

**Minutes**  
CHINO BASIN WATERMASTER  
**Joint Meeting**  
**Appropriative Pool & the Non-Agricultural Pool**  
*June 12, 2003*

A meeting of the Appropriative Pool was held at the offices of the Chino Basin Watermaster, 8632 Archibald Ave., Suite 109, Rancho Cucamonga, CA, on June 12, 2003, 2003 at 10:00 a.m.

**APPROPRIATIVE POOL MEMBERS PRESENT**

Mohamed El Amamy, Acting Chair	City of Ontario
Gerald Black	Fontana Union Water Company
Ron Craig	City of Chino Hills
Dave Crosley	City of Chino
Raul Garibay	City of Pomona
Mark Kinsey	Monte Vista Water District
Mike McGraw	Fontana Water Company
J. Arnold Rodriguez	Santa Ana River Water Company
Bill Stafford	Marygold Mutual Water District
Ray Wellington	San Antonio Water Company
Ken Waring	Jurupa Community Services District

**NON-AGRICULTURAL POOL MEMBERS PRESENT**

Vic Barrion	Reliant Energy, Etiwanda LLC
-------------	------------------------------

**Watermaster Consultants Present**

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental, Inc.

**Watermaster Staff Present**

John Rossi	Chief Executive Officer
Sheri Rojo	Accounting/Office Manager
Mary Staula	Recording Secretary
Devonya Williams	

**Others Present**

Rita Kurth	Cucamonga County Water District
Josephine Johnson	Monte Vista Water District
Henry Pepper	City of Pomona
Jerry Thibeault	Regional Water Quality Control Board

Alternate Chair El Amamy called the meeting to order at 10:10 a.m.

Mr. Rossi announced that Bob DeBerard, Chair of the Agricultural Pool, passed away early this morning. A moment of silence was observed to commemorate Bob.

Mr. Rossi reported that Ken Jeske, Appropriative Pool Chair, and Robert DeLoach, Appropriative Pool Vice-Chair, would be attending funeral services for Ed Bederman (spelling please!) this morning. Additionally, condolences went to Mary for the loss of her father last week.

Mr. Rossi thanked Mohamed El Amamy for standing in as Chair of the pool.

**AGENDA - ADDITIONS/REORDER**

Mr. Rossi requested the minutes under Item A of the Consent Calendar be pulled for correction. He also called attention to the "Revised Agenda" adding Item F. under Business Items.

**I. CONSENT CALENDAR****A. MINUTES**

*Draft Minutes - Meeting of the Pool Members held April 10, 2003 were pulled for correction.*

**B. FINANCIAL REPORTS**

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

**C. WATER TRANSACTIONS**

1. 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. (*Notice Mailed May 21, 2003*)
2. Sale or Transfer of Right to Produce Water from Storage from Cucamonga County Water District to Fontana Water Company in the amount of 10,000 acre-feet. (*Notice Mailed May 22, 2003*)

**D. WATERMASTER STATUS REPORT NO. 7**

Consider authorization to staff and legal counsel to file Status Report No. 7 with the court.

**E. CONSIDER CONTRACT WITH USGS FOR STREAMFLOW MEASUREMENTS**

Consider approval of a contract with USGS for \$32,500 to perform necessary measurements.

Motion by Mr. Rodriguez, second by Mr. McGraw, and by unanimous vote

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

**II. BUSINESS ITEMS****A. FISCAL 2003-2004 WATERMASTER BUDGET**

Mr. Rossi provided the Proposed FY 03-04 Watermaster Budget in May for review and comment. The FY 03-04 Watermaster Budget was presented today for recommended adoption. He pointed out that the FY 03-04 budget is within 1-2% of the same total expenditures as the FY 02-03 budget. Additionally, there are several significant additions to the budget in terms of activities: 1) operations & maintenance related costs for the Recharge Program, 2) the Hydraulic Control Monitoring Program, 3) the Inactive Well Program, and 4) costs relative to the Water Quality Committee efforts.

Motion by Kinsey, second by Garibay, and by unanimous vote

***Moved, to recommend approval of FY 03-04 Watermaster Budget, as proposed.***

**B. CONSIDER REQUEST FROM MONTE VISTA WATER DISTRICT FOR REVIEW OF COST APPORTIONMENT RELATED TO OBMP SALT CREDITS**

Mr. Rossi referenced the letter from Monte Vista Water District on page 107 regarding cost apportionment of OBMP salt credits. Staff has been working for some time on a Maximum Benefit Proposal using California Water Code section 13241 and other criteria to establish TDS and TIN objectives in the Chino Basin.

