

Minutes
CHINO BASIN WATERMASTER
BOARD MEETING

November 17, 2005

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on November 17, 2005 at 11:00 a.m.

WATERMASTER BOARD MEMBERS PRESENT

Robert Neufeld, Chair	Fontana Union Water Company
John Anderson	Inland Empire Utilities Agency
Al Lopez	Western Municipal Water District
Bob Kuhn	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

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Rosemary Hoerning	City of Upland
Eunice Ulloa	Chino Basin Water Conservation District
Henry Pepper	City of Pomona
Ken Jeske	City of Ontario
Rick Hansen	Three Valleys Municipal Water District
Boyd Hill	Monte Vista Water District
Mark Kinsey	Monte Vista Water District
Carole McGreevy	Jurupa Community Services District

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

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

It was requested an additional Business Item be added to the agenda for discussion and possible action regarding the recent Peace II Workshop and to address scheduling a follow up workshop.

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

Moved to add an additional business item regarding discussion holding a follow up Peace II Workshop, as presented

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Watermaster Board Meeting held October 27, 2005

B. FINANCIAL REPORTS

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

C. WATER TRANSACTION

1. Consider Approval for Transaction of Notice of Sale or Transfer – The City of Pomona has agreed to purchase out of storage from the City of Upland a portion of Upland's pumping rights of up to 1,000 acre-feet. Date of application: October 5, 2005

Motion by Kuhn, second by Anderson, and by unanimous vote

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

II. BUSINESS ITEMS

A. MATHIS & ASSOCIATES CONSULTANT AGREEMENT

Mr. Manning stated this item passed by unanimous vote by the Appropriative, Non-Agricultural, Agricultural Pools, and the Advisory Committee. There were a few minor changes requested last month on the Mathis & Associate agreement by the Agricultural Pool which were incorporated into the presented agreement along with requested resumes. Mathis & Associates will assist in the areas of personnel issues and strategic planning.

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

Moved to approve the Mathis & Associates consultant services agreement, as presented

B. FISCAL YEAR 2005/2006 ASSESSMENT PACKAGE

Mr. Manning stated there was an Assessment Package Workshop held on November 2, 2005 that was well attended. At the workshop Ms. Rojo presented the new format and changes that were incorporated into the 2005/2006 Assessment Package. Ms. Rojo gave a presentation titled, "Assessment Package Fiscal Year Assessments 2005/2006 Based on 2004/2005 Production". It was noted that since the assessment package was finished, now would be the time to calculate the volume votes by pool. There was a question regarding the calculations relating to the allocation of volume votes for the appropriative pool and in particular, what types of Watermaster assessments should be eligible for volume vote consideration. Ms. Rojo noted that part of what staff wants to do is develop a budget package database to tie both the budget and assessment package together. The development of a budget package database will allow integrated production and assessment/budget information which will generate and automate data required for other calculations such as, 1) Assessment fee summaries, 2) Fringe benefit rates, 3) Overhead rates, and 4) Labor budgeting by project. Ms. Rojo noted that due to some minor changes that came out of the workshop the data that was released at the workshop in the binders need to be replaced with revised data that was already presented to all pools during their meetings. A new binder is available for all parties who were not at the workshop and new inserts are available for those who were at the workshop to replace the old information.

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

Moved to approve the FY 2005/06 Assessment Package, as presented

C. NWRA CALIFORNIA CAUCUS BALLOTS

Mr. Manning stated the National Water Resources Association (NWRA) holds an election for representatives to serve as the California delegates; a list of these candidates has been provided in the meeting packet. A brief discussion ensued with regard to the presented candidates. It was decided to choose five out of the seven listed on the ballot and the committee members asked Mr. Manning to be in charge of faxing the Caucus Ballot to the NWRA.

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

Moved to approve the selected representatives and to have CBWM fax in the filled out and signed caucus ballot to the NWRA, as presented

D. ASSOCIATION OF CALIFORNIA WATER AGENCIES OFFICER ELECTIONS

Mr. Manning stated a delegate needs to be selected to vote for the open positions for the ACWA's president and vice president positions for the 2006/2007 time frame. The chair inquired to the committee members as to who would be attending the ACWA general session on November 30, 2005. It was noted that Mr. Manning will be attending that meeting and Chair Neufeld nominated Mr. Manning to be the Chino Basin Watermaster delegate.

