

*Draft Minutes*  
**CHINO BASIN WATERMASTER**  
**ANNUAL MEETING**  
**WATERMASTER BOARD**  
January 29, 2004

The Annual Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on January 29, 2004 at 1:00 p.m.

**WATERMASTER BOARD MEMBERS PRESENT**

Dennis Yates, 2002-03 Chair	City of Chino
Robert Neufeld, 2004-05 Chair	Fontana Union Water Company
Terry Catlin, Vice-Chair	Inland Empire Utilities Agency
Dan Rodriguez, Secretary	City of Pomona
Bob Kuhn	Three Valleys Municipal Water District
Geoffrey Vanden Heuvel	Agricultural Pool, Dairy
Donald Schroeder	Western Municipal Water District
Bill Kruger	City of Chino Hills
Bob Bowcock	Vulcan Materials Company (Calmat Division)

**Watermaster Staff Present**

John Rossi	Chief Executive Officer
Gordon Treweek	Project Engineer
Sheri Rojo	Finance Manager
Danielle Maurizio	Senior Engineer
Sheri Lynne Molino	Recording Secretary

**Watermaster Consultants Present**

Michael Fife	Hatch & Parent
Scott Slater	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental, Inc.
Dave Argo	Black & Veach

**Others Present**

Vic Barrion	Reliant Energy, Etiwanda LLC
Mike Maestas	City of Chino Hills
Kevin Sage	Vulcan Materials Company (Calmat Division)
Phil Rosentrater	Western Municipal Water District
Josephine Johnson	Monte Vista Water District
Barrett Kehl	Chino Basin Water Conservation District
Gene Koopman	Milk Producers Council
Rick Hansen	Three Valleys Municipal Water District
David DeJesus	Three Valleys Municipal Water District
Mark Kinsey	Monte Vista Water District
Rich Atwater	Inland Empire Utilities Agency
Ken Jeske	City of Ontario
Dave Crosley	City of Chino
Raul Garibay	City of Pomona
Henry Pepper	City of Pomona
Robert DeLoach	Cucamonga Valley Water District
Rita Kurth	Cucamonga Valley Water District
Barbara Swanson	State of California, CIW

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

**INTRODUCTIONS - CALENDAR YEAR 2003 WATERMASTER BOARD MEMBERS**

Bob Bowcock	Non-Agricultural Pool (Vulcan Materials Company)
Terry Catlin	Inland Empire Utilities Agency
Paul Hofer	Agricultural Pool (Crops)
Bill Kruger	Appropriative Pool (City of Chino Hills)
Bob Kuhn	Three Valleys Municipal Water District
Bob Neufeld	Appropriative Pool (Fontana Union Water Company)
Dan Rodriguez	Appropriative Pool (City of Pomona)
Donald Schroeder	Western Municipal Water District
Geoffrey Vanden Heuvel	Agricultural Pool (Dairy)

**AGENDA – ADDITIONS/REORDER**

None

**PUBLIC COMMENTS**

None

**I. CALENDAR YEAR 2004 OFFICERS – Action**

**A. ELECTION OF OFFICERS**

1. Nominations will be heard for Watermaster Board Chair

Robert Neufeld, Fontana Union Water Company was nominated for Chair

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

**The previous Chair, Dennis Yates turned over the meeting to the new Chair, Robert Neufeld**

2. Nominations will be heard for Watermaster Board Vice-Chair

Terry Catlin, Inland Empire Utilities Agency was nominated to remain Vice-Chair

*Motion by Bowcock, second by Kuhn, and by unanimous vote*

3. Nominations will be heard for Watermaster Board Secretary/Treasurer

Dan Rodriguez, City of Pomona was nominated to remain Board Secretary/Treasurer

*Motion by Bowcock, second by Kuhn, and by unanimous vote*

**RECOGNITION**

1. Mr. Dennis R. Yates

Vice-Chair, Catlin presented Dennis R. Yates with a commemorative inscription for “Statement of Commendation” as the preceding Chair representing the Watermaster Board and thanked him for his outstanding public service and dedication to water and groundwater issues in the Chino Basin. Mr. Yates thanked all present parties for a wonderful term as Chair and for all the hard work that everyone had put into all the projects related to upholding the Optimum Basin Management Program. Mr. Yates wished Robert Neufeld best regards as the new Chair.

