

Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING
June 19, 2003

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 8632 Archibald Avenue, Suite 109, Rancho Cucamonga, CA, on June 19, 2003 at 1:00 p.m.

WATERMASTER BOARD MEMBERS PRESENT

Dennis Yates, Chair	Appropriative Pool, City of Chino
Terry Catlin, Vice-Chair	Inland Empire Utilities Agency
Dan Rodriguez, Secretary	Appropriative Pool, City of Pomona
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
Michael Whitehead	Appropriative Pool, Nicholson Trust

WATERMASTER BOARD MEMBERS ABSENT

Geoffrey Vanden Heuvel	Agricultural Pool, Dairy
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Agricultural Pool Members Present

DeBoom, Nathan	Dairy, Milk Producers Council
Hale, Sylvia	State of California Attorney Generals Office

Appropriative Pool Members Present

Rich Atwater	Inland Empire Utilities Agency
Dave Crosley	City of Chino
Raul Garibay	City of Pomona
Ken Jeske	City of Ontario
Rita Kurth	Cucamonga County Water District
Mike Maestas	City of Chino Hills

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

Martha Davis	Inland Empire Utilities Agency
Ron Gastilum	Metropolitan Water District
Barbara Gilbert	Western Municipal Water District
Rick Hansen	Three Valleys Municipal Water District
Josephine Johnson	Monte Vista Water District
Amy Rego	Metropolitan Water District
Gene Tanaka	Best, Best & Krieger

Sal Vasquez

Metropolitan Water District

Chair Yates called the Watermaster Board meeting to order at 1:03 p.m. and led the group in the Pledge of Allegiance.

Immediately following the flag salute, Chair Yates asked everyone to remain standing to observe a moment of silence for the passing of Bob DeBerard, Chair of the Agricultural Pool, a great friend and colleague. He read aloud the obituary from the Daily Bulletin about Mr. DeBerard's passion for raising grapes and water issues. Although Mr. DeBerard served on various water committees and boards throughout the years, his favorite was the Chino Basin Watermaster. He became a member of the Agricultural Pool in 1978 when the Basin was adjudicated and shortly thereafter, was elected the Pool Chair. He continued to serve in that capacity until his death. In remembrance of Mr. DeBerard, Chair Yates requested this meeting be dedicated to his memory.

PUBLIC COMMENTS

None

AGENDA - ADDITIONS/REORDER

Presentation of an Integrated Project Award was added to the agenda after the special signing ceremony.

SPECIAL SIGNING CEREMONY - SIGNING OF GROUNDWATER STORAGE AGREEMENT WITH METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, CHINO BASIN WATERMASTER, INLAND EMPIRE UTILITIES AGENCY AND THREE VALLEYS MUNICIPAL WATER DISTRICT

CEO Rossi expressed appreciation to all of the members and guests for attending this meeting. Mr. Gastilum, General Manager of Metropolitan Water District (Met), Mr. Hanson, General Manager of Three Valleys Municipal Water District (TVMWD) and Mr. Atwater, General Manager of Inland Empire Utilities Agency (IEUA), were present to commemorate the signing of the Groundwater Storage Agreement for storage capacity of 100,000 acre-feet in Chino Basin for yield during dry periods.

Mr. Gastilum said that when he became General Manager of Met in 1999 he had no idea what it would take to develop an agreement like this. After many meetings they are now able to see the fruits of their labor. He commended his staff for their help and said that Met's Board is very excited and asked that he express their gratitude for this opportunity to work with Watermaster, IEUA and TVMWD. They believe this agreement will become a model not only in this service area but also for the whole State.

Mr. Hanson, General Manager of TVMWD, agreed that this is a great day. Local agencies recognize the vast growth that has taken place in Southern California and the associated water demands. They realized the need to become more self-sufficient and the Chino Basin is a tremendous resource waiting to be fully utilized. TVMWD is Chino Basin's western neighbor, overlying the City of Pomona.

This storage project provides the financial jumpstart for other projects on the horizon. The managers have worked long and hard putting these projects together and this is just the beginning.

Mr. Atwater, General Manager of IEUA, said that Watermaster's Optimum Basin Management Program (OBMP) process and Peace Agreement have been a culmination of efforts. This storage program is just one element of an overall comprehensive program being implemented within the Chino Basin. Much has been achieved and a lot of work lies ahead. Water supplies and water

quality issues statewide are important and they must be addressed. This agreement has been a long time coming and his hat goes off to everyone who helped put this first phase together.

CEO Rossi announced that the managers would take a few moments to sign several documents. In addition to the Groundwater Storage Agreement, they will sign the 7th Amendment to the Cyclic Storage Agreement that was approved by the Board last month and the Carbon Canyon Recycled Water Agreement.

INTEGRATED PROJECT AWARD

Mr. Rossi introduced Daniel Cozad, Deputy General Manager of the Santa Ana Watershed Project Authority (SAWPA), who would present an award to the Watermaster Board for activities surrounding the OBMP.

