

**Minutes**  
**CHINO BASIN WATERMASTER**  
**BOARD MEETING**  
*December 15, 2005*

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on December 15, 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
Paul Hamrick	Jurupa Community Services District
Bill Kruger	City of Chino Hills
Geoffrey Vanden Heuvel	Agricultural Pool, Dairy

**Watermaster Staff Present**

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

**Watermaster Consultants Present**

Scott Slater	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

**Others Present**

Rosemary Hoerning	City of Upland
Raul Garibay	City of Pomona
Ken Jeske	City of Ontario
Robert DeLoach	Cucamonga Valley Water District
Terry Catlin	Inland Empire Utilities Agency
Mike Maestas	City of Chino Hills
Josephine Johnson	Monte Vista Water District

The Watermaster Board Meeting was called to order by Chair Neufeld at 11:05 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 November 17, 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

**C. WATER TRANSACTION**

1. Consider Approval for Transaction of Notice of Sale or Transfer – Monte Vista Water District has agreed to purchase from the City of Chino Hills a portion of the City's water in storage in the amount of 5,000 acre-feet. Date of application: October 18, 2005

*Motion by Kruger, second by Anderson, and by unanimous vote*

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

**II. BUSINESS ITEMS**

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

Mr. Manning stated last month the motion that was drafted on behalf of the board, was requested to be sent through the pool process for comment; it has now been through the complete pool process including a special session of the Appropriative Pool. The Agricultural Pool took the position to support the motion for the reappointment of the nine member board at their pool meeting. The Appropriative Pool and actions taken today at the Advisory Committee meeting formed a motion that was modified from the original motion which Counsel Slater will elaborate on. It was noted the Advisory Committee took a position to support the motion as delivered by the Appropriative Pool. Counsel Slater reiterated that the Agricultural Pool took action and accepted the motion as it was presented in its original form, the same pleading was presented to the Appropriative and the Non-Agricultural Pool and their motion was that the pleading should be filed with an additional item to be worked into the pleading. Counsel Slater read the motion which was approved by all three pools and was also presented today's meeting packet. Counsel Slater made reference to the procedure in paragraph 38a of the Judgment which states that if a recommendation is generated from a pool that there be cross pool notification of the recommendation, so that other pools have an opportunity to review and comment. The recommendation coming out of the Appropriative Pool was that the intention was consistent with the Board's direction for advice and comment, on the pleading, that they are providing that advice and comment which is actually a reaction to a Board's direction, which they are responding to. Secondly, the Appropriative Pool believes their motion is consistent with the action the Board had already taken along with what the Agricultural Pool approved. This motion in its entirety was presented to the Advisory Committee which included Agricultural Pool representation and was approved by a unanimous vote. This motion now comes to this Board with the understanding that there was an intention to be consistent with the Board's direction, that it is a comment to move forward on the pleading but with an added recommendation that a committee be established to review possible governance changes by December 31, 2007. Based upon the prior action of the Advisory Committee, in counsel's view, the intent and spirit was to be consistent with paragraph 32a of the Judgment. A discussion ensued with regard to having a committee formed be part of the motion. Counsel Slater noted it was the impression of counsel and staff that the support for moving forward with the nine member board also came along with a commitment to evaluate internally our progress; in tying the two together in a desire to go forward with the pleading that was dependant on an acknowledgement by Watermaster and this Board that it will evaluate the propriety of our existing governance. It was noted that there was no discussion of the make up of the new committee in hopes that that decision would go through the Watermaster process. Mr. Vanden Heuvel expressed his concerns regarding the representation of the Agricultural Pool at the Advisory Committee. Counsel Slater noted that there are some decisions that need to be made with regard to advancing the pleadings in the first or second week of January and there was a desire to keep us on track towards to making that pleading timeline. The checks and

balances that are contained within the Judgment include a rather extensive process periods for the Pools to communicate with each other and with the Advisory Committee and the Watermaster Board. If we were to follow precisely the notice and counter notices it could take an abundance of time. Mr. Kuhn stated that he supports the motion. A discussion ensued with regard to the composition and intent of the "new" committee. Mr. Jeske noted the motion included the words, the Pools, the Advisory, and the Watermaster Board to ensure it is an all inclusive process. The intention is to have a cooperative process to look at the governance of Watermaster to include all perspectives and parties. Chair Neufeld offered comments on remarks made by other parties who are very interested in this process. Counsel Slater addressed the chair and the members of the board with the two options that are presently available based upon the fact that the Advisory Committee unanimously voted on this item and forwarded to this board. The first option is to accept the recommendation included in the pleading and move forward or the second option would be to express caution or concern about that motion and hold a public hearing wherein you would have an opportunity to have further discussion with the Advisory Committee which requires a thirty day notice under the rules of the Judgment and will put this situation well into the mid to late January time frame and beyond the date that has been scheduled for filing the pleading. There is nothing that would preclude this board from agendizing a separate matter for schedule, composition, and anything else this board would like to outline with regard to this process and a subsequent meeting and then to refer it through the regular Watermaster process for approval. Mr. Vanden Heuvel expressed his confidence in the system and in the decision making process.

