

Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING
December 15, 2011

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on December 15, 2011 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT WHO SIGNED IN

Non-Agricultural Pool

Ken Jeske, Chair	California Steel Industries
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

Appropriative Pool

Mark Kinsey	Monte Vista Water District
Marty Zvirbulis	Cucamonga Valley Water District
Raul Garibay	City of Pomona
Dave Crosley	City of Chino
Ron Craig	City of Chino Hills
Mohamed El-Amamy	City of Ontario
Robert Young	Fontana Water Company
Josh Swift	Fontana Union Water Company
Ben Lewis	Golden State Water Company
Rosemary Hoerning	City of Upland
Charles Moorrees	San Antonio Water Company
Eldon Horst	Jurupa Community Services District

BOARD MEMBERS PRESENT WHO SIGNED IN

Bob Kuhn	Three Valleys Municipal Water District
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Watermaster Staff Present

Danielle Maurizio	Senior Engineer/Interim CEO
Gerald Greene	Senior Environmental Engineer
Sherri Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Brownstein, Hyatt, Farber & Schreck
Scott Slater	Brownstein, Hyatt, Farber & Schreck
Mark Wildermuth	Wildermuth Environmental Inc.
Andy Malone	Wildermuth Environmental Inc.

Others Present Who Signed In

Jo Lynne Russo-Pereyra	Cucamonga Valley Water District
Tom Harder	Jurupa Community Services District
Jack Safely	Western Municipal Water District
Robert DeLoach	Western Municipal Water District
Ryan Shaw	Inland Empire Utilities Agency
Tom Love	Inland Empire Utilities Agency
Rick Hansen	Three Valleys Municipal Water District
Van Jew	Monte Vista Water District

Justin Scott-Coe
Terry Catlin
John Bosler
Rick Hansen
Curtis Paxton
Eunice Ulloa
Bob Gluck
Sheri Rojo
Seth Zielke

Monte Vista Water District
Inland Empire Utilities Agency
Cucamonga Valley Water District
Three Valleys Municipal Water District
Chino Desalter Authority
Chino Basin Conservation District
City of Ontario
Fontana Water Company
Fontana Union Water Company

Chair Jeske called the Advisory Committee meeting to order at 9:00 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 November 10, 2011

B. FINANCIAL REPORTS

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

Motion by Garibay second by Young, and by unanimous vote

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

II. BUSINESS ITEMS

A. CHINO BASIN WATERMASTER RESERVES

Ms. Maurizio stated this item was covered in detail at all three Pool meetings and a presentation was also given. Ms. Maurizio stated the question has been raised by the Appropriators for approximately six months now as to how much money is actually in the reserves. Ms. Maurizio stated there is an immediate need to agree on how to handle the reserves in the upcoming Assessment Package, which is currently being worked on and will be presented next month. Ms. Maurizio stated there is also the issue of how much reserves there are, what is to be done with them, and then implementing a Policy for reserves since Watermaster does not have a current written policy in place. Ms. Maurizio stated she has the presentation here today to give which was the same as the one given at the Pool meetings. Ms. Maurizio noted Mr. Joswiak would normally present this item; however, he is out on leave for a few weeks. Ms. Maurizio stated it appears the committee members do not want to see the entire presentation so she will go over the actions taken at the Pool meetings. Ms. Maurizio stated the Appropriative Pool's motion was to unanimously approve to have Watermaster move forward with the creation of the Assessment Package, and return the current Appropriative Pool excess reserves of \$2,542,181 allocated back to the parties based on the last four years of pro-rata share of the assessment and return it as a credit on their invoice for current fiscal year assessments, and then secondly to have some of the parties' finance officers work with Watermaster staff to come up with a permanent reserve policy at least as it relates to the Appropriative Pool. Ms. Maurizio offered further comment on the Appropriative Pool's motion for clarification. Ms. Maurizio stated each Pool had very different actions. Ms. Maurizio stated the Non-Agricultural Pool's action was to unanimously approve staff recommendation, have Watermaster staff provide a credit on the Assessment invoice for monies paid into the excess fees over the last four years, and to direct the chairs to support at the Advisory Committee and Watermaster Board meetings subject to changes which they determine to be appropriate. Ms. Maurizio offered further comment on the

