

# CHINO BASIN WATERMASTER



## NOTICE OF MEETINGS

March 27, 2003

March 27, 2003 @ 10:00 a.m. - Advisory Committee Meeting

@ 1:00 p.m. - Watermaster Board Meeting

*at the office of the  
Chino Basin Watermaster  
8632 Archibald Avenue, Suite 109  
Rancho Cucamonga, CA 91730  
Tele. (909) 484-3888  
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[www.cbwm.org](http://www.cbwm.org)*

# AGENDA

## **CHINO BASIN WATERMASTER ADVISORY COMMITTEE**

10:00 a.m. – March 27, 2003

### **CALL TO ORDER**

### **AGENDA - ADDITIONS/REORDER**

#### **I. CONSENT CALENDAR**

Note: All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by one motion in the form listed below. There will be no separate discussion on these items prior to voting unless any members, staff, or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

##### **A. MINUTES**

1. Draft minutes of the Advisory Committee Meeting held January 30, 2003
2. Draft minutes of the Advisory Committee Meeting held February 27, 2003

##### **B. FINANCIAL REPORTS**

1. Cash Disbursement Report – February 2003
2. Combining Schedule Of Revenue, Expenses And Changes In Working Capital For The Period July 1, 2002 through January 31, 2003
3. Treasurer's Report of Financial Affairs For The Period December 1, through January 31, 2003
4. 2002-03 Actual YTD Revenues And Expenses Compared With Adopted 2002-03 Budget

##### **C. WATER TRANSACTION**

Lease of Production Rights from the City of Pomona to the Fontana Water Company in the amount of 2,500 acre-feet for Fiscal Year 2002-03  
(Notice mailed December 11, 2002 Pool Committees approved January 16, 2003)

#### **II. BUSINESS ITEMS - POSSIBLE ACTION**

##### **A. OBMP STATUS REPORT #6**

Consider approval of OBMP Status Report #6 to be filed with the Court on March 31, 2003.

##### **B. CONSIDER NOTICE TO TERMINATE CURRENT OFFICE LEASE**

Consider approval of providing notice to current management company of intent to move the offices of Watermaster on or about September 30, 2003.

##### **C. PRESENTATION ON CURRENT STATUS OF WATER QUALITY PROGRAM**

Mark Wildermuth will present the current status of Watermaster's water quality program (Program Element 6)

#### **III. REPORTS/UPDATES**

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

1. Chino Land & Water SBSC Case No. RCV 06484
2. Attorney/Managers Meeting(s)
3. Niagara Water Company Well Production

**B. CEO/STAFF REPORT**

- 1. MZ-1 Interim Monitoring Program for March 12, 2003
- 2. Dry Year Yield Project
- 3. Recharge Improvement Project
- 4. Replenishment Water Order
- 5. SB34 Legislation

**C. INLAND EMPIRE UTILITIES AGENCY**

- 1. MWD Update - Martha Davis
  - Colorado River - QSA
- 2. Conservation Programs - Dave Hill
  - Draft Water Conservation Information Package
  - Grant Programs
- 3. Legislative Update - Martha Davis
  - Proposition 50 - SB21
  - Santa Ana River Conservancy (AB 496)
  - Water Recycling/Title 16
  - Federal and State Legislative Issues
- 4. Other

**D. OTHER AGENCY REPORTS**

**IV. COMMITTEE MEMBER COMMENTS**

**V. OTHER BUSINESS**

**VI. FUTURE MEETINGS**

April 10, 2003	10:00 a.m.	Joint Meeting – Appropriative & Non-Ag Pools
	1:00 p.m.	Ag Pool Meeting
April 24, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting
*May 15, 2003	10:00 a.m.	Joint Meeting - Appropriative & Non-Ag Pools
	1:00 p.m.	Ag Pool Meeting
*May 29, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

(\*Please Note: May meetings have been moved to the 3<sup>rd</sup> and 5<sup>th</sup> Thursdays)

**FUTURE EVENTS**

April 8 & 9, 2003	AGWA/WEF Water Quality Conference @ Ontario Doubletree
April 11, 2003	Tentative Recharge Basin Project Groundbreaking
May 7, 8, 9, 2003	ACWA Conference @ Lake Tahoe

**Adjourn**

# **AGENDA**

## **CHINO BASIN WATERMASTER WATERMASTER BOARD**

1:00 p.m. – March 27, 2003

### **CALL TO ORDER**

### **PLEDGE OF ALLEGIANCE & INVOCATION**

### **PUBLIC COMMENTS**

### **AGENDA - ADDITIONS/REORDER**

#### **I. CONSENT CALENDAR**

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##### **A. MINUTES**

1. Minutes for Watermaster Board Meeting held January 30, 2003

##### **B. FINANCIAL REPORTS**

1. Cash Disbursement Report – February 2003
2. Combining Schedule Of Revenue, Expenses And Changes In Working Capital For The Period July 1, 2002 through January 31, 2003
3. Treasurer's Report of Financial Affairs For The Period December 1, through January 31, 2003
4. 2002-03 Actual YTD Revenues And Expenses Compared With Adopted 2002-03 Budget

##### **C. WATER TRANSACTION**

Lease of Water Production Rights from the City of Pomona to the Fontana Water Company in the amount of 2,500 acre-feet for Fiscal Year 2002-03  
(Notice mailed December 11, 2002 Pool Committees approved January 16, 2003)

#### **II. BUSINESS ITEMS - POSSIBLE ACTION**

##### **A. OBMP STATUS REPORT #6**

Consider approval of OBMP Status Report No. 6 for filing with the Court on or before March 31, 2003.

##### **B. CONSIDER NOTICE TO TERMINATE CURRENT OFFICE LEASE**

Consider approval of providing notice to current management company by April 1 of intent to move the offices of Watermaster on or about September 30, 2003.

##### **C. PRESENTATION ON CURRENT STATUS OF WATER QUALITY PROGRAM**

Mark Wildermuth will present the current status of Watermaster's water quality program (Program Element No. 6)

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Chino Land & Water SBSC Case No. RCV 06484
2. Attorney/Managers Meeting(s)
3. Niagara Water Company Well Production

**B. CEO/STAFF REPORT**

1. MZ-1 Interim Monitoring Program for March 12, 2003
2. Dry Year Yield Project
3. Recharge Improvement Project
4. Replenishment Water Order
5. SB34 Legislation

**C. AGWA REPORT**

1. Minutes for the meeting held January 21, 2003
2. Minutes for the meeting held February 18, 2003
3. Agenda for the meeting March 17, 2003

**IV. BOARD MEMBER COMMENTS**

**V. OTHER BUSINESS**

**VI. CONFIDENTIAL SESSION - POSSIBLE ACTION**

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster Board meeting for the purpose of discussion and possible action regarding Personnel Matters and/or Potential Litigation.

**VIII. FUTURE MEETINGS**

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	1:00 p.m.	Ag Pool Meeting
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	1:00 p.m.	Watermaster Board Meeting
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	1:00 p.m.	Ag Pool Meeting
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	1:00 p.m.	Watermaster Board Meeting

(\*Please Note: May meetings have been moved to the 3<sup>rd</sup> and 5<sup>th</sup> Thursdays)

**FUTURE EVENTS**

April 8 & 9, 2003	AGWAWEF Water Quality Conference @ Ontario Doubletree
April 11, 2003	Tentative Recharge Basin Project Groundbreaking
May 7, 8, 9, 2003	ACWA Conference @ Lake Tahoe

**Adjourn**

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# **CHINO BASIN WATERMASTER**

March 27, 2003

10:00 a.m. – Advisory Committee

1:00 p.m. – Watermaster Board

## **AGENDA PACKAGE MATERIALS**



# CHINO BASIN WATERMASTER

March 27, 2003

10:00 a.m. – Advisory Committee

1:00 p.m. – Watermaster Board

## I. CONSENT CALENDAR

A. MINUTES

**Draft Minutes**  
**CHINO BASIN WATERMASTER**  
**ADVISORY COMMITTEE MEETING**  
*January 30, 2003*

The Advisory Committee Meeting was held at the offices of the Chino Basin Watermaster, 8632 Archibald Ave., Suite 109, Rancho Cucamonga, CA, on January 30, 2003 at 10:00 a.m.

**ADVISORY COMMITTEE MEMBERS PRESENT**

Nathan DeBoom, Chair	Dairy, Milk Producers Council
Steve Arbelbide, Vice-Chair	California Steel Industries
Ken Jeske, 2 <sup>nd</sup> Vice-Chair	City of Ontario
<u>Agricultural Pool</u>	
Robert DeBerard	Crops
Jack Hagerman	State of California Institute for Men
Jeff Pierson	Crops, Unitex Corporation
<u>Non-Agricultural Pool</u>	
Vic Barrion	Reliant Energy, Etiwanda LLC
<u>Appropriative Pool</u>	
Gerald Black	Fontana Union Water Company
Jim Bryson	Fontana Water Company
Dave Crosley	City of Chino
Robert DeLoach	Cucamonga County Water District
Raul Garibay	City of Pomona
Mike Maestas	City of Chino Hills
Carol McGreevy	Jurupa Community Services District
Ray Wellington	San Antonio Water Company

**Watermaster Pool Members Present**

Rich Atwater	Appropriative Pool, Inland Empire Utilities Agency
James Jenkins	Non-Agricultural Pool, County Department of Airports
Bill Stafford	Appropriative Pool, Marygold Mutual Water Company
Bill Thompson	Appropriative Pool, City of Norco

**Watermaster Board Members Present**

Mike McGraw	Fontana Water Company
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**Watermaster Staff Present**

John Rossi	Chief Executive Officer
Sheri Rojo	Finance Manager
Mary Staula	Recording Secretary

**Watermaster Consultants Present**

Michael Fife	Hatch & Parent
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**Other Presents**

Dave Hill	Inland Empire Utilities Agency
Martha Davis	Inland Empire Utilities Agency
Sandra Elrod	Inland Empire Utilities Agency
Rita Kurth	Cucamonga County Water District
Henry Pepper	City of Pomona
Diane Sanchez	State Department of Water Resources

The Advisory Committee meeting was called to order by Chair deBoom at 10:05 a.m.



**AGENDA - ADDITIONS/REORDER**

Request to add II.B. Letter to SAWPA regarding Proposition 13 Funds

**RECOGNITION OF SERVICE**

Steve Arbelbide, California Steel Industries, was presented with a plaque expressing appreciation for the years he has dedicated to Watermaster activities. Mr. Arbelbide thanked the staff for their support and everyone for the education he has received as a result of his involvement with Watermaster.

**I. CONSENT CALENDAR****A. MINUTES**

1. Minutes of the Joint Meeting of the Non-Agricultural Pool, Appropriative Pool and Advisory Committee held December 12, 2002

**B. FINANCIAL REPORTS**

1. Cash Disbursement Report - December 2002
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2002 through November 30, 2002
3. Treasurer's Report of Financial Affairs for the Period November 1 through November 30, 2002
4. 2002-03 Actual YTD Revenues and Expenses Compared with Adopted 2002-03 Budget

**C. INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2002****D. NOTICE OF INTENT TO CHANGE OPERATING SAFE YIELD OF CHINO BASIN (pursuant to Judgment Exhibit 1 Paragraph 2(b))****E. RESOLUTION 03-01, AUTHORIZING AND DESIGNATING SIGNATORIES OF DEPOSITORY AGREEMENTS, DEPOSITORY CARDS AND DEPOSITS, TRANSFERS AND WITHDRAWALS OF FUNDS****F. DRAFT TWENTY-FIFTH ANNUAL REPORT**

Motion by DeLoach, second by Black, and by majority vote

Abstention: Wellington on B through E. He did not receive supporting materials prior to the meeting.

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

**II. BUSINESS ITEMS****A. MAXIMUM BENEFIT ANALYSIS**

The contract issued to Risk Sciences to perform a maximum benefit analysis was approved and is complete. Staff requested authorization to pay administrative costs related to the contract, incurred by Santa Ana Watershed Project Authority (SWPA) in the amount of \$31,220.

Motion by DeLoach, second by Black, and by unanimous vote

***Moved, to approve staff recommendation to process payment of Invoice No. 50041 in the amount of \$31,220 for administrative costs incurred by SAWPA.***

Item II.B added

**B. LETTER TO SAWPA REGARDING PROPOSITION 13 FUNDS**

Mr. Rossi reported that due to the current budget crises, the State has indicated they might withhold future grant monies. A hearing will take place February 11 for testimonies on related issues. Staff asked for authorization to send a letter to SAWPA expressing concerns from Watermaster's perspective and encouraging them to meet commitments.

Mr. DeLoach said the CEO does not need authorization to send the letter but he might consider having the letter signed by Watermaster's Board Chair.

### III. REPORTS/UPDATES

#### A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

##### 1. Attorney/Managers Meeting(s)

General Legal Counsel Fife reported that an attorney/managers meeting would be held in February. A specific date has not been set.

##### 2. Colonies Project, Recharge Related Issues

Although a decision has not been made regarding Watermaster involvement, Counsel Fife has been asked to monitor the issues surrounding the Colonies Project and provide status updates. Currently, the Regional Water Quality Control Board has a "cease and desist order" on the project and any change in the status will be reported next month.

##### 3. Niagara Bottling Company

Appropriate measures are being taken to ensure that Niagara Bottling Company files a "Petition In Intervention" into the Judgement due to past and present production from an on-site well of approximately 300-400 acre-feet annually. To date, Niagara Bottling Company has not been willing to file the petition to resolve the matter. General Legal Council Fife will draft a legal complaint against Niagara Bottling Company for failure to intervene for attorney/managers to review at their February meeting.

##### 4. Chino Land & Water, SBSC Case No. RCV 064284

General Legal Counsel Fife said that a hearing is scheduled for February 6 to respond to the demurrers filed in this case. Immediately following the hearing, he will update Watermaster staff of any Court action or Court order.

Counsel Fife added that Watermaster's Twenty-fifth Annual Report would be filed with the Court tomorrow if approved by the Watermaster Board later this afternoon.

#### B. CEO/STAFF REPORT

##### 1. Watermaster Project Meeting Updates

- MZ1 Program

Mr. Rossi said the MZ1 Technical Committee has met four times to discuss the MZ1 draft monitoring work plan and associated budget. Mr. Wildermuth will give a presentation in February detailing the plan.

- MWD Dry Year Yield Program

An application for \$27.5 million DWR grant funds for the Dry Year Yield Program was submitted on behalf of seven agencies on January 2. Both technical and contract engineering people have been meeting to work through the \$1.6 million advanced funding to accomplish the CEQA work. A master agreement is being negotiated between MWD and IEUA and details should be available for reporting next month.

- Recharge Improvements Operating Agreements

Mr. Rossi reported that \$20 million in Proposition 13 funds would come through IEUA for the purpose of improving storm water, recycled water and recharge water. Four agencies (IEUA, SB County Flood Control District, Chino Basin Water Conservation District and Chino Basin Watermaster) have approved the Recharge Operations Agreement. Work will now focus on soliciting bids for improvements in several phases.

- American Association of Environmental Engineers Recognition

Mr. Rossi announced that Black & Veatch has submitted Watermaster's Optimum Basin Management Program (OBMP) to the American Association of Environmental Engineers for recognition of excellence in planning water supply and water quality improvements.

##### 2. Watermaster Administrative Updates

- Montclair Basins-Spreading (6500 AF)

Watermaster concluded spreading activities in Montclair Basin of 6500 acre-feet supplemental water in December.

- **Board Member Appointments**  
Mr. Rossi announced the new Watermaster Board appointments:  
Vic Barrion, Reliant Energy, Etiwanda (Non-Agricultural Pool replacement)  
Dan Rodriguez, City of Pomona (new Appropriative Pool member)  
Bob Kuhn, Three Valleys Municipal Water District (replacing Muriel O'Brien)  
Mike Whitehead, Nicholson Trust, Non-Major Producer (new Appropriative Pool member)
- 3. **Other Updates**
  - **Senator Soto's Legislation SB34**  
Discussions are on-going regarding legislation concerning a possible water quality authority. Mr. Rossi will deliver updates as discussions move forward.

### C. **INLAND EMPIRE UTILITIES AGENCY REPORT**

1. **MWD Conjunctive Use Program/Dry Year Yield**  
Mr. Atwater reported that a benefit of moving forward on the MWD Conjunctive Use Program would allow agencies to manage their peaks and incur cost savings.
2. **MWD Rate Structure Update**  
MWD will hold a public hearing on February 11 to discuss the water rates structure for calendar year 2004. Proposed rates will increase the treatment surcharge by \$10 acre-foot and change the capacity reservation charge for WFA and Cucamonga. Implementation of the proposed rate structure will not have a direct impact on Watermaster.
3. **IRP Update**  
Mr. Hill said a Board Workshop was held January 29 to discuss the IRP Update presented by Steve Arcala and Tim Blair. The workshop included various questions regarding the possibility of a full, 2.25 million acre-feet Colorado River aqueduct for normal hydrology and enhanced conservation; however, this was not confirmed. MWD will continue to work with IEUA's Board to fulfill the demands and expectations already set forth.
4. **Conservation Programs**
  - **Water Awareness Program**  
Mr. Hill noted that as a part of introducing the concept of water awareness, IEUA will send out sample table tents to more than 300 restaurants in the Inland Empire. Interested parties are requested to respond via fax.
  - **Water Rebate Program**  
Over 900 rebates have been issued through the Program. The goal is to issue 1,000 rebates in IEUA's service area. Mr. Hill said the goal should be met in February. With MWD funding, this program can continue through the end of calendar year 2003.
  - **Pool Rebate Program**  
Pool rebates began a few weeks ago and ten rebates have been issued. This pilot program is set to issue 250 rebates by the end of June. The pool rebate marketing materials are available at Leslie's Pool Supply stores. In relation to this rebate program, feedback will be used to develop a 5-1/2 year strategy plan.

ICP proposals must be submitted to MWD before February 7 to qualify for available funding (\$275,000) to implement the following:

- a. Pool Cover Survey Project
  - b. Float Control Device Project
  - c. Restaurant Steamer Study Joint Project
  - d. Landscape Management Program
  - e. School Education Program
5. **Legislative Update**  
Ms. Davis called attention to the legislation update in the package, although there are a few additional items to report:
    - a. California legislators continue to focus on FY 2003-04 budgets.
    - b. The Governor has agreed to drop the Vehicle License Fee proposal. If initiated, agencies would have experienced a 10% to 18% budget cut.

- c. Budget trailer bills have been approved both by the Senate and Assembly, deleting the cap on waste discharge fees and authorizing the State Water Resources Control Board to set fees based on cost recovery.
- d. Property tax shifts are still being negotiated; there is no concrete proposal as of yet.
- e. State agencies administering Proposition 50 funds through grant programs. IEAU is working with Watermaster and retail agencies to research and develop priority projects for achieving water quality and water supplement benefits.
- f. The Senate approved the Omnibus Bill for FY 2003 funding, pending an upcoming conference between the Senate and House.
- g. Continuing to move forward with authorization on FY 2004 funding for water quality improvement, local recycling and groundwater clean up.

**6. Communications Programs**

- A leadership breakfast will be held February 25 at 7:30 a.m., Doubletree Hotel. Mr. Rossi will report on water conservation activities and review highlights of the rebate program during a water demonstration.
- The Dolphin Group has put together the final marketing packet to be submitted to local newspapers, councils, boards, and chambers upon approval.

**7. Other**  
None

**D. OTHER AGENCY REPORTS**

None

**IV. POOL MEMBER COMMENTS**

None

**V. OTHER BUSINESS**

Mr. Rossi reminded everyone of the AGWA and WEF Groundwater Conference April 8 & 9.

**VI. FUTURE MEETINGS**

February 13, 2003	10:00 a.m.	Joint Meeting of the Non-Agricultural & Appropriative Pool
	1:00 p.m.	Agricultural Pool Meeting
February 27, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

The meeting adjourned at 11:00 a.m.

\_\_\_\_\_  
Secretary

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

**Draft Minutes**  
**CHINO BASIN WATERMASTER**  
**ADVISORY COMMITTEE MEETING**  
*February 27, 2003*

The Advisory Committee Meeting was held at the offices of the Chino Basin Watermaster, 8632 Archibald Ave., Suite 109, Rancho Cucamonga, CA, on February 27, 2003 at 10:00 a.m.

**ADVISORY COMMITTEE MEMBERS PRESENT**

Nathan DeBoom, Chair	Dairy, Milk Producers Council
<u>Agricultural Pool</u>	
Robert DeBerard	Crops
Jack Hagerman	State of California Institute for Men
<u>Non-Agricultural Pool</u>	
Vic Barrion	Reliant Energy, Etiwanda LLC
<u>Appropriative Pool</u>	
Gerald Black	Fontana Union Water Company
Dave Crosley	City of Chino
Robert DeLoach	Cucamonga County Water District
Mohamed El Amany	City of Ontario
Raul Garibay	City of Pomona
Mark Kinsey	Monte Vista Water District
Mike Maestas	City of Chino Hills
Michael McGraw	Fontana Water Company
Carol McGreevy	Jurupa Community Services District
J. Arnold Rodriguez	Santa Ana River Company
Ray Wellington	San Antonio Water Company

**Watermaster Pool Members Present**

Martha Davis	Appropriative Pool, Inland Empire Utilities Agency
Bill Stafford	Appropriative Pool, Marygold Mutual Water Company

**Watermaster Staff Present**

John Rossi	Chief Executive Officer
Sheri Rojo	Finance Manager
Devonia Williams	Temporary Recording Secretary

**Watermaster Consultants Present**

Michael Fife	Hatch & Parent
Scott Slater	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental, Inc.

**Other Presents**

Saundra Elrod	Inland Empire Utilities Agency
Josephine Johnson	Monte Vista Water District
Barrett Kehl	Chino Basin Water Conservation District
Tom Love	Inland Empire Utilities Agency
Diane Sanchez	State Department of Water Resources

The Advisory Committee meeting was called to order by Chair deBoom at 10:05 a.m.

**AGENDA - ADDITIONS/REORDER**

None

**I. CONSENT CALENDAR****A. FINANCIAL REPORTS**

1. Cash Disbursement Report – January 2003
2. Combining Schedule Of Revenue, Expenses And Changes In Working Capital For The Period July 1, 2002 through December 31, 2002
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Motion by DeLoach, second by Black, and by unanimous vote

***Moved to approve Consent Calendar Items A.1 through 4, as presented.***

**II. BUSINESS ITEMS****A. PRESENT MWD DRY YEAR YIELD PROJECT AGREEMENT**

Mr. Rossi reported that after several meetings, the participating agencies to this Agreement reached a consensus on funding allocations, performance obligation targets and other project facility elements for the Dry Year Yield Project. To date, grant funding has been approved, the CEQA deadline was met, and an analysis for calculating the present value of cash flow streams generated by the project was prepared by Black & Veatch and included in the agenda package. The Pool Committees forwarded a recommendation that staff move forward. As requested by JCSD, IEUA provided a written summary of the basin-wide benefits of the Chino Basin Conjunctive Use Dry Year proposed project with MWD.

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

***Moved, to approve staff begin processing the Dry Year Yield Project Agreement between Metropolitan Water District (MWD), Inland Empire Utilities Agency (IEUA) and Watermaster, the related storage application and the engineering analysis.***

In response to the February 24, 2003 letter provided, Mr. Wellington wanted to ensure that a matrix is designed to compare the terms of this project with key elements contained in the OBMP Implementation Plan and the Peace Agreement in order to meet the long term funding expectations of the Appropriators. Mr. Rossi suggested that legal staff prepare findings based on the concept/criteria of this business deal for committee approval in March. Legal Counsel Slater requested direction for legal staff to cure any discrepancies in the agreement before implementing a final version. Counsel provided a memorandum of review of Metropolitan Dry Year Yield Master Agreement as a handout.

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

***Moved, to amend above motion to include direction to General Legal Counsel to investigate, allowing for modification to the Dry Year Yield Project Agreement of any discrepancies found between agreements before moving forward with the final Dry Year Yield Project Agreement.***

**B. CONSIDER IMPLEMENTATION OF MZ1 MONITORING WORK PLAN**

The Interim Plan for the Management of Subsidence that Watermaster filed with the Court established parameters for collecting data associated with subsidence in MZ1. As a result of many meetings, a Monitoring Work Plan has been developed that outlines several monitoring elements including aquifer stress tests, land surface surveys and the use of satellite imagery. The related budget outlines specific tasks, engineering costs and other direct costs for each task. The Plan and related budget were included in the agenda package and reviewed at the meeting. Staff was asked to define the budgetary limits on the MZ1 Budget, Work Plan.

The Court requires Watermaster file a long-term plan for the management of subsidence in MZ1 three years from the date of the Interim Plan. Staff requested approval to implement the Monitoring Work Plan and the reallocation of funds in the FY 2002-03 approved budget for the associated costs.

Motion by Wellington, second by Crosley, and by unanimous vote

***Moved, to recommend the Board approve the Monitoring Work Plan for MZ1 subsidence and the reallocation of funds for the associated costs.***

### III. REPORTS/UPDATES

#### A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Chino Land & Water SBSC Case No. RCV 06484  
At a hearing held February 6, Superior Court Judge Norell dismissed this case after considering papers filed for and against the demurrer.
2. Attorney/Managers Meeting(s)  
An Attorney/Managers Meeting was held February 16 to discuss the dismissal of the Chino Land Water Company case and potential legal action against Niagara Water Company.
3. Niagara Water Company Well Production  
After corresponding with representatives of Niagara Water Company regarding their well production and obligation to intervene into the Chino Basin Judgment, it was Legal Counsel's opinion that Watermaster should move forward with legal action in the matter.

#### B. CEO/STAFF REPORT

1. Update regarding fees and charges related to the SCIWP funded projects (attachment)  
Mr. Rossi provided recent information that additional fees and charges may be imposed on agencies with approved SCIWP funded projects. A brief discussion ensued.
2. Status Update regarding Recharge Improvement Project  
The Recharge Operations Agreement received approval by all four parties and is currently with the County for execution. The first Operating Committee Meeting between the four agencies will be scheduled in the near future. More information should be available for reporting at the March meetings.
3. Discussion regarding SB34 Legislation  
Letters from Monte Vista Water District and the City of Rialto to Senator Soto regarding SB34 were handed out as information. It was determined that Watermaster would not submit anything with regard to the Senator regarding SB34 at this time. The committees will continue discussions in March with regard to this legislation.

