

Draft Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

October 20, 2011

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on October 20, 2011 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT WHO SIGNED IN

Non-Agricultural Pool

Ken Jeske, Chair	California Steel Industries
Brian Geye	Auto Club Speedway
Scott Burton	City of Ontario

Agricultural Pool

Jeff Pierson	Ag Pool – Crops
Bob Feenstra	Ag Pool – Dairy
Pete Hall	Ag Pool – State of California – CIM
Jennifer Novak	State of California Department of Justice

Appropriative Pool

Mark Kinsey	Monte Vista Water District
Jo Lynne Russo-Pereyra	Cucamonga Valley Water District
Raul Garibay	City of Pomona
Dave Crosley	City of Chino
Bill Kruger	City of Chino Hills
Mohamed El-Amamy	City of Ontario
Ben Lewis	Golden State Water Company
J. Arnold Rodriguez	Santa Ana River Water Company
Robert Young	Fontana Water Company
Josh Swift	Fontana Union Water Company
Rosemary Hoerning	City of Upland

BOARD MEMBERS PRESENT WHO SIGNED IN

Bob Kuhn	Three Valleys Municipal Water District
Bob Bowcock	Vulcan Materials Company (Calmat Division)

Watermaster Staff Present

Desi Alvarez	Chief Executive Officer
Danielle Maurizio	Senior Engineer
Joe Joswiak	Chief Financial Officer
Gerald Greene	Senior Environmental Engineer
Sherri Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Brownstein, Hyatt, Farber & Schreck
Joe LeClaire	Wildermuth Environmental Inc.

Others Present Who Signed In

John Mura	City of Chino Hills
Tom Harder	Jurupa Community Services District
Jack Safely	Western Municipal Water District
Van Jew	Monte Vista Water District
Tom Love	Inland Empire Utilities Agency
Terry Catlin	Inland Empire Utilities Agency

Ryan Shaw
John Bosler
Rick Hansen
Sheri Rojo
Seth Zielke

Inland Empire Utilities Agency
Cucamonga Valley Water District
Three Valleys Municipal Water District
Fontana Water Company
Fontana Union Water Company

Chair Jeske called the Advisory Committee meeting to order at 9:03 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting held August 18, 2011
2. Minutes of the Advisory Committee Meeting held September 22, 2011

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of August 2011
2. Watermaster VISA Check Detail for the month of August 2011
3. Combining Schedule for the Period July 1, 2011a through August 31, 2011
4. Treasurer's Report of Financial Affairs for the Period August 1, 2011 through August 31, 2011
5. Budget vs. Actual July 2011 through August 31, 2011

Motion by El-Amamy second by Kruger and by unanimous vote

Moved to approve Consent Calendar items A and B, as presented

II. BUSINESS ITEMS

A. DEFERMENT OF 2011/2012 ASSESSMENT PACKAGE

Mr. Alvarez stated this item is to formally approve the request for deferring the 2011/2012 Assessment Package to January 2012. Mr. Alvarez stated traditionally Watermaster issues the assessments during the October/November time frame. However, this year staff has not completed preparation of the assessments in part due to resolution issues regarding the 85/15 Rule and the reconciliation of storage. Mr. Alvarez stated it is anticipated these issues will be resolved and the Assessment Package will be issued in January 2012. Mr. Alvarez stated at the Appropriative Pool meeting it was requested that staff review the budget and look at the effect of deferring collection of the assessments until January 2012. Mr. Alvarez stated staff has gone back and looked at its operating funds and finds that Watermaster can defer receiving assessment payments until January 2012, with the assumption that any Special Assessments to pay for the 3rd installment of the Non-Agricultural Pool water purchase would be met separately. Mr. Alvarez stated staff will then have to control its expenditures to ensure staff stays within the limited reserves and funds that are available to date. Chair Jeske stated at the Non-Agricultural Pool, the discussion was to do an interim assessment based on last year's assessment; the change from those meetings until now is there will not be an interim assessment going out. Chair Jeske stated the motion on this item would be to defer the annual Assessment Package until January 2012 and continue with any special assessments. Mr. Alvarez stated the special assessment is a separate item. Mr. Kinsey stated it is his understanding, in addition to deferral, to allow the Appropriative Pool to work through any potential changes either in interpretations or application of the 85/15 Rule. Mr. Kinsey stated Watermaster is undertaking an effort to try to quantify water held in storage also. Mr. Alvarez stated it's not the quantification so much as it is the reconciliation and the truing up of the accounts. Mr. Kinsey stated there has also been a lot of discussion regarding Watermaster reserves, and the question has been raised if the reserves are in excess of Watermaster's current policy as established by the Pools and the Advisory Committee. Mr. Kinsey stated he would like to see added to this, as part of the motion to bring back the Assessment Package in January, a follow up on the discussions regarding excess reserves including identifying how much money there are in the accounts. Chair Jeske asked for