Mr. Cozad explained that SAWPA developed the Santa Ana Watershed Integrated Program with six primary categories that helps with the determination of outstanding project activities that occurred during the year. The Integrated Project Award is meant to recognize a multi-faceted project within the Watershed that best exemplifies an integrated approach to include multiple components in an Integrated Watershed Program. Watermaster and IEUA were jointly honored with this award at a recent banquet attended by Mr. Atwater and Mr. Rossi. Mr. Cozad said that he has been watching the changes taking place at Watermaster during the past few years and this recognition is well deserved for all of the work, effort, time and energy that has gone into the OBMP. He added that at any given time an objection could have derailed the entire OBMP, but a way was always found to get back on track. SAWPA is very proud to honor all the progress and success achieved. Chair Yates accepted the Integrated Project Award on behalf of the Watermaster Board. Mr. Cozad pointed out that the award is in the shape of the Watershed and appropriately nicknamed a "Sheddy" ("Emmy" was already taken).

I. CONSENT CALENDAR

A. MINUTES

1. Draft Minutes - Meeting of the Watermaster Board held April 24, 2003

B. FINANCIAL REPORTS

1. Cash Disbursement Report – May 2003
2. Combining Schedule Of Revenue, Expenses And Changes In Working Capital For The Period July 1, 2002 through April 30, 2003
3. Treasurer's Report of Financial Affairs For April 1 through April 30, 2003
4. 2002-03 Actual YTD Revenues And Expenses Compared With Adopted 2002-03 Budget

C. WATER TRANSACTIONS

Sale or Transfer of Right to Produce Water in Storage from the City of Chino Hills to Monte Vista Water District in the amount of 2,700 acre-feet of water. (*Notice mailed April 25, 2003*)

D. WATERMASTER STATUS REPORT NO. 7

Consider authorization to staff and legal counsel to file Status Report No. 7 with the court.

E. CONSIDER CONTRACT WITH USGS FOR STREAMFLOW MEASUREMENTS

Consider approval of a contract with USGS for \$32,500 to perform necessary measurements.

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

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

II. BUSINESS ITEMS

A. FISCAL 2003-2004 WATERMASTER BUDGET

Mr. Rossi reported that expenditures for FY 03-04 are at or very near last year's levels and assessments will be at or below the current level. Details of the proposed budget were presented last month for review and comment. The Board members were asked to consider adopting the FY 03-04 Watermaster Budget.

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

Moved, to approve the FY 03-04 Watermaster Budget as presented.

B. CONSIDER REQUEST FROM MONTE VISTA WATER DISTRICT FOR REVIEW OF COST APPORTIONMENT RELATED TO OBMP SALT CREDITS

Chair Yates announced that the Appropriators scheduled a special meeting for next week to continue discussing the issue of salt credits. He asked if there were any objections to delaying this item to the next Watermaster Board meeting. There being none, he requested Monte Vista Water District get the necessary figures to the pool members so the issue can be resolved.

C. BALANCE OF RECHARGE & DISCHARGE IN ALL AREAS; DETERMINATION OF OPERATING STORAGE & SAFE STORAGE; AND THE CUMULATIVE IMPACT OF TRANSFERS

Mr. Rossi reported that at their meeting in May, the Watermaster Board requested this item be agendaized in June for discussion and input prior to a final recommendation being prepared.

Mr. Wildermuth reviewed his previous report in May and presented additional details and background information to the Board. Dialogue continued on the items listed. The criteria and method for preparing a recommendation for consideration of the items in July were also reviewed.

As clarification, Mr. Wildermuth explained that the "safe storage concept" is related to the amount of storage that can be added to the Basin without causing water quality or hydraulic control problems. He was also asked to define "wet water". He explained that in the Chino Basin, an under-producer has been allowed to sell or transfer water on paper to an over producer to avoid a replenishment obligation. No exchange of actual water ("wet water") takes place. If the paper sale or transfer of water goes from one management zone to another, no recharge water is going in the Basin to balance out the over production in the effected management zones. There are concerns that this has not been good basin management and "wet water" recharge is needed in certain areas. The purpose of his analysis is to find out if this past practice did or did not have an impact on the Basin. Past assessment packages and transfers are being examined and in-lieu recharge that went in the Metropolitan Water District Cyclic Program may need to be looked at also. Because there are some special cases, he would like to take the analysis regarding avoided "wet water" recharge events back to the producers and run a simulation.

In regard to the Cyclic Storage Agreement and the Dry Year Yield Program with Metropolitan Water District, Member Whitehead asked if Watermaster has the ability to require wet water storage in the Basin. He felt it should be examined with respect to all storage agreements, not simply producer exchanges. He asked if Mr. Wildermuth could examine the merits of putting wet water in storage instead of, or in conjunction with, the replenishment obligations. Mr. Rossi said he would follow up and report back on that.

