

CHINO BASIN WATERMASTER



AGENDA PACKAGE

10:00 a.m. – Appropriative & Non-Agricultural Meeting
1:00 p.m. – Agricultural Meeting

THURSDAY, JUNE 12, 2003

CHINO BASIN WATERMASTER
Appropriative & Non-Agricultural Pool Meetings
10:00 a.m. – June 12, 2003

AGENDA

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 (Pgs. 7 – 14)

1. Draft Minutes - Meeting of the Pool Members held April 10, 2003

B. FINANCIAL REPORTS (Pgs. 17 – 26)

1. Cash Disbursement Report – May 2003
2. Combining Schedule Of Revenue, Expenses And Changes In Working Capital For The Period July 1, 2002 through April 30, 2003
3. Treasurer's Report of Financial Affairs For April 1 through April 30, 2003
4. 2002-03 Actual YTD Revenues And Expenses Compared With Adopted 2002-03 Budget

C. WATER TRANSACTIONS (1st Transaction Pgs. 29 – 39) (2nd Transaction Pgs. 43 – 54)

Sale or Transfer of 1,000 acre-feet of Monte Vista Irrigation Company's Fiscal Year 2002-2003 Annual Production Right to the Monte Vista Water District. (*Notice Mailed May 21, 2003*)

Sale or Transfer of Right to Produce Water from Storage from Cucamonga County Water District to Fontana Water Company in the amount of 10,000 acre-feet. (*Notice Mailed May 22, 2003*)

D. WATERMASTER STATUS REPORT NO. 7 (Pgs. 57 – 76)

Consider authorization to staff and legal counsel to file Status Report No. 7 with the court.

E. CONSIDER CONTRACT WITH USGS FOR STREAMFLOW MEASUREMENTS (Pgs. 79 – 80)

Consider approval of a contract with USGS for \$32,500 to perform necessary measurements.

II. BUSINESS ITEMS - POSSIBLE ACTION

A. FISCAL 2003-2004 WATERMASTER BUDGET (Pgs. 83 – 102)

Consider approval of fiscal year 2003 – 2004 Watermaster budget.

B. CONSIDER REQUEST FROM MONTE VISTA WATER DISTRICT FOR REVIEW OF COST APPORTIONMENT RELATED TO OBMP SALT CREDITS (Pgs. 105 – 108)

Consider letter received from Monte Vista Water District regarding cost apportionment of OBMP salt credits.

C. BALANCE OF RECHARGE & DISCHARGE IN ALL AREAS; DETERMINATION OF OPERATING STORAGE & SAFE STORAGE; AND THE CUMULATIVE IMPACT OF TRANSFERS

Mark Wildermuth will make a presentation and request input to develop a recommendation for approval in July.

D. WATER QUALITY COMMITTEE RECOMMENDATIONS (Pgs 111 – 114)

Consider adoption of Water Quality Committee recommendations regarding Committee's objectives.

E. PRESENT FINDINGS ON MWD GROUNDWATER STORAGE ACCOUNT ANALYSIS

Mark Wildermuth will present findings on the analysis of the MWD Groundwater Storage Account.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Santa Ana Application Protests
2. June 5, 2003 Hearing
3. Hearing re Cyclic Storage Agreement Amendment

B. CEO REPORT/UPDATES

1. DWR Grant Application
2. SAWPA "Integrated Project of the Year" Award
3. MWD Long Term In-Lieu Storage Program Filing
4. Storage & Recovery Project Update

C. OTHER AGENCY REPORTS

IV. COMMITTEE MEMBER COMMENTS

V. OTHER BUSINESS

VI. FUTURE MEETINGS AND EVENTS

July 10, 2003	10:00 a.m.	Joint Meeting of the Appropriative & Non-Agricultural Pools
	1:00 p.m.	Agricultural Pool Meeting
July 24, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board

Meeting Adjourn

CHINO BASIN WATERMASTER
Agricultural Meeting
1:00 p.m. – June 12, 2003

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4. Storage & Recovery Project Update

C. OTHER AGENCY REPORTS

IV. COMMITTEE MEMBER COMMENTS

V. OTHER BUSINESS

VI. FUTURE MEETINGS AND EVENTS

July 10, 2003	10:00 a.m. 1:00 p.m.	Joint Meeting of the Appropriative & Non-Agricultural Pools Agricultural Pool Meeting
July 24, 2003	10:00 a.m. 1:00 p.m.	Advisory Committee Meeting Watermaster Board

Meeting Adjourn

CHINO BASIN WATERMASTER

June 12, 2003

10:00 a.m. – Appropriative & Non-Agricultural Meeting

1:00 p.m. – Agricultural Meeting

I. CONSENT CALENDAR

- A. MINUTES
- B. FINANCIAL REPORTS
- C. WATER TRANSACTIONS
- D. WATERMASTER STATUS REPORT NO. 7
- E. CONSIDER CONTRACT WITH USGS FOR
STREAMFLOW MEASUREMENT

Draft Minutes
CHINO BASIN WATERMASTER
Joint Meeting of the Appropriative Pool and Non-Agricultural Pool
April 10, 2003

A joint meeting of the Appropriative Pool and Non-Agricultural Pool was held at the offices of the Chino Basin Watermaster, 8632 Archibald Ave., Suite 109, Rancho Cucamonga, CA, on April 10, 2003 at 10:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Ken Jeske, Chair	City of Ontario
Robert DeLoach, Vice-Chair	Cucamonga County Water District
Gerald Black	Fontana Union Water Company
Dave Crosley	City of Chino
Raul Garibay	City of Pomona
Mark Kinsey	Monte Vista Water District
Mike Maestas	City of Chino Hills
Mike McGraw	Fontana Water Company
Carole McGreevy	Jurupa Community Services District
J. Arnold Rodriguez	Santa Ana River Water Company
Bill Stafford	Marygold Mutual Water District

NON-AGRICULTURAL POOL MEMBERS PRESENT

Vic Barrion	Reliance Energy
Bob Bowcock	Vulcan Materials Company

Watermaster Consultants Present

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

Watermaster Staff Present

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

Others Present

Rita Kurth	Cucamonga County Water District
Josephine Johnson	Monte Vista Water District

Appropriative Pool Chair Jeske called the meeting to order at 10:07 a.m.

AGENDA - ADDITIONS/REORDER

None

I. **CONSENT CALENDAR**

A. **MINUTES**

Appropriative Pool Only

1. Draft minutes - Annual Appropriative Pool Meeting held January 16, 2003

Non-Agricultural Pool Only

2. Draft minutes - Annual Non-Agricultural Pool Meeting held January 16, 2003

Appropriative & Non-Agricultural Pools

3. Draft minutes - Joint Meeting of the Appropriative & Non-Agricultural Pools held February 13, 2003
4. Draft minutes - Joint Meeting of the Appropriative & Non-Agricultural Pools held March 13, 2003

B. FINANCIAL REPORTS

1. Cash Disbursement Report – March 2003
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2002 through February 28, 2003
3. Treasurer's Report of Financial Affairs for February 1 through February 28, 2003
4. 2002-03 Actual YTD Revenues and Expenses Compared with Adopted 2002-03 Budget

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

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

Chair Barrion stated that the Non-Agricultural Pool concurs with action taken by the Appropriative Pool with the following amendments on A.2, Draft Minutes of the Annual Non-Agricultural Pool Meeting held January 16, 2003:

Minute Item 1.A Pool Vice-Chair should be:

James Jenkins, San Bernardino County Dept of Airports

Minute Item 1.B 2003 Advisory Committee Members should be:

Vic Barrion, Reliant Energy, Etiwanda LLC

James Jenkins, San Bernardino County Dept of Airports

Steve Arbelbide, California Steel Industries

II. BUSINESS ITEMS**A. FORMATION OF WATER QUALITY COMMITTEE**

Pursuant to OBMP Program Element 6, the pool committees considered formation of the Water Quality Committee (WQC). The members discussed recommendations for the composition of the WQC and requested staff to schedule a meeting.

Motion by McGraw, second by Kinsey and by unanimous vote

Moved, to recommend IEUA and RWQCB to appoint a Water Quality Committee comprised of a representative from each pool. This recommendation will go through the Watermaster approval process.

Chair Barrion stated that the Non-Agricultural Pool concurs with the action taken by the Appropriative Pool.

B. NIAGARA WATER COMPANY INTERVENTION

Niagara Water Company requested to intervene into the Judgment with the understanding of not owning water rights in the Basin and the obligation to pay replenishment costs for water pumped in 2002.

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

Moved, to recommend approval for Niagara Water Company to Intervene into the Judgment.

Chair Barrion stated that the Non-Agricultural Pool concurs with the action taken by the Appropriative Pool.

Item E was taken out of order at this time

E. NEW YIELD FROM ADDITIONAL RECHARGE (Appropriative Pool)

Mr. Wildermuth's hand out regarding Storm Water Recharge Estimates per Basin was used as a preliminary recharge summary for new yield. Based on discussion, the following three items must be determined: 1) how to calculate new yield, 2) how often reconciliation should be done, and 3) when adjustments (i.e. credits or debits) should be made. Based on evaluation, Mr. Wildermuth estimates a maximum of five years to indicate the first adjustment. By the fourth or fifth year, the model will generate enough data to base the next estimate on longer terms. Current estimates on new yield for the first year will be 11,720 to 12,000 acre-feet.

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

Moved, to establish a Safe Yield Allocation Program for FY 02/03 based on projects to be implemented in FY 03/04. By FY 03/04, new yield will be reviewed annually and reconciled every five years from 11,720 to 12,000 acre-feet.

Moved, to proceed with allocation of estimated New Yield tied to recharge improvements in the amount of 11,720 to 12,000 acre-feet per year. RE-evaluate in 2008 based on staff recommendation and allocation of safe yield in 2004 using same method as debt service.

C. CONSIDER LETTER TO MWD

Consider recommendation for the MWD letter on additional use of Proposition 50 for the QSA deal.

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

Moved, to approve the MWD letter as presented, with recommendation to copy legislators.

Chair Barrion stated that the Non-Agricultural Pool concurs with the action taken by the Appropriative Pool.

D. MZ1 MANAGEMENT PLAN - EXTENSOMETER INSTALLATION & TESTING

Layne Christianson was recommended for installing and testing the extensometer at Ayala Park. Funding and execution of contract for this project will be issued through the Watermaster approval process.

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

Moved, to recommend Layne Christianson to install and test the Extensometer at Ayala Park

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Chino Land & Water SBSC Case No. RCV 06484
Counsel Fife reported that Chino Land & Water has indicated they plan to appeal the Court's ruling to dismiss this case but an actual appeal has not been filed.
2. Attorney/Managers Meeting(s)
There are no meetings scheduled at this time.

Added:

3. Watermaster's Santa Ana River Application
Watermaster filed an application to secure its water rights in the Chino Basin. Notice of application closed March 31, 2003. Prior to closing, four oppositionists protested against the Santa Ana River Application: 1) U. S. Forrest Service, 2) Fish and Wildlife Service, 3) Eastern Valley Water District and 4) Cucamonga County Water District. This protest did not have an effect on the application filing due to Watermaster abiding by the standard permit conditions to protect its water right.

B. CEO REPORT/UPDATES

1. Meter Installation Program
The Meter Installation Program has been reinstated.
2. Dry Year Yield Project
Project meeting schedule for next week:
Tuesday, April 15 @ 3:00 p.m. at Watermaster
Thursday, April 17 @ 2:00 p.m. at the City of Ontario
3. Recharge Improvement Project
The Corps of Engineers issued a 401 permit for the Recharge Improvement Project from the Regional Board to resume operational procedures.
4. OBMP Status Update
The following issues will be re-evaluated and reviewed by the pools in June:
 - 1) Safe Storage and Operating Storage
 - 2) Balance of Recharge and Extraction for Areas & Sub-Areas
 - 3) The effects of Transfers
5. AB303 Grant Application Update
Chief Woodling of DWR advised Mr. Rossi that Watermaster issued a cut-off for funding of monitoring wells as part of Watermaster's Hydraulic Monitoring Control Program. However, the AB303 Grant was a general funding program that was removed by the Governor's office, but intended for reallocation and availability. These funds may be available in the future.
6. AB599 Update
Mr. Rossi stated he would review the complete AB599 program with all interested parties. This program requires prioritizing the basins throughout the state. The AB599 program reveals 50 out of 475 basins in California provide more than 90% water. The state will set forth a contract with USGS to sample "key wells" in each basin for the wells to develop a basin-wide assessment. Approximately 25% of the "key wells" will obtain permission to perform low-level sampling by USGS.
7. SB34 Legislation
No report update.
8. AGWA/WEF Water Quality Conference
Mr. Rossi highlighted the importance of all program elements implemented in the OBMP Program and reports that the conference was very successful.
9. Other

C. OTHER AGENCY REPORTS

None

IV. COMMITTEE MEMBER COMMENTS

None

V. OTHER BUSINESS

None

The meeting adjourned

Secretary

Minutes Approved: _____

Draft Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL
April 10, 2003

The Agricultural Pool meeting was held at the offices of the Chino Basin Watermaster, 8632 Archibald Ave., Suite 109, Rancho Cucamonga, CA, on April 10 at 1:00 p.m.

