

Minutes
CHINO BASIN WATERMASTER
BOARD MEETING
February 24, 2005

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on February 24, 2005 at 11:00 a.m.

WATERMASTER BOARD MEMBERS PRESENT

Robert Neufeld, Chair	Fontana Union Water Company
Terry Catlin	Inland Empire Utilities Agency
Paul Hamrick	Jurupa Community Services District
Al Lopez	Western Municipal Water District
Robert Kuhn	Three Valleys Municipal Water District
Bob Bowcock	Vulcan Materials Company
Paul Hofer	Agricultural Pool, Crops
Bill Kruger	City of Chino Hills
John Huitsing	Agricultural Pool

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
Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Barrett Kehl	Chino Basin Water Conservation District
Raul Garibay	City of Pomona
Robert DeLoach	Cucamonga Valley Water District
Henry Pepper	City of Pomona
David De Jesus	Three Valleys Municipal Water District
Josephine Johnson	Monte Vista Water District
Ken Jeske	City of Ontario
Mark Kinsey	Monte Vista Water District
Rich Atwater	Inland Empire Utilities Agency

The Watermaster Board Meeting was called to order by Chair Neufeld at 11:00 a.m.

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

Chair Neufeld stated there was an item to be discussed in a confidential session and asked that a motion be made to add the confidential session to the calendar.

*Motion by Kuhn, second by Bowcock, and by unanimous vote
Moved to approve adding a closed session to the agenda*

Added Comment:

Chair Neufeld introduced and welcomed Mr. Al Lopez the new representative from Western Municipal Water District, who will be taking Don Galleano's seat on the board. Mr. Lopez thanked the Chair and stated he was pleased to sit on the Watermaster Board and looked forward to getting to know each of the board members.

I. CONSENT CALENDAR

A. MINUTES

- 1. Minutes of the Annual Watermaster Board Meeting held January 27, 2005

B. FINANCIAL REPORTS

- 1. Cash Disbursements for the month of January 2005
- 2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2004 through December 31, 2004
- 3. Treasurer's Report of Financial Affairs for the Period December 1, 2004 through December 31, 2004
- 4. Profit & Loss Budget vs. Actual July 2004 through December 2004

Motion by Catlin, second by Hamrick, and by unanimous vote

Moved to approve Consent Calendar Items A through B, with one minor change to name on the Watermaster Board minutes, as presented
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II. BUSINESS ITEMS

A. CONSULTANT AGREEMENT WITH THE FURMAN GROUP

Mr. Manning stated this item has gone before all the Pools and Advisory Committee and has had unanimous approval. Mr. Manning stated this is an important item because Watermaster has been asked to be involved with helping and assisting some of Watermaster's member agencies in federal issues regarding funding and/or infrastructure. Watermaster wants to assist in the endeavor and to make that possible it is important for staff to have eyes and ears in Washington DC in order to accomplish that mission effectively. Mr. Furman and Mr. Manning have had a business relationship for several years and have developed a very good working rapport; this is a consulting services agreement only and is not a lobbyist agreement. The Furman Group is not being asked to lobby on behalf of Watermaster, Watermaster itself, does not have a lobbying agenda. Watermaster does not have funding issues that we are looking for funding from the federal government; staff as Watermaster's mission, is in support of projects that are going on throughout the basin. Mr. Furman has been speaking to the lobbyists/consultants from the other agencies to make sure he is coordinating with them; Mr. Furman has a clear understanding that he is not to lobby on behalf of Watermaster but in fact he is there to assist the lobbyist when he attends meetings or enters an office on issues relative to the Chino Basin. Mr. Furman will be performing that type of work with the full consent and knowledge of the lobbyist from those agencies; in turn he will keep Watermaster staff apprised as to what is happening with issues. Watermaster staff feels this is an important move in order to be effective in Washington and make sure other member agencies interests are being protected and followed up on. Mr. Furman has an outstanding reputation. Mr. Manning noted that the cost is approximately half of the normal consulting services fee due to the magnitude of work that the Furman Group would be performing. Mr. Manning reviewed the list of accomplishments and workings of Mr. Furman over the last several years

and noted he specializes in water issues. The question regarding how this works financially into the budget was presented. Mr. Manning noted that the Cerrell and Associates contract was eliminated and this contract, at a much lower cost, would replace that in the consulting portion of the budget.

