

Minutes
CHINO BASIN WATERMASTER
**ANNUAL MEETING OF THE
NON-AGRICULTURAL POOL**
January 16, 2003

Non-Agricultural Pool annual meeting was held at the offices of the Chino Basin Watermaster, 8632 Archibald Ave., Suite 109, Rancho Cucamonga, CA, on January 16, 2003 at 8:30 a.m.

NON-AGRICULTURAL POOL MEMBERS PRESENT

Steve Arbelbide	California Steel Industries, Inc.
Vic Barrion	Reliant Energy, Etiwanda LLC

Watermaster Staff Present

John Rossi	Chief Executive Officer
Traci Stewart	Chief of Watermaster Services
Sheri Rojo	Finance Manager
Mary Staula	Recording Secretary/Administrative Assistant

Others Present

None

The Non-Agricultural Pool meeting was called to order at 8:45 a.m.

AGENDA - ADDITIONS/REORDER

None

RECOGNITION OF SERVICE

Steve Arbelbide, California Steel Industries Inc.

Staff expressed appreciation to Mr. Arbelbide for dedicating so much time and effort to Watermaster activities for ten years. During the last five years, Mr. Arbelbide served concurrently on the Non-Agricultural Pool, Advisory Committee, Watermaster Board, and various committees/sub-committees. Mr. Arbelbide will no longer be able to dedicate the amount of time required to represent the Non-Agricultural Pool at the various levels, but will participate when possible.

I. ANNUAL ELECTIONS

A. Calendar-Year 2003 Non-Agricultural Pool Officers

The following members were elected to serve as officers of the Non-Agricultural Pool during calendar year 2003.

Chair	<u>Vic Barrion, Reliant Energy, Etiwanda LLC</u>
Vice-Chair	<u>James Jenkins, SB County Department of Airports</u>
Secretary	<u>/Treasurer Watermaster Chief Executive Officer</u>

B. Calendar-Year 2003 Advisory Committee Members

The following members were nominated to represent the Non-Agricultural Pool on the Advisory Committee during calendar year 2003. This item will be rescheduled for further discussion and selection of alternates at the next Non-Agricultural Pool meeting, February 13, 9:30 a.m.

Member: Vic Barrion, Reliant Energy, Etiwanda LLC Alternate: _____ (to be determined)

Member: James Jenkins, SBC Dept. of Airports Alternate: _____ (to be determined)

Member: Steve Arbelbide, California Steel Industries Alternate: _____ (to be determined)

C. Calendar-Year 2003 Advisory Committee Officers

Based on the rotation sequence established among the pools, the Non-Agricultural Pool Chair was elected to serve as Vice-Chair of the Advisory Committee during Calendar-Year 2003.

Overlying (Agricultural) Pool	Chair	_____
Overlying (Non-Agricultural) Pool	Vice-Chair	<u>Vic Barrion</u>
Appropriative Pool	2 nd Vice-Chair	_____

D. Calendar-Year 2003 Pool Representation on Watermaster Board

The Chair of the Non-Agricultural Pool was appointed to serve on the Watermaster Board during Calendar-Year 2003. The alternate Board member has not been determined.

Board Member: Vic Barrion, Reliant Energy, Etiwanda LLC/Non-Agricultural Pool

II. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Joint Meeting of the Non-Agricultural Pool, Appropriative Pool and Advisory Committee held December 12, 2002

B. FINANCIAL REPORTS

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

C. INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2002

D. NOTICE OF INTENT TO CHANGE OPERATING SAFE YIELD OF CHINO BASIN (pursuant to Judgment Exhibit 1 Paragraph 2(b))

Submitted annually in order to preserve the opportunity to change the operating safe yield of Chino Basin

E. RESOLUTION 03-01, AUTHORIZING AND DESIGNATING SIGNATORIES OF DEPOSITORY AGREEMENTS, DEPOSITORY CARDS AND DEPOSITS, TRANSFERS AND WITHDRAWALS OF FUNDS

Submitted annually to authorize and designate signatories for financial transactions

F. WATER TRANSACTION

Lease of Water Production Rights from the City of Pomona to the Fontana Water Company in the amount of 2,500 acre-feet for fiscal year 2002-03 (Noticed December 11, 2002)