clarification on excess reserves and noted the discussion that took place last year on this matter was that Watermaster held funds in reserve that were in excess of their Reserve Policy. Mr. Kinsey stated there are two things that need to be brought back; 1) What is the actual number, because the parties have heard different numbers at different meetings, and 2) As an appropriator, if there are excess reserves being held, how much excess reserves are there, and if there are, they need to be broken out by individual agencies. Mr. Kinsey stated he is really asking that this clean-up be made a part of the assessment process. Chair Jeske inquired of staff if that was a doable time frame. Mr. Alvarez stated he believes so, and if there are any issues they will be brought back and ask for additional time, or ask for a separation of the two items. Mr. Young asked for clarification if what the parties are looking for is a presentation, as well from the financial staff an accounting from Watermaster to identify the areas that were just discussed as a presentation, or is it to be documented in the Assessment Package. Mr. Kinsey stated he thinks that it should somehow become part of the Assessment Package. If Watermaster is holding reserves in excess of its Policy, the parties want to know how much that is, and then come up with a mechanism of keeping track of it, because ultimately the parties rely on that for other expenditures; this can be done as a presentation. Mr. Kinsey offered further comment on this matter. Chair Jeske stated this should also be a part of the annual budget presentation, where Watermaster fully delineates the reserves. Mr. Young stated he agrees with this. Chair Jeske stated the Assessment Package is the time to determine if there any excess funds, and if the parties agree they continue to be held as an extra reserve account by Watermaster or if they come back as a credit on each individual's assessments. Chair Jeske stated this has been discussed before and he believes it was determined to allow the reserves to stay with Watermaster because there was not a method of determining the break down by party of all of the funds, and was essentially put off for another year to fully put together the information that Mr. Kinsey is asking for now. Ms. Rojo stated the accumulation of funds with Watermaster was something that was going to be revisited by the parties in the future to potentially come up with a policy of what to do with the reserves and how Watermaster should be holding them, and at what levels and in what amounts Watermaster should be holding them. Ms. Rojo stated there is not necessarily a policy in place now. Ms. Rojo stated the decision to bring a policy back should be a group consideration. Ms. Rojo offered further comment. A lengthy discussion regarding this matter ensued. Mr. Kinsey noted he would like to see how much there is in excess reserves, if there are excess reserves being held by Watermaster, and how much is in each of the individual Pools. Then, as an appropriator, they would like to know if there are excess reserves being held for the Appropriative Pool members individually. Mr. Kinsey offered further comment on this matter. Chair Jeske stated for the record, regarding if there is a Watermaster Policy, he recalls during the budget processes each year there were reserves and discussions took place on the reserves. However, he does not believe there has been a formal adopted policy and it was possibly only direction given at each budget year during the budget process. Chair Jeske stated it might be best to separate the two items as two individual agenda items when it comes forward in the future, and it might be best to give staff the direction to bring forward a draft proposed Policy on reserves at that time of the Assessment Package.