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

Moved to approve the consultant agreement with The Furman Group, as presented

B. APPROVAL OF STIPULATION

Mr. Manning stated that in November 2002 an application was filed on behalf of Watermaster to the State Water Resources Control Board which dealt with diverting water from the Santa Ana River; a protest was filed on this application from East Valley Water District, who had a misinterpretation on the application, and staff is asking for an approval on the submitted stipulation. Counsel Slater commented that there is a meet and confer requirement under the water code when a party files an application and protest come in, one is duty bound to meet with the protesting parties and see if the protest can be worked out. This stipulation is benign in request on East Valley's part, predominately to do with clarification, and it will assist Watermaster in moving the application through the process; it is staffs recommendation that this situation be approved.

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

Moved to approve the stipulation between East Valley Water District and Chino Basin Watermaster, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney-Manager Meetings

Counsel Slater stated it is time for the attorney-manager meetings to reconvene. The technical information which put the meetings on hold has now been completed and is in the process of being distributed for review. A managers meeting has been scheduled for March 15, 2005 at noon and is being held at the IEUA office; the predicate to that meeting is going to be that Watermaster general counsel is going to distribute a proposed agenda. The proposed agenda is going to reengage the parties on the issues that were being discussed prior to the break; feedback is anticipated due to the list of issues has grown since the last meeting. Counsel Slater noted a longer list of items could be coming and a more significant task lies ahead than previously anticipated. The question regarding the Board being briefed on what the new issues which are being introduced at the reconvening of the meetings was presented. Counsel Slater commented that during the March 15, an inquiry will be made to the attendees on what form of briefing they are comfortable with in reporting issues back to the Board. Counsel Slater stated there are those things which are contractual obligations for the parties and Watermaster to revisit on time certain, and then there are those issues which relate to construing the contract. Chair Neufeld stated that the Watermaster Board has a responsibility for oversight for all activities that take place at Watermaster and the Board members are going to continue to ask for oversight. Mr. Jeske noted that the next meeting is not an attorney-manager's meeting and has been called as a manager's only meeting.

2. Santa Ana River Application Process

Counsel Slater stated he felt there was good news to be reported on relating to the Santa Ana River application process. Legal counsel has had meetings with other interested stake holders, Orange County and Western, and in the basis of those meetings it has been concluded that there is a consensus of a joint or aligned position. The parties have

observed that they would benefit from presenting an aligned position; more information will be given at a later meeting. Counsel Salter stated that in summation, legal counsel would propose an execution of a joint defense agreement, which is tradition in the industry where parties have a common purpose and want to have dialog to be properly poised to respond to opposition to their applications or position in court. Legal counsel is exploring the context in which Western along with Watermaster and Orange County would execute a joint defense agreement and develop common positions in support of our applications in front of the State Water Resources Control Board. Mr. Wildermuth would be critical in that effort in terms of interfacing with the experts that are at Orange County and Western. Legal counsel is pleased to report that progress has been made and counsel expects to continue to work in a cooperative basis with those Orange County and Western.

3. Kuehl Legislation

Counsel Slater stated that Hatch & Parent are expecting to distribute a comprehensive update on all the elements regarding this bill as it relates to water resources. Some of the elements can be looked at and agreed up on and others tend to be very aggressive from the perspectives of traditional water management. There are no recommendations or positions at this time; this is an information item at this point and further updates will be provided.

B. CEO/STAFF REPORT

1. Storm Report

Mr. Manning commented there are reports in from storms one through seven, storm eight is not yet calculated and noted that Mr. Treweek will be giving a brief report on the current events. Mr. Treweek stated there is a hand out on the back table for the summary of events. In October, before the storm season, there were ten operational basins that were capable of holding demonstration projects using supplemental water. By January of 2005 Watermaster had added three more basins to the list of usable basins. The daylight demonstrations projects which gained Watermaster Flood Control's confidence has now been extended to 24 hour operations. Thirteen basins out of twenty possible basins are operating 24 hours a day and capturing storm water; there are still additional basins to be finished and they are scheduled for completion along with the completion of the SCADA system by March 31, 2005. Mr. Treweek reviewed the handout in detail and noted that approximately 10,000 acre-feet of captured storm water has taken place this year. Chair Neufeld inquired if the 10,000 acre-feet was the commitment number in the recharge element of the OBMP. Mr. Treweek stated that number was 12,000 acre-feet of storm water and that we are well on our way to that target number.

2. State of the Basin

Mr. Manning stated the Executive Summary is on page 47 of the packet and staff is anxious to finalize this report and noted the full text report is available on the Watermaster and Wildermuth web pages. Comments are still being taken, however, if no other comments are received within the next few days this report will be finalized and posted.