G. DRAFT TWENTY-FIFTH ANNUAL REPORT

Included separately for filing with the court by January 31, 2003

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

Abstention by Arbelbide on Consent Calendar Item A only

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

III. BUSINESS ITEMS

A. MAXIMUM BENEFIT ANALYSIS

The contract for Risk Sciences to perform the Maximum Benefit Analysis was previously approved through the Watermaster process. Mr. Rossi explained that additional administrative costs were incurred by the Santa Ana Watershed Project Authority (SAWPA) to assist with this effort. Staff was requesting an additional \$17,000 to pay the costs for SAWPA to attend meetings and assist with the presentation of the concept. Included in that amount is the annual \$2,000 for Watermaster participation in the TIN/TDS Task Force. Discussions continued regarding the monetary and recharge benefits that will be derived from the maximum benefit concept once applied. It has been approved by the Regional Water Quality Control Board (RWQCB) and is pending approval by the State Board.

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

Moved to approve payment of the additional \$17,000 administrative costs incurred toward the Maximum Benefit Concept.

IV. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney/Managers Meeting(s)

Mr. Rossi noted that an Attorney/Managers Meeting has been scheduled for 1:00 p.m., January 29, at Watermaster. In addition to Items 2, 3 and 4 below, the Dry Year Yield Project will be discussed in detail at that meeting.

2. Colonies Project, Recharge Related Issues

Mr. Rossi said the Regional Water Quality Control Board issued a Stop Work Order on the Colonies Project pending the issuance of a Waste Discharge Permit. The lawsuit filed by Cucamonga County Water District has been stayed to June 30, 2003 pending negotiations over the recharge issue. Watermaster General Legal Counsel has been asked to monitor this issue and advise staff of any updates.

3. Niagara Bottling Company

Niagara Bottling Company (Niagara) has produced approximately 300 to 400 acre-feet of water per year from an on-site well but has never intervened into the Judgment. At the

Watermaster meetings held last December, General Legal Counsel was asked to explore the most appropriate method to ensure that Niagara petitions to intervene. Niagara has not attempted to work with Watermaster in this regard and their legal counsel has advised them that intervention is not necessary. Mr. Rossi provided copies of correspondence from Watermaster to Niagara, from Wayne Lemieux (Niagara's legal counsel) to Watermaster, and Hatch & Parent's response to Mr. Lemieux' letter.

4. Chino Land & Water, SBSC Case No. RCV 064284

Attorneys for Lewis Investment Company, LLC filed a Notice of Hearing of Demurrer; Demurrer; Memorandum of Points and Authorities in Support Thereof; Request for Judicial Notice; and Amended Proof of Service for hearing on February 6, 2003. Mr. Rossi said that this could bring Watermaster and all the parties back into the case. Watermaster General Legal Counsel will attend the hearing and provide an update at the February meetings.

B. CEO/STAFF REPORT

1. Watermaster Project Meeting Updates

▪ **MZ1 Program**

The Technical Committee met last week and will meet again next week to review the budget and prioritize projects.

▪ **MWD Dry Year Yield Program**

The Dry Year Yield Committee met this week. A Master Agreement has been developed between Chino Basin Watermaster, Inland Empire Utilities Agency and Metropolitan Water District. At the next meeting, they plan to discuss retail agreements, equitable allocation of funds, etc.

2. Watermaster Administrative Updates

▪ **Montclair Basins-Spreading (6500 AF)**

Mr. Rossi reported that the Watermaster has fulfilled its commitment to spread 6500 acre-feet of water in the Montclair Basin for FY 2002-03.

3. Other Updates

- Senator Soto's Legislation

V. POOL MEMBER COMMENTS

Mr. Arbelbide said that although he is resigning from full participation, he is 100% supportive of Watermaster activities. His wish was that more Non-Agricultural Pool producers would become involved, experience the tremendous amount of good things being accomplished, and develop an understanding of the value of water management and how their industries can benefit.

VI. OTHER BUSINESS

It was recommended to schedule the Non-Agricultural Pool meeting at 9:30, February 13, just prior to the joint meeting with the Appropriative Pool to continue discussing Non-Agricultural Pool appointments and alternates.

VII. FUTURE MEETINGS

February 13, 2003	9:30 a.m.	Non-Agricultural Pool (added)
	10:00 a.m.	Joint Meeting of the Non-Agricultural & Appropriative Pool
	1:00 p.m.	Agricultural Pool Meeting
February 27, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

Chair Barrion adjourned the meeting at 9:20 a.m.

Secretary

Approved: _____ April 10, 2003

