

Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL
POOL MEETING

June 10, 2004

The Joint Appropriative and Non-Agricultural Pool Meeting were held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on June 10, 2004 at 3:00 p.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Dave Crosley, Vice-Chair	City of Chino
Mohamed El-Amamy	City of Ontario
Raul Garibay	City of Pomona
Mark Kinsey	Monte Vista Water District
Bill Stafford	Marygold Mutual Water Company
Gerald Black	Fontana Union Water Company
Rita Kurth	Cucamonga Valley Water District
Rich Atwater	Inland Empire Utilities Agency

NON-AGRICULTURAL POOL MEMBERS PRESENT

Justin M. Scott-Coe	Vulcan Materials Company
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Watermaster Staff Present

Sheri Rojo	Chief of Watermaster/Finance Manager
Gordon Treweek	Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Legal Counsel Present

Michael Fife	Hatch & Parent
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Watermaster Consultants Present

Mark Wildermuth	Wildermuth Environmental Inc.
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Others Present

Josephine Johnson	Monte Vista Water District
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Chair Crosley called the meeting to order at 3:05 p.m.

AGENDA - ADDITIONS/REORDER

No additions or reorder to the calendar was noted.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Joint Appropriative and Non-Agricultural meeting held May 13, 2004

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2004
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through April 30, 2004
3. Treasurer's Report of Financial Affairs for the Period April 1 through April 30, 2004
4. Profit & Loss Budget vs. Actual July 2003 through April 2004

C. WATER TRANSACTION

1. Consider Approval for Transaction of Notice of Sale or Transfer from Cucamonga Valley Water District to Fontana Water Company in the Amount of 2,500 acre-feet; Date of Application: April 8, 2004
2. Consider Approval for Transaction of Notice of Sale or Transfer from The Nicholson Trust to Fontana Water Company in the Amount of 6,475 acre-feet; Date of Application: April 7, 2004
3. Consider Approval for Transaction of Notice of Sale or Transfer from The City of Chino to The City of Ontario in the Amount of 5,600 acre-feet; Date of Application: April 20, 2004
4. Consider Approval for Transaction of Notice of Sale or Transfer from Cucamonga Valley Water District to Fontana Water Company in the amount of 2,500 acre-feet; Date of Application: May 14, 2004
5. Consider Approval for Transaction of Notice of Sale or Transfer from Jurupa Community Services District to The City of Ontario in the Amount of 3,000 acre-feet; Date of Application: April 20, 2004
6. Consider Approval for Transaction of Notice of Sale or Transfer from Santa Ana River Water Company to Jurupa Community Services District; Date of Application: May 12, 2004

D. COST OF LIVING ADJUSTMENT (COLA)

Consider Approval for 2.5% COLA included in the FY 2004-05 Budget, beginning July 1, 2004

Motion by Garibay, second by El-Amamy, and by unanimous vote

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

II. BUSINESS ITEMS

A. CONSIDER COOPERATIVE MONITORING AGREEMENT BETWEEN IEUA AND WATERMASTER FOR BASIN MONITORING ACTIVITIES

Ms. Rojo referred to page 109 of the packet noting there were no changes other than to Table 1 on page 121; those changes were for the operating and maintenance costs on an annual basis. The question of what changes were made to Table 1 was presented. Ms. Rojo informed the Committee that some of the costs for analyzing ground water had adjustments made to them which in turn brought the bottom line of costs down. A question regarding the allocation of Title 22 was presented. Ms. Rojo and Mr. Atwater gave a detailed response indicating that the OBMP requires monitoring within the basin and that there are costs benefits in the coordination of our joint efforts. A brief discussion ensued with regard to testing and costs. It was noted on page 110 of the staff report that there was an inconsistency in the amount reported to be required for the capital construction. The discrepancy was noted; the amount should read 1.5 million, noting this adjustment will be made to the staff report.

Motion by El-Amamy, second by Kinsey, and by unanimous vote

Moved to approve the Cooperative Monitoring Agreement between IEUA and Watermaster for Basin Monitoring Activities, as presented

B. CONSIDER DRAFT RECHARGE OPERATING PLAN

Ms. Rojo presented the updated Recharge Operating Plan noting the figures were changed from estimated to actual water received per month through the month of May. Ms. Rojo stated this was an accounting update only. The question was presented if this item required action. Ms. Rojo informed the Committee a discussion took place last month in regard to the estimated replenishment obligation during the current fiscal year. Ms. Rojo commented that in the past 100% was taken out of the cyclic account to make up the difference, although, a proposal of only taking half out of cyclic now and the other half from wet water this winter was presented in a discussion last month. Mr. Kinsey offered comment, that as we get closer to December, we could analyze our wet water replenishment progress. In December, any short-fall to this

replenishment obligation could be purchased from Watermaster's cyclic account before next years rate increase for purchase. A discussion ensued with regard to the Judgment, wet water recharge, and replenishment requirements. Mr. Atwater added comment that Watermaster is required to submit an annual operating plan to MWD. Mr. Atwater stated that MWD realizes it would be submitted in draft form and subject to change; however, noting it had to be done shortly.