2. Mr. Michael Whitehead  
Vice-Chair, Catlin presented a not in attendance Michael Whitehead with a commemorative inscription for "Statement of Commendation" as a representative on the Watermaster Board and thanked him for his outstanding public service and dedication to water and groundwater issues in the Chino Basin.
3. Mr. Vic Barrion  
Vice-Chair, Catlin presented Vic Barrion with a commemorative inscription for "Appreciation of Service" as the preceding Chair representing the Non-Agricultural Pool and thanked him for his outstanding service and dedication to Watermaster. Mr. Barrion graciously accepted the plaque and sequentially thanked all parties for making his duties easier and especially for all he learned while presiding as Chair. Mr. Barrion informed the members that he will be serving as Vice-Chair this year and is looking forward to a great new year.

## II. CONSENT CALENDAR

### A. MINUTES

1. Minutes of the of the Watermaster Board Meeting held November 20, 2003

### B. FINANCIAL REPORTS

1. Cash Disbursements for the month of November 2003
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through October 31, 2003
3. Treasurer's Report of Financial Affairs for the Period October 1, 2003 through October 31, 2003
4. Profit & Loss Budget vs. Actual July 2003 through October 2003
5. Cash Disbursements for the month of December 2003
6. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through November 30, 2003
7. Treasurer's Report of Financial Affairs for the Period November 1, 2003 through November 30, 2003
8. Profit & Loss Budget vs. Actual July 2003 through November 2003

### C. INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS FOR YEAR ENDED

Consider Receiving and Filing the Annual Audited Financial Statements for Year Ended June 30, 2003

### D. CHINO BASIN WATERMASTER INVESTMENT POLICY

Resolution 04-01 - Resolution of the Chino Basin Watermaster, re-authorizing the Watermaster's Investment Policy

### E. WATER TRANSACTION

1. Notice of Sale or Transfer – the transfer of Monte Vista Irrigation Company FY 2003-04 Annual Production Rights to the Monte Vista Water District. The total quantity of water to be transferred is estimated at 1,040 acre-feet. (*Notice mailed November 7, 2003*)
2. Notice of Sale or Transfer – the lease and/or purchase of 2,500 acre-feet of water from the City of Pomona's production rights to the Monte Vista Water District. This lease is made first from the City's net under production, if any, in FY 2003-04, with any remainder to be recaptured from storage. (*Notice mailed November 7, 2003*)

### F. NOTICE OF INTENT

Annual Filing of Notice of Intent Regarding the Determination of Operating Safe Yield

### G. ANNUAL REPORT

Consider Authorization to File the Annual Report for Fiscal Year 2003 with Court, and Authorize Staff to Make Minor Edits as Necessary

**H. STATUS REPORT #9**

Consider Authorization to File Status Report 9 with Court and Authorize Staff and Counsel to Make Minor Edits as Necessary

**I. CHINO BASIN WATERMASTER ELECTING TO RAISE AND FIX EMPLOYER'S CONTRIBUTION**

A Resolution, #04-02, of the Chino Basin Watermaster Electing to Raise and Fix the Employer's Contribution Under the Public Employees' Medical and Hospital Care Act at an Amount at or Greater Than That Prescribed per Section 22825 of The Government Code

*Motion by Rodriguez, second by Kuhn, and by majority vote, with one abstention by Bill Kruger  
**Moved to approve Consent Calendar Items A through I, as presented***

**III. BUSINESS ITEMS**

**A. APPLICATION TO DWR – MZ3 INVESTIGATION**

Mr. Rossi informed the Watermaster Board Members that the request to file the grant application to DWR was unanimously voted in favor for at the Annual Pool meetings on January 15, 2004 and due to time constraints the application had to be filed by January 28, 2004, which Inland Empire Utilities Agency filed on our behalf as instructed by the Pools. Mr. Rossi thanked Mr. Atwater and IEUA for filing this important grant application for Chino Basin Watermaster.

*Motion by Bowcock, second by Rodriguez, and by unanimous vote  
**Moved, to ratify filing the grant application***

**B. DISCUSS ASSISTANCE TO REGIONAL WATER QUALITY CONTROL BOARD ON WATER QUALITY CONTAMINATION SOUTH OF ONTARIO AIRPORT**

Mr. Rossi informed the Watermaster Board Members on the four separate decisions made by the Pools on January 15, 2004 and Advisory Committee on January 29, 2004 which were; 1) the Non-Agricultural Pool voted unanimously to have Wildermuth Environmental provide staffing assistance, 2) the Agricultural Pool voted unanimously to delay action on this item until the Regional Board was able to present more information in February at the Pool meetings, 3) the Appropriative Pool unanimously voted to approve assistance to the Regional Board with a cap of \$25,000 and with the condition that Watermaster be reimbursed for this assistance and that the Regional Board will give a presentation to the Committee in February, 4) the Advisory Committee unanimously voted to delay action on this item and requested additional information from the Regional Board in February.

