

Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING
September 8, 2005

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 September 8, 2005 at 9:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Dave Crosley, Chair	City of Chino
Rita Kurth	Cucamonga Valley Water District
Raul Garibay	City of Pomona
Ken Jeske	City of Ontario
J. Arnold Rodriguez	Santa Ana River Water Company
Bill Stafford	Marygold Mutual Water Company
Charles Moorrees	San Antonio Water Company
Mike Maestas	City of Chino Hills
Mark Kinsey	Monte Vista Water District

NON-AGRICULTURAL POOL MEMBERS PRESENT

Justin Scott-Coe	Vulcan Materials Company (Calmat Division)
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Watermaster Staff Present

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	CFO/Asst. General Manager
Gordon Treweek	Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Josephine Johnson	Monte Vista Water District
Tom Love	Inland Empire Utilities Agency
Charlie Anderson	Scuba Duba Underwater Engineering
Randy Crawford	Scuba Duba Underwater Engineering
Scott Crawford	Scuba Duba Underwater Engineering

Chair Crosley called the meeting to order at 9:03 a.m.

AGENDA - ADDITIONS/REORDER

It was noted that the first item in the CEO/Staff Report (Wet Basin Maintenance Update) would be presented last.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Joint Appropriative and Non-Agricultural Pool Meeting held August 11, 2005

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of August 2005
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2005 through July 31, 2005
3. Treasurer's Report of Financial Affairs for the Period July 1, 2005 through July 31, 2005
4. Profit & Loss Budget vs. Actual July 2005

*Motion by Garibay, second by Maestas, and by unanimous vote – Non-Ag concurred
Moved to approve Consent Calendar Items A through B, as presented*

II. BUSINESS ITEMS**A. PRELIMINARY ANALYSIS OF MATERIAL PHYSICAL INJURY**

Mr. Manning stated in 2004 Inland Empire Utilities Agency (IEUA) had requested, an analysis of material physical injury be pursued relative to the Phase II Chino Basin Recharge Project. Included in the meeting packet is the report of the analysis as well as the conclusions. Mr. Wildermuth referenced Table I titled "Source Water Recharge Plan for the Chino Basin Recycled Water Groundwater Recharge Program" and offered comment on the Pre-Existing Project Basins, Phase I Recharge Project Basins, and Phase II Recharge Project Basins. Table I evaluated the Potential Basin Recharge per acre-foot (for Storm Water, Imported Water, and Recycled Water), Total Recharge Capacity, the Recycled Water Contribution, and the Composite Concentration per basin. A brief discussion ensued with regard to imported water. It was noted that the motion being requested for this item is to receive and file the IEUA application to implement Phase II Chino Basin Recycled Water Recharge Project. Mr. Wildermuth reviewed Figure 3 map which depicts projected recycled water migration at selected wells after five years of Phase I & II recycled water recharge. Mr. Wildermuth stated that the project as proposed by IEUA will not result in a material physical injury to the Chino Basin or other party provided that IEUA follows the permit conditions required by the Department of Health Services and the Regional Water Quality Control Board; and that Watermaster and IEUA plan their recharge very carefully to achieve the goals of the OBMP, the Peace Agreement and Basin Plan compliance. Mr. Kinsey inquired as to the schedule for the Title 22 Report and the public hearing with Department of Health Services. Mr. Love stated the public hearing date has been tentatively set for October 26, 2005. After a brief discussion regarding well location and strategy, committee members requested that this item be brought back for an update. It was requested that copies of the Department of Health Services comments be distributed to the committee members by IEUA. Mr. Jeske inquired into the discussions with the county regarding well permitting criteria. Mr. Love stated the county has on file where recycled water recharge is occurring or is planned and that information is in their review process. Mr. Garibay noted that the minutes need to reflect the concerns by the City of Pomona regarding the recharge of recycled water in Brooks Basin.

*Motion by Jeske, second by Kurth, and by unanimous vote – Non-Ag concurred
Moved to receive and file the analysis of material physical injury, as presented*

