

I. CONSENT CALENDAR**A. MINUTES**

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

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of July 2006

Motion by Maestas, second by McGraw, and by unanimous vote

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

II. BUSINESS ITEMS**A. STATUS REPORT 2006-01**

Mr. Manning stated when the court reappointed the nine-member board at the beginning of the year, for another five-year term, that was the end of the official reporting cycle that was agreed to as part of Peace I. As part of this reappointment of the board, the court asked that we start a new cycle of reporting, similar to the old reporting style, although the format did need to be changed slightly. Chino Basin Watermaster has agreed to the new format and Status Report 2006-01 is the first of two, which will be filed with the court this year. Staff is asking this committee to approve Status Report 2006-01 to be forwarded on to the Watermaster Board for approval.

Motion by Maestas, second by Kinsey, and by unanimous vote

Moved to approve the filing of Status Report 2006-01, as presented

B. ANNUAL MONITORING PROGRAM AGREEMENT BETWEEN IEUA & CBWM

Mr. Manning stated in the year 2004/2005 there was an Memorandum of Understanding (MOU) Agreement between Inland Empire Utilities Agency (IEUA) and Chino Basin Watermaster (CBWM) that called for several monitoring functions within the Chino Basin. In that agreement, the MOU referred to an MOU which would be reaffirmed by the agencies on an annual basis. This annual monitoring plan and budget is the aforementioned MOU that specifies what the breakup will be as far as the sharing of costs is concerned. Mr. Manning referred to page 27 of the meeting packet, which describes several monitoring programs under this agreement. Except for the recycled water monitoring, all of the cost shares are at 50%, the recycled water has a 75/25% split. Staff is asking this to be approved to move forward to the Watermaster Board for their approval. Mr. Kinsey noted at the Appropriative Pool meeting Mr. Wildermuth was asked about the Lysimeter and well sampling for the recycled water recharge program. The question that was presented to Mr. Wildermuth was, "Would these facilities be necessary just for storm water recharge or imported?" Mr. Wildermuth indicated by his answer that they were not necessary. Mr. Kinsey stated his concerns are that Watermaster is helping to offset the costs of a recycled water program which we all agree to do, however, Watermaster is not a beneficiary and does not have access to that recycled water to help offset any of its replenishment obligations. Mr. Kinsey stated from Monte Vista's standpoint, we should not be expected to pay for something that we are not receiving some of the benefits associated with the costs. Mr. Manning stated that in some point in time Watermaster will have access to recycled water to the benefit of the entire basin and the knowledge that is gained from the monitoring program does provide benefit to the Watermaster parties.

Motion by Taylor, second by Crosley, and by majority vote – Monte Vista Water District voted no

Moved to approve the Annual Monitoring Program Agreement between Inland Empire and Chino Basin Watermaster, as presented

C. UPDATE OF RESOLUTION 01-01

A number of years ago Watermaster had made a determination that staff was going to use the same costs/charges that are being applied to those types of requests for copied documents from the San Bernardino Superior Court. Watermaster adopted the same rate structure for our

use and policy. The costs have gone up to \$.50 per page and in staying in concert with their rate structure staff is requesting to update our Resolution 01-01 to reflect the new rates. Parties to the judgment have their fees waived; however, non-parties to the judgment must pay the copying fee if they want copies made. Recently there have been two requests for documents; one was a massive request for copied documents, making it even more important to adhere to the new Superior Court rate change.

Motion by Kinsey, second by Rodriguez, and by unanimous vote

Moved to approve updating of Resolution 01-01, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Goodrich Subpoena

Counsel Fife stated the actual subpoena was distributed last month at the Advisory Committee and Watermaster Board meeting. Counsel Fife noted that Goodrich with regard to the water quality litigation in the Rialto Basin has served Chino Basin Watermaster with a subpoena basically asking for copies of every document that we have on file. Counsel attempted to explain to Goodrich the volume of documents they were requesting, however, the notification was not well received and they noted they still wanted every single document requested in the subpoena. Counsel has responded to their request by using Watermaster's standard form that we give to entities who make either public records act requests or any other copying request. Counsel Fife noted Watermaster is a judicial branch entity and is not subject to either the subpoena power of federal district court nor are we subject to the public records act, although, we are very open with everything we have and we will provide the copies which are requested for a fee. Because this request is coming from a law firm we did ask for an advance deposit before we would begin the copying process in the amount of \$25,000 dollars.