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

Moved to approve appointing Mr. Manning to cast the votes on behalf of the Chino Basin Watermaster Board, as presented

Added Business Item:

E. PEACE II AGREEMENT/WORKSHOP

Mr. Kruger stated the workshop this morning was extremely informative and noted there needs to be a follow up workshop to answer questions that came out of the workshop prior to any motion being made on the Peace II Agreement term sheet. Mr. Kruger suggested that counsel contact the court to inform them that Watermaster is not ready to file this agreement. Counsel Fife stated this item needs to be broken into two separate discussions, 1) the follow up workshop, and 2) the request to file papers with the court. Chair Neufeld agreed with counsel and asked that the floor be opened up for discussion on this item. Mr. Kuhn noted he concurred that another workshop needs to be scheduled and added that the proposed Peace II Agreement needs to be released to the Pools for comment and/or discussion. A discussion ensued with regard to the workshop. Mr. Vanden Heuvel offered comment regarding the Attorney Manager meetings and the Peace II Workshop. Mr. Manning stated he thought it was an appropriate time to release the agreement to go through the Watermaster process and that it is a good idea to schedule another workshop to address issues that were brought up at today's workshop. Counsel Fife stated that from what was discussed at this meeting, another workshop will be scheduled in December. It was noted that the workshop can be pared down to a two hour workshop instead of four hours if the parties agree to discuss the questions and concerns that were raised at the last workshop and to not bring in new issues that have not been previously addressed at either the Attorney-Manager meetings or the recent workshop. Mr. Kruger inquired as to the necessity to address the court regarding this issue. Counsel Fife stated there is no requirement from the court that they be notified regarding the Peace II process at the present time. A discussion ensued with regard to the deadline for items that are stated in Peace I. Counsel Fife stated this was an excellent point brought up and Chair Neufeld asked Counsel to look into this further and report back as quickly as possible. The issue was raised regarding the rotation of the Board members leaving the new Board members coming on board at a disadvantage for Peace I items which need decisions. Counsel Fife stated the rotation schedule was set by the court and noted that any change not allowing the new board members to take their seat at the scheduled time would involve court hearings and a rather large process of events. The issue regarding losses was raised which brought about a discussion. Counsel Fife stated that the issue regarding the losses has not yet been reviewed

in detail and needs to be examined further. Mr. Jeske stated that the Peace Agreement is a contract which contains provisions and to suggest a change to that contract without this item being agendized let alone not going through the contract process seems inappropriate at this time. A discussion ensued with regard to the losses and it was noted the Watermaster Board Committee Members agreed this issue will be held off and allow the process to produce additional guidelines.

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

Moved to approve forwarding the Peace II Agreement to the Pools for comment and/or discussion and to schedule a follow up Peace II Workshop, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney-Manager Process
No comment was made regarding this item.
2. Board Reappointment Update
Counsel Fife stated the hearing regarding the reappointment of the nine member board is scheduled for February 9, 2006 and noted this issue is independent of the Peace II Agreement. Direction has been given by the board to prepare a pleading requesting reappointment of the board; a request for an extension was made which led to the February 2006 hearing date. In order to make the February 9 hearing date, counsel will need to file that motion by January 9, 2006; that pleading will be presented at the December meetings. Mr. Manning noted the dates for the December meetings are listed under Future Meetings.

B. CEO/STAFF REPORT

1. Peace II Workshop
No comment was made regarding this item.
2. Recharge Activities Update
Mr. Treweek reviewed the changes that have taken place over the last year with regard to basin capacity, basin refurbishing, and overall changes. Mr. Treweek noted that last year as we approached the storm season, about 50-60% of the basins were in full operating capacity. The others were held up due to physical construction on some sites, by lack of an operating procedure that was acceptable to the Flood Control District, and by the SCADA system not being in place. Mr. Treweek stated that as of today we are operating at 95% availability. Mr. Treweek gave an update on the Turner Basin. The draft Operations Manual has been reviewed by several parties and is now being worked on for the final edits. It is anticipated to have the manual completed prior to the beginning of this years storm season. The SCADA system is complete for what the Flood Control requires; more work is needed on several other areas – progress is being made; however, the system is not fully functional. Mr. Treweek reviewed the basin capacity issues and plans for improvement. A brief discussion ensued with regards to the operating agreement with the County Flood Control Department.
3. Minor Rep Election Update
Mr. Manning noted the minor rep elections were held at last weeks Appropriative and Non-Agricultural Pool meeting. Nicholson Trust and West End Consolidated Water Company both had nominated representatives and after the elections and the votes were tallied it was noted that Mr. Ken Willis of West End Consolidated Water Company won the minor rep election by volume vote.

IV. INFORMATION

1. Newspaper Articles
No comment was made regarding this item.

V. BOARD MEMBER COMMENTS

The committee members thanked counsel and staff that participated in assisting at the Peace II Workshop.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

November 17, 2005	8:00 a.m.	Peace II Term Sheet Workshop @ Lions East
November 17, 2005	12:00 p.m.	Lunch @ CBWM
November 17, 2005	1:00 p.m.	Advisory Committee Meeting
November 17, 2005	2:00 p.m.	Watermaster Board Meeting
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

The Watermaster Board Meeting Adjourned at 3:10 p.m.

Secretary: _____

Minutes Approved: December 15, 2005