

Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING
February 27, 2003

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 8632 Archibald Avenue, Suite 109, Rancho Cucamonga, CA, on February 27, 2003 at 1:00 p.m.

WATERMASTER BOARD MEMBERS PRESENT

Dennis Yates, Chair	City of Chino
Terry Catlin, Vice-Chair	Inland Empire Utilities Agency
Vic Barrion	Non-Agricultural Pool, Reliant Energy, Etiwanda LLC
Paul Hofer	Agricultural Pool, Crops
Bob Kuhn	Three Valleys Municipal Water District
Donald Schroeder	Western Municipal Water District
Geoffrey Vanden Heuvel	Agricultural Pool, Dairy
Michael Whitehead	Appropriative Pool, Nicholson Trust

WATERMASTER BOARD ALTERNATES PRESENT

Paula Lantz	City of Pomona
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WATERMASTER BOARD MEMBERS ABSENT

Dan Rodriguez	Appropriative Pool, City of Pomona
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Appropriative Pool Members Present

Henry Pepper	City of Pomona
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Watermaster Staff Present

John Rossi	Chief Executive Officer
Sheri Rojo	Finance Manager
Devonia Williams	Temporary Recording Secretary

Watermaster Consultants Present

Dave Argo	Black & Veatch
Michael Fife	Hatch & Parent
Scott Slater	Hatch & Parent

Others Present

David DeJesus	Three Valleys Municipal Water District
Raul Gariby	City of Pomona
Barbara Gilbert	Western Municipal Water District
Patrick King	Senator Soto's Office

The meeting to order by Chair Yates at 1:05 p.m. Following the flag salute, a moment of silence was observed to reflect on the duties ahead.

The Watermaster Board Members introduced themselves.

AGENDA - ADDITIONS/REORDER

None

I. CONSENT CALENDAR

A. FINANCIAL REPORTS

1. Cash Disbursement Report – January 2003
2. Combining Schedule Of Revenue, Expenses And Changes In Working Capital For The Period July 1, 2002 through December 31, 2002
3. Treasurer’s Report of Financial Affairs For The Period December 1, through December 31, 2002
4. 2002-03 Actual YTD Revenues And Expenses Compared With Adopted 2002-03 Budget

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

Moved to approve Consent Calendar Items A.1 through 4, as presented.

II. BUSINESS ITEMS

A. PRESENT MWD DRY YEAR YIELD PROJECT AGREEMENT

Mr. Rossi introduced Mr. Argo, Black & Veatch. Mr. Argo provided an update of the Dry Year Yield Project. He said this project has very broad based benefits such as enhancing water supplies, protecting and enhancing water quality, used by the appropriators during normal or wet years to enhance flexibility and make systems operations reliable, etc. IEUA provided a written summary of the basin-wide benefits of the Chino Basin Conjunctive Use Dry Year Yield proposed project with MWD. He added that the Dry Year Yield 100,000 acre-foot program also dovetails with the Recharge Master Plan and efforts to increase wet water recharge, both supplemental and stormwater.

To date, grant funding has been approved, the CEQA deadline has been met, and an analysis for calculating present value of cash flow streams generated by the project was prepared and included in the agenda package. Mr. Argo said about \$30 million will go into facilities improvement of which \$27.8 will be funded by MWD.

As background, Mr. Rossi said the Peace Agreement outlined storage and designated the benefits and control of storage to the Appropriative Pool and the Non-Agricultural Pool. He explained how the elements of the agreement were worked out among the seven participating agencies. Watermaster applied for the MWD grant in January 2001 and in April 2001, MWD notified the money would be available to Watermaster with the stipulation that MWD could store water in Chino Basin and call upon it in dry years.

Discussion ensued regarding the 3-deminsional modeling work performed by Wildermuth Environmental, Inc. Mr. Rossi continued to report that legal staff has been asked to prepare findings based on the concept/criteria of the business deal and alleviate any discrepancies in the agreement before implementing a final version. Counsel provided a memorandum of review of Metropolitan Dry Year Yield Master Agreement as a handout.

Motion by Vanden Heuvel, second by Barrion, and by unanimous vote

Moved, to approve staff begin processing the Dry Year Yield Project Agreement between Metropolitan Water District (MWD), Inland Empire Utilities Agency (IEUA) and Watermaster, the related storage application and the engineering analysis.

In response to the February 24, 2003 letter provided, Mr. Wellington wanted to ensure that a matrix is designed to compare the terms of this project with key elements contained in the OBMP Implementation Plan and the Peace Agreement.

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

Moved, to amend above motion to include direction to General Legal Counsel to investigate, allowing for modification to the Dry Year Yield Project Agreement of any discrepancies found between agreements before moving forward with the final Dry Year Yield Project Agreement.

B. CONSIDER IMPLEMENTATION OF MZ1 MONITORING WORK PLAN

The Interim Plan for the Management of Subsidence that Watermaster filed with the Court established parameters for collecting data associated with subsidence in MZ1. As a result of many meetings, a Monitoring Work Plan has been developed that outlines several monitoring elements including aquifer stress tests, land surface surveys and the use of satellite imagery. The related budget outlines specific tasks, engineering costs and other direct costs for each task. The Plan and related budget were included in the agenda package and reviewed at the meeting. Staff was asked to define the budgetary limits on the MZ1 Budget, Work Plan.

The Court requires Watermaster file a long-term plan for the management of subsidence in MZ1 three years from the date of the Interim Plan. Staff requested approval to implement the Monitoring Work Plan and the reallocation of funds in the FY 2002-03 approved budget for the associated costs.

Motion by Catlin, second by Vanden Heuvel, and by unanimous vote

Moved, to recommend the Board approve the Monitoring Work Plan for MZ1 subsidence and the reallocation of funds for the associated costs.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Chino Land & Water SBSC Case No. RCV 06484
At a hearing held February 6, Superior Court Judge Norell dismissed this case after considering papers filed for and against the demurrer.
2. Attorney/Managers Meeting(s)
An Attorney/Managers Meeting was held February 16 to discuss the dismissal of the Chino Land Water Company case and potential legal action against Niagara Water Company.
3. Niagara Water Company Well Production
After corresponding with representatives of Niagara Water Company regarding their well production and obligation to intervene into the Chino Basin Judgment, it was Legal Counsel's opinion that Watermaster should move forward with legal action in the matter.

B. CEO/STAFF REPORT

1. Update regarding fees and charges related to the SCIWP funded projects (attachment)
Mr. Rossi provided recent information that additional fees and charges may be imposed on agencies with approved SCIWP funded projects. A brief discussion ensued.
2. Status Update regarding Recharge Improvement Project
The Recharge Operations Agreement received approval by all four parties and is currently with the County for execution. The first Operating Committee Meeting between the four agencies will be scheduled in the near future. More information should be available for reporting at the March meetings.
3. Discussion regarding SB34 Legislation
Letters from Monte Vista Water District and the City of Rialto to Senator Soto regarding SB34 were handed out as information. It was determined that Watermaster would not submit anything with regard to the Senator regarding SB34 at this time. The committees will continue discussions in March with regard to this legislation.

IV. BOARD MEMBER COMMENTS

V. OTHER BUSINESS

Motion by Vanden Heuvel, second by Catlin, and by unanimous vote

Moved, to

VI. FUTURE MEETINGS

March 13, 2003	10:00 a.m.	Joint Meeting – Appropriative & Non-Ag Pools
	1:00 p.m.	Ag Pool Meeting
March 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 Watermaster Board, the meeting was adjourned.

Secretary

Minutes Approved: March 27, 2003