2. Stakeholder Non-Binding Term Sheet

Counsel Fife stated we are taking comments concerning the Referee's Workshop regarding the Economic Report. There is a letter from Monte Vista Water District regarding their comments. To date we have not received any other comments. If there is a party that still wishes to submit comments, please do so immediately.

3. Vulcan Assignment to San Antonio Water Company

Counsel Fife stated this item was discussed at length at all of the Pool meetings. This is the proposed assignment from Vulcan Materials to the San Antonio Water Company. Counsel Fife noted the interesting thing about this assignment is that they are asking for it to be retroactive twenty-six years. Watermaster is continuing its investigation into this matter. Several support items will need to be reviewed prior to a decision or action. Mr. Kinsey inquired into a time frame for analyzing the needed items. Counsel Fife stated from Watermaster's perspective, our next action would be to do something when the Assessment Package is being formulated. This has not been an action item on any of the agendas. A lengthy discussion ensued with regard to this assignment. Counsel Fife stated staff is planning on doing their investigation and then preparing a staff report to inform the parties of our position on these issues. Mr. Manning stated Watermaster is performing our due diligence as we would with any Form 10 request which is being performed at this time. Staff will be asking for a great deal of information about the transactions so that we can have clarification. Once staff has a position, in terms of understanding it, we are going to ask legal counsel to provide us with guidance on the legal issues. Mr. Manning reiterated there are no time frames other than we would like it done prior to the Assessment Package in November.

B. WATERMASTER ENGINEERING REPORT

1. Basin Outflows Regarding the Chino Airport Plume

Mr. Manning stated a staff member from Wildermuth Environmental's (WE) office was to be here to give their presentation which was given at the Pool meetings, however, something came up and there is no representation from WE. Mr. Manning stated Mr. Wildermuth did provide some slides for presentation this morning if the committee members would like to see those at this time. Mr. Manning noted WE was describing in their slides and presentation the element that was left out of the report that was given at the Referee's Workshop that spoke about the out flow at the south-west portion of the basin. His report covered what we needed to do to ensure we had Hydraulic Control over that section as well as the rest of the southern portion of the basin. Mr. Manning commented that he will be making the full condensed version of this presentation at the Watermaster Board meeting today.

C. CEO/STAFF REPORT

1. Storm Water/Recharge Report

Mr. Treweek stated our actual recharge for July was 1,600 acre-feet and our goal was 3,800 acre-feet. The reason we only achieved about 40% of our goal was that Metropolitan Water District shut down all the replenishment water during the very-hot days in July. We are now back running at full bore and we are recharging about 200 acre-feet a day in our basins. The only basin that is not working right now is the Lower Day Basin which is being cleaned. Mr. Treweek recapped the future CBFIP facilities and reviewed the schedule of potential yield. Mr. Manning stated what was just reported is an optimistic view of our recharge potential operations and we look at it as the best case scenario based upon where we are today and we also believe most of it achievable with a lot of work. There are still things that need to happen to realize our goal. We are thinking of ways to meet our obligations for recharge, this was one of the items the special referee mentioned at the workshop and is also critical to the court. We are thinking about where we need to be in the year 2030 and this is part of the planning we are working on as to how to get there, and this issue will be discussed further at our upcoming Strategic Planning Conference that is being held in October 2006.

2. Legislative/Bond Update

Mr. Manning stated Sacramento meetings will take place this month which is the last month of the session so anything that does not get off the floor and onto the governors desk is canned and will have to come back in the next session. We are in the middle of an election cycle and the filing period ends tomorrow for elections for seats that are up for election this year. There should be a lot of activity seen over the next couple weeks.