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

Moved to direct Watermaster staff and IEUA staff to develop an operating plan for the upcoming fiscal year and bring that back to the July meeting

III. REPORTS/UPDATES

A. **WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Attorney/Manager Meetings

Counsel Fife stated Monte Vista Water District had agreed to the request for a continuance of their June 24th hearing for their case regarding Watermaster. Counsel Fife noted this decision was based on the progress being made during the continued Attorney/Manager meetings.

2. Santa Ana River Application Process

Counsel Fife reported that last week OCWD put out a draft Environmental Impact Report (EIR) for their application for the 500,000 acre-feet out of the Santa Ana River. There is a public hearing on July 7th with regard to that issue; noting the deadline for comments will be one week after the meeting. Watermaster will comment on the draft EIR and will make an appearance at that meeting.

B. **STAFF REPORT**

1. Update on the Draft Chino I and Chino II Desalter Projects Ground Water Monitoring and Mitigation Plan

Ms. Rojo introduced Mr. Tom O'Neil from Jurupa Community Services District/Chino Basin Desalter Authority who will be giving a presentation on the Chino Desalter Comprehensive Ground Water Monitoring and Mitigation Plan (CGWMMP). Mr. O'Neil reviewed the presentation overview stating the presentation will cover the following items; 1) Background and Purpose of the CGWMMP, 2) Describe Monitoring Network in the CGWMMP, which include Watermaster wells and CDA wells, 3) Discuss the Monitoring Frequency, 4) Emergency Response and Mitigation, 5) Technical Review Team, and 6) Other Issues. Mr. O'Neil covered all six topics in detail and asked if there were any questions. The question of response times and what is considered to be an emergency for water was presented. Mr. O'Neil assured the Committee that the CDA will take immediate action to get water to the needed source. A discussion regarding how water gets to the needed source, investigation times, and reimbursement for costs took place.

2. MWD Refund for Water Sales from 2002/2003 of \$188,113.38

Ms. Rojo explained this item was for information purposes only and that the parties who actually had purchased water either from cyclic purchases or replenishment water purchases would receive a portion of this refund. Ms. Rojo noted on page 187 of the packet was a breakdown on who would receive a refund. It was noted there was some rounding differences from page 187 to page 188 for reference.

3. \$132,000 Reimbursement from MWD – Per The Dry Year Yield Funding Agreement

Ms. Rojo noted this item was for information purposes only and wanted to inform the Committee that Watermaster will be sending out a bill to Metropolitan Water District (MWD) soon. Ms. Rojo affirmed that according to the terms of the DYY funding agreement Watermaster is allowed to bill MWD \$132,000 a year as reimbursement of administrative expenses related to the management of the Dry Year Yield program fee per the contract, nothing due to inflation this figure will increase every year.

4. Update Regarding the Recharge Improvement Project

Mr. Treweek gave the Chino Basin Facilities Improvement Project March 2003 – March 2004 presentation. The discussion topics covered for the presentation was 1) Budget and Schedule, 2) Immediate Concerns, 3) On-Going Projects, and 4) Future Projects. Mr. Treweek reviewed construction budget statuses for Bid Package 1 through 7 for a total budget of \$32,000,000. An analysis of construction schedules was examined including excavation, connection, force main, pump station, monitoring, imported supply, and flexibility. Mr. Treweek discussed the immediate concern with regard to imported water recharge. A few questions were presented to Mr. Treweek with regard to recharge and a brief discussion ensued.

5. Meeting Time

Ms. Rojo offered the Committee members an earlier time to hold the meeting. It was decided that the meetings will be held at 9:00 a.m. starting July 8, 2004.

IV. INFORMATION

1. Black & Veatch Technical Memorandum – Agricultural Land Conversion Study

Counsel Fife stated that Mr. Rossi asked Black & Veatch to perform this study as we went into the attorney manager process where there had been discussions regarding the desalters. There was expressed desire to acquire technical information concerning the rate of Agricultural leaving the southern end of the basin Counsel stated. A discussion regarding this study ensued and Ms. Rojo commented this handout was included in the agenda package for informational purposes only at this time.

V. POOL MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

VIII. FUTURE MEETINGS

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 16, 2004	1:00 p.m.	MZ1 Technical Committee Meeting
June 24, 2004	9:00 a.m.	Advisory Committee Meeting
	11:00 a.m.	Watermaster Board Meeting

The Joint Appropriative & Non-Agricultural Pool Meeting Adjourned at 4:13 p.m.

Secretary: _____

Minutes Approved: August 12, 2004