

Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING
March 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 March 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
Bob Kuhn	Three Valleys Municipal Water District
Donald Schroeder	Western Municipal Water District
Michael Whitehead	Appropriative Pool, Nicholson Trust

WATERMASTER BOARD ALTERNATES PRESENT

Steve Arbelbide	Non-Agricultural Pool, California Steel Industries
-----------------	--

WATERMASTER BOARD MEMBERS ABSENT

Vic Barrion	Non-Agricultural Pool, Reliant Energy, Etiwanda LLC
Paul Hofer	Agricultural Pool, Crops
Dan Rodriguez	Appropriative Pool, City of Pomona
Geoffrey Vanden Heuvel	Agricultural Pool, Dairy

Agricultural Pool Members Present

DeBerard	Grapes
----------	--------

Non-Agricultural Pool Members Present

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

Appropriative Pool Members Present

Gerald Black	Fontana Union Water Company
Ken Jeske	City of Ontario
Mark Kinsey	Monte Vista Water District
Henry Pepper	City of Pomona

Watermaster Staff Present

John Rossi	Chief Executive Officer
Sheri Rojo	Finance Manager
Mary Staula	Recording Secretary
Devonya Williams	

Watermaster Consultants Present

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

Others Present

David DeJesus	Three Valleys Municipal Water District
Barbara Gilbert	Western Municipal Water District
Diane Sanchez	State Department of Water Resources

The meeting was called 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.

PUBLIC COMMENTS

None

AGENDA - ADDITIONS/REORDER

None

I. CONSENT CALENDAR

A. MINUTES

- 1. Draft minutes of the Advisory Committee Meeting held January 30, 2003
- 2. Draft minutes of the Advisory Committee Meeting held February 27, 2003

B. FINANCIAL REPORTS

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

C. WATER TRANSACTION

Lease of Water Production Rights from the City of Pomona to the Fontana Water Company in the amount of 2,500 acre-feet for F.Y. 2002-2003 (Notice mailed December 11, 2002; Pool Committees approved January 16, 2003)

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

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

II. BUSINESS ITEMS

A. OBMP STATUS REPORT #6

Mr. Rossi verified that OBMP Status Report #6 came forward from the Pools and the Advisory Committee with a recommendation to approve for filing with the Court and authorize staff and legal counsel to make non-substantive edits as necessary.

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

Moved, to approve OBMP Status Report No. 6 for filing with the Court on March 31, 2003 and authorize staff and legal counsel to make non-substantive edits as necessary.

B. CONSIDER NOTICE TO TERMINATE CURRENT OFFICE LEASE

Previously, staff was authorized to work toward relocating Watermaster’s current office to Cucamonga County Water District’s (CCWD) vacated facility once their operational staff moves out (estimated late-August). It is necessary for Watermaster to exercise the early termination clause in its lease now. If Watermaster is unable to move by September 30, the current office space will remain available on a month-by-month basis. Staff is working with CCWD on the terms of the lease for their facility, which should be ready for committee review in May.

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

Moved, to authorize staff to notify the current landlord by April 1 of Watermaster's intent to terminate its lease in September.

C. PRESENTATION ON CURRENT STATUS OF WATER QUALITY PROGRAM

With the monitoring and modeling data that is now available, Watermaster could move forward with forming a Water Quality Committee under OBMP Program Element 6. The Pool Committees requested staff bring this item back in April for consideration.

Mr. Wildermuth provided overheads and reported that groundwater modeling is near completion and simulated scenarios of the Dry Year Yield Program are being conducted. His maps indicated collective water quality monitoring results, pre-OBMP and post-OBMP. He reported that they are monitoring approximately 150-200 wells/year plus there is a cooperative program in-place for collecting data from State Department of Health Services, the Regional Water Quality Control Board, and the County Flood Control District. A comprehensive geographical information system on the Basin has also been developed. Watermaster is working with regulatory agencies to define water quality challenges and to refine the water quality management criteria. Current monitoring has been refined to identify and characterize water quality anomalies such as the Volatile Organic Compounds (VOCs) anomaly north of the Chino I Desalter well field. Water samples are being analyzed for general minerals, general physical parameters, hexavalent chromium, silica, barium, perchlorate, 1,2,3-trichloropropane, etc.

Black & Veatch is taking the lead on water quality monitoring, which ties into the Dry Year Yield and Storage and Recovery Projects. When discussing storage programs, water quality issues come into play. On behalf of Mr. Argo, Mr. Wildermuth reported that the Storage and Recovery Program document would include an assessment of treatment technologies that deal with various water qualities. The good news is that RO treatment can remove perchlorate as well as TDS. Black & Veatch has developed a range of construction and operation costs as part of the MWD Dry Year Yield Project Report. In general, they will quantify water quality issues and pick the treatment technologies needed. They plan to show the specific technology picked to solve individual problems related to projects advanced by each retail agency. Storage & recovery, conjunctive-use and partnerships are absolutely necessary to protect and save local resources.

Mr. Wildermuth continued his presentation focusing on the modeling work. After reviewing the mapping being done, the data flow building up and the water quality anomalies, he said this is the right time to form a Water Quality Committee. A monitoring plan to evaluate the state of hydraulic control in the southern end of the Basin has not yet been developed. Also, Watermaster will be developing a key well program based on future sampling. Mr. Rossi pointed out how timely this data is as far as discussing SB34 and in a larger context, approaching regional water quality issues. He hoped for feedback on the information provided today in order to talk about the formation of a Water Quality Committee and discuss where to go from there at meetings in April. No action was required.