Non-Agricultural Pool's motion for clarification. Ms. Maurizio stated the Agricultural Pool's action was from a recommendation from the Pool Chair, Mr. Feenstra, to recommend Watermaster staff look at bringing this item back with options on how to allocate the reserve funds. Ms. Maurizio stated part of the Agricultural Pool's conversations on this item was that the Appropriative Pool pays those assessments on their behalf, and that those are still assessments of the Agricultural Pool and perhaps they should be given the excess reserves back for that portion rather than monies go to the Appropriative Pool members who paid it on their behalf. Mr. Pierson stated that was an opinion that was shared at the Agricultural Pool meeting, that it would be looked at on a pro rata basis as to reserves that would be allocated back to the Agricultural Pool if the Agricultural Pool would have paid their assessment. A discussion regarding the Agricultural Pool's comments ensued. Ms. Maurizio noted all of the motions are listed in the staff letter in the meeting package from the Pool meetings. Ms. Maurizio stated staff's recommendation for this item. Chair Jeske asked for any comments and Mr. Kinsey stated he would move staff recommendation.

Motion by Kinsey second by Crosley, and by unanimous vote

Moved to approve staff recommendation to approve (1) Watermaster moving forward with the creation of the Assessment Package using the 30/30 Reserve and \$200,000 savings to offset assessments; (2) Return the current Appropriative Pool Excess Reserves of \$2,542,181 and Non-Agricultural Pool Excess Reserves of \$81,757 allocated back to the Parties based on the last four years of pro-rata share of the assessments and return it as a credit on their invoice for current fiscal year assessments (any Party with a greater Excess Reserve allocation than current assessment will be issued a check); and (3) That the Parties work with Watermaster staff to develop a permanent reserve policy, as presented

B. TURNER BASIN IMPROVEMENT PROJECT AGREEMENT

Ms. Maurizio stated a presentation was given at the Pool meetings on this item. Ms. Maurizio stated the Turner Basin Project has been discussed for several years and Watermaster is ready to move on to the next phase of the project now that some grant funding has been received. Ms. Maurizio stated this contract needs to be signed this month so that Watermaster can move forward and complete this phase of the project to meet the grant requirements. Ms. Maurizio stated the motions at the Pool meetings varied slightly as to how to fund the project, however, the actual approval of the project was approved unanimously. Ms. Maurizio inquired if the committee members wanted to see the full presentation or see the last page where the motions are listed. Chair Jeske noted there is no request to see the presentation and the actions are listed. Chair Jeske stated both the Appropriative and Non-Agricultural Pools dealt with funding discussions in their meetings. Chair Jeske stated he would like to see how this is going to be funded in the next financial review, particularly for this year, in some sort of financial report. Chair Jeske stated that would meet the needs of the Non-Agricultural Pool. Mr. Kinsey stated he moves staff's recommendation; however, has some questions. Mr. Kinsey offered comment on this project and inquired if additional recharge capacity is needed in MZ2 to meet long term needs, and inquired if this really does create any additional new yield to recharge improvements. Mr. Kinsey stated if there is new yield, the question is, what do we do with that new yield which has been created? Mr. Wildermuth stated for the new recharge capacity needed in MZ2 question, if this water can replace importation water cost effectively then yes, this is a very cost effective project. Mr. Wildermuth stated for the new yield question there is no downstream basin; there is so much water in that system that it gets overwhelmed and he has not done any calculations on this question. Mr. Wildermuth stated to the extent that in most years it will result in new recharge; we just do not know how much. Mr. Moorrees inquired if this would enable maintenance of the basins without taking any out of service. Mr. Wildermuth stated he does not know the answer to that question. Mr. Greene stated the way the isolation between the basins work is there would be better ability to do operation and maintenance of a single basin, leaving others around it open or available for recharge. Mr. Greene offered further comment on the capture of recharge. Mr. Garibay inquired about new regulations on recycled water recharge and how that might modify the projections for this basin. Mr. Love stated as the

