

Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING
July 24, 2003

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 8632 Archibald Avenue, Suite 109, Rancho Cucamonga, CA, on July 24, 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
Donald Schroeder	Western Municipal Water District
Geoffrey Vanden Heuvel	Agricultural Pool, Dairy
Michael Whitehead	Appropriative Pool, Nicholson Trust

WATERMASTER BOARD MEMBERS ABSENT

Bob Kuhn	Three Valleys Municipal Water District
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Agricultural Pool Members Present

Hale, Sylvia	State of California Attorney Generals Office
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Appropriative Pool Members Present

Gerald Black	Fontana Water Company
Robert DeLoach	Cucamonga County Water District
Ken Jeske	City of Ontario
Mike Maestas	City of Chino Hills
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

Dave Argo	Black & Veatch
Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental, Inc.

Others Present

David DeJesus	Three Valleys Municipal Water District
Mohamed El Amamy	City of Ontario
Barbara Gilbert	Western Municipal Water District
Rick Hansen	Three Valleys Municipal Water District
Josephine Johnson	Monte Vista Water District

Chair Yates called the meeting to order at 1:00 p.m. and led the Pledge of Allegiance.

PUBLIC COMMENTS

None

AGENDA - ADDITIONS/REORDER

None

I. CONSENT CALENDAR

A. MINUTES

- 1. Draft Minutes - Joint Meeting Appropriative & Non-Agricultural Pools held April 10
- 2. Draft Minutes - Meeting of the Appropriative Pool held May 15
- 3. Draft Minutes - Special Meeting of the Appropriative Pool held May 21
- 4. Draft Minutes - Joint Meeting Appropriative & Non-Agricultural Pools held June 12

B. FINANCIAL REPORTS

- 1. Cash Disbursement Report – June 2003
- 2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2002 through May 31, 2003
- 3. Treasurer’s Report of Financial Affairs For May 1 through May 31, 2003
- 4. 2002-03 Actual YTD Revenues And Expenses Compared With Adopted 2002-03 Budget

C. WATER TRANSACTIONS

- 1. Notice of Sale or Transfer of 1,000 acre-feet of Monte Vista Irrigation Company’s Fiscal-Year 2002-2003 Annual Production Right to the Monte Vista Water District. (Noticed May 21, 2003; Pools Recommended Approval June 12, 2003)
- 2. Notice of Sale or Transfer of Right to Produce Water in Storage from Cucamonga County Water District to Fontana Water Company in the amount of 10,000 acre-feet (Noticed May 28, 2003; Pools Recommended Approved June 12, 2003)

D. RESOLUTION 03-05

A Resolution of the Chino Basin Watermaster, Requesting that the Inland Empire Utilities Agency be the Lead Agency for the California Department of Water Resources Grants for AB303 Funding on behalf of the Chino Basin Watermaster and the Chino Groundwater Basin.

E. COST OF LIVING ADJUSTMENT (COLA)

Approve 2.1% COLA included in the FY 2003-04 Budget, retroactive July 1, 2003.

There were no questions or comments regarding the Consent Calendar items.

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

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

II. BUSINESS ITEMS

A. CONSIDER APPOINTMENTS TO WATERMASTER PERSONNEL COMMITTEE

Mr. Rossi explained that one Watermaster Board member serving on the Personnel Committee (Committee) last year was never replaced. He requested the Board Members to affirm the appointments on the Committee. The three Pool Chairs and two Board members currently serving on the Committee are:

- Board Chair Yates
- Board Vice-Chair Catlin
- Agricultural Pool and Advisory Committee Chair deBoom
- Appropriative Pool Chair Jeske
- Non-Agricultural Pool Chair Barrion

Chair Yates asked if any member of the Board wished to volunteer to serve on the Committee. Because there were none, it was determined that the five members listed would be sufficient to continue performing the duties as required.

