

Minutes
CHINO BASIN WATERMASTER
BOARD MEETING

July 28, 2005

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on July 28, 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
Bob Kuhn	Three Valleys Municipal Water District
Bob Bowcock	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	Finance Manager
Gordon Treweek	Project Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

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

Others Present

Mohamad El-Amamy	City of Ontario
Dave Crosley	City of Chino
Raul Garibay	City of Pomona
Terry Catlin	Inland Empire Utilities Agency
David DeJesus	Three Valleys Municipal Water District
Mark Kinsey	Monte Vista Water District
Mike Maestas	City of Chino Hills

The Watermaster Board Meeting was called to order by Chair Neufeld at 11:15 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 June 23, 2005

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of June 2005
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2004 through May 30, 2005
3. Treasurer's Report of Financial Affairs for the Period May 1, 2005 through May 31, 2005
4. Profit & Loss Budget vs. Actual July 2004 through May 2005

C. WATER TRANSACTION

1. **Consider Approval for Transaction of Notice of Sale or Transfer** – The City of Ontario Has Agreed to Purchase From the City of Chino a Portion of Chino's Water in Storage In the Amount of 5,350 acre-feet; Date of Application: April 20, 2005
2. **Consider Approval for Transaction of Notice of Sale or Transfer** – Cucamonga Valley Water District Has Agreed to Purchase 500 acre-feet of West San Bernardino County Water District's Stored Chino Basin Groundwater; Date of Application: February 24, 2005

D. NOTICE OF CONRAD & ASSOCIATES, LLP TO PERFORM FISCAL YEAR 2004-05 FINANCIAL STATEMENTS AUDIT

The Conrad & Associates Fee Will Not Exceed \$6,850.00

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

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

II. BUSINESS ITEMS**A. DRY YEAR YIELD CONTRACT**

Mr. Manning reported that the Watermaster has a Dry Year Yield Program with the Metropolitan Water District (MET), and noted that contract for the DYY Program has three basic limits built into it. The first limit is the 100,000 acre-foot limit, there is a 33,000 acre-foot withdrawal maximum per year built into the contract on the take side, and on the put side there is a 25,000 acre-foot limit per year. What MET has asked Watermaster to do is to consider eliminating the 25,000 one year put requirement because of the wet year we have had; MET believes they can put substantially more water into the basin this year. This item has gone before the Pools and Advisory Committee; however, at the Appropriator meeting that committee asked that Watermaster approach Metropolitan Water District as to whether or not they would be inclined to pay Watermaster money for the waiver of the 25,000 acre-foot limit. MET was approached with this concept and MET was not inclined to entertain that kind of an action. MET did not want to discuss this further for two other reasons; 1) the fact that MET has conversations going on currently with Orange County and Kern County whereby both of those agencies are going to be paying for the same kind of water that we will be putting into storage, and 2) at the same meeting in which we approached them about loss rate, where the 6% loss factor on the agreement was specified. The Agricultural Pool and the Advisory Committee approved this item, as presented, and staff is asking the Board members to allow Watermaster to administratively deal with the input of the Dry Year Yield water and the raise the 25,000 put cap with no limits attached. There is a great deal of flexibility in how the water is handled because there is a six month lag between the time the water is actually taken and when the water has to be certified. If there is a situation where Watermaster has to pay for the water and put it into replenishment in order to keep ourselves in good standing with the replenishment obligations, Watermaster has six months to accomplish that. This item will be taken back to the Appropriative Pool and will be offered the same information that was presented at this meeting; staff will be asking for their concurrence in August. The question if this was a one year waiver or a permanent waiver was presented. Mr. Manning stated it was for one year only. Chair Neufeld inquired to the mechanics of going back to the Appropriative Pool after the motion to approve this item was made at the Advisory Committee and the Watermaster Board meeting. Mr. Manning noted that the person who was particularly asking for this to occur at the Appropriative Pool level was Mr. DeLoach. A meeting to discuss this situation was scheduled between Mr. DeLoach and Mr. Atwater, Mr. Manning's schedule did

not allow him to attend this meeting, and Mr. DeLoach has now concurred with the decision and is supportive of this program. A discussion ensued with regard to bringing this item back to the Appropriative Pool. The question was presented if legal counsel has reviewed the mechanics of sending this item back to the Appropriative Pool and Counsel Slater stated there is no requirement to send this item back to them.