Motion by Young second by Kinsey, and by unanimous vote

***Moved to 1) Defer the Watermaster Assessment Package to January, 2012, and
2) Direct staff to agendize a draft Reserve Policy at the same time the Assessment
Package is presented, as presented***

B. YEAR 3 PURCHASE OF NON-AGRICULTURAL POOL STORED WATER

Mr. Joswiak referenced the staff report on page 89 of the meeting package. Mr. Joswiak stated this is a standard item that Watermaster has done each year for the past few years, and noted this is the third of the fourth payments due, which is done for the Non-Agricultural Pool water purchased. Mr. Joswiak stated payment number three is going to be \$2,377,249.88 and referenced the chart on page 91 of the meeting package which shows how the calculation as it applies to the Appropriators. Mr. Joswiak noted per the Peace Agreement Attachment G, it states the first anniversary date of when the first payment was made locks in the payment date for all future payments on a going forward basis, and then the payment needs to be made on or

before that anniversary date. Mr. Joswiak reminded the parties that the money needs to be in the Watermaster account prior to the payment which is scheduled for January 13, 2011. Mr. Joswiak stated it was brought to staff's attention that Watermaster was using the incorrect production data and he explained this matter in detail.

Motion by Pierson second by Crosley, and by unanimous vote

Moved to approve a special Assessment in the amount necessary to make payment number 3 from the disposition of water purchased from the Non-Agricultural Pool pursuant to the Peace II Purchase and Sale Agreement, as presented

C. METROPOLITAN WATER DISTRICT REPLENISHMENT WATER POLICY

Mr. Alvarez gave the Metropolitan Water District (MWD) Replenishment Water Program presentation which included History, MWD's Administrative Code, Historical MWD Rates, Reversing a Commitment, MWD Proposal Key Principles, Key Development Principles, Where MWD Replenishment is Headed, and MWD Proposed Program in detail. Mr. Alvarez discussed one of the MWD slides, and discussed the possibility of purchasing replenishment water seven years in advance as water is going to be available three out of ten years, which is going to significantly affect cash flow here at Watermaster. The parties are going to have to come up with a way to finance that water. Mr. Alvarez stated this is going to be a real challenge and staff is going to have to look at alternative supplies. Mr. Alvarez stated Watermaster may have to look at reoperation and it is going to be tough to change course as there are a lot of implications; this is one of those things that requires a lot of thought. Mr. Alvarez stated once MWD finalizes this, Watermaster will have more information as to which way to go. Mr. Alvarez offered final comment on MWD's financial stability and noted he believes it would be worthwhile to try to get a quantitative estimate; it would benefit us to have a study done now. Mr. Alvarez stated he has been meeting with MWD staff and this has been pointed out to them, and they have said they think an economic study might be worthwhile. Mr. Alvarez stated he thinks we should all get together to help fund that study and that MWD be part of this endeavor; it is not a short term study, it may take may over a year to complete. Mr. Alvarez stated the schedule right now is that this will be moving through the MWD process and be presented to the MWD board in December. Mr. Alvarez stated the Policy Principals suggested in the presentation today will be the ones the MWD board is going to adopt, and they are going to adopt this framework in a skeletal basis like this, with the details to be flushed out. Chair Jeske inquired about the 50,000 acre-feet of replenishment water needed ten years from now. Chair Jeske stated he believes that number was 100,000 acre-feet, which means this is a credit to all the water agencies that, before this took place, felt changes were going to come in the future. Before it even got here, agencies were able to cut the total demands of replenishment and imported water in half. Mr. Alvarez stated there is approximately 60,000 acre-feet of water in storage in the basin in the different parties storage accounts, so some of that water can be used to meet this need. However, at the rate of replenishment and as we move forward and start taking water, that stored water is going to be used up in the very near future. Mr. Garibay inquired as to comments made by Mr. Alvarez. Mr. Alvarez stated the estimate right now is that the obligation for over pumping and the blending is probably 10,000 acre-feet; all these numbers are subject to change. Mr. Alvarez stated the additional 40,000 acre-feet would be the desalter operation. Mr. Kinsey stated all southern California water agencies are dealing with the same challenges this basin is. Mr. Kinsey offered further comment on this matter and inquired if the two of the supplemental water providers here today had any additional comments on this matter. Mr. Hansen offered comment on the MWD Replenishment Water Policy. Mr. Hansen stated MWD has never said they do not have water available; what it gets down to is cash flow and lost profit scenario. Mr. Hansen offered comments on MWD's financial status and water strategies. Mr. Love stated we have taken the initiative and gathered together members of the MWD agencies who supply groundwater basins and are trying to focus on addressing this issue. Mr. Love stated we are expressing concerns to the other MWD agencies and the MWD staff. Mr. Love stated as this moves forward those policy principals are scheduled to go to the MWD board in November for approval and it is not clear at this point whether the details of those different levels of replenishment availability will be part of that recommendation for adoption by MWD. Mr. Love stated the parties are hoping it is