B. MOTION TO REAPPOINT BOARD FOR ANOTHER FIVE YEAR TERM – POSSIBLE ACTION

Mr. Manning stated this item was presented to this committee as an information item on the August agenda and was sent through the Pools, Advisory Committee, and the Watermaster Board. At those meetings it was noted there was an anticipation date of September to present this item to the court. Counsel Fife reviewed the process timeline noting the Watermaster Board at the July board meeting directed counsel to draft a motion for reappointment of the nine member board and to bring it back for action. Counsel and staff interpreted that direction to mean to bring it back for action prior to the ultimate expiration of the term of the nine member board on September 30, 2005. Counsel has had informal contact with the court and the court has indicated a willingness and desire to schedule a hearing on this issue for November 10, 2005. The reason for the November 10 hearing is that the special referee will be on vacation for the month of September, not allowing input by the referee to the court for an October

hearing date. Counsel Fife noted that all of the issues concerning the nine member board have not been discussed at the pool levels nor has anything been placed in the minutes, so the court therefore has no record of any issues concerning why we would need to extend or obtain a continuance on any hearing on the reappointment of the nine member board. Consistent with the Board's direction, counsel and staff have brought this motion to the pools for action today, noting there are a variety of recommendations that can be selected. Counsel Fife stated this discussion and action still applies to the standard disclaimer that counsel has been presenting for the past several months, in that counsel and staff represent the board and can not be giving legal advice to the Pools or the Advisory Committee concerning possible strategic moves that this committee might make. Counsel reviewed several options noting they might not be all the available options, however, stating the committee members might choose one of them as an action today to present to the Advisory Committee as a recommendation. Mr. Jeske stated that it is his understanding by absent any action or any filing, the current nine member board sunsets and there will be no current board. Counsel Fife stated that it is unclear what happens to the Board, and noted the court appointed the current Board through September 30, 2005. The court would like us to come and ask for the November 10, 2005 hearing date and with the expectation that we would also ask for a continuation of the Board until that time. A lengthy discussion ensued with regard to going to court, making a recommendation, and the setting of hearing dates. It was noted that the Pool will make a recommendation and that recommendation and the vote will be reported to the Advisory Committee and when the Advisory Committee makes its decision it will take the Pools recommendation into account. Counsel Fife stated the Advisory Committee does not have to act consistent with the Pool's recommendation. Mr. Kinsey stated that as one member of the Appropriative Pool and of the Advisory Committee a collective commitment amongst us as part of the on going negotiation process to defer this item until the Peace II process was complete, and that process is not yet completed; making this a difficult decision to now make a recommendation. Mr. Jeske stated that since the records do not inappropriately reflect discussions in confidential Attorney-Manger meetings, it is appropriate at this time to make sure the minutes do reflect that this committee has had discussions regarding this issue now that it is on today's agenda and that there is controversy over this issue. There has been an agreement not to arrive at a final resolution until all of the issues of Peace Agreement II are wrapped up and as to date those issues have not been concluded. The City of Ontario claimed it is now premature to make a five year reappointment of an issue which is out there, has been discussed, but has not yet been resolved; it would be in the best interest of the Chino Basin to postpone this issue to make a recommendation to the Advisory Committee. Cucamonga Valley Water District also noted its concerns at this issue being premature to make a recommendation either way at this time. Chair Crosley stated for the record that as these discussions have now taken place at this meeting that counsel and staff have not actively engaged in them. A discussion ensued with regard to a time frame to make a decision and it was noted that it was felt that until a decision was made that the present composition of the board would remain until a resolution is made on the other issues. Counsel Fife stated that the informal contact that has taken place with the court, the court indicated it had a problem with the court date solely because of the referee's vacation schedule and asked Watermaster to make an ExParte motion to request the November hearing date and also to request the court to extend the term of the nine member board until that hearing date. Counsel stated that the motion for today would be for the court to set a hearing date to consider reappointment of the Board and to extend the term of the nine member board from September 30, 2005 until that hearing date. Mr. Kinsey stated that the motion which is currently presented in the staff letter states that Watermaster respectfully requests that the court reappoint the nine member Watermaster Board for another five year term. Counsel Fife stated that the motion which is being discussed is not the motion that is being presented in the meeting packet and would request a hearing date and request an extension of the nine member board's term until that hearing date. Mr. Manning stated that the recommendation presented in the packet is for consideration, however, the motion can be to forgo making this motion and asking the Advisory Committee to take another action or delay action. Chair Crosley noted there are several options to choose from and one of them is represented by this motion in the packet. Counsel Fife commented that since there has been an

extensive discussion the following are some options for recommendation: 1) do nothing, 2) recommend not to recommend this motion forward but make a recommendation to the Advisory Committee that the Advisory Committee recommend requesting more time, 3) reject this motion and recommend not filing it and not recommend any alternative course of action, and 4) reject this motion and recommend some other motion to be filed. Mr. Jeske stated that his understanding as to what this committee wanted was to recommend filing a temporary continuance of the board until the courts earliest hearing date in 2006 and recommend not proceeding with the motion that presented in the packet due to the commitment to a process to complete the Peace II matter. Mr. Kinsey stated this would be a two part action, in that to not take action on the existing motion and to recommend the Appropriate Pool develop an alternative motion requesting the court extend the current nine member board for a period of time. Chair Crosley inquired if the scheduled rotation of the board members that is to take place in January would still take place even though this matter has not been resolved. Mr. Manning stated that rotation would still occur.