AGRICULTURAL POOL MEMBERS PRESENT

Robert DeBerard, Chair	Crops
Nathan deBoom, Vice-Chair	Dairy - Milk Producers Council
Glen Durrington	Crops
Jack Hagerman	State of California Institution for Men
John Huitsing	Dairy - Milk Producers Council
Ron LaBrucherie	Dairy
Jeff Pierson	Crops - Unitex Corporation

Appropriative Pool Members Present

Mark Kinsey	Monte Vista Water District
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Watermaster Staff Present

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

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Steven Lee	Special Counsel, Reid & Hellyer
Mark Wildermuth	Wildermuth Environmental Inc.

Chair DeBerard called the meeting to order at 1:05 p.m.

AGENDA - ADDITIONS/REORDER

None

I. CONSENT CALENDAR

A. MINUTES

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2. Draft minutes - Meeting of the Agricultural Pool held February 25, 2003
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Motion by Koopman, second by Pierson, and by unanimous vote
Moved, to approve Consent Calendar Items A through B, as presented.

II. BUSINESS ITEMS**A. FORMATION OF WATER QUALITY COMMITTEE**

Mr. Rossi reported that the Appropriative Pool and Non-Agricultural Pool took action to form a Water Quality Committee (WQC), which consist of one representative from the Non-Agricultural Pool, the Agricultural Pool, IEUA and the RWQCB. These representatives will incorporate goals, objectives and a meeting schedule to be reviewed by Watermaster. Formation of this committee is subjected to the OBMP Program Element 6 upon adoption of the Peace Agreement.

Motion by Koopman, second by Pierson, and by unanimous vote

Moved, to concur with action taken to form a Water Quality Committee.

B. NIAGARA WATER COMPANY INTERVENTION

Mr. Rossi reported that Niagara Water Company requested to intervene into the Judgment under the terms required and pay replenishment costs for water pumped in 2002.

Motion by Pierson, second by Koopman, and by unanimous vote

Moved, to recommend approval of Niagara Water Company's request to Intervene into the Judgment.

C. CONSIDER LETTER TO MWD

Consider draft letter to MWD regarding additional use of Proposition 50 monies for the QSA deal.

Motion by Pierson, second by Koopman, and by unanimous vote

Moved, to authorize the Chair of the Watermaster Board send a draft letter to MWD regarding the use of Proposition 50 funds for the QSA deal.

D. MZ1 MANAGEMENT PLAN - EXTENSOMETER INSTALLATION & TESTING

Mr. Rossi requested that the Agricultural Pool consider authorizing funding and execution of the Layne Christianson contract for the extensometer installation at Ayala Park. Mr. Rossi stated that the contract agreement has been executed and the contractors have begun drilling on site to ensure completion of this project by the court deadline of June 30th.

Motion by Pierson, second by LaBrucherie, and by unanimous vote

Moved, to recommend approval of funding and issuance of the Layne Christensen contract for extensometer installation at Ayala Park.

E. SALT MANAGEMENT BUDGET (Agricultural Pool)

Mr. Rossi stated that a line item in the amount of \$150,000 has not been utilized and no further action has been taken on this project upon revisions of the Peace Agreement. Mr. Rossi recommends the pools to request Watermaster to research the maximum benefits of this salt management program and amend the current budget to reflect the line item amount set forth. The Pools agreed that the line item set forth for the salt management project will be included in the proposed budget for FY 2003-2004 and applied to the May 2003 meeting agenda for continued discussion and possible action.

F. NOTIFICATION OF WATER QUALITY SAMPLING RESULTS (Agricultural Pool)

Mr. Rossi stated that Watermaster is trying to be a communicator of information, not a regulatory agency, to assist owners in understanding the importance of water quality notifications; therefore, these notifications will be issued in both English and Spanish to ensure that disclosed information to the lessee or user of the well has been clarified and complies with the legalities of operating wells.

Motion by Koopman, second by Pierson, and by unanimous vote

Moved, to request Agricultural Pool Special Legal Counsel research this matter and provide information and a recommendation in May.

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Chino Land & Water SBSC Case No. RCV 06484
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2. Attorney/Managers Meeting(s)
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B. CEO REPORT/UPDATES**Other (taken out of order)**

- a) **New Yield from Addition Recharge - Action taken by the Appropriative Pool**
In accordance to the Peace Agreement, Rules and Regulations and OBMP, new yield is to satisfy the replenishment obligation of the desalters. Watermaster's implementation of the Recharge Master Plan is anticipated to begin producing new yield as early as next year. Mr. Wildermuth reported on the use of modeling to determine new yield on a five-year basis and describes two concepts for calculating and allocating new yield; an actual year-to-year measurement of the additional stormwater recharged or the use of an average amount based on operational assumptions of the recharge facilities improvements.

Motion by Koopman, second by LaBrucherie, and by unanimous vote

Moved, to add the Calculation of New Yield from Recharge Facilities Improvements as an action item to the agenda.

Motion by Koopman, second by LaBrucherie, and by unanimous vote

Moved, to ratify the action taken by the Appropriative Pool on the calculation concepts of new yield on the recharge facilities improvements.

1. The Meter Installation Program
The Meter Installation Program has been reinstated.

2. Dry Year Yield Project
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8. AGWA/WEF Water Quality Conference
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C. OTHER AGENCY REPORTS

None

IV. COMMITTEE MEMBER COMMENTS

None

V. OTHER BUSINESS

None

The meeting adjourned at 2:50 p.m.

Secretary

Minutes Approved: _____



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: JUNE 12, 2003
JUNE 19, 2003

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

SUBJECT: CASH DISBURSEMENT REPORT – May 2003

SUMMARY

Issue – Record of cash disbursements for the month of May 2003.

Recommendation – Staff recommends the Cash Disbursements for May 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 were \$640,092.00. The most significant expenditures during that month were made to Inland Empire Utilities Agency in the amount of \$320,932.30 for replenishment water; Wildermuth Environmental Inc. in the amount of \$86,113.67 for engineering services; Hatch & Parent in the amount of \$31,065.46 for legal services; MWH Laboratories in the amount of \$17,037.05 for laboratory services; and Pascal & Ludwig Constructors in the amount of \$25,171.47 for partial payment regarding the extensometer/piezometer installation.

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Accrual Basis

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
May 2003

Type	Date	Num	Name	Amount
May 03				
Bill Pmt -Check	5/1/2003	7586	A & R TIRE	-596.22
Bill Pmt -Check	5/1/2003	7587	ADEX MEDICAL INC	-195.72
Bill Pmt -Check	5/1/2003	7588	BLACK & VEATCH CORPORATION	-3,197.50
Bill Pmt -Check	5/1/2003	7589	BROWN & CALDWELL	-400.00
Bill Pmt -Check	5/1/2003	7590	CALPERS	-1,491.55
Bill Pmt -Check	5/1/2003	7591	COLONIAL LIFE & ACCIDENT INSURANCE CO	-42.80
Bill Pmt -Check	5/1/2003	7592	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	5/1/2003	7593	GROOMAN'S PUMP & WELL DRILLING, INC.	-387.25
Bill Pmt -Check	5/1/2003	7594	IDEAL GRAPHICS	-91.59
Bill Pmt -Check	5/1/2003	7595	INLAND EMPIRE UTILITIES AGENCY	-132.25
Bill Pmt -Check	5/1/2003	7596	JOBS AVAILABLE INC	-193.20
Bill Pmt -Check	5/1/2003	7597	MCCALL'S METER SALES & SERVICE	-4,863.84
Bill Pmt -Check	5/1/2003	7598	MIJAC ALARM	-126.00
Bill Pmt -Check	5/1/2003	7599	MONSTER TRAK	-50.00
Bill Pmt -Check	5/1/2003	7600	MWH LABORATORIES	-3,795.00
Bill Pmt -Check	5/1/2003	7601	NEXTEL COMMUNICATIONS	-532.98
Bill Pmt -Check	5/1/2003	7602	OFFICE DEPOT	-1,016.28
Bill Pmt -Check	5/1/2003	7603	PETTY CASH	-437.59
Bill Pmt -Check	5/1/2003	7604	RANCHO TECH LLC	-4,368.00
Bill Pmt -Check	5/1/2003	7605	STANDARD INSURANCE CO.	-420.41
Bill Pmt -Check	5/1/2003	7606	TELECOM SERVICES	-60.00
Bill Pmt -Check	5/1/2003	7607	TLC STAFFING	-1,758.40
Bill Pmt -Check	5/1/2003	7608	TURNER & ASSOCIATES	-3,000.00
Bill Pmt -Check	5/1/2003	7609	WEST WATER RESEARCH	-595.00
Bill Pmt -Check	5/1/2003	7610	WHEELER METER MAINTENANCE	-4,039.40
Bill Pmt -Check	5/6/2003	7611	A & R TIRE	-243.15
Bill Pmt -Check	5/6/2003	7612	APPLIED COMPUTER TECHNOLOGIES	-2,297.60
Bill Pmt -Check	5/6/2003	7613	ARROWHEAD MOUNTAIN SPRING WATER	-89.48
Bill Pmt -Check	5/6/2003	7614	COSTCO WHOLESALE	-312.61
Bill Pmt -Check	5/6/2003	7615	ESRI INC	-15.50
Bill Pmt -Check	5/6/2003	7616	HOSE MAN	-258.14
Bill Pmt -Check	5/6/2003	7617	INLAND EMPIRE UTILITIES AGENCY	-169,206.40
Bill Pmt -Check	5/6/2003	7618	MWH LABORATORIES	-8,870.00
Bill Pmt -Check	5/6/2003	7619	PAYCHEX	-205.10
Bill Pmt -Check	5/6/2003	7620	POWERS ELECTRIC PRODUCTS CO.	-858.00
Bill Pmt -Check	5/6/2003	7621	PUMP CHECK	-3,251.13
Bill Pmt -Check	5/6/2003	7622	REID & HELLYER	-2,874.20
Bill Pmt -Check	5/6/2003	7623	RICOH BUSINESS SYSTEMS-Maintenance	-1,385.21
Bill Pmt -Check	5/6/2003	7624	SANTA ANA WATERSHED PROJECT AUTHORITY	-1,000.00
Bill Pmt -Check	5/6/2003	7625	UNITEK TECHNOLOGY INC.	-103.44
Bill Pmt -Check	5/6/2003	7626	VERIZON	-527.82
Bill Pmt -Check	5/6/2003	7627	TLC STAFFING	-879.20
Check	5/10/2003	7629	TOGO'S	-104.85
General Journal	5/10/2003	03/05/5	PAYROLL	-3,787.96
General Journal	5/10/2003	03/05/5	PAYROLL	-13,358.87
Check	5/15/2003	7628	CAFE CALATO	-108.06
Check	5/20/2003	7630	CAFE CALATO	-203.56
Bill Pmt -Check	5/21/2003	7631	A & R TIRE	-717.14
Bill Pmt -Check	5/21/2003	7632	ACWA SERVICES CORPORATION	-59.64
Bill Pmt -Check	5/21/2003	7633	BANK OF AMERICA	-1,121.08
Bill Pmt -Check	5/21/2003	7634	CALPERS	-1,491.55
Bill Pmt -Check	5/21/2003	7635	CHEVRON	-556.27
Bill Pmt -Check	5/21/2003	7636	CITISTREET	-2,081.77
Bill Pmt -Check	5/21/2003	7637	CITIZENS CONFERENCING	-355.42
Bill Pmt -Check	5/21/2003	7638	DALIA'S PIZZA MARKET	-107.56
Bill Pmt -Check	5/21/2003	7639	ELLISON, SCHNEIDER & HARRIS, LLP	-8,614.95
Bill Pmt -Check	5/21/2003	7640	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	5/21/2003	7641	HATCH AND PARENT	-35,767.62
Bill Pmt -Check	5/21/2003	7642	IDEAL GRAPHICS	-202.57
Bill Pmt -Check	5/21/2003	7643	INLAND COUNTIES INSURANCE SERVICES, INC.	-426.97
Bill Pmt -Check	5/21/2003	7644	INLAND EMPIRE UTILITIES AGENCY	-151,593.65
Bill Pmt -Check	5/21/2003	7645	MCCALL'S METER SALES & SERVICE	-2,702.72
Bill Pmt -Check	5/21/2003	7646	MCI	-945.95
Bill Pmt -Check	5/21/2003	7647	MWH LABORATORIES	-17,037.05
Bill Pmt -Check	5/21/2003	7648	OFFICE DEPOT	-1,248.19
Bill Pmt -Check	5/21/2003	7649	PARK PLACE COMPUTER SOLUTIONS, INC.	-2,090.00
Bill Pmt -Check	5/21/2003	7650	PASCAL & LUDWIG CONSTRUCTORS	-25,171.47
Bill Pmt -Check	5/21/2003	7651	POWERS ELECTRIC PRODUCTS CO.	-257.40
Bill Pmt -Check	5/21/2003	7652	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-3,588.33