3. Federal Update

Mr. Manning commented that a delegation from the Chino Basin visited Washington DC in conjunction with the ACWA conference. That coalition included Three Valleys Municipal Water District, Cucamonga Valley Water District, Inland Empire Utilities Agency, with a special thanks to Martha Davis from IEUA, in putting together a great package of information, Mr. Wildermuth, and Western Municipal Water District. This was a good delegation and there were two items on the agenda to realize for that day and it

was felt that those items were accomplished. The first item was to make sure that the delegation in Washington knew, that as a region, the Chino Basin was working together relative to long term funding for basin clean and infra structure. This was an exploratory meeting to see what was out there as far as funding is concerned at during those meetings it was discovered there was a brand new interest in desalination. The second item to be accomplished was that issues relative to our member agencies were delivered and seen as a cooperative and joint effort. The meetings went very well and the stage was set for revisits to take place to look at funding. Mr. Kuhn thanked Congressman David Dryer for reintroducing the bill for Cucamonga and IEUA; and it was felt that was accomplished because he saw the groups teaming together and supporting each others projects. The article which was taken to those meetings was extremely well received by the legislators. Chair Neufeld stated he had heard several times during the two days that it was really refreshing to see the Inland Empire region come in with a united voice. Chair Neufeld recapped meetings and conversations while in DC and stated he felt all the meetings went well. Mr. Lopez noted that he and Mr. Rossi are planning on visiting Washington in March and acknowledged the need to keep the pressure on water issues and funding endeavors. Chair Neufeld commented on the newspaper article that was issued in the Inland Valley Daily Bulletin a couple Sunday's ago and stated it was a great tribute to all the parties involved and to thank the local elected officials for their support. Chair Neufeld thanked Mr. Manning for working with the local media to produce the insert and also noted how helpful the article was during the meetings.

Added Comment:

Mr. Manning noted there was an additional article on the back table regarding the EPA setting an interim standard on Perchlorate.

IV. INFORMATION

1. Newspaper Articles

Mr. Manning noted there was an article in the packet which refers to his resignation from the Upper San Gabriel Municipal Water District Board effective at the end of March.

V. BOARD MEMBER COMMENTS

Mr. Kuhn stated that he will be back in Washington on March 7, 8, and 9, and if there is anything he can do while there to please contact him. Mr. Lopez stated that Mr. Galleano had a conflicting meeting date to remain serving on the Watermaster Board and that due to reorganization he will now be serving on the Board on a permanent basis. Chair Neufeld commented that as a result of the meeting in Washington a former friendly relationship was reestablished with JP Woodley. Chair Neufeld gave a detailed itinerary of the events that he and others were able to attend while in Washington and how receptive people were regarding water issues. Chair Neufeld thanked Mr. Wildermuth for taking the time out of his busy schedule to attend these meetings and noted his attendance was paid for on his own dime; it was most appreciated because he was instrumental in assisting in answering technical questions.

VI. OTHER BUSINESS

Mr. Manning noted that the Agricultural Pool meeting has changed from Tuesday, March 15, 2005 at 9:00 a.m. at Inland Empire Utilities Agency to Thursday, March 10, 2005 at 11:00 a.m. at Chino Basin Watermaster with lunch being served directly after the meeting due to several Agricultural Pool members being out of town on the regularly scheduled day.

At 11:40 a.m. the open Watermaster Board meeting was adjourned and the confidential session convened.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

At 12:20 p.m. the confidential session was adjourned and the Watermaster Board meeting convened.

Chair Neufeld engaged Counsel Fife to state, for the record, the actions that were taken at the confidential session. Counsel Fife stated that during the closed session the Board directed Mr. Manning to continue to proceed on the issuance of the clean up and abatement orders and to bring it forward for further consideration by the Watermaster Pool Committees.

VIII. FUTURE MEETINGS

February 24, 2005	9:00 a.m.	Advisory Committee Meeting
February 24, 2005	11:00 a.m.	Watermaster Board Meeting
March 10, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
March 10, 2005	11:00 a.m.	Agricultural Pool Meeting @ CBWM
March 15, 2005	12:00 p.m.	Managers Meeting @ IEUA
March 21, 2005	1:00 p.m.	AGWA Meeting
March 24, 2005	9:00 a.m.	Advisory Committee Meeting
March 24, 2005	11:00 a.m.	Watermaster Board Meeting

The Watermaster Board Meeting Adjourned at 12:21 p.m.

Secretary: _____

Minutes Approved: March 24, 2005