just the Policy Principals. Mr. Love offered further comment on the Policy Principals and storing water within the MWD service area. Mr. Love stated with the new permit for blending water, if we get zero imported replenishment water it will not restrict the amount of recycled water we can put in; the new permit gives us that ability. Chair Jeske offered comment regarding Mr. Hansen and Mr. Love's comments. Mr. Love stated one thing the MWD agencies who deliver water to the groundwater basins would like to do is go through an economic analysis for what the investment and the economic cost is. Mr. Safely stated the incentives that come out of this will be found out later. Mr. Safely stated one of the things that he thinks will happen are some intended consequences, and referenced one of the presentation slides which he offered comment on. Mr. Love stated with regard to the regional benefit, some of those member agencies have argued that historic replenishment deliveries have not achieved any regional benefit. Mr. Love stated IEUA is working on an analysis right now on that and offered further comment on this matter. Mr. Kinsey stated there is another very large benefit which should not be forgotten and that is, MWD service area availability to utilize groundwater production significantly reduces peaking off system and significantly reduces their infrastructure needs and that has to be a fairly large number. Mr. Kinsey stated part of the benefit of the local investment is a deferral or an actual elimination of significant MWD investments and infrastructure. Mr. Kinsey stated that cost is huge and with MWD changing their programs that's not going to make those facilities go away, they will just be used differently, and there will be more reliance on MWD. Mr. Kinsey stated he has not heard anything from AGWA and if they are actively involved in working to come up with the economic analysis. It was noted they are not working on that analysis. Mr. Hansen stated Mr. Alvarez came up with the concept of doing economic analyses. However, his concern is San Diego and Los Angeles appearing to be getting what they want, and they are not going to open up themselves up to an economic analysis that is going to say that there is great value in the basins. He noted he does not hold out to much hope that that is going to happen. A lengthy discussion regarding the economic analysis, concerns over this entire matter, and a possible alternative water sources ensued.

There was no action on this item.

D. STATE OF THE BASIN REPORT – WATER QUALITY PRESENTATION (Information Only)

Mr. LeClaire gave the Groundwater Quality – 2010 State of the Basin Briefing Part 2 presentation. The primary concerns of the SOB are groundwater levels, storage, subsidence, and water quality. At the last set of pool meetings Mark Wildermuth provided a summary of groundwater levels and storage. Today, groundwater quality will be addressed. Mr. LeClaire stated in 1999 the Comprehensive Monitoring Program initiated the systematic sampling of private wells south of State Route 60 in the Chino Basin. Over a three-year period, Watermaster sampled all available wells at least twice to develop a robust baseline data set. As we'll discuss later their robust data set turned out to be a wise investment. This program has since been reduced to approximately 110 private key wells, and about one-third of these wells are sampled every other year. Mr. LeClaire reviewed several groundwater quality maps in detail. Mr. LeClaire stated it is not surprising that we have high concentrations of TDS and nitrate south of the 60 freeway. As Mark explained last month, there was a significant pumping depression in the agricultural preserve. As we've spoken about before, a feedback loop was developed. Consumptive use causes an increase in the concentration of salts and the cycle repeats. Mr. LeClaire stated we have the following TCE plumes in Chino Basin: GE Flat Iron, GE Test Cell, Archibald South, Milliken Landfill, Chino Airport, Crown Coach, and Stringfellow. The CIM plume is a PCE plume, with some of the PCE degrading to TCE. Note that perchlorate, which is an ion, has migrated further than TCE. TCE absorbs and desorbs from soil organic matter and has a retardation coefficient of about 2, which means that its relative velocity is about half that of groundwater. Mr. LeClaire stated on September 28, 2011, the Environmental Protection Agency (EPA) released its Toxicological Review of Trichloroethylene (TCE) (EPA/635/R-09/011F). In this publication the EPA for the first time classified TCE as a human carcinogen regardless of the route of exposure. Prior to this the EPA classified TCE only as a "possible human carcinogen." (TCE) - MCL = 5 ppb; DLR = 0.5 ppb; PHG = 1.7 ppb. Health and Safety Code §116365(g) requires the Department, at least once every five years to review its MCLs. In this review,