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

Moved to approve the one year waiver of the 25,000 acre-foot put cap for 2006, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney-Manager

Counsel Slater stated this item deals with the ongoing Attorney-Manager discussions among the stakeholders regarding the various issues that are up for reconsideration in 2005 and subsequent years. This process has been taking place for over a year now and at the last meeting it was felt that all the basic technical information is in place. Counsel has met with all the stakeholders at least on one occasion separately and noted that each stakeholder had committed to completing a negotiated process by the end of summer in the form of a term sheet. That term sheet would then be recommended back to their individual boards, counsels, and constituents for final execution and completion at the end of this calendar year. Since that report, staff has again met with all but one of the interested stakeholders that one party will be met with after the meeting today. Watermaster staff and counsel presented to the parties, for their private consideration, a draft proposal which would bring together all the various elements that have been discussed among the parties. The proposal is an effort to try and serve as a consensus draft; copies were left for each one of the stakeholders for their consideration and they have been deliberating over that draft for a couple weeks now. It is the unanimous view on the part of staff that we are on track to complete a term sheet by the end of this summer and it is reasonable to conclude this will take place. Some additional technical work has been done by Dave Argo of Black & Veatch to support some of the work. The full group meetings have not been held for over two months and it is expected that we will again meet with individuals in the month of August with anticipation to pull together the full group sometime in August. Chair Neufeld inquired to the time frame that all of these issues need to be filed with the court. There is a parallel issue that the Board is aware of, that has its own calendar, and that is the fate of the nine member board. Counsel will have to make a filing to request a rollover, there has been at least one party that has shown an interest in having some input on that, and that has been linked in some people's minds to the proper resolution of everything else that is being worked on. Counsel Slater noted that the Watermaster Board directed staff and counsel not to seek to negotiate the issue of the fate of the board in any setting. There is nothing that is required of the Board members or of counsel by September 28, 2005 related to all of the substantive elements that are being worked on; that would be the end of this year. There are 2005 requirements that are being addressed in the substantive discussions; there is the question regarding the rollover of the board and counsel will be obliged to start preparing paperwork on that issue in the August time frame. Counsel Slater stated that counsel is open to any direction the board wants to provide in this matter. Chair Neufeld stated that this item needs to be on the agenda for discussion as that date comes forward. Mr. Bowcock noted that this item needs to be completed by next month so discussion needs to take place prior to August. Counsel Slater noted that the filing could be in the September time frame so input and direction would be provided at the August Board meeting. Counsel Slater stated that Director Vanden Heuvel is not currently present and that he has suggested at one point that this board might want to set up a workshop for purposes of taking input on this subject. This issue has not been addressed specifically, although, as the August time frame comes up quickly the committee members need to get broader input and feel the necessity to