(Item added by Revised Agenda)

D. DRY YEAR YIELD PROJECT STORAGE & RECOVERY FUNDING AGREEMENT WITH METROPOLITAN

Staff is working with IEUA and MWD on some non-substantive changes in the language of the Funding Agreement. However, with approval to execute the Agreement subject to completing the non-substantive changes, the Agreement could be filed with the Court and staff could move forward with design funding the projects. This is one of a two-piece

approval process on the Dry Year Yield Project. The remaining piece will be retail agreements with required storage agreements, which will be noticed for a 90-day review and comment period prior to going through the Watermaster process for approval.

Motion by Catlin, second by Kuhn, and by majority vote

Moved, to approve the Dry Year Yield Project Storage & Recovery Funding Agreement with Metropolitan Water District.

III. REPORTS/UPDATES

A. **WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Chino Land & Water SBSC Case No. RCV 06484
An attorney/managers conference call took place yesterday to take initial comments on the Chino Land & Water Company's Notice of Appeal. An appeal could be filed within the next seven days. Legal Counsel Fife explained that Watermaster's action, if any, could not be determined until an actual appeal has been filed and Lewis has responded to the appeal.
2. Attorney/Managers Meeting(s)
None
3. Niagara Water Company Well Production
Watermaster General Legal Counsel received authorization through the Watermaster process to file legal action against Niagara Water Company (Niagara) for failure to intervene into the Judgment. Since that time, Niagara has expressed a desire to intervene. Counsel Fife and Mr. Rossi will meet with them again this afternoon to discuss additional data that is needed and the terms pertaining to past production. Staff anticipates presenting Niagara's Request for Intervention for approval next month.

ADDED

4. Santa Ana River Application
In January, Watermaster's application was officially noticed and began a sixty-day protest period that will expire Monday, March 31. One protest has been received from the U. S. Forrest Service, which was filed in error. Their intent was to protest anything having to do with Seven Oaks Dam. They plan to withdraw this protest.

B. **CEO/STAFF REPORT**

1. MZ-1 Interim Monitoring Program for March 12, 2003
Quarterly updates associated with progress on the MZ-1 Interim Plan will be provided and filed with the Court.
2. ~~Dry Year Yield Project~~ *Item moved to II.D above by Revised Agenda.*
3. Recharge Improvement Project
Mr. Rossi handed out a report that IEUA will be providing on a regular basis regarding the Recharge Improvement Project. A tentative date of April 11 has been set for the Recharge Basin Project groundbreaking. Progress is being made with the U. S. Army Corps of Engineers with regard to permits and jurisdictional issues. They plan to meet again tomorrow.
4. Replenishment Water Order
Watermaster has been able to fulfill some of its replenishment obligation, about 5900 acre-feet, with actual wet water available from MWD. To the extent the wet water runs out before Watermaster has completed its obligation, the balance will be taken out of the cyclic account.
5. SB34 Legislation
SB34 legislation was discussed earlier in the meeting along with related items. Mr. Rossi met in Sacramento with Senator Machado, Mr. Atwater, Mr. Whitehead and others to continue discussing criteria for the grant funding process.

ADDED

6. Personnel Committee Meeting

The Personnel Committee met yesterday to finalize a draft of the Watermaster Employee Manual that will come forward to the Board next month. Currently, the Chino Basin Municipal Water District Employee Manual that came with the employees at the time of separation is still being used for personnel-related matters.

C. AGWA REPORT

1. Minutes for the meeting held January 21, 2003
2. Minutes for the meeting held February 18, 2003
3. Agenda for the meeting held March 17, 2003

Mr. Rossi reported that the last AGWA meeting held March 17, was dedicated to legislation regarding groundwater issues.

IV. BOARD MEMBER COMMENTS

Mr. Arbelbide wanted the record to reflect his concern regarding action taken by the Board during Confidential Session in January to approve the restructure of Watermaster Services staff. He said the recommendation had been reported as coming from the Personnel Committee. However, as a member of that Committee, he was unaware of any discussions relating to this matter and he was very unhappy to see his name attached to a FAX memorandum the following day advising everyone that three staff positions had been eliminated. Additionally, when he received a call from the new Non-Agricultural Pool Board Member seated in January inquiring as to why he had not been apprised of this matter, Mr. Arbelbide had nothing to offer. He said that he did not know whether other Board members were caught off-guard as he was since many of them were new that day, so he felt it important to voice his concerns about the manner in which this was handled. Additionally, he expressed the desire to have his name be disassociated with the personnel action that was taken.

Mr. Rossi apologized and said that Mr. Arbelbide was not in attendance at the last two Personnel Committee meetings where the reorganization of Watermaster Services had been reviewed and recommended.

V. OTHER BUSINESS

Mr. Rossi reminded the members of the AGWA/WEF Conference at the Double Tree in Ontario on April 8 and 9 and pointed out that Watermaster's May meetings have been moved forward to avoid conflicting with the ACWA conference.

VI. FUTURE MEETINGS

April 10	10:00 a.m.	Joint Meeting – Appropriative & Non-Ag Pools
	1:00 p.m.	Ag Pool Meeting
April 24	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting
*May 15, 2003	10:00 a.m.	Joint Meeting - Appropriative & Non-Ag Pools
	1:00 p.m.	Ag Pool Meeting
*May 29, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

(*Please Note: May meetings will be held the 3rd and 5th Thursdays due to a conflict with ACWA)

FUTURE EVENTS

April 8 & 9, 2003	AGWA/WEF Water Quality Conference @ Ontario Doubletree
April 11, 2003	Tentative Recharge Basin Project Groundbreaking
May 7, 8, 9, 2003	ACWA Conference @ Lake Tahoe

The meeting adjourned at 2:10 p.m.

Secretary

Minutes Approved: April 24, 2003