#### C. INLAND EMPIRE UTILITIES AGENCY

1. MWD Update  
Mr. Love, IEUA, provided an update on various MWD activities such as imported water sales (Tier 1/Tier 2), the revised capacity reservation charge proposal and the MWD annual progress report to the California State Legislature.
2. Colorado River and CALFED Activities  
Mr. Love briefly reported on Colorado River and CALFED activities on behalf of Mr. Atwater.
3. Conservation Programs  
Ms. Davis reviewed the current six-month conservation/communication programs proposed and implemented by IEUA.
4. Legislative Update  
With regard to legislative issues, Ms. Davis discussed the trickling down affects of mid-year state budget cuts. With regard to ERAF Property Tax Shifts, IEUA is continuing to participate in local and regional coalitions to track them and to date; there are no concrete proposals.

Senator Machado supports allocation of Proposition 50 funds through competitive grant programs administered by State agencies. IEUA and Watermaster are working with retail agencies to develop a list of priority projects that will provide water quality and water supply benefits and coordinating with SAPA and MWD on Proposition 50 funding requests.

A January Legislative Report on the current state budget crisis was provided. In order to balance the FY 2002/03 state budget, \$10 billion cuts and/or fee increases are being considered at a special session. A chart was provided listing IEUA's bills of interest going through the special and regular sessions of the Legislature.

The Dolphin Group continues to pursue a number of efforts and issues on behalf of the Chino Basin Coalition. Their update was on page 111 of the agenda package.

- 5. Other
- None

**IV. COMMITTEE MEMBER COMMENTS**

None

**V. OTHER BUSINESS**

None

**VI. FUTURE MEETINGS**

March 13, 2003	10:00 a.m.	Joint Meeting – Appropriative & Non-Ag Pools
	1:00 p.m.	Ag Pool Meeting
March 27, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

There being no further business to come before the Advisory Committee, the meeting was adjourned.

\_\_\_\_\_  
Secretary

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



Draft Minutes  
**CHINO BASIN WATERMASTER**  
**ANNUAL MEETING**  
**WATERMASTER BOARD**  
*January 30, 2003*

A Board meeting was held at the offices of the Chino Basin Watermaster, 8632 Archibald Avenue, Suite 109, Ranch Cucamonga, CA, on January 30, 2003 at 1:00pm.

**WATERMASTER BOARD MEMBERS PRESENT**

Vic Barrion	Non-Agricultural Pool, Reliant Energy, Etiwanda LLC
Terry Catlin	Inland Empire Utilities Agency
Paul Hofer	Agricultural Pool, Crops
Bob Kuhn	Three Valleys Municipal Water District
Dan Rodriguez	Appropriative Pool, City of Pomona
Donald Schroeder	Western Municipal Water District
Michael Whitehead	Appropriative Pool, Nicholson Trust

**WATERMASTER BOARD ALTERNATES PRESENT**

Glenn Duncan	City of Chino
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**WATERMASTER BOARD MEMBERS ABSENT**

Geoffrey Vanden Heuvel	Agricultural Pool, Dairy
Dennis Yates	City of Chino

**Agricultural Pool Members Present**

Robert DeBerard	Crops
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**Appropriative Pool Members Present**

Mark Kinsey	Monte Vista Water District
Rita Kurth	Cucamonga County Water District
Mike McGraw	Fontana Water Company
Henry Pepper	City of Pomona
Dan Rodriguez	City of Pomona
Gerald Black	Fontana Union water Company
Dave Crosley	City of Chino
Rich Atwater	Inland Empire Utilities Agency
Glenn Duncan	City of Chino
Jim Bryson	Fontana Water Company

**Non-Agricultural Pool Members Present**

Bob Bowcock	Vulcan Materials Company
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**Watermaster Staff Present**

John Rossi	Chief Executive Officer
Sheri Rojo	Finance Manager
Michelle Lauffer	Water Resources Specialist
Mary Staula	Recording Secretary/Administrative Assistant

**Watermaster Consultants Present**

Michael Fife	Hatch & Parent
Tim Buynak	Hatch & Parent
Dave Argo	Black & Veatch

**Others Present**

David DeJesus	Three Valleys Municipal Water District
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Barbara Gilbert  
Bob Kuhn  
Diane Sanchez

Western Municipal Water District  
Three Valleys Municipal Water District  
Department of Water Resources

Chairman McGraw called the meeting to order at 1:05 p.m. and led the flag salute followed by a moment of silence to reflect on the duties before Watermaster.

**AGENDA - ADDITIONS/REORDER**

None

**PUBLIC COMMENTS**

None

**RECOGNITION - Steve Arbelbide**

Steve Arbelbide, California Steel Industries, was presented with a plaque expressing appreciation for the years he dedicated to Watermaster activities, including his service time on the Watermaster Board. Mr. Arbelbide thanked staff for their support, for team efforts he participated in, and for the education he received through his involvement with Watermaster.

**I. CALENDAR YEAR 2003 OFFICERS**

**A. ELECTION OF OFFICERS Calendar-Year 2003 Watermaster Board**

Nominations were heard for the slate of officers to serve on the Watermaster Board during calendar year 2003.

Motion by Hofer, second by Barrion, and by unanimous vote

*Moved, to approve Board Member Yates serve as Chair during calendar year 2003.*

Motion by Hofer, second by Duncan, and by unanimous vote

*Moved, to approve Board Member Catlin serve as Vice-Chair during calendar year 2003.*

Motion by Catlin, second by Duncan, and by unanimous vote

*Moved, to approve Board Member Rodriguez serve as Secretary/Treasurer during calendar year 2003.*

**CALENDAR YEAR 2003 WATERMASTER BOARD OFFICERS:**

<b>Chair</b>	<u>Dennis Yates, City of Chino</u>
<b>Vice-Chair</b>	<u>Terry Catlin, Inland Empire Utilities Agency</u>
<b>Secretary/Treasurer</b>	<u>Dan Rodriguez, City of Pomona</u>

**RECOGNITION – Mike McGraw (Fontana Water Company)**

On behalf of staff and the parties of Watermaster, Mr. Rossi expressed appreciation to Mr. McGraw for his hard work while serving as the Chair of the Watermaster Board during calendar year 2002.

**II. CONSENT CALENDAR**

**A. MINUTES**

1. Minutes of the Watermaster Board Meeting held December 12, 2002

**B. FINANCIAL REPORTS**

1. Cash Disbursement Report - December 2002
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2002 through November 30, 2002
3. Treasurer's Report of Financial Affairs for the Period November 1 through November 30, 2002
4. 2002-03 Actual YTD Revenues and Expenses Compared with Adopted 2002-03 Budget

- C. **INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2002**
- D. **NOTICE OF INTENT TO CHANGE OPERATING SAFE YIELD OF CHINO BASIN (Pursuant to Judgment Exhibit 1 Paragraph 2(b))**
- E. **RESOLUTION 03-01, AUTHORIZING AND DESIGNATING SIGNATORIES OF DEPOSITORY AGREEMENTS, DEPOSITORY CARDS AND DEPOSITS, TRANSFERS AND WITHDRAWALS OF FUNDS**
- F. **DRAFT TWENTY-FIFTH ANNUAL REPORT**

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

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

### III. **BUSINESS ITEMS**

#### A. **MAXIMUM BENEFIT ANALYSIS**

Mr. Rossi explained that a contract was approved and issued to Risk Sciences to perform a maximum benefit analysis. The work has been completed and staff is requesting authorization to pay administrative costs related to the contract. SAWPA incurred costs in the amount of \$31,220 while administering the contract, attending meetings and assisting Watermaster in this effort. The Pools and Advisory Committee forwarded a recommendation for approval.

Motion by DeLoach, second by Black, and by unanimous vote

*Moved, to approve staff recommendation to process payment of Invoice No. 50041 in the amount of \$31,220 for administrative costs incurred by SAWPA.*

### IV. **REPORTS/UPDATES**

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

General Legal Counsel Fife (Counsel Fife) reported in addition to the following items that Watermaster's Twenty-Fifth Annual Report would be filed with the Court tomorrow.

1. **Attorney/Managers Meeting(s)**

General Legal Counsel Fife reported that an attorney/managers meeting would be held in February. A specific date has not been set.

2. **Colonies Project, Recharge Related Issues**

Counsel Fife reported that the Colonies Project is currently under a cease and desist order. Although there has been no decision to initiate Watermaster involvement, he will continue to monitor the issues and provide updates until resolution has been reached with regard to the Cucamonga County Basin.

3. **Niagara Bottling Company**

Appropriate measures are being taken to ensure that Niagara Bottling Company files a "Petition In Intervention" into the Judgement due to past and present production from an on-site well of approximately 300-400 acre-feet annually. To date, Niagara Bottling Company has not been willing to file the petition to resolve the matter. General Legal Council Fife will draft a legal complaint against Niagara Bottling Company for failure to intervene for attorney/managers to review at their February meeting

4. **Chino Land & Water, SBSC Case No. RCV 064284**

Counsel Fife stated that a hearing is scheduled for February 6 to respond to the demurrers filed in this case. Immediately following the hearing, he will update Watermaster staff of any Court action or Court order.

**B. CEO/STAFF REPORT****1. Watermaster Project Meeting Updates****• MZ1 Program**

Mr. Rossi said the MZ1 Technical Committee has met four times to discuss the MZ1 draft monitoring work plan and associated budget. Mr. Wildermuth will give a presentation in February detailing the plan.

**• MWD Dry Year Yield Program**

An application for \$27.5 million DWR grant funds for the Dry Year Yield Program was submitted on behalf of seven agencies on January 2. Both technical and contract engineering people have been meeting to work through the \$1.6 million advanced funding to accomplish the CEQA work. A master agreement is being negotiated between MWD and IEUA and details should be available for reporting next month.

**• Recharge Improvements Operating Agreements**

Mr. Rossi reported that \$20 million in Proposition 13 funds would come through IEUA for the purpose of improving storm water, recycled water and recharge water. The four-party Recharge Operations Agreement between IEUA, SB County Flood Control District, Chino Basin Water Conservation District and Chino Basin Watermaster has been approved by each agency. Work will now focus on soliciting bids for improvements in several phases.

**• American Association of Environmental Engineers Recognition**

Mr. Rossi announced that Black & Veatch has submitted Watermaster's Optimum Basin Management Program (OBMP) to the American Association of Environmental Engineers for recognition of excellence in planning water supply and water quality improvements.

**2. Watermaster Administrative Updates****• Montclair Basins-Spreading (6500 AF)**

Watermaster concluded spreading 6500 acre-feet of supplemental water in the Montclair Basin last month to meet its obligation in the Peace Agreement.

**3. Other Updates****• Senator Soto's Legislation SB34**

Discussions are on-going regarding legislation concerning a possible water quality authority. Mr. Rossi will deliver updates as discussions move forward.

**• AGWA**

AGWA met at the offices of Watermaster on January 21, 2003. The key focus of the meeting was MWD's Colorado River water supply, specifically the Colorado River Quantification Settlement Agreement. Additionally, MWD is developing a new program for the sale of replenishment and in-lieu water that they hope to implement by July 2003. They will not have replenishment water available until the maintenance at Lake Matthews is complete.

The February 18 AGWA meeting will also be held at the offices of Watermaster. At that meeting, Mr. Argo will give a presentation on the Dry Year Yield Program.

**IV. BOARD MEMBER COMMENTS**

New members expressed appreciation for the opportunity to become more involved in the good work being accomplished in Chino Basin.

**V. OTHER BUSINESS**

None

**VI. CONFIDENTIAL SESSION**

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster Board Meeting for the purpose of discussion and possible action regarding Personnel Matters and/or Potential Litigation.

The Watermaster Board adjourned to Confidential Session and upon reconvening at 2:40 p.m. Counsel Fife reported that the following action was taken:

***Motion to authorize CEO Rossi to implement the Watermaster administration and engineering services restructure proposal recommended by the Personnel Committee.***

**VII. FUTURE MEETINGS**

February 13, 2003	10:00 a.m.	Joint Meeting of the Non-Agricultural & Appropriative Pool
	1:00 p.m.	Agricultural Pool Meeting
February 27, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

There being no further business to come before the Board, the meeting adjourned at 2:40 p.m.

\_\_\_\_\_  
Secretary

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



# CHINO BASIN WATERMASTER

March 27, 2003

10:00 a.m. – Advisory Committee

1:00 p.m. – Watermaster Board

## I. CONSENT CALENDAR

B. FINANCIAL REPORTS



# CHINO BASIN WATERMASTER

8632 Archibald Avenue, Suite 109, Rancho Cucamonga, Ca 91730  
Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

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**JOHN V. ROSSI**  
Chief Executive Officer

**TRACI STEWART**  
Chief of Watermaster Services

## STAFF REPORT

**DATE:** March 27, 2003  
**TO:** Advisory Committee Members  
Watermaster Board Members  
**SUBJECT:** CASH DISBURSEMENT REPORT – February 2003

### SUMMARY

**Issue** – Record of cash disbursements for the month of February 2003.

**Recommendation** – Staff recommends the Cash Disbursements for February 2003 be received and filed as presented.

**Fiscal Impact** – All funds disbursed were included in the FY 2002-03 Watermaster Budget.

### BACKGROUND

A monthly cash disbursement report is provided to keep all members apprised of Watermaster expenditures.

### DISCUSSION

Total cash disbursements during the month of February were \$934,131.80. The most significant expenditures during that month were Inland Empire Utilities Agency in the amount of \$255,612; Wildermuth Environmental Inc. in the amount of \$125,703; City of Upland in the amount of \$111,173; and Hatch & Parent in the amount of \$66,045.

12:00 PM  
02/28/03  
Accrual Basis

CHINO BASIN WATERMASTER  
Cash Disbursement Detail Report  
February 2003

Type	Date	Num	Name	Amount
Feb 03				
General Journal	2/1/2003	03/01/12	PAYROLL	-15,447.03
General Journal	2/1/2003	03/01/11	PAYROLL	-9,421.00
General Journal	2/1/2003	03/01/11	PAYROLL	-15,472.51
Check	2/1/2003	5429	PETTY CASH	-429.78
Check	2/4/2003	5361	TOGO'S	-81.90
Bill Pmt -Check	2/4/2003	5362	COSTCO	-574.24
Bill Pmt -Check	2/4/2003	5363	DALIA'S PIZZA MARKET	-506.27
Bill Pmt -Check	2/4/2003	5364	MCGRAW, MICHAEL	-250.00
Bill Pmt -Check	2/4/2003	5365	MWH LABORATORIES	-1,014.00
Bill Pmt -Check	2/4/2003	5366	PARK PLACE COMPUTER SOLUTIONS, INC.	-1,700.00
Bill Pmt -Check	2/4/2003	5367	PAYCHEX	-204.80
Bill Pmt -Check	2/4/2003	5368	PETTY CASH	-451.45
Bill Pmt -Check	2/4/2003	5369	VELASQUEZ JANITORIAL	-175.00
Bill Pmt -Check	2/4/2003	5370	VERIZON	-498.95
Check	2/6/2003	5371	STEWART, TRACI L.	0.00
Check	2/6/2003	5372	STEWART, TRACI L.	0.00
Bill Pmt -Check	2/6/2003	5373	APPLIED COMPUTER TECHNOLOGIES	-2,383.90
Bill Pmt -Check	2/6/2003	5374	REID & HELLYER	-1,516.00
Bill Pmt -Check	2/6/2003	5375	UNITED PARCEL SERVICE	-457.22
Check	2/10/2003	5377	STEWART, TRACI L.	-19,430.52
Check	2/10/2003	5378	LAUFFER, MICHELLE D	-13,708.67
Check	2/14/2003	5379	MARYGOLD MUTUAL WATER CO.	-25,270.00
Check	2/14/2003	5380	MONTE VISTA IRRIGATION COMPANY	-66,045.13
Check	2/14/2003	5381	NICHOLSON TRUST	-52.33
Check	2/14/2003	5382	SAN ANTONIO WATER COMPANY	-58,805.52
Check	2/14/2003	5383	UPLAND, CITY OF	-111,173.13
Bill Pmt -Check	2/14/2003	5384	CHEVRON	-367.71
Bill Pmt -Check	2/14/2003	5385	ELLISON, SCHNEIDER & HARRIS, LLP	-8,773.03
Bill Pmt -Check	2/14/2003	5386	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	2/14/2003	5387	INLAND COUNTIES INSURANCE SERVICES, INC.	-413.97
Bill Pmt -Check	2/14/2003	5388	INLAND EMPIRE UTILITIES AGENCY	-255,612.40
Bill Pmt -Check	2/14/2003	5389	LOS ANGELES TIMES	-39.92
Bill Pmt -Check	2/14/2003	5390	MCCALL'S METER SALES & SERVICE	-3,634.75
Bill Pmt -Check	2/14/2003	5391	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-3,981.29
Bill Pmt -Check	2/14/2003	5392	PUMP CHECK	-14,340.29
Bill Pmt -Check	2/14/2003	5393	RICOH BUSINESS SYSTEMS-Lease	-3,591.31
Bill Pmt -Check	2/14/2003	5394	RICOH BUSINESS SYSTEMS-Maintenance	-586.42
Bill Pmt -Check	2/14/2003	5395	SANTA ANA WATERSHED PROJECT AUTHORITY	-1,000.00
Bill Pmt -Check	2/14/2003	5396	SOUTHERN CALIFORNIA EDISON	-564.60
Bill Pmt -Check	2/14/2003	5397	STATE COMPENSATION INSURANCE FUND	-630.20
Bill Pmt -Check	2/14/2003	5398	WHEELER METER MAINTENANCE	-10,609.17
Bill Pmt -Check	2/14/2003	5399	WILDERMUTH ENVIRONMENTAL INC	-58,097.87
Bill Pmt -Check	2/14/2003	5400	WORLDCOM	-945.95
Check	2/14/2003	5401	ACWA SERVICES CORPORATION	0.00
Check	2/14/2003	5402	ACWA SERVICES CORPORATION	-74.46
Bill Pmt -Check	2/14/2003	5403	PUMP CHECK	-882.34
Check	2/18/2003	5405	TOGO'S	-93.75
Bill Pmt -Check	2/27/2003	5406	ARROWHEAD MOUNTAIN SPRING WATER	-35.28
Bill Pmt -Check	2/27/2003	5407	BANK OF AMERICA	-840.60
Bill Pmt -Check	2/27/2003	5408	BLACK & VEATCH CORPORATION	-4,057.50
Bill Pmt -Check	2/27/2003	5409	CALPERS	-1,492.12
Bill Pmt -Check	2/27/2003	5410	CITIZENS CONFERENCING	-46.80
Bill Pmt -Check	2/27/2003	5411	COSTCO	-80.00
Bill Pmt -Check	2/27/2003	5412	DELUXE BUSINESS FORMS & SUPPLIES	-98.16
Bill Pmt -Check	2/27/2003	5413	HATCH AND PARENT	-56,792.43
Bill Pmt -Check	2/27/2003	5414	INLAND EMPIRE UTILITIES AGENCY	-132.25
Bill Pmt -Check	2/27/2003	5415	MCCALL'S METER SALES & SERVICE	-8,327.51
Bill Pmt -Check	2/27/2003	5416	MWH LABORATORIES	-30.00
Bill Pmt -Check	2/27/2003	5417	NEXTEL COMMUNICATIONS	-419.95
Bill Pmt -Check	2/27/2003	5418	OFFICE DEPOT	-914.23
Bill Pmt -Check	2/27/2003	5419	PUMP CHECK	-715.00
Bill Pmt -Check	2/27/2003	5420	QUILL	-142.94
Bill Pmt -Check	2/27/2003	5421	RANCHO TECH LLC	-4,368.00
Bill Pmt -Check	2/27/2003	5422	RICOH BUSINESS SYSTEMS-Maintenance	-5.92
Bill Pmt -Check	2/27/2003	5423	RODRIGUEZ, DAN	-135.80
Bill Pmt -Check	2/27/2003	5424	STANDARD INSURANCE CO.	-420.41
Bill Pmt -Check	2/27/2003	5425	TLC STAFFING	-1,406.72
Bill Pmt -Check	2/27/2003	5426	UNITEK TECHNOLOGY INC.	-1,087.21
Bill Pmt -Check	2/27/2003	5427	WHEELER METER MAINTENANCE	-2,816.00



12:00 PM  
02/28/03  
Accrual Basis

CHINO BASIN WATERMASTER  
Cash Disbursement Detail Report  
February 2003

Type	Date	Num	Name	Amount
Bill Pmt -Check	2/27/2003	5428	WILDERMUTH ENVIRONMENTAL INC	-67,605.51
Bill Pmt -Check	2/27/2003	5430	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-4,957.62
General Journal	2/27/2003	03/02/1	PAYROLL	-33,139.19
General Journal	2/27/2003	03/02/2	PAYROLL	-9,592.04
General Journal	2/27/2003	03/02/2	PAYROLL	-12,048.34
Bill Pmt -Check	2/28/2003	5431	BARRION, VICTOR A	-250.00
Bill Pmt -Check	2/28/2003	5432	CITISTREET	-5,576.26
Bill Pmt -Check	2/28/2003	5433	PARK PLACE COMPUTER SOLUTIONS, INC.	-1,400.00
Bill Pmt -Check	2/28/2003	5434	PUMP CHECK	-314.26
Bill Pmt -Check	2/28/2003	5435	RAUCH COMMUNICATION CONSULTANTS, LLC	-2,285.05
Bill Pmt -Check	2/28/2003	5436	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-3,164.92
Feb 03				<u>-934,131.80</u>

CHINO BASIN WATERMASTER  
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL  
 FOR THE  
 PERIOD JULY 1, 2002 THROUGH JANUARY 31, 2003

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION AND SPECIAL PROJECTS APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER OPERATIONS GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2002-03
Administrative Revenues										
Administrative Assessments			\$4,470,784.83		\$149,042.18				\$4,619,827.01	\$3,797,572
Interest Revenue			30,443.60	\$5,826.92	1,788.52			\$35.54	38,094.58	132,890
Mutual Agency Project Revenue	\$ 26,628.93								26,628.93	0
Grant Income									0.00	0
Miscellaneous Income									0.00	0
<b>Total Revenues</b>	<b>26,628.93</b>	<b>\$0.00</b>	<b>4,501,228.43</b>	<b>5,826.92</b>	<b>150,830.70</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>35.54</b>	<b>4,684,550.52</b>	<b>3,930,462</b>
Administrative & Project Expenditures										
Watermaster Administration	422,402.86								422,402.86	752,208
Watermaster Board-Advisory Committee	23,259.59								23,259.59	60,392
Pool Administration			8,169.22	36,902.79	3,082.03				48,154.04	139,782
Optimum Basin Mgmt Administration		\$ 572,243.78							572,243.78	891,634
OBMP Project Costs		1,693,336.60							1,693,336.60	3,324,257
Education Funds Use									0.00	375
Mutual Agency Project Costs	44,823.30								44,823.30	2,500
<b>Total Administrative/OBMP Expenses</b>	<b>490,485.75</b>	<b>2,265,580.38</b>	<b>8,169.22</b>	<b>36,902.79</b>	<b>3,082.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,804,220.17</b>	<b>5,171,148</b>
Net Administrative/OBMP Income	(463,856.82)	(2,265,580.38)								
Allocate Net Admin Income To Pools	463,856.82		.337,915.74	110,427.36	15,513.72				0.00	0
Allocate Net OBMP Income To Pools		2,265,580.38	1,650,456.01	539,351.92	75,772.46				0.00	0
Agricultural Expense Transfer			684,057.07	(684,057.07)					0.00	0
<b>Total Expenses</b>	<b>2,680,598.04</b>	<b>2,625.00</b>	<b>94,368.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,804,220.17</b>	<b>5,171,148</b>
Net Administrative Income			1,820,630.39	3,201.92	56,462.50			35.54	1,880,330.35	(1,240,686)
Other Income/(Expense)										
Replenishment Water Purchases						1,432,608.71			1,432,608.71	615,000
MZ1 Supplemental Water Assessments						1,586,000.00			1,586,000.00	1,670,049
Water Purchases									0.00	0
MZ1 Imported Water Purchase									0.00	(699,000)
Groundwater Replenishment						(1,333,066.90)			(1,333,066.90)	(1,586,049)
Net Other Income			0.00	0.00	0.00	1,685,541.81	0.00	0.00	1,685,541.81	0
Net Transfers To/(From) Reserves			1,820,630.39	3,201.92	56,462.50	1,685,541.81	-	35.54	3,565,872.16	(1,240,686)
Working Capital, July 1, 2002	2,916,003.13		468,150.31	175,804.57	204,947.95	158,250.86	2,845.07		3,926,001.89	
Working Capital, End Of Period	\$ 4,736,633.52	\$ 471,352.23	\$ 232,267.07	\$ 1,890,489.76	\$ 158,250.86	\$ 2,880.61	\$ 7,491,874.05			
01/02 Production			120,855.574	39,494.349	5,548.481				165,898.404	
01/02 Production Percentages			72.849%	23.806%	3.345%				100.000%	

Q:\Financial Statements\02-03\Jan 03\CombiningSchedule Jan 03.xls\Sheet1

Prepared by Sheri Rojo, Accountant

**CHINO BASIN WATERMASTER  
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD  
JANUARY 1 THROUGH JANUARY 31, 2003**

**SUMMARY at 1/31/2003**

<b>DEPOSITORIES:</b>		
Cash on Hand - Petty Cash		\$ 500.00
Bank of America		
Governmental Checking-Demand Deposits	\$50,761.30	
Savings Deposits	9,580.81	
Zero Balance Account - Payroll	0.00	60,342.11
Local Agency Investment Fund - Sacramento		<u>7,814,317.05</u>
<b>TOTAL CASH IN BANKS AND ON HAND</b>	<b>1/31/2003</b>	<b>\$ 7,875,159.16</b>
<b>TOTAL CASH IN BANKS AND ON HAND</b>	<b>12/31/2002</b>	<b>2,258,866.35</b>
<b>PERIOD INCREASE (DECREASE)</b>		<b><u>\$ 5,616,292.81</u></b>

**CHANGE IN CASH POSITION DUE TO:**

Decrease/(Increase) in Assets:	13,873.33
Accounts Receivable	6,253,101.72
Assessments Receivable	1,153.17
Prepaid Expenses, Deposits & Other Current Assets	(371,927.74)
(Decrease)/Increase in Liabilities:	40,588.08
Accounts Payable	(320,495.75)
Accrued Payroll, Payroll Taxes & Other Current Liabilities	<u>320,495.75</u>
Transfer to/(from) Reserves	
<b>PERIOD INCREASE (DECREASE)</b>	<b><u>\$ 5,616,292.81</u></b>

**SUMMARY OF FINANCIAL TRANSACTIONS:**

	Petty Cash	Gov'tl Checking Demand	Zero Balance Account Payroll	Savings	Local Agency Investment Funds	Totals
Balances as of 12/31/2002	\$500.00	\$148,205.50	\$0.00	\$9,580.81	\$2,100,580.04	\$2,258,866.35
Deposits		6,256,057.58	0.00	0.00	13,737.01	6,269,794.59
Transfers		(5,740,280.29)	40,280.29	0.00	5,700,000.00	0.00
Withdrawals/Checks		(613,221.49)	(40,280.29)	0.00	0.00	(653,501.78)
<b>Balances as of 1/31/2003</b>	<b>\$500.00</b>	<b>\$50,761.30</b>	<b>\$0.00</b>	<b>\$9,580.81</b>	<b>\$7,814,317.05</b>	<b>\$7,875,159.16</b>
<b>PERIOD INCREASE OR (DECREASE)</b>	<b>\$0.00</b>	<b>(\$97,444.20)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$5,713,737.01</b>	<b>\$5,616,292.81</b>

**CHINO BASIN WATERMASTER  
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD  
JANUARY 1 THROUGH JANUARY 31, 2003**

**INVESTMENT TRANSACTIONS**

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
1/10/2003	Deposit	L.A.I.F.	2,600,000.00				
1/14/2003	Withdrawal	L.A.I.F.	(400,000.00)				
1/15/2003	Interest	L.A.I.F.	13,737.01				
1/30/2003	Deposit	L.A.I.F.	3,500,000.00				
<b>TOTAL INVESTMENT TRANSACTIONS</b>			<b>\$5,713,737.01</b>	<b>\$0.00</b>			

\* The earnings rate for L.A.I.F. is a daily variable rate; 2.31% was the effective yield rate at the Quarter ended December 31, 2002.