schedule a workshop, now is the time to begin that thought process. Chair Neufeld inquired to Mr. Bowcock if he felt a desire to see this item addressed. Mr. Bowcock noted that a brief is due to the judge in September and a discussion needs to take place prior to the August Board meeting. A discussion ensued with regard to the board fate. Counsel Slater stated that the board has yet to provide direction on how it wished to pursue that filing and so counsel has not entertained any perspectives or positions yet. The committee members will have to develop a position and instruct counsel to prepare something; once the documents are prepared, the normal Watermaster process would come into play, and at the August Board meeting the members will direct counsel with the pleading they want to file. Some direction is going to be needed at the August Board meeting as to what counsel should prepare. Chair Neufeld stated that it appeared that timing may be of the essence and that since a discussion has already started on this issue, Chair Neufeld inquired to counsel if notice has to be posted for this item to be added to the agenda. Counsel Slater stated that this is not an item within the Attorney-Manager report other than to say that it is not being discussed there. The calendaring issue is what was being addressed on this item, which is when must we address that issue, so for the purposes of calendar, either this board will set that issue for the next regularly scheduled Board meeting or as a matter of calendar the committee members can direct staff to put together an informal workshop or direct the Pools for input on the subject. Mr. Bowcock stated there is a section on the agenda where this item should be discussed and where dialogue should begin which is under the Closed Session section. Counsel Slater stated that there is presently no anticipated litigation between you and your producers; we do not go into closed session with business of Watermaster because this board is an arm of the court and to the extent that we are engaged in filing briefs that is the kind of action that is carried out in the open. However, if there is a contest between Watermaster and a party (there is no present contest) we can revisit that issue. Counsel would be prepared based on earlier direction and the obligations in the Peace Agreement to make a filing which would request the rollover of this board unless directed otherwise. Chair Neufeld stated that in understanding that the board is an arm of the court and while the board members attempt to follow the rules that apply to most public agencies, we are under no obligation to agendize an item that needs to be discussed. Counsel Slater stated that if the Chair wishes to add this item to the agenda today, and to do it by vote, the Chair can entertain a motion and add it to the agenda. Chair Neufeld noted that this is an item that needs discussion at this point in time and in looking at the time sensitive schedule. Mr. Bowcock stated that this issue needs to be discussed openly so that the parties who are not attending or participating in the Attorney-Manger meetings understand what has been proposed. Mr. Bowcock affirmed that there has been a recommendation put forth to consolidate the board seats in an exchange process which would modify the current make up this board and that is what needs to be discussed. Counsel Slater acknowledged that counsel is bound first by confidentiality to respect the things that are being said at those meetings, and secondly the board needs to know that Watermaster staff and/or counsel has not participated "at all" in any discussion regarding the fate of the nine member board. Mr. Bowcock made reference to a document that has been circulated publicly. Counsel Slater noted that a public document has been distributed broadly and the reply to that document was also distributed; those documents are not confidential. Counsel Slater stated that the item on the calendar is that a filing related to the nine member board must be filed at the end of September unless counsel is instructed to seek a continuance. Mr. Bowcock stated that there is another judge being appointed to this Watermaster. Counsel Slater stated that he had no personal knowledge of this information and inquired if Counsel Fife had personal knowledge of this statement. Counsel Fife noted that he has knowledge of a rumor that Judge Gunn is being transferred to an all criminal docket, however, that has happened in the past and Judge Gunn kept this case with him. After making some inquires, as far as counsel is aware, Judge Gunn is still the judge for this Watermaster. Mr. Lopez stated that he felt it necessary to either schedule another meeting or that all information be presented at the next meeting so that all members were apprised of the same information. Chair Neufeld recapped where this committee is at on the board agenda for Mr. Vanden Heuvel

who arrived at the meeting delayed due to another engagement. Mr. Bowcock made a motion that the nine member board issue be added to today's agenda for discussion. Chair Neufeld acknowledged Mr. Bowcock's motion and asked for a second.

Motion by Bowcock, with a second by Hamrick

Motion to add this item to the Watermaster Board agenda

Counsel Slater noted that according to the Watermaster Rules & Regulations it is required to show some urgency to have an item added to the agenda and inquired to the finding/indication as to what the urgency element is. Mr. Bowcock added to his motion by stating, due to legal counsel's advisory there is an obligation to prepare a motion for the court as to what the board's recommendation may or may not be by the end of September. If the discussions are not opened up until the August Board meeting, it might be too late or there may not enough time for proper discussion at that time. Mr. Bowcock stated that he is not asking for any action at the present time, only that dialog be opened up.

Motion by Bowcock, second by Hamrick and by majority vote – Mr. Kuhn and Mr. Vanden Heuvel were negative votes

Motion to add this item to the Watermaster Board agenda for the purposes of discussion only

An inquiry was made stating, "If there is no further discussion at this meeting and this item is discussed at other meetings, will a summary of that discussion be brought back to this board as to keep the committee members apprised?" Mr. Manning stated that in terms of protocol, if this board wanted to limit the discussions to options that would be available for a forum for that discussion, which might be appropriate at this time. Mr. Manning noted that in terms of opening up the discussion, staff is uncomfortable that there is going to have to be some items discussed that are still in the Attorney-Manager process and that at this moment in time are fairly delicate and having the discussions over those items right here might jeopardize our ability to bring a full program to this board in August in a timely manner. Chair Neufeld inquired if this item is being discussed at the Attorney-Manager meetings. Mr. Manning stated that this is not a topic of discussion; however, there are discussions within the Attorney-Manager process that will influence the potential of having that item evaluated. Counsel Slater reiterated that the board's direction has been clear – counsel or staff has not engaged in any form whatsoever regarding discussions on the make up or fate of this board. Counsel Slater noted that Mr. Manning is reporting that parties' evaluation of the issue is influenced by context and the continued success of our efforts is a reflection of the success of the board. Chair Neufeld stated there is a motion on the floor to discuss this item and the motion stands approved to enter into discussions today and add it to the agenda; this item will be added to the section of Other Business.

