 at 3:00 p.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Mike Maestas, Chair	City of Chino Hills
Dave Crosley	City of Chino
Ken Jeske	City of Ontario
James T. Bryson	Fontana Water Company
Raul Garibay	City of Pomona
Mark Kinsey	Monte Vista Water District
Ray Wellington	San Antonio Water Company
Bill Stafford	Marygold Mutual Water Company

NON-AGRICULTURAL POOL MEMBERS PRESENT

Justin M. Scott-Coe	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
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Others Present

Josephine Johnson	Monte Vista Water District
Rick Hansen	Three Valleys Municipal Water District
Bob Thompson	Senator Nell Soto Office

Chair Maestas called the meeting to order at 3:05 p.m.

AGENDA - ADDITIONS/REORDER

Special Note: Due to an adjacent meeting the agenda items were discussed/motions made in the following order to accommodate a quorum for items which needed a motion.

- 1) III Reports/Updates A. Watermaster General Legal Counsel Report Items 1 through 4
- 2) III Reports/Updates B. CEO/Staff Report Item 1
- 3) II Business Item C. Agreement Between IEUA and Watermaster for Basin Monitoring Activities
- 4) I Consent Calendar Items A through C
- 5) II Business Item A 2004/2005 Watermaster Budget, Item B Agreement for Basin Monitoring Program for Nitrogen/TDS in the SAR Watershed, and Item D Agreement Between OCWD, MWDOC, IEUA, and Watermaster for the Joint Use of Service Connection OC-59
- 6) III Reports/Updates B. CEO/Staff Report items 2 through 3
- 7) IV Pool Member Comments, V Other Business, and VI Future Meetings

I. CONSENT CALENDAR

A. MINUTES

- 1. Minutes of the Joint Appropriative & Non-Ag Pool meeting held April 8, 2004

B. FINANCIAL REPORTS

- 1. Cash Disbursements for the month of April 2004
- 2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through March 31, 2004
- 3. Treasurer's Report of Financial Affairs for the Period March 1 through March 31, 2004
- 4. Profit & Loss Budget vs. Actual July 2003 through March 2004

C. STATUS REPORT #10

Authorize Staff and Counsel to File Report with Court for December 2003 to February 2004 Period

Motion by Crosley, second by Wellington, and by unanimous vote
Moved to approve Consent Calendar Items A through C, as presented

Added comment for Section A, item no. 1 which was received after the motion.

Mr. Kinsey presented comment concerning the West Valley Water District water transfer regarding the questions which were presented at the last meeting that are represented in the minutes on the consent calendar. Mr. Kinsey acknowledged that he can not take water out of the storage account unless a recapture plan is filed, reiterating that this water is just being placed into a preexisting storage account. Mr. Kinsey referred to the 85/15 rule, stating not at this time would the 85/15 rule apply since it is not subject to being used as replenishment.

II. BUSINESS ITEMS

A. 2004/2005 WATERMASTER BUDGET

Mr. Rossi acknowledged there has been no written or verbal questions regarding the presented budget and was seeking approval from the Committee members to bring the 2004/2005 Budget to the Advisory Committee and Watermaster Board. Commenting there are no changes on today's budget from the budget presented in last month's package.

Motion by Jeske, second by Crosley, and by unanimous vote
Moved to approve 2004/2005 Watermaster budget and recommend submitting budget to the Advisory Committee and the Watermaster Board for approval

B. CONSIDER AGREEMENT FOR BASIN MONITORING PROGRAM FOR NITROGEN/TDS IN THE SANTA ANA RIVER WATERSHED

Mr. Rossi referred to page 69 of the packet noting this is an agreement with the members of the TIN/TDS task force and a requirement from the Regional Board pertaining to the Basin Plan Amendment for all discharges along the Santa Ana River which will monitor effluent and water quality coming into the river. Mr. Rossi stated that within this basin we want to do an extensive amount of monitoring on the river for Maximum Benefit, noting this is a very positive action in which we are acquiring several partners for this monitoring program. Mr. Jeske clarified this contract for monitoring and declared this monitoring data as very helpful as it will allow us to determine inflows and outflows as well as water quality issues. Mr. Rossi confirmed Watermaster would get all the data which would allow us to provide data to Wildermuth for their model, commenting that Wildermuth is the consultant on this project. The question of Watermaster's contribution to this task force was presented. Mr. Rossi confirmed the staff is being hired through consultants to do the work; SAWPA administrates the rest, we would not contribute any time other than attending meetings. The \$18,000 dollars covers sampling in the river, processing, analyzing the data, recording it, and delivering the findings to the parties. It

was asked if these are Watermaster's sampling obligations. Mr. Rossi commented that Watermaster has only a part of the sampling obligations. It was noted that this would also cover lab costs.

