

**Minutes**  
**CHINO BASIN WATERMASTER**  
**ANNUAL MEETING**  
**WATERMASTER BOARD**  
January 30, 2003

A Board meeting was held at the offices of the Chino Basin Watermaster, 8632 Archibald Avenue, Suite 109, Ranch Cucamonga, CA, on January 30, 2003 at 1:00pm.

**WATERMASTER BOARD MEMBERS PRESENT**

Vic Barrion	Non-Agricultural Pool, Reliant Energy, Etiwanda LLC
Terry Catlin	Inland Empire Utilities Agency
Paul Hofer	Agricultural Pool, Crops
Bob Kuhn	Three Valleys Municipal Water District
Dan Rodriguez	Appropriative Pool, City of Pomona
Donald Schroeder	Western Municipal Water District
Michael Whitehead	Appropriative Pool, Nicholson Trust

**WATERMASTER BOARD ALTERNATES PRESENT**

Glenn Duncan	City of Chino
--------------	---------------

**WATERMASTER BOARD MEMBERS ABSENT**

Geoffrey Vanden Heuvel	Agricultural Pool, Dairy
Dennis Yates	City of Chino

**Agricultural Pool Members Present**

Robert DeBerard	Crops
-----------------	-------

**Appropriative Pool Members Present**

Mark Kinsey	Monte Vista Water District
Rita Kurth	Cucamonga County Water District
Mike McGraw	Fontana Water Company
Henry Pepper	City of Pomona
Dan Rodriguez	City of Pomona
Gerald Black	Fontana Union water Company
Dave Crosley	City of Chino
Rich Atwater	Inland Empire Utilities Agency
Glenn Duncan	City of Chino
Jim Bryson	Fontana Water Company

**Non-Agricultural Pool Members Present**

Bob Bowcock	Vulcan Materials Company
-------------	--------------------------

**Watermaster Staff Present**

John Rossi	Chief Executive Officer
Sheri Rojo	Finance Manager
Michelle Lauffer	Water Resources Specialist
Mary Staula	Recording Secretary/Administrative Assistant

**Watermaster Consultants Present**

Michael Fife	Hatch & Parent
Tim Buynak	Hatch & Parent
Dave Argo	Black & Veatch

**Others Present**

David DeJesus	Three Valleys Municipal Water District
---------------	--

Barbara Gilbert  
Bob Kuhn  
Diane Sanchez

Western Municipal Water District  
Three Valleys Municipal Water District  
Department of Water Resources

Chairman McGraw called the meeting to order at 1:05 p.m. and led the flag salute followed by a moment of silence to reflect on the duties before Watermaster.

**AGENDA - ADDITIONS/REORDER**

None

**PUBLIC COMMENTS**

None

**RECOGNITION - Steve Arbelbide**

Steve Arbelbide, California Steel Industries, was presented with a plaque expressing appreciation for the years he dedicated to Watermaster activities, including his service time on the Watermaster Board. Mr. Arbelbide thanked staff for their support, for team efforts he participated in, and for the education he received through his involvement with Watermaster.

**I. CALENDAR YEAR 2003 OFFICERS**

**A. ELECTION OF OFFICERS Calendar-Year 2003 Watermaster Board**

Nominations were heard for the slate of officers to serve on the Watermaster Board during calendar year 2003.

Motion by Hofer, second by Barrion, and by unanimous vote

***Moved, to approve Board Member Yates serve as Chair during calendar year 2003.***

Motion by Hofer, second by Duncan, and by unanimous vote

***Moved, to approve Board Member Catlin serve as Vice-Chair during calendar year 2003.***

Motion by Catlin, second by Duncan, and by unanimous vote

***Moved, to approve Board Member Rodriguez serve as Secretary/Treasurer during calendar year 2003.***

**CALENDAR YEAR 2003 WATERMASTER BOARD OFFICERS:**

<b>Chair</b>	<u>Dennis Yates, City of Chino</u>
<b>Vice-Chair</b>	<u>Terry Catlin, Inland Empire Utilities Agency</u>
<b>Secretary/Treasurer</b>	<u>Dan Rodriguez, City of Pomona</u>

**RECOGNITION – Mike McGraw (Fontana Water Company)**

On behalf of staff and the parties of Watermaster, Mr. Rossi expressed appreciation to Mr. McGraw for his hard work while serving as the Chair of the Watermaster Board during calendar year 2002.

**II. CONSENT CALENDAR**

**A. MINUTES**

- Minutes of the Watermaster Board Meeting held December 12, 2002

**B. FINANCIAL REPORTS**

- Cash Disbursement Report - December 2002
- Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2002 through November 30, 2002
- Treasurer’s Report of Financial Affairs for the Period November 1 through November 30, 2002
- 2002-03 Actual YTD Revenues and Expenses Compared with Adopted 2002-03 Budget

- C. **INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2002**
- D. **NOTICE OF INTENT TO CHANGE OPERATING SAFE YIELD OF CHINO BASIN (Pursuant to Judgment Exhibit 1 Paragraph 2(b))**
- E. **RESOLUTION 03-01, AUTHORIZING AND DESIGNATING SIGNATORIES OF DEPOSITORY AGREEMENTS, DEPOSITORY CARDS AND DEPOSITS, TRANSFERS AND WITHDRAWALS OF FUNDS**
- F. **DRAFT TWENTY-FIFTH ANNUAL REPORT**

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

***Moved, to approve Consent Calendar Items A through F, as presented.***

### III. **BUSINESS ITEMS**

#### A. **MAXIMUM BENEFIT ANALYSIS**

Mr. Rossi explained that a contract was approved and issued to Risk Sciences to perform a maximum benefit analysis. The work has been completed and staff is requesting authorization to pay administrative costs related to the contract. SAWPA incurred costs in the amount of \$31,220 while administering the contract, attending meetings and assisting Watermaster in this effort. The Pools and Advisory Committee forwarded a recommendation for approval.