2. Court Filings

Counsel Slater reported that the Management Zone 1 referee report (this is related to the management of subsidence and water levels within MZ1) directed staff to begin the preparation of some guidance criteria. Counsel for Watermaster is making a motion with the concurrence of the Special Referee to extend the period of time for the preparation of a Long Term Plan. The present OBMP contemplated a plan being filed in 2005; that plan will not be completed this year. A motion to extend the time frame for the Long Term Plan is for up to three years. Watermaster staff and Wildermuth Environmental are working on a summary for guidance criteria and a summary of the workshop.

The filing of the State of the Basin Report, which is on both Wildermuth and Watermaster's web sites, will be filed in the month of August.

A set of continuing fillings in relation to the OBMP and Status Reports No's 12 & 13, will be filed in the month of August.

Counsel is in constant contact with the Special Referee and the referee's assistant and all of these Watermaster filings will soon be complete.

3. North Gualala Amicus

Counsel Slater stated this is an item that counsel has been watching very closely. This is a decision in Northern California rising out of Mendocino in which the trial court in revealing a State Board decision came to the conclusion that an impacts test decided jurisdiction over whether the State Board had jurisdiction over groundwater. This is relevant because if you pump groundwater and it influences a surface stream, and the State Board jurisdiction which extends from surface streams to groundwater meaning that all of a sudden a large portion of the Chino Basin becomes subject to jurisdiction by the State Water Resources Control Board. This issue has been raised in a number of contexts previously and in every instance the State Board has reframed or its jurisdiction has been pruned back not to be contiguous with an impacts test. This trial court decision is now on appeal; a brief has been filed and staff will be bringing this item back through the Watermaster process with a request counsel files an amicus brief. This brief will state that the State Board jurisdiction is not dependent upon an impacts test; that groundwater has some influence on surface water. There is no action required at this time on this item.

Added Comment:

Chair Neufeld asked that counsel keep this board apprised of any new information concerning Judge Gunn in regards to his continuation on the Watermaster case.

B. CEO/STAFF REPORT

1. Wet Basin Rehabilitation Program Update

Mr. Manning stated information was previously brought to this committee regarding a Wet Basin Rehabilitation Program which was done in conjunction with Scuba Duba. Scuba Duba was introduced to Watermaster by Geoffrey Vanden Heuvel who had done some prior work with them. Scuba Duba felt they had technology that could be applied to our basins which could help clean the basins while they are wet. A five day test was done with Scuba Duba in the Turner 2 basin and revealed some success, enough success to start the thought process about what other opportunities might be available for this process. A sub-committee has been formed for this task which includes staff from Inland Empire Utilities Agency, Orange County and others. One of the things that is evident from the discussions is that whatever method is used it is going to take some financial investment. Mr. Manning noted that staff's plan is to bring back draft information through the Watermaster process in September on wet basin alternative programs that might be available, including some cost factors that will be attributed to those alternatives.

2. Progress on College Heights Test

Mr. Manning stated that a number of months ago a recommendation, which was brought through the Watermaster process, was made to halt using the College Basins until more was understood about the Upland Basin and how it was going to operate given the new storm drain connection that the City Upland installed. With this last rainy season a lot of information was gathered which provided enough information on how the basin was going to operate. It was originally thought it could possibly take a few years to gather this information but with this rainy season it was gathered more rapidly. Also with the additional water that was coming down the channel from San Antonio, staff decided to start a test in the College Heights Basin to get an idea of how the College Heights Basin would operate in conjunction with the Upland Basin. Mr. Treweek stated that during the winter, the monitoring well network was completed. With the network in place staff decided to run a simple test of bringing in 4 cfs off the San Antonio Channel and diverting it into the College Heights West; this has been taking place since July 1, 2005. The idea

was to monitor what was occurring in the wells and observing whether the recharge water daylighted in the reconfigured Upland Basin. Mr. Treweek reviewed several charts on the overhead to review the migration of water into the basins and well findings. A brief discussion ensued with regard to the information that was presented regarding College Heights basin.