Mr. Rossi subsequently identified the two main questions that were presented during the Committee and Watermaster Board meetings in November 2003. The first question addressed the cost to situate consulting assistance at the Regional Board's office to prepare Draft Clean Up and Abatement orders to potential responsible parties. Mr. Rossi referred to page 117 of the agenda packet for information in regards to the potential responsible parties identified from RWQCB files. Mr. Rossi proposes that \$20,000 - \$25,000 would cover the cost to Wildermuth Environmental, Inc. to provide staff to work with the Regional Board in this regard. The second question addressed the cost after the orders were issued to the potential responsible parties. Mr. Rossi stated that these costs could not be estimated at this time given the uncertainty of the response from the PRP's receiving the orders. Mr. Rossi reiterated that the consultant would work at the direction of the Regional Board and stated the Regional Board has all the authority and responsibility to complete this task; labor assistance would be the resource only. Staffing assistance would be provided by Wildermuth Environmental, Inc. and would include preparation of draft abatement orders for the Regional Board. Staff recommends we move forward on providing the assistance/resource the Regional Board desires.

Discussion ensued with regard to the necessity to have our State Assemblymen, Congress and Legislature be made aware of how the Regional Board's budget cuts are affecting Watermaster

and the financial burden those cuts are placing on all of us and to bring them up to speed on the current issues. It was noted that the Regional Board must be held accountable for their areas of responsibility.

*Motion by Vanden Heuvel, second by Kuhn, and by unanimous vote*

***Moved, to delay action on this item and request to inquire about additional information from the Regional Board in February and to notify local legislators as to the current situation***

**C. APPOINT PERSONNEL COMMITTEE MEMBERS FOR CALENDAR YEAR 2004**

Consider appointing Personnel Committee Members – Added Item

2004 New Personnel Committee Members Comprise of the Following:

Robert Neufeld	Ken Jeske
Bob Kuhn	Robert Bowcock
Terry Catlin	Nathan deBoom
	Mike Maestas

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

**IV. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Wilson v. Watermaster

Counsel Fife addressed this new lawsuit as a small lawsuit between an automobile (Watermaster staff) and a bicycle (Mr. Wilson) and felt that this case would come to a fairly quick resolution. Counsel Fife commented that this case may not have been filed timely which may exceed the statute of limitations and that no hearing as been set to date.

2. Chino Land & Water v. Watermaster

Counsel Fife informed the Committee the case had actually been dismissed 4 – 5 months ago, although added that Chino Land & Water did file an appeal, which has also been dismissed. The Judge told Chino Land & Water they had no case and actually dismissed this case with an appellate decision leaving no opening for another case to be filed. Counsel Fife noted the 12 days for Chino Land & Water to request an oral argument has now lapsed.

3. DYY Storage Agreement

Counsel Fife reported on the approval of the Metropolitan Water District deal which was a long procedure for the Article 10 application. Counsel Fife stated he is in the process of preparing the draft Dry Year Yield Storage Agreement that will be brought back to the Committee Members and the Watermaster Board in February.

**B. CEO/STAFF REPORT**

1. Mark Wildermuth Will Make a Presentation Regarding OBMP Progress through December 31, 2003

Mr. Rossi requested Black & Veach and Wildermuth Environmental, Inc. prepare a presentation on the work that has been done and other elements since July 2000 on the OBMP. Mr. Rossi invited Mark Wildermuth, over the next several months, to provide portions of that presentation at the Committee and Watermaster Board meetings, which will provide current statuses of the OBMP. Mr. Wildermuth discussed and reviewed slides on two major topics for the first section of the presentation on Maximum Benefit and Hydraulic Control. Mr. Wildermuth broke down these two topics by reviewing major technical activities, which are related to the OMBP and the Peace Agreement. Future topics will include Desalters, Chino Basin Facilities Improvement Program, Storage & Recovery, Ground Water Monitoring, Water Quality Committee, MZ1 Management Plan, and Analysis

of Balance of Recharge and Discharge. Mr. Wildermuth added that Watermaster has put in a first class monitoring system to measure and record subsidence. Lastly, Mr. Wildermuth commented on the potential consequences for failure to meet our OBMP commitments.