3. Hanson Aggregate Update

Mr. Manning stated this item is actually an information update and that if and when this item is discussed it will be in closed session from now on and will probably be discussed at the next Watermaster Board meeting at the end of the month.

4. Budget vs. Actual Update

Mr. Manning stated this item is in response to a letter written by Robert DeLoach to the chairman of the Agricultural Pool regarding the legal fee overage from the budgeted amount. A response letter was written back by Nathan deBoom, the chairman of the Agricultural Pool, in regard to the overage which included some great suggestions.

5. IEUA Landscaping Alliance

Mr. Manning stated there are a number of events that are all coming together at the same time, like the Strategic Planning Conference which is also related to this Alliance. Along the lines of the IEUA Landscaping Alliance, there is a series of workshops that RAND has offered to hold. The first workshop happens to tag on very nicely to the October conference and RAND wants to hold those in the same time frame as our conference. In September, we are going to be moving the Advisory Committee and the Watermaster Board meeting to the IEUA facilities and after the Board meeting we will have lunch and

then go directly in to the first RAND session which we will use as our pre-conference kick off. The first session will be addressing water supply and global warming water supply issues here in California.

C. INLAND EMPIRE UTILITIES AGENCY

1. Monthly Water Conservation Programs Report

Mr. Atwater stated he received good news regarding the new metering with Edison and the Senate Bill regarding this was passed; this will save us collectively a lot of money in our generation. Chair deBoom inquired if there was a cap put on each site. Mr. Atwater stated there was, and it is one in a half megawatts per facility.

On the back table is information on Mr. Atwater being asked to testify on July 28, 2006 on an Energy Committee.

2. Monthly Imported Water Deliveries Report

No comment was made regarding this item.

3. State and Federal Legislative Reports

No comment was made regarding this item.

4. Community Outreach/Public Relations Report

No comment was made regarding this item.

D. OTHER METROPOLITAN MEMBER AGENCY REPORTS

Mr. Hanson stated the Metropolitan Water District Board has approved the Rialto Feeder isolation valves. Along with the valves they are going to build a pump back station from the Live Oak Reservoir. The schedule is to start working now and the project should be complete in the summer of 2008. Mr. Hanson stated that Legislation is looking promising; in that legislation is a five million for a regional pipeline approach that included Inland Empire, Three Valleys, the San Gabriel Valley Municipal, and the Upper San Gabriel all the way over to the foothills. A part of that with Metropolitan, WFA, and Inland Empire are looking at the best project for bringing in emergency supply into the Mira Mar Plant. Mr. Hanson stated as parties have experienced over this last year or so, Metropolitan Water District at times has little or no replenishment water available off the Rialto Feeder, yet the San Gabriel Pipeline has capacity six months out of the year available to deliver replenishment water.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

2. IE PAN Invitation

Mr. Manning noted the next IEPAN luncheon would be on September 8, 2006.

V. COMMITTEE MEMBER COMMENTS

No comment was made regarding this item

VI. OTHER BUSINESS

No comment was made regarding this item

VII. FUTURE MEETINGS

August 24, 2006	9:00 a.m.	Advisory Committee Meeting
August 24, 2006	11:00 a.m.	Watermaster Board Meeting
August 29, 2006	9:00 a.m.	GRCC Meeting
September 14, 2006	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
September 19, 2006	9:00 a.m.	Agricultural Pool Meeting @ IEUA
September 26, 2006	9:00 a.m.	GRCC Meeting

September 28, 2006	8:00 a.m.	MZ1 Technical Committee Meeting @ IEUA
September 28, 2006	9:00 a.m.	Advisory Committee Meeting @ IEUA
September 28, 2006	11:00 a.m.	Watermaster Board Meeting @ IEUA

The Advisory Committee Meeting Adjourned at 9:40 a.m.

Secretary: _____

Minutes Approved: September 28, 2006