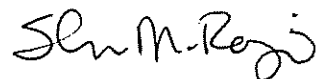
**INVESTMENT STATUS  
January 31, 2003**

<u>Financial Institution</u>	<u>Principal Amount</u>	<u>Number of Days</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Local Agency Investment Fund	\$7,814,317.05			
Time Certificates of Deposit	0.00			
<b>TOTAL INVESTMENTS</b>	<b>\$7,814,317.05</b>			

Funds on hand are sufficient to meet all foreseen and planned Administrative and project expenditures during the next six months.

All investment transactions have been executed in accordance with the criteria stated in Chino Basin Watermaster's Investment Policy.

Respectfully submitted,



Sheri M. Rojo, CPA  
Finance Manager  
Chino Basin Watermaster

**CHINO BASIN WATERMASTER**  
**2002/2003 ACTUAL YEAR TO DATE REVENUES AND EXPENSES**  
**COMPARED WITH ADOPTED 2002/2003 BUDGET**

	<u>Jul '02 - Jan 03</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4010 · Local Agency Subsidies	26,628.93	20,000.00	6,628.93	133.15%
4110 · Admin Asmnts-Approp Pool	4,470,784.83	3,580,590.00	890,194.83	124.86%
4120 · Admin Asmnts-Non-Agri Pool	149,042.18	196,982.00	-47,939.82	75.66%
4200 · Grants	0.00	0.00	0.00	0.0%
4700 · Non Operating Revenues	38,094.58	132,890.00	-94,795.42	28.67%
4900 · Miscellaneous income	0.00	0.00	0.00	0.0%
<b>Total Income</b>	<b>4,684,550.52</b>	<b>3,930,462.00</b>	<b>754,088.52</b>	<b>119.19%</b>
<b>Gross Profit</b>	<b>4,684,550.52</b>	<b>3,930,462.00</b>	<b>754,088.52</b>	<b>119.19%</b>
<b>Expense</b>				
6010 · Salary Costs	285,441.57	414,173.00	-128,731.43	68.92%
6020 · Office Building Expense	46,651.48	123,845.00	-77,193.52	37.67%
6030 · Office Supplies & Equip.	16,000.95	27,500.00	-11,499.05	58.19%
6040 · Postage & Printing Costs	33,810.69	72,450.00	-38,639.31	46.67%
6050 · Information Services	47,571.47	101,800.00	-54,228.53	46.73%
6061 · Other Consultants	14,944.46	29,000.00	-14,055.54	51.53%
6062 · Audit Services	0.00	5,000.00	-5,000.00	0.0%
6063 · Public Relations Consultan	0.00	12,000.00	-12,000.00	0.0%
6065 · MWD Connection Fee	6,500.00	15,600.00	-9,100.00	41.67%
6066 · Engineering Services	0.00	90,000.00	-90,000.00	0.0%
6067.1 · General Counsel	62,186.98	71,000.00	-8,813.02	87.59%
6067.2 · Legal Services -Markot	90.36	5,000.00	-4,909.64	1.81%
6080 · Insurance	8,280.99	11,210.00	-2,929.01	73.87%
6110 · Dues and Subscriptions	11,878.89	13,500.00	-1,621.11	87.99%
6140 · Other WM Admin Expenses	1,189.11	2,300.00	-1,110.89	51.7%
6150 · Field Supplies	1,910.06	3,950.00	-2,039.94	48.36%
6170 · Travel & Transportation	16,422.99	25,500.00	-9,077.01	64.4%
6190 · Conferences & Seminars	7,682.35	14,500.00	-6,817.65	52.98%
6200 · Advisory Comm - WM Board	8,121.19	17,870.00	-9,748.81	45.45%
6300 · Watermaster Board Expenses	15,138.40	42,522.00	-27,383.60	35.6%
8300 · Appr PI-WM & Pool Admin	8,169.22	16,310.00	-8,140.78	50.09%
8400 · Agri Pool-WM & Pool Admin	10,801.19	18,710.00	-7,908.81	57.73%
8467 · Agri-Pool Legal Services	20,226.60	83,000.00	-62,773.40	24.37%
8470 · Ag Meeting Attend -Special	5,875.00	17,300.00	-11,425.00	33.96%
8500 · Non-Ag PI-WM & Pool Admin	3,082.03	4,462.00	-1,379.97	69.07%
6500 · Education Funds Use Expens	0.00	375.00	-375.00	0.0%
9500 · Allocated G&A Expenditures	-138,159.49	-286,120.00	147,960.51	48.29%
	<b>493,816.49</b>	<b>952,757.00</b>	<b>-458,940.51</b>	<b>51.83%</b>
6900 · Optimum Basin Mgmt Plan	488,123.72	810,777.00	-322,653.28	60.2%
6950 · Mutual Agency Projects	44,823.30	2,500.00	42,323.30	1,792.93%
9501 · G&A Expenses Allocated-OBMP	39,296.76	80,857.00	-41,560.24	48.6%
	<b>572,243.78</b>	<b>894,134.00</b>	<b>-321,890.22</b>	<b>64.0%</b>

**CHINO BASIN WATERMASTER**  
**2002/2003 ACTUAL YEAR TO DATE REVENUES AND EXPENSES**  
**COMPARED WITH ADOPTED 2002/2003 BUDGET**

	<u>Jul '02 - Jan 03</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7101 · Production Monitoring	17,390.69	61,062.00	-43,671.31	28.48%
7102 · In-line Meter Installation	233,935.93	439,399.00	-205,463.07	53.24%
7103 · Grdwtr Quality Monitoring	110,273.04	321,829.00	-211,555.96	34.26%
7104 · Gdwtr Level Monitoring	54,258.55	205,916.00	-151,657.45	26.35%
7105 · Sur Wtr Qual Monitoring	19,924.65	85,161.00	-65,236.35	23.4%
7106 · Wtr Level Sensors Install	16,595.99	34,501.00	-17,905.01	48.1%
7107 · Ground Level Monitoring	367,980.60	801,070.00	-433,089.40	45.94%
7200 · PE2- Comp Recharge Pgm	118,799.10	184,168.00	-65,368.90	64.51%
7300 · PE3&5-Water Supply/Desalte	5,300.00	123,587.00	-118,287.00	4.29%
7400 · PE4-MZ1 Mgmt Plan	138,362.14	81,172.00	57,190.14	170.46%
7500 · PE6&7-CoopEfforts/SaltMgmt	100,571.05	58,299.00	42,272.05	172.51%
7600 · PE8&9-StorageMgmt/Conj Use	26,655.45	102,830.00	-76,174.55	25.92%
7690 · Recharge Improvement Debt Pymt	429,250.00	620,000.00	-190,750.00	69.23%
9502 · G&A Expenses Allocated-Projects	98,862.71	205,263.00	-106,400.29	48.16%
	<u>1,738,159.90</u>	<u>3,324,257.00</u>	<u>-1,586,097.10</u>	<u>52.29%</u>
<b>Total Expense</b>	<u>2,804,220.17</u>	<u>5,171,148.00</u>	<u>-2,366,927.83</u>	<u>54.23%</u>
<b>Net Ordinary Income</b>	1,880,330.35	-1,240,686.00	3,121,016.35	-151.56%
<b>Other Income/Expense</b>				
<b>Other Income</b>				
4231 · MZ1 Assigned Water Sales	0.00	615,000.00	-615,000.00	0.0%
4210 · Approp Pool-Replenishment	1,424,041.36			
4220 · Non-Ag Pool-Replenishment	8,567.35			
4230 · MZ1 Sup Wtr Assessment	1,586,000.00	1,670,049.00	-84,049.00	94.97%
<b>Total Other Income</b>	<u>3,018,608.71</u>	<u>2,285,049.00</u>	<u>733,559.71</u>	<u>132.1%</u>
<b>Other Expense</b>				
5012.4 · MZ1 Imported Water Purchase	0.00	699,000.00	-699,000.00	0.0%
5010 · Groundwater Replenishment	1,333,066.90	1,586,049.00	-252,982.10	84.05%
9999 · To/(From) Reserves	3,565,872.16	-1,240,686.00	4,806,558.16	-287.41%
<b>Total Other Expense</b>	<u>4,898,939.06</u>	<u>1,044,363.00</u>	<u>3,854,576.06</u>	<u>469.08%</u>
<b>Net Other Income</b>	<u>-1,880,330.35</u>	<u>1,240,686.00</u>	<u>-3,121,016.35</u>	<u>-151.56%</u>
<b>Net Income</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0%</u>



# **CHINO BASIN WATERMASTER**

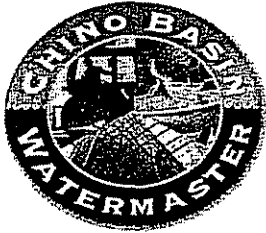
March 27, 2003

10:00 a.m. – Advisory Committee

1:00 p.m. – Watermaster Board

## **I. CONSENT CALENDAR**

### **C. WATER TRANSACTION**



# CHINO BASIN WATERMASTER

8632 Archibald Avenue, Suite 109, Rancho Cucamonga, Ca 91730  
Tel: (909) 484.3888 Fax: (909) 484-3890 www.cbwm.org

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**JOHN V. ROSSI**  
Chief Executive Officer

**TRACI STEWART**  
Chief of Watermaster Services

**DATE:** January 16, 2003  
**TO:** Watermaster Committee Members  
**SUBJECT:** Summary and Analysis of Application for Water Transaction

### Summary

There does not appear to be a potential material physical injury to a party or to the basin from the proposed transaction as presented.

**Issue -** Lease of Water Production Rights from the City of Pomona to the Fontana Water Company in the amount of 2,500 acre-feet for fiscal year 2002-03.

### Recommendation –

1. Continue monitoring as planned in the Optimum Basin Management Program.
2. Use all new or revised information when analyzing the hydrologic balance and report to Watermaster if a potential for material physical injury is discovered, and
3. Approve the transaction as presented.

### Fiscal Impact –

- None
- Reduces assessments under the 85/15 rule
- Reduce desalter replenishment costs

### Background

The Court approved the Peace Agreement, the Implementation Plan and the goals and objectives identified in the OBMP Phase I Report on July 13, 2000 and ordered Watermaster to proceed in a manner consistent with the Peace Agreement. Under the Peace Agreement, Watermaster approval is required for applications to store, recapture, recharge or transfer water, as well as for applications for credits or reimbursements and storage and recovery programs.

Where there is no material physical injury, Watermaster must approve the transaction. Where the request for Watermaster approval is submitted by a party to the Judgment, there is a rebuttable presumption that most of the transactions do not result in Material Physical Injury to a party to the Judgment or the Basin (Storage and Recovery Programs do not have this presumption).



## Water Transaction Summary & Analysis

The following application for a water transaction is attached with the notice of application.

- Lease of Water Production Rights from the City of Pomona to the Fontana Water Company in the amount of 2,500 acre-feet for fiscal year 2002-03.

Notice of the water transaction(s) identified above was mailed December 11, 2002 along with the materials submitted by the requestors.

### **DISCUSSION**

This transfer occurs between a producer located primarily in Management Zone 1 to a producer located primarily in Management Zone 3. The transfer is consistent with maintaining the hydrologic balance in MZ1.

Water transactions occur each year and are included as production by the respective entity (if produced) in any relevant analyses conducted by Wildermuth Environmental pursuant to the Peace Agreement and the Rules & Regulations. There is no indication additional analysis regarding these transactions is necessary at this time. As part of the OBMP Implementation Plan, continued measurement of water levels and the installation of extensometers are planned. Based on no real change in the available data, we cannot conclude that the proposed water transaction will cause material physical injury to a party or to the Basin.

**NOTICE OF APPLICATION(S) RECEIVED**

Date of Applications: **December 3, 2002**      Date of this notice: **December 11, 2002**

Please take notice that the following Application has been received by Watermaster:

- A. Lease of water production rights from the City of Pomona to the Fontana Water Company in the amount of 2,500.000 acre-feet .

This *Application* will first be considered by each of the respective pool committees on the following dates:

Agricultural Pool:	January 16, 2002
Appropriative Pool:	January 16, 2002
Non-Agricultural Pool:	January 16, 2002

This *Application* will be scheduled for consideration by the Advisory Committee *no earlier than thirty days from the date of this notice and a minimum of twenty-one calendar days* after the last pool committee reviews it.

After consideration by the Advisory Committee, the *Application* will be considered by the Board.

Unless the *Application is* amended, parties to the Judgment may file *Contests* to the *Application* with Watermaster *within seven calendar days* of when the last pool committee considers it. Any *Contest* must be in writing and state the basis of the *Contest*.

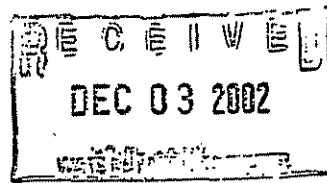
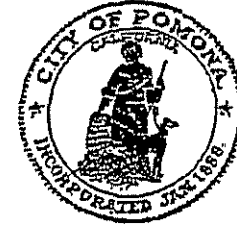
Watermaster address:

Chino Basin Watermaster  
8632 Archibald Ave., Suite 109  
Rancho Cucamonga, CA 91730

Tel: (909) 484-3888  
Fax: (909) 484-3890

THE CITY OF  
**POMONA**

Utility Services Department



HENRY PEPPER  
Utility Services Director

VIA TELEFAX (909) 484-3890 AND U.S. MAIL

December 3, 2002

Ms. Traci Stewart  
Chief of Watermaster Services  
Chino Basin Watermaster  
8632 Archibald Avenue, Suite 109  
Rancho Cucamonga, CA 91730

**RE: Lease of Water Production Rights in Chino Basin, FY 2002/2003**

Dear Traci:

This letter is to notify Watermaster of the lease of 2,500 acre feet of water from the City of Pomona's production rights to Fontana Water Company. This lease is made first from the City of Pomona's net underproduction in FY 2002/2003, with any remainder to be recaptured from storage. Enclosed are executed Chino Basin Watermaster Form Nos. 5 and 7. Please advise Mike McGraw and me as to when this matter will be scheduled on the appropriate Watermaster agendas.

Sincerely,



Henry Pepper  
Utility Services Director

HP:gc

Enclosures: Chino Basin Watermaster Form Nos. 5 and 7

cc: Michael J. McGraw, General Manager, Fontana Water Company  
Jim Taylor, Water/Wastewater Operations Manager

Lusadmin\henry\TS FY 02/03 Lease to Fontana Water Co.

APPLICATION  
TO  
ASSIGN, TRANSFER OR LEASE WATER RIGHTS

Fiscal Year 2002 - 2003

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,  
The City of Pomona (Lessor) has leased to Fontana Water Company (Lessee), commencing on July 1, 2002 and terminating on June 30, 2003 the quantity of 2,500 acre-feet of corresponding shares of Initial Operating Safe Yield (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Lessor or its predecessor in interest in Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO; et al.," RCV 51010 (formerly Case No. SCV 164327).

Said lease was conditioned upon:

- (1) Lessee shall exercise said right on behalf of Lessor under the terms of the Judgment and for the period described above. The first water produced in any year shall be that produced pursuant to carry-over rights defined in the Judgment. After production of its carry-over rights, if any, the next (or first if no carry-over rights) water produced by Lessee from the Chino Basin shall be that produced hereunder.
- (2) Lessee shall put all waters utilized pursuant to said assignment to reasonable beneficial use.
- (3) Lessee shall pay all Watermaster assessments on account of the water production hereby leased.
- (4) Any Lessee not already a party must intervene and become a party to the Judgment.

TO BE EXECUTED by both Lessor and Lessee and if separately requested by Watermaster, to be accompanied by a map of the service area where the water was used by Lessor, and if separately requested by Watermaster, a map of the service area where the water is intended to be used by Lessee.

\*FORM 10 - SUPPLEMENT TO APPLICATIONS MUST BE SUBMITTED WITH ALL APPLICATIONS

DATED: 11/8/02

LESSOR

The City of Pomona

505 S. Garey Avenue, P.O. Box 660

Pomona, CA 91769

By:

Henry Pepper, Utility Services Director  
(print or type above name)

LESSEE

Fontana Water Company

5440 Nueva Avenue

Fontana, CA 92335

By:

Michael L. Whitehead, President  
(print or type above name)  
San Gabriel Water Company dba  
Fontana Water Company

Watermaster Approval

APPROVAL CONDITIONED Yes [ ] No [ ]

APPLICATION FOR\*  
SALE OR TRANSFER OF RIGHT TO WATER IN STORAGE  
UNDER LOCAL STORAGE AGREEMENT # 15

TRANSFER FROM

City of Pomona

Name of Party

505 S. Carey Avenue, Box 600

Street Address

Pomona CA 91769

City State Zip Code

Telephone: 909-620-2283

11/8/02

Date Requested

Date Approved

2,500 AF

Amount Requested

Amount Approved

Facsimile: 909-620-2090

Henry Pepper; Utility Services Director  
Authorized Signature of Party

TRANSFER TO LOCAL STORAGE AGREEMENT # \_\_\_\_\_

TRANSFER TO

Fontana Water Company

Attach Recapture Form 5

Name of Party

844D Nuevo Avenue

Street Address

Fontana CA 92335

City State Zip Code

Telephone: 909-822-2201

Facsimile: 909-823-5046

Have any other transfers been approved by Watermaster  
between these parties covering the same fiscal year? Yes [ ] No [X]

\*FORM 10 - SUPPLEMENT TO APPLICATIONS MUST BE SUBMITTED WITH THIS APPLICATION  
Attach additional documentation requested by Watermaster, if any

Michael L. Whitehead

Authorized Signature of Party

Michael L. Whitehead, President, San Gabriel Valley Water Company dba Fontana Water Company

Watermaster Approval

APPROVAL CONDITIONED Yes [ ] No [ ]



# CHINO BASIN WATERMASTER

March 27, 2003

10:00 a.m. – Advisory Committee

1:00 p.m. – Watermaster Board

## II. BUSINESS ITEM

### A. OBMP STATUS REPORT #6



# CHINO BASIN WATERMASTER

8632 Archibald Avenue, Suite 109, Rancho Cucamonga, Ca 91730  
Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

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**JOHN V. ROSSI**  
Chief Executive Officer

## STAFF REPORT

**DATE:** March 27, 2003

**TO:** Advisory Committee Members  
Watermaster Board Pool Members

**SUBJECT:** OBMP Implementation - Status Report No. 6

### SUMMARY

**Issue** – Compliance with Court Order requiring OBMP implementation progress reports.

**Recommendation** – Staff recommends:

- Approval of Status Report No. 6,
- Authorize its filing with the Court prior to March 31, 2003, and
- Authorize staff and legal counsel to make non-substantive edits as necessary.

**Fiscal Impact** – None

### BACKGROUND

In accordance with the September 28, 2000 Order, progress reports are due to the Court on the last day of March and September of each year. Watermaster had indicated to the Court its intention to accelerate the reporting schedule from semi-annual to quarterly due to the rapid pace of OBMP implementation. In a subsequent Order on October 17, 2002, the Court requested Watermaster provide periodic reports concerning various issues relating to the Interim Plan by the last day of June and December of each year. These reporting items are included within Watermaster's regular quarterly reports.

### DISCUSSION

The reporting period for Status Report No. 6 is December 2002, January 2003, and February 2003. It utilizes the same format previously filed as a baseline from which to update the Court. The attached draft report outlines the progress and status of Watermaster programs and projects.

# **Chino Basin Watermaster Status Report No. 6**

**(Covering December 2002 through February 2003)**



**DRAFT**

**March 2003**





# Draft Chino Basin Watermaster Status Report No. 6

## OPTIMUM BASIN MANAGEMENT PROGRAM

In its Order of September 28, 2000 extending the term of the nine-member Watermaster Board, the Court ordered Watermaster to provide semiannual reports regarding the progress of OBMP implementation. By a subsequent Order of October 17, 2002, the Court added additional reporting items. In Status Report Number 4, filed with the Court on September 30, 2002, Watermaster notified the Court that Watermaster intended to voluntarily accelerate the reporting schedule due to the rapid pace of OBMP implementation. In its Annual Report that was filed with the Court on January 31, 2003, Watermaster provided its intended schedule for future reporting. (See Watermaster 25<sup>th</sup> Annual Report Exhibit B.)

This Status Report Number 6 is filed pursuant to this schedule and will report on the period from December 1, 2002 to February 28, 2003.

### PROGRAM ELEMENT 1 – DEVELOP AND IMPLEMENT COMPREHENSIVE MONITORING PROGRAM

#### Groundwater Level Monitoring

**Four Active Monitoring Programs.** Watermaster has four active groundwater level monitoring programs operating in the Chino Basin – a semiannual Basinwide program, two semi-monthly programs associated with the Chino-I and Chino-II Desalter well fields, and an intensive water-level monitoring program associated with land-surface monitoring (see Land Surface Monitoring below) in Management Zone 1.

**Semiannual Water-Level Monitoring Program.** Watermaster initiated the semi-annual Basin-wide groundwater-level monitoring program in 1999. The Fall 2002 round of testing began in October and was completed in December 2002. The Spring 2003 round of testing will begin in April and will be completed in June 2003.

**Chino I and Chino II Desalter Well Field Monitoring Programs.** Watermaster staff continued to collect groundwater level data at about 250 wells twice per month in and around the Chino-I and Chino-II Desalter well fields during this reporting period.

**Ongoing MZ-1 Interim Monitoring Program.** Watermaster consultants have initiated a groundwater-level monitoring program to collect data at about 45 wells in the southern portion of MZ-1 (City of Chino area). Data is being collected manually at all wells at least once per month and by automated pressure transducers at selected wells at least once every 15 minutes.

**Application for the Local Groundwater Assistance Fund.** Watermaster filed an application for \$250,000 from the Local Groundwater Assistance Fund, sponsored by the California Department of Water Resources (DWR). This funding would allow construction of piezometric monitoring wells for measuring Chino Basin groundwater levels in the Prado Flood Control Basin near the Santa Ana River. The wells would inform



## Draft Chino Basin Watermaster Status Report No. 6

Watermaster if OBMP projects are causing groundwater to discharge into the Santa Ana River. Watermaster expects to hear from the DWR before the end of April 2003.

### Groundwater-Quality Monitoring

During Fall 2001 and Spring 2002, Watermaster completed a reduced-scale groundwater quality monitoring survey for wells in the capture zone of the existing and proposed desalter wells. Partial funding was provided through the California State Water Resources Control Board under Section 205(j) of the Federal Clean Water Act, Agreement Number 00-199-250-0. The draft 205(j) Report was submitted to the SWRCB in October 2002.

**Complexity of Quality Conditions, Changing Regulations Prevent Development of Key Well Program.** As reported in the Status Report No. 4, a key well program was not developed for groundwater quality because of the complexity of the water-quality conditions encountered in the basin during the initial monitoring round and the constantly evolving water-quality regulations. Based on information collected during the next three-year round of sampling, Watermaster plans to review the development of a key well program.

**Began Three-Year Sampling Program of All Accessible Private Wells.** During this quarter, Watermaster began the first year of another three-year sampling program in which all accessible private wells in the southern portion of Chino Basin will be sampled (about 150 wells per year). Through the end of February 2003, about 100 wells had been sampled.

**Continued Cooperative Monitoring of Most Other Wells In Basin.** The remaining 50 wells will be sampled before the end of the next quarter. Watermaster is continuing the cooperative monitoring program described in the Implementation Plan. Watermaster obtains data every six months from the Department of Health Services for the municipal water agencies and from the Department of Toxic Substances Control and the Regional Board for most of the other wells in the Basin. All this data is contained in a relational database.

### Extensive Range Of Substances Being Tested

- All groundwater samples are being analyzed for general mineral and general physical parameters.
- Wells that were not previously sampled and analyzed for constituents that were added to the evolving groundwater quality-monitoring program (e.g., hexavalent chromium, silica, barium, etc.) in 1999-2001, are being sampled for those constituents.
- Wells within or near the two Volatile Organic Compound (VOC) plumes are being analyzed for VOCs, in addition to the other parameters.
- All wells are being analyzed for perchlorate due to its widespread presence in the 1999-2001 sampling program.
- Analysis for 1,2,3-trichloropropane has been added to the monitoring program for all wells. This chemical was detected in several wells above 50 parts per trillion (old detection limit).