draft water recharge regulations for recycled water has evolved over the last ten years; those regulations are being watched very carefully. Mr. Love offered comment on Inland Empire Utilities Agency's (IEUA) first permit, the revised permit, and the new recharge regulations. Mr. Love stated the Health Department's revised permit, which was provided to IEUA, actually improved recycled water recharge. Mr. Love noted the regulations have been in draft form for twenty years now and regulations are watched very carefully. Mr. Love stated he does not believe anything they are doing with those right now will affect our ability to recharge recycled water. Mr. Garibay inquired about the control of the facilities. Mr. Love stated the facilities are owned by the County, a small portion of the site is owned by the Chino Basin Water Conservation District, portions are owned by Flood Control, and portions are owned by County Parks. Mr. Love stated many of the basins are owned by the Flood Control and IEUA works very closely with them on the operations; IEUA does not have complete control because they own the site and Flood Control operations take precedent over recharge operations. Mr. Love offered further comment on this project and recharging. Mr. Garibay inquired with all the basins that have been identified, where does Turner Basin fit into those priorities? Mr. Wildermuth stated he could do a quick look up but he thinks it's one of the low hanging fruit because there was a lot of other money involved in it; the expansion is quite productive in terms of production also. Mr. Wildermuth stated, to emphasize on something Mr. Love said, these are Conservation basins, and are not Flood Control's, so the conflicts with the Flood Control are almost nil; this is really an attractive project. Chair Jeske offered final comments on this item.

Motion by Kinsey second by Moorrees, and by unanimous vote

Moved to approve the approval of the cost sharing agreement, as presented

C. ANNUAL FINDING WITH COMPLIANCE OF UPDATED RECHARGE MASTER PLAN

Ms. Maurizio stated this item was covered in the Pool meetings; however, she will review it briefly. Ms. Maurizio stated Watermaster is required to make this annual finding that it is in substantial compliance with the 2010 Recharge Master Plan Update; this will be the first one required for Watermaster to do on this plan annually. Ms. Maurizio stated Wildermuth's latest report indicates there is enough recharge capacity. Watermaster knows there is an imbalance of recharge and discharge that exists in MZ3, and specifically in the Jurupa area. Ms. Maurizio stated Watermaster is working on addressing those issues. Ms. Maurizio stated to show we are in compliance, Watermaster has committed to the process toward implementing the Preemptive Replenishment Program. Mr. Horst stated Jurupa Community Services District (JCSD) has submitted a letter of comment on December 14, 2012, regarding the reports and findings, and JCSD realizes this letter has come in subsequent to the Pool meetings; however, staff feels it is important to be on record with our position. Mr. Horst stated the letter contains three important points and those three points are not only important to JCSD but on a regional basis as well. Mr. Horst noted a copy of the letter is on the table and he reviewed the three points in detail. Mr. Horst stated the bottom line point is whether it's improvements in recharge or whether it's in lieu supplies, they all require an Implementation Plan and they all require a Finance Plan; those are the missing pieces to this point. Mr. Horst stated JCSD is prepared to make a motion to approve the recommended action contingent on completing the Implementation Plan and the Finance Plan within the next year. Chair Jeske asked for any comments or a second before we comment. Mr. Craig inquired to Mr. Horst how much groundwater production you feel like on a long term basis you might be short, the difference between what you can physically can do with the decline in groundwater levels, and your appropriative right. Mr. Horst stated JCSD is looking at that internally and in the next few weeks we anticipate to come up with a clear quantification. Mr. Wildermuth stated during the development of the Peace Agreement, WEI did a subsequent analysis in 2009, WEI came of the opinion using the then projections for groundwater in the future that somewhere around 4,000 acre-feet would be appropriate and this is a model projection based on what we then thought was going to happen; however, we think something different is going to happen now based on these projections and he noted he is not exactly sure what that number now is. Mr. Wildermuth stated that number came by looking at the existing recharge facilities and trying to put water into those facilities and coming to the conclusion that it did not have much benefit to the existing basins. Mr. Wildermuth stated the ASR Project needed

