

Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL
POOL MEETING
February 12, 2004

The joint Appropriative and Non-Agricultural Pool Meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on February 12, 2004 at 3:00 p.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Dave Crosley, Vice-Chair	City of Chino
J. Arnold Rodriguez	Santa Ana River Water Company
Mohamed El-Amamy	City of Ontario
Rich Atwater	Inland Empire Utilities Agency
Raul Garibay	City of Pomona
Mark Kinsey	Monte Vista Water District
Rita Kurth	Cucamonga County Water District
Mike McGraw	Fontana Water Company
Carole McGreevy	Jurupa Community Services District
Ray Wellington	San Antonio Water Company
Bill Stafford	Marygold Mutual Water Company

NON-AGRICULTURAL POOL MEMBERS PRESENT

Justin M. Scott Coe	Vulcan Materials Company
Michael Thies	Space Center Mira Loma

Watermaster Staff Present

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

Watermaster Legal Counsel Present

Michael Fife	Hatch & Parent
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Others Present

Bob Thompson	Senator Nell Soto, Representative
Mark Gage	Geomatrix/GE
Gerald J. Thibeault	Regional Water Quality Control Board
Josephine Johnson	Monte Vista Water District

Vice-Chair Crosley called the meeting to order at 3:00 p.m.

AGENDA - ADDITIONS/REORDER

It was asked that section III REPORTS/UPDATES, under B. CEO/STAFF REPORT, item 1 be presented prior to II BUSINESS ITEMS due time constraints for Mr. Wildermuth.

I. **CONSENT CALENDAR**

A. **MINUTES**

1. Minutes of the Non-Agricultural Pool meeting held January 15, 2004

2. Minutes of the Appropriative Pool meeting held January 15, 2004

B. FINANCIAL REPORTS

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

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

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

II. BUSINESS ITEMS

· REQUEST FROM CITY OF CHINO CREDIT AGAINST OBMP ASSESSMENTS (FORM 7)

Mr. Rossi commented that Mr. Wildermuth was requested to review the Peace Agreement and the Rules and Regulations regarding eligibility for credits against OBMP assessments. Mr. Rossi referenced page 33 of the packet regarding the Wildermuth Environmental, Inc. letter dated November 19, 2003 in an attempt to describe what type of projects, programs and activities could be eligible and the basis for this opinion. Mr. Rossi referred to page 34 regarding section 7.4 (c) (i) – (iii) of the Peace Agreement describing the process for funding of future desalters. Lastly, Mr. Rossi referred to page 36 for the Table 1 Initial List of Programs and Project for Form 7 Applications and briefly detailed both columns for comment. Discussion ensued and several questions and comments were received. Mr. Rossi stated that all comments were desired in order to move forward on this matter. Mr. Rossi asked that commentary and/or concerns are either faxed or emailed as rapidly as possible, furthermore he was looking forward to hearing feedback from Committee members. With that, it was determined that this item would be brought back for further discussion next month.

· DISCUSS ASSISTANCE TO REGIONAL WATER QUALITY CONTROL BOARD ON WATER QUALITY ANOMOLY SOUTH OF ONTARIO AIRPORT

Mr. Rossi stated that at the Water Quality Committee a great deal of discussion took place regarding this issue. Mr. Rossi also noted that this topic and a presentation were being brought back to the Agricultural Pool as requested on Tuesday, February 17, 2004. Mr. Rossi reiterated the suggestions by the Advisory Committee and the Watermaster Board last month and mentioned the Advisory Committee and Watermaster Board approved a \$25,000 cap towards this request with the stipulation that Watermaster would be recommended for reimbursement. However, both parties required a presentation by the Regional Board to clarify their position and to answer questions.

Mr. Thibeault of the Regional Board thanked the Appropriative and Non-Agricultural Pools for approving the consulting assistance to the Regional Board. Discussion ensued and Mr. Thibeault answered a few questions. Concerns noted from this discussion were 1) Is this kind of request going to be coming back to the Pools on a continuous basis? 2) Once the funds are approved to place a consultant with the Regional Board are more recommendations for money going to be presented to help in legal costs to persuade the PRP's to start clean up procedures? and 3) Will this request set precedence that the Pools will then fund other projects for the Regional Board?

Mr. Rossi stated that we are approaching this situation with caution and are in search of as much information as possible and are bringing this data back to the Committee and Board members to assist in making this decision.