## Draft Chino Basin Watermaster Status Report No. 6

**New Testing Method Measures Parts Per Trillion of TCP.** In the 2002-03 monitoring program, a new analytical methodology is being used to achieve a detection limit of 5 ppt for 1,2,3-TCP, which is its California Action Level. The wells chosen for the 2002-03 monitoring program are primarily located between the Chino I Desalter well field and the Santa Ana River. These wells were prioritized for 2002-03 to aid in the development of a monitoring program to demonstrate hydraulic control in the southern portion of Chino Basin. (See the hydraulic control discussion in Program Elements 6 and 7 below.)

### Groundwater Production Monitoring

**Two Additional Meter Vendors Retained. All Meters Scheduled for Installation Before July 2003.** The primary activity with regard to production monitoring continues to be the installation of meters on wells operated by members of the Agricultural Pool. Initially, Watermaster counted about 570 active agricultural wells. Watermaster's intends to equip 420 of these wells with operating meters. The other 150 wells were forecasted to be inactive or destroyed within two years. As of January 31, 2003, 295 of these wells are metered with the remainder to be metered by June 30, 2003. Four vendors are installing the remaining meters.

**All Producing Wells Are Monitored Quarterly.** Watermaster staff reads private wells with meters. A method appropriate to the Chino Basin area is used to estimate production at privately owned wells that do not have meters.

**Need For Water Use Disposal Form To Be Reviewed.** The OBMP Implementation Plan includes a provision that requires the producers to submit a water use and disposal form describing the sources of water used by each producer and how that water is disposed of after each use. The water use and disposal form and reporting has not been implemented, because much of the information that would have been collected using this form is being collected as part of other monitoring activities and analyses. Watermaster anticipates discussions regarding the need for this form after completion of the Dry Year Yield Engineering Analysis and completion of phase 1 of the hydraulic control-monitoring program.

### Surface Water Monitoring

**Measure Water Quality and Water Levels In Recharge Basins.** Watermaster conducts a surface water-monitoring program to measure the water quality of water in recharge basins and the water levels in some of these basins. The purpose of this program is to estimate the volume and quality of recharge. This information will be used in subsequent years to estimate the safe yield of the basin and for other management purposes. During this reporting period, Watermaster staff has collected water quality samples at selected recharge basins following rainstorms if storm water is stored in the basins.

IN THIS REPORTING PERIOD. Thirty-two (32) composite samples (including repeat sampling) have been collected from November 8, 2002 through March 3, 2003. Sampling will continue through the remainder of the 2002-03 storm season.

**Surface Water Monitoring For Santa Ana River To Begin In May 2003.** One of the goals of the OBMP is to maximize Chino Basin yield. One of the key ways to maximize yield is to minimize groundwater discharge to the Santa Ana River and, in some reaches



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of the River, to maximize recharge of the Santa Ana River into the Chino Basin. Watermaster developed a surface-water monitoring program for the Santa Ana River that, in conjunction with Watermaster groundwater-monitoring programs, will be used to characterize what reaches of the River are gaining water from, or losing water to, the Basin, and to determine if significant discharge of Chino Basin groundwater to the Santa Ana River is occurring. Surface water monitoring for the Santa Ana River is scheduled to begin in May 2003. A conceptual monitoring plan involving the Inland Empire Utilities Agency, Orange County Water District, Regional Water Quality Control Board, and Watermaster was finalized.

IN THIS REPORTING PERIOD. IEUA, OCWD, Regional Board and Watermaster determined that the conceptual monitoring plan was adequate and determined to move forward with the development of a detailed workplan to implement a surface water and groundwater-monitoring program. The workplan is in preparation and should be completed by the end of March 2003.

### Land Surface Monitoring

Watermaster staff is developing a multifaceted land-surface monitoring program to develop data that will assist in the development of a long-term management plan for Management Zone 1. The monitoring program consists of three main elements:

1. An aquifer-system monitoring facility located in the southern portion of Management Zone 1 – an area that has experienced concentrated and differential land subsidence and ground fissuring. One major component of the aquifer-system monitoring facility is multiple-depth piezometers that measure water level and pressure changes at 11 different depths. Another major component will be a dual borehole extensometer that measures deformation within the aquifer-system at deep and shallow levels. The extensometer is expected to be installed in June of 2003. Together, the two devices will correlate the hydraulic and mechanical responses of the aquifer system to different aquifer-stresses, such as pumping at wells.
2. Synthetic aperture radar interferometry (InSAR) that will measure land surface deformation across the entire Chino Basin.
3. Benchmark surveys along selected profiles of Chino Basin. The benchmark surveys will (1) establish a datum from which to measure future land surface deformation, (2) "ground-truth" the InSAR data, (3) allow determination of historical subsidence at any historical benchmarks that can be recovered, and (4) evaluate the effectiveness of the long-term management plan. During the current period, the MZ-1 Technical Committee approved the proposed selected profiles for benchmark surveys.

**New Monitoring Equipment Installed at Piezometers and Nearby Wells.** Permanent transducers and data logging equipment were installed at the piezometers and are recording depth-specific groundwater-level data. Where possible, transducers were installed in wells owned by the cities of Chino and Chino Hills, and are recording groundwater-level data and "on/off" pumping cycles at production wells. The State of



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California (CIM) has yet to approve an access agreement, and as a result, water level and production monitoring has not begun at CIM wells.

**Alternative Monitoring Equipment Installed At Other Wells Where Necessary.** Some wells owned by the cities of Chino and Chino Hills cannot be equipped with transducers. In these cases, alternative equipment that monitors parameters within the discharge pipe or pump motor electrical system will be used to record "on/off" pumping cycles at such production wells. This equipment will be tested in March 2003. It is anticipated that all monitoring equipment be installed by April 2003 assuming an access agreement is executed with CIM.

**Reconnaissance-level pumping tests are planned for April 2003 and are being discussed at the MZ-1 Technical Committee meetings** (see Program Element 4 below). These pumping tests will reveal the effects of nearby pumping on water-levels at the piezometers, and will assist in the final design of the extensometer and the design of a comprehensive aquifer-system testing program that will follow the completion of the extensometer.

**No significant activity occurred with regard to InSAR monitoring during this period.**

**Benchmark Survey Approved.** The MZ-1 Technical Committee approved the final design of the benchmark survey profiles and monument distribution during this period. A sub-consultant is being contracted to install the monuments beginning in March 2003. The initial ground-level survey is planned for April 2003 by same sub-consultant.

**Watermaster Approves Monitoring Work Plan and Budget.** At the February 27, 2003 meetings of the Advisory Committee and Watermaster Board, the Land Surface Monitoring plan and related \$178,000 budget were approved.

### **Well Construction, Abandonment and Destruction Monitoring**

Watermaster staff monitors the condition of wells on a regular basis. Wells that may be improperly destroyed or abandoned are reported to Riverside and San Bernardino Counties as they are discovered.

Watermaster staff inspected 107 abandoned wells during a 2002-03 field inspection. It was determined that 72 of the wells were properly abandoned and 35 wells would require some modification to meet the standard for a properly abandoned well. A repair program was prepared and approved by Watermaster. Prior to startup of repair, a review of currently abandoned wells has been initiated and an additional 25 wells have been identified as abandoned. Field inspection of these is under way. Upon completion of inspection, the wells needing "repair" will be added to the 35 wells previously identified. Because of continued development in the agricultural area (additional abandoned and destroyed wells), the number of abandoned wells in need of "repair" may change. A repair program contract is being prepared. Field repair is expected to begin in April 2003, with completion in three to six months. Riverside and San Bernardino Counties will be advised of the results. Ongoing land development will require continued well abandonment activity by Watermaster.



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## PROGRAM ELEMENT 2 – DEVELOP AND IMPLEMENT COMPREHENSIVE RECHARGE PROGRAM

The recharge element of the OBMP is one of the centerpieces of the OBMP since it is through the enhancement of the recharge capacity of the Basin that water in the Basin that is available for use can be maximized.

### Recharge of 6,500 Acre-Feet of Supplemental Water in Management Zone 1

Through the end of December, approximately, 500 acre-feet of Supplemental Water had been spread at the Montclair Basins in Management Zone 1.

**A Management Zone 3 technical committee had been established to address issues regarding recycled water recharge in Management Zone 3.** Representatives participating on the Committee are from Jurupa Community Services District, Inland Empire Utilities Agency, Watermaster, Fontana Water Company, Ontario and Western Municipal Water District. In addition, IEUA and JCSD have executed an MOU regarding the recycled water recharge that resolved their concerns. Concerns expressed by the Western Representative have not yet been resolved but are anticipated to be resolved both by the maximum benefit demonstration that has been submitted to the RWQCB and through the MZ3 committee process.

### Recharge Facilities Improvement Project Design Status

- **Dec. 2002** Complete civil work for Bid Package No. 1. Issue Bid Package No. 1, which includes the Banana, College Heights, Lower Day, RP-3, Turner No. 1, and Turner No. 2,3, & 4 Facilities. Order rubber dams. Conduct job walk for Bid Package No. 1 on December 16. Over 40 potential bidders attended. Issued final plans and specifications for bidding on December 31.
- **Jan 2003** Conduct second job walk for contractors.
- **Feb 2003** Bids for Package No. 1 due on February 10. Award of contract by IEUA on February 19. Receive non jurisdictional determinations from USACE for 12 flow-by basins.
- **Mar 2003** Issue NTP by March 19. Complete civil work for Bid Package No. 2 consisting of rubber dams and inlet structures and basin improvements at Ely, Declerz and 8<sup>th</sup> Street, Upland, and Victoria Basins. Advertise Bid Package No. 2. Obtain regulatory clearances and permits. Issue Bid Package No. 2, conduct job walk, and receive bids.
- **April 2003** Approve contract for Bid Package No. 2 and issue NTP.
- **Mar 2004** Construction of the Chino Recharge Basin Facilities Improvement Project to be completed.



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## Brooks Street Basin Diversion Structure and Pipeline

Engineering work performed for the Brooks Street Basin included continued design of the drop inlet structure within San Antonio Creek Channel and the diversion pipeline into Brooks Street Basin. An alternative diversion pipeline profile is being analyzed that would utilize jack & bore construction methods due to the proposed depth of the pipe. The alternative offers the advantage of less disruption of the landowners business than typical cut and fills type pipeline construction, proposed originally.

## Pre-Purchase of Rubber Dams

Rubber dams will constructed/installed at the following locations:

- o Basin/Channel
- o College Height Basin/San Antonio Channel
- o Lower Day Basin/Day Creek Channel
- o RP-3 Basins/Declez Channel
- o Turner Basin No. 1/Cucamonga Channel

Coordination meetings were held with Bridgestone, IEUA and T&A during the month of December to finalize the purchase order and conference calls were conducted to coordinate design and bidding efforts with Bridgestone. The rubber dams will be limited to a height of 1/3 the height of the flood control channel, avoiding topping the channel in a 500-year storm.

The IEUA Board of Directors approved the purchase order with Bridgestone at the December 18, 2002 Board Meeting. Delivery of hardware is expected in six weeks, and delivery of the rubber dams will take approximately 4 months

## Future Design Packages

**Six additional design packages will be bid during the next 6 months.**

### BID PACKAGE NO. 2A AND 2B-EXPECTED CONTRACT AWARD IN APRIL 2003

- o Declez Basin
- o Eighth Street Basins
- o Ely Basins
- o Upland Basin
- o Victoria Basin
- o Brooks Street Drop Inlet/Pipeline
- o College Heights Rubber Dam
- o Lower Day Basin Rubber Dam
- o RP-3 Basins Rubber Dam
- o Turner No. 1 Basin Rubber Dam
- o Turner Nos. 2,3, & 4/Turner No. 1 Drop Inlet Structure



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## Future Design Packages

**Six additional design packages continued.**

### BID PACKAGE NO. 3 –EXPECTED CONTRACT AWARD ON MAY 13

- Hickory Basin Pump Station
- Jurupa Pump Station

### BID PACKAGE NO. 4-EXPECTED CONTRACT AWARD ON MAY 26

- Hickory Basin Force main
- Jurupa Basin Force main

### BID PACKAGE NO. 5-CONTRACT AWARD DATE TO BE DETERMINED:

- Etiwanda Conservation Ponds – Bid package No. 5

### BID PACKAGE NO. 6: CONTRACT AWARD DATE TO BE DETERMINED

- SCADA Control System

### BID PACKAGE NO. 7: CONTRACT AWARD DATE TO BE DETERMINED

- MWD Turnouts





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PROGRAM ELEMENT 3 –  
DEVELOP AND IMPLEMENT WATER SUPPLY PLAN FOR THE IMPAIRED AREAS OF  
THE BASIN; AND

PROGRAM ELEMENT 5 –  
DEVELOP AND IMPLEMENT REGIONAL SUPPLEMENTAL WATER PROGRAM

## Status Report on Desalters

These program elements focus on the shift of production in the Southern end of the Basin away from agricultural uses toward urban uses. Without the OBMP, this land use conversion would have resulted in a decrease in production in the Southern end of the Basin, which would ultimately have led to rising water levels. If groundwater levels in the Southern end of the Basin rise too high, then water may “spill” out of the Basin and into the Santa Ana River. Such uncontrolled spillage could reduce the overall Safe Yield of the Basin and must be managed by optimization.

Directly tied to the threat of rising water levels in the Southern area is the impaired ability of producers in the Southern end of the Basin to pump water due to water quality concerns. The ability to compensate for the loss of agricultural production with increased appropriative production is inhibited because of water quality concerns in this part of the Basin. Production in this area therefore requires water treatment. This issue is addressed through the construction of desalter facilities.

## Status Report on the Chino Desalters

In May 2001, the Santa Ana Watershed Project Authority (SAWPA) completed the first Chino Basin desalter. This desalter was built to have a capacity of up to eight million gallons per day (mgd).

In the year 2000, California voters passed Proposition 13 (the Water Bond) that included significant funding opportunities to construct additional desalters in the Chino Basin. In order to take best advantage of this funding opportunity, a joint powers agency now known as the Chino Basin Desalter Authority (CDA) was formed to purchase the Chino I Desalter from SAWPA and to construct and operate the Chino I Expansion and Chino II Desalters. The formation of this entity has been described in great detail to the Court in previous progress reports.

**The Chino I Desalter Expansion Project.** This includes construction of 4.9 million gallons per day (mgd) of expanded treatment capacity (nitrate removal) in parallel with the existing treatment facilities, as well as associated raw water and product water delivery facilities. The Chino I Desalter was originally constructed by SAWPA to provide a total of 9,200 acre-feet per year of product water deliveries. The expansion project aims to



## Draft Chino Basin Watermaster Status Report No. 6

provide an additional 5,000 acre-feet per year of water deliveries. The product water will have TDS and nitrate concentrations of 350 mg/L and 25 mg/L, respectively. The CDA authorized the drilling and awarded a contract for the Chino I Desalter Expansion wells.

Watermaster staff and consultants have been involved in reviewing the proposed well designs for new wells for the Chino I desalter. Watermaster's role has been to make sure that the well designs are consistent with the intent of the OBMP and Peace Agreement. Three of the four Desalter 1 expansion wells have been drilled. The fourth well is pending.

**\$1.5 million Savings Achieved.** Revised product water delivery alignments were made which created approximately \$1.5 million in savings.

**The Chino II Desalter Project.** This includes 10 mgd of new treatment capacity, as well as raw water and product water delivery facilities. The final design of the Chino II Desalter is planned for completion in May 2003. The sites for the Chino II raw water supply wells are in the final stages of acquisition. Also, the well drilling contracts are under development.



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### PROGRAM ELEMENT 4 – DEVELOP AND IMPLEMENT COMPREHENSIVE GROUNDWATER MANAGEMENT PLAN FOR MANAGEMENT ZONE 1

Program Element 4 details the steps to be taken by Watermaster to reduce or abate subsidence and fissuring in Management Zone 1.

**Progress Made By The MZ1 Technical Committee.** The MZ1 Technical Committee twice during this reporting period. At these meetings, the MZ-1 Interim Monitoring Program, with schedule and budget, was reviewed, revised, and approved for recommendation to Watermaster Pool committees and board. Committee representatives also were informed of the status of the various efforts to implement the monitoring program. A date of March 12, 2003 has been selected for the next meeting.

**A meeting occurred during this period with the City of Chino Hills, Monte Vista Water District, and Watermaster staff regarding the use of deep well injection as a possible element of the MZ-1 long-term management plan.** This concept will be discussed in more detail at the next MZ-1 Technical Committee meeting.

Other ongoing monitoring efforts under the Interim Plan are reported above under the Land Surface Monitoring section of Program Element 1.

**There have been no observed impacts of volunteer participation in the Interim Plan.** Installation of the monitoring equipment is not complete, but should be by the end of January 2003. Logic leads one to expect that reducing production in the area will not exacerbate the problem of subsidence and fissuring, and may help reduce the potential for its occurrence to the extent it is production related.



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## PROGRAM ELEMENT 6 – DEVELOP AND IMPLEMENT COOPERATIVE PROGRAMS WITH THE REGIONAL WATER QUALITY CONTROL BOARD, SANTA ANA REGION (REGIONAL BOARD) AND OTHER AGENCIES TO IMPROVE BASIN MANAGEMENT; AND

### PROGRAM ELEMENT 7 – DEVELOP AND IMPLEMENT SALT MANAGEMENT PROGRAM

**Cooperative Programs with Regional Board and other Entities.** The "water quality committee" as envisioned in the OBMP Implementation Plan has not been formally constituted. Since the development of the OBMP, Watermaster has worked closely with the Regional Water Quality Control Board, the Department of Toxic Substances Control, and others to define water quality challenges and to refine the water quality management criteria in the Chino Basin. During the next period, (starting in March 2003) Watermaster will start a process to review water quality conditions in the Basin and to consider future water quality management activities beyond the Chino Basin desalting program.

**Water Quality Management.** In response to the results of Regional Board and Watermaster's groundwater-quality monitoring programs (Program Element 1) Watermaster has refined its water quality monitoring to identify and characterize water-quality anomalies such as the VOC anomaly north of the Chino I Desalter well field. Watermaster staff is participating in the process to develop TMDL's for Reach 3 of the Santa Ana River and other water bodies in the lower Chino Basin. Watermaster staff is coordinating with the Regional Water Quality Control Board with regard to surface water quality and the Department of Toxic Substances Control with regarding to developing a monitoring program to track perchlorate in groundwater in the Glen Avon area.

### **Watermaster and Regional Board Propose TDS and Nitrogen Objectives to Promote Maximum Benefit of Waters Available to the Chino Basin**

Watermaster staff has been working with the TIN/TDS Task Force to revise the subbasin boundaries, and the TIN and TDS objectives for the Chino Basin to promote maximum beneficial use of waters in the basin (as opposed to the Regional Board's current, more rigid antidegradation-based objectives). The maximum beneficial use approach will increase water supplies and lower costs over time while meeting water quality requirements. In December 2002, Watermaster proposed specific subbasin boundaries, and TIN and TDS objectives for the Chino Basin to the RWQCB at a workshop regarding the Basin Plan update. The TIN/TDS Task Force and the Regional Water Board have reacted favorably to the Watermaster proposal, have modified it slightly, and it is Watermaster's belief that the modified Watermaster proposal will be included in the Basin Plan update that will occur in 2003.

**Cooperative Effort to Determine State of Hydraulic Control.** One outstanding issue to resolve regarding the Basin Plan changes is to develop a monitoring plan to evaluate the state of hydraulic control in the southern end of the basin. Hydraulic control is one tool that can be used to maximize the safe yield of the basin. Watermaster staff developed a monitoring program for OBMP purposes and described this effort in the Initial State of the Basin Report (October 2002). The execution of this monitoring program is included in



## **Draft Chino Basin Watermaster Status Report No. 6**

Program Element 1. IEUA, OCWD and the Regional Board are very interested in the hydraulic control management concept as a means to protect the water quality of the Santa Ana River. Hydraulic control will become a commitment of Watermaster if the proposed subbasin boundaries, and TIN and TDS objectives for the Chino Basin are adopted. Watermaster, OCWD and Regional Board staffs are working to develop a monitoring program to assess the state of hydraulic control and to provide information to Watermaster to manage future production and recharge. The initial phase of the monitoring program should be initiated this fiscal year and completed by June 30, 2003. This program will change or adapt over time as new information is developed and will last for several years. The coordination and review of the hydraulic control monitoring data and the development of management programs to maintain hydraulic control have been added to Program Element 6 and 7.

### **Salt Budget Tool Was Used To Establish TDS Objectives**

Watermaster has developed a salt budget tool to estimate the current and future salt loads to the Basin and the salt benefits of the OBMP. This tool was used to establish TDS objectives for the northern part of the Basin based on maximum beneficial use of water available to the region. These projections were based on the water supply plan in the Implementation Plan and include alternative recycled water and State Project water recharge scenarios. Watermaster consultants are currently preparing a letter report describing the salt budget and how it will benefit the Chino Basin. This letter will be submitted to Watermaster for consideration by the parties by March 31, 2003.



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**PROGRAM ELEMENT 8 – DEVELOP AND IMPLEMENT GROUNDWATER STORAGE  
MANAGEMENT PROGRAM; AND**

**PROGRAM ELEMENT 9 – DEVELOP AND IMPLEMENT STORAGE AND RECOVERY  
PROGRAM**

This section summarizes the work accomplished to date and the work planned over the next few months for the Chino Basin Dry Year Yield (DYY) Program. The DYY Program is a conjunctive use program between the Metropolitan Water District of Southern California (Metropolitan) and several Basin appropriators, which would develop a maximum of 100,000 AF of storage. This Program also explores the potential for using up to 500,000 AF of safe storage capacity.

**Conducted CEQA Coordination.** Inland Empire Utilities Agency (IEUA) presented the CEQA Findings of Consistency (FOC) to its Board for certification in December 2002. Subsequent to the Board's approval of the FOC, an addendum to the FOC was prepared on behalf of Cucamonga County Water District for addition of a third well to its initially proposed DYY facilities. It is anticipated that approval of this Addendum will occur during the next few months.

**Confirm Facilities and Locations.** Additional effort was made to confirm the DYY Program facilities and locations. Each participating agency was given the opportunity to review its facility preferences and make modifications, if necessary. Several agencies requested additional facilities or modifications to previously proposed facilities, and yet to finalize their facility preferences.

**Develop Preliminary Design Report.** The Preliminary Design Report (PDR) is under development and a draft will be prepared during the next few months. The PDR will be split into multiple volumes, one for each participating agency. Preliminary facility layout drawings and pipeline plans and profiles have been completed. Detailed descriptions of each groundwater treatment and well facility will be addressed over the next few months.

**Conduct Groundwater Modeling.** The groundwater model is near completion and simulations of DYY Program scenarios will be conducted. The model results will be summarized in the PDR.

**Develop Shift Obligation and Funding Approach.** Participants in the DYY Program will be required to reduce (shift) their imported water usage by a predetermined amount during a dry year. The project participants have agreed on a funding allocation methodology and have submitted written requests for funding and shift obligation levels subject to individual agency approvals of the final contract terms.

**Develop Funding and Local Agency Agreements.** A draft Groundwater Storage Program Funding Agreement between Metropolitan, IEUA, Three Valleys Municipal Water District (TVMWD), and Watermaster was prepared and presented to Metropolitan. A draft Local Agency Agreement between IEUA and Watermaster was also prepared. This Local Agency Agreement includes input from all of the participating agencies. These draft agreements will be finalized over the next few months.



# Draft Chino Basin Watermaster Status Report No. 6

## ADMINISTRATIVE UPDATE

### Watermaster Staff Restructured

Watermaster created the new Chief Executive Officer position in November 2000, which was subsequently filled in July of 2001. The Watermaster Board, at its June 17, 2002 meeting, formed a Personnel Committee. The committee is comprised of three Board members, Terry Catlin, Mike McGraw, and Dennis Yates, the Advisory Committee Chair Ken Jeske, the Appropriative Pool Chair Ray Wellington, and the Ag Pool appointee Nathan DeBoom. With the Board rotation in January 2003, Mike McGraw is no longer on the Board or the Committee.

**Unanimous Decision of Personnel Committee.** The committee met with staff and Watermaster's employment attorney to develop a revised organizational structure to better meet the various demands on Watermaster staff. After five meetings, the Committee, staff, and counsel made a unanimous recommendation to the Board to revise the organization. The revision includes the following:

- 1) Creation and recruitment of Executive Asst., Secretary, and Project Engineer positions
- 2) Recruitment of the existing Senior Engineer position
- 3) Elimination of three positions
  - a. Election to terminate the contract of the Chief of Watermaster Services
  - b. Termination of the employment of the Water Resource Specialist
  - c. The Administrative Assistant will retire in October 2003

**Many factors were considered in developing the new structure. Some of the wide-ranging considerations in the restructurings include:** Watermaster's ongoing responsibilities and projects, current and anticipated workload, short- and long-term needs of Watermaster, position responsibilities and requirements, supervision and delegation of work and positions, efficiencies and excesses, necessary skills and supervision, actual job duties and descriptions, current positions and their duties and descriptions, as well as the costs of the positions and the Watermaster budget.

**Key Change: Non-Permanent Projects Will Rely on Consultants.** The Chief Executive Officer and Committee recommended that Watermaster should utilize outside consultants for projects that are non-permanent, while defining internal staff positions that concentrate on long-term functions. Although Watermaster continues to perform duties related to the Optimum Basin Management Plan, the question will remain for a few years as to whether the current workload will be maintained or decreased as projects pass from development to operations. Because Watermaster does not own and operate facilities, such projects as the MWD Dry Year Yield Project, the Recharge Facilities Improvement Project, and the longer term Storage and Recovery Project will consume large amounts of staff time for a limited time. Once the projects move into design and construction, the development, negotiation, and planning aspects will ebb. However, certain activities such as long-term monitoring, accounting for basin production, recurring reporting, and court filings will continue unabated into the future and be staffed by permanent employees.



# Draft Chino Basin Watermaster Status Report No. 6

## CONCLUSION

Watermaster efforts to implement the Optimum Basin Management Program continue at a rapid pace. Watermaster looks forward to continuing this trend in order to further optimize the Chino Basin as a resource to the parties to the judgment and the communities served.