to be looked at and what that could do, and that is where the 4,000 acre-foot number came from. Mr. Wildermuth explained the new pumping plans which are substantially different. Mr. Zvirbulis stated to the extent that Mr. Horst's motion is reflective of some of the discussions that have occurred so far at the Steering Committee level on the Recharge Master Plan, which include not only the implementation of the 2010 document but a reevaluation of the different parameters that drive the need for recharge, whether it be by management zone or otherwise, and to look at alternatives from an in lieu perspective then he can support that. Mr. Zvirbulis stated he has been on the Steering Committee to start with and he feels that it limits participation by other affected parties, and from his standpoint, as this moves forward he would hope that the process could be opened up to any interested parties here in the Watermaster family to participate in the development of the necessary plans to move this forward. Mr. Zvirbulis stated if that was the intention then he would second the motion. A lengthy discussion regarding the motion and this matter ensued. Chair Jeske reiterated Mr. Zvirbulis' question and comments, and Mr. Horst stated he supports the call for further participation. Mr. Horst stated the question of what is included in the Implementation Plan would be within twelve months from now, and the identification of projects and how they would be financed so this could move to completion so that parties have some ability to be able to rely on a sustainable water supply for the reasonable future. Chair Jeske stated he is hearing different things saying the same thing in that we all want to work on all options and to put together an Implementation Plan that meets the goals by looking at all options without limit. Mr. Horst stated JCSD is not willing to forgo its rights in the Judgment. Mr. El-Amamy asked that a clarification of the motion be made either by Mr. Wildermuth or Counsel. Counsel Fife stated this is important and he is agreeing with Chair Jeske that he is hearing different words for the same thing. Counsel Fife stated the motion is a motion to approve, with a conditionality placed on it that over the next twelve months an Implementation Plan and Financing Plan, which would go with the Implementation Plan, be developed to address the issues that are of concern in the Recharge Master Plan, and as noted by Mr. Zvirbulis that it is not limited to certain pathways to resolution but that all options for the resolution of the issues will be examined. Mr. Zvirbulis stated that was correct and offered further comment on the limited invited participation of the Steering Committee. Mr. Zvirbulis described the items being worked on by the Steering Committee. Counsel Fife stated it appears JCSD is looking for a specific plan with timelines and milestones for whatever projects are necessary. Mr. Horst stated that was correct and the Implementation Plan would include completion dates and the Finance Plan would include a viable method of raising the funds necessary to complete the work; it would be development and completion of the two plan components. Chair Jeske stated he hears the motion to approve the item and require an Implementation Plan and Financing Plan without limit to the options of those plans to be completed within one year. Mr. Wildermuth stated he thinks twelve months is way to short with the way processes move through Watermaster; to get people to come to meetings and agree on something and have work done that has to be reviewed and commented on, with a final approval in twelve months seems fast. Mr. Horst stated he understands that; however, the Judge issued an order for completion by December 2011, for some of these vary components and JCSD thinks twelve months is generous. Mr. Kinsey stated even though the basis of developing the original Recharge Master Plan has changed dramatically. Chair Jeske stated the motion was to approve the item which is a report that was made to the court and the two added items are those items that will ultimately go to the Board and then the Board will issue direction on. Chair Jeske stated depending on the amount of work involved with what could be viable options, would there be any reason if we got to a point where a few more months were needed to work on that, could we do that? Chair Jeske stated what JCSD suggested is that the first timeline be set but he did not hear it set in stone in the filing. Counsel Fife stated this is not about a filing and nothing goes to court about this; this is a requirement of the Peace II Agreement, that this process be gone through every year and have these types of discussions every year about where we are on the Recharge Master Plan implementation. Mr. Kinsey stated he wanted to clarify the motion. Mr. Kinsey stated within the next year there will be completion of the Recharge Master Plan Update, development of an Implementation Plan to address balance issues within the Chino Groundwater Basins subzones, and the development of a Funding Plan. Mr. Kinsey offered further comment. Chair Jeske inquired to Mr. Horst if that was an acceptable motion and Mr. Horst stated it was. Chair Jeske

asked if there was a second on the motion and Mr. Craig seconded the motion. Mr. Zvirbulis stated he wanted to comment on the process that is used to get there. Mr. Zvirbulis stated the Steering Committee concept was a great concept; there are a lot of moving parts and this is one of them, and the other one is the issue related to preemptive replenishment. Mr. Zvirbulis stated he thinks there is lack of facilitation of that group and it would be beneficial to all of us if we could agree on how to move that forward and under whose guidance that is done, whether it be Watermaster's legal counsel, or an appointed member to serve as chair of that Committee to help facilitate the process, and not leave that particularly to Watermaster staff to do; it would be more beneficial to all of us engaged to appoint one person to help facilitate that effort in a coordinated fashion. Chair Jeske asked if Mr. Zvirbulis was looking to do that today, next month is the annual meetings where the Pools and elect chairs. Mr. Zvirbulis stated he believes there are a couple of meetings already scheduled before the annual meeting and offered that maybe those meetings be delayed until after a chair or designated facilitator can be determined before the first meeting in order to have some purpose and value associated with it. Counsel Fife stated he would like to make a recommendation that it may be appropriate for the Steering Committee, at its next meeting, to discuss that since it is occurring prior to the annual meeting, they would be in a position to transmit a recommendation to the Board. A discussion regarding this matter ensued. Chair Jeske stated the Steering Committee would be open to general attendance and the Steering Committee would put on their agenda a coordinator/facilitator for the group; this is just a recommendation to the group to follow. Mr. Garibay offered comment on the funding of this project.