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CHINO BASIN WATERMASTER
 Cash Disbursement Detail Report
 May 2003

Type	Date	Num	Name	Amount
Bill Pmt -Check	5/21/2003	7653	PUMP CHECK	-1,176.50
Bill Pmt -Check	5/21/2003	7654	RAUCH COMMUNICATION CONSULTANTS, LLC	-4,827.99
Bill Pmt -Check	5/21/2003	7655	RICOH BUSINESS SYSTEMS-Lease	-3,591.31
Bill Pmt -Check	5/21/2003	7656	SOFTCHOICE	-1,605.32
Bill Pmt -Check	5/21/2003	7657	SOUTHERN CALIFORNIA EDISON	-525.22
Bill Pmt -Check	5/21/2003	7658	STANDARD INSURANCE CO.	-420.41
Bill Pmt -Check	5/21/2003	7659	STATE COMPENSATION INSURANCE FUND	-1,247.99
Bill Pmt -Check	5/21/2003	7660	STEWART, TRACI L.	-1,560.56
Bill Pmt -Check	5/21/2003	7661	TLC STAFFING	-1,946.80
Bill Pmt -Check	5/21/2003	7662	TURNER & ASSOCIATES	-2,433.22
Bill Pmt -Check	5/21/2003	7663	UNITED PARCEL SERVICE	-331.71
Bill Pmt -Check	5/21/2003	7664	UNITEK TECHNOLOGY INC.	-8,004.75
Bill Pmt -Check	5/21/2003	7665	VELASQUEZ JANITORIAL	-175.00
Bill Pmt -Check	5/21/2003	7666	WEST GROUP	-61.42
Bill Pmt -Check	5/21/2003	7667	WHEELER METER MAINTENANCE	-9,199.91
Bill Pmt -Check	5/21/2003	7668	WILDERMUTH ENVIRONMENTAL INC	-86,113.67
Bill Pmt -Check	5/21/2003	7669	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-1,593.42
Bill Pmt -Check	5/21/2003	7670	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-3,588.33
Bill Pmt -Check	5/21/2003	7671	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-811.07
General Journal	5/23/2003	03/05/02	HATCH AND PARENT	69,143.28
Check	5/23/2003	7672	HATCH AND PARENT	-51,143.28
Check	5/23/2003	7673	HATCH AND PARENT	-7,629.19
Check	5/23/2003	7674	HATCH AND PARENT	-5,668.65
Check	5/23/2003	7675	CALIFORNIA WATER AWARENESS CAMPAIGN	-375.00
Check	5/29/2003	7676	EL TORITO	-221.81
General Journal	5/30/2003	03/05/7	PAYROLL	-3,780.78
General Journal	5/30/2003	03/05/7	PAYROLL	-13,083.41
May 03				<u>-640,892.00</u>

CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2002 THROUGH APRIL 30, 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			\$4,470,784.03		\$149,042.18			\$4,619,827.01	\$3,797,572	
Interest Revenue			56,889.41	\$8,112.11	3,076.32		\$49.42	66,927.26	132,890	
Mutual Agency Project Revenue	\$ 25,878.94							25,878.94	0	
Grant Income								0.00	0	
Miscellaneous Income								0.00	0	
Total Revenues	25,878.94	\$0.00	4,626,474.24	8,112.11	152,118.50	\$0.00	\$0.00	49.42	4,712,633.21	3,930,462
Administrative & Project Expenditures										
Watermaster Administration	652,129.48							652,129.48	752,208	
Watermaster Board-Advisory Committee	32,564.63							32,564.63	60,392	
Pool Administration			10,824.73	56,021.59	3,870.19			70,716.51	139,782	
Optimum Basin Mgmt Administration		732,038.67						732,038.67	891,834	
OBMP Project Costs		2,204,257.50						2,204,257.50	3,324,257	
Education Funds Use								0.00	375	
Mutual Agency Project Costs	71,491.30							71,491.30	2,500	
Total Administrative/OBMP Expenses	758,185.41	2,936,296.17	10,824.73	56,021.59	3,870.19			3,763,198.09	5,171,148	
Net Administrative/OBMP Income	(730,306.47)	(2,936,296.17)								
Allocate Net Admin Income To Pools	730,306.47		532,022.04	173,859.29	24,426.14			0.00	0	
Allocate Net OBMP Income To Pools		2,936,296.17	2,138,068.76	698,024.84	98,204.58			0.00	0	
Agricultural Expense Transfer			928,280.72	(928,280.72)				0.00	0	
Total Expenses			3,808,194.24	2,625.00	126,489.81	-	-	3,763,198.09	5,171,148	
Net Administrative Income			918,280.00	5,487.11	25,618.59			49.42	949,435.12	(1,240,686)
Other Income/(Expense)										
Replenishment Water Purchases						1,432,600.71		1,432,600.71	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						(1,898,145.35)		(1,898,145.35)	(1,588,049)	
Net Other Income			0.00	0.00	0.00	1,122,463.36	0.00	0.00	1,122,463.36	0
Net Transfers To/(From) Reserves			918,280.00	5,487.11	25,618.59	1,122,463.36	-	49.42	2,071,898.48	(1,240,088)
Working Capital, July 1, 2002			2,916,003.13	468,150.31	175,804.57	204,947.95	158,250.86	2,845.07	3,928,001.89	
Working Capital, End Of Period	\$ 3,834,283.13	\$ 473,637.42	\$ 201,423.18	\$ 1,327,411.31	\$ 158,250.86	\$ 2,894.49	\$ 5,997,900.37			
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\3 03\CombiningSchedule Mar 03.xls\Sheet1

Prepared by Sheri Rojo, Accountant

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**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
APRIL 1 THROUGH APRIL 30, 2003**

SUMMARY at 4/30/2003

DEPOSITORIES:			
Cash on Hand - Petty Cash		\$	500.00
Bank of America			
Governmental Checking-Demand Deposits	(\$27,220.15)		
Savings Deposits	9,592.79		
Zero Balance Account - Payroll	0.00		-17,627.36
Local Agency Investment Fund - Sacramento			<u>6,543,137.75</u>
TOTAL CASH IN BANKS AND ON HAND	4/30/2003	\$	6,526,010.39
TOTAL CASH IN BANKS AND ON HAND	3/31/2003		6,869,072.58
PERIOD INCREASE (DECREASE)		\$	<u>(343,062.19)</u>

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:	Accounts Receivable	24,006.67
	Assessments Receivable	0.00
	Prepaid Expenses, Deposits & Other Current Assets	1,167.99
(Decrease)/Increase in Liabilities:	Accounts Payable	4,950.43
	Accrued Payroll, Payroll Taxes & Other Current Liabilities	(10,752.10)
	Transfer to/(from) Reserves	<u>(362,435.18)</u>
PERIOD INCREASE (DECREASE)		\$ <u>(343,062.19)</u>

-23-

<u>SUMMARY OF FINANCIAL TRANSACTIONS:</u>	Petty Cash	Gov't Checking Demand	Zero Balance Account Payroll	Savings	Local Agency Investment Funds	Totals
Balances as of 3/31/2003	\$500.00	\$94,662.74	\$0.00	\$9,592.79	\$6,764,317.05	\$6,869,072.58
Deposits		5,350.76	0.00	0.00	28,820.70	34,171.46
Transfers		200,448.13	49,551.87	0.00	(250,000.00)	0.00
Withdrawals/Checks		(327,681.78)	(49,551.87)	0.00	0.00	(377,233.65)
Balances as of 4/30/2003	\$500.00	(\$27,220.15)	\$0.00	\$9,592.79	\$6,543,137.75	\$6,526,010.39
PERIOD INCREASE OR (DECREASE)	\$0.00	(\$121,882.89)	\$0.00	\$0.00	(\$221,179.30)	(\$343,062.19)

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
APRIL 1 THROUGH APRIL 30, 2003**

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
4/13/2003	Interest	L.A.I.F.	\$ 28,820.70				
4/17/2003	Withdrawal	L.A.I.F.	(250,000.00)				
TOTAL INVESTMENT TRANSACTIONS			(\$221,179.30)	\$0.00			

* The earnings rate for L.A.I.F. is a daily variable rate; 1.98% was the effective yield rate at the Quarter ended March 31, 2003.

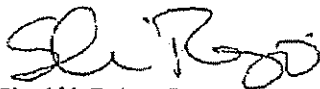
**INVESTMENT STATUS
April 30, 2003**

<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	\$6,543,137.75			
Time Certificates of Deposit	0.00			
TOTAL INVESTMENTS	\$6,543,137.75			