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

***Moved to approve the recommendation of 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 by no later than December 31, 2007, as presented***

### **III. REPORTS/UPDATES**

#### **A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Attorney Manager Process/Discussion of Peace II Agreement

Counsel Slater stated there has been an on going process with public workshops to review the Peace II Term Sheet and that it is moving forward. There is some desire to obtain feedback on the next steps to further discussions among the stake holder groups. Counsel Slater stated two workshops have been held and there has been significant discussion and input received by Watermaster counsel and staff. It was noted that a technical report will be forthcoming which will respond to all the technically based questions that have been raised at the workshops and in addition staff and legal counsel are drafting answers to the legal questions. Once those reports are formulated, they will be going through the Watermaster process for a decision.

#### **B. CEO/STAFF REPORT**

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

Mr. Manning stated it was asked that this item be reviewed and an update be provided, however, due to time constraints in having the meetings early in December, a full report will be given as soon as possible on this item.

Added Item:

Mr. Manning stated that Huell Howser along with ACWA are sponsoring a production of segments that will be aired on public broadcasting that will talk about water in California and issues related to water. So far there are twelve segments corresponding to that particular piece. The segments have been reviewed by Watermaster staff and discussions have taken place by staff with other groundwater managers in Southern California; because in those twelve segments there is no discussion or mention of groundwater. Mr. Manning noted that is a tremendous oversight on the parties that have put the segments together. Mr. Manning stated that our representative on that committee is Mr. Robert Neufeld and he has been asked to address this situation with that planning committee. It was related by Mr. Neufeld at the last ACWA meeting that if the groundwater topic was to be discussed or reviewed, a thirteenth segment could be added at the cost of \$30,000 dollars for a sponsorship. In response to that dollar figure and the possibility of adding a segment Mr. Manning spoke to John Rossi from Western Municipal Water District and Rich Atwater from Inland Empire Utilities Agency about trying to pool some resources in coming up with the \$30,000 dollars to pay for groundwater coverage. Chair Neufeld noted that the segments will not be aimed at any agency; the agencies will only receive credit for sponsoring a particular segment. What the committee is looking at doing is to cover all the items that are in the ACWA Blue Print which was published earlier this year. Included in that Blue Print were the issues pertaining to groundwater. In the election to set the segments for the Huell Howser series, the groundwater element was left out, and in discussions with the members of the committee that issue was brought to light more than once. Mr. Neufeld was assured that the segment listing which consists of thirteen segments can be expanded and the only reason that it was ever limited was because of the \$30,000 dollar needed sponsorships per segment. As of last Thursday eleven of the segments have been financially committed to by agencies. This morning the Chino Basin Water Conservation District has committed some monies. Mr. Neufeld expressed that he is looking forward to each of the agencies in this area to possibly participate financially in these very important aired publications; all sponsors will be given recognition no matter how small or large a contribution.

**IV. INFORMATION**

1. Newspaper Articles

No comment was made regarding this item.

**V. BOARD MEMBER COMMENTS**

The board wished all parties Happy Holidays and a Happy New Year.

**VI. OTHER BUSINESS**

Mr. Neufeld recognized Josephine Johnson from Monte Vista Water District, who is retiring this month, and acknowledged all that she has done cause over the past several years. Mr. Neufeld thanked her for her diligence on many issues and noted her efforts always had good intentions. All committee members wished her luck in her retirement.

**VII. FUTURE MEETINGS**

December 15, 2005	8:30 a.m.	Continuance of the Appropriative & Non-Ag Pool Meeting from December 8, 2005
December 15, 2005	9:00 a.m.	Advisory Committee Meeting
December 15, 2005	11:00 a.m.	Watermaster Board Meeting
December 19, 2005	1:00 p.m.	AGWA 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

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The Watermaster Board Meeting Adjourned at 11:40 a.m.

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

Minutes Approved: January 26, 2006