CDPH's MCLs are to be consistent with criteria of §116365(a) and (b). These criteria state that the MCLs cannot be less stringent than federal MCLs, and must be as close as is technically and economically feasible to the public health goals (PHGs) established by the Office of Environmental Health Hazard Assessment (OEHHA). Consistent with those criteria, CDPH is to amend any standard if any of the following occur: (1) Changes in technology or treatment techniques that permit a materially greater protection of public health or attainment of the PHG, or (2) New scientific evidence indicates that the substance may present a materially different risk to public health than was previously determined. Mr. LeClaire stated each year by March 1, CDPH is to identify each MCL it intends to review that year. Mr. LeClaire stated robust data allowed Watermaster to convince the County that the Chino Airport's plume source was the airport. Mr. LeClaire stated 1,2,3-Trichloropropane (1,2,3-TCP) was used historically as a paint and varnish remover, cleaning and degreasing agent, and a cleaning and maintenance solvent, and more currently as a chemical intermediate (NTP, 2005). Its use as a pesticide was in formulations with dichloropropenes in the manufacture of D-D, a soil fumigant. Mr. LeClaire stated perchlorate is a regulated drinking water contaminant in California, with a maximum contaminant level (MCL) of 6 micrograms per liter ($\mu\text{g/L}$). The MCL became effective October 2007. In January 2011 OEHHA released a draft technical support document for a 1- $\mu\text{g/L}$ PHG for perchlorate for public comment. Mr. LeClaire stated on July 27, 2011, the Office of Environmental Health Hazard Assessment (OEHHA) established a public health goal (PHG) for chromium-6 (hexavalent chromium) of 0.02 micrograms per liter ($\mu\text{g/L}$). Mr. LeClaire stated the PHG will contribute to CDPH's development of a primary drinking water standard (maximum contaminant level, MCL) that is specific for chromium-6. Mr. Feenstra offered comment on hexavalent chromium dissipation and inquired about a natural occurring spike shown on one of the presentation slides. Mr. LeClaire stated that slide represents the distribution of the number of samples in an arrange of values and shows the most probably concentration for hexavalent chromium is around 1 ppb in Chino Basin, and the show spike represents 350 samples which are associated with the point sources; all this is saying is that hexavalent chromium in the Chino Basin ranges from below .1 to about 8 or 9, and with the median value of around 1 or 2 ppb. Mr. LeClaire stated there is a documented point source by GE Flatiron back in the 1940's. Mr. Garibay inquired about the perchlorate slide regarding an isotropic analysis that was done to identify natural versus synthetic and inquired if there is a similar analysis that could be performed on the hexavalent chromium 6 that would also be able to delineate whether one is natural occurring or synthetic. Mr. LeClaire stated he has spoke with a few people who do that sort of research and there is not a method out there yet that can do that.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. October 28 Hearing

Counsel Fife stated there is a hearing scheduled for October 28, 2011 at 10:30 a.m. The main subject will be the CDA Resolution and the approval of that resolution. Counsel Fife stated the court will also be hearing about the Restated Judgment, Watermaster's Annual Report, the State of the Basin Report, and a cleanup item for General Electric for their placement in the Non-Agricultural Pool. Counsel Fife stated the pleading which was filed is available on the back table and there have been no objections filed. Counsel Fife stated the Agricultural Pool had an issue and requested a special notice to go to some of the Agricultural Pool members who are particularly affected by the Chino Creek Wellfield. Counsel Fife stated Watermaster worked with them and those notices went out as instructed. Counsel Fife stated Mr. Malone will be Watermaster's only live witness, which will be an educational opportunity for the Judge. Counsel Fife stated counsel is currently going through the preparation of testimony and noted counsel is also working with the CDA on their input on Mr. Malone's testimony. Counsel Fife stated the other issue that came up was from the Non-Agricultural Pool on the issue of the Restated Judgment. They have asked that a disclaimer be put on the front of the Restated Judgment to indicate that this is a compilation prepared by Watermaster and has not been approved by any party, and that it is for the convenience of the parties. Counsel Fife stated there is some proposed language for that request on the back table for review. Counsel Fife stated there might be a supplemental