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

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06/04/03
Accrual Basis

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

	Jul '02 - Apr 03	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4010 · Local Agency Subsidies	25,878.94	20,000.00	5,878.94	129.4%
4110 · Admin Asmnts-Approp Pool	4,470,784.83	3,580,590.00	890,194.83	124.9%
4120 · Admin Asmnts-Non-Agri Pool	149,042.18	196,982.00	-47,939.82	75.7%
4200 · Grants	0.00	0.00	0.00	0.0%
4700 · Non Operating Revenues	66,927.26	132,890.00	-65,962.74	50.4%
4900 · Miscellaneous income	0.00	0.00	0.00	0.0%
Total Income	4,712,633.21	3,930,462.00	782,171.21	119.9%
Gross Profit	4,712,633.21	3,930,462.00	782,171.21	119.9%
Expense				
6010 · Salary Costs	394,384.85	414,173.00	-19,788.15	95.2%
6020 · Office Building Expense	65,850.71	123,845.00	-57,994.29	53.2%
6030 · Office Supplies & Equip.	20,725.68	27,500.00	-6,774.32	75.4%
6040 · Postage & Printing Costs	51,652.12	72,450.00	-20,797.88	71.3%
6050 · Information Services	75,475.86	101,800.00	-26,324.14	74.1%
6061 · Other Consultants	22,750.85	29,000.00	-6,249.15	78.5%
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	7,800.00	15,600.00	-7,800.00	50.0%
6066 · Engineering Services	0.00	90,000.00	-90,000.00	0.0%
6067.1 · General Counsel	127,064.31	71,000.00	56,064.31	179.0%
6067.2 · Legal Services -Markot	90.36	5,000.00	-4,909.64	1.8%
6080 · Insurance	11,740.50	11,210.00	530.50	104.7%
6110 · Dues and Subscriptions	13,635.89	13,500.00	135.89	101.0%
6140 · Other WM Admin Expenses	1,328.35	2,300.00	-971.65	57.8%
6150 · Field Supplies	2,689.98	3,950.00	-1,260.02	68.1%
6170 · Travel & Transportation	22,917.84	25,500.00	-2,582.16	89.9%
6190 · Conferences & Seminars	11,006.84	14,500.00	-3,493.16	75.9%
6200 · Advisory Comm - WM Board	11,366.52	17,870.00	-6,503.48	63.6%
6300 · Watermaster Board Expenses	21,198.11	42,522.00	-21,323.89	49.9%
8300 · Appr PI-WM & Pool Admin	10,824.73	16,310.00	-5,485.27	66.4%
8400 · Agri Pool-WM & Pool Admin	14,396.98	18,710.00	-4,313.02	76.9%
8467 · Agri-Pool Legal Services	32,449.61	83,000.00	-50,550.39	39.1%
8470 · Ag Meeting Attend -Special	9,175.00	17,300.00	-8,125.00	53.0%
8500 · Non-Ag PI-WM & Pool Admin	3,870.19	4,462.00	-591.81	86.7%
6500 · Education Funds Use Expens	0.00	375.00	-375.00	0.0%
9500 · Allocated G&A Expenditures	-176,984.66	-286,120.00	109,135.34	61.9%
6900 · Optimum Basin Mgmt Plan	679,587.82	810,777.00	-131,189.18	83.8%
6950 · Mutual Agency Projects	71,491.30	2,500.00	68,991.30	2,859.7%
9501 · G&A Expenses Allocated-OBMP	52,450.85	80,857.00	-28,406.15	64.9%
7101 · Production Monitoring	24,435.35	61,062.00	-36,626.65	40.0%
7102 · In-line Meter Installation	371,622.33	439,399.00	-67,776.67	84.6%
7103 · Grdwtr Quality Monitoring	174,569.21	321,829.00	-147,259.79	54.2%
7104 · Gdwtr Level Monitoring	68,890.04	205,916.00	-137,025.96	33.5%
7105 · Sur Wtr Qual Monitoring	47,141.96	85,161.00	-38,019.04	55.4%
7106 · Wtr Level Sensors Install	16,595.99	34,501.00	-17,905.01	48.1%
7107 · Ground Level Monitoring	372,706.60	801,070.00	-428,363.40	46.5%
7200 · PE2- Comp Recharge Pgm	169,654.85	184,168.00	-14,513.15	92.1%
7300 · PE3&5-Water Supply/Desalte	5,300.00	123,587.00	-118,287.00	4.3%
7400 · PE4-MZ1 Mgmt Plan	259,151.66	81,172.00	177,979.66	319.3%
7500 · PE6&7-CoopEfforts/SaltMgmt	111,241.88	58,299.00	52,942.88	190.8%
7600 · PE8&9-StorageMgmt/Conj Use	29,163.86	102,830.00	-73,666.14	28.4%
7690 · Recharge Improvement Debt Pymt	429,250.00	620,000.00	-190,750.00	69.2%
9502 · G&A Expenses Allocated-Projects	124,533.77	205,263.00	-80,729.23	60.7%
Total Expense	3,763,198.09	5,171,148.00	-1,407,949.91	72.8%
Net Ordinary Income	949,435.12	-1,240,686.00	2,190,121.12	-76.5%
Other Income/Expense				
Other Income				
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	95.0%

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 06/04/03
 Accrual Basis

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

	<u>Jul '02 - Apr 03</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Total Other Income	3,018,608.71	2,285,049.00	733,559.71	132.1%
Other Expense				
5012.4 - MZ1 Imported Water Purchase	0.00	699,000.00	-699,000.00	0.0%
5010 - Groundwater Replenishment	1,896,145.35	1,586,049.00	310,096.35	119.6%
9999 - To/(From) Reserves	2,071,898.48	-1,240,686.00	3,312,584.48	-167.0%
Total Other Expense	3,968,043.83	1,044,363.00	2,923,680.83	379.9%
Net Other Income	-949,435.12	1,240,686.00	-2,190,121.12	-76.5%
Net Income	0.00	0.00	0.00	0.0%



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

DATE: June 12, 2003
TO: Watermaster Pool 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 - Sale or Transfer of 1,000 acre-feet of Monte Vista Irrigation Company's Fiscal Year 2002-2003 Annual Production Right to the Monte Vista Water District.

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).

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

- Sale or Transfer of 1,000 acre-feet of Monte Vista Irrigation Company's Fiscal Year 2002-2003 Annual Production Right to the Monte Vista Water District.

Notice of the water transaction identified above was mailed on May 21, 2003 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 1 and has been recommended by the Watermaster Engineer as a good interim management practice for the basin and for Management Zone 1.

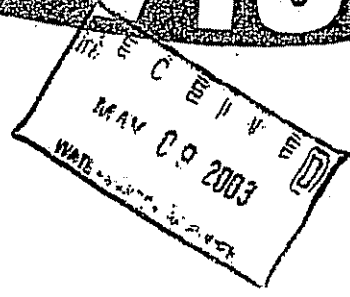
Water transactions occur each year and are included as production by the respective entity (if produced) in any relevant analyses conducted by Wildermuth Environmental pursuant to the Peace Agreement and the Rules & Regulations. There is no indication additional analysis regarding these transactions 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.

Monte Vista

Dedicated to Quality, Service and Innovation

Mark N. Kinsey
GENERAL MANAGER

May 7, 2003



Mr. John Rossi, Chief Executive Officer
CHINO BASIN WATERMASTER
Suite 109
8632 Archibald Avenue
Rancho Cucamonga, California 91730

MVWD/MVIC Water Transactions

Dear Mr. Rossi: *John*

Attached are the necessary forms to transfer 1,000 acre-feet of Monte Vista Irrigation Company Fiscal Year 2002-03 annual production rights to the Monte Vista Water District.

This transfer will be utilized by the District to offset a portion of its projected Fiscal Year 2002-03 replenishment obligation within the Chino Basin. The recapture plan for production of the transferred water rights by the District and a map showing the location of District production wells are attached for consideration by Watermaster.

The actual location of, and rate of capture, could change due to unplanned production system problems or from abnormally wet or dry weather conditions.

Thank you for your assistance in this matter. Should you have any questions, please contact the District at your convenience.

Sincerely,

Monte Vista Water District

Mark N. Kinsey
General Manager

Attachments



10575 Central Avenue, Post Office Box 71 • Montclair, California 91763 • (909) 624-0035 • FAX (909) 624-4725

Robb D. Quincey
PRESIDENT

Sandra S. Rose
VICE PRESIDENT

James T. Morgan
DIRECTOR

Josephine M. Johnson
DIRECTOR

Maynard B. Lenhart
DIRECTOR

APPLICATION TO TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2002-03

Commencing on July 1, 2002 and terminating on June 30, 2003, Monte Vista Irrigation Company ("Transferor") hereby transfers to Monte Vista Water District ("Transferee") the quantity of 1,000 acre-feet of corresponding Annual Production Right (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the 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 Transfer shall be conditioned upon:

- (1) Transferee shall exercise said right on behalf of Transferor under the terms of the Judgment and the Peace Agreement 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 Transferee from the Chino Basin shall be that produced hereunder.
- (2) Transferee shall put all waters utilized pursuant to said Transfer to reasonable beneficial use.
- (3) Transferee shall pay all Watermaster assessments on account of the water production hereby Transferred.
- (4) Any Transferee not already a party must intervene and become a party to the Judgment.

TO BE EXECUTED by both Transferor and Transferee, and to be accompanied by a general description of the area where the Transferred water was to be Produced and used prior to the Transfer, and where it will be Produced and used after the Transfer. This general description can be in the form of a map.

WATER QUALITY AND WATER LEVELS

What is the existing water quality and what are the existing water levels in the areas that are likely to be affected?

Dynamic water levels at District wells range from 538' to 596' below ground level with average drawdown of 40'. Static water levels range from 504' to 533' below ground level. Nitrate water quality data for District wells is provided on Attachment 1. Nitrate concentrations range between 19-70 ppm.

MATERIAL PHYSICAL INJURY

Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application? Yes [] No [X]

If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

No mitigation is required.

ADDITIONAL INFORMATION ATTACHED Yes [X] No []

Mark N. Kinsey
Monte Vista Irrigation Company
Transferor

Mark N. Kinsey
Monte Vista Water District
Transferee

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

MONTE VISTA WATER DISTRICT

Recapture Plan

This recapture plan pertains to the transfer of 1,000 acre-feet of Fiscal Year 2002-03 Monte Vista Irrigation Company annual production rights to the Monte Vista Water District. Location of where the recaptured water will be extracted by the District is within Management Zone 1 of the Chino Basin and will be accomplished by any or all of the 10 wells owned and operated by the District. The approximate daily production capacity of these wells is as follows:

<u>Well</u>	<u>Production Acre-Feet/Day</u>
4	4.2
5	6.1
6	5.2
10	5.2
11	2.7
19	9.0
20	5.8
26	9.0
27	9.0
28	9.0
<hr/>	
Daily Total	65.2

A map showing the location of these wells is attached. The rate of extraction can vary significantly, depending upon system demand and seasonal changes.

Attachment 1
Monte Vista Water District

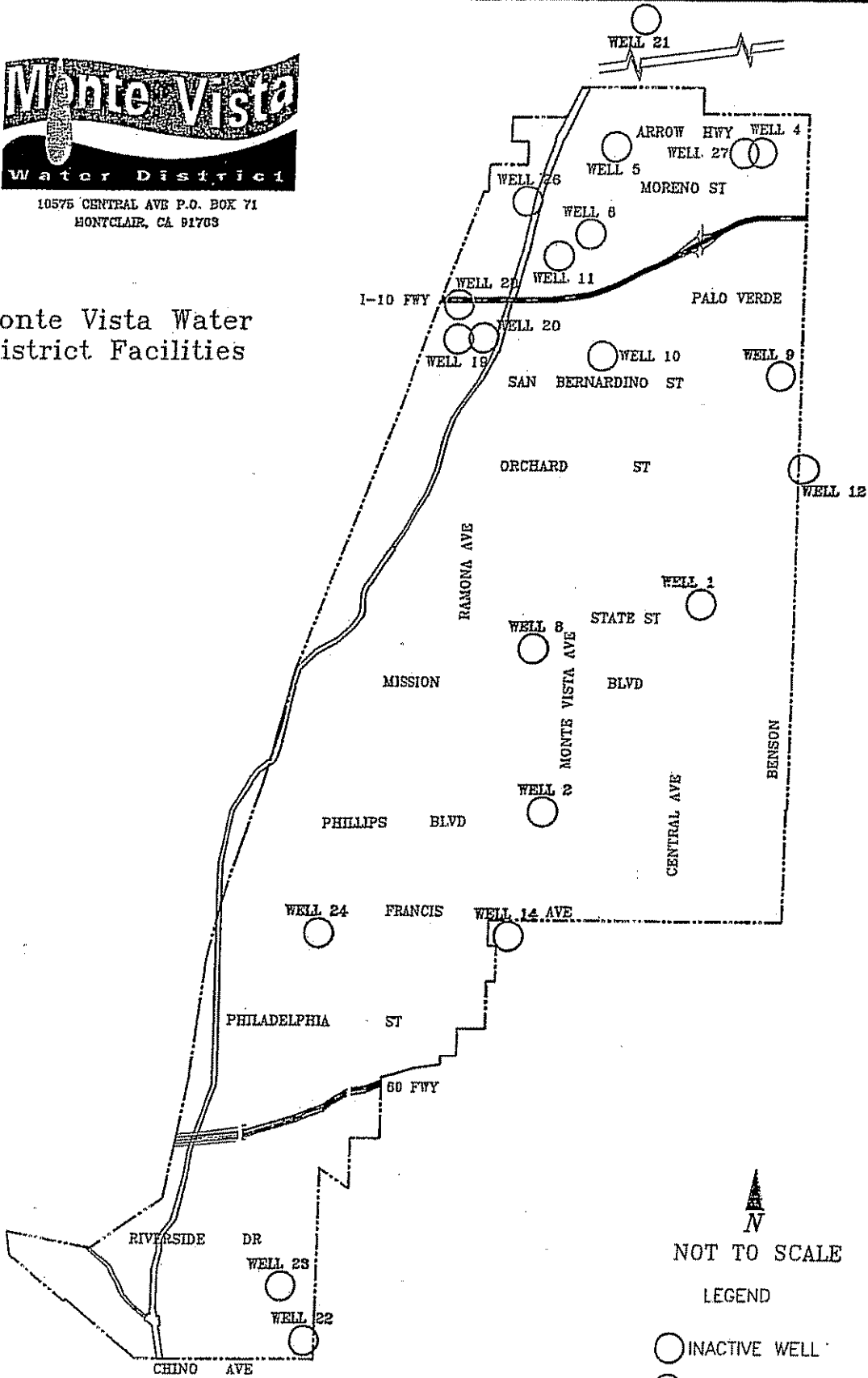
Well Number	Production (acre-feet/day)	Average Level of Wellhead Nitrates (ppm)
4	4.2	70
5	6.1	28
6	5.2	56
10	5.2	48
11	2.7	44
19	9.0	18
20	5.8	20
26	9.0	20
27	9.0	54
28	9.0	16
Totals	65.2	

The attached map shows the location of these wells. Operationally, Wells 4, 6, 10, 11, and 27 exceed the MCL for nitrates and require blending with other production wells or imported water supplies. Wells 4, 20, 26, 27, and 28 can be used to meet both District and city of Chino Hills demand.