Motion by Horst second by Craig, and by unanimous vote

Moved to approve that within the next year there will be the completion of Recharge Master Plan Update, there will be the development of an Implementation Plan to address balance issues within the Chino Basin subzones, and the development of a Funding Plan, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Update on 180 day deferral of December 17, 2011 Recharge Master Plan Filing

Counsel Fife stated there is a draft pleading on the back table for the 180 day deferral which was directed by the Watermaster Board. Counsel Fife stated there has been a hearing scheduled for tomorrow morning with the court at 10:30 a.m. and the pleading has been filed. Counsel Fife stated he is not aware of any objection to the motion; it was distributed at the Pools and only typographical comments have been received.

2. Aqua Capital Management versus California Steel Industries

Counsel Fife stated this lawsuit is in a different courtroom than Judge Reichert. Counsel Fife stated California Steel Industries has filed a demur where they have asked the court to dismiss the lawsuit on the basis that the issues have already been ruled on by our court, and then in the alternate, that the case be moved back to Judge Reichert to be in the adjudication courtroom. Counsel Fife stated the hearing on this is December 19, 2011 and Watermaster will attend to be on hand; however, Watermaster is not filing anything at this time.

B. WATERMASTER ENGINEERING REPORT

1. Chino Creek Wellfield Extensometer Location

Mr. Malone stated in the Peace II CEQA documentation there is a monitoring and mitigation requirement to install an extensometer near the Chino Creek Desalter Well Field. Mr. Malone reviewed a map of the location in detail. Mr. Malone reviewed the property area in which the extensometer will hopefully be installed. Mr. Malone noted the extensometer is going to be below ground. Mr. Malone discussed the proposed construction, easement, and permanent easement. Mr. Malone noted the county has stated that the site is acceptable with them; however, complete confirmation has not been received. Mr. Malone stated once the final lease agreement is received, Watermaster Counsel will be reviewing it. Mr. Malone stated we were working after that with the Agricultural Pool's chair, Bob Feenstra

and Frank Brommenschenkel to help us get a site by working with a private land owner in the event the county's site falls through. Mr. Malone stated he will keep the parties apprised on this matter at future meetings.

C. CEO/STAFF REPORT

1. RWQCB Basin Plan Amendment Update

Mr. Wildermuth stated his report has not changed since it was given at the Pool meetings and he could repeat what was given at those meetings. Chair Jeske offered comment on this item. Mr. Wildermuth stated the controversial language they put in there has to do with the definition of incidental recharge of planned recycled water recharge. Mr. Wildermuth stated he has been working with the RWQCB staff and will find out shortly if those writers have been removed.

2. Recharge Update

Ms. Maurizio stated there is an updated Recharge spreadsheet which was not available at the Pool meetings earlier this month for November. Ms. Maurizio stated 1,174 acre-feet has been received for storm water, zero acre-feet of imported water, and 648 acre-feet of recycled water. Ms. Maurizio reviewed the fiscal year totals in detail.

3. Resolution of Preemptive Replenishment Water Purchase

Ms. Maurizio stated she is very happy to report that since the last Advisory Committee and Watermaster Board meetings Watermaster has signed the agreements with Jurupa Community Services District and with the City of Ontario. Ms. Maurizio stated the City of Ontario agreement was signed very quickly after the Board meeting and they gave a check to Watermaster almost immediately. In turn, Watermaster paid IEUA. Ms. Maurizio noted for your information, the balance due to IEUA was paid in two checks. Ms. Maurizio stated on November 23, 2011 Watermaster paid IEUA in the amount given by the City of Ontario Agreement. The Jurupa agreement had to go back to their board on November 28, 2011 and the next morning they had the check and the agreement to Watermaster, and those funds were then taken to IEUA for the last payment on the balance due. Ms. Maurizio stated IEUA had to pay MWD by November 30, 2011, otherwise they were going to pay a late fee – Watermaster did get the monies due to IEUA in time that they did not incur any penalties. Ms. Maurizio stated she attended the actual IEUA board meeting recently where Watermaster had officially asked for them to waive our penalties and interest because we paid them late according to their invoice; the IEUA board considered our request and they waived the fees for Watermaster. Ms. Maurizio stated Watermaster now has all of the agreements needed and has paid IEUA in full for the water and all is good. Ms. Maurizio noted there is a handout on the back table which breaks down the water in further detail