# **CHINO BASIN WATERMASTER**

March 27, 2003

10:00 a.m. – Advisory Committee

1:00 p.m. – Watermaster Board

## **II. BUSINESS ITEM**

### **B. OFFICE LEASE**



# CHINO BASIN WATERMASTER

8632 Archibald Avenue, Suite 109, Rancho Cucamonga, Ca 91730  
Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

**JOHN V. ROSSI**  
Chief Executive Officer

## STAFF REPORT

**DATE:** March 27, 2003  
**TO:** Advisory Committee Members  
Watermaster Board Members  
**SUBJECT:** Provide Notice to Terminate Current Office Lease

### SUMMARY

**Issue** – Watermaster's current office lease includes an early termination clause if the management firm is provided six-months notice.

**Recommendation** - Staff recommends that the Advisory Committee and the Watermaster Board authorize staff to provide notice to Rancho Tech. LLC of Watermaster's intent to terminate its lease on or about September 30, 2003.

**Fiscal Impact** – Preliminary estimates indicate that Watermaster's new lease, electricity, and security will fall within the same budget parameters currently expended for a much larger space. Additional costs associated with re-location to CCWD's old office facilities on San Bernardino Road and other related expenditures such as moving and improvement expenses would be submitted in the proposed Fiscal Year 2003-2004 budget.

### BACKGROUND

In 1996, the Watermaster signed a five-year lease to occupy offices at 8632 Archibald in the City of Rancho Cucamonga. In March of 2001, the lease was amended for an additional three-year period and included a one-time early termination on September 30, 2003, if a six-month notice is given before April 1, 2003.

### DISCUSSION

Staff has been researching opportunities to relocate the Watermaster offices. CCWD made an offer to Watermaster to lease its office building on San Bernardino Road once their remaining employees relocate to new facilities. In November 2001, the Board took an action directing staff to pursue this opportunity to relocate and to negotiate lease terms with CCWD for further consideration.

During the past twelve months, the offices adjacent to and surrounding Watermaster have been leased to the County Department of Motor Vehicles and Department of Social Services. Having the Department of Motor Vehicles as a neighbor has impacted parking and caused security concerns. When County Social Services moves into the building west of Watermaster in April 2003, up to 200 employees will occupy the building and serve the public. Staff anticipates a major impact with parking and security, in particular on meeting days. It may be necessary for Watermaster to consider alternative meeting locations until such time as the offices can be relocated. In the interim, staff will continue to work with the management firm regarding the parking situation.

In approximately 60 days, staff should have the new proposed lease terms for CCWD's building and will submit them through the Watermaster process for consideration.



# **CHINO BASIN WATERMASTER**

March 27, 2003

10:00 a.m. – Advisory Committee

1:00 p.m. – Watermaster Board

## **II. BUSINESS ITEM**

### **C. WATER QUALITY PROGRAM**

**Status Report on  
Watermaster's Water Quality  
Management Activities**

March 14, 2003

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**Outline of Discussion**

- Water quality activities pre OBMP
- Water quality activities included in the OBMP
- Programs underway per OBMP Implementation Plan
- Where do we go from here

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**Watermaster Water Quality  
Activities Pre - OBMP**

- Limited monitoring in Ag area and collaborative effort outside the Ag area
- Supported the first 8-mgd of Chino Basin desalter
- Participated in the Chino Basin Water Resources Management Study
- Terse relationship with the RWQCB

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### Other Water Quality Activities Pre – OBMP

- Wellhead treatment initiatives by individual producers such as Pomona and others
- RWQCB C&A Orders and related activities at
  - Kaiser Steel, Alumax, GE Flatiron, GE Test Cell, Chino Airport, others
- EPA Superfund Sites including Stringfellow and others

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### Water Quality Activities Included in the OBMP

- Comprehensive monitoring program to assess water quality conditions in groundwater and surface water (Program Element 1)
- Development of modeling tools and assessment of treatment technologies (Program Elements 3, 5, 8 and 9)

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### Water Quality Activities Included in the OBMP

- Construction of recharge basins that increase the recharge of storm water – benefit to surface and ground water quality (Program Element 2)
- Construction of ground water treatment systems by CDA and others (Program Elements 3&5)

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### Water Quality Activities Included in the OBMP

- Establishment TDS and N objectives to promote use of recycled water (Program Elements 3 and 6)
- Coordination of activities with RWQCB (Program Element 6)

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### Comprehensive Water Quality Monitoring

- Watermaster initiated comprehensive water quality monitoring program:
  - Samples 150 to 200 wells annually in southern Chino Basin
  - Obtain water quality data from non-ag pumpers from DHS and others
  - Obtains reports and data from RWQCB, DHS, DTSC, Counties and others

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### Comprehensive Water Quality Monitoring

- Watermaster initiated comprehensive water quality monitoring program:
  - Maintains a comprehensive database
    - Construction and lithologic data from wells
    - Groundwater level and quality
    - Migrating from MS Access-based to EQUIS SQL-based system
  - Support investigations by others

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## Comprehensive Water Quality Monitoring

- Watermaster initiated comprehensive water quality monitoring program:
  - Have developed a comprehensive geographical information system for characterizing groundwater conditions in the Chino Basin

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## Development of Modeling Tools

- A new three-dimensional flow model has been developed for the Chino Basin as part of the dry-year yield investigations
- Model is being used to estimate
  - propagation of water quality anomalies or plumes in the Basin
  - losses from storage program, etc

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## Development of Modeling Tools

- Model utilizes the USGS MODFLOW and related programs for flow and transport in *Groundwater Vistas*
- Use a series of support models to compute
  - storm water runoff,
  - storm water recharge,
  - deep percolation of precipitation and applied water, etc.

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**Development of Modeling Tools**

- Model is based on three-dimensional characterization that used;
  - all available well logs
  - InSAR
  - water quality data
- There are associated solute and particle-tracking models that can be used MODFLOW

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**Development of Modeling Tools**

- We are working hard to complete the modeling report – draft will be out by end of the month

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**Cooperative activities with RWQCB & Others PE 6**

- Program Element 6 says Watermaster will:
  - Form an ad hoc Water Quality Committee that includes RWQCB and others
  - Refine monitoring activities to support detection of water quality anomalies
  - Conduct investigation to assist RWQCB for mutual benefit
  - Seek funding sources from outside sources to accelerate detection and cleanup

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**Cooperative activities with  
RWQCB & Others PE 6**

- There has been no activity in Program Element 6
- Time for Watermaster to:
  - review the activities described in Program Element 6
  - refine as necessary
  - implement

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**Where Do We Go  
From Here?**

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# **CHINO BASIN WATERMASTER**

March 27, 2003

10:00 a.m. – Advisory Committee

1:00 p.m. – Watermaster Board

## **III. REPORTS/UPDATES**

### **B. CEO/STAFF REPORT**

1. MZ-1 Interim Monitoring Program

# WE INC.

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Wildermuth Environmental, Inc.  
415 North El Camino Real Suite A  
San Clemente, California 92672  
Tel. 949/498-9294  
Fax 949/498-1712  
www.wild-environment.com

March 12, 2003

Chino Basin Watermaster  
*Attention: John Rossi*  
8632 Archibald Avenue, Suite 109  
Rancho Cucamonga, California 91730

*Subject: Progress Report for MZ-1 Interim Monitoring Program for March 12, 2003.*

Dear John:

The Management Zone 1 (MZ-1) Technical Committee approved the scope and schedule for the MZ-1 Interim Monitoring Program (IMP) at the January 29, 2003 meeting. The IMP is described in the IMP Work Plan dated January 8, 2003.

The Court has requested quarterly reports that describe the progress of the IMP implementation. This letter summarizes our progress for the reporting period December 2002 to February 2003, and our expected progress for future reporting periods.

## **BENCHMARK SURVEYS**

The objective of this task is to perform repeated benchmark surveys that will measure vertical (and in some cases horizontal) ground surface deformation along selected profiles within Chino Basin – mainly in MZ-1. The benchmark surveys will (1) establish a datum from which to measure land surface deformation during the IMP period, (2) allow determination of historical subsidence at any historical benchmarks that can be recovered, (3) “ground-truth” the InSAR data, and (4) evaluate the effectiveness of the long-term management plan.

*Final Design/Specs/Contract for Benchmark Monument Network.* The final design of the benchmark monument network was approved by the MZ-1 Technical Committee at the January 29, 2003 meeting. This network is shown on Figure 1 attached to this letter. A contract with Associated Engineers, Inc. (AE) to perform both the monument installations and the first survey has been executed.

*Conduct Spring 2003 Ground-Level Survey.* AE is authorized to order materials and begin construction of the benchmark monument network immediately. The target for completion of the initial benchmark survey is end of April 2003.

## **InSAR**

Like the benchmark surveys, the objective of this task is to characterize ground surface deformation in Chino Basin using Synthetic Aperture Radar Interferometry (InSAR). This analysis will be performed for a historical period (1992-2002) and on an on-going basis

thereafter. The advantage of InSAR is that it provides a measure of land surface deformation over a continuous grid of the land surface.

Work on this task has been postponed until Summer 2003 in order to concentrate fully on the other elements of the IMP.

#### **AQUIFER-SYSTEM MONITORING**

The objective of this task is to measure the stresses within the aquifer-system that cause the land surface deformation that will be measured by benchmark surveys, InSAR, and the extensometers (described below). The centerpiece of the aquifer-system monitoring program is the Ayala Park Extensometer – a highly sophisticated monitoring facility consisting of two multi-piezometers and dual-extensometer. This facility will monitor the hydraulics and mechanics of the underlying aquifer-system as the aquifer-system undergoes various stresses due to groundwater production and recharge.

*Ayala Park Extensometer.* The final design specifications for extensometer construction are complete and the bid package will be mailed to prospective drillers by March 14, 2003. The target date for extensometer completion and the commencement of data collection is July 1, 2003.

*Ayala Park Piezometers.* Piezometer construction and development was completed in Fall 2002. Please find attached (under separate cover) the geologic and well completion logs for the piezometers. These logs will be included in a comprehensive well completion report that will follow construction of the extensometer.

Permanent transducers and data loggers were installed at the piezometer vaults and began collecting water-level data during the reporting period. These data are shown on Figure 2 attached to this letter with the following observations:

- Water-levels at all of the piezometers are exhibiting increasing water-levels from November 2002 to March 2003.
- The two shallowest piezometers (PA-11 and PA-10) have a separate and distinct water-level response to nearby pumping as compared to the other deeper piezometers – revealing the existence of distinct shallow and deep aquifer-systems.
- The water-level data indicates a downward vertical hydraulic gradient from the water table to about 1,100 feet-bgs.
- The water-level data indicates an upward vertical hydraulic gradient below about 1,100 feet-bgs.

One piezometer (PB-3 completed from 949-969 feet-bgs) is likely damaged and, hence, its water-level data is questionable and not included on Figure 2. In our opinion, the investigation is virtually un-compromised, and we have no immediate plans to attempt to re-habilitate PB-3.

*Instrumentation of Surrounding Wells.* Where possible, nearby wells owned by the cities of Chino and Chino Hills have been equipped with pressure transducers and are recording water-level data. Some nearby wells can not accommodate a transducer. Alternative methods of monitoring are currently being researched and tested, including discharge pressure, discharge temperature, and or the well's electrical system. The target date for equipping all nearby wells owned by Chino and Chino Hills is early April 2003.

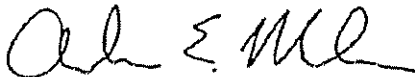
No wells owned by CIM have been equipped with transducers or other monitoring equipment because an access agreement has not yet been signed between Watermaster and CIM.

March 12, 2003

*Reconnaissance Pumping Tests.* Prior to completion of the extensometer (July 1, 2003) Watermaster proposes to conduct aquifer stress tests (pumping tests) and monitor water levels and groundwater production at nearby monitoring wells and production wells. The objectives and proposed methods of this testing and monitoring are attached as Exhibit 1 to this letter.

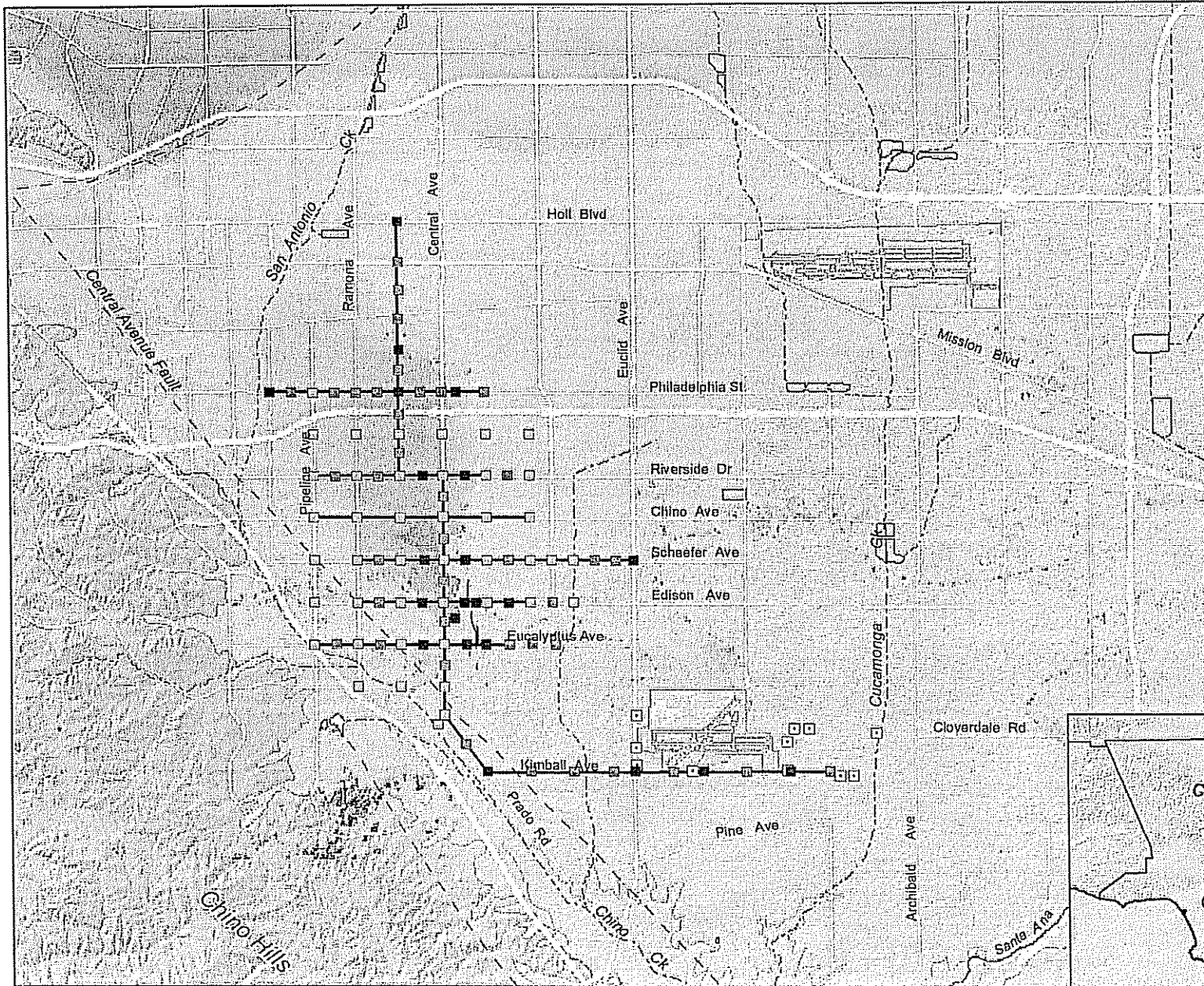
If you have any questions, please don't hesitate to call me at 949.498.9294 or send me e-mail at [amalone@wildh2o.com](mailto:amalone@wildh2o.com).

Best Regards,

A handwritten signature in black ink, appearing to read "Andrew E. Malone". The signature is fluid and cursive, with the first name "Andrew" being the most prominent.

Andrew E. Malone  
Senior Scientist

cc: Mark Wildermuth, P.E.

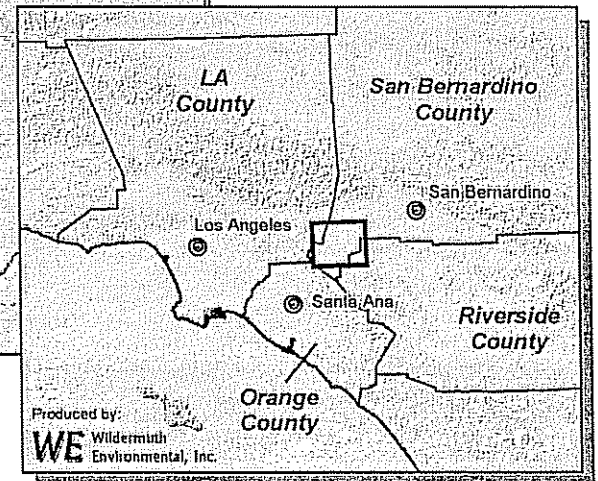
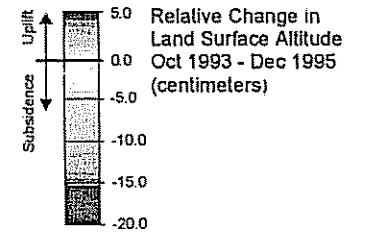


**Benchmark Survey Features**

- Proposed Survey Line
- Proposed Class-A Monument
- Existing Class-B Monument
- Proposed Class-B Monument

**Other Features**

- Chino-I Desalter Well
- ~ Ground Fissure (1994)



**Benchmark Surveys**  
MZ-1 Interim Plan Monitoring Program

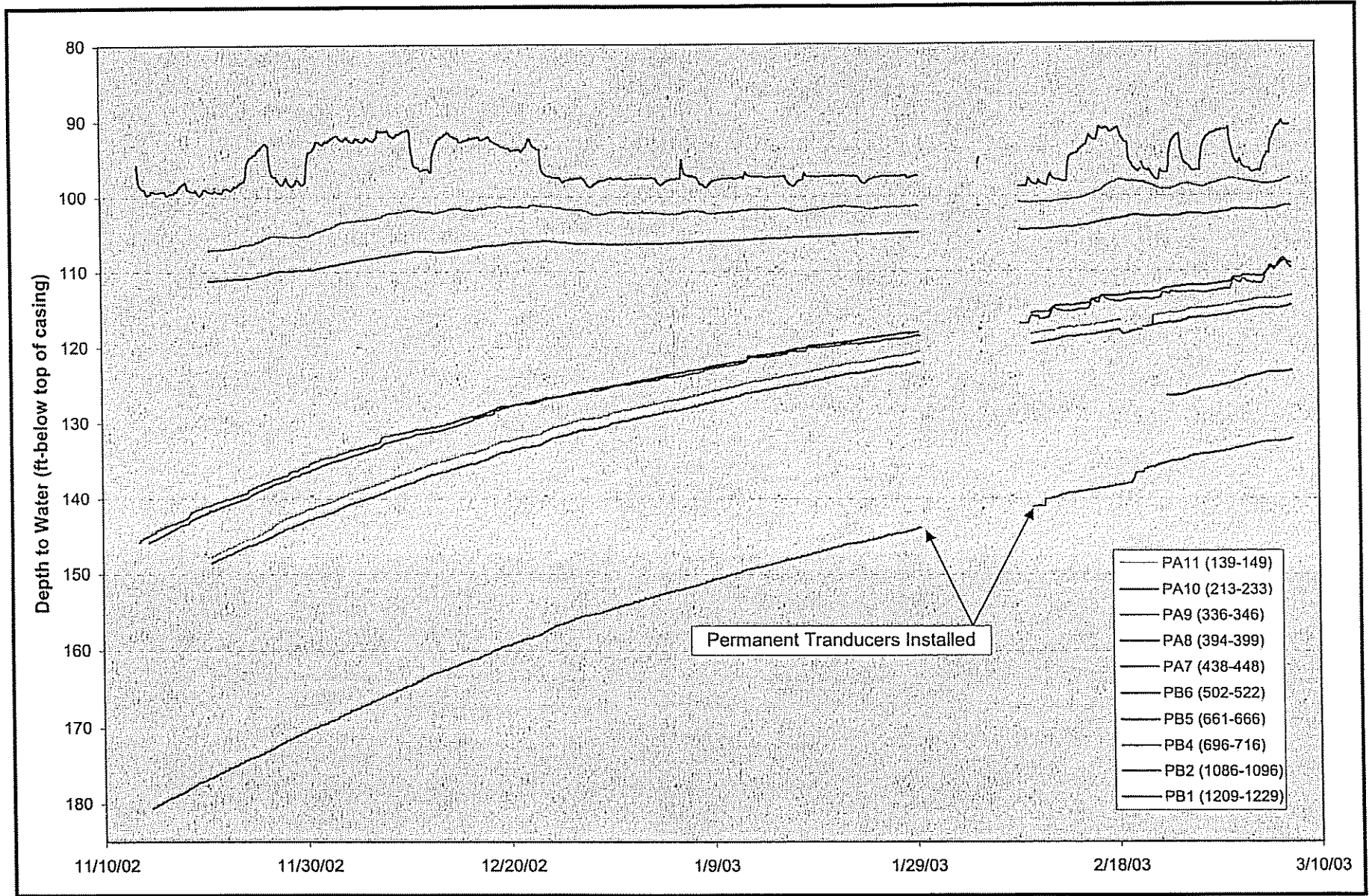
**Figure 1**



Author: AEM  
Date: 20030310  
File: bm\_surveys\_scope.mxd

Produced by:  
**WE** Wildermuth  
Environmental, Inc.

**Figure 2: Groundwater-Level Time History**  
 Ayala Park Plezometers {11/14/2002 thru 3/7/2003}



## EXHIBIT 1

### AQUIFER-SYSTEM TESTING

#### RECONNAISSANCE PHASE

#### BACKGROUND

Two multiple-depth piezometers at Ayala Park were constructed and completed in the Fall of 2002. The multiple-depth piezometers consist of ten (10) isolated completions at various depths through approximately 1,200 feet of aquifer sediments. Pressure transducers equipped with data-loggers continuously record piezometric levels (one record every 15 minutes) at each piezometer.

The *reconnaissance phase* of aquifer-system monitoring occurs during the several months following piezometer construction and prior the construction and completion of the extensometer (July 1, 2003). During this phase Watermaster proposes to, among other activities, conduct aquifer stress tests (pumping tests) and monitor water levels and groundwater production at nearby monitoring wells and production wells.

#### PURPOSE

Aquifer-system stresses will be applied through controlled pumping at wells nearest to the Ayala Park piezometers. Continuous monitoring of pumping and the water levels at the piezometers (and other nearby wells) will demonstrate how pore pressure changes propagate horizontally and vertically through the aquifer-system. Analyses of these data will assist in the development of the *comprehensive phase* of aquifer-system testing and monitoring, assist in the design of the shallow extensometer, and, potentially, provide estimates of aquifer-system parameters for later use in groundwater flow models.

#### PROPOSED METHODS

Watermaster proposes that reconnaissance pumping tests be conducted separately in both the shallow aquifer-system and the deep aquifer-system. The candidate shallow wells are Chino Hills-1A, CIM-1, CIM-11A, and CIM-3. The candidate deep wells are Chino Hills-15B and Chino Hills-19.

##### *Shallow Aquifer-System Testing*

The well owners have indicated to Watermaster that the shallow wells listed above pump continuously, with short periods of inactivity. The proposed pumping test for the shallow aquifer-system would require nine consecutive days of controlled pumping at all four wells:

Day 1: All four shallow wells pumping

Day 2: Chino Hills-1A off; all others pumping

Day 3: All four shallow wells pumping





Day 4: CIM-1 off; all others pumping

Day 5: All four shallow wells pumping

Day 6: CIM-3 off; all others pumping

Day 7: All four shallow wells pumping

Day 8: CIM-11A off; all others pumping

Day 9: All four shallow wells pumping

It would also be required that during these nine days of shallow aquifer-system testing that other nearby shallow wells either pump continuously or do not pump at all. These wells include: Chino-4, Chino-6, and CIM-1A. All other wells are not restricted.

#### ***Deep Aquifer-System Testing***

The well owners have indicated to Watermaster that the deep wells listed above have not been pumped since last year (except for water quality sampling). The proposed pumping test for the deep aquifer-system would require five consecutive days of controlled pumping:

Day 1: All deep wells off

Day 2: Chino Hills-15B pumping; all others off

Day 3: All deep wells off

Day 4: Chino Hills-19 pumping; all others off

Day 5: All deep wells off

It would also be required that during these five days of deep aquifer-system testing that Chino Hills-17, Chino Hills-1B, Chino Hills-14, Chino Hills-16, and Chino Hills-7D do not pump, and that CIM-11A pump continuously. All other wells are not restricted.





# **CHINO BASIN WATERMASTER**

March 27, 2003

10:00 a.m. – Advisory Committee

1:00 p.m. – Watermaster Board

## **III. REPORTS/UPDATES**

### **C. INLAND EMPIRE UTILITIES AGENCY REPORT**



Inland Empire  
UTILITIES AGENCY

**CHINO BASIN WATERMASTER  
ADVISORY COMMITTEE  
March 27, 2003**

**AGENDA**

**INTER-AGENCY WATER MANAGERS' REPORT**

**Chino Basin Watermaster  
8632 Archibald Ave., Suite 109  
Rancho Cucamonga, CA 91730**

**30 – 40 Minutes**

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**PROPOSED ITEMS:**

1. MWD Update – Martha Davis
  - Colorado River – QSA
2. Conservation Programs – Dave Hill
  - Draft Water Conservation Information Package
  - Grant Programs
3. Legislative Update – Martha Davis
  - Proposition 50 – SB 21
  - Santa Ana River Conservancy (AB 496)
  - Water Recycling/Title 16
  - Federal and State Legislative Issues
4. Other


**Attachments:**

- *IEUA March 19<sup>th</sup> Legislative Report*
- *FY 2003 Federal Appropriation Requests*



Inland Empire  
UTILITIES AGENCY

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Date: March 19, 2003 ;  
To: Honorable Board of Directors  
Through: Public and Legislative Affairs Committee  
(March 12, 2003)  
From: Richard W. Atwater  
Chief Executive Officer/General Manager  
Submitted by: Martha Davis   
Executive Manager of Policy Development  
Subject: Legislative Report

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### RECOMMENDATION

This is an informational item regarding an update on State and Federal legislative activities.

### BACKGROUND

Please find attached the legislative reports on the status of State and Federal activities from Geyer and Associates, the Dolphin Group and Agricultural Resources.

### PRIOR BOARD ACTION

None.