3. Basin Recharge Report

Mr. Manning commented this is a report which staff has been trying to provide each month to keep parties apprised of the basin recharge activities. Mr. Manning stated that the final calculations from the storm season have been finalized which also incorporates the numbers from the snow melt. Mr. Treweek noted there is a handout on the back table that recaps all twelve storm events (no. 12 is the snow melt number) for review. An additional 2,000 acre-feet was added to this year's storm event numbers from snow melt. A total of 17,642 acre-feet of stormwater was captured this storm season and then with the historical average of 5,600 acre-feet subtracted out that left a new yield of 12,042 acre-feet. Mr. Manning stated that one of the things that were discovered during this last storm season is that it is felt that the same amount of water with a considerably less amount of rainfall can be captured due to the recent improvements to the basins. A brief discussion regarding snow melt ensued.

4. Report Updates

Mr. Manning noted this item is a heads up section and/or informational section on some items that are now available or will be available soon. The State of the Basin Report is currently available on the Watermaster and Wildermuth web sites; substantial changes have been made to the draft that came out to address some of the comments that were made including storage and salt removal sections.

The Material Physical Injury Analysis for Recharge for Recycled Water in the draft form will be available in early August and will go through the Watermaster process for approval.

The Recharge Operations Procedures Manual, which is a very important document because the Flood Control District stated they would be much more flexible on how we operate our basins if they have two things in place, 1) the Operations Manual, and 2) the SCADA system up and working properly.

The Biannual Analysis of Recharge & Discharge Report will be completed shortly and will be placed on both Watermaster and Wildermuth web sites. Although, the Forbearance Agreement for the MZ1 allows for production for any well from July 1 to September 30, the City of Chino Hills has voluntarily continued not to pump in the deep production wells in order for Watermaster staff to gather additional data.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. BOARD MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

Mr. Manning stated that counsel would like to comment first to open discussions on the nine member board issue. Counsel Slater reiterated what was felt to be the prior direction from the board members, first an order was received from the court in August 2000 appointing this board for a five year term – counsel has understood through our continuing representation of the board that counsel

would be making an innocuous filing around the September 2005 time frame requesting a rollover of this board and a continuing reappointment. At this time, counsel would begin to prepare the draft paperwork which would come back to this board at the August board meeting for review and direction. Counsel would then file that paperwork before September 28, 2005; there would then be a scheduling of a hearing and the parties to the judgment would have an opportunity to provide input before the court. That is the process that staff and counsel would expect to follow unless otherwise directed by this board. There are options such as obtaining a continuance from the time warranted until another time certain when this issue could be addressed. There has been a suggestion that this board would want to hold a meeting to take input on the issue. There has been a discussion about a separate public workshop being an appropriate measure to take input. Counsel Slater stated the options at this point in time are, 1) if this board does nothing, counsel will continue to prepare a pleading and bring it back on the next agenda for input and direction, 2) this board could provide express direction to do that (reconfirm what general counsel understands to be the process, 3) this board could request a continuance, 4) this board could refer this item back to the Pools and Advisory Committee for comment and direction, and 5) this board could hold a public workshop or a special meeting for input. There is some question as to what information is confidential and what is public; the only information that Watermaster staff and general counsel is privy to on this subject are those things which have been published generally in the form of letters. Counsel is only aware of two letters, one letter came from Three Valleys Municipal Water District and the other was from Cucamonga Valley Water District – those letters can be made available for distribution. There have been no other discussions or negotiations that Watermaster staff or general counsel has been involved in with regarding this issue. Mr. Bowcock stated that before this discussion takes place, there is one question that he wants to pose to counsel so that it goes on the record, “would the motion that counsel would be filing for the continuance, should that option be chosen, is that for an additional five year term or an indefinite term?”. Mr. Bowcock stated that the court has established five year terms for the board that is subject to re-evaluation and the question would be are we requesting an additional five year term. Counsel Slater noted that statement is correct and that counsel would be asking for an additional five year term. Mr. Bowcock stated that he specifically wanted to go on record stating that of this configuration, it is a very delicate balance; noting that it has worked well and his recommendation is that he is in full support of the five year extension. The process that has been set up is extremely valuable and works very well for all involved. Mr. Vanden Heuvel stated that he is also in support of the rollover and of the entire Watermaster process. Mr. Bowcock stated that for the purpose of discussion, his motion would be to take official action to make the recommendation to rollover the present make up of the board. Chair Neufeld inquired if that would be allowed at this point in time. Counsel Slater noted that action would be in relation to his option number two and his understanding of what the prior direction was and what counsel was preparing to do and to reconfirm that direction. The understanding is that this board is recommending counsel to prepare draft paperwork to present to the Pools and Advisory Committee for a rollover of the board for five years. Mr. Bowcock stated that is what he wants the motion to read as and noted the importance of making this motion at this time; it is giving notice to the Pools and Advisory Committee members to recognize that this board has taken this action and not arbitrarily is six weeks.