4. Notice of Availability of Non-Agricultural Pool Water

Ms. Maurizio stated this item is the Notice of Availability for the Non-Agricultural Pool water which starts on page 71 of the meeting packet. Ms. Maurizio stated this is just notification that if any party of the Non-Agricultural Pool parties would like to sell their water out of storage they need to notify Watermaster by December 31, 2011 via email to Ms. Maurizio. Ms. Maurizio stated the notice is included in the meeting packet as well. Mr. Kinsey inquired if there is an available amount. Counsel Fife stated the way the notice procedure works is that Watermaster puts out the notice which is a request to the Non-Agricultural Pool parties to indicate how much water they are willing to sell by December 31st. Counsel Fife stated then, by January 31st Watermaster notifies the Appropriative Pool of the amount that has been put up for sale and then the process moves one. Chair Jeske stated this is the first step.

6. Agricultural Pool Recommendation on the Applications for Recharge Update

Ms. Maurizio stated in the Pool meetings earlier this month there were two Applications for Storage and Recharge Agreements in the meeting package from the City of Upland and San Antonio Water Company which were actually pulled from the Consent Calendar by each

Pool. Ms. Maurizio stated these applications were discussed thoroughly. Ms. Maurizio stated the Appropriative and Non-Agricultural Pools deferred the item. Ms. Maurizio stated the Appropriative Pool requested staff to review all Storage Agreement requests that have been received to date, going back to the Peace agreement, directed staff to have a Material Physical Injury Analysis done on them, and to review where we are with regard to the cap and how all the agreements fit into that cap. Ms. Maurizio stated the Non-Agricultural Pool deferred this item pending action from the Appropriative Pool. Ms. Maurizio stated the Agricultural Pool decided to move forward the Applications for Recharge, not the Storage Agreement portion, only the Recharge Application section. Mr. Kinsey inquired about the physical portion of the Application for Recharge, which is the actual physical part of putting water into the basin and requires a Material Physical Injury Analysis, which was not completed for either one of those applications. Mr. Kinsey stated he is not sure how these can move through the process that is deficient in terms of the necessary information to begin with. Mr. Kinsey noted if this moves forward without further discussion, then this would eliminate any further Pool comments on the Physical Injury Analysis as part of the process if it is not brought back through the entire process. Ms. Maurizio stated she is only pointing out the actions taken at each Pool meeting. Ms. Maurizio stated staff is collecting all the applications received to date, which there are some missing, and staff is moving forward with the Material Physical Injury Analysis on them, and that analysis will be brought back through the Watermaster process.

7. Mailing of Archibald South Plume Water Quality Results

Ms. Maurizio stated this item was a Business Item on the Agricultural Pool agenda this month. Ms. Maurizio stated Watermaster staff has been doing quite a lot of sampling around the Archibald South Plume and, while staff has been out there, there have been multiple requests from the owners and the users to receive their data. Ms. Maurizio stated staff discussed with the Agricultural Pool how that data would be transmitted. Ms. Maurizio stated the Agricultural Pool directed staff to send the information to both the owners and users, including all of the water quality results.

8. Annual and Election Meetings for January, 2012 Reminder

Ms. Maurizio stated this is a reminder that the annual meetings will be in January, 2012 where the elections take place, and the dates are listed in the Future Meetings section of the agenda. Ms. Maurizio reminded the parties that the Board meeting has moved up a week to December 15, 2011 to accommodate the upcoming holiday. Ms. Maurizio stated on that day there will also be a Land Subsidence Committee meeting at 8:00 a.m., and a workshop has been added for the review of 2011 Groundwater Production & Replenishment Projections at 1:30 p.m.