10575 CENTRAL AVE P.O. BOX 71
MONTCLAIR, CA 91703

Monte Vista Water District Facilities



NOT TO SCALE

LEGEND

- INACTIVE WELL
- ACTIVE WELL

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

May 21, 2003

This notice is to advise interested persons that the attached application will come before the Watermaster Board on or after 30 days from the date of this notice.

NOTICE OF APPLICATION(S) RECEIVED

Date of Applications: May 7, 2003

Date of this notice: May 21, 2003

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

- A. Notice of Sale or Transfer of 1,000 acre-feet of Monte Vista Irrigation Company's Fiscal Year 2002-2003 Annual Production Right to the Monte Vista Water District.

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

Agricultural Pool: June 12, 2003

Appropriative Pool: June 12, 2003

Non-Agricultural Pool: June 12, 2003

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

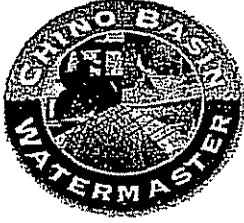
CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: May 21, 2003

A party to the Judgment has submitted a proposed transfer of water for Watermaster approval. Unless contrary evidence is presented to Watermaster that overcomes the rebuttable presumption provided in Section 5.3(b)(iii) of the Peace Agreement, Watermaster must find that there is "no material physical injury" and approve the transfer. Watermaster staff is not aware of any evidence to suggest that this transfer would cause material physical injury and hereby provides this notice to advise interested persons that this transfer will come before the Watermaster Board on or after 30 days from the date of this notice. The attached staff report will be included in the meeting package at the time the transfer begins the Watermaster process (comes before Watermaster).

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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

DATE: June 12, 2003
TO: Watermaster Pool 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 - Sale or Transfer of Right to Produce Water from Storage from Cucamonga County Water District to Fontana Water Company in the amount of 10,000 acre-feet.

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).

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

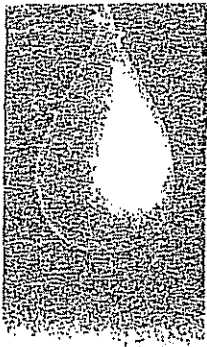
- Sale or Transfer of Right to Produce Water from Storage from Cucamonga County Water District to Fontana Water Company in the amount of 10,000 acre-feet.

Notice of the water transaction(s) identified above was mailed May 22, 2003 along with the materials submitted by the requestors.

DISCUSSION

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

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.

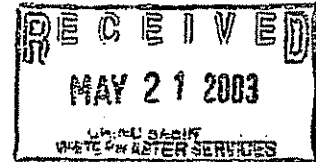


FONTANA WATER COMPANY

A DIVISION OF SAN GABRIEL VALLEY WATER COMPANY

8440 NUEVO AVENUE • P.O. BOX 987, FONTANA, CALIFORNIA 92334 • (909) 822-2201

May 19, 2003



Mr. John Rossi, Chief Executive Officer
Chino Basin Watermaster
8632 Archibald Avenue, Suite 109
Rancho Cucamonga, California 91730

Subject: Purchase of Water in Storage
Chino Basin-Fiscal Year 2002/2003

Dear John:

Please take notice that Fontana Water Company ("Company") has agreed to purchase from Cucamonga County Water District ("District") a portion of the District's water in storage in the amount of at least 10,000 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2002/2003.

Prior to June 30, 2003, the Company will provide Watermaster with an updated estimate of the actual quantity of stored water to be transferred, should the District determine it has additional water available to be sold to the Company.

Enclosed are fully executed Chino Basin Watermaster Forms No. 3 and 4 along with the Company's recapture plan for consideration by Watermaster. Please agendize this proposed transfer at the earliest possible opportunity.

If you should have any question, or require additional information concerning this matter, please call me.

Very truly yours

Michael J. McGraw
General Manager

MJM:bf
Enclosure

APPLICATION FOR
SALE OR TRANSFER OF RIGHT TO PRODUCE WATER FROM STORAGE

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

<u>Cucamonga County Water District</u> Name of Party	<u>May 8, 2003</u> Date Requested	_____ Date Approved
<u>10440 Ashford Street</u> Street Address	<u>10,000</u> Acre-feet Amount Requested	_____ Acre-feet Amount Approved
<u>Rancho Cucamonga</u> City	<u>CA</u> State	<u>91729</u> Zip Code
Telephone: <u>(909) 987-2591</u>	Facsimile: <u>(909) 476-8032</u>	
<u>Robert A. DeLoach, General Manager</u> Cucamonga County Water District		

TRANSFER TO:

<u>Fontana Water Company</u> Name of Party	Attach Recapture Form 4	
<u>8440 Nuevo Avenue</u> Street Address		
<u>Fontana</u> City	<u>CA</u> State	<u>92334</u> Zip Code
Telephone: <u>(909) 822-2201</u>	Facsimile: <u>(909) 823-5046</u>	

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

WATER QUALITY AND WATER LEVELS

What is the existing water quality and what are the existing water levels in the areas that are likely to be affected?

Recapture by Fontana Water Company accomplished by pumping of 13 wells-static water levels vary from 375' to 684'. Of the wells routinely pumped, nitrate levels vary from a low of 8 mg/l to a high of 33 mg/l.

MATERIAL PHYSICAL INJURY


Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application? Yes [] No [X]

If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]


Michael J. McGraw, General Manager
Fontana Water Company

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION OR AMENDMENT TO APPLICATION
TO
RECAPTURE WATER IN STORAGE

APPLICANT

<u>Fontana Water Company</u>			<u>May 8, 2003</u>	
Name of Party			Date Requested	Date Approved
<u>8440 Nuevo Avenue</u>			<u>10,000</u> Acre-feet	<u> </u> Acre-feet
Street Address			Amount Requested	Amount Approved
<u>Fontana</u>	<u>CA</u>	<u>92334</u>	<u>Varies</u>	<u>July 1, 2002 - June 30, 2003</u>
City	State	Zip Code	Projected Rate of Capture	Projected Duration of Recapture
Telephone: <u>(909) 822-2201</u>			Facsimile: <u>(909) 823-5046</u>	

IS THIS AN AMENDMENT TO A PREVIOUSLY APPROVED APPLICATION? [] YES [x] NO
IF YES, ATTACH APPLICATION TO BE AMENDED

IDENTITY OF PERSON THAT STORED THE WATER: _____

PURPOSE OF RECAPTURE

- [] Pump when other sources of supply are curtailed
- [x] Pump to meet current or future demand over and above production right
- [] Pump as necessary to stabilize future assessment amounts
- [] Other, explain _____

METHOD OF RECAPTURE (if by other than pumping) (e.g. exchange)

N/A

PLACE OF USE OF WATER TO BE RECAPTURED

Within Fontana Water Company's service area (see attached map)

Management Zone 3

LOCATION OF RECAPTURE FACILITIES (IF DIFFERENT FROM REGULAR PRODUCTION FACILITIES).

N/A

WATER QUALITY AND WATER LEVELS

What is the existing water quality and what are the existing water levels in the areas that are likely to be affected?

Recapture by Fontana Water Company accomplished by pumping of 13 wells-static water levels vary from 375' to 684'. Of the wells routinely pumped, nitrate levels vary from a low of 8 mg/l to a high of 33 mg/l.

MATERIAL PHYSICAL INJURY

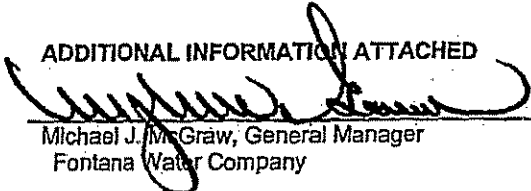
Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application? Yes [] No [X]

If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]



Michael J. McGraw, General Manager
Fontana Water Company

TO BE COMPLETED BY WATERMASTER

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

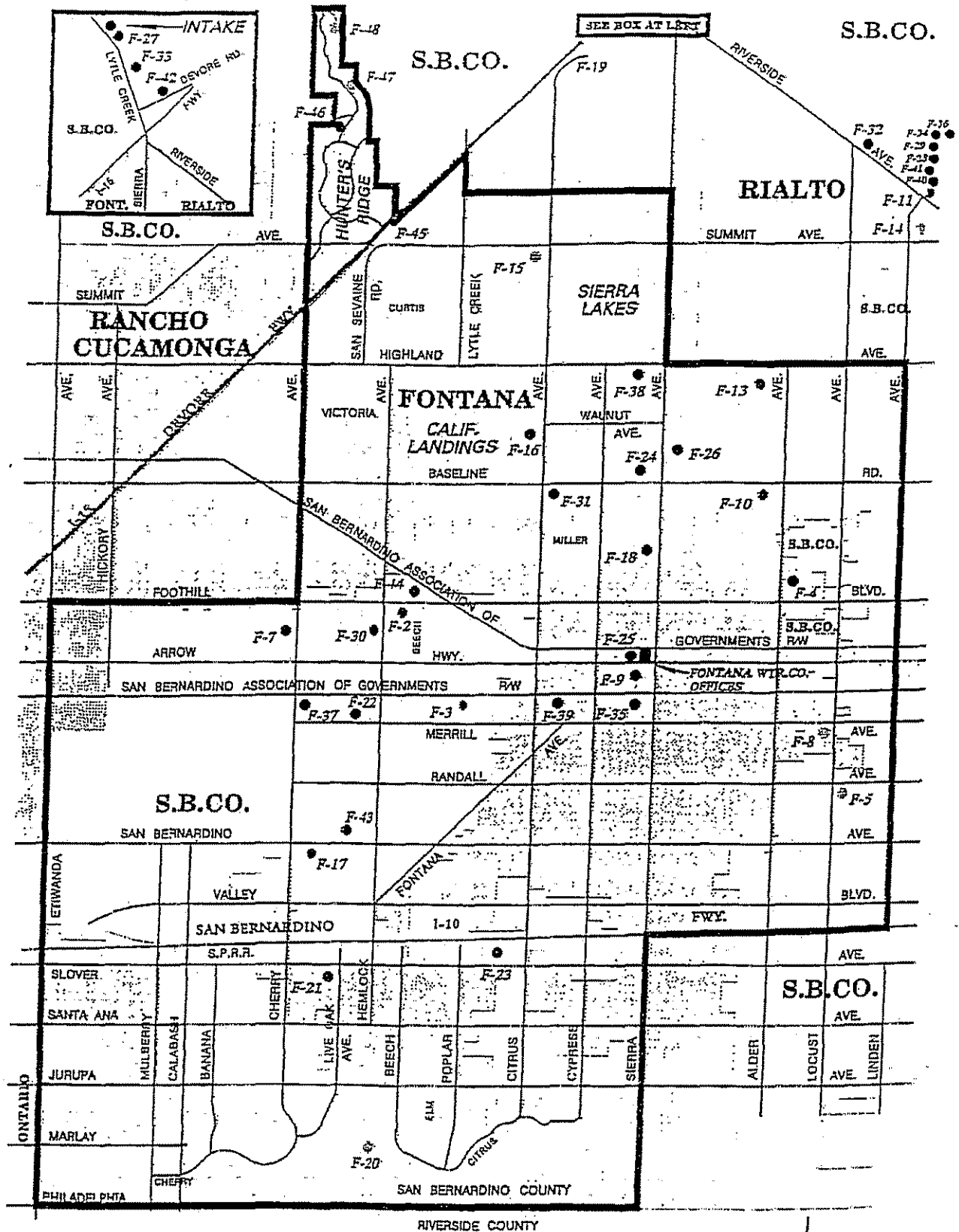
DATE OF BOARD APPROVAL: _____ Agreement # _____

FONTANA WATER COMPANY
Recapture Plan

The subject water is a transfer of stored groundwater from Cucamonga County Water District to Fontana Water Company (FWC) of at least 10,000 acre-feet to satisfy a portion of FWC's replenishment obligation for FY 2002/2003. Recapture of the stored water is accomplished by the production of any or all of the 13 wells owned and operated by FWC within Management Zone 3 of the Chino Groundwater Basin. The approximate daily production capacity of these wells is as follows:

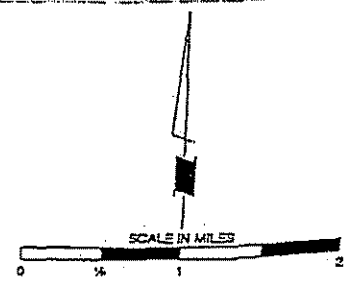
<u>Well</u>	<u>Production</u> <u>Acre-Feet/Day</u>
F23A -	10.6
F21A -	6.0
F37A -	6.4
F7A -	10.2
F22A -	8.8
F24A -	8.4
F26A -	8.6
F31A -	7.3
F2A -	10.6
F30A -	8.2
F44A -	10.2
F44B -	11.0
F44C -	11.0
Daily Total	<u>117.3</u>

The attached map shows the location of these wells within FWC's service area. Prior to 1992, water produced from the majority of these wells was pumped within Management Zone 3 by Fontana Union Water Company with safe yield rights in the Chino Groundwater Basin. However, as a result of a bankruptcy settlement agreement dated February 7, 1992 all of Fontana Union's Chino Groundwater Basin water, including overlying (agricultural) pool reallocation, is annually transferred to Cucamonga County Water District's storage account. A separate agreement between Cucamonga County Water District and FWC provides for Cucamonga County Water District to sell to FWC, Chino Basin stored water to cover FWC's production. Pursuant to the same 1992 bankruptcy settlement agreement, Fontana Water Company acquired Fontana Union's water production wells and continues to produce water from Management Zone 3, in the same manner and for the same purpose as had been done prior to 1992.



