

Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING
August 28, 2003

The Watermaster Board Meeting was held at the offices of Cucamonga County Water District, 10440 Ashford Street, Rancho Cucamonga, CA 91729 on August 28, 2003 at 1:00 p.m.

WATERMASTER BOARD MEMBERS PRESENT

Dennis Yates, Chair	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
David DeJesus, Alternate*	Three Valleys Municipal Water District*
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

Note: Board Alternate DeJesus represented Three Valleys Municipal Water District prior to the arrival of Board Member Kuhn at 1:15 p.m.

WATERMASTER BOARD MEMBERS ABSENT

None

Appropriative Pool Members Present

Mark Kinsey	Monte Vista Water District
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Watermaster Staff Present

John Rossi	Chief Executive Officer
Sheri Rojo	Finance Manager
Danielle Maurizio	Senior Engineer
Mary Staula	Recording Secretary
Gordon Treweek	Project Engineer
Devonya Williams	

Watermaster Consultants Present

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

Others Present

Barbara Gilbert	Western Municipal Water District
Josephine Johnson	Monte Vista Water District
Diane Sanchez	State Department of Water Resources

The meeting was called to order by Chair Yates at 1:00 p.m., followed by the flag salute.

Chair Yates announced that Mayor Jim Thalman, City of Chino, passed away last evening. Funeral arrangements will be provided once they have been scheduled.

PUBLIC COMMENTS

None

INTRODUCTIONS

Mr. Rossi introduced Danielle (Danni) Maurizio, Watermaster's Senior Engineer

AGENDA - ADDITIONS/REORDER

None

I. CONSENT CALENDAR**A. MINUTES**

Draft Minutes of the Watermaster Board Meeting held July 24, 2003

B. FINANCIAL REPORTS

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

C. WATER TRANSACTIONS

Application to Recapture Water in Storage by Fontana Water Company in the amount of 2.516 acre-feet stored by the Nicholson Trust and Transfer Annual Production Right or Safe Yield from The Nicholson Trust to Fontana Water Company in the amount of 4 acre-feet (*Notice mailed June 11, 2003; Approved by the Pool Committees July 10 & 17, 2003*)

D. ASSOCIATION OF GROUND WATER AGENCIES ALTERNATE REPRESENTATIVE

Appoint Watermaster Project Engineer, Gordon Treweek, as Watermaster's alternate representative to AGWA

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

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

II. BUSINESS ITEMS**A. STORAGE & RECOVERY PROGRAM SCOPE OF WORK AND BUDGET**

The Board members were requested to authorize the scope and budget of \$373,749 for engineering services on the Storage & Recovery Project. Black & Veatch reviewed the scope and provided additional information pertaining to specific tasks. Funds for this work were included in the FY 2003-2004 budget. The work is scheduled for completion by July 2004.

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

Moved, to authorize the scope of work and budget for Black & Veatch engineering services on the Storage & Recovery Project.

B. LEASE AGREEMENT FOR WATERMASTER OFFICE

The terms outlined on page 43 of the agenda package for the lease agreement between Chino Basin Watermaster and Cucamonga County Water District (CCWD) were reviewed. Relocation of the Watermaster office is anticipated to occur on or about September 12. Mr. Rossi discussed the various improvements and upgrades required to ready the building. Cucamonga County Water District provided most of the building improvements while Watermaster is responsible for upgrades such as computer/telephone wiring, equipment for the boardroom, relocation of the copy machines, etc. The new lease cost plus the amortized costs for relocating are at, or less than Watermaster's current monthly expenditures, while almost doubling the square footage in office space.

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

Moved, to approve the terms in the lease agreement between Chino Basin Watermaster and Cucamonga County Water District for relocating the office of Watermaster.

C. CHINO BASIN FACILITIES IMPROVEMENT PROJECT

In a presentation, Tom Love of Inland Empire Utilities Agency outlined Bid Packages No. 1 through No. 7 for the Chino Basin Facilities Improvement Project. He discussed the Engineer's estimate and the budget for construction of Bid Package No. 3, the Jurupa Basin Force Main. The low bid was from W. A. Rasic Construction, Inc. in the amount of \$2,889,477. The Inland Empire Utilities Agency recommended the construction for Bid Package No. 3 be awarded to W. A. Rasic Construction, Inc. and that Watermaster's CEO and IEUA's GM be authorized to finalize and execute the construction contract.

Discussion ensued with regard to facilitating the management and operations of the basins 24 hours/day, seven days/week. Several related details have yet to be worked out in that regard. Mr. Rossi suggested the details be taken to the Recharge Group for discussion at their meeting on Tuesday, September 9. The Board Members were asked to receive this as information only and staff will bring it back for action after the Recharge Group has met.

No action taken.

D. STATEMENT OF INTENT BETWEEN THE DEPARTMENT OF DEFENSE (DOD) AND LOCAL ENTITIES

A letter was received from Cucamonga County Water District requesting Watermaster support a Statement of Intent between the DOD and local agencies by becoming a co-signatory on the document. A copy of their letter was included in the meeting package. Mr. Rossi requested the Board authorize the CEO to sign the Statement of Intent, executed on July 11, 2003 in order to expand collective efforts and resources to effect solutions to perchlorate issues. However, the Watermaster Board members decided to defer this matter to the Water Quality Committee for review and a recommendation.

No action taken.

E. MVWD PRESENTATION TO BOARD REGARDING SALT CREDITS

As clarification, Mr. Rossi apologized to Monte Vista Water District (MVWD) for this item being incorrectly titled as an "MWD" presentation on the pool meeting agenda. He updated the Watermaster Board members with regard to the number of meetings that have been held and the action previously taken by the appropriators with regard to salt credits.