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

***Moved, to approve staff recommendation to process payment of Invoice No. 50041 in the amount of \$31,220 for administrative costs incurred by SAWPA.***

### IV. **REPORTS/UPDATES**

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

General Legal Counsel Fife (Counsel Fife) reported in addition to the following items that Watermaster's Twenty-Fifth Annual Report would be filed with the Court tomorrow.

1. **Attorney/Managers Meeting(s)**

General Legal Counsel Fife reported that an attorney/managers meeting would be held in February. A specific date has not been set.

2. **Colonies Project, Recharge Related Issues**

Counsel Fife reported that the Colonies Project is currently under a cease and desist order. Although there has been no decision to initiate Watermaster involvement, he will continue to monitor the issues and provide updates until resolution has been reached with regard to the Cucamonga County Basin.

3. **Niagara Bottling Company**

Appropriate measures are being taken to ensure that Niagara Bottling Company files a "Petition In Intervention" into the Judgement due to past and present production from an on-site well of approximately 300-400 acre-feet annually. To date, Niagara Bottling Company has not been willing to file the petition to resolve the matter. General Legal Council Fife will draft a legal complaint against Niagara Bottling Company for failure to intervene for attorney/managers to review at their February meeting

4. **Chino Land & Water, SBSC Case No. RCV 064284**

Counsel Fife stated that a hearing is scheduled for February 6 to respond to the demurrers filed in this case. Immediately following the hearing, he will update Watermaster staff of any Court action or Court order.

**B. CEO/STAFF REPORT****1. Watermaster Project Meeting Updates**

- **MZ1 Program**

Mr. Rossi said the MZ1 Technical Committee has met four times to discuss the MZ1 draft monitoring work plan and associated budget. Mr. Wildermuth will give a presentation in February detailing the plan.

- **MWD Dry Year Yield Program**

An application for \$27.5 million DWR grant funds for the Dry Year Yield Program was submitted on behalf of seven agencies on January 2. Both technical and contract engineering people have been meeting to work through the \$1.6 million advanced funding to accomplish the CEQA work. A master agreement is being negotiated between MWD and IEUA and details should be available for reporting next month.

- **Recharge Improvements Operating Agreements**

Mr. Rossi reported that \$20 million in Proposition 13 funds would come through IEUA for the purpose of improving storm water, recycled water and recharge water. The four-party Recharge Operations Agreement between IEUA, SB County Flood Control District, Chino Basin Water Conservation District and Chino Basin Watermaster has been approved by each agency. Work will now focus on soliciting bids for improvements in several phases.

- **American Association of Environmental Engineers Recognition**

Mr. Rossi announced that Black & Veatch has submitted Watermaster's Optimum Basin Management Program (OBMP) to the American Association of Environmental Engineers for recognition of excellence in planning water supply and water quality improvements.

**2. Watermaster Administrative Updates**

- **Montclair Basins-Spreading (6500 AF)**

Watermaster concluded spreading 6500 acre-feet of supplemental water in the Montclair Basin last month to meet its obligation in the Peace Agreement.

**3. Other Updates**

- **Senator Soto's Legislation SB34**

Discussions are on-going regarding legislation concerning a possible water quality authority. Mr. Rossi will deliver updates as discussions move forward.

- **AGWA**

AGWA met at the offices of Watermaster on January 21, 2003. The key focus of the meeting was MWD's Colorado River water supply, specifically the Colorado River Quantification Settlement Agreement. Additionally, MWD is developing a new program for the sale of replenishment and in-lieu water that they hope to implement by July 2003. They will not have replenishment water available until the maintenance at Lake Matthews is complete.

The February 18 AGWA meeting will also be held at the offices of Watermaster. At that meeting, Mr. Argo will give a presentation on the Dry Year Yield Program.

**IV. BOARD MEMBER COMMENTS**

New members expressed appreciation for the opportunity to become more involved in the good work being accomplished in Chino Basin.

**V. OTHER BUSINESS**

None

**VI. CONFIDENTIAL SESSION**

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster Board Meeting for the purpose of discussion and possible action regarding Personnel Matters and/or Potential Litigation.

The Watermaster Board adjourned to Confidential Session and upon reconvening at 2:40 p.m. Counsel Fife reported that the following action was taken:

***Motion to authorize CEO Rossi to implement the Watermaster administration and engineering services restructure proposal recommended by the Personnel Committee.***

**VII. FUTURE MEETINGS**

February 13, 2003	10:00 a.m.	Joint Meeting of the Non-Agricultural & Appropriative Pool
	1:00 p.m.	Agricultural Pool Meeting
February 27, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

There being no further business to come before the Board, the meeting adjourned at 2:40 p.m.

\_\_\_\_\_  
Secretary

Minutes Approved: March 27, 2003