- LEGEND**
- - WELL ● - WELL & BOOSTERS
 - ⊕ - BOOSTERS
 - ⊙ - WELL, BOOSTERS & RESERVOIR
 - ⊚ - TREATMENT FACILITY
 - ⊛ - RESERVOIR - P.R. VALVE
 - ⊜ - BOOSTERS & RESERVOIR
 - ⊝ - AFTERBAY ● - INTAKES

FONTANA WATER COMPANY
 SYSTEM NO. 3610041



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

May 22, 2003

This notice is to advise interested persons that the attached application will come before the Watermaster Board on or after 30 days from the date of this notice.

NOTICE OF APPLICATION(S) RECEIVED

Date of Applications: **May 8, 2003**

Date of this notice: **May 22, 2003**

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

- A. Notice of Sale or Transfer of Right to Produce Water In Storage from Cucamonga County Water District to Fontana Water Company in the amount of 10,000 acre-feet of water

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

Agricultural Pool: June 12, 2003

Appropriative Pool: June 12, 2003

Non-Agricultural Pool: June 12, 2003

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: May 22, 2003

A party to the Judgment has submitted a proposed transfer of water for Watermaster approval. Unless contrary evidence is presented to Watermaster that overcomes the rebuttable presumption provided in Section 5.3(b)(iii) of the Peace Agreement, Watermaster must find that there is "no material physical injury" and approve the transfer. Watermaster staff is not aware of any evidence to suggest that this transfer would cause material physical injury and hereby provides this notice to advise interested persons that this transfer will come before the Watermaster Board on or after 30 days from the date of this notice. The attached staff report will be included in the meeting package at the time the transfer begins the Watermaster process (comes before Watermaster).



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: June 12, 2003
June 19, 2003

TO: Pool Members
Advisory Committee Members
Watermaster Board Members

SUBJECT: OBMP Implementation - Status Report No. 7

SUMMARY

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

Recommendation – Staff recommends:

- Approval of Status Report No. 7,
- Authorize its filing with the Court prior to June 30, 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. 7 is March 2003 to May 31, 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.

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Chino Basin Watermaster Status Report No. 7

(Covering March 2003 through May 2003)



DRAFT

June 2003



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.

This Status Report Number 7 is filed pursuant to this schedule and reports on the period from March 1, 2002 to May 31, 2003.

PROGRAM ELEMENT 1 – DEVELOP AND IMPLEMENT COMPREHENSIVE MONITORING PROGRAM

Groundwater-Level Monitoring

Watermaster has four active groundwater level monitoring programs operating in the Chino Basin – a semiannual Basinwide program, two semimonthly 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 semiannual Basinwide groundwater-level monitoring program in 1999. The Spring 2003 round of testing began 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 a month in and around the Chino-I and Chino-II desalter well fields during this reporting period.

Watermaster staff has begun the process of analyzing hydrogeology, well construction, and groundwater-level data in the vicinity of the Chino-I Desalter well field in an effort to develop a key well groundwater-level monitoring network. This key well network will be reviewed and finalized during the next reporting period, and will likely reduce the number of monitoring wells in the Chino-I program by two-thirds.

Management Zone 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 Management Zone 1 (City of Chino area). Data is being collected manually at all wells at least once a month and by automated pressure transducers at selected wells at least once every 15 minutes.



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.

Three-Year Sampling Program of All Accessible Private Wells. During this quarter, Watermaster continued the first year of a three-year sampling program in which all accessible private wells in the southern portion of the Chino Basin will be sampled (about 150 to 200 wells each year). Through the end of May 2003, almost 140 wells had been sampled. 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 uploaded and maintained in a relational database, with spatial access through a GIS.

Extensive Range of Substances Being Tested

- All groundwater samples are being analyzed for general mineral and general physical parameters.
- Wells 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).

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 parts per trillion 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 Cooperative Effort to Determine State of Hydraulic Control discussion in Program Elements 6 and 7.)



Prioritizing Wells to Serve Multiple Purposes

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 Cooperative Effort to Determine State of Hydraulic Control discussion in Program Elements 6 and 7.)

Groundwater-Production Monitoring

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 540 active agricultural wells. Watermaster intends to equip 385 of these wells with operating meters. The other 159 wells were forecast to be inactive or destroyed within two years. As of May 31, 2003, 369 of these wells are metered, with the remainder to be metered by July 2003.

All Producing Wells Are Monitored Quarterly. Watermaster staff reads private wells with meters. A method appropriate to the Chino Basin area continues to be 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. In the second half of fiscal 2003-2004, Watermaster anticipates discussions regarding the need for this form.

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 where storm water is found in the basins. Thirty-seven (37) composite samples, including repeat sampling, were collected from March 4, 2003 through May 7, 2003.

Surface-Water Monitoring for Santa Ana River to Begin In June 2003. One of the goals of the OBMP is to maximize Chino Basin yield. One of the key components to maximizing yield is to minimize groundwater discharge to the Santa Ana River and, in some reaches 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 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 was scheduled to begin in June 2003. A conceptual monitoring plan involving Inland Empire Utilities Agency, Orange County Water District, the Regional Water Quality Control Board, and Watermaster was finalized. IEUA, OCWD, the Regional Board, and Watermaster determined that the conceptual monitoring plan was adequate and determined to move forward with the development of a detailed work plan to implement a surface-water and groundwater-monitoring program. The work plan is in preparation and should be completed by the end of June 2003.

Watermaster consultants met with the staff of the U.S. Geological Survey, which will conduct stream gauge measurements at 4 ad hoc stations in the Santa Ana River between MWD Crossing and Prado Dam: SAR at Van Buren, SAR at Etiwanda, SAR at Hamner, and SAR at River Road. Another ad hoc station will measure discharge from Hole Lake near the Santa Ana River.

Watermaster will collect water quality samples at these ad hoc stations on a bi-weekly basis from June through September 2003. In addition, Watermaster will obtain discharge and quality data for permanent USGS and OCWD stream gauge locations on the Santa Ana River and its tributaries. Discharges from POTWs will also be quantified.

During the next reporting period, Watermaster intends to enter into and begin to implement a contract with USGS to perform monitoring on the Santa Ana River.

Land-Surface Monitoring

Multifaceted Approach. 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 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 the 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.

Progress During This Reporting Period. The Ayala Park Extensometer drilling/completion contract was awarded to Layne Christensen, and work began on April 7, 2003. A deep extensometer borehole was drilled to a depth of 1,410 feet, and the shallow extensometer borehole was drilled to 540 feet. Deep and shallow extensometer construction was completed on May 5, 2003. Construction of the extensometer well head and building is underway and should be completed by June 27, 2003. The target date for extensometer completion and the commencement of data collection is July 1, 2003.

Depth-Specific Data. Permanent transducers and data logging equipment are recording depth-specific groundwater-level data at the Ayala Park piezometers. Transducers also are recording groundwater-level data at wells owned by the cities of Chino and Chino Hills, and are recording groundwater-level data and "on/off" pumping cycles at active production wells. The State of California (CIM) and Watermaster have signed an access agreement that will allow water-level and production monitoring to begin at CIM wells. It is anticipated that all monitoring equipment be installed in June 2003.

Aquifer Stress Tests. During the reporting period, Watermaster, with the assistance of the cities of Chino Hills and Chino, conducted aquifer stress tests (pumping tests) while monitoring water levels and groundwater production at nearby monitoring wells, production wells, and at the Ayala Park piezometers. The objectives and proposed methods of this testing and monitoring were distributed to and approved by the MZ-1 Technical Committee at the March 12, 2003 meeting.

Controlled Pumping. The reconnaissance pumping tests were to consist of controlled pumping in both the deep and shallow aquifer systems. The deep pumping test was conducted at Chino Hills Well 19 for a 48-hour period (April 17-19, 2003) at a pumping rate of about 1,750 gallons per minute (gpm). The shallow pumping test will not be conducted until the wells at CIM have been instrumented with transducers. However, shallow pumping did occur at Chino Hills Well 1A for a 40-hour period (April 5-7, 2003) at a pumping rate of about 700 gpm as part of normal operations. This shallow pumping has provided valuable data from the shallow aquifer system in lieu of a controlled pumping test during this reporting period. Most other wells in the immediate vicinity were not pumping during these tests due to the forbearance agreement, which assisted in the interpretation of the data.

Preliminary observations and conclusions derived from analysis of these data are:

- Deep pumping at Chino Hills Well 19 (screened interval = 340-1,000 ft-bgs) did not affect water levels in the two shallowest piezometers, PA-11 (139-149 ft-bgs) and PA-10 (213-233 ft-bgs), or in the two deepest piezometers, PB-2 (1,086-1,096 ft-bgs) and PB-1 (1,209-1,229 ft-bgs).



- Deep pumping at Chino Hills Well 19 resulted in declining water levels in all other piezometers. The greatest water-level decline occurred in PA-7 (438-448 ft-bgs) and PB-6 (502-522 ft-bgs), which are both screened within coarse-grained units of the deep aquifer system.
- Shallow pumping at Chino Hills Well 1A (screened interval = 166-317 ft-bgs) resulted in immediately declining water levels in the two shallowest piezometers, PA-11 (139-149 ft-bgs) and PA-10 (213-233 ft-bgs). Water levels in PA-9 (336-346 ft-bgs) and PA-8 (394-399 ft-bgs) declined slightly hours after initial water-level decline in the shallower piezometers. No water-level decline was recorded at any of deeper piezometers.
- The deep and shallow aquifer systems are separated by a series of thick, fine-grained sedimentary units that occur between about 250-440 ft-bgs.
- A high permeability zone within the deep aquifer-system is located within a series of coarse-grained sedimentary units that occur from about 440-600 ft-bgs.
- Water levels at Chino Hills Well 18 were not affected by pumping at Chino Hills 19, which suggests that a groundwater barrier within the deep aquifer system may exist between the two wells.

The above observations and conclusions assisted in the final design of the deep and shallow extensometers (see above). This arrangement of extensometer anchors, along with the piezometer data, will enable distinction between compaction within the shallow aquifer system (0-300 ft-bgs), the upper, fine-grained portions of the deep aquifer system (300-440 ft-bgs), and the lower, fine-grained portions of the deep aquifer system (600-1,375 ft-bgs).

No significant activity occurred regarding InSAR monitoring during this period.

Benchmark Monument Network. Monument installation and the initial ground-level survey were completed on April 29, 2003. Monument installation and the initial survey were performed as per the final design of the benchmark monument network that was approved by the MZ-1 Technical Committee on the January 29, 2003. Survey data and all deliverables will be provided to Watermaster in June 2003, and will be presented at the next MZ-1 Technical Committee meeting. At the March 12, 2003 meeting of the MZ-1 Technical Committee, a Technical Progress Report on MZ-1 Monitoring Program was submitted to the committee (see attached March 12, 2003 Letter from WE Inc.) The report includes progress updates on benchmark surveys, InSAR data, aquifer-system monitoring, and a draft aquifer-system testing procedure.