Motion by Bowcock, second by Hamrick, and by majority vote – Mr. Neufeld was a negative vote

Motion to direct counsel to prepare a pleading to request to rollover the nine member board for another five year term and to present this pleading to the Pools and Advisory Committee for discussions.

Mr. Vanden Heuvel stated that he felt he made his position regarding this matter clear several months ago noting that he felt the nine member board has been successful in accomplishing the mission that it set out to and those who wished to change that needed to make a compelling case as to why to make a change. Mr. Vanden Heuvel stated that in the absence of a compelling reason by the reflection of a negative vote it is questioned as to why during this open forum a basis was not offered. Chair Neufeld stated that for the record he is not saying by his negative vote that the nine member board has not done its job; the concern is there were some legitimate issues raised

regarding the structure of the nine member board that needed to be addressed. The motion and action taken today will preclude any discussions that will allow for those ideas to be brought forward. A discussion ensued with regard to the lack of discussion prior to the motion being passed. Chair Neufeld stated that he is not opposed to the status quo; the only opposition is to limiting the discussion regarding the issues that have been brought forward. The question was raised to counsel if there will be an opportunity to discuss this matter further, whether it be at the Attorney-Manager meetings or elsewhere. Counsel Slater stated that it is general counsels understanding that the direction given here which was to instruct counsel to prepare a pleading which would carry out the intention of rolling over for an additional five year period. That pleading as a matter of course and practice would go to the Pools and Advisory Committee for their opportunity to comment and then with those comments accumulated it would then be presented to the board at the August Board meeting. This item could in fact be carried into the September Board meeting for further comment before final action is taken. Mr. Hamrick noted that he did second both motions in hope that when the item is brought back for discussion all parties would be open for conversation and to lay problems or concerns out on the table at that time before a final vote is taken. Mr. Vanden Heuvel stated that he anticipates this item is still not open for discussion at the Attorney-Manager meetings and noted that the only appropriate place for dialogue to start is at the Pool level in an open and fully participatory place. Mr. Vanden Heuvel reiterated that the motion that was approved today was, as the Watermaster Board, to request legal counsel to prepare the necessary documents to be responsive to the five year term that is coming to a close. Chair Neufeld stated that how he interpreted the motion was that counsel was directed to file the motion for a rollover to the court, not allowing for further discussion. If there is assurance that there will be further discussion at the Pool and Advisory meetings, Chair Neufeld is in full support that those comments will be heard at the Board and is support of that process.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster Board meeting for the purpose of discussion and possible action regarding Personnel Matters and/or Potential Litigation.

No confidential session was called to order.

VIII. FUTURE MEETINGS

July 28, 2005	9:00 a.m.	Advisory Committee Meeting
July 28, 2005	11:00 a.m.	Watermaster Board Meeting
August 11, 2005	9:00 a.m.	Joint Appropriative & Non Agricultural Pool Meeting
August 16, 2005	11:00 a.m.	Agricultural Pool Meeting @ IEUA
August 25, 2005	9:00 a.m.	Advisory Committee Meeting
August 25, 2005	11:00 a.m.	Watermaster Board Meeting

The Watermaster Board Meeting Adjourned at 12:29 p.m.

Secretary: _____

Minutes Approved: _____