

**RECORD OF THE MINUTES OF THE
WATER QUALITY DEGRADATION ISSUE WORKSHOP
OF THE BEAUMONT CHERRY VALLEY WATER DISTRICT
December 8, 2007**

President Chatigny called the Degradation Issue Workshop to order at 9:00 a.m., 815 12th Street, Beaumont, California. Those present at this workshop were President Chatigny, Vice President Lash, and Directors Dopp, Ball and Parks. Also present at this workshop were General Manager, C.J. Butcher, and Legal Counsel, Gerald Shoaf. President Chatigny led the pledge and Vice President Lash recited the invocation.

1. Mark Wildermuth, (Wildermuth Environmental, Inc.)- Basin Water Quality Model Runs Showing Anticipated Nitrate Plume Movement.

Consultant from Wildermuth Environmental, Mark Wildermuth, presented a slide show on the water quality impacts from on-site waste disposal systems. He indicated that samples were taken from some of the wells in the Cherry Valley Community of Interest (CVCOI), blind samples were sent to three different laboratories: Lawrence Livermore National Laboratory, University of California at Davis and Woods Hole Oceanographic Institute. Results from these studies showed different chemicals were detected. Mr. Wildermuth explained to the public and the Board that if contamination of groundwater is not taken care of, then the contamination will impact the Beaumont Cherry Valley Water District and City of Banning production wells.

2. Joseph C. Reichenberger (District Engineer)- Discussion of Options for Loss of Wells Due to Pollution Plume

District Engineer, Joseph Reichenberger, provided a slide presentation on "Dealing with the Nitrate Contamination in the Beaumont Basin". Mr. Reichenberger explained that the consequences that the District will have if this contamination problem is not taken care of is that a number of District wells will be contaminated and consequently shut down and abandoned. The options that the District has to resolve this issue is to blend the water that can be blended, to provide well head treatment or simply run away from the problem. Mr. Reichenberger explained the Pollution Control Project. This project consists of a series of wells adjacent to the Banning Fault to intercept the contaminated groundwater before it can spread into the Beaumont Basin.

3. Larry Rowe and Charles Bryant (Representatives from Basin Water)- Presentation Regarding Well Head Treatment for Wells Affected by Nitrate/Pollution Plume

Representatives from Basin Water Inc., Charles Bryant and Ron Gamble, provided a slide presentation showing the treatment plant and explained its functions. The removal of contaminants include: Nitrate, Arsenic, TDS, Organics, Iron, Uranium and others. Mr. Bryant explained the different services that the company provides as well as the different implementations to treat groundwater that the company uses. Minimal power demand, significantly lower waste rates than other nitrate removal technologies were some of the advantages that the Basin Water Systems offered. The options of lease or purchase of these treatment plants with "Water Service Agreement" (WSA) were addressed.

4. Sudhir Pardiwala (Raftelis Financial Consultants)- Funding Sources for Dealing with the Nitrate Issues

Raftelis Financial Consultant, Sudhir Pardiwala, provided a slide presentation on the "Impacts of Addressing Nitrate Problems". Mr. Pardiwala explained the Well Replacement, Well Head Treatment and the Pollution Control Project costs and impacts that the District and the customers would have to deal with. The traditional Debt with

an interest rate of 5.0% and the SRF Loan interest rate of 2.6% for a term of 20 years were explained.

5. J. Andrew Schlange (Chief of Watermaster Services)- Impacts on the Beaumont Basin from the Beaumont Basin Watermaster Perspective

Chief of Watermaster Services, J. Andrew Schlange, provided a verbal presentation. Mr. Schlange explained that in order to have quality groundwater, the District has to take care of the pollution problem. He complimented the projects that the District has completed to help save water, one of them being the Recharge Facility. The Beaumont Cherry Valley Water District recommended to sewer the unsewered area of Cherry Valley in September of 2007, with Measure "B". This proposal was rejected by the majority of the votes.

Mr. Schlange mentioned a number of agencies that have faced similar contamination problems like, Bonita Vista Water Company, Chino Basin, Arlington Basin and Los Osos which led all of these agencies to either buy water from other agencies or to treat the current contaminated water at a higher cost to the consumers.

He encouraged the District to keep being the leader in protecting the water quality of the District.

6. Closing Remarks

The Workshop was adjourned at 12:15 p.m.



Albert Chatigny, President of the Board of Directors
Of the Beaumont Cherry Valley Water District

ATTEST:



C.J. Butcher, Secretary to the Board of Directors
Of the Beaumont Cherry Valley Water District