

Minutes
CHINO BASIN WATERMASTER
BOARD MEETING
September 22, 2005

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on September 22, 2005 at 11:00 a.m.

WATERMASTER BOARD MEMBERS PRESENT

Robert Neufeld, Chair	Fontana Union Water Company
John Anderson	Inland Empire Utilities Agency
Paul Hamrick	Jurupa Community Services District
Al Lopez	Western Municipal Water District
David DeJesus	Three Valleys Municipal Water District
Justin Scott-Coe	Vulcan Materials Company
Paul Hofer	Agricultural Pool, Crops
Bill Kruger	City of Chino Hills
Geoffrey Vanden Heuvel	Agricultural Pool, Dairy

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

Scott Slater	Hatch & Parent
Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Terry Catlin	Inland Empire Utilities Agency
Mark Kinsey	Monte Vista Water District
Kevin Sin	City of Pomona
Dave Crosley	City of Chino
Rosemary Hoerning	City of Upland
Henry Pepper	City of Pomona
Randy Crawford	Scuba Duba
Charlie Anderson	Scuba Duba
Scott Crawford	Scuba Duba

The Watermaster Board Meeting was called to order by Chair Neufeld at 11:11 a.m.

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Watermaster Board meeting held August 25, 2005
2. Minutes of the Special Closed Watermaster Board meeting held September 14, 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

C. WATER TRANSACTION

1. **Consider Approval for Transaction of Notice of Sale or Transfer** – The City of Upland has agreed to purchase from the West End Consolidated Water Company water in storage in the amount of 14,425 acre-feet; Date of Application: August 1, 2005
2. **Consider Approval for Transaction of Notice of Sale or Transfer** – The transfer of Monte Vista Irrigation Company's FY 2005-06 Annual Production Rights to the Monte Vista Water District. The total quantity of water to be transferred is estimated at 1,050 acre-feet; Date of Application: July 20, 2005
3. **Consider Approval for Transaction of Notice of Sale or Transfer** – The City of Ontario has agreed to purchase from the City of Upland a portion of Upland's water in storage in the amount of 16,000 acre-feet; Date of Application: August 1, 2005

Motion by Kruger, second by Hofer, and by unanimous vote

Moved to approve Consent Calendar Items A through C, 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. A question regarding land subsidence and the two year study was presented. Mr. Wildermuth stated that the recharge scenarios which are looked at while performing this analysis take into account the need to balance recharge and discharge in every area and sub-area pursuant to the Peace Agreement and has a natural bias towards favoring recharge in the western part of the basin; the subsidence issue has been imbedded into this analysis. A discussion ensued with regard to recharge and discharge in relation to subsidence. Mr. Manning stated that staff is seeking a motion to receive and file this analysis only.