### IMPACT ON BUDGET

There is no impact on the budget.

Martha Davis

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From: Geyerw [geyerw@pacbell.net]  
Sent: Thursday, February 27, 2003 3:36  
To: Richard Atwater; Martha Davis  
Subject: Legislative report Feb 27 2003

## MEMORANDUM

TO: Rich Atwater and Martha Davis  
FROM: Jennifer West and Bill Geyer  
DATE: February 27, 2003  
RE: February Legislative Report

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Last Friday was the deadline for bill introductions for the regular 2003 Legislative session. More than 2,600 bills were introduced. Some are not yet in print. The attached bill list includes those bills that might be of most interest to IEUA and some that we are already working on. Others may be added as further review establishes their significance.

### **Budget**

The 02/03 budget remains out of balance by at least \$10 billion, despite a special session that began in early December that was supposed to immediately slash current year spending. The Governor has said progress will soon be made on this year's cuts. Concurrently, the 03/04 budget debates have begun and hearings are beginning. Recently the Legislative Analyst's Office released their analysis of the Governor's 03/04 budget, which said that it was an optimistic plan, but if implemented, could put the state back into the black.

### **ERAF**

Neither the Governor nor the LAO recommended an 03/04 property revenue shift from special districts, although rumors have been circulating that large scale property tax shifts and local government reorganization are essential if the state is to pull out its current predicament. If a leadership decision is made on this issue, it is likely to emerge as part of a special session package of bills.

### **Proposition 50**

Senator Machado is holding a series of meetings to establish criteria for most sections of Proposition 50, with the general goal of establishing competitive grant programs awarded by the agencies. The groups are supposed to complete their work by March 14 when budget discussions will begin. There are 13 other Proposition 50 bills that earmark various pot of funding for specific projects and purposes. (They are included in the IEUA bill list.) Machado has said all these bills would be held in his committee on suspense.

One of the biggest unanswered questions is how much money will be available to Southern California when/if a deal is reached on the QSA. It is assumed that at least \$300 million will come from various Prop. 50 categories, including Chap. 8 funds, of which \$250 million is available for Southern California. The Governor is directly involved in the QSA negotiations and is heavily invested in seeing the agreement signed. The question is how much Prop. 50 funding will the Governor and Legislature allow to be earmarked to make this happen. We are working with the lobbyists for MWD and SAWPA to make sure that they understand that IEUA, as a member agency, should have its priorities included in their requests.

AB 1300 (Laird) Prop. 50: Reporting	Requires Secretary of Resources to prepare annual report on Prop. 50 expenditures.		
AB 1406 (Wolk) Prop.50: Earmark	Earmarks unspecified amount of funds from Prop. 50 for mosquito abatement projects related to wetlands.		
AB 1484 (Pavley) Prop. 50: QSA	Earmarks an unspecified amount in Prop. 50 funds to facilitate the QSA.		
SB 21 (Machado) Prop. 50 Implementation	Spot bill to enact Proposition 50 implementation language. Machado says he wants Prop. 50 funds to be awarded as competitive grants through the agencies. A series of meetings are being held. IEUA is participating in the process.		Senate Rules
SB 411 (Ducheny) Prop. 50: Salton Sea	Appropriates an unspecified amount of Prop. 50 funds, from an unspecified section of the initiative, to the Resource Agency to finance a restoration plan for the Salton Sea.		
SB 511 (Escutia) Prop 50: Urban Areas	Spot bill to ensure that urban areas and areas with "special needs" receive an equitable amount of Prop. 50 funds.		
SB 564 (Ackerman) Prop. 50: Orange County	Appropriates \$15 million from Prop. 50 to be made available for water efficient landscape management technologies and to significantly reduce urban runoff in urban communities.		
SB 994 (Hollingsworth) Prop 50: Salton Sea	Appropriates \$50 million from Prop 50 to the WCB for projects approves by DWR to mitigate environmental impacts associated with the Colorado River deal.		
<b>Drinking Water Contaminates</b>			
AB 83 (Corbett) Drinking Water Reports	Requires each bottled water vendor to prepare and distribute an annual consumer confidence report. Requires unannounced inspections by DHS of bottled water facilities, the cost of which would be reimbursed by the water company.		Assembly
SB 34 (Soto) Inland Empire	Vehicle for addressing the perchlorate problem in the Chino Basin and surrounding groundwater basins. Fontana Water Company is the sponsor.		Senate Rules

## Inland Empire Utilities Agency

February 28, 2003

Bill # / Title	Summary	Position	Status
<b>Propositions 50 and 40</b>			
AB 107 (Corbett) Prop. 50: EBMUD	Earmarks \$23 million from Prop. 50's water security account to EBMUD for capital improvements to its water security system.		Assembly
AB 120 (Wyland) Prop. 50:Earmark	Earmarks \$1.1 million from Prop. 50 for SWRCB grants to the Southern California Caulerpa Action Team to eradicate Caulerpa taxifolia in the Auga Hedionda Lagoon.		Assembly
AB 704 (Hancock) Prop 40 Funds	Earmarks unspecified amount of Prop. 40 funds for the East Bay Regional Park District.		
AB 817 (Pacheco) Prop. 50: Earmark	Appropriates \$15 million in Prop. 50 funds from the Clean Water and Water Quality section of the bond for a SWRCB education program on water quality.		
AB 859 (Nakano) Prop.50: Earmark	Appropriates \$30 million in Prop. 50 Chap. 8 funds to the Coastal Conservancy for an ocean observing system. Chap. 8 funds must be split between DWR and SWRCB.		
AB 866 (Pavley) Watershed/Prop.40	Adds water conservation, water use efficiency and water supply reliability to the list of elements that can be in the Integrated Watershed Management Program, which was created last year to allocate Prop. 40 funds. Also specifies that the Santa Monica Bay Restoration Commission shall appropriate the \$20 million earmarked in Prop. 50 for the Santa Monica Bay.		
AB 1054 (Spitzer) Prop. 40 Orange County	Appropriates \$20 million in Prop. 40 funds to Orange County. These funds would come from the \$300 million category for clean beaches, coastal waters, and lakes.		
AB 1110 (Harman) Prop. 50: Earmark	Earmarks unspecified water security funds from Prop. 50 for the Anaheim Public Utilities Department.		



Groundwater Perchlorate	Senator Soto is considering establishing a JPA-like agency. Jurisdiction, governance and "mission" still need to be established. IEUA has been working with the Senator to try to establish an acceptable local solution.		
SB 50 (Sher) Bottled Water	Contains intent language to submit bottled water to similar standards as those contained in the California Safe Drinking Water Act.		Senate
SB 311 (Sher) Drinking Water	Specifies when the public can ask for external peer review of OEHHA's drinking water hazard assessment.		
SB 922 (Soto) Contaminates Drinking Water	Requires the SWRCB or RWQCB in any drinking water cleanup and abatement order to make the discharger replace and pay for the contaminated drinking water.		
SB 1004 (Soto) Perchlorate	Requires that the SWRCB be notified when perchlorate is discharged into waters of the state, or when it is likely to be discharged into waters of the state, unless the discharge is in compliance with a waste discharge requirement. Failure to notify is punishable by fines up to \$5,000 per day. Also requires perchlorate manufacturers to provide water suppliers with the total number of pounds of perchlorate discharged into state waters by their facility.		
SB 1020 (Soto) Perchlorate	Intent language that would require a health facility to provide notification to county health departments and regulatory agencies if the health facility is using well water contaminated by perchlorate. Would require that the health facility develop a remediation plan to remove perchlorate from the well water.	...	
<b>Water Supply/Future Bonds</b>			
AB 93 (Canciamilla) Water Bond 04	Placeholder for an 04' water bond. Machado also intends to pursue an 04' water bond. Some in the environmental community have indicated they will accept a water bond with "Cal-Fed approved" storage proposals. Cal-Fed is not likely to have finished its environmental analysis of storage proposals in time for an 04' bond.		Assembly
AB 314 (Kehoe) Desalination	Intent language to facilitate the development of desalination projects.		

AB 531 (Kehoe) Infrastructure Bond 04	Would place a \$10 billion measure on the 04 ballot that would finance local infrastructure and economic development projects. Funds would be issued from the Infrastructure Bank and would require at least a 50% match.		
AB 740 (Pavley) Water Bond 04	\$2.9 billion "Clean Air, Clean Water and Coastal Protection" bond measure for the 04' ballot.		
AB 877 (Maddox) Urban Runoff Appropriated Water	Declares that urban runoff that has been discharged from a municipal storm sewer system into a natural coastal creek is unappropriated water.		
AB 1002 (LaMalfa) Bay Delta	Cal-Fed spot bill		
AB 1011 (Richman/ Canciamilla) ACA 11 Allocation	ACA 11 allocations. 15% of the funds would go for state competitive grant programs for cities, counties, water districts or wastewater agencies for water supply, water recycling, wastewater and storm water. 50% of the funds would be for transportation projects.		
AB 1562 (Keene) Water Storage	Spot bill on storage.		
SB 479 (Machado) Water transfers	Prohibits the SWRCB from approving long-term water transfers if the transfer would result in substantial negative third party impacts.		
SB 750 (Machado) Water Bond 04	Spot bill for 04 water bond.		
SB 794 (Battin) Cal-Fed	Cal-Fed spot bill.		
<b>Groundwater</b>			
AB 1107 (Liu) Groundwater Data	Requires AB 599 committee to develop uniform groundwater data standards. Requires regulatory agencies to adopt any standard that are developed pursuant to the bill.		
AB 1159 (Liu) Groundwater Data	Creates a workgroup to make recommendations for groundwater database standards and for the collection and transfer of groundwater data.		

AB 1522 (Parra) Groundwater	Requires the CVRWQCB to prepare a groundwater report that identifies potential groundwater supplies within its jurisdiction.		
SB 543 (Machado) Groundwater	Authorizes SWRCB to file action with the superior court to prevent the impairment of rights to groundwater.		
SB 909 (Machado) Groundwater Data	Spot bill on groundwater for possible "clean up" of SB 1938 from last year.		
<b>Water Conservation/Water Supply Land Use</b>			
AB 306 (Kehoe) Water Meters	Requires water purveyors by 2008 to install meters on all residential and agricultural service connections constructed prior to 1992. By 2009, requires water purveyor to charge customers for water based on actual volume of deliveries. MWD is in support of the measure.		
AB 334 (Goldberg) Recycled Water	Intent language to implement the recommendations of the 2002 Recycled Water Task Force.		
AB 562 (Spitzer) Recycled Water	Placeholder for recommendations from the Recycled Water Task Force.		
AB 607 (Plescica) Landscape Water Conservation	Sponsored by the Landscape Contractors, the measure would enact the Landscape Water Conservation Rate Structure Act.		
AB 654 (Ag Water Committee) UWMP	UWMP spot bill.		
AB 721 (Matthews) Urban Growth Boundaries	Requires than an urban growth boundary be established in every land use element, indicating where growth may occur for the next 20 years. Author says she will not pursue the bill.		
AB 741 (Canciamilla) Water Shortage	Spot bill on the statute dealing with the declaration of water shortage emergencies by water districts.		
AB 888 (McCarthy)	Allows the governing body of a public water supply to declare a water shortage		

Water Shortages	emergency if there is insufficient water for agriculture. Likely to be a very controversial bill.		
AB 1015 (Laird) Land Use Water Supply	Requires all general plans be amended by 2006 to identify existing and planned sources of water supply, including groundwater, that will serve existing and future development in normal and dry years. Requires that the city and county prepare the water supply information in consultation with the water supplier or regional water management group. Allows the local agency to assess fees for the preparation of water supply component of the plan. State AG the likely sponsor of the bill.		
AB 1659 (S. Horton) Gray Water	Requires DWR to propose a reduced fee schedule for water districts service connections to residential customers who agree to use gray water for their irrigation systems.		
SB 312 (Machado) Landscape Water Conservation	Intent language to modify the model landscape conservation ordinance. IEUA has been working with MWD and other water agencies on language for the bill.		
SB 318 (Alpert) UWMP: Desal	Requires UWMP to describe the opportunities for development of desalinated water. Desal. is defined to mean the treatment of seawater and does not include brackish water.		
SB 1000 (Aanestad) Beneficial Uses	Allows a water right permit holder that has implemented water conservation measures to receive credit for the conserved water in any extension proceeding before the SWRCB.		
<b>Water Quality/Water Quality Penalties and Fees</b>			
ACA 10 (Harman) Nonpoint Source	Allows local jurisdiction to raise rates for storm water and urban runoff management by a simple majority vote.		
AB 10X (Oropeza) Waste Discharge Fees	Removes cap on waste discharge fees for POTWs. Allows SWRCB to set an annual fee for POTWs and dairies holding NPDES permits. Contains open-ended recoverable costs, including groundwater monitoring and surface water		Enrollment

	monitoring.		
AB 58 (Bates) SWRCB Fine Allocation	Amends Section 13308 of the Water Code. Requires that 75% of the civil liability penalties collected go to RWQCB and 25% go to the SWRCB. The concern is that the SWRCB is not using fine monies for RWQCB monitoring activities.		Assembly Rules
AB 760 (Maldonado) Water Penalties	Spot bill on mandatory minimum penalties.		
AB 897 (Jackson) Water Quality Objectives	Deletes the requirement in Porter-Cologne that requires economic considerations be taken into account when water quality objectives are established.		
AB 951 (Bates) Municipal storm water	Intent language to improve the municipal storm water permit system.		
AB 1353 (Matthews) Waste Discharge	States that annual discharge fees cannot be charged if it can demonstrated that pollution is not entering waters of the state. Not clear if this applies only to waiver holders or NPDES permit holders as well.		
AB 1375 (Daucher) Municipal sewers	Changes waste discharge enforcement standards for municipal separate storm sewer systems to a "maximum extent practicable" standard set forth in the CWA.		
AB 1517 (Plescia) Stormwater	Creates permit and management system for municipal storm water.	...	
SB 214 (Morrow) Waste Discharge Requirements	Changes waste discharge enforcement standards for municipal separate storm sewer systems to a "maximum extent practicable" standard set forth in the CWA.		
SB 304 (Morrow) Storm Water	Spot bill on storm water.		
SB 803 (Soto) Stormwater	Legislative intent to establish a uniform means of compliance with storm water runoff requirement on a regional basis.		
SB 923 (Sher) Water Quality	Requires annual fees be assessed for waste discharge waivers. The fee would be established by the regional water boards to cover the costs of administering the waiver. Deletes the requirement that a regional water board must first notify		

	someone violating Water Code Section 13264 before civil liability fines are issued.		
<b>Quantification Settlement Agreement/Salton Sea</b>			
SB 117 (Machado/Kuehl) QSA	Intent language that the Legislature wants to the QSA to be signed and that the QSA be consistent with the state's commitment to the restoration of the Salton Sea.		
SB 277 (Ducheny) Salton Sea	Spot bill on the Salton Sea and California's entitlement to the use of 4.4 million AF of Colorado River water.		
SB 317 (Kuehl) Salton Sea/FPS	Authorized the take of fully protected species as part of the QSA. States legislative intent to allocate a minimum of \$50 million from Prop. 50 for the QSA.		
<b>Watersheds</b>			
AB 66 (Leslie) Adopt A Waterway	Authorizes Resource Agency to enter into agreements to accept funds, equipment or services from any person for maintenance or environmental enhancement of a state waterway.		Assembly Rules
AB 496 (Correa) Santa Ana Conservancy	Creates a state conservancy for the three-county Santa Ana River area. Co-authors include McLeod, Maddox and Harman.		
AB 1405 (Wolk) Watersheds	Sponsored by RCRC. Spot bill on watershed.		
<b>MISC.</b>			
AB 589 (Ridley-Thomas) MWD Employees	Specifies various salary distinction for MWD employees.		
AB 847 (Pavley) Coastal Conservancy	Specifies that the Coastal Conservancy's duties include protecting sensitive habitat areas and improving coastal water quality. Probably a spot bill.		
AB 1532 (Nakano) SWP Security	Intent bill to require DWR to establish a pilot project to undertake real-time monitoring to protect the security of the SWP.		

SB 83 (Soto) Assessments	Sponsored by Three Valleys, the bill addresses preapproved assessments from Proposition 218.		
SB 196 (Kuehl) RWQCB Appointments	Specifies that the city council member and a county supervisor serve on the RWQCB rather than someone from city or county "government."		
SB 783 (Margett) Water Rights	Spot bill for water rights permits.		

## Martha Davis

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**From:** Geyerw [geyerw@pacbell.net]  
**Sent:** Thursday, February 27, 2003 5:20  
**To:** Martha Davis  
**Subject:** Recap 50 meetings

Martha --

Here is a quick recap of the Desal/contaminate meeting and the Water Quality large group meeting which happened today.

- 100 million for Desal/Contaminate Removal. It was decided that \$50 million will be for Desal and \$50 million will go towards contaminate removal. (Some desal people wanted more than 50% not accepted by group.)
- Desal definition includes brackish water
- It was decided not to put in a specific split on the desal funds between the ocean desal and the brackish. It will be up to DWR to come up with criteria. I think politically this is good.
- It was decided not to put in a north/south split on the total desal funds.
- Criteria should include priority for projects ready to go.

### Contaminate Removal

- \$50 million for contaminate removal including perchlorate.
- DSH will come up with criteria for funding. DHS criteria will include "loss of the resource" to be a high priority for funding. This was in response to my question about giving priority to communities losing their water supply due to contaminants.

### Water Quality/Clean Water Program

- \$100 million for Clean Water Program. Of this \$20 million is in this year's budget for the CAI-Fed drinking water quality program to be spent on Delta projects. So the total is really \$80 million.
- SWRCB controls these funds and proposes to get them out through their existing NPS grant program and the small communities grant program. In Gov.s budget SWRCB recommends a 50/50 split between the small communities program and the NPS program (which is supposed to be very broad)
- This is not a section where we could secure contaminate removal funds.

### Safe Drinking Water

- Meeting on Monday on the 60%
- I did not object to DSH wanting to combine multiple Chapter funds to address specific contaminants.
- When asked by O'Conner I said the issue on contaminants is not the combining of the chapter funds, but rather how much funding in general will be available for this purpose. I said we should know more after Monday's meeting. Spath emphasized (which he did not do in the first meeting) that he was "concerned" with MWDs proposal to take the 60% because it would affect the revolving fund.

(Spath can probably meet with Rich on Tuesday at 11 a.m. I need to confirm with Spath scheduler. We



need to make sure we talk before the 10 a.m. meeting on Monday.)

:

## SUBCOMMITTEE NO. 3 ON NATURAL RESOURCES

MARCH 5, 2003

Proposition 50, cont'd.

The following table (Table 5) provides a break-down of funding in Proposition 50 by category, and indicates the amounts proposed for expenditure by the Governor in the 2002-04 budget.

Table 5.

PROPOSITION 50  
(dollars in Thousands)

	Total Allocated in Bond	Total set aside	2002-03 expenditures**	Proposed 2003-04 expenditures	Remaining available
Water Security	\$50,000	\$2,150	\$0	\$15,060	\$31,790
Safe Drinking Water	435,000	24,425	0	102,062	308,513
Clean Water and Water Quality	370,000	29,700	20,500	87,944	231,856
Contaminant & Salt Removal Technologies	100,000	7,960	0	26,950	65,090
California Bay-Delta Authority	825,000	48,606	46,600	326,645	403,149
Integrated Regional Water Management	640,000	45,283	16,540	153,897	424,280
Colorado River	70,000	4,950	0	54,000	11,050
Coastal Watershed and Wetlands Protection	950,000	46,843	195,633	\$17,685	\$89,789
<b>TOTAL</b>	<b>\$3,440,000</b>	<b>\$210,917</b>	<b>\$279,323</b>	<b>\$1,084,243</b>	<b>\$1,865,517</b>

\*\* Amounts assume approval of mid-year shifts proposed by the Governor in December of 2002.

COMMENTS:
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As noted in the previous discussion of Proposition 40, the Subcommittee has requested specific information from the Resources Agency and the State Water Resources Control Board with regard to these bonds. Specifically, :

- What level of funds were appropriated, committed and expended by department and bond category?
- A list of projects funded and their location.
- What have been the actual administrative program delivery costs and percentage of funds expended for each department and category? What was the bond issuance costs?
- How many permanent and temporary FYs have you hired with bond funds?
- Have the bond-funded projects achieved their objectives (as stated in either the bond or statute)? Have any evaluation mechanisms been put in place?
- Are there any changes to these programs you might recommend for better implementation or prioritization of the bond funds?



## MEMORANDUM

TO: RLC Members in the Three County Santa Ana River Region  
John Hunter, Irvine Company  
Sat Tamaribuchi, Irvine Company  
Beth Beeman, Irvine Ranch Water District  
Norris Brandt, Irvine Ranch Water District  
Joe Grindstaff, SAWPA  
Daniel Cozad, SAWPA  
Bob Feenstra, Milk Producers Council  
Rich Atwater, IEUA  
Martha Davis, IEUA  
Macie Cleary-Milan, Transportation Corridor Agency  
Rob Thornton, Nossaman et al  
Kathy Cole, MWD  
Norm Flette, MWD

FROM: Bill Geyer and Jennifer West

DATE: March 11, 2003

RE: AB 496 (Correa) Santa Ana River Conservancy

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AB 496 (Correa), which creates a state conservancy for the three-county Santa Ana River region, is set for hearing March 24 in Assembly Natural Resources. In general, Assemblyman Correa wants to create a conservancy so that the region will be "more" eligible for existing or future bond funding (both Propositions 40 and 50 were written with earmarks for all state conservancies). We have spoken to some of you about this concept and, as of yet, have not heard clear direction beyond the observation that Correa is working hard on the bill and apparently making it an important plank in his campaign for Orange County supervisor.

We did want to flag a number of issues with the current version of the bill. As written, AB 496 leaves the membership of the conservancy board blank. However, the bill appears to contemplate a traditional state-run conservancy where the state insists on control of the majority of the appointees, state employees run the day-to-day operation of the conservancy, and the state pays the administrative costs.

A possible alternative to a state-run conservancy would be to form a local, state recognized, joint powers authority (JPA) that has a statutory working relationship with the state. This local voluntary JPA would be accountable to a locally appointed governing board and would be paid for by JPA members, which could include the three

counties, and participating cities and water districts. This concept was discussed last year with Mary Nichols in the context of a Sacramento area proposal (which died for lack of local consensus) and she generally thought that a state recognized regional conservancy could have sufficient standing to receive bond funds and state cooperation (on the SAWPA/Proposition 13 model).

Other issues raised by AB 496 as drafted include:

- It authorizes the conservancy to create a three county “River Parkway Open Space Plan”, giving this proposed state entity some planning authority over the region. The conservancy does have to respect local land use regulations. However, local governments do not have concurrent approval authority over the plan, nor approval authority over conservancy activities within their jurisdiction (unlike some other state conservancy programs.)
- There are significant provisions deterring the conservancy from interfering with water issues or the activities of water agencies. Do water agencies think these are adequate?
- The conservancy is given not just transaction and property spinoff authority, but is expected to hold and manage property. It does not have eminent domain authority. What public and private entities might it be competing with?
- The boundaries of the conservancy are not clear. For example, it is unclear whether San Diego Creek or other areas that were part of the “old” Santa Ana River watershed would be considered part of the conservancy territory.
- There is a provision that other operating state conservancies in the area would have to work out territorial issues. Both the Coastal Conservancy and the Santa Monica Mountains Conservancy operate in the region.

### **Conclusion**

Two key policy questions are 1) whether the Santa Ana River watershed needs a new conservancy to attract funds, undertake projects, and manage resources, and 2) if so, should that conservancy be a conventional state controlled and operated entity, or a state recognized but locally controlled and operated body.

Assemblyman Correa and his staff seem very willing to work with us and have asked for our member’s feedback on the bill. If possible, please let us know what you think of the measure by the end of this week if possible.

MEMORANDUM

TO: RLC MEMBERS  
INTERESTED PARTIES :  
FROM: BILL GEYER  
DATE: FEBRUARY 27, 2003  
SUBJECT: AB 1492 (Laird): WILLIAMSON ACT ENFORCEMENT

Assemblyman John Laird (D - Santa Cruz) has introduced legislation to create statutory enforcement requirements for Williamson Act violations. The bill also contains a section further limiting the ability to do lot line adjustments on Williamson Act land. Laird's consultant indicated that he was the sponsor, although they had gotten the language from the Department of Conservation, and that the purpose of the bill was to deal with circumstances where something had been illegally built upon Williamson Act land.

I have begun a more thorough review of the proposal. My initial reaction is that both issues are far more complicated than portrayed to, or by, the author, and the language may reflect the department's positioning itself for existing or anticipated litigation:

1) Enforcement

There have been a few black and white cases over the years where the existence of a Williamson Act contract has simply been overlooked or ignored in the development process. Recent legislation on annexation makes this less likely to reoccur in the future. In the past, these situations have usually been settled by a retroactive cancellation. Some additional or liquidated damages approach, as proposed in the bill, could have merit. My main concern with the language relates to the presumption of breach of contract if the use is not "expressly" authorized by the contract or local ordinances. I don't think all contracts and ordinances are drafted that way, and that a better rule would be that a use is expressly prohibited. Either way, there is actually a tremendous potential for gray areas with respect to issues like preexisting uses, non-conforming uses, compatible uses, and land divisions. This is further complicated by the variation in contract provisions, the interplay between the contract and the police power in agricultural preserve "uniform rules," and the spate of new legislation adopted in the last decade. Beyond this, some (but not all) contracts already have breach or enforcement provisions. A provision encouraging discussion or mediating contested perceived violations between the contracting parties might be appropriate.

