

Minutes
CHINO BASIN WATERMASTER
BOARD MEETING
May 27, 2004

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on May 27, at 11:00 a.m.

WATERMASTER BOARD MEMBERS PRESENT

Robert Neufeld, Chair	Cucamonga Valley Water District
Terry Catlin, Vice-Chair	Inland Empire Utilities Agency
Geoffrey Vanden Heuvel	Agricultural Pool, Dairy
Paul Hofer	Agricultural Pool, Crops
Bob Bowcock	Vulcan Materials Company
Bill Kruger	City of Chino Hills
Donald Schroeder	Western Municipal Water District
David DeJesus	Three Valleys Municipal Water District

Watermaster Staff Present

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

Watermaster Consultants Present

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

Others Present

Josephine Johnson	Monte Vista Water District
Ken Jeske	City of Ontario
Dave Crosley	City of Chino
Henry Pepper	City of Pomona

The Watermaster Board Meeting was called to order by Chair Neufeld at 11:00 a.m.

AGENDA - ADDITIONS/REORDER

Mr. Rossi will discuss the Rialto Emergency Pipeline shutdown in CEO/STAFF REPORT as an added item

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Watermaster Board meeting held April 22, 2004

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of April 2004
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through March 31, 2004
3. Treasurer's Report of Financial Affairs for the Period March 1 through March 31, 2004
4. Profit & Loss Budget vs. Actual July 2003 through March 2004

C. STATUS REPORT #10

Authorize Staff and Counsel to File Report with Court for December 2003 to February 2004 Period

D. WATER TRANSACTION

1. Consider Approval for Transaction of Notice of Sale or Transfer from Southern California Water Company to Fontana Water Company the Amount of 2000 acre-feet
2. Consider Approval for Transaction of Notice of Sale or Transfer from West Valley Water District to Monte Vista Water District the Amount of 650 acre-feet
3. Consider Approval for Transaction of Notice of Sale or Transfer from City of Pomona to Fontana Water Company the Amount of 500 acre-feet

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

Moved to approve Consent Calendar Items A through D, as presented

II. BUSINESS ITEMS

A. 2004/2005 WATERMASTER BUDGET

Mr. Rossi stated there were no changes to the presented budget from the last package and also noted the budget was unanimously approved by the Pools and the Advisory Committee Members. A brief discussion ensued regarding under estimating expenditures for engineering services.

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

Moved to approve the 2004/2005 Watermaster Budget, as presented

B. CONSIDER AGREEMENT FOR BASIN MONITORING PROGRAM FOR NITROGEN/TDS IN THE SANTA ANA RIVER WATERSHED

Mr. Rossi referred to page 107 of the packet noting this is an agreement with the members of the TIN/TDS task force and a requirement from the Regional Board pertaining to the Basin Plan Amendment for all discharges along the Santa Ana River which will monitor effluent and water quality being discharged into the river. Mr. Rossi stated, within this basin we want to do extensive monitoring on the river for Maximum Benefit, noting this is a very positive action in which we are acquiring several partners for this monitoring program. Mr. Rossi confirmed Watermaster would get all the data which would allow us to provide data to Wildermuth for their model, commenting that Wildermuth is the consultant on this project. The question of Watermaster's contribution to this task force was presented. Mr. Rossi confirmed the staff is being hired through consultants to do the work; SAWPA administrates the rest, we would not contribute any time other than attending meetings. Mr. Rossi mentioned the \$18,500 dollars covers sampling in the river, processing, analyzing the data, recording it, and delivering the findings to the parties. We are moving forward with the implementation of the new program and Watermaster is recommending the approval of this Agreement because we will receive tremendous benefits out of this whole program. Mr. Rossi noted that sampling efforts will be consolidated for this project. This data is then forwarded into this program and the money we are spending is to analyze that data and execute a "combined" report, stating this is not a repetition act of what Orange County is currently doing or what the Regional Board is currently doing. Mr. Rossi noted this Agreement has been unanimously approved by the Pools and the Advisory Committee members.