Motion by Kinsey, second by Kurth, and by unanimous vote – Non-Ag concurred with the first part of the motion and requested to take no action on the second part

Moved to not take action on the recommendation in the meeting packet and to recommend to the Advisory Committee to file with the court for a continuation of the nine member Watermaster Board until a hearing date can be set by the court in 2006, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney-Manager

Counsel Fife stated the next Attorney-Manager meeting is scheduled for today at 1:00 p.m. at Cucamonga Valley Water District. There is another meeting scheduled for next week and by all indication there could be a conclusion within those two meetings.

B. CEO/STAFF REPORT

Item 1 will be heard last for this section as noted at the beginning of the meeting.

2. Water Quality Update

Mr. Manning stated there was a meeting held on the clean up and abatement orders in Ontario at the offices of the Regional Board in Riverside; all parties mentioned as PRP's were in attendance. At that meeting the Regional Board presented a good case as to why those six PRP's should be included in the suit, following that presentation Mr. Wildermuth gave a presentation on costs for clean up. Mr. Thibeault requested that the parties reconvene in approximately 30-45 days where the negotiations would begin. Since that meeting Mr. Manning has been in touch with staff at the Desalter Authority to keep them apprised because one of the solutions being presented would be the inclusion of the Desalter Authority.

3. Legislative Update

Mr. Manning noted that the last day to pass bills in the legislature is September 9, the date the governor has then to sign those that are passed; there are a few bills that staff has been watching closely. The bills that are being watched are: AB 373 this bill is being supported by all recycling agencies and is currently parked on the senate floor, SB 187 which is a drinking water standards bill and is currently being held in committee, SB 820 has been revised several times and a full report on this bill will be given at the Advisory Committee meeting, SB 1067 was apposed by most drinking water agencies but it has passed both houses and is being sent to the governor, HR 213 which is a perchlorate bill is being watched closely, and SB 376 the Three Valleys stand by charge bill did pass both houses and was signed by the governor the day before yesterday.

1. Wet Basin Maintenance Update

Mr. Manning stated that the strategies within the Chino Basin need to be looked at far enough in advance for us to be prepared to deal with them. One of those strategies is for basins that are going to be used for reclaimed water; those basins are possibly going to be kept wet 365 days a year which presents a maintenance problem. The problem arises because the same basins that are going to be used for reclaimed are also used for imported and storm flow. In recognition that there are going to be maintenance issues for our basins, a strategy for wet basin clean up needs to be researched. Scuba Duba is one of the companies that has performed a wet basin demonstration test for the Chino Basin Watermaster and has since modified their equipment to possibly accommodate cleaning out the basins while still wet. There are here today to present their findings. Mr. Treweek will present the other explored options first in a report regarding basin desilting. Mr. Treweek presented the basin desilting options that he investigated which are as follows: 1) Dry, Scrape and Haul, 2) Semi-submersible, 3) Diver Controlled Vacuum, 4) Cable-controlled Barge, and 5) Tracked submersible Vehicle. Mr. Treweek presented the advantages and disadvantages of each of these options along with a comparison in capital costs, O&M costs, and annual costs. A discussion ensued with regard to these options. Mr. Anderson gave his presentation on the continuous recharging of basins throughout the year by using the system that Scuba Duba developed specifically for particular basins needs. The system that Scuba Duba uses is an Automated Hydraulic Basin Cleaning System which has been modified for our specific basin needs. A detailed review of the research and design accomplishments which were specific to the Chino Basin project was presented. Mr. Manning stated that the reason this item is being brought forth today is because staff is hoping to foster some discussions over the next few months to get an idea as to where we should go with this idea; or if it should be abandoned if there is no interest. Mr. Manning inquired that if the Pools, Advisory Committee, and Board feel the technologies that we are investigating have some value to us in the future. Mr. Manning stated that staff will be investigating over the next few months if there are other agencies who would be interested in participating in this study and in this investigation. A discussion ensued and questions were presented to the staff at Scuba Duba.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

September 6, 2005	9:00 a.m.	GRCC Meeting
September 8, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
September 20, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
September 22, 2005	9:00 a.m.	Advisory Committee Meeting
September 22, 2005	11:00 a.m.	Watermaster Board Meeting

The Joint Appropriative & Non-Agricultural Pool Meeting Adjourned at 11:05 a.m.

Secretary: _____

Minutes Approved: October 13, 2005