# Chino Basin / OBMP Coalition

## Status Report

February 2003

The Dolphin Group (DGI) and Lang, Hansen, O'Malley, and Miller (LHOM) continue to pursue a number of efforts and issues on behalf of the Chino Basin Coalition and Chino Basin Watermaster. Following is a brief update on activities:

- 1) **2002 Legislation Implementation** – Both firms are currently working to ensure both coalition sponsored measures (AB 2228 & SB 1755), which took effect on 1/1/03, are fully and effectively implemented. Draft net metering tariffs were developed and reviewed in February. Both PG&E and Edison will be filing the revised tariffs in early March. We are also currently monitoring CPUC deliberations/decisions regarding distributed generation and the potential impacts of “departing load” charges on local projects.
- 2) **Digester Funding** – Additional progress has been made in the effort to gain the \$3 million in additional funding included in last year's budget. The State Department of General Services recently approved the IEUA contract with the CEC.
- 3) **New Potential Funding for Digesters** – LHOM is currently working with IEUA staff to gain an additional \$2 million in funding for local digester programs. Recent discussions with the CEC staff suggest that an additional \$2 million may be available through the digester pilot program administered by Western United Resource Development (WURD).
- 4) **Prop. 40 and Prop. 50 Implementation / Appropriation** – DGI is currently identifying potential opportunities for coalition projects under both Prop. 40 and Prop. 50. Legislation, SB 21 (Machado) has already been introduced to implement Prop. 50 water programs, and a number of stakeholder meetings are being conducted to fine tune the legislation.
- 5) **2004 / 2006 Water Bond** – Legislation (AB 93) to place another water bond before statewide voters in either 2004 or 2006 has been introduced by Assembly Water Parks and Wildlife Chair, Assemblyman Joe Canciamilla (D-Pittsburg). Assemblymember Fran Pavley has also introduced AB 740, the so-called Clean Air, Clean Water and Coastal

Protection Act of 2004, a \$2.9 billion State General Obligation Bond. DGI will be working with the authors' staffs to maximize potential funding opportunities for coalition projects.

:



# *Agricultural Resources*

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(202) 546-5115  
(202) 546-4472-fax  
[agresources@erols.com](mailto:agresources@erols.com)

February 28, 2003

## Legislative Report

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**TO:** Richard W. Atwater  
General Manager, Inland Empire Utility Agency

**FR:** David M. Weiman  
Agricultural Resources  
LEGISLATIVE REPRESENTATIVE, IEUA

**SU:** Legislative Report, February 03

### Highlights:

- Administration Budget Released
- DOI/BuRec Propose to Slash Funding for Water Recycling Program
- Water Recycling – OMB Program Review
- Administration Meetings with SAWPA
- Oversight Hearing Proposed
- Rep. Napolitano Names Ranking Democrat on Key Water Subcommittee
- Rep. Joe Baca named to Resources Committee
- IEUA Meetings with Chairman Pombo, with MPC

*Administration FY 04 Budget Request.* On February 3, the Administration submitted its proposed FY 04 budget (for the next fiscal year, beginning October 1, 2003 and extending through September 30, 2004) for the entire Federal Government.

*Interior and BuRec Propose to Slash Funding for Water Recycling.* The Bureau of Reclamation is part of the US Department of the Interior. The DOI/BuRec budget recommended that funding be provided for existing projects only, no new starts and a 33% reduction of proposed spending (from \$18 million down to approximately \$12 million. The Budget documents

developments with Chairman Pombo. It is our understanding that the Subcommittee will announce the Oversight Hearing shortly.

*Committee Assignments – Rep. Napolitano Named Ranking Democrat, Subcommittee on Water and Power.* Rep. Nick Rahall (D-WV) selected Rep. Grace Napolitano to serve as ranking democrat. Rep. Napolitano’s congressional district now touches a portion of the SAWPA service area.

*Committee Assignments – Rep. Joe Baca Named To Resources Committee.* Mr. Baca was selected to serve on the Resources Committee for the 108<sup>th</sup> Congress. He is seeking an appointment to the Water Subcommittee. Other water recycling proponents have also been named to the committee.

*Chairman Pombo.* IEUA and MPC’s Bob Feenstra met with Chairman Pombo to discuss the Manure Management Strategy – with an emphasis of how this program helps address air quality problems and the water recycling program. We also discussed how the “drought-proofing” strategy in the Chino Basin helps

*IEUA Continues to Work With Various Partners.* On an on-going basis in Washington, IEUA continues to work with:

- \* Metropolitan Water District of Southern California
- \* Milk Producer’s Council
- \* SAWPA
- \* Water Environment Federation (WEF)
- \* Association of California Water Agencies (ACWA)
- \* WaterReuse

#####



# Santa Ana Watershed Project Authority

COMMISSION FOR THE PROJECT AUTHORITY

EASTERN MUNICIPAL WATER DISTRICT  
INLAND EMPIRE UTILITIES AGENCY  
ORANGE COUNTY WATER DISTRICT  
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT  
WESTERN MUNICIPAL WATER DISTRICT

February 21, 2003

GENERAL MANAGER

P JOSEPH GRINDSTAFF

The Honorable Jerry Lewis  
United States House of Representatives  
2112 Rayburn House Office Building  
Washington, D. C. 20515

Dear Representative Lewis:

The development of safe, clean and reliable water supplies is critical to the economic and environmental future of both California and the West. The Santa Ana Watershed Project Authority (SAWPA) has been working in collaboration with water agencies in Southern California to develop the Southern California Integrated Watershed Program (SCIWP), which will create over 300,000 acre-feet of new water supplies that will meet the needs of 20% of the State's population. These projects will contribute solutions to pressing water problems facing the West, particularly the conflict of the Colorado River. SCIWP provides an integrated plan that, when implemented, will enable the Santa Ana Watershed to be independent of imported water supplies during droughts, improve the quality and safety of existing water resources, restore habitat for native supplies, enhance flood control, and create new wetlands and open space within the region.

The Santa Ana Integrated Watershed Plan (attached) is supported by SAWPA's member agencies and the watershed and by our Congressional members. SAWPA and its Member Agencies have reviewed well over 250 projects and selected the following priority projects for federal funding in FY 2004. Each has significant local and state matching funds and will provide important national, regional and local benefits.

## I. Funding Requests:

### **A. Central and Riverside/Corona Feeder and Water Treatment Project**

Contaminants and significant earthquakes dangers are impacting water supplies for over 1 million people in the upper watershed. This project both removes contamination such as TCE, PCE, perchlorate, radon and others from water at the bottom of the Bunkerhill basin and Riverside/Colton Basins, as well as creates safe clean drinking water from water that is now the cause of potential liquefaction in an earthquake. This project would serve the cities of Redlands, Yucaipa, Riverside, Corona, Lake Elsinore, and others in San Bernardino and Riverside Counties. This project will also implement drought proofing and allow groundwater banking in these basins. When completed, the project will result in at least 40,000 acre feet of new water supply and new groundwater storage capability for over 100,000 acre feet for use in time of drought thereby reducing the demand on the State Water Project and Colorado River system. Critical new start funding is sought for this project.

Total Project Cost: \$151 million  
State/Local Contribution: \$95 million  
FY '04 Funding Request: \$8 million



The Honorable Jerry Lewis  
February 21, 2003  
Page 2

**II. Continued Funding for On-going Programs:**

**United States Army Corps of Engineers and United States Bureau of Reclamation Planning Studies**

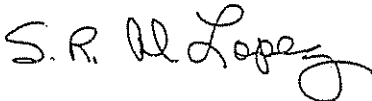
Several joint participation studies by the U.S. Army Corps of Engineers (USACE) and the U.S. Bureau of Reclamation (BoR) require additional funding to provide planning for urgently needed programs in the watershed:

- Increase USACE budget for the Upper Santa Ana Environmental Study from \$150,000 to \$250,000 and allow local match to be in project funds.
- Increase USACE budget for the San Jacinto and Lake Elsinore Back Basin Studies from \$100,000 each to \$300,000 each.
- Fund the authorized USACE Upper Santa Ana Watershed Model for \$400,000.
- Fund the authorized BoR Lake Elsinore/San Jacinto Study (formerly Mystic Lake) for \$400,000.

SAWPA has broad support for its program, not only within the watershed of the Santa Ana River, but also throughout the entire state of California since it greatly reduces Southern California's fragile dependence on imported Colorado River and State Project water. SAWPA and its Member Agencies would greatly appreciate your support for these important activities in the coming fiscal year.

Sincerely,

Santa Ana Watershed Project Authority

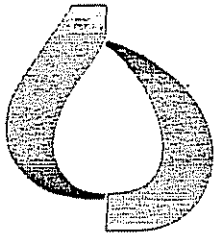


S. R. Al Lopez  
Commission Chair



P. Joseph Grindstaff  
General Manager

PJG:DC:pb  
attachment  
k:\federal funding\2003 Appropriations Ltr Lewis



**Inland Empire**  
UTILITIES AGENCY

## **Six-Month Water Conservation/Educational Promotional Events**

### *January*

#### **High Efficiency Clothes Washer Rebate**

- Get up to \$100 when you purchase a qualified new Energy Star rated clothes washer between now and June 30, 2003. See your local retailer.

#### **Water Conservation Tip**

- Running only full loads in the dishwasher or clothes washer can save **800 Gallons** of water each month.

### *February*

February 14, 15 & 16, 2003 – Home and Garden Show, Ontario Convention Center.

February 25, 2003 - Inland Empire Utilities Agency's Water Association Leadership Breakfast, Double Tree Hotel, Ontario.

#### **Water Broom Rebate**

- Earn up to \$100 on the purchase of a water broom. For more information visit Watermiser's web site at [www.watermiser.com](http://www.watermiser.com).

#### **Water Conservation Tip**

- Turning off the hose while washing your car saves **150 Gallons** of water.

### *March*

March 12, 2003 - Fontana Arbor Day Celebration, Mary Vagle Museum & Nature Center.

March 17, 2003 – IEUA hosted Special Districts Dinner, Panda Inn Ontario

March 19, 2003 – IEUA Board Meeting presentation of HECW rebate check to 1,000 rebate customer

#### **High Efficiency Clothes Washer Rebate**

- Get up to \$100 when you purchase a qualified new Energy Star rated Clothes washer between now and June 30, 2003. See your local retailer.

#### **Water Conservation Tip**

- Low-flow showerheads save **5 Gallons** of water per shower.

## April

April 5, 2003 – Fontana Earth Day, Mary Vagle Museum and Nature Center

April 5, 2003 - City of Ontario Ultra-Low-Flow toilet distribution, Ontario Public Works Yard.

April 12, 2003- City of Chino Ultra-Low-Flow toilet distribution, Chino City Hall.

April 26 & 27, 2003- Upland Lemon Festival, Downtown Upland.

April 26, 2003 - California State University San Bernardino Environmental Expo.

April 26, 2003 - Monte Vista Ultra-Low-Flow toilet distribution, Montclair High School.

### **Ultra-Low Flush Toilets Rebate**

- Simply purchase a new toilet at any local retailer, fill out the application, attach the original receipt, and IEUA will give you a rebate of \$50 (limit two per household).

### **Water Conservation Tip**

- Low-Flow toilets save **3.5 Gallons** of water with each flush.

## May

May 6 & 7, 2003 - Orange County Children's Water Festival, Hidden Valley Park, Irvine.

May 3, 2003 - Cucamonga County Water Awareness Day, District Administrative Facilities.

May 10, 2003 - Inland Empire Utilities Agency's Regional Ultra-Low Flush Toilet distribution, Chino Basin Water Conservation District, Montclair.

### **Pre-Rinse Spray Head Replacement Promotion**

- The pre-rinse nozzles are currently being offered and installed at restaurants within IEUA's service area.

### **Water Conservation Tip**

- Choosing water-efficient plants and sprinkler controls that adjust to the weather can shave \$200 off your annual water bill.

## June

June 7, 2003 – Chino/Chino Hills Dairy Festival, Chino Jr. Fair Grounds.

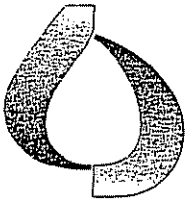
### **Swimming Pool Covers**

- Get a \$50 rebate when you purchase a Qualifying Swimming Pool Cover. See your local retailer.

### **Water Conservation Tip**

- Turning off the faucet while shaving, washing or brushing your teeth saves **1.5 Gallons** of water each minute.

Rebates are available for residents of the cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Rancho Cucamonga and Upland. For more information call 1-800-492-0661



**Inland Empire**  
UTILITIES AGENCY\*

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A Municipal Water District

Richard W. Atwater  
Chief Executive Officer  
General Manager

March 14, 2003

Board of Directors

John L. Anderson  
President

The Honorable Diane Feinstein  
United States Senate  
331 Hart Senate Office Building  
Washington, D.C. 20510

Terry Catlin  
Vice President

*Subject: Chino Basin Renewable Energy Project -- FY 2004 Funding Request  
San Bernardino County, California*

Angel Santiago  
Secretary/Treasurer

Dear: Senator Feinstein:

Wyatt L. Troxel  
Director

The Inland Empire Utilities Agency has undertaken an exciting and innovative energy program that is leading the development of new clean biogas energy in California.

Gene Koopman  
Director

*Initial funding for this project was provided in FY 2002 budget. We respectfully request your support for the inclusion of \$5.0 million in the FY 2004 Energy and Water Development Appropriations Bill to continue the progress of this award winning program and support the development of state-of-the-art technologies for producing clean, renewable energy from organic materials.*

Through a partnership with the Inland Empire Utilities Agency (IEUA), the Department of Energy is developing advanced technologies for the use of methane fuels derived from anaerobic digestion of organic materials, including dairy manure, biosolids and food and green material. The RP-5 Biomass Renewable Energy Project is comprised of a series of full scale demonstration projects that will showcase innovative combinations of primary and secondary generation systems that will attain energy efficiencies of 65% or more. This program will set a national standard for the production of green bio-energy and the development of efficient energy generation technology, as well as highlight innovative private-public efforts to reduce global warming gases.

The key reasons for this request for continued funding for the Chino Basin Renewable Energy Project are:

- (1) This project is designed to be a national research and demonstration program on biomass and renewable power that will contribute to the development of commercially-implementable clean and efficient energy technologies for the nation;
- (2) This project will help achieve the President's goal of reducing greenhouse gas intensity of the U.S. Economy by 18 percent within the next ten years.
- (3) The direct benefits of this investment include a significant reduction of pollutants and global warming gases including carbon dioxide, sulfurous gases, and airborne particulates that degrade regional air quality;
- (4) This investment will address the urgent need to resolve the Chino Basin dairy pollution problem and will establish a model for addressing similar confined animal feedlot (CAFO) and organic management problems across the country. The Chino Basin has the largest concentration of dairy cows in the United States.

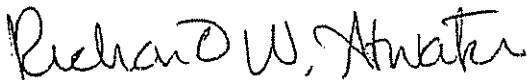
The Inland Empire Utilities Agency is seeking a one-half cost share for Phase II of the Chino Basin Renewable Energy Program:

Total Project Cost – Phase II \$10 million  
Local/State Contributions -- \$5 million  
*FY 04 Funding Request -- \$5 million*

Thank you again for your consideration of our request. The Chino Basin Renewable Energy Program will help develop an urgently needed biogas technologies that will help provide answers to the critical air, water and energy challenges facing our nation's agricultural industry.

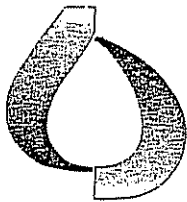
The Inland Empire Utilities Agency would greatly appreciate your support for this important program. Please do not hesitate to call Martha Davis or myself should you have questions.

Sincerely,



Richard W. Atwater  
Chief Executive Officer/General Manager





# Inland Empire

UTILITIES AGENCY\*

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P.O. Box 697 • Rancho Cucamonga, CA 91729  
TEL (909) 993-1600 • FAX (909) 357-3884  
[www.ieua.org](http://www.ieua.org)  
A Municipal Water District

Richard W. Atwater  
Chief Executive Officer  
General Manager

March 14, 2003

Board of Directors

John L. Anderson  
President

The Honorable Diane Feinstein  
United States Senate  
331 Hart Senate Office Building  
Washington, D.C. 20510

Terry Catlin  
Vice President

*Subject: Dairy Manure Management Project -- FY 2004 Funding Request  
San Bernardino County, California*

Angel Santiago  
Secretary/Treasurer

Dear: Senator Feinstein:

Wyatt L. Troxel  
Director

The Inland Empire Utilities Agency, in cooperation with the Milk Producers Council, is implementing an urgently needed organics management and manure removal program in the Chino Basin to demonstrate the use of new technologies that will enable the dairy industry to meet federal water and air quality regulations and remain a vibrant industry in California and throughout the United States.

Gene Koopman  
Director

*Initial funding for this program was authorized in the FY 2001 budget. We respectfully request your support for the inclusion of \$5.0 million in the FY 2004 Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Bill to continue the progress of this award winning program and support the development of a state-of-the-art organics management and manure removal project.*

Through a partnership with the Inland Empire Utilities Agency (IEUA), the California Energy Commission, Milk Producers Council and Synagro, the U.S. Department of Agriculture and the Natural Resources Conservation Service are demonstrating advanced technologies for the beneficial use of manure, bio-solids, and food and green material. The Chino Basin Dairy Manure Management Program is setting a national standard for the production of green energy and high quality fertilizer at the same time it improves air and water quality, including a significant reduction in global warming gases.

With the \$5 million grant authorized in the FY 2001 budget, IEUA completed the construction of a pilot anaerobic digester project (RP-5 Renewable Energy Project) that demonstrates a combination of unique composting, anaerobic digestion and renewable energy technologies. The project is on-line, and the biogas it produces is generating over .75 megawatts of clean power that is being used to operate a desalting

facility for the Chino groundwater basin. In 2002, the State of California accorded IEUA its highest environmental honor in recognition of the achievements of this unique project and partnership.

The key reasons for this request for continued funding of the Chino Basin Dairy Manure Management Program are:

- (1) This investment will address the urgent need to resolve the Chino Basin dairy pollution problem and will establish a national model for addressing similar feedlot and organic management problems across the country. Currently, the Chino Basin has the largest concentration of dairy cows in the United States.
- (2) The Santa Ana River supplies over 75 percent of the drinking water for the more than 4 million people who reside within the watershed. Protecting the quality of this critical local surface and groundwater supply is vital to Southern California, but is also an essential element to achieving the California 4.4 plan. Protection of these waters also contributes to the protection of the San Francisco Bay Delta, and supports a Statewide CALFED Bay-Delta solution
- (3) The direct benefits of this investment include a significant reduction of pollutants including carbon dioxide, sulfurous gases and airborne particulates that degrade regional air quality. The California South Coast Air Quality Board has singled out the dairy manure management technologies being implemented by IEUA in the Chino Basin as the "Best Management Practices" for achieving compliance with composting and other air quality regulations. This request is consistent with the President's "Clean Skies" program and the administration's goal to reduce the intensity of greenhouse gases by 18 percent within the next ten years.
- (4) This project is designed to be a national research and demonstration program on organics management that will contribute to the development of projects nationwide addressing serious water quality, manure management, and energy issues facing the country, including compliance with the recently released Concentrated Animal Feedlot Operations (CAFO) rules. IEUA has established an extensive peer review program involving nationally recognized experts in agriculture, energy, water and air.

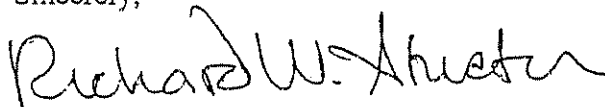
The Inland Empire Utilities Agency is seeking a one-half cost share for Phase II of the Dairy Manure Management program.

Total Project Cost -- Phase II \$10 million  
Local/State Contributions -- \$5 million  
*FY 04 Funding Request -- \$5 million*

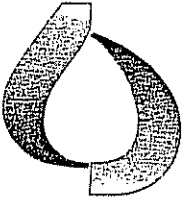
Thank you again for your consideration of this vital funding request. The Dairy Manure Management Program will help develop an urgently organics management and manure removal program in Southern California, and will help provide answers to the critical air, water and energy challenges facing our nation's agricultural industry.

The Inland Empire Utilities Agency would greatly appreciate your support for this important program. Please do not hesitate to call Martha Davis or myself should you have questions.

Sincerely,

A handwritten signature in cursive script that reads "Richard W. Atwater". The signature is written in black ink and is positioned above the typed name and title.

Richard W. Atwater  
Chief Executive Officer/General Manager



# Inland Empire

UTILITIES AGENCY

9400 Cherry Ave., Bldg. A • Fontana, CA 92335  
P.O. Box 697 • Rancho Cucamonga, CA 91729  
TEL (909) 993-1600 • FAX (909) 357-3884  
www.ieua.org  
A Municipal Water District

Richard W. Atwater  
Chief Executive Officer  
General Manager

March 14, 2003

Board of Directors

John L. Anderson  
President

The Honorable Diane Feinstein  
United States Senate  
331 Hart Senate Office Building  
Washington, D.C. 20510

Terry Catlin  
Vice President

Angel Santiago  
Secretary/Treasurer

*Subject: Chino Basin Conjunctive Use FY 2004 Funding Request  
San Bernardino County, California*

Dear: Senator Feinstein:

Wyatt L. Troxel  
Director

The Inland Empire Utilities Agency is implementing an urgently needed water development program in the Chino groundwater basin that will create over 500,000 acre-feet of new storage within Southern California.

Gene Koopman  
Director

*Initial funding for this project was provided in FY 2003 budget. We respectfully request your support for the inclusion of \$2.5 million in the FY 2004 Energy and Water Development Appropriations Bill to provide essential funding for the continued implementation of this water development project.*

The Chino Basin Conjunctive Use Program is a critical component of the Optimum Basin Management Program (OBMP) Peace Agreement, and is supported by the Chino Basin Watermaster, Santa Ana Watershed Project Authority, Metropolitan Water District of Southern California and local agencies within the Chino Basin. The program is included in the Southern California Comprehensive Water Reuse Study completed by the U.S. Bureau of Reclamation in 2001.

Under this conjunctive use program, storm water, imported water and recycled water will be used to improve groundwater quality in the Chino Basin as well as to enhance the development of new water supplies that will significantly contribute to drought-proofing of the region. In addition, new well treatment facilities will be constructed that will assist in the treatment of serious groundwater contaminants impacting local water supplies including perchlorate, arsenic and chlorinated hydrocarbons. In the last 12 months, rising levels of groundwater contaminants have caused wells in the Chino Basin to be removed from production and have increased the region's dependence on MWD's imported water supplies.

Phase I of the conjunctive use program is a fast-track initiative that will result in 25,000 acre-feet of new water supplies and more than 75,000 acres feet of new storage by 2005. This phase also includes construction of a wellhead treatment project to address the water quality concern of the Jurupa Community Services District. In addition, a conjunctive use recharge element is being developed in partnership with MWD. We are seeking a 25% cost federal cost share for Phase I of the Conjunctive Use Program.

Total Project Cost – Phase I	\$64.0 million
State/Local Contribution	\$50.0 million
<i>FY '04 Funding Request</i>	<i>\$ 2.5 million</i>

Thank you again for your consideration of this funding request. The Chino Basin Conjunctive Use Program will help develop urgently needed water supplies for Southern California, and will help our region reduce its dependence on Colorado River water supplies and achieve the requirements of the 4.4 plan.

The Inland Empire Utilities Agency and its retail agencies would greatly appreciate your support for this important water development program. Please do not hesitate to call Martha Davis or myself should you have questions.

Sincerely,



Richard W. Atwater  
Chief Executive Officer/General Manager



# CHINO BASIN WATERMASTER

March 27, 2003

10:00 a.m. – Advisory Committee

1:00 p.m. – Watermaster Board

## III. REPORTS/UPDATES

### **C. AGWA REPORT**

1. Minutes for the meeting held January 21, 2003
2. Minutes for the meeting held February 18, 2003
3. Agenda for the meeting March 17, 2003

DRAFT  
 MINUTES OF THE  
 ASSOCIATION OF GROUND WATER AGENCIES (AGWA)  
 BOARD OF DIRECTORS MEETING  
 HELD TUESDAY, JANUARY 21, 2003 - 1:30 P.M.  
 AT CHINO BASIN WATERMASTER

Dr. Bruce Mowry, Chairman, called the meeting to order.

Directors/Alternates present:

Bruce Mowry, Chairman	Water Replenishment District of Southern California
John Rossi, Vice Chairman	Chino Basin Watermaster
Carol Williams, Secretary/CFO	Main San Gabriel Basin Watermaster
Bill Straub	Main San Gabriel Basin Watermaster
Ron Palmer	Raymond Basin Management Board
Burnell Cavender	San Bernardino Valley Water Conversation District
Rick Hansen	Six Basins Watermaster
John Otto	Tehachapi-Cummings County Water District
Mel Blevins	Upper Los Angeles River Area Watermaster

Affiliates present:

Lesley Thornburg	Cadiz, Inc.
Cindi LaCamera	Metropolitan Water District of Southern California

Others present:

Josephine Johnson	Chino Basin Watermaster
David Bolin	Komex H2O Science
Nina Jazmadarian	McGuire Environmental
Ken Breitag	Main San Gabriel Basin Watermaster
Frank Forbes	Main San Gabriel Basin Watermaster
Edgar Fandalian	Metropolitan Water District of Southern California
Jan Matusek	Metropolitan Water District of Southern California
Fred Fudacz	Nossaman, Guthner, Knox and Elliott, LLP
Jack Woodbury	San Bernardino Valley Conservation District
Sue McClurg	Water Education Foundation

MINUTES/FINANCIAL STATEMENTS

On a motion by Director Blevins, seconded by Director Palmer and unanimously carried, the minutes from the November 18 and December 16, 2002 meeting were approved. The Chairman stated that the Financial Statements for December 2002 were available for review, and then he ordered the Financial Statements to be received and filed.

PRESENTATION

The Colorado River Quantification Settlement Agreement - Mr.

Frank Forbes introduced Mr. Jan Matusek of the Metropolitan Water Agency of Southern California. Mr. Matusek is a Principal Engineer in the Water Resources Management Group at MWD. He has been responsible for forecasting MWD's supply from the Colorado River, and he has been involved in developing a number of agreements regarding Colorado River water. Mr. Forbes also noted that Dennis Underwood from MWD had planned to give today's presentation, but he has been called to Sacramento by the Governor to attempt to salvage a Quantification Settlement Agreement (QSA) for the Colorado River water.

Mr. Matusek began by giving some background on the Colorado River water issue. In 1999, after the Secretary of the Interior requested a QSA among California water agencies to provide a baseline for determining future transfers from the River, the State, Imperial Irrigation District (IID), Coachella Valley Water District (CVWD), MWD and San Diego County Water Authority (SDCWA) completed negotiations on terms for a proposed QSA. Meanwhile, the six other Colorado River basin states negotiated terms under which they would continue to make surplus Colorado River water available to California over a 15-year period.