Motion by Vanden Heuvel, second by Kruger, and by unanimous vote

Moved to receive and file the analysis of material physical injury, as presented

B. MOTION TO SCHEDULE HEARING TO RE-APPOINT BOARD

Counsel Fife stated the motion which is in the meeting packet is the motion that counsel was directed to draft at the special board meeting which was held via conference call last week; there is another set of motions available on the back table are identical motions. The court has scheduled an Ex-Parte hearing for this afternoon at 1:30 p.m. to consider this motion if the board should approve this motion and direct counsel to file. The process of forming the motion that is in the meeting packet is a result of a request that was made by the Appropriative Pool at its meeting earlier this month. Rather than going to the court immediately to ask for an extension of the term of the board, which expires on September 30, 2005, that pool requested the board to instead ask the court to schedule a hearing in the first part of 2006, in order to allow more time to negotiate all the items and to request the court to extend the term of the nine member board until that hearing date. Informal feedback has been received by the court that February 9, 2006 would be an acceptable hearing date. The motion in the package requests February 9, 2006 as that hearing date. This was the direction given to counsel at the special board meeting. The Appropriative Pool was aware of this as was the Non-Agricultural Pool which had been meeting jointly with the Appropriative Pool when they made the request and they concurred with the motion. The Agricultural Pool held their regularly scheduled meeting they noted was not aware of the action of the Appropriative Pool. The Agricultural Pool was presented both motions (the original motion from the Watermaster Board and new motion from the Appropriative Pool) and was given option to act on either motion. The Agricultural Pool had a lengthy discussion and ultimately approved the motion that is in the meeting packet today. They made that motion in the spirit and cooperation with the Appropriate and Non-Agricultural Pools; though they asked that a couple of additional comments be made with that approval; 1) they are in approval of the reappointment of the nine member board, and 2) consistent with the action taken and the special board meeting conference call, they would like to see all discussions of the nine member board issue conducted in open session, in public, so that everyone can participate. The Advisory Committee today considered the motion that is in the meeting package and voted unanimously to recommend that the board direct counsel to file it. Staff is asking the board to direct counsel to deliver this to the court today at 1:30 p.m. A lengthy discussion ensued with regard to the motion. A question regarding the rotation schedule was presented. Counsel Fife stated the court provided a rotation schedule through the year 2015. A discussion on who would be coming on the board and who were some of the minor reps for the next rotation ensued. Counsel Fife reviewed the chronology for the nine member board process and a discussion ensued with regard to the Peace II process. Mr. DeJesus expressed his concerns at looking at changing the current make up of the Watermaster Board and noted that the Board, as it stands, has done a good job and that it should remain as it was originally positioned in 2000. A discussion ensued with regard to the comments received regarding changing the constitution of the Watermaster Board. Counsel Slater stated that there have been no discussions, drafts, or forethoughts directed to counsel or other members of the Watermaster staff to change the nine member board. It was noted that Three Valleys did not participate in the recent special board meeting conference call in. Chair Neufeld stated that every member of the Watermaster Board was invited to participate in the conference call. Counsel Fife noted that notice of this conference call was sent out and that it was entitled a "Special Closed Board Conference Call". Watermaster Board members offered comment on the motion that is being requested.

*Motion by Lopez, second by Kruger, and by majority vote – Negative vote by David DeJesus
Moved to approve counsel to file the motion with the court this afternoon, as presented*

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Attorney-Manager (to be discussed in closed session)

B. CEO/STAFF REPORT1. Wet Basin Maintenance Presentation

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. They 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 our recharge 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 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.

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 Water Quality Control 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; that meeting has now been scheduled for October 11, 2005. 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 include the Desalter Authority.

3. Legislative Update

Mr. Atwater stated there are approximately 700 bills waiting to be signed by the governor. Mr. Atwater spoke on SB 820 (Kuehl) and noted it is still being worked on. Mr. Manning congratulated Three Valleys Water District bill SB 376 for being passed and signed by the governor. Next year several water bills are going to present themselves and the water industry needs to continue to be forceful in making sure that good science prevails.

4. Strategic Planning Retreat

Mr. Manning stated that as a part of his CEO goals and objectives was to initiate a strategic planning retreat with the board and interested parties within the basin; discussions on dates took place and it was decided the retreat would be held during the

first week of December. The tentative dates are December 5, 6, and 7, 2005 and will be held at the JW Marriott Resort in Palm Desert. Mr. Manning noted that some costs will be picked up by our vendors. Rooms for all Watermaster Board members and the chairs of the Pool will be paid for by Watermaster and for all others who wish to attend will be responsible for their own rooms, however, meals will be provided. The question if the members who will be coming on in January were included in the invitation and Mr. Manning stated that they were included. Staff wanted to make sure that there was consensus from the board prior moving forward with this event. It was noted that the Watermaster board members were in favor of the presented retreat.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. BOARD MEMBER COMMENTS

Mr. Hofer stated that at the recent Agricultural Pool meeting the members requested that they be notified for all the scheduled Water Quality meetings regarding any water quality issues.

VI. OTHER BUSINESS

No comment was made regarding this item.

At 1:00 p.m. the open Watermaster Board meeting was adjourned and the confidential session convened.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

At 2:00 p.m. the confidential session was adjourned and the Watermaster Board meeting convened.

No comment was made regarding this item.

VIII. FUTURE MEETINGS

September 20, 2005	9:00 a.m.	GRCC Meeting
September 22, 2005	9:00 a.m.	Advisory Committee Meeting
September 22, 2005	11:00 a.m.	Watermaster Board Meeting
October 13, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
October 18, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
October 27, 2005	9:00 a.m.	Advisory Committee Meeting
October 27, 2005	11:00 a.m.	Watermaster Board Meeting

The Watermaster Board Meeting Adjourned at 2:00 p.m.

Secretary: _____

Minutes Approved: October 27, 2005