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 150 abandoned wells during a 2002-03 field inspection. It was determined that 113 of the wells were properly abandoned and 37 wells would require some modification to meet the standard for a properly abandoned well. A repair program was prepared and approved by Watermaster. 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 July 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.



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 Facilities Improvement Project To Be Build In Six Construction Phases

Bid package No. 1 was awarded to LT Excavating for \$6,996,640. Work began on March 24, 2003 with an estimated completion date of November 14, 2003. Excavation and embankment construction is well underway at RP-3 and College Heights Basins.

Construction has been delayed at Turner No. 1, Turner Nos. 2,3, & 4, Lower Day, and Banana Basins, because permits from the San Bernardino County Flood Control District have not yet been issued. Work is expected to begin on those basins by June 1, 2002. The construction contract is roughly 10 percent complete as of May 20, 2003.

Bid Package No. 2 will contain improvement to Ely, Eighth Street, and Declez Basins, including the installation of four rubber dams, and drop inlets at three locations. Bid Package No. 2 will be out to bid on June 12, 2003. Construction of elements included in Bid Package No. 2 is expected to start by July 1, 2003 and be completed in 238 calendar days (February 23, 2004). The installation of the rubber dams/diversion structures is to be completed before October 15, 2003, which is the start of the rainy season. The diversion facilities are to be operational by December 31, 2003.

Bid Package No. 3, which includes the Jurupa and Hickory Force Mains, is to be out to bid by the middle of June. Bid Package No. 4, which includes the Jurupa and Hickory Pump Stations, is to be issued for bid by middle of July.

The preliminary design of elements included in Bid Package No. 5, primarily the MWD Turnouts, is underway. The preliminary design of elements in Bid Package No. 6, which includes the SCADA System, is complete. The final SCADA design is expected to begin in August 2003.

Groundwater Recharge Coordinating Committee

On April 1, 2003, members of the Chino Basin Watermaster, IEUA, San Bernardino County Flood Control and Conservation District, and the Chino Basin Conservation District met as part of the first Groundwater Recharge Coordinating Committee (GRCC). The formation of the GRCC is outlined in the Agreement for Operation and Maintenance of Facilities to Implement the Chino Basin Recharge Master Plan. The GRCC will meet to monitor and coordinate recharge effort associated with the Recharge Facilities Improvement Project. The GRCC's initial efforts were focused on defining additional operation and maintenance costs associated with the Recharge Facilities Improvement Project. Watermaster has developed a draft 2003-2004 budget that has budgeted approximately \$440,000 for the operation and maintenance activities.



Santa Ana River Fully Appropriated Stream (FAS) Petition and Application

Watermaster's Santa Ana River Application to Appropriate, which was filed by Watermaster in trust for the Parties to the Judgment, is reported under Program Element 2. This is because the water referenced under Watermaster's Application is seasonal storm flows that have been and will be recharged pursuant to this Program Element.

On May 20, 2003, the SWRCB provided formal notice to all the participants in the Santa Ana River process of protests that have been filed to the various applications. A 30-day period was provided for responses to the protests.

The U.S. Forest Service, California Department of Fish & Game, East Valley Water District, and the Cucamonga County Water District have protested Watermaster's Application. As previously reported, the Forest Service has informally agreed to withdraw its protest. Watermaster is confident that all issues raised in the protests can be satisfactorily resolved.



**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**

These program elements focus on the shift of production in the southern end of the Basin away from agricultural uses and 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. The Basin will be managed to avoid this possibility.

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.

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 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.

Wells

- Step drawdown testing and constant rate pumping test for Wells 13, 14, and 15 were completed in March 2003.
- The hydrogeologist's recommended design flowrate is 2,200 gpm for Well 13, 2,000 gpm for Well 14, and 2,000 gpm for Well 15.
- Previously estimated flowrate from these wells was 1,500 gpm, with four wells required.
- Therefore, the CDA is considering eliminating one well from the Project (Well No. I-12)

Off-Site Improvements

- Plans and specifications for the Chino Hills pump station are almost complete.



- Final design plans and specifications for the product water pipeline in Euclid Avenue are scheduled to be completed in June 2003.
- Final design plans and specifications for the raw water pipelines are scheduled to be completed in June 2003.

On-Site Improvements

- The CDA received bids for the Ion Exchange Treatment System on April 17, 2003.
- Because award is based upon project life cycle costs, and due to correspondence from the apparent low bidder, the bids are currently being evaluated by the CDA and its attorney.
- Final design plans and specifications for all other onsite improvements are being developed. Additional facilities that are now included in the design are an air stripper to remove VOC's from the bypass wells, a new Ontario/Chino discharge pump station, and a diversion structure for plant emergency discharge to the City of Chino storm drain.

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.

Wells

- Nine potential well sites have been identified.
- CDA staff is continuing negotiation efforts with property owners for well sites.
- CDA staff is also continuing its coordination with the City of Ontario for two of these potential sites within a future development.

On-Site Improvements

- The Chino II Desalter final design plans and specifications are being prepared. Plans are at 80 percent done.



**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.*

MZ1 Technical Committee. The MZ1 Technical Committee met on April 30, 2003. Committee representatives were informed of the status of the various efforts to implement the monitoring program (see Land-Surface Monitoring section of Program Element 1). The next meeting is tentatively scheduled for June 2003. The focus of the next meeting will be a more detailed examination of a possible deep well injection test.

Voluntary Forbearance. On May 28-29, 2003, the City of Chino and the City of Chino Hills submitted certifications documenting their respective voluntary participation in forbearance of groundwater production. Through the end of April 2003, both parties have all but met the forbearance goal of 1,500 acre-ft per year. Their totals through April are detailed below:

Agency	Forbearance through April 2003	Forbearance Goal 02/03
City Of Chino	1,384 acre-feet	1,500 acre-feet
City Of Chino Hills	1,396 acre-feet	1,500 acre-feet

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 2004. 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.

Watermaster is not aware at this time of other legal actions pending that would cause the issue of the Court's jurisdiction over subsidence to resurface. In its October 17, 2002 Order, the Court ordered Watermaster to keep the Court apprised of any other legal actions that could cause the question of the Court's jurisdiction over subsidence to arise. Watermaster is not aware at this time of any such actions.



**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 had not been formally constituted previously. 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. Watermaster has started a process to review water quality conditions in the Basin and to consider future water quality management activities beyond the Chino Basin desalting program. The ad hoc water quality committee (WQC) has been formed and has met twice to define the objectives and roles of the committee.

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 focus on the following key areas:

- Watermaster is identifying and characterizing water-quality anomalies, such as the VOC anomaly north of the Chino I Desalter well field.
- Watermaster staff continues to participate in the process to develop TMDLs 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 regard to developing a monitoring program to track perchlorate in groundwater in the Fontana 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 Total Inorganic Nitrogen/Total Dissolved Solids (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 and 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 Program Element 1. Watermaster is collaborating with OCWD and IEUA, in an investigation to select existing wells and to site new multi-piezometer wells that will be used to monitor and assess the state of hydraulic control. This collaboration is unprecedented. 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.

Watermaster and IEUA have committed to the construction of a total of 10 new multi-piezometer wells during fiscal years 2003-04 and 2004-05. 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 support construction of piezometric monitoring wells that, in addition to some existing wells, would be used for monitoring and assessing the state of hydraulic control. DWR has indicated that Watermaster has been selected to receive a grant, but that funding is uncertain due to the State budget crisis.

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. This letter was originally scheduled to be submitted to Watermaster in December 2003 but has been deferred pending discussions with the Regional Water Quality Control Board regarding methods and the ongoing Basin Plan update. A report to Watermaster will likely be made in the next quarter.



**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 acre-feet of storage. This Program also explores the potential for using up to 500,000 acre-feet of storage capacity.

Conduct Groundwater Modeling. The groundwater model is nearing completion and simulations of DYY Program scenarios are being conducted. The model results will be summarized in the Preliminary Design Report (PDR) and detailed in a separate stand-alone report due shortly. Prior to completing the PDR, Watermaster is using the model to:

- develop future replenishment and wet-water recharge criteria based on requirements described in the Section 7.1 b of the Watermaster Rules and Regulations regarding the balance of recharge and discharge;
- evaluate the cumulative effects of transfers among the Parties as described in Section 9.3 a of the Watermaster Rules and Regulations;
- describe pumping patterns in Management Zone 1 that will not reduce piezometric levels below current conditions.

These management criteria will be incorporated into the DYY program. The results of this work will be presented to the Pool Committees, Advisory Committee and the Watermaster Board in June 2003 and subsequently to the Court.

Engineering Review and Determination of the Operational Storage Requirement and Safe Storage. The Operational Storage Requirement was defined in the Peace Agreement as the part of the storage in the Chino Basin "necessary to maintain the safe yield" of the Basin (Peace Agreement, Exhibit – B Implementation Plan, page 37). Safe Storage is the maximum storage in the Basin that could occur without significant water quality and high groundwater related problems.

Watermaster is using the hydrology developed for the groundwater model and Monte Carlo methods to develop an estimate of the operational storage requirement.

The results of this work will be presented to the Pool Committees, Advisory Committee, and the Watermaster Board in June 2003 and subsequently to the Court. Criteria and methods are being discussed regarding the evaluation of safe storage and the estimate of safe storage will likely be developed later in calendar year 2003.

Other Uses of the Groundwater Model in OBMP Implementation. The groundwater model is also being used to assess the balance between recharge and discharge throughout the Basin, operational storage requirement and safe storage, and the



cumulative physical impact of transfers. This work started in March 2003 and will be submitted to the Watermaster Board in June 2003.

Groundwater Storage Program with MWD

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, but have not finalized 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.

Develop Funding and Local Agency Agreements. The Groundwater Storage Program Funding Agreement between Metropolitan, IEUA, Three Valleys Municipal Water District (TVMWD), and Watermaster has been finalized and will be executed in June 2003.

Pursuant to the terms of the Funding Agreement, the Agreement was submitted to the Court for approval at a hearing to be held on June 5, 2003. Because the approval was bi-furcated between approval of the deal points through the Funding Agreement and approval of the physical storage account, the standard according to which the Court is to evaluate the Funding Agreement is whether it satisfies the Peace Agreement mandate that the Storage and Recovery Program should provide broad mutual benefits.

During this period a Rules and Regulations Article X Storage and Recovery Application was submitted by IEUA on behalf of Metropolitan. Notice of this Application was provided to the parties on April 30, 2003. This Application represents the second part of the approval process relative to the creation of a 100,000 AF Storage and Recovery account for Metropolitan. It is through this second stage that Watermaster will evaluate the proposal relative to the Material Physical Injury standard of the Peace Agreement and the Rules and Regulations.



ADMINISTRATIVE UPDATE

Watermaster Staff Restructuring

In January of 2003, the Watermaster Board approved a restructuring plan. As a result, two positions are currently being advertised – Senior Engineer and Project Engineer. It is expected that the recruitment process will be concluded in July 2003. The open clerical positions are also expected to be filled in July 2003.

CONCLUSION

This reporting period has been an active time at the Watermaster. In addition to finalizing the Groundwater Storage Agreement with Metropolitan Water District of Southern California, Three Valleys Municipal Water District, and Inland Empire Utilities Agency, significant progress has been made on the Recharge Improvement Project and the Chino Basin's Maximum Benefit Proposal amendment to the Santa Ana Regional Water Quality Control Board's Basin Plan.



CHINO BASIN WATERMASTER

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JOHN V. ROSSI
Chief Executive Officer

STAFF REPORT

DATE: June 12, 2003
June 19, 2003

TO: Pool Members
Advisory Committee Members
Watermaster Board Members

SUBJECT: Streamflow Measurements by the US Geological Survey

SUMMARY

Issue – Contract with US Geological Survey (USGS) to conduct stream flow measurements as part of the Hydraulic Control Monitoring Program

Recommendation - Staff recommends that the Watermaster contract with the USGS to perform these necessary measurements in the amount of \$32,500 and authorize the CEO to execute the necessary paperwork.

Fiscal Impact – All funds for this work are included in the FY 2003/2004 Budget.