filing that will happen next week about all the matters mentioned today. Counsel Fife stated other than the items mentioned; all items are on track for this hearing.

2. Paragraph 31 Appeal

Counsel Fife stated California Steel Industries (CSI) asked for an extension of time to file their reply brief and it was granted by the court. Counsel Fife stated CSI now has until October 28th to file their reply brief. Counsel Fife stated there are settlement discussions taking place and noted more on this subject will be discussed during closed session. Counsel Fife stated Watermaster and the Watermaster Board strongly support settlement and Watermaster counsel and staff have been instructed to do whatever we can to facilitate such a settlement. A discussion regarding the front page language ensued. Counsel Fife stated the parties will be able to see the final language prior to it being finalized and offered further comment on this matter.

B. WATERMASTER ENGINEERING REPORT

1. Chino Creek Well Field Extensometer Installation Update

Mr. LeClaire stated the Peace II SEIR and some of the monitoring and mitigation requirements with regard to the potential for subsidence associated particularly with the Chino Creek Wellfield require that an extensometer be built in the vicinity of that Chino Creek Wellfield. Mr. LeClaire stated Wildermuth Environmental is attempting to install that extensometer facility this fiscal year. Mr. LeClaire stated the stage that process is in right now is the technical specifications have been developed and have identified some target properties that the extensometer might be installed at. Mr. LeClaire offered comment on the target properties. Mr. LeClaire stated it is hoped to secure a piece of property and piggyback onto the well drilling contract that the CDA has right now to drill their last three Chino Creek Desalter Wellfield wells and do a change order there. Mr. LeClaire stated Wildermuth staff is working with the CDA with this regard and there will have to be a cost sharing agreement which will come through the Watermaster process in the future.

C. CEO/STAFF REPORT

1. Recharge (Supplemental Water Purchase/Allocation/Storage Agreements) Update

Mr. Alvarez presented the history of MWD making the replenishment water available for purchase recently and what has transpired at Watermaster since the availability of water was made in May. Mr. Alvarez stated Watermaster has received a total 33,175.5 acre-feet of the MWD replenishment water, which will be subject to adjustments, and the number will not be finalized for several weeks. Mr. Alvarez stated the breakdown for that water is as follows: through the recharge basins 32,105.5 acre-feet, through direct injection 1,074 acre-feet, and through in lieu 1,466.7 acre-feet was recharged. Mr. Alvarez offered comment on the payment of the MWD water and noted 26,000 acre-feet went through Preemptive Storage Agreements with Fontana Water Company (FWC) in the amount 20,000 acre-feet and Niagara Bottling Company (NBC) in the amount of 6,000 acre-feet. Mr. Alvarez stated the Preemptive Storage Agreements limit the water for use only for replenishment purposes and cannot be traded or sold. Mr. Alvarez stated there are a series of Preemptive Replenishment Agreements that are separate and different from Storage Agreements. Mr. Alvarez stated one of these agreements has been finalized with the City of Chino for 1,420 acre-feet of water and two other agreements are pending with Jurupa Community Services District for 2,300 acre-feet of water and the remainder amount of water will be with an agreement with Inland Empire Utilities Agency. Mr. Kinsey stated Monte Vista Water District (MVWD) prepared some correspondence and encouraged the parties to get a copy of the letter. Mr. Kinsey noted he is assuming it is going to be sent out so that everyone will have an opportunity to look at it. Mr. Kinsey stated if you are interested, you can have your legal counsel look at it and, if they would like, they are more than welcome to speak with Art Kidman to better understand a lot of the work that was done to prepare the letter. Mr. Kinsey stated MVWD thinks that Watermaster is operating outside of the limitations of the Judgment, and while we understand the benefit of no storage losses, we think having Watermaster operate as it's supposed to under the Judgment is most important. Mr. Kinsey

