



1. Minutes of the Advisory Committee Meeting held April 27, 2006

## **B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of April 2006
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2005 through March 31, 2006
3. Treasurer's Report of Financial Affairs for the Period March 1, 2006 through March 31, 2006
4. Profit & Loss Budget vs. Actual July through March 2006

*Motion by Kinsey, second by Jeske, and by unanimous vote*

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

## **II. BUSINESS ITEMS**

### **A. WATERMASTER BUDGET FOR FISCAL YEAR 2006/2007**

Mr. Manning stated the full presentation was given at each of the pool meetings and noted Sheri Rojo is available to give the presentation again if the committee members want to see it. Mr. Manning stated most of the increases in the budget are due to our increased operation and maintenance (O&M) costs that are not being absorbed this year by the FEMA grant or the State and/or shared grants with Inland Empire Utilities Agency (IEUA). This budget also includes our debt repayment options, a 4.7% Cola which was a CPI index from March to March of this year, and also includes money for the Personnel Committee's proposals (does not include acceptance of those proposals – only the money to deal with them with the Personnel Committee makes their reports in June through the Watermaster process). Mr. DeLoach noted Sheri did give a detailed presentation at each of the pool meetings and unless the committee members want to see it again he would make the motion for approval of the presented Watermaster budget for discussion. Ms. Horning inquired if Watermaster staff was going to be holding a separate meeting on the allocation of recharge O&M costs. Mr. Manning stated that would be an option if the party members wanted to hold such a meeting and noted this item was discussed at the recently held Budget Workshop. Ms. Hoerning inquired about the surcharge. Ms. Rojo stated that prior to the recharge improvement project the only basins that were on-line were the Montclair Basins and when Watermaster passed through the IEUA cost of the water to the parties they would add the \$2.00 OC59 connection fee and an additional \$2.00 for the projected maintenance costs on the Montclair Basins. Now that we have twenty basins on-line the O&M costs have gone up substantially so the \$2.00 dollar surcharge would now be a around \$40.00 per acre-foot. Mr. Jeske inquired if Watermaster is paying for others to perform the O&M out of the budget and how that is formulated. Ms. Rojo stated those costs are included the budget and will be billed through the Assessment Package. Mr. Manning stated this item will be brought back with scenarios on how the distributions might work out and noted it will be thoroughly discussed prior to the distribution of the Assessment Package through the Watermaster process.

*Motion by DeLoach, second by Rodriguez, and by unanimous vote*

***Motion to approve the Watermaster budget for fiscal year 2006/2007 and direct staff to bring back the allocation discussion of the recharge maintenance, as presented***

## **III. REPORTS/UPDATES**

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

1. Santa Ana River Application  
Counsel Fife stated there are a number of issues surrounding this item including SB 1795 which appears to be stalled. Counsel Fife stated the comments on the Orange County Water District EIR are due next week and Watermaster will be submitting a brief letter supporting them and the 1969 judgment. Once the letter is ready it will be distributed to the parties.
2. Boardsmanship Workshop Update

Counsel Fife stated there was a Boardsmanship workshop held after the last Watermaster Board meeting in April. A number of people have inquired to receive the paperwork that was distributed at that workshop and Sherri Lynne has been handling that distribution. If anyone still needs copies they can contact her when she gets back or me after this meeting.

3. Peace II Update

Counsel Fife stated there does seem to be an agreement on the Peace II Term Sheet and that will be presented to the Watermaster Board members today for discussion. The Board members have received the agreement in advance of today's meeting and there is a short staff letter in the meeting package. Counsel Fife stated staff will be requesting an approval to move the Term Sheet through the Watermaster process.

Counsel Fife noted he will be reporting on the second item under the Watermaster Engineering Consultants Report on the proposed Waste Discharge Requirements for recharge of imported water.

**B. WATERMASTER ENGINEERING CONSULTANT REPORT**

1. Summary of WEI April 2006 Report Regarding Hydraulic Control, Desalters and New Yield  
Mr. Wildermuth stated a detailed presentation was given by Mr. Malone regarding the summary of hydraulic control at the pool meetings. It was noted by the committee members this presentation does not need to be given again because of prior review and discussions at the pool meetings.