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

Moved to approve agreement between IEUA and Watermaster for Nitrogen/TDS in the Santa Ana River Watershed

C. CONSIDER AGREEMENT BETWEEN IEUA AND WATERMASTER FOR BASIN MONITORING ACTIVITIES

Mr. Rossi stated he was not seeking any action on this item and will be bringing it back for recommendation next month. Mr. Rossi stated, in wanting to redefine, simplify and save money and time in the area of water sampling and water level monitoring (calling this a key well program) he described this agreement. Mr. Rossi remarked since Watermaster started discussing this program with Wildermuth and IEUA, Watermaster felt it necessary to take a good look at all monitoring programs. Trying to capture the efforts and costs associated in these monitoring efforts between the two agencies, would really bring us together on this cost saving venture Mr. Rossi stated. Mr. Rossi asked the Committee to turn to page 81 of the packet to examine the tables regarding analytical and labor costs for joint water quality monitoring programs in the Chino Basin. Table 1 describes costs for the Groundwater Quality Monitoring Program, Hydraulic Control Monitoring Program, Recharge Basin Water Quality Monitoring Program, and Title 22 Monitoring Program for Phase 1 Basins. Mr. Rossi reviewed Table 1 costs in depth. Noting that in this proposal, and in working with Rich Atwater, IEUA would contribute in the first three areas, which are the largest of the four monitoring areas, and then Watermaster would contribute to the Title 22 Monitoring Program. Mr. Rossi pointed out a substantial amount of money will be saved by going this route by reducing our labor costs approximately 60%. This proposal would be a 2/3 IEUA and 1/3 Watermaster expenditure, noting this particular table is an additional hand out on the back table. The question of how Title 22 Monitoring benefits Watermaster was presented. Mr. Rossi confirmed there would be a lot of water quality data from the shallow and more typical water monitoring wells that would provide us an indication of things coming out of the basins, like storm water quality and imported water quality which is beneficial to Watermaster's overall view. Discussion ensued with regard to the recycled water program. Mr. Rossi offered comments and stated Watermaster wants to be a proactive in its approach to sharing the costs for the monitoring programs.

Mr. Rossi discussed the nine new monitoring wells on the South end which is primarily sampled to demonstrate we are closely watching water quality near the Desalters. Mr. Rossi recapped the money received and/or will be received from grant funding. A summary review of how the cost numbers look will be drafted and prepared for next months meeting. Mr. Rossi commented that IEUA has offered to run the lab analysis due to their capabilities and capacities although Watermaster still needs to review the costs related to this issue. We will be reviewing a policy concept to bring back to the Appropriative Pool on the subject of formulating a basin wide monitoring program. The staff will put together a summary of costs associated with operating & maintenance and construction and how this will be budgeted for the next year. Mark Wildermuth will be available for the June meeting and will provide answers to the Committees questions regarding this item.

D. CONSIDER AGREEMENT BETWEEN OCWD, MWDOC, IEUA, AND WATERMASTER FOR THE JOINT USE OF SERVICE CONNECTION OC-59

Mr. Rossi affirmed there has been a standing agreement between OCWD, MWDOC and IEUA for 20 plus years when OC-59 was first built. It was discussed with IEUA that Watermaster needs to be included in this agreement. Mr. Rossi reviewed the verbiage of the agreement with regard to water that is ordered and delivered. Mr. Rossi recommends, at this time, Watermaster refresh this agreement with that change. Otherwise noting all the financial terms,

liability, and indemnities remain the same. Mr. Rossi confirmed the OC-59 connection is located at the San Antonio Creek wash. Staff would recommend approval of this agreement to go to the Advisory and the Watermaster Board.