In May, the Mr. Kinsey, Monte Vista Water District (MVWD), expressed concern that the proposed Basin Plan Amendment could alter the apportionment of future salt credits. The members of the Appropriative Pool scheduled a special meeting on May 21 to continue discussing MVWD's concern. No action was taken on May 21. Instead, staff was directed to schedule the item for further discussion at the June Appropriative Pool meeting. The enclosed letter from MVWD requesting a review of this issue was presented to the Watermaster Board on May 29. The Watermaster Board directed staff and Legal Counsel to gather information and prepare a white paper on this matter for further review.

Mr. Kinsey said that MVWD believes the appropriators who do not provide sewer service will be required to provide specific support to OBMP programs that will uniquely benefit the appropriators who do provide sewer service. They also believe that the Peace Agreement and OBMP were approved by the parties with the understanding that costs and benefits of salt mitigation programs would be apportioned fairly. They are preparing a cost/benefit analysis for presentation to Watermaster.

Mr. Rossi confirmed that staff and Legal Counsel will gather as much background as possible to prepare the white paper as requested and continue this dialogue in July. Mr. Wellington requested consideration as to how this particular issue, one element of the OBMP, might integrate and relate with other issues, recognizing the total objective is to have a well managed basin. The Regional Board has scheduled a Basin Plan Amendment workshop for August 22 and a hearing in October.

Discussion will continue in July; no action taken.

**C. BALANCE OF RECHARGE & DISCHARGE IN ALL AREAS; DETERMINATION OF OPERATING STORAGE & SAFE STORAGE; AND THE CUMULATIVE IMPACT OF TRANSFERS**

Mark Wildermuth gave a presentation to the committees last month regarding the subject items. He briefly reviewed the same information previously provided and presented additional details. Mr. Rossi committed to bring this item to the Board this month for discussion and input toward the final recommendation to the Court on July 1.

A brief discussion followed; no action taken.

**D. WATER QUALITY COMMITTEE RECOMMENDATIONS**

The Water Quality Committee selected Mr. DeLoach as Committee Chair. The Committee met twice to formulate objectives that are unanimously recommended for adoption. The objectives are listed in staff's recommendation on page 112 and again on page 114 of the meeting package.

During the next couple of meetings, the Committee members anticipate working with Watermaster staff and Wildermuth Environmental, Inc. on specific water quality concerns such as perchlorate, mitigation objectives, Watermaster's role in effecting clean-up and identification of contaminate sources. Their intent is to meet on a quarterly basis and provide the Pools, the Advisory Committee and the Watermaster Board with regular updates and reports.

Motion by Wellington, second by McGraw, and by unanimous vote

***Moved, to recommend adoption of the objectives formulated by the Water Quality Committee.***

**E. PRESENT FINDINGS ON MWD GROUNDWATER STORAGE ACCOUNT ANALYSIS**

The analysis of the MWD Groundwater Storage Account as part of the Dry Year Yield Program will be completed by August or September. Mark Wildermuth presented his findings. His staff looked at the reduction in water levels to determine if any material physical injury might result from the Dry Year Yield Program. They concluded there would be none. Regarding water quality, they looked at the major plumes in the Basin to determine if there would be a significant change in direction or speed from the Dry Year Yield Program as described and concluded there would be none. Finally, they looked at losses to the river and the losses were minimal. Based on these findings, no material physical injury will result from the Dry Year Yield Program.

The final report of findings will be distributed by the end of July and staff will bring the final report back in August for consideration of approval.

Action deferred to August.

**Added by Revised Agenda...**

**F. FUTURE EXPANSION OF CHINO 1 AND CHINO II DESALTERS** (Attached to revised agenda)

- 1) Determination of interest by members of the Appropriative Pool with respect to the future purchase of water from Chino I and Chino II Desalters.
- 2) If direct connections to other Appropriators are not presently cost-effective or not desirable for other reasons, expanding the capacity of the desalters for purposes of enabling in-lieu exchanges rather than by direct deliveries.
- 3) The process for determining whether water produced from the expansion of the desalters will be subject to a replenishment water obligation.

Jurupa Community Services District sent a letter to Watermaster on behalf of the Chino Desalter Authority asking Watermaster to consider various issues and opportunities before constructing new desalter pipelines. Incremental costs for pipeline construction is fairly small in the big picture and it would be advantageous to consider opportunities now rather than later, such as whether to over-size for the benefit of other OBMP programs. Both the raw waterside and the discharge side of the conveyance pipeline should be taken into consideration.

Mr. Rossi would like to get engineering consultants together to correlate questions and bring a detailed analysis back through the process. They would try to match up pipeline and location elements, costs, sizes, etc. Before he moves forward, he wanted to see if this is something the committee members would want staff to look at. He felt this would be a missed opportunity if Watermaster doesn't look at it now. The Committee members concurred.

No action required at this time.