2. Proposed Waste Discharge Requirements (WDR) for Recharge of Imported Water

Counsel Fife stated this item was discussed at the pool meetings in detail and after the last meeting there was a workshop with the Regional Board. This was a very interesting workshop. The San Bernardino Municipal Water District (SBMWD) has some strong opinions about these waste discharge requirements; their presentation at that workshop was about an hour long. There were also six or seven various representatives from SBMWD testifying at this workshop. Also in attendance were several other parties who also gave presentations on their observations. The bottom line is that the Regional Board, through SAWPA is going to convene a process to discuss the waste discharge requirements and what should be done and how the issue should be approached. Watermaster is in an interesting position in this regard because we are at the center of the issue. Both Watermaster and IEUA are discussed in the waste discharge requirements. Counsel Fife stated Watermaster's position at the workshop and previously has been just one of support for Jerry Thibeault and for the Regional Board and to stay focused on the good work they have done. A discussion ensued with regard to the recent workshop and counsel noted this workshop was a way to introduce the implementation of the Basin Plan Amendment Requirements. Mr. Kinsey stated it was his understanding that this item has been pulled off calendar and is being redirected to entities on an appointed task force and Mr. Manning agreed that was also his understanding. Mr. Manning stated it is staff's objective to keep things positive and to not jeopardize what we have already accomplished in the Chino Basin. A discussion ensued with regard to this issue. Mr. Atwater added comments on the history of these types of processes and what IEUA's objectives are to move forward in this matter in a positive and creative way. A discussion on the potential to resume Colorado River recharge ensued.

**C. CEO/STAFF REPORT**

1. Water Quality Update

Mr. Treweek stated that over the last year the Water Quality Committee has concentrated on three major plumes and each of those plumes is in a different phase of the remediation process. The first plume is from the Ontario International Airport which is in the remedial investigation phase because the process is just getting started. A second meeting with the potential responsible parties (PRPs) has taken place and at that meeting staff tried to establish a cooperative relationship with them. Staff hoped the PRPs recognized that one

or more of them were the cause of this plume and that they would look at the expansion of the desalter well field and the desalters as a logical remedial action to which they would be willing to contribute. The PRPs have banded together and hired Tetra Tech to review data and compile findings. The second plume is from the Chino Airport which has been discussed at these meetings before and this undertaking is in the feasibility study phase. In the last two years the PRPs have also hired Tetra Tech to do an investigation and have put in nine wells on the airport; these are shallow wells and have identified the plume on the airport property. They have linked that finding to two possible sources at the airport where they did renovations of aircrafts. Staff has met with this group with the idea of seeing the desalter expansion as an additional opportunity to remediate the plume and at the same time recover more water and put that water to beneficial use. It was noted the Regional Board has participated in all these discussions and are very supportive of this process. The third and final plume is the GE Flat Iron plume; it is in the remedial action phase and has been that way for over a decade now. They have a two step process of doing air stripping to remove TCE and then they also have ION exchange which is used to remove chromate. Their water, after treatment, meets all the maximum containment levels and would be acceptable as drinking water. GE does not want to introduce their water into the drinking water system; they have discharged that water into the Ely Basins. Watermaster staff has explained to GE that we need those basins for storm water and for recycled water and we would like to phase out their usage of the basins. Last month GE met with the Flood Control District and all the interested parties and pointed out they have performed a feasibility study, in which they have identified additional basins that they may purchase for recharge. They are also looking at additional options.

2. Strategic Planning Committee Update

Mr. Manning stated an open invitation conference is being planned by the Strategic Planning Committee for October 1, 2, and 3, in Indian Wells at the Grand Champions Hyatt Hotel. The event will be kicked off on Sunday with workshops held all day Monday, October 2, and then Tuesday, October 3, will be a half day session. We will be working on issues dealing with expansion of our recharge facilities based upon the Urban Water Management Plans that were submitted. There is strategic planning that we are going to be doing in many other areas as well. Flyers for this conference will be sent out so that this conference can be placed on agendas. A question regarding holding the conference locally was presented. Mr. Manning stated the idea behind not holding the conference locally is we want peoples' focus to be solely on the task at hand and not on trying to leave early or come late because of other obligations. Staff expects to have follow-up sessions and those sessions will be held locally.

3. Personnel Committee Update

Mr. Manning stated part of this item was covered under the budget presentation. The second part is the CEO evaluation going on through the Personnel Committee; they are still meeting on this item. Mr. Manning noted Watermaster contracted with a new consultant this year by the name of Mathis and Associates who deal with cities and water districts around the country on issues dealing with personnel and recruitment. Mathis and Associates is currently working with the Personnel Committee on both the surveys that were needed for the health issues and on the CEO evaluation.

4. GAMA Presentation by Robert Kent, California Water Science Center

Mr. Manning stated that Mr. Belitz and Mr. Kent from USGS gave a detailed presentation at the May Appropriative & Non-Agricultural pool meeting. USGS is scheduled to be in the Chino Basin in the fall to begin their work. A public workshop will be held prior to the start of their project so that people will be given an opportunity to have input on how the process will be monitored and how information will be dealt with. Their presentation was very informative and it did allow the process of dialog to start between USGS and the Chino Basin.