stated the parties can have future discussions once the response is prepared. Mr. Garibay stated while reading the opinion from the lawyer, he inquired if the response from Brownstein, Hyatt, Farber & Schreck was in recognition of the letter prepared by Mr. Kidman or was that totally independent. Mr. Alvarez stated the memo from Watermaster general counsel was prepared from a response from questions that arose subsequent to the Pool meetings last week. Mr. Young stated both of the letters were received by the committee on the same day so they both need be evaluated further. Mr. Young inquired what the status of the Storage Agreements will be until such time as decisions are being drawn up on how this matter will be handled. Mr. Alvarez stated the Storage Agreements are separate because that is not an issue of the letter, and the Storage Agreements are separate of the Replenishment Agreements. Mr. Alvarez stated the subject of the letter is taking issue with the Replenishment Agreements as opposed to the Storage Agreements, and the Storage Agreements are a done deal.

2. Archibald South Plume Update

Mr. Alvarez stated this was one of the items in the Watermaster work plan this year in terms of doing some better quantification. Mr. Alvarez stated staff has been instructed to go out and do some additional water quality samples and some of those results are in; there is an exhibit map shown on the display screen. Mr. Alvarez reviewed the map where the testing locations were and reviewed the water quality test results, noting the results were provided to the Regional Water Quality Control Board. Mr. Alvarez stated as part of this program there are ten additional locations that were identified and are mostly on the westerly side of the plume, where most of the sampling was being performed. Mr. Alvarez commented on the locations that were non-accessible at the time of testing and noted staff is working with the Agricultural Pool chair on some of these locations to obtain access, and with the residents at the locations that people were not available on that particular date and time. Mr. Garibay commented about one of the contour slides presented. Mr. Alvarez acknowledged the description comments made by Mr. Garibay were correct.

Added: 3. Letter From Regional Water Quality Control Board

Mr. Alvarez stated this item came up subsequently to the meeting package being sent out and there are copies of the Regional Water Quality Control Board letter regarding this matter available on the back table. Mr. Alvarez stated this is a good news item to report today. Mr. Alvarez stated Watermaster received a letter from the Regional Water Quality Control Board, which was addressed to both Chino Basin Watermaster and Inland Empire Utilities Agency. Mr. Alvarez stated the letter confirmed that Hydraulic Control will be achieved with the completion of the Chino Creek Wellfield, the implication being that in 2014 when all of those wells are completed and in operation, it will effectively reduce all losses from the basin. Mr. Alvarez stated there will no longer be any basin loss factors. At that time staff will have to go back and amend the Peace Agreements and the Judgment to recognize that any Storage Agreements specify there are no further basin losses as long as the system is in place and operating. Mr. Alvarez stated there are some conditions noted in the letter, and the last pending item is regarding the required monitoring. Mr. Alvarez stated the definition of what the monitoring wells ultimately will look like will possibly 3 monitoring wells or 10 monitoring wells, or whatever the number is when it's finished because this is not finalized. Mr. Alvarez stated eventually this will require staff going back and revisiting all of the Agreements and the Judgment, which will specifically preclude having Storage Agreements without a loss factors. Chair Jeske offered comment on the no loss factors and this matter. Mr. Garibay offered comment on the letter and the trigger points mentioned in the letter. Mr. Alvarez stated this letter states that based on all of the analytical effort that has been done to date, if the proposed wells, which are currently being drilled and will be completed by 2014, produce at less than 100%, or even as low as 60% of their anticipated production, we will still achieve Hydraulic Control.

D. INLAND EMPIRE UTILITIES AGENCY1. MWD Update

No comment was made.

