

**Minutes**  
**CHINO BASIN WATERMASTER**  
**JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING**  
December 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 December 8, 2005 at 9:00 a.m.

**APPROPRIATIVE POOL MEMBERS PRESENT**

Dave Crosley, Chair	City of Chino
Robert DeLoach	Cucamonga Valley Water District
Raul Garibay	City of Pomona
Ken Jeske	City of Ontario
J. Arnold Rodriguez	Santa Ana River Water Company
Gerald J. Black	Fontana Union Water Company
Charles Moorrees	San Antonio Water Company
Mike Maestas	City of Chino Hills
Rosemary Hoerning	City of Upland
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
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

**Watermaster Consultants Present**

Michael Fife	Hatch & Parent
Andy Malone	Wildermuth Environmental Inc.

**Others Present**

David De Jesus	Three Valleys Municipal Water District
Josephine Johnson	Monte Vista Water District

Chair Crosley called the meeting to order at 9:08 a.m.

**AGENDA - ADDITIONS/REORDER**

There were no additions or reorders made to the agenda.

**I. CONSENT CALENDAR**

**A. MINUTES**

1. Minutes of the Joint Appropriative and Non-Agricultural Pool Meeting held November 10, 2005

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of November 2005
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2005 through November 30, 2005
3. Treasurer's Report of Financial Affairs for the Period November 1, 2005 through November 30, 2005
4. Profit & Loss Budget vs. Actual July through November 2005

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

## II. **BUSINESS ITEMS**

### A. **MOTION FOR EXTENSION OF THE WATERMASTER BOARD**

Mr. Manning noted that due to the calendar of the court it was necessary to schedule a December meeting and bring this item before the committee members for approval to forward this item to the Advisory Committee and Watermaster Board in order to meet the February 9, 2006 court date. Counsel Fife stated the motion which is in today's meeting packet is the motion that was before this committee a few months prior. At that past meeting a request was made by this committee to approach the Watermaster Board to file an alternate motion to request more time in order to allow the Peace II Agreement to be completed. Counsel did ask the court for an extension and the court granted an extension until February 9, 2006; at the court hearing the judge made it very clear he was willing to move the court date out, however, at that hearing a continuance would not be granted again. Counsel Fife stated it was anticipated the Peace II Agreement would be completed by this time; unfortunately that is not the case, however in order to make the February 9, 2006 hearing date a motion must be filed by January 9, 2006. Mr. Jeske inquired if the motion is to file for "the" nine member board or to appoint "a" board. Counsel Fife stated that counsel represents the board, the board has instructed counsel specifically to file a motion to reappoint "the" nine member board. A discussion ensued with regard to past discussions and the desire to complete the Peace II process prior to making this motion. Mr. Jeske noted that the City of Ontario is not in a position, at this time, to support a motion to reappoint "the" nine member board without the Peace II Agreement process in place. Mr. DeLoach stated that he felt it was clear by past meetings that the majority of this committee was not ready or willing to make a motion regarding the nine member board reappointment until the completion of the Peace II process and that Agreement is not concluded. Mr. DeLoach noted that Cucamonga Valley Water District is not in a position, at this time, to support a motion to reappoint "the" nine member board without the Peace II Agreement process in place. A lengthy discussion ensued with regard to linking or not linking the items of the Peace II Agreement and the issue of the nine member board reappointment together. The question what would happen if no action was taken today was presented. Counsel Fife stated that the issue has not been addressed and that counsel is unclear what happens if it expires, leaving a few options open for the committee to look at. Counsel Fife stated that the court appointed the Watermaster Board and in theory if the Watermaster Board expires the court will take over making the decisions. An extensive discussion ensued with regard to gain clarification of the process. Mr. Manning stated the motion being presented to the Pool today gives the committee members an opportunity to either reaffirm its earlier position, or to change that position, or to modify that position in any way. It was noted that the majority of the committee members felt they have not had enough time for thought and/or discussion on this item to present a motion at this time. Mr. Kinsey commented on the situation at hand which has a time constraint attached to it regarding the February 9, 2006 scheduled court date and a twenty day prior filing date.

*Motion by Kinsey, second by Garibay*

***Motion was made to approve the reappointment of the Watermaster Board for another five year term and to keep this item open for discussion***

At 9:52 a.m. the open Appropriative & Non-Agricultural Pool meeting was adjourned and the confidential session convened.

At 10:01 a.m. the confidential session was adjourned and the open Appropriative & Non-Agricultural Pool meeting reconvened.

It was decided more time was needed for discussion and a separate Appropriative Pool member meeting would meet next week prior to the Advisory Committee meeting for the sole purpose of discussing the motion for the reappointment of the Watermaster Board and to bring back a motion at the December 15,

2005 continued Appropriative & Non-Agricultural Pool meeting. It was decided a roll call vote was needed to table this motion until further discussion can take place. A roll call vote was recorded to table the motion for a vote to be taken on December 15, 2005 after a special separate Appropriative committee member meeting took place; yes votes were recorded from all but one pool committee member and the Non-Agricultural Pool member opted to vote at the December 15, 2005 meeting.

*Motion by Kinsey, second by Garibay, and by majority vote – Non-Ag concurred  
**Moved to table the motion for the extension of the Watermaster Board until  
 December 15, 2005 at 8:30 a.m., as presented***

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Attorney Manager Process/Discussion of Peace II Agreement

Counsel Fife stated there was a follow up workshop held on December 7, 2005 which went very smoothly with questions and answers which were brought about by Counsel Slater reading the compiled list of previously presented questions which came out of the first workshop. This item was discussed in great detail at the Agricultural Pool meeting earlier this week. A discussion ensued with regard to time lines and suggestions that have come out of the workshops. It was noted that more workshops will be needed and scheduled in a timely manner and that no action is required today and is being presented for comment and discussion.