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

Moved to approve the Agreement for Basin Monitoring Program for Nitrogen/TDS in the Santa Ana River Watershed, as presented

C. DISCUSS AGREEMENT BETWEEN IEUA AND WATERMASTER FOR BASIN MONITORING ACTIVITIES

Mr. Rossi affirmed he was not seeking any action on this item and that it will be brought it back for recommendation next month. Mr. Rossi remarked since Watermaster started discussing this program with Wildermuth and IEUA, Watermaster felt it necessary to take a good look at all

monitoring programs. Trying to capture the efforts and costs associated in these monitoring efforts between the two agencies would really bring us together on this cost saving venture. Mr. Rossi asked the Committee to turn to page 133 of the packet to examine the tables regarding analytical and labor costs for joint water quality monitoring programs within the Chino Basin. Table 1 describes costs related to the different monitoring programs. Noting that in this proposal, and in working with Rich Atwater, IEUA would share costs of the monitoring. Mr. Rossi pointed out a substantial amount of money will be saved by going this route which will reduce our labor costs. Mr. Rossi stated some of the capital costs will be met with outside funding. This item will be on the Agenda which will include a staff report with the dollars and a recommendation next month. A question regarding the frequency of samples was presented. Mr. Rossi commented that for approximately three years this level of testing would be needed to establish a baseline. It is hoped that in the future we will be able to reduce sampling. Mr. Wildermuth offered several technical reasons for the necessity of this type of sampling stating that there will be no duplication of sampling programs. The question if whether or not this sampling will give us foresight on any spreading of plumes was presented. Mr. Wildermuth stated that this monitoring will aid in this area. Mr. Rossi was asked to give a detailed analysis of the different tables presented and then asked for any comment. Discussion ensued with regard to recharge and reclaimed water proportionate to tables on page 134 of the packet. It was noted that cost should align with benefit. Mr. Rossi stated that the water rights associated with the recharge accrue to the agencies that own the proportionate share of the recycled water and this is a very significant benefit, noting the cost associated with obtaining this ought to be lined up more appropriately.

D. CONSIDER AGREEMENT BETWEEN OCWD, MWDOC, IEUA, AND WATERMASTER FOR THE JOINT USE OF SERVICE CONNECTION OC-59

Mr. Rossi gave the Committee members a brief overview of the history behind this Agreement and why it was needed. Mr. Rossi reviewed the Agreement and noted there were no other changes being made to this Agreement other than adding Watermaster to the Agreement. Mr. Rossi made the Committee members aware that Three Valleys Municipal Water District had recently requested to be added to the Agreement as well. Mr. Rossi stated this request was unanimously approved at the Pools and Advisory Committee meetings. A discussion regarding the tracking of the water took place and Mr. Rossi ensured the Committee members that Watermasters' tracking of water will not be a problem. The question of whether or not the water out of the turn out, which was owned by OCWD, would have to be purchased from Inland Empire Utilities Agency. Mr. Atwater commented this portion of the Agreement had not changed and the \$2.00 an acre foot remains the standing price. A discussion ensued regarding priority of use for the service connection.

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

Moved to approve the Agreement between OCWD, MWDOC, IEUA, Watermaster, and Three Valleys Water District (to be added to the Agreement prior to signing), as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney/Manager Meetings

Counsel Fife commented the Attorney/Manager meetings are progressing well and reminded the Committee members who had been given "homework" assignments, they were due today. Counsel Fife noted the next meeting was scheduled for June 2nd and the subsequently meeting following that would be on June 9th.

2. Patent Issue

Counsel Fife commented on the recently awarded patent for recharge basins and informed the Committee this item was added to the Legal Affairs Committee Agenda at the ACWA conference in Monterey. Counsel Fife confirmed that several other water agencies had heard from the gentleman who obtained the patent and noted one of them had actually paid him for his services.

- 3. Wilson v. Watermaster
Counsel Fife informed the Committee members this case has been settled and noted there was an additional handout on the back table.
- 4. Hearing Date For Approval Of DYY Storage Agreement
Counsel Fife confirmed the filing of the Dry Year Yield Storage Agreement pleading with the court on May 12, 2004 and stated the hearing is set for June 24, 2004. Noting Inland Empire Utilities Agency and Three Valleys Municipal Water District have now approved the Agreement and once the court approves it Watermaster will also sign it. Additionally, Counsel Fife anticipates all to go well in regards to the court approving this agreement.

Added:

- 5. Chino Land and Water Case
Counsel Fife informed the Committee that the Chino Land & Water case which was submitted to the Supreme Court was denied to be heard by the Supreme Court.