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

Moved to approve draft agreement between OCWD, MWDOC, IUEA, and Watermaster for the joint use of service connection OC-59

Added questions/comments regarding the OC-59 Agreement:

Mr. Kinsey read Page 2, Item C from the draft agreement regarding IEUA agreeing to purchase from OCWD a perpetual right of 70 c.f.s. of capacity of MWDOC and OCWD in OC-59 which was referred to in the 1979 Agreement. Questioning that if in item D we are relinquishing the perpetual right of ownership to use that flow rate in the OC-59 connection was presented. Mr. Rossi confirmed that statement as being correct; while Counsel Fife reminded the Committee this is past tense and was revised in the 1988 Agreement. The question regarding the capacity in the line was noted. As long as we pay the \$2.00 an acre foot we are allowed to use this on a flow basis commented Mr. Rossi. A discussion ensued and again reiterating nothing from the revised 1988 agreement is changing with the exception of adding Chino Basin Watermaster as a party to the contract. Mr. Kinsey added additional commentary regarding IEUA who is now contemplating that its future water deliveries from OC-59 will be substantially less than 70 c.f.s. set forth in the 1979 Agreement, and revised in the 1988 Agreement. Concerns with other parties coming on line and us flowing at a much higher rate than 70 c.f.s. during recharge periods was noted. Mr. Rossi confirmed this verbiage remains the same since 1988 and there is no adjustment to the 70 c.f.s. figure.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney/Manager Meeting – May 12, 2004

Counsel Fife confirmed the May 12, 2004 Attorney/Manager meeting took place and commented the next meeting is scheduled for May 19, at the office of Best Best & Krieger in Ontario. The committees are diligently working on appointed tasks.

2. Patent Issue

Counsel Fife commented on the recently awarded patent for recharge basins and informed the Committee this item was added to the Legal Affairs Committee Agenda at the ACWA conference in Monterey last week. Counsel Fife stated he was involved in a very interesting discussion regarding this topic. Counsel Fife confirmed that several other water agencies had heard from the gentleman who obtained the patent and noting one of them had actually paid him for his services. There is a tremendous amount of interest in pursuing this issue and noting it will not only be the Chino Basin but several other parties. If something does arise from this, as far as a legal matter, we will be facing it as part of a larger assembly.

3. Wilson v. Watermaster

Counsel Fife noted this is the personal injury case which has been brought to the Committee meetings before and noted the insurance company and the plaintiff are battling over this case at this time. Counsel Fife noted he will keep the Committee apprised of any further actions regarding this case.

4. Hearing Date For Approval Of DYY Storage Agreement

Counsel Fife acknowledged the filing of the Dry Year Yield Storage Agreement pleading with the court on May 12, 2004 and stated the hearing is set for June 24, 2004. Counsel Fife anticipates all to go well in regards to the court approving this agreement.

B. CEO/STAFF REPORT**1. Staff to Present Draft Recharge Operating Plan**

Mr. Rossi presented the draft operating plan for recharge and asked the Committee to turn to page 97 of the packet for review. Mr. Rossi noted this has been a challenging year due to the 23,600 acre feet of requirement to recharge water, 6,500 acre foot of that for the MZ1 Peace Agreement requirement, the other 16,600 is over pumping from the prior year. One of the challenges was a direct result from the fires and then the Christmas day storm bringing a lot of silt and ash down into the basins, taking Montclair off line which is where we usually do the 6,500 acre foot of recharge. Mr. Rossi reviewed the table discussing the conjunctive use plan for the new Dry Year Yield (DYY) Metropolitan Water District (MET) program and the replenishment deliveries in detail. Mr. Rossi noted he was anticipating taking an 8,000 or 9,000 out of the cyclic account at year end, which means out of the 16,600 acre foot replenishment for over pumping, we anticipated getting more than half of that in wet water. Noting we have not had a problem in the past with this regard but stating this year it has been a challenge. Mr. Rossi anticipates a discussion on this matter further. Mr. Rossi noted that Mr. Kinsey, as an example, recommended us not taking all the water out of the cyclic account to try and wait and deliver it wet. Mr. Rossi recommends a staff report be submitted next month in this regard.