Mr. Kinsey, General Manager of MVWD, provided background information and explained that MVWD continues to pursue the matter of salt credits based on their understanding during negotiations of the Peace Agreement that the appropriators would receive salt credits to offset their share of the costs to construct desalters. He emphasized that MVWD supports the Maximum Beneficial Use Proposal, however they believe there is an equity issue that needs to be addressed. MVWD hired Mr. Glenn Reiter, Lowry Consultants, to review the equity issue and present his analysis at this meeting.

Mr. Reiter presented a comparison of mg/l between the Basin Objectives and the TIN/TDS Study Objectives under the Maximum Benefit Proposal. Comparisons were also shown of the number of appropriators providing funds and the number receiving benefits, the percentages of funding vs. benefit allocation among the appropriators, and the cost difference using imported water versus recycled water. He recommended a "work group" be assigned to look into possible solutions to resolve the equity issues. Mr. Atwater has volunteered to Chair the group.

Mr. Kidman, Legal Counsel for MVWD, added that MVWD's request is for fairness and equity rather than specifically for salt credits. He cited historical information that led up to the appointment and

current composition of the 9-member Watermaster Board. He said it was comprised in such a way to ensure equity among its members. Additionally, his firm prepared a memorandum for inclusion in the record that describes the legal undertakings for a concept to provide either salt credits or a substitute for salt credits. He pointed out that Monte Vista intends to uphold the Peace Agreement because it calls for salt credits to be allocated equitably as a benefit of the costs incurred to improve Basin water quality.

Some Board Members expressed that the Peace Agreement was negotiated for a far greater purpose than individual agency benefits. Following the Court order and timeline for developing the Optimum Basin Management Program (OBMP), the parties negotiated and entered the Peace Agreement for the purpose of working together in a cooperative manner toward one goal, to develop and implement OBMP projects for the benefit of the Basin, the public, and the generations to come. Everyone had agreed that was the right thing to do. Some of the Board Members felt that MVWD's concerns could be further evaluated by a workgroup. In that same cooperative vein, there were no objections to establishing a workgroup as requested to explore possible solutions to resolve the equity issue.

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

Moved, to support the establishment of a workgroup consisting of Watermaster, Inland Empire Utilities Agency and others appropriate to seek ways to address this issue.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Chino Land & Water

Counsel Fife reported on the appeal filed by Chino Land & Water vs. Lewis Investment Company and provided copies of Chino Land & Water's opening brief as a handout. As previously discussed, Legal Counsel recommended that Watermaster file an Amicus Brief. The Board members concurred and directed Legal Counsel, without formal action, to prepare an Amicus Brief for review in September.

2. Hearing re Cyclic Storage Agreement Amendment

That Court will hear the motion to approve the Amendment to the MWD Cyclic Storage Agreement on September 4 at 1:30 p.m. No opposition is anticipated.

ADDED:

3. Colonies Project

The Colonies Project CEQA case was settled last week and portions of other cases file on the project were dismissed. There remains an outstanding issue that is a portion of another case concerning whether or not the Flood Control District had abandoned its easements on the property. It will be a matter of concern to Watermaster if the judge finds that the Flood Control District had abandoned the easements. If that happens, it may be a good idea for Watermaster to file an Amicus Brief.

4. Forebearance Plan

The City of Chino and the City of Chino Hills have indicated participation in the Forebearance Plan for another year. Legal Counsel will notice the Court.

B. CEO REPORT/UPDATES

1. Status Report on the Recharge Project

Status on the Recharge Project was discussed earlier in this meeting. However, Mr. Rossi added that integration of the improvements to the City of Upland basin with the College Heights basin could save some money and is currently being discussed.

2. Status Report on MZ1 Technical Committee Meeting on July 23, 2003

Mr. Rossi referred to page 97 of the agenda package for a hard copy of the MZ1 Interim Monitoring Program Progress Report.

3. Status Report on Water Quality Committee Meeting of August 27, 2003

Mr. Rossi apologized for canceling Wednesday's Water Quality meeting. The Committee is

tentatively scheduled to meet on September 24, 1:30 p.m., at the office of Watermaster. Mr. Wildermuth is working on the investigation of perchlorate as well as reviewing the comments on the Statement of Intent between the DOD and local agencies.

ADDED:

4. Watermaster Office Relocation

Mr. Rossi pointed out that the September Pool meetings would be held at the offices of Cucamonga County Water District and the Advisory Committee and Board meetings will be held at Watermaster's new location.

C. AGWA REPORT

1. Minutes of the meeting held June 16, 2003
2. Agenda for the meeting held August 18, 2003

Mr. Rossi reported that AGWA recognizes they are having a quorum issue and more specifically, they are concerned with their long-term role. They have asked Martin Rauch to facilitate discussions regarding the long-term goal and objectives of AGWA.

D. OTHER REPORTS

None

E. INFORMATION

City of Chino Hills Notice of Forbearance
Progress Report MZ-1 Interim Monitoring Program

IV. BOARD MEMBER COMMENTS

Chair Yates announced that Mr. Rossi was recently elected to the Board of Directors for the Rancho Water District.

V. OTHER BUSINESS

None

VI. FUTURE MEETINGS AND EVENTS

September 11, 2003	8:30 a.m.	Storage & Recovery Workshop @ CCWD
	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting @ CCWD
	1:00 p.m.	Agricultural Pool Meeting @ CCWD

Note: September 11 meetings will be held at Cucamonga County Water District, 10440 Ashford Street, Rancho Cucamonga, CA 91729

September 25, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

October 9, 2003	8:30 a.m.	Storage & Recovery Workshop
	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
	1:00 p.m.	Agricultural Pool Meeting

October 23, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

Chair Yates adjourned the meeting at 2:35 p.m.

Secretary

Minutes Approved: September 25, 2003