D. INLAND EMPIRE UTILITIES AGENCY

1. MWD Update

Mr. Shaw stated Metropolitan Water District (MWD) had two information items go to their board this week. Mr. Shaw stated the first one was on the Replenishment Program and the second was a finance board workshop. Mr. Shaw stated MWD is getting together more details regarding the Replenishment Program and they are still proposing three levels, and the incentives are looking a lot lower than they were in the old program. Mr. Shaw stated in the next month the new the MWD board will take an action on the new Replenishment Program which will have some substantial impacts to the Chino Basin and the board letter regarding this is on the back table. Mr. Shaw stated the long range Financial Plan goes from variable costs to fixed costs, and there is a workgroup coming up with some potential solutions for new additional fixed costs. Mr. Shaw stated with regard to MWD rates, they held a workshop on Monday and they did not get into a lot of details, and there will be some substantial changes to MWD's rate structure. Mr. Shaw stated within the next six months MWD will be making some decisions on rates. Mr. Shaw offered comment on purchase orders and if they were successful over the last ten years, and a workgroup will be meeting with this regard within the next six months or so. A lengthy discussion regarding Mr. Shaw's

report ensued. Mr. Shaw offered comment on the MWD LRP progress and noted it has only been discussions lately and not action has been taken.

2. Water Softener Initiative

Mr. Love stated on Monday evening the City of Upland held a public hearing, and at that hearing there were no comments or oppositions on the Water Softener Ordinance received. Mr. Love stated that Initiative is now on the January 23, 2012 agenda for adoption from the city council. Mr. Love stated he has worked very closely with several cities to get this moved forward and he will keep people apprised of its progress.

Mr. Horst expressed appreciation to IEUA and its board for the flexibility on the Preemptive Replenishment Agreement regarding the penalties. Mr. Love stated this is was an unusual circumstance and offered further comment on this matter.

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.

D. OTHER METROPOLITAN MEMBER AGENCY REPORTS

Mr. Safely offered comment on the EPH rules and noted there are draft guidelines for recycled water recharge. Mr. Safely stated there is an open comment period for agencies to comment on this EPH rules until January. Mr. Safely offered comment on the MWD options.

Mr. Hansen offered comment on the Long Range Financial Plan and noted MWD is really struggling with their cash flow. Mr. Hansen noted 80% of MWD's budget is fixed costs. Mr. Hansen offered comment on MWD's income and their need to change things to fixed costs, and he gave several examples of what these new fixed costs could look like. Mr. Hansen offered comment on the MWD options in detail. Mr. Hansen stated Three Valley Municipal Water District is going to be looking for partners for places to put water.

IV. INFORMATION

1. Cash Disbursements for November 2011

No comment was made.

2. Newspaper Articles

No comment was made.

V. COMMITTEE MEMBER COMMENTS

Mr. Kinsey expressed his appreciation for IEUA waiving the late fees for Watermaster. Mr. Kinsey stated this is Mr. El-Amamy's last Advisory Committee meeting and expressed appreciation for all his efforts and hard work. Chair Jeske stated he has worked with Mr. El-Amamy for the past twenty-two years and wished him the best for all his future endeavors. Mr. Feenstra offered comments to Mr. El-Amamy on his wonderful job done over the last several years and wish him the best in the future. Mr. El-Amamy thanked all present and stated when he first started here in this water world the issues were complex and the stakes were high, and today the issues are even more complex and the stakes even higher. Mr. El-Amamy thanked the parties for their contributions on resolving many issues over the last several years and thanked Watermaster staff, legal counsel, and especially Wildermuth Environmental for their presentation of very intricate information in a way that we all could understand, and guided all of us through the process for us to make the right decisions.

VI. OTHER BUSINESS

No comment was made.

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.

VIII. FUTURE MEETINGS

Thursday, December 15, 2011	8:00 a.m.	Land Subsidence Committee Meeting @ CBWM
Thursday, December 15, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
* Thursday, December 15, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, December 15, 2011	1:30 p.m.	Workshop for Review of 2011 Groundwater Production & Replenishment Projections
Thursday, January 12, 2012	9:00 a.m.	Annual & Election Appropriative Pool Meeting @ CBWM
Thursday, January 12, 2012	11:00 a.m.	Annual & Election Non-Agricultural Pool Conference Call Meeting – and at CBWM
Thursday, January 12, 2012	1:00 p.m.	Annual & Election Agricultural Pool Meeting @ CBWM
Thursday, January 19, 2012	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, January 19, 2012	9:00 a.m.	Annual & Election Advisory Committee Meeting @ CBWM
Thursday, January 26, 2012	11:00 a.m.	Annual & Election Watermaster Board Meeting @ CBWM

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

Chair Jeske dismissed the Advisory Committee meeting at 10:06 a.m.

Secretary: _____

Minutes Approved: January 19, 2012