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Santa Ana Application Protests  
Counsel Fife reported that 30 days has been given to respond to the four protests filed on Watermaster's application to ensure the rights of Watermaster and the Chino Basin parties to appropriate surface water are within the jurisdiction of the SWRCB. Three of the four protests do not represent a problem. The Department of Fish and Game (DFG) protest will require a response. DFG has expressed concerns that the proposed projects may result in direct and cumulative adverse impacts to the resources of the Santa Ana River basin. Watermaster believes that its project is unique compared to the others at

issue as extensive environmental analysis has already been conducted for the OBMP and the project will benefit the resources of the watershed.

2. June 5, 2003 Hearing  
The June 5 hearing resulted in two orders. The Court approved the Funding Agreement, the OBMP Status Report, the Annual Report and Intervention by Niagara.
3. Hearing re Cyclic Storage Agreement Amendment  
The Cyclic Storage Agreement was re-executed during the MWD Funding Agreement process. It will be submitted to the Court for approval.

**Added...**

4. The Judge has always encouraged Watermaster to use electronic service of documents. Staff has been doing that but the Judge would like to see it done in a more formal way.
5. In response to the status of the Chino Land & Water case, Counsel Fife reported that the case is still up in the air. The plaintiff will appeal but Counsel does not know when.
6. With regard to the case involving recharge in Cucamonga Basin and its relationship to Chino Basin, Counsel explored all avenues but did not find an appropriate one for joining in the case. Cucamonga County Water District's lawsuit has been stayed to June 30.

**B. CEO REPORT/UPDATES**

1. DWR Grant Application  
Mr. Rossi reported that Watermaster received the grant application (\$77 million available for conjunctive-use programs) and filed it last week. We should hear something by late fall.
2. SAWPA "Integrated Project of the Year" Award  
Mr. Rossi attended an awards banquet held by SAWPA last week. Watermaster and IEUA received the "Integrated Project of the Year" award for its work on the OBMP
3. MWD Long Term In-Lieu Storage Program Filing  
Watermaster met MWD's deadline for filing the operating plans for the new Long Term In-Lieu Storage Program. Water will be available on July 1. Mr. Rossi and Mr. Atwater have discussed turning on the San Sevaine connection to accept additional water if an opportunity presents itself. Watermaster could take water to meet its replenishment obligation, to put into the cyclic or trust storage account, or to roll into the dry year yield account. Mr. Wellington asked if this would be a good opportunity to purchase water to store and enhance Watermaster's overall position and if so, what would staff's recommendation be? Mr. Rossi said he would follow-up and report on the different program elements and opportunities at the meetings in July.
4. Storage & Recovery Project Update  
A Storage & Recovery Meeting was held June 11. Dave Argo is compiling a summary of work on Watermaster projects accomplished this past year. Also, Watermaster has an opportunity to work on a storage agreement with a third party, Castaic Lake Water Agency (CLWA). CLWA currently has water and capital connection fees available for a project. Additionally, there would be a 10-15 year horizon for returning the water to them. Staff is very interested in entering negotiations with CLWA and bringing back a term sheet for review in July.

Until further notice, Storage & Recovery Workshops will be held monthly at 8:30 a.m. just prior to 10:00 a.m. Appropriative Pool meetings. The next meeting will be on July 10. Black & Veatch is looking at facilities available for storage and recovery, at the opportunity with Castaic, and at the body of work that has been accomplished to date, in order to compile a report. The workshops will help develop a consensus of the document and help staff and counsel develop an understanding of what can be brought to the table to a third party in terms of a storage and recovery project, what the shift obligations are, what the time frames are, what storage capacities are available, etc. Staff would also like to deliver a

report that stipulates boundaries for a Storage and Recovery project, i.e. water quality considerations, hydraulic considerations, future capacity considerations, constraint on shifting from treatment plants on or off to groundwater basins, etc.

**C. OTHER AGENCY REPORTS**

Next week's Advisory Committee agenda will be amended to include a presentation by Mark Wildermuth on the MZ-1 Monitoring Program.

Reminder, the Advisory Committee and the Watermaster Board meetings were moved up one week to June 19.

A signing ceremony for the Dry Year Yield Project between Metropolitan Water District, Three Valleys Municipal Water District, Inland Empire Utilities Agency and Chino Basin Watermaster will take place at the Watermaster Board meeting next week.

Notice will be sent as soon as staff receives information regarding services for Bob DeBerard.

**IV. COMMITTEE MEMBER COMMENTS**

None

**V. OTHER BUSINESS**

*For the record, the Non-Agricultural Pool concurred with the actions taken by the Appropriative Pool at this meeting.*

**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

Acting Chair El Amamy adjourned the meeting at 11:50 a.m.

\_\_\_\_\_  
Secretary

Minutes Approved: July 17, 2003