2. Water Softener Initiative

Mr. Love stated on July 20, 2011 the IEUA board adopted an ordinance restricting or prohibiting the installation of new salt regenerating water softeners. Mr. Love stated this does not affect existing water softeners, contrary to what you may have seen in recent advertising in the Daily Bulletin yesterday from the water softener industry. Mr. Love stated it is just the installation of new water softeners only. Mr. Love stated this regards self regenerating water softeners which are the type that discharge salt down the sewer. This is being done to protect the water supply in the Chino Basin and the ability to continue to utilize our recycled water for both the direct uses (the irrigation and industrial uses) as well as the groundwater recharge. Mr. Love stated he wants to acknowledge Mr. Ken Willis who is the Chino Basin Watermaster chairman. Mr. Love stated Mr. Willis did an excellent job responding to a letter from the water softener industry and regarding some of the allegations that were made about the enforcement of this ordinance. Mr. Love stated IEUA has adopted the ordinance and are working with our contracting agencies to move forward on adopting similar ordinances and trying to coordinate that effort. Mr. Love offered further comment on the struggles with the water softener industry. Mr. Love stated this is very important and everyone is doing their part. Mr. Love offered comment on the recent advertisement in the Daily Bulletin and the allegations that IEUA did not follow the public process. Mr. Love stated if you have any questions with this regard you can contact either Martha Davis or Sondra Elrod at the IEUA office.

3. State and Federal Legislative Reports

No comment was made.

4. Community Outreach/Public Relations Report

No comment was made.

5. IEUA Monthly Water Newsletter

No comment was made.

E. OTHER METROPOLITAN MEMBER AGENCY REPORTS

Mr. Safely referenced a handout on the back table regarding the Santa Ana Sucker Hearing, which related to the critical habitat designation of the Sucker. This is a good chance for the water agencies to come out and voice their concerns about this important issue. Mr. Safely offered further comment on this matter and noted the lawsuit is still moving forward with the Fish and Wildlife Service.

IV. INFORMATION1. Cash Disbursements for September 2011

No comment was made.

2. Newspaper Articles

No comment was made.

V. COMMITTEE MEMBER COMMENTS

Mr. Kinsey stated part of the effort to put wet water in the ground included using MVWD's injection wells. Mr. Kinsey stated he appreciated the effort because it allowed us to actually get some real data on how they perform, and they performed rather well. Mr. Kinsey offered comment on the water quality data and stated it appears basic blending does work. Mr. Kinsey offered comment on Ron Craig's son. Mr. Craig's son plays for the Saint Lois Cardinals and did something unique last night – he drove in a run with a pitch hit that turned out to be the game winning hit.

VI. OTHER BUSINESS

Mr. Alvarez noted there has been a change made to the November Watermaster Board meeting date due to the upcoming Thanksgiving holiday schedule. Please note the new date of November 17, 2011, which will be on the same day as the Advisory Committee meeting. Mr. Alvarez reminded the committee members about the 85/15 Rule Workshop scheduled for Wednesday, October 26, 2011 at 9:00 a.m. Mr. Alvarez reminded the committee members about the Groundwater Model Update Workshop scheduled for Thursday, October 27, 2011 at 2:00 p.m.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to the Advisory Committee Rules & Regulations, a Confidential Session may be held during the Watermaster Pool meeting for the purpose of discussion and possible action.

No confidential session was called.

VIII. FUTURE MEETINGS

Thursday, October 20, 2011	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, October 20, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, October 20, 2011	11:00 a.m.	Land Subsidence Committee Meeting @ CBWM
Wednesday, October 26, 2011	9:00 a.m.	85/15 Rule Workshop @ CBWM
Thursday, October 27, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, October 27, 2011	2:00 p.m.	2012 Groundwater Model Workshop/Planning Assumptions @ CBWM
Friday, October 28, 2011	10:30 a.m.	Watermaster Court Hearing @ Chino Court
Thursday, November 10, 2011	9:00 a.m.	Appropriative Pool Meeting @ CBWM
Thursday, November 10, 2011	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, November 10, 2011	1:00 p.m.	Agricultural Pool Meeting @ CBWM
Thursday, November 17, 2011	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, November 17, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
* Thursday, November 17, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM

* **Note:** Watermaster Board meeting date change due to the Thanksgiving holiday

Chair Jeske dismissed the Advisory Committee meeting at 10:45 a.m.

Secretary: _____

Minutes Approved: _____