D. WATER QUALITY COMMITTEE RECOMMENDATIONS

Mr. Rossi reported that the Water Quality Standing Committee has met on two occasions and worked on developing goals and objectives to recommend to Watermaster. Mr. DeLoach was elected to chair the Committee. The objectives recommended by the Committee are listed on page 106 of the agenda package and in summary, include:

- identifying, reviewing and compiling relevant data to create a comprehensive database of water quality in the Chino Basin,
- developing strategies and a management plan to improve basin water quality,
- working through the Watermaster process and its available resources to take a lead role on funding and legislative strategies on behalf of its member agencies,
- assisting and providing input to Watermaster and to IEUA on implementation of the recharge master plan, including input into a continuous monitoring and assessment plan for the Chino Basin,
- assisting Watermaster in developing relationships with the RWQCB and through Watermaster, working with the RWQCB related issues such as private well data issues,
- continuing to conduct an assessment and evaluation of existing production patterns to determine their effect on water quality conditions within the basin,
- continuing to meet to monitor and measure progress of management plans and recommend adjustments where necessary, and
- provide written reports to the WM Board, the Pools and Committee relative to its findings, work product and recommendations.

Mr. DeLoach added that there is a better opportunity now than ever before to develop a relationship with the Department of Defense and water industry. Also, there is a possibility that Watermaster could get the Under Secretary of the Army, who is in charge of civil works and the whole perchlorate issue, physically out to the Chino Basin within the next three-four months. To his knowledge, that's never happened before anywhere in the country.

The Water Quality Committee will meet next Wednesday, July 25 at 3:00 p.m. at Watermaster.

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

Moved, to adopt the Water Quality Committee objectives as presented.

E. PRESENT FINDINGS ON MWD GROUNDWATER STORAGE ACCOUNT ANALYSIS

Mr. Wildermuth reported that the analysis of the MWD Groundwater Storage Account has been completed. A draft report will be out at the end of this month. He discussed the areas studied in his analysis: 1) groundwater level related to impacts, 2) known water quality effects, and 3) hydraulic control. Through this analysis, the findings in all three cases indicated minimal or no impact to the basin from the Dry Year Yield Program. The Program looks sound from an environmental perspective.

**F. PRESENT UPDATE ON THE MZ1 SUBSIDENCE MONITORING PROGRAM
(Revision to the Agenda)**

Mr. Malone, Wildermuth Environmental, Inc. gave a status update on MZ1 subsidence monitoring activities. The OBMP directed Watermaster to formulate an Interim Management Plan to study subsidence and fissuring occurring in MZ1. With that data, a science-based Long-Term Management Plan will be formulated with the goal of minimizing subsidence and fissuring in the future. The MZ1 Technical Committee consists of all producers in MZ1, their technical consultants, Watermaster and Watermaster consultants. Their focus has been on: 1) ground level surveys, 2) INSAR mapping, and 3) aquifer system monitoring. The court-ordered MZ1 Workshop with the Special Referee has been tentatively scheduled for July 17, 2003. An internal meeting of the MZ1 Technical Committee will be held July 23, 2003 at the City of Chino.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Santa Ana Application Protests

Counsel Slater reported there have been no changes to the status of Watermaster’s application this month. Legal Counsel’s answers to the four protests will be filed with the State Water Quality Control Board tomorrow.

2. June 5, 2003 Hearing

On June 5, the Court issued two orders: 1) Order Concerning Groundwater Storage Program Funding Agreement No. 49960, and 2) Order Receiving Watermaster’s 25th Annual Report and Status Reports 5 & 6; and Confirming Intervention of Niagara Bottling Company.

3. Hearing re Cyclic Storage Agreement Amendment

The 7th Amendment to the Cyclic Storage Agreement will be submitted to the Court for approval. A hearing date has not been set.

B. CEO REPORT/UPDATES

1. DWR Grant Application

Watermaster filed its application for \$25 million of the \$77 million DWR grant funds. According to the Web Site today, DWR has received approximately \$255 million worth of requests. We should hear late summer or early fall.

2. SAWPA “Integrated Project of the Year” Award

This award was presented to the Board at the beginning of the meeting.

3. MWD Long Term In-Lieu Storage Program Filing

Through Rich Atwater and his staff, operating plans for the replenishment Long Term In-Lieu Storage Program were filed. Being on State Project Water and the fact that they are 90% allocation, there should be water available in the fall. Basically, agencies that shift off of MWD water will receive a credit of \$8-9 acre-foot.

4. Storage & Recovery Project Update

Today, we signed the agreement for 100,000 acre-feet and there is a large component left that is being developed. Three meetings of the workgroup have been held and it was decided that subsequent meetings would be held each month at 8:30 a.m., just before each Appropriative Pool Meeting.

C. OTHER AGENCY REPORTS

There were none.

IV. BOARD MEMBER COMMENTS

Mr. Schroeder inquired about the company that Hatch & Parent represents in Cabazon. Counsel Slater said Hatch & Parent represents the Nestle Companies, which includes several lines of bottled water products but they have no relationship whatsoever with Niagra Bottling Company.

V. OTHER BUSINESS

There was none.

VI. FUTURE MEETINGS AND EVENTS

July 10, 2003	10:00 a.m.	Joint Meeting of the Appropriative & Non-Agricultural Pools
	1:00 p.m.	Agricultural Pool Meeting
July 24, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board

Chair Yates adjourned the Watermaster Board meeting at 2:20 p.m.

Secretary

Minutes Approved: July 24, 2003