Mr. Rossi discussed with the Committee members on the Data Optimization Program, noting it has already been budgeted for and is currently being worked on by both Watermaster and Inland Empire Utilities Agency (IEUA). Mr. Rossi explained what the Program entailed and recognized the need for this type of program which transpired due to water billing associated with the DYY program since agencies have the ability to go back and request amendments or adjustments to the billing up to six months backwards. We want to ensure our data bases are very much in sync between Watermaster and IEUA as it will affect the assessment package. It is critical that the accounting is accurate Mr. Rossi stated and informed the Committee this data program will be beneficial in several areas. The question which will be presented in the future will be, "How comfortable will the Committee be in not having all the water replenishment for last year which agencies purchased be delivered through this paper transfer (cyclic account) versus holding some of that over and trying to delivery wet water into the next year when we will have a lot more capacity?". A discussion ensued and Mr. Rossi inquired if there were any comments or concerns from any Committee member. A comment was received with regard to a comfort level in MET having water available at the time we need it. Inquiry as to the balance of the cyclic account was addressed by Mr. Rossi stating the balance in the cyclic account is approximately 31,686 acre feet, noting we pay at the prevailing rate at the time we extract it. It was asked if Mr. Rossi felt comfortable that the replenishment rate was not going to increase next year. Mr. Rossi's observation was the rate was going to increase approximately \$5.00 an acre foot next year and MET is looking at projected rate increases at about 5% per year. In the month of June, Watermaster needs to make a decision on how much water to order from the cyclic account. A discussion ensued and the topic regarding whether or not the recent storms washed all the ash and silt into the basins and that the next storm will not carry much of this element into the basin again was presented. Mr. Rossi claimed a large portion came down although if a large storm does hit there is no doubt more is still present to come down. Mr. Rossi commented we are attempting to collect FEMA money presently, but if this phenomenon happens once more the funds might not be available.

2. Discuss Change of Meeting Times for the Advisory and Watermaster Board Meetings

Mr. Rossi advised the Committee that at the last Watermaster Board meeting the Board members requested to meet at 11:00 a.m. instead of 1:00 p.m., at that time Watermaster committed to polling the Committee members to see if that time change would work. Consensus showed that all but one Committee member would be able to adjust their schedules to this new time. Noting the next Advisory meeting was now scheduled for 9:00 a.m. and Watermaster Board at 11:00 a.m.

3. Staff to Present the Chino I and Chino II Desalter Projects Groundwater Monitoring and Mitigation Plan

Mr. Rossi commented this is a long awaited agreement for the monitoring and mitigation plan for the desalters also stating the Agricultural Pool is very interested in this item. The technical committee at the CDA is more equipped to address this issue noting Tom O'Neill and/or Carol McGreevy will be invited to come to Agricultural Pool meeting a week from today to share some of the details. Committee comments were that this item would need to be presented as an action item if there were any budgetary effects. Mr. Rossi commented he did not believe there were any monitoring costs associated with this plan. Discussion ensued regarding monitoring costs in this plan possibly reducing our monitoring costs which has been taken into consideration previously. We have an aggressive program to look at the Desalters effect on the OBMP master plan which is in our draft monitoring program we reviewed. The Pools will review and comment on this document and Watermaster staff will also review and report back to the Pools on what staff's views are regarding the document was decided. Mr. Rossi confirmed that statement and also acknowledged that the comments received at the Agricultural Pool meeting next week will be brought back for information.

IV. POOL MEMBER COMMENTS

Mr. Rossi informed the Committee members that due to the convened Attorney/Manager meeting and the extensive discussions taking place regarding water quality, the next scheduled water quality meeting for June 2, has been postponed and will either convene later in June or not until the Attorney/Manager meetings have concluded.

V. OTHER BUSINESS

The Committee members wished Mr. Rossi the best of luck at his new position as General Manager at Western Water and expressed their appreciation for all the hard work and contributions he has made to the Chino Basin Watermaster along with several other projects over these past three years.

Mr. Rossi thanked the Committee members for their support, for making his job easier, and that it was a pleasure working with each and every one of them. He wished continued success with the several projects still at hand and expressed he hoped to see many of them at meetings and events which he would be attending for Western Water.

VI. FUTURE MEETINGS

May 12, 2004	12:00 p.m.	Attorney/Manager Meeting @ BBK
May 13, 2004	3:00 p.m.	Appropriative & Non-Agricultural Pool Meeting
May 19, 2004	12:00 p.m.	Attorney/Manager Meeting @ BBK
May 20, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
May 27, 2004	9:00 a.m.	Advisory Committee Meeting
	11:00 a.m.	Watermaster Board Meeting

The Joint Appropriative & Non-Agricultural Pool Meeting Adjourned at 3:54 p.m.

Secretary: _____

Minutes Approved: _____