2. Presentation Regarding Storm Damage to Construction at Victoria Basin

Mr. Rossi reported on the damage incurred on Christmas day during a mild rain storm (1/2 inch) due to construction in the basin at the time of the storm which led into Mr. Treweek's presentation. Mr. Treweek detailed the damage of this storm which lies North of the 210 freeway near the 15 freeway interchange. Mr. Treweek noted the San Sevaine Channel and Etiwanda Channel share a wall that separates the two channels at this location of construction that received the most significant damage. Mr. Rossi added comment to this presentation calling the storm, "a perfect storm" because of the combination of events that played into the storm damage. Mr. Rossi noted that there was no loss of equipment, although about \$20,000 worth of work was destroyed and about \$300,000 of clean up work had already been completed. It will cost an estimated \$1,000,000 to \$1,500,000 for total clean up and damage repair. FEMA funding will be pursued as well. Mr. Rossi offered that he and Mr. Treweek recently met with representatives from the Flood Control District and felt it was a positive meeting and will keep the Committee apprised to the outcome of further meetings.

3. Status Update on Recharge Project

Mr. Rossi commented that the project is progressing well.

4. Discuss RWQCB Action on 1/22/04 Approving Basin Plan Amendment

Mr. Rossi in working with the Regional Board handed out Item No. 12, 01/22/2004 TDS/Nitrogen Basin Plan Amendment Errata Sheet and focused on Pages 5 of 8 and 6 of 8 for language amendments regarding future desalter development. Both Mr. Rossi and Mr. Wildermuth concurred that the new language appeared flexible in its content. Several comments were received and discussion continued on the changed language which presently reads and appears to give Watermaster what it was looking for as far as consistent wording and flexibility. Mr. Atwater commented on the verbiage and the general feel of the meeting. He said that the Regional Board ended up incorporating the new language and approved The Basin Plan Amendment with the Chino Basin's Maximum Benefit Proposal. Mr. Atwater also stated that in speaking with Mr. Thibeault he had hoped that Watermaster recognized his efforts for flexibility in language.

*Motion by Catlin, second by Kruger, and by unanimous vote*

***Moved, to delay action on language in the TDS/Nitrogen Basin Plan Amendment until February, and directed counsel to review the Basin Plan Amendment language for consistency with the OBMP and Pease Agreement***

V. INFORMATION

A. CORRESPONDENCE FROM PARTIES

1) Monte Vista Water District Letter Dated 12-11-03 Regarding Fiscal Year 2003/2004 Assessment Package

Mr. Rossi commented that Chino Basin Watermaster in working with legal counsel and is in the process of preparing a response letter to Monte Vista Water District regarding Fiscal Year 2003/2004 Assessment Package.

2) Monte Vista Water District Letter Dated 01-15-04 Regarding Salt Credit Allocation Pursuant to the Provisions of the Peace Agreement

Mr. Rossi stated that Chino Basin Watermaster was working with legal counsel to prepare a written response. Discussion ensued as to whether salt credits do or don't exist. Several comments were received and it was decided that further investigation into the situation was required as to the interpretation of statements. This item would be brought back to the Pools in March.

- 3) Monte Vista Water District Letter Dated 01-15-04 Regarding Maximum Beneficial Use Proposal  
Mr. Rossi stated that Chino Basin Watermaster was working with legal counsel to determine if a response is necessary.
- 4) Monte Vista Water District Letter Dated 01-20-04 Regarding Regional Board Resolution No. R8-2004-0001  
Mr. Rossi presented this letter for informational purposes only.
- 5) San Antonio Water Company Letter Dated 01-21-04 Regarding Regional Board Meeting of January 22, 2004 Agenda Item No. 12 – Basin Plan Amendment  
Mr. Rossi presented this letter for informational purposes only.
- 6) Jurupa Community Services District Letter Dated 11-19-03 Regarding Kaiser Plume  
Mr. Rossi presented this letter for informational purposes only.

**B. METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

Mr. Rossi offered this letter was presented to the Pools on January 15, 2004 and there was no new information to report on.

**VI. COMMITTEE MEMBER COMMENTS**

None

**VII. OTHER BUSINESS**

None

**VIII. FUTURE MEETINGS**

January 27, 2004	2:00 p.m.	Storage & Recovery Work Group
January 29, 2004	10:00 a.m.	Advisory Committee Annual Meeting
	1:00 p.m.	Watermaster Board Annual Meeting
February 5, 2004	2:00 p.m.	Water Quality Meeting
February 12, 2004	1:00 p.m.	Agricultural Annual Pool Meeting
	3:00 p.m.	Joint Appropriative & Non-Ag Pool Meeting
February 26, 2004	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

The Annual Watermaster Board Meeting Adjourned at 3:05 p.m.

Secretary: \_\_\_\_\_

Minutes Approved: March 1, 2004