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. Special Referee Workshop on MZ1 Interim Subsidence Plan - October 30, 2003**

A motion was filed with the Court to continue the MZ1 Workshop originally scheduled for July 17, 2003 to August 7, 2003 in order to gather more data to provide the Special Referee with a comprehensive update on the MZ1 Subsidence Interim Plan. Upon the Special Referee's recommendation, the Court continued the workshop to October 30 with a provision that if the Cities fail to continue forbearance for another year, they will revisit whether a workshop will be necessary on a shorter time frame. The City of Chino has submitted their forbearance form and there is every indication that the City of Chino Hills is going to sign up for another year. That will be confirmed by the August 1 deadline.

2. Hearing regarding Cyclic Storage Agreement Amendment

The hearing for the Seventh Amendment to the Cyclic Storage Agreement with Metropolitan Water District has been set for September 4.

3. Chino Land & Water Appeal

Counsel Fife reported that Chino Land & Water has filed an appeal and the Court of Appeals has set a briefing schedule. Chino Land and Water's opening brief will be due by August 11. Lewis Investment Company and their attorneys, Best, Best & Krieger, have continued their willingness to have Watermaster participate with preparing their response. Depending on the content of Chino Land & Water's opening brief, Watermaster may want to consider filing an Amicus Brief.

4. Colonies Litigation

The Colonies litigation between Cucamonga County Water District, Santa Ana Water Company and the City of Upland was discussed several months ago as to Watermaster becoming involved. Prior to any decision, the litigation was stayed and it was decided that Watermaster would revisit the possibility of becoming involved once the stay was lifted. The stay was recently lifted and the issue is back for reconsideration. Counsel will talk to counsels for the parties to explore how Watermaster could best contribute to a solution and will report again next month. Regarding the time schedule, the Judge wants all briefs in his hands by October.

Mr. DeLoach reported the ruling in September by the Court on the CEQA case was that those easements of the County are no longer valid. That brings to question all of the County Flood Control District's (Flood Control) easements that are used for flood control purposes, including those that Watermaster uses as part of the Recharge Master Plan. This could impact a number of different groups.

Member Vanden Heuvel pointed out that the Flood Control is Watermaster's partner with regard to recharge in the Chino Basin and as such, Watermaster has a huge interest in the integrity of Flood Control easements. If the Court has ruled that the blanket easement the Flood Control has on this property is no longer effective by law, all their easements we intended to piggyback with Watermaster's projects are subject to being challenged. He asked that Watermaster Legal Counsel be instructed to stay engaged in this case, investigate Watermaster's interest in the suit, and help in every way we can.

With no objections, Chair Yates said Watermaster Legal Counsel is directed to proceed with investigating the issues that surround this case.

B. CEO REPORT/UPDATES

Mr. Rossi introduced Gordon Treweek who started Monday as Watermaster's Project Engineer.

Daniel Maurizio has accepted the Senior Engineer position and will begin at Watermaster on August 12.

1. Update regarding Storage & Recovery Project

Mr. Rossi explained that at the workshop held on July 20, the parties discussed a scope of work for a larger Storage & Recovery Project presented by Black & Veatch. This will help culminate the work already done and all of the components necessary to market storage capacity. Mr. Argo, Black & Veatch, gave an overview of the presentation given to the pools earlier this month. They anticipate the final bound copy of the scope of work coming forward to the pools for consideration in August. Mr. Argo said that in order for Watermaster to look at a program up to 500,000 acre-feet, they would continue to work interactively with all the agencies to develop water supply projections and identify facilities required to do a larger storage program. He identified various alternatives, looking at both in-lieu and export. They are also investigating potential users of future storage capacity as well as the costs and value of each option to accommodate a larger program. A model has been developed to assist with simulations of the various alternatives and potential impacts. Discussion ensued with regard to the funds previously expended for engineering services and projected expenditures for future engineering services.
2. Update regarding request from JCSD on behalf of the Chino Desalter Authority for clarification of desalter replenishment obligation

Watermaster has received and provided two letters from JCSD regarding the replenishment obligation for future desalters. The Appropriative Pool directed staff to put together a steering committee to meet with JCSD to discuss the issues and timing associated with this work. Staff plans to come back in September with the issues identified, recommendations and a request for direction.
3. Update regarding MVWD request concerning salt credits