B. CEO/STAFF REPORT

- 1. Discuss Draft Recharge Operating Plan
Mr. Rossi presented the draft operating plan for recharge and asked the Committee to turn to page 151 of the packet for review. Mr. Rossi noted this has been a challenging year due to the 23,600 acre feet of requirement to recharge water, 6,500 acre feet of that for the MZ1 Peace Agreement requirement, the other 16,600 is the replenishment obligation for over pumping from the prior year. One of the challenges was a direct result from the fires and then the Christmas day storm bringing a lot of silt and ash down into the basins, taking Montclair off line which is where the majority of recharge occurs. Mr. Rossi reviewed the table discussing the conjunctive use plan for the new Dry Year Yield (DYY) Metropolitan Water District (MET) program and the replenishment deliveries in detail. Mr. Rossi agrees Watermaster should obtain as much wet water as we can because of the benefits to the basin. Discussion ensued regarding the cyclic account as well as safe yield issues. The question of whether or not we are going to start taking losses on storage and cyclic accounts in the near distant future was presented. Mr. Rossi stated the Peace Agreement calls for September 2005 as the date for which losses should start taking place, although, Watermaster must analyze and make a recommendation first. This particular item is being discussed through the Attorney/Manager meetings. A discussion and several comments were received regarding losses.
- 2. Discuss the Draft Chino I and Chino II Desalter Projects Groundwater Monitoring and Mitigation Plan
Mr. Rossi commented this was the Chino Basin Desalter Authority's Draft plan and that Tom O'Neil of Jurupa Community Service Department was contacted to put together a presentation at the Pool meetings in June to fully explain all aspects of this plan. Mr. Rossi stated that the Agricultural Pool Committee Members were very interested in this plan at the last Pool meeting and had requested a full presentation be made with this regard. Mr. Rossi noted this item will be on the Agenda for next month.

- Added:
- 3. Discuss the Rialto Emergency Pipeline Shutdown
Mr. Rossi reviewed the information given at the Advisory Committee meeting regarding the Rialto Pipeline Emergency Shutdown and noted there was a handout on the back table also regarding this issue. Mr. Rossi stated, Three Valleys Municipal Water District and Inland Empire residents are being asked to have all non-essential water use suspended during the pipeline shutdown for emergency repairs on the major water line to begin June 7, 2004.

IV. POOL MEMBER COMMENTS

Chair Neufeld thanked Mr. Rossi for a job well done and said that even though we are going to give Mr. Rossi a formal presentation and have a recognition luncheon shortly, he wanted to invite any of the Board members to say something to John. A round table of thanks was noted.

V. OTHER BUSINESS

No comment was made regarding this item.

A break for the recognition lunch was taken at 11:55 a.m.

The Watermaster Board along with the Chairs of the Appropriative, Non-Agricultural, and Agricultural Pool reconvened for the purpose of holding the Confidential Session which was called to order by Chair Neufeld at 12:42 p.m.

VI. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster Board meeting for the purpose of discussion and possible action regarding Personnel Matters and/or Potential Litigation.

The Watermaster Board meeting was reconvened at 2:00 p.m.

The following seven items are the outcome from the confidential session.

- 1) Appoint Sheri Rojo as Chief of Watermaster for the interim
 - a. Negotiate with the Personnel Committee on terms & compensation
- 2) Robert Neufeld, Bob Kuhn, and Terry Catlin to assist the Chief of Watermaster
- 3) Legal Counsel to coordinate filling the CEO position
- 4) Complete search for CEO with a maximum of 3 interviews
- 5) Complete in 90 days
- 6) Consult with Advisory Committee on succession plan and fiscal impact
- 7) Visit the check signing requirements to reduce by one level

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

Moved to approve the recommendations by way of the Confidential Session, as presented

VII. FUTURE MEETINGS

May 24, 2004	11:00 a.m.	Attorney/Manager Meeting @ BB&K
May 27, 2004	9:00 a.m.	Advisory Committee Meeting
	11:00 a.m.	Watermaster Board Meeting
June 2, 2004	12:00 p.m.	Attorney/Manager Meeting @ BB&K
June 9, 2004	9:00 a.m.	Attorney/Manager Meeting @ BB&K
June 10, 2004	3:00 p.m.	Appropriative & Non-Agricultural Pool Meeting
June 17, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
June 24, 2004	9:00 a.m.	Advisory Committee Meeting
	11:00 a.m.	Watermaster Board Meeting

The Watermaster Board Meeting Adjourned at 2:45 p.m.

Secretary: _____

Minutes Approved: _____