BASIN PLAN AMENDMENT

Mr. Rossi reiterated what transpired at the January 22, 2004 RWQCB Public Hearing for consideration of the Basin Plan Amendment revised language. Legal council was tasked to review the revised language. Mr. Rossi commented that the revised language was believed to be written in a less stringent manner. The final document still needs to be prepared and once that has been completed the revised Basin Plan Amendment will be brought back to the next meeting for review.

Mr. Thibeault offered comment that he felt the Regional Board was very fair in its language revisions and that all parties should be pleased.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Update Regarding Proposed Dry Year Yield Storage Agreement with IUEA
Counsel Fife reported that the Dry Year Yield Storage Agreement with IEUA was progressing in a timely manner. Counsel met with the special referee on February 11, 2004 which was the finalization stage. Counsel anticipates bringing the final Agreement for approval to the Committee members in March.

B. CEO/STAFF REPORT

1. Mark Wildermuth Will Make a Presentation Regarding OBMP Progress through December 31, 2003
Mr. Rossi apologized for an absent Mr. Wildermuth who was not in attendance due to a family emergency. Mr. Rossi noted this item will be presented at both the Advisory meeting on February 26, and the Board meeting on March 1, for all interested parties.
2. Discuss MWD Rate Increase Proposal
Mr. Rossi stated that on February 9, 2004 at MWD's finance meeting Rich Atwater's comments were well received. Mr. Atwater commented that the basin manager worked with him on the impending rate increases. Noting there is no definitive decision at this time to comment on, however all parties will be kept apprised.
3. Update Regarding the Recharge Improvement Project
Mr. Rossi commented that one of the bid packages was rejected in order to save money. It will be going out for re-bids.
4. Update Regarding the Water Quality Committee Meeting of February 5, 2004
Mr. Rossi presented the topics that were discussed at the Water Quality Committee meeting and noted Dr. Rhodes Trussell gave a presentation on Regulation and Removal of Perchlorate. Mr. Treweek and Mr. LeClaire gave an update on the Water Quality Committee which included information on Kaiser Wells and current testing. Mr. Rossi noted that a second progress report would be coming out shortly.
5. Update Regarding Reimbursement of \$169,209 for Recharge Improvement Costs
Mr. Rossi informed the Committee about the reimbursement check received and felt that these funds needed to be placed in a reserve account until the 7th bid package was finalized.

Added: Mr. Rossi added that the MZ1 Technical committee had formed a workgroup to meet directly after the MZ1 meeting on Wednesday, March 10, 2004 for the Injection Well Demonstration Project (meeting will be held at City Hall in Chino).

5. Discuss Process of Establishing Future Desalter Ad Hoc Committee

Mr. Rossi stated he felt it might be necessary to form an Ad Hoc Committee to specifically deal with the future desalter implementation processes and asked the thoughts of the Committee members. It was noted there could be numerous negotiations on this issue and feed back was welcome. Mr. Rossi informed the Committee that he had met with Scott Slater three months ago to discuss issues and brainstormed on objectives and realities for upcoming desalter needs. A reminder was made that the Court must have a written outline for future desalters filed by September 2005 and that it would take approximately 6 to 9 months for the planning.

IV. INFORMATION

1. Refund of \$188,114.90 From MWD for Fiscal Year 2002/2003

Mr. Rossi informed the Committee that the refund had been received and Watermaster's portion was \$188,114.90 from Metropolitan Water District. Watermaster is analyzing the various ways to divide up the refund and Mr. Rossi commented that it should be equitably distributed. Further update will follow at the March meetings.

V. POOL MEMBER COMMENTS

No comments were received.

VI. OTHER BUSINESS

No comments were received.

VII. FUTURE MEETINGS

February 12, 2004	3:00 p.m.	Joint Appropriative & Non-Ag Pool Meeting
February 17, 2004	9:00 a.m.	Agricultural Pool Meeting
February 26, 2004	10:00 a.m.	Advisory Committee Meeting
March 1, 2004	1:00 p.m.	Watermaster Board Meeting
March 11, 2004	1:00 p.m.	Agricultural Pool Meeting
	3:00 p.m.	Joint Appropriative & Non-Ag Pool Meeting
March 25, 2004	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

The Joint Appropriative and Non-Agricultural Meeting Adjourned at 3:45 p.m.

Secretary: _____

Minutes Approved: March 11, 2004