Mr. Matusek stated, however, that the California entities were unable to execute a QSA by the December 31, 2002, deadline set by the Department of the Interior (DOI), primarily because of the emergence of concerns for the Salton Sea from reduced agricultural use of water in the Imperial Valley under the QSA. In an attempt to address these concerns, proposals were made for reducing and delaying water transfers from IID. Also, land fallowing was substituted for introduction of agricultural water efficiency measures, and the Legislature passed SB 482 in order to provide protection to IID from environmental impacts resulting from reduced flows to the Salton Sea.

The parties had negotiated a proposed QSA in October 2002; however, new demands presented by IID in December 2002 precluded execution of an agreement by the December 31 deadline. Among these demands were a \$150 million State loan guarantee to provide for repayment of IID debt should the QSA be terminated before year 45; appropriation of \$200 million in Proposition 50 funds for six different uses; that IID be compensated for flows to the Salton Sea and for the QSA parties to use "best efforts" to cause the U.S. Fish and Wildlife Service and the California Department of Fish and Game to approve a habitat conservation plan.

Mr. Matusek stressed that MWD is committed to executing a QSA and that its board had approved the agreement resulting from the October negotiations. Since the end of last year Governor Davis has met with the four agencies that would be party to a QSA, and he has directed Department of Water Resources Director Tom Hannigan to lead further negotiations. The Governor has also directed the Infrastructure and Economic Development Bank to pursue a loan guarantee for IID water conservation projects.

In the meantime, without an executed QSA, surplus Colorado River water is only available when flood control releases are anticipated, but with Lake Mead currently at only 65% of capacity this is not expected to occur any time soon. DOI has approved water orders for 2003 totaling 4.4 million AF for California, including 713,500 AF for MWD and 2,769,600 AF for IID, 204,900 AF less than IID had requested. IID has responded by filing a lawsuit against DOI challenging its role as watermaster of the Colorado River. The lawsuit also claims that IID's water rights have been violated,



that DOI has failed to comply with obligations relative to the Salton Sea, and that DOI is in violation of the separation of powers doctrine and the Tenth Amendment of the U.S. Constitution.

Mr. Matussek reported, though, that MWD is moving forward with other plans for developing water supplies. For one, it is negotiating principles for a land management, crop rotation and water supply program with the Palo Verde Irrigation District. This program would consist of two separate agreements and would span 35 years. The plan would involve removing up to 26,500 acres from agricultural production per year, and participating property owners, after receiving an initial \$3,170 per acre of land signed up to be part of the program, would receive \$550 per acre of land not irrigated. The property owner would then pay for all of the other costs of maintaining the land.

Also, MWD is moving forward on its plans for lining of the All American and Coachella Canals. It is expected that the All-American Canal project will save 67,700 AF per year and the Coachella project will save another 26,000 AF.

Mr. Matussek reported that under current expected conditions, including a 40% allocation from the State Water Project, multi-year banking programs and transfer options from the Sacramento Valley, MWD will be able to meet its expected demands for 2003 of 2.2 million AF. This supply also includes 804,000 AF from the Colorado River, 80,000 AF of which would come through a project with the Central Arizona Conservation District and 55,000 AF from the Palo Verde Irrigation District.

However, under dry conditions, where it received only 20% of its SWP allocation, MWD would still be able to provide up to 2.5 million AF through enhanced conservation (200,000 AF), additional multi-year banking transfers (76,000 AF), SWP carry-over in the San Luis Reservoir (130,000 AF), and withdrawals from surface storage (426,000 AF). Mr. Matussek stressed that MWD expects to meet all of its member agencies' projected water demands over the next 20 years, assuming average or wet years. It can supply for 15 years, assuming multiple dry years within that span, and it can provide adequate supply for each of the next 10 years, in the event each of those years is drier than normal. Taking into consideration all of the water supplies in development, MWD will be able to meet all projected water demands over the next 20 years, even with a major drought. It will also be able to provide a 15-20% reserve supply and to make sufficient water available for replenishment of local and regional storage.

In answer to a question relative to statements from MWD that, even with cutbacks in Colorado River water, it had enough water for two years and then later statements that it had a 20-year supply, Mr. Matussek explained that MWD has enough water available to provide for its needs over the next two years in the event of the worst drought imaginable. Assuming, however, that Southern California experiences average wet years and that MWD completes water projects which it currently has under development, MWD expects to be able to manage the water supply to meet water needs for 20 years. Mr. Matussek further noted that MWD would be issuing a 20-year water supply report in February.

#### DISCUSSION AND ACTIONS

Request for Affiliate Membership - AMEC Earth & Environmental, Inc. -  
Mr. Breitag distributed information received from AMEC Earth &

Environmental, Inc., describing that engineering firm's organization and services, and he explained that a request for affiliate membership in AGWA had come from AMEC's San Diego offices. Along with its request for membership AMEC had also sent a check for \$500 to cover one year's dues in AGWA.

The Chairman stated that it is important that AGWA affiliate members regularly attend meetings and that they are involved in AGWA's activities. Compared to this the \$500 annual dues paid by an affiliate member is not so important. He added that he did not know much about AMEC and that he would be interested to know whether a representative from AMEC plans to attend AGWA meetings. He further noted that many of AGWA's current affiliates do not regularly attend meetings but that he is appreciative of those who do.

On motion made by Director Cavender, seconded by Director Rossi, and unanimously carried, AGWA directed that AMEC be asked to make a presentation about its company and its intent to participate in AGWA at the February AGWA meeting and that determination of whether to accept AMEC as an affiliate member would be made at that time.

#### STANDING COMMITTEE REPORTS

Metropolitan Water District of Southern California Liaison Committee - Director Palmer reported that the dominant topic at MWD continues to be the fate of water from the Colorado River. He also noted that MWD is putting its new rate structure in place and that it is expected the MWD board will consider approval of conjunctive use plans with Raymond Basin and Chino Basin at its January board meeting.

Director Hansen noted that he had seen MWD's 10-year forecast and that it called for increases in rates each year on all of the different rate components. MWD will also re-open the process for submitting LRP applications early this year.

Director Palmer also noted that he is now Raymond Basin's alternate to AGWA and that AGWA should consider appointing someone else as its liaison to MWD. The Chairman suggested that, perhaps, Director Palmer and Raymond Basin's new representative to AGWA, Tony Zampiello, might be able to jointly handle this responsibility.

Director Rossi asked if MWD had a new plan for sale of Replenishment and In-Lieu water. Ms. Cindi LaCamera of MWD replied that there is a new program being developed which, as proposed, would utilize an operating plan concept. Under the program a water agency would submit to MWD a baseline operating plan at the beginning of each year reflecting how much groundwater it expected to produce for the year. MWD is currently working on a certification form to be used for this purpose, and it is hoped that the plan can be implemented by July 2003.

The Chairman asked Ms. LaCamera when replenishment water would again be available, given the maintenance currently going on at Lake Matthews. Ms. LaCamera replied that replenishment water would not be available until after the maintenance is complete in a couple of months and that MWD will be in a better position to know if it will be able to sell replenishment water at that time; however, the situation is looking more promising, especially since the State Water Project allocation is now up to 45%.

Director Williams asked Ms. LaCamera if it is true that the seasonal storage rate would now be in effect year-round. Ms. LaCamera answered that this is indeed true, assuming there is replenishment

water available for sale.

General Communications/Public Information Committee - Director Williams reported that the Communications Committee had no items to note.

Program Committee - Director Blevins introduced Ms. Sue McClurg of the Water Education Foundation (WEF), and Ms. McClurg distributed a draft agenda for AGWA's 2003 groundwater conference. Ms. McClurg also reported that a "save the date" flyer is currently being printed and that it should be mailed out later in the week. The flyer will be sent to AGWA's regular mailing list and to WEF's press release distribution list, and it is already available on both WEF's and AGWA's websites.

Director Blevins noted that Ms. McClurg is still looking for moderators for some of the panels planned for the conference and that he had volunteered to moderate one of the panels. Ms. McClurg added that it was hoped that AGWA members would volunteer to moderate each of the panels, and she asked if members had additional suggestions for speakers or panel members. She noted that the Program Committee had tried to get someone from the State Office of Environmental Health Hazard Assessment (OEHHA) to come down from Sacramento for one of the panels but that OEHHA's travel is being limited due to State budget problems.

Director Blevins commented that OEHHA, along with the Regional Water Quality Control Board, is soon expected to release a 1,300-page report detailing hexavalent chromium contamination in the San Fernando Valley Basins. He also noted that his office is currently printing a 300-page report outlining all groundwater contamination in the Basins. He stated that there should be something on the AGWA conference agenda which relates to these reports and that this might fit into the panel planned for 9:45 a.m. on the conference's first day.

The Chairman asked when the full conference brochure would be mailed out. Ms. McClurg replied that she hoped to have information to the graphic artist by the end of the week and to have the brochure to the printer by the end of next week.

Legislative Committee - The Chairman stated that there has not yet been much legislative activity of note in the new session but that this Friday, January 24, will be the last day to submit bill requests to the Office of Legislative Counsel and that February 21 will be the last day to introduce new bills. He further noted that it seems the message coming from Sacramento is to not bother to ask for money unless the funds would come out of one of the recent water bonds.

Director Cavender noted that at the previous AGWA meeting members had discussed SB 34, introduced by Senator Nell Soto, which would establish an Inland Empire Water Quality Authority. He stated that it there is concern, as the bill is currently written, about the broad power such an agency might have over groundwater management, although it may be politically difficult to oppose the legislation given its intent to secure funds for cleanup of local groundwater contamination. Director Cavender suggested that an advisory group among Inland Empire groundwater officials be formed to meet with Senator Soto's staff to assist in further crafting of the bill.

Director Rossi stated that he had the opportunity to discuss the bill with Senator Soto and that the formation of a water quality authority has been promoted by local private water producers as a

way of imitating the success of the San Gabriel Basin Water Quality Authority (SGBWQA) in securing government funding for groundwater cleanup. There has also been concern about the ability of the Regional Board to pursue the parties responsible for the contamination in the Inland Empire and that a local water quality authority might better be able to do this work.

Director Williams noted that water producers in the San Gabriel Valley support SGBWQA now that they are able to appoint members to its board, but this was not always the case. In answer to a question, Director Williams further explained that the SGBWQA has a seven-member board, consisting of representatives of the three municipal water districts within the San Gabriel Valley, representatives of two local cities and two representatives from among San Gabriel Valley water producers. Also, she explained that SGBWQA started out as a joint powers authority but, in order to get more funding, it was legislatively created and given assessment power over local water rights. Originally, SGBWQA was set up to exist for five years, but its existence has now been extended a few times.

Assembly Groundwater Policy Committee - The Chairman stated that he has received no feedback from Speaker Herb Wesson about the policy document submitted to the Assembly. The document was sent around the same time the State budget situation reached a crisis state, and the Speaker has been heavily involved with the budget since that time. The Chairman noted that the document sent to the Assembly was not portrayed as an AGWA document, but he suggested that, if AGWA wished, it could develop a more thorough statement which could then be sent to the Speaker on behalf of AGWA.

#### OTHER

Director Blevins stated that he had two items he wished to report. First, in the week of January 27, the Upper Los Angeles River Area Watermaster would be filing a report with the Superior Court detailing the history of hexavalent chromium contamination in the San Fernando Basin.

Also, Director Blevins stated that the Upper Los Angeles River Area Watermaster had filed an amicus curiae brief in a case currently before the State Appellate Court between WRD and Central Basin producers relative to control of groundwater storage capacity. Director Blevins stated that his agency is concerned about the impact of the case on other groundwater basins and that he strongly believes that groundwater storage is a resource that must be tied to water rights.

The Chairman stated that it would be interesting for AGWA to conduct a workshop on this topic. Now that the original Superior Court decision, which stated that the Central Basin producers do not control groundwater storage capacity along with their pumping rights, has been appealed, an Appellate Court ruling could set a statewide precedent.

Mr. Fred Fudacz agreed with the Chairman, adding that there is so little law pertaining to storage rights that a court ruling at this level would have a tremendous effect on groundwater activity.

The Chairman also stated that the Regional Water Quality Control Board, in considering renewal of two NPDES permits governing groundwater discharge to surface water bodies for well development

and maintenance, is trying to set unreasonably high standards for this discharged water. He stated that many local water agencies are already involved with this issue, but he asked members if they would like AGWA to take a position in the matter. Mr. Bill Straub stated that the Regional Board is meeting to consider the issue on February 20.

#### FUTURE AGENDA ITEMS

Director Rossi stated that he could make a presentation at the February AGWA meeting about the conjunctive use agreement which the Chino Basin is developing with MWD.

Director Blevins stated that it might also be informative for Mike McGuire to give a presentation to AGWA about work to develop a treatment method for hexavalent chromium.

Additionally, the Chairman stated that AGWA might also want to consider holding a workshop, probably in March, to review current State legislation of interest to AGWA members and to discuss what positions AGWA might take on certain bills.

#### NEXT MEETING

The Chairman stated that the next meeting would be held on Tuesday, February 18, 2003, at 1:30 a.m. at the offices of the Chino Basin Watermaster located in Rancho Cucamonga, CA.

Carol Williams, Secretary/CFO

ATTEST:

Dr. Bruce Mowry, Chairman

DRAFT  
 MINUTES OF THE  
 ASSOCIATION OF GROUND WATER AGENCIES (AGWA)  
 BOARD OF DIRECTORS MEETING  
 HELD TUESDAY, FEBRUARY 18, 2003 - 1:30 P.M.  
 AT CHINO BASIN WATERMASTER

Mr. John Rossi, Vice Chairman, called the meeting to order.

Directors/Alternates present:

John Rossi, Vice Chairman	Chino Basin Watermaster
Behrooz Mortazavi	Eastern Municipal Water District
Ron Palmer	Raymond Basin Management Board
Burnell Cavender	San Bernardino Valley Water Conversation District
Mel Blevins	Upper Los Angeles River Area Watermaster

Affiliates present:

Edgar Fandialan	Metropolitan Water District of Southern California
Barbara Witt	Metropolitan Water District of Southern California

Others present:

Dave Argo	Black & Veatch
Kelly Rowe	Camp Dresser & McKee
Josephine Johnson	Chino Basin Watermaster
Nina Jazmadarian	McGuire Environmental
Ken Breitag	Main San Gabriel Basin Watermaster
Frank Forbes	Main San Gabriel Basin Watermaster
Alfred Smith	Nossaman, Guthner, Knox and Elliott, LLP
Rick Whetsel	Santa Ana Watershed Project Authority
Jack Woodbury	San Bernardino Valley Conservation District
Janet Divan	Three Valleys Municipal Water District
Adeline Yoong	Water Replenishment District of Southern California

MINUTES/FINANCIAL STATEMENTS

It was noted by the Vice Chairman that the quorum required for conducting Board business was not present. The Vice Chairman also stated that the Financial Statements for January 2003 were available for review, and then he ordered the Financial Statements to be received and filed.

PRESENTATION

Chino Basin Dry Year Yield Program - The Vice Chairman began the program by explaining that this conjunctive use agreement with the Metropolitan Water District of Southern California (MWD) is expected to be executed soon. In addition to MWD and Chino Basin Watermaster, the project is being conducted in conjunction with the Inland Empire Utilities Agency and Three Valleys Municipal Water District. Local parties have been working on the program since Proposition 13 was passed in March 2000. In January 2001 an application was submitted to MWD,

and in April 2001 MWD approved the application, allocating \$9 million in Prop. 13 funds from the Department of Water Resources (DWR) and an additional \$19.5 million of MWD funds for the program. The Vice Chairman then introduced Mr. Dave Argo, Senior Vice President with Black & Veatch, to further describe the program.

Mr. Argo explained that this Dry Year Yield Program is actually part of a larger process in the Chino Basin over for the last two to three years which has culminated in the "Peace Agreement." With the spirit of cooperation established by this agreement several major projects have been launched, including the expansion of the Chino I Desalter and the construction of the Chino II Desalter. Another notable project involves improvements to groundwater recharge basins throughout the area. All of these projects together are expected to cost about \$150 million.

The goals of the agreement are to enhance Basin water supplies, protect and enhance water quality, enhance management of the Basin, and to equitably finance the Basin management plan, and he noted that the Dry Year Yield program with MWD helps to provide these things. The first step in formulating such a conjunctive use program was to determine the local assets which would make such a program beneficial to MWD. A program like this is predicated on being able to move water that MWD has delivered to a groundwater basin out of the basin and into MWD's system. This may require infrastructure improvements, but it also means that MWD will not allow water to be put into its pipelines unless it meets the ambient water quality of the water already in the pipelines. Mr. Argo noted that this is a big challenge, since it is difficult to find groundwater in Southern California which is not contaminated with at least nitrates.

Mr. Argo stated that, recognizing the challenges of Basin contamination, the Chino Basin agencies needed to determine how much water could be stored in the Basin for MWD and how much could be over-produced to deliver water back to MWD. Currently, about 140,000 AF of groundwater is pumped each year, and approximately 60,000 AF is purchased each year from MWD. A study was done on the pumping capacity of local wells, and it was found that these wells would provide sufficient capacity to provide for the Dry Year Yield program; however, wellhead treatment capacity would need to be increased significantly. These additional treatment facilities would be required to not only clean up nitrates but also perchlorate. Consequently, as part of the program six new ion-exchange treatment facilities are planned for construction throughout the Basin. Mr. Argo noted that MWD was so pleased with the possibilities of the program in the Chino Basin that it has proposed, at its expense, the development of additional wells in the Basin, enough to bring the capacity of the program up to 33,000 AF/yr.

Mr. Argo completed his presentation by noting that it appears that the agreement with MWD will be finalized in about a month and that all of the CEQA work has already been completed. The next step will be to finalize design of the needed facilities.

Director Cavender asked how much natural recharge the Chino Basin currently receives. The Vice Chairman answered that currently the Basin receives about 10,000 AF; however, a \$50 million project is currently underway which is expected to increase this amount to over 30,000 AF. Additionally, Inland Empire Utilities Agency is working on a \$120 million reclaimed water master plan which could significantly increase groundwater recharge, depending upon how much recharge is allowed by the State Department of Health Services.

The Vice Chairman also noted that the water which the Chino Basin receives from MWD as part of this Dry Year Yield program would be put

into the ground at a deferred rate. In other words, the water is not paid for at the time it is delivered, but is paid for when it is extracted. At time of extraction MWD will pay pumping costs and will reimburse the Basin for treatment costs. Finally, the Vice Chairman reported that the proposed Dry Year Yield program agreement is expected to have a term of 25 years.

#### DISCUSSION AND ACTIONS

Request for Affiliate Membership - AMEC Earth & Environmental, Inc. - Mr. Ken Breitag reported that he had contacted the gentleman who had applied for affiliate membership in AGWA on behalf of AMEC, and it was learned that this gentleman no longer works for AMEC. Mr. Breitag stated that he was referred to another gentleman in AMEC's Phoenix office, and that Mr. Breitag's call to the Phoenix office has not been returned. Consequently, it appears that AMEC may no longer be interested in membership with AGWA.

Groundwater Power Point Presentation Development - Mr. Breitag stated that, pursuant to the development by the Water Education Foundation of a PowerPoint presentation for AGWA about groundwater issues, WEF has asked members for copies of existing charts, photos, graphics, etc., which might be useful to include in the presentation. Mr. Breitag asked that any such items be sent to him or to Glenn Totten at the Foundation. He also stated that it is preferable to receive such items in digital format.

#### STANDING COMMITTEE REPORTS

Metropolitan Water District of Southern California Liaison Committee - Director Palmer reported that the MWD board approved three new conjunctive use programs at its last meeting and that there are approximately five more such programs which the Board should soon approve. He also reported that the negotiations which MWD is a part of regarding a quantification settlement agreement for Colorado River water have become more acrimonious. The negotiations are still ongoing, but there has been no recent news of any positive development. Director Palmer further reported that MWD has decided to purchase 97,200 AF this year from rice farmers in the Sacramento Valley and that the options which MWD is exercising on this water are good for this year only.

Additionally, Director Palmer stated that he had heard no recent reports about an agreement on year-round replenishment water from MWD. Ms. Barbara Witt of MWD stated that currently the certification form for this purpose is being finalized and the program is expected to be ready in July.

Finally, Director Palmer noted that at its last meeting the MWD board approved the beginning of a fluoridation program for the water it serves and that Lake Matthews operations are currently shut down for maintenance work.

General Communications/Public Information Committee - Mr. Ken Breitag reported that there were no Committee items to report.

Program Committee - Director Blevins distributed copies of the newly-completed brochure for AGWA's conference in April. He noted that the Director of the State Office of Environmental Health Hazard Assessment, Joan Denton, is a confirmed speaker and that, mostly, the speakers for the conference have been confirmed. Director Blevins



also noted that the cost of the conference for AGWA members is \$250 per person, whereas the cost for others is \$300 per person. He further noted that Director Palmer would be honored at the conference.

Director Blevins stated that he believes the conference is coming together well and that he is very pleased with the Water Education Foundation's work on the conference.

Mr. Breitag noted that the brochure is also available on both AGWA's and WEF's websites, and that WEF last week sent out the brochure to its press release list, which includes over 5,000 names.

Additionally, Director Blevins distributed copies of a letter received from WEF relative to financial arrangements for this year's conference. The letter also states that at AGWA's March meeting WEF will present a draft of the PowerPoint presentation it is developing for communication by AGWA with lawmakers.

At this time Ms. Rita Sudman and Ms. Sue McClurg of the Water Education Foundation joined the meeting by phone from Sacramento. Mr. Breitag noted that he was aware that there had been difficulty in communicating with State Senator Byron Sher about his availability to speak at the conference. Ms. Sudman stated that there had still been no response to a letter sent to Senator Sher, and she asked if any AGWA members were acquainted with him. Director Blevins stated that he did not have special access to the Senator but that he would call him if necessary.

Ms. Sudman noted that over 5,000 conference brochures had been sent out the previous Friday and that she thought they look very good. AGWA members agreed.

Director Blevins asked Ms. Sudman if WEF still intended to share a draft of the PowerPoint presentation it is developing for AGWA at the March meeting. Ms. Sudman stated that this is still the plan and that WEF is still in need of graphics, photos and other materials which might be useful for inserting in the presentation.

Director Palmer asked if there are other parties connected with WEF which might be interested in participating financially in the development of this presentation, especially since these parties may also be using the presentation.

Ms. Sudman stated that she did not know of another entity that might be in a position to contribute financially to the project but that she expects that the presentation will ultimately be available for sale through WEF.

The Vice Chairman noted that in Ms. Sudman's letter she wrote that WEF expected to need more than the amount already approved by AGWA for development of the presentation, and he asked how much money this might be. Ms. Sudman replied that she could not imagine the project requiring more than an additional couple of thousand dollars. She explained that among the plans for the project is that, once the presentation is completed, a press release will be sent out about it and that this press release alone would likely cost about \$1,700. She asked the members if they agreed that this is an important part of the project, and the members agreed that it would seem to be.

The Vice Chairman also noted that there was concern that the PowerPoint presentation was being developed such that it is geared toward the general public, not toward lawmakers as intended. Ms. Sudman replied that the presentation is being geared toward lawmakers but that, given the level of background most lawmakers have with groundwater concepts

and issues, the approach would be much the same as if it were geared toward the general public. She also stated that WEF conducts regular brown-bag sessions with legislative staff members and that it might be useful to test out the presentation at one of these sessions.

On the subject of the conference, Ms. Sudman stated that WEF still needs to receive presentations from those who will speak at the event so that these presentations can be included in the binders distributed to conference attendees. The deadline for receiving these presentations at WEF is March 25. She further stated that, if AGWA again expects to accommodate exhibitors at this year's conference, these exhibitors need to be recruited and that sponsors should be identified for the reception planned at the conference honoring Director Palmer.

Finally, Director Blevins reported that his agency has developed a 300-page report chronicling the history of hexavalent chromium contamination in the San Fernando Valley and that if any member would like a copy of the report to please contact him.

Legislative Committee - Ms. Adeline Yoong of WRD distributed lists of current committee assignments for those legislative committees which AGWA members are most likely to interact with. She also reported that the deadline for new bills to be introduced in the Assembly and Senate is this Friday, February 21. She noted that a number of bills relative to Proposition 50 funding have already been introduced and that Senator Mike Machado, Chairman of the Senate Agriculture and Water Resources Committee, has indicated that he intends to put out the language for any Prop. 50 legislation. Ms. Yoong commented that Prop. 50 differs from Prop. 13 in that funding for Prop. 13 programs was controlled by DWR, whereas Prop. 50 funding will be dictated by the Legislature.

Director Cavender stated that he understands that Senator Soto's SB 34, which would create the Inland Empire Water Quality Authority, is on hold. The Vice Chairman stated that this is apparently the case and that the senator is interested in talking to any parties who have input on the proposal.

#### FUTURE AGENDA ITEMS

Director Blevins reported that he would communicate with Mike McGuire of McGuire Environmental Consultants about doing a presentation on development of treatment methods for hexavalent chromium for AGWA's March meeting.

In addition, it was decided that, given the State legislative calendar, that it would be timely for AGWA to have an expanded Legislative Committee report at the March meeting and that AGWA should consider setting aside a major part of the April meeting for an expanded discussion on pending legislation.

#### NEXT MEETING

The Chairman stated that the next meeting would be held on Monday, March 17, 2003, at 1:30 p.m. at the offices of the Main San Gabriel Basin Watermaster located in Azusa, CA.

Carol Williams, Secretary/CFO

ATTEST:

ASSOCIATION OF GROUND WATER AGENCIES

Monday, March 17, 2003 - 1:30 p.m.

Main San Gabriel Basin Watermaster  
City of Azusa Light and Water Administration Facility  
725 North Azusa Avenue  
Azusa, CA  
(626) 815-1300

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1. Determination of Quorum/Introductions
2. Approve minutes from January 21 and February 18, 2003 meetings  
Receive and file Financial Statements for February 2003
3. Presentation: Treatment Process Development for Hexavalent  
Chromium - Dr. Michael J. McGuire, McGuire  
Environmental Consultants
4. Discussion and Actions
  - a. WEF Groundwater PowerPoint Presentation
5. Committee Reports
  - a. MWD Liaison Committee (R. Palmer)
  - b. General Communications/Public Information Committee  
(C. Williams)
  - c. Program Committee (M. Blevins)
  - d. Legislative Committee (B. Mowry)
6. Other
7. Future Agenda Items
8. Next Meeting: Monday, April 21, 2003, 1:30 p.m. - Chino Basin  
Watermaster
9. Adjourn

Chairman Bruce Mowry Presiding