Mr. Rossi reported that action taken by the Appropriative Pool on July 14 regarding the salt credit issue was provided. Because the Regional Board has not issued salt credits, the Appropriative Pool recommended the Watermaster take no action at this time. The Non-Agricultural Pool abstained from the action taken by the Appropriative Pool and the Agricultural Pool took no action at this time. This matter will be agendized as a business item in August.
4. Update regarding Water Quality Committee meeting on July 21, 2003

At the July 21 Water Quality Committee meeting, Mr. Thibeault provided an update on the Perchlorate Task Force and Mr. Wildermuth talked about some perchlorate issues in the Basin outside of that particular anomaly and presented a map showing each of the major water quality anomalies and plumes within the area. They talked about the Kaiser plume at great length. Mr. Rossi called the Board's attention to copies of Mr. Neufeld's testimony before Ken Calvert's sub-committee located on the back table. He also reported that Cucamonga County Water District hosted a meeting last week that was attended by a representative from the Department of Defense. At that meeting, a letter of intent was executed by the Department of Defense, Fontana Water Company, Cucamonga County Water District, and West Valley Water Company describing their interest in the technology being used and committing to enter into an MOU to better understand Chino Basin water quality issues. Mr. Rossi thanked Cucamonga County Water District for hosting the meeting and Board Member Whitehead for his efforts as well. The next meeting will be held August 27, 1:30 p.m. at Watermaster. Their first quarterly report will be prepared within the next 60 days.
5. Report regarding opportunities to recharge water in the Chino Basin

Watermaster is on the State Project System and Metropolitan is offering water for recharge purposes in the Chino Basin. Two connections were recently turned on that will allow approximately 20 acre-feet per day wet water into the Basin at 100% deferred cost. The Appropriators will be able to take portions of this water as an in-lieu delivery through their water treatment plants at no cost, at a higher water quality for blending purposes later this year. Watermaster first has to commit to Metropolitan to turn off wells and allow water to build up in the Basin. There is another Metropolitan program for long-term in-lieu

storage and staff is working with the Appropriators with regard to in-lieu capabilities.

- 6. Status regarding Hydraulic Control Monitoring Meeting held July 8 @ IEUA
Staff continues to meet with Orange County Water District and IEUA regarding the Hydraulic Control Draft Program. They will meet again on August 15. Staff hopes to present a more comprehensive report on the Hydraulic Control Monitoring Program in September.
- 7. CBWM/IEUA awarded \$250,000 AB303 Grant from DWR
Watermaster/IEUA has been awarded \$250,000 from the Department of Water Resources' AB303 Grant Program and another \$270,000 to complement that from USBR for the Hydraulic Control Monitoring Program.

Mr. Rossi added that he would be on vacation next week.

Member Schroeder inquired about the status of moving the Watermaster office. Mr. Rossi said staff would have the new lease contract available for the meetings in August. Cucamonga County Water District's Engineering Department is scheduled to move into their new facilities on August 6 and prior to Watermaster moving in, improvements will be made to the building. Staff anticipates moving the first week of September if all goes well.

Mr. Rossi said he had an additional item to report. Staff sent out an original notice on the work necessary to demonstrate the lack of material fiscal injury related to the Dry Year Yield Program. Mr. Wildermuth finished his report on the modeling and findings of no material fiscal injury, which is a subset of the Feasibility Report for the Dry Year Yield Program. Copies of the Feasibility Report are available and will be on the meeting agendas in September for discussion. Staff is working to have the report available on the website within a week.

C. OTHER AGENCY REPORTS

None

IV. BOARD MEMBER COMMENTS

Member Whitehead thanked Cucamonga County Water District for hosting what was truly a historic meeting between water agencies and the Secretary of Defense.

Member Vanden Heuvel asked if Mr. DeJesus could provide a report on the QSA. Mr. DeJesus reported that numerous meetings recently took place during an eight-day period in Sacramento. Metropolitan Water District is doing everything it can to see that the QSA deal goes through. They are still at the table and expecting a call for another meeting very soon.

Chair Yates said that he and Mr. Rossi attended the IEUA Grand Opening Ceremony for their new facility. He said what was really impressive is that the two 33,000 square-foot buildings only require the electricity normally used to operate four houses. He also provided a brief report on the last CDA meeting.

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 2:00 p.m.

Secretary

Minutes Approved: _____