**B. CEO/STAFF REPORT**

1. Volume Vote Calculations and 85/15 Credit for Non-Agricultural Assignments Review for January Meeting

Mr. Manning noted this item will be presented with a full report at the January 2006 meeting.

**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**

December 6, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
December 8, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
December 15, 2005	9:00 a.m.	Advisory Committee Meeting
December 15, 2005	11:00 a.m.	Watermaster Board Meeting
January 12, 2006	9:00 a.m.	Annual Appropriative Pool Meeting
January 12, 2006	11:00 a.m.	Annual Non-Agricultural Pool Meeting
January 17, 2005	9:00 a.m.	Annual Agricultural Pool Meeting @ IEUA
January 26, 2006	9:00 a.m.	Annual Advisory Committee Meeting
January 26, 2006	11:00 a.m.	Annual Watermaster Board Meeting

The Appropriative Pool meeting was called to recess until December 15, 2005 at 8:30 a.m.

The Joint Appropriative and Non-Agricultural Pool Meeting came together from the recess which was called from the December 8, 2005 joint meeting and was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on December 15, 2005 at 8:30 a.m.

**APPROPRIATIVE POOL MEMBERS PRESENT**

Dave Crosley, Chair	City of Chino
Robert DeLoach	Cucamonga Valley Water District
Raul Garibay	City of Pomona
Ken Jeske	City of Ontario
J. Arnold Rodriguez	Santa Ana River Water Company
Gerald J. Black	Fontana Union Water Company
Charles Moorrees	San Antonio Water Company
Mike Maestas	City of Chino Hills
Rosemary Hoerning	City of Upland
Mark Kinsey	Monte Vista Water District
Chris Diggs	Fontana Water Company
Carole McGreevy	Jurupa Community Services District

**NON-AGRICULTURAL POOL MEMBERS PRESENT**

Bob Bowcock	Vulcan Materials Company (Calmat Division)
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**Watermaster Staff Present**

Kenneth R. Manning	Chief Executive Officer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

**Watermaster Consultants Present**

Scott Slater	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

**Others Present**

David De Jesus	Three Valleys Municipal Water District
Josephine Johnson	Monte Vista Water District
Justin Scott-Coe	Vulcan Materials Company (Calmat Division)
Rick Hansen	Three Valleys Municipal Water District

Chair Crosley called the meeting from recess to order at 8:30 a.m.

**II. BUSINESS ITEMS**

**A. MOTION FOR EXTENSION OF THE WATERMASTER BOARD**

Mr. Kinsey asked to modify the motion that he made at the December 8, 2005 meeting to reflect an alternative motion which was formed at the separate committee meeting earlier this week. Mr. Manning clarified that Mr. Kinsey was withdrawing his original motion and replacing it with the new stated motion; Mr. Kinsey acknowledged that was correct. It was noted this item needs to remain open for discussion. Mr. Kinsey stated he was able to address this situation in closed session with his board and noted the Monte Vista Water District Board appears to be willing to go along with the alternate motion in hopes to make the process better. The decision to form a committee came out of the separate meeting; however, how the make up of the committee will be comprised was not fully discussed. Mr. DeLoach stated the Advisory Committee meeting is set to start here shortly and this new motion will be brought forward to that committee along with a different motion offered by the Agricultural Pool and that only after the Advisory and Watermaster Board meet should the discussion of the composition of the new committee be discussed. Mr. Kinsey noted there might be suggestions that come out of the Advisory Committee meeting which will contain give and take on the part of the composition. A discussion ensued with regards to the motion made and the possible governance structure changes. Counsel Slater stated the subject under consideration is an important one and one that there will be some sensitivity around. Counsel Slater stated that given the nature of the subject counsel wanted to call attention to the procedure that is called for in the Judgment

where there is a recommendation coming from a pool and a requirement where the recommendation which requires Watermaster action being noticed to the other pools prior to it being considered by the Advisory Committee. There are some challenges related to the timing in which the pleading might be filed. Counsel Slater recited paragraph 38a in the Judgment which makes reference to the thirty day notice. A discussion ensued with regard to the statements made by counsel. Mr. Jeske noted that the intention of the provided motion is to create a better working and more effective governance of Watermaster. Mr. Kinsey offered comment and inquired to counsel that if because the motion is different than the Agricultural Pool's motion if a thirty day notice needs to take place; Counsel Slater stated he was simply reading what the Judgment calls out with regards to a pool recommendation to Watermaster for implementation. Counsel Slater stated he is not counsel to the pool, however a considered argument for the pool could be that this is a subject matter that has been under deliberation for several months and the subject matter is not new and that there has been full and fair notice by the other pools of the pleadings specifically. Mr. Manning asked that he reiterate what the motion on the table is in that this pool is recommending the nine members board reappointment contingent upon the formation of a committee which does not cross over into the area that Counsel Slater noted. A question regarding the two year contingency was presented. Mr. Manning stated that this pool is asking for two years, although the base of the motion is this pool is supporting the nine member board reappointment. Mr. Kinsey stated the goal of Monte Vista Water Company is to only improve the processes and advance the governance of the decision makers.

*Motion by Kinsey, second by Garibay, and by unanimous vote – Non-Ag concurred*  
***Moved to approve to recommend the reappointment of the nine member Watermaster Board contingent upon the formation of a Watermaster committee to review and make recommendations regarding possible changes in the Watermaster governance structure including the roles and functions of the Pools, Advisory Committee, and the Watermaster Board of Directors no later than December 31, 2007, as presented***

The Joint Appropriative & Non-Agricultural Pool Meeting Adjourned at 8:50 a.m.

Secretary: \_\_\_\_\_

Minutes Approved: January 12, 2006