5. Storm Water/Recharge Update

Mr. Treweek stated through the end of April we have recharged 36,000 acre-feet of storm water, imported, and recycled water. April was a very good water month and in that month alone there were over 5,000 acre-feet of water recharged.

Mr. Treweek stated the Chino Basin Watermaster in conjunction with Inland Empire Utilities Agency has decided to pursue a company by the name of Hansen Aggregates. We are requesting them to repair the damage that their discharges did to our Lower Day Basin. Over the winter Hansen Aggregates discharged silt which went into the Lower Day Basin and the damage from that silt discharge is estimated to be about a half a million dollars. Staff has met with IEUA and they are going to draft a demand letter to Hansen Aggregates. Staff feels we have very good evidence that it was their discharge that caused the basin damage. Chair deBoom inquired if the Regional Board was involved in this issue. Mr. Treweek stated the Regional Board has a waste discharge permit for them, which will be a strong element in our case as this was an illegal discharge of silt and clay into the flood control channel. Mr. Manning stated CBWM's position is Hansen Aggregates can either voluntarily participate in the clean up or staff can go to the Regional Board and they can force their hand in clean up efforts. A discussion ensued with regard to the water recharge lost due to this issue.

6. Inland Empire Public Affairs Network (IEPAN) Update

Jerry Silva with Southern California Edison and Mr. Manning are involved with setting up this event. This is a public affairs network that is involved with trying to bring speakers who are policy makers both in the State of California and the federal government to the policy decision people within the Inland Empire and allow them to speak directly to each other. Our first luncheon is Friday, June 2, with the guest speaker being Fred Aguiar; he is going to be talking about the State of California and the governor's proposals. IEPAN will be holding quarterly luncheons and the next speaker for September is Gary Miller. The intention behind IEPAN is to try and bring into the basin on a regular basis those people make policy and set policy within this country and state.

7. Legislative/Bond Update

Mr. Manning stated he was in Sacramento on May 24, 2006 and had a chance to facilitate a meeting with the Southern California Water Committee and Senator Perada's office. This meeting was to attempt to get a feel for where Senator Perada's water issues will go given the fact it was not part of this year's bond package. We were also able to discuss the Simitian Bill. Senator Perada was very positive with regard to the Simitian Bill. Several other meetings took place regarding water policy which opened doors for good conversation on where we are at in the water policy issues process. These meetings were especially interesting because they combined staff from the Southern California Water Committee and the Bay Area Counsel. Mr. Manning stated he felt it was a very progressive day and was a good start; we are committed to having these types of meetings on a regular basis.

Mr. Manning stated he recently received an email regarding SB 1795 having to do with the changes within the bill regarding recharge. The changes are advantageous to us in the Chino Basin.

**D. INLAND EMPIRE UTILITIES AGENCY**

1. Monthly Water Conservation Programs Report

Mr. Atwater stated on June 2, 2006 in Ontario at the Kaiser medical facility the State Board will be doing a groundbreaking event to celebrate their \$4M grant for the San Antonio pipeline. That will take recycled water through Ontario over to Montclair and will also

recharge the Brooks Basin. All are welcome to be at this event which will start at 10:00 a.m.

Some cleaning needs to be performed at the Banana and Hickory Basins from the rain in March and April. The good news is that rain water is free water; however, it does slow up recharge operations.

2. Groundwater Operations Recharge Summary  
No comment was made regarding this item.

3. Monthly Imported Water Deliveries Report  
No comment was made regarding this item.

4. State/Federal Legislation Reports  
No comment was made regarding this item.

5. Public Relations Report  
No comment was made regarding this item.

**E. OTHER METROPOLITAN MEMBER AGENCY REPORTS**

No comment was made regarding this item.

**IV. INFORMATION**

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

**V. COMMITTEE MEMBER COMMENTS**

No comment was made regarding this item.

**VI. OTHER BUSINESS**

No comment was made regarding this item.

**VII. FUTURE MEETINGS**

May 23, 2006	9:00 a.m.	GRCC Committee Meeting
May 25, 2006	9:00 a.m.	Advisory Committee Meeting
May 25, 2006	11:00 a.m.	Watermaster Board Meeting
June 8, 2006	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
June 20, 2006	9:00 a.m.	Agricultural Pool Meeting @ IEUA
June 22, 2006	9:00 a.m.	Advisory Committee Meeting
June 22, 2006	11:00 a.m.	Watermaster Board Meeting

The Advisory Committee Meeting Adjourned at 9:49 a.m.

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

Minutes Approved: \_\_\_\_\_