BACKGROUND

Hydraulic control of Chino Basin accomplishes two objectives: (i) maximizes safe yield of the basin – as stated in the OBMP Phase 1 Report and the Peace Agreement; and (ii) minimizes any potentially deleterious impacts to downstream beneficial uses caused by recharge activities in the Chino North management zone – as mandated by the Basin Plan Amendment.

Objective 1 – Studies in the OBMP suggest that the yield of the Basin could be increased by simply increasing the production near the river, and that for every two acre-ft of new, near-river production the safe yield could be increased by one acre-ft, that is the marginal change in safe yield with increased near-river production is about 0.5 acre-ft/yr per acre-ft/yr of production.

Objective 2 - As part of the Basin Plan update, Chino Basin Watermaster has proposed that the total dissolved solids (TDS) and nitrate objectives in the Chino North management zone (as designated in the proposed 2002/03 Basin Plan amendments) be established based on maximum benefit and not on antidegradation. One of the criteria required by the Regional Water Quality Control Board (RWQCB) that must be satisfied to establish objectives based on maximum benefit is to demonstrate that raising the TDS objective to 430 mg/L and the nitrate objective to 5 mg/L will not impact downstream beneficial uses or significantly impact the quality of the Santa Ana River. Demonstrating hydraulic control will show that downstream beneficial uses are not impaired by management activities in the Chino North management zone.

DISCUSSION

A portion of the study to demonstrate hydraulic control in Chino Basin is to gauge the Santa Ana River, its tributaries, and significant discharges to the river at key locations. Several permanent USGS locations exist and data from these stations will be used in the analyses. In addition, Watermaster has identified five additional locations that should be gauged: four ad hoc stations on the Santa Ana River and one at the Hole Lake Discharge to the river.

Watermaster will contract with the USGS whose staff will conduct the stream flow measurements. Watermaster staff and/or its consultant will conduct a site visit to the ad hoc stations to assess their suitability for stream gauging. The ad hoc stations will be gauged every two weeks between July and September for the first year. In succeeding years the study period will be from May through September.

The cost for conducting the approximate 50 stream gauge measurements is \$32,500. Federal Matching Funds are not available, so the entire cost would be the responsibility of the cooperator (Chino Basin Watermaster). The cost estimate includes field work, data processing, storage of data in the USGS data base, and publication in the USGS Annual Data Report series. The USGS is preparing a program letter and funding agreement for both the USGS and Watermaster to sign.

CHINO BASIN WATERMASTER

June 12, 2003

10:00 a.m. – Appropriative & Non-Agricultural Meeting
1:00 p.m. – Agricultural Meeting

II. BUSINESS ITEMS

- A. FISCAL 2003-2004 WATERMASTER BUDGET
- B. CONSIDER REQUEST FROM MONTEVISTA WATER DISTRICT FOR REVIEW OF COST APPORTIONMENT RELATED TO OBMP SALT CREDITS
- D. WATER QUALITY COMMITTEE RECOMENDATIONS



CHINO BASIN WATERMASTER

8632 Archibald Avenue, Suite 109, Rancho Cucamonga, Ca 91730
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JOHN V. ROSSI
Chief Executive Officer

STAFF REPORT

DATE: June 12, 2003
June 19, 2003

TO: Pool Members
Advisory Committee Members
Watermaster Board Members

SUBJECT: PROPOSED FISCAL YEAR 2003/04 BUDGET

SUMMARY

Issue – Approval of Watermaster Annual Budget for Administration and Operation Expenses during FY 2003-04

Recommendations – Staff recommends the Committees and the Board take action to approve/adopt the Proposed FY 2003-04 Budget.

Fiscal Impact – The FY 2003-04 Proposed Budget expenses are \$6,829,444. The FY 2003-04 Budget, as proposed, anticipates a decrease in Administrative costs, an increase in OBMP general costs, and a slight increase in OBMP project costs and total expenses.

BACKGROUND

This year, the proposed budget is based on estimated project costs related to OBMP activities as well as assumptions based on the current year projected actual expenditures. A summary of these income and expense items is listed in the attached summarized budget. The detail of the costs related to Administration, OBMP Implementation Projects, and Replenishment Water purchases are included. A description of the accounts listed in the detailed budget for fiscal year 2003/04 is listed in the enclosed line item justification summary.

DISCUSSION

Staff has compiled a draft budget for continuing implementation of the basin's Optimum Basin Management Program. Staff anticipates the continuation of areas of focus to include:

- Monitoring activities – Water level and quality, production, surface water quality
- Implementation of the recharge improvement and dry year yield projects
- Further development of the storage and recovery program
- Processing through the approval of the Regional Water Quality Control Board's basin plan amendment including the Chino Basin's Maximum Benefit Demonstration
- Management of subsidence related monitoring and analysis
- Computerization of monitoring and office automation processes, and

- Implementation of the Watermaster staffing restructuring

In the coming year, the following new OBMP project or tasks are being implemented:

- Hydraulic Control Monitoring Program
- Inactive Well Protection Program
- Water Quality Committee

The Proposed FY 2003-04 Budget includes expenditures for the local share of Recharge Improvements Project being implemented by IEUA and Watermaster, including debt and operating & maintenance costs for the coming year.

The Proposed Budget also includes budgeted staff positions. This includes filling vacant positions for a Senior Engineer, Project Engineer, Secretary II and Executive Assistant. During FY 2003-04, emphasis will be placed on continuing to upgrade Watermaster's database with regard to water quality data, water level data, water production data and active party information. Additionally, work will begin on automating the assessment and budget packages. Also, the updated Watermaster website will include a members only section which will allow for remote access to view selected information.

In summary, the FY 2003-04 Budget, as proposed, anticipates a decrease in Administrative costs, an increase in OBMP general costs, and a slight increase in OBMP project costs. Final assessments will be refined when the assessment package is prepared this fall, as it is dependent on prior year pumping, but it is anticipated that administrative and OBMP assessments will decrease slightly. Recharge Improvement project assessments will increase as a result of the O&M expenditures for the project as they are being included for the first time.

**CHINO BASIN WATERMASTER
FY 2003/2004
SUMMARY BUDGET**

	FY 01-02 June Actual	FY 02-03 December Actual	FY 02-03 Current Budget	FY 03-04 Proposed Budget	Current vs. Proposed
Ordinary Income/Expense					
4000 Mutual Agency Revenue	\$85,125	\$26,629	\$20,000	\$0	-\$20,000
4110 Admin Asmnts-Approp.Pool	4,241,553	4,470,785	3,580,590	3,931,695	351,105
4120 Admin Asmnts-Non-Agri Pool	241,981	149,042	196,982	88,201	-108,781
4730 Prorated Interest Income	118,608	38,095	132,890	112,025	-20,865
Total Income	4,687,290	4,684,551	3,930,462	4,131,921	201,459
Administrative Expenses					
6010 Salary Costs	428,397	198,285	414,173	385,900	-28,273
6020 Office Building Expense	70,561	40,491	123,845	108,995	-14,850
6030 Office Supplies & Equip.	30,082	14,814	29,800	41,000	11,200
6040 Postage & Printing Costs	63,155	28,726	72,450	66,400	-6,050
6050 Information Services	95,905	43,348	101,800	105,750	3,950
6060 WM Special Contract Services	184,846	53,669	227,600	121,000	-106,600
6080 Insurance Expense	10,889	7,128	11,210	16,710	5,500
6110 Dues and Subscriptions	12,619	11,217	13,500	14,500	1,000
6150 Field Supplies & Equipment	4,268	1,907	3,950	4,250	300
6170 Vehicle Maintenance Costs	24,656	9,816	25,500	46,300	20,800
6190 Conferences & Seminars	11,682	10,952	14,500	16,000	1,500
6200 Advisory Committee Expenses	20,266	7,311	17,870	15,071	-2,799
6300 Watermaster Board Expenses	42,198	13,818	42,522	28,371	-14,151
6500 Education Fund Expenditures	375	0	375	375	0
8300 Appropriative Pool Administration	15,236	8,748	16,310	14,471	-1,839
8400 Agricultural Pool Administration	120,221	33,821	119,010	233,979	114,969
8500 Non-Agricultural Pool Administration	6,666	2,380	4,482	6,698	2,236
9500 Allocated G&A Expenditures	0	-119,852	-286,120	-309,073	-22,953
Total Administrative Expenses	1,141,602	384,479	952,757	916,697	-36,060
General OBMP Expenditures					
6900 Optimum Basin Mgmt Program	806,876	443,070	810,777	942,065	131,288
6950 Cooperative Efforts	103,504	38,156	2,500	85,004	82,504
9501 Allocated G&A Expenditures	0	33,419	80,857	91,999	11,142
Total General OBMP Expenditures	910,380	514,645	894,134	1,119,068	224,934

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**CHINO BASIN WATERMASTER
FY 2003/2004
SUMMARY BUDGET**

	FY 01-02 June Actual	FY 02-03 December Actual	FY 02-03 Current Budget	FY 03-04 Proposed Budget	Current vs. Proposed
7000 OBMP Implementation Projects					
7101 Production Monitoring	28,488	14,174	61,062	79,283	18,221
7102 In-Line Meter Installation/Maintenance	222,973	187,302	439,399	131,380	-308,019
7103 Groundwater Quality Monitoring	194,891	101,120	321,829	274,613	-47,216
7104 Groundwater Level Monitoring	182,501	51,492	205,916	157,852	-48,064
7105 Surface Water Quality Monitoring	23,727	17,028	85,161	133,595	48,434
7106 Water Level Sensors Install	20,969	16,696	34,501	26,835	-7,666
7107 Ground Level Monitoring	51,302	367,981	801,070	202,283	-598,787
7108 Hydraulic Control Monitoring Program	0	0	0	718,227	-718,227
7200 OBMP Pgm Element 2 - Comp Recharge Program	286,856	114,523	184,168	89,575	-94,593
7300 OBMP Program Element 3 & 5 - Water Supply Plan - Desalter	133,099	5,300	123,587	47,489	-76,088
7400 OBMP Pgm Element 4 - Mgmt Zone Mgmt Strategies	98,523	98,803	81,172	187,308	106,136
7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Salt Mgmt	37,889	87,942	58,299	51,820	-6,479
7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use	157,334	26,656	102,830	146,179	43,349
7700 Inactive Well Protection Program	0	0	0	30,447	30,447
7208 Comp Recharge - Basin Program O&M	0	0	0	441,859	441,859
7690 Recharge Improvement Debt Payment	0	429,250	620,000	429,250	-190,750
9502 Allocated G&A Expenditures	0	86,433	205,263	217,074	11,811
Total OBMP Implementation Projects	1,438,652	1,604,600	3,324,267	3,365,079	40,822
Total Expenses	3,490,334	2,483,725	5,171,148	5,400,844	229,696
Net Ordinary Income	1,196,956	2,200,826	-1,240,686	-1,268,923	-28,237
Other Income					
4210 Approp Pool-Replenishment	38,946	1,424,041	0	0	0
4220 Non-Ag Pool-Replenishment	9,329	8,567	0	0	0
4230 Groundwater Recharge Activity	1,579,500	1,586,000	2,285,049	2,189,500	-95,549
Total Other Income	1,627,776	3,018,609	2,285,049	2,189,500	-95,549
Other Expense					
5010 Groundwater Recharge	1,567,524	1,333,067	2,285,049	2,273,500	-11,549
5050 SB222 Cyclic Storage Program	0	0	0	0	0
Total Other Expense	1,567,524	1,333,067	2,285,049	2,273,500	-11,549
Net Other Income	60,252	1,685,541	0	-84,000	-84,000
9800 From / (To) Reserves	-1,257,208	-3,886,368	1,240,686	1,352,923	112,237
Net Income	\$0	\$0	\$0	\$0	\$0

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**CHINO BASIN WATERMASTER
FY 2003/2004
DETAIL BUDGET**

	FY 01-02 June Actual	FY 02-03 December Actual	FY 02-03 Current Budget	FY 03-04 Proposed Budget	Current vs. Proposed
Ordinary Income/Expense					
Income					
4000 Cooperative Effort Contributions					
4031 IEUA - Groundwater Level Monitoring	\$0	\$0	\$20,000	\$0	-\$20,000
4038 IEUA 50% MZ3 Study	0	26,629	0	0	0
4039 SWRCB 205(j) Grant	85,125	0	0	0	0
Total 4000 Mutual Agency Revenue	85,125	26,629	20,000	0	-20,000
4110 Admin Asmnts-Approp Pool					
4111 Gross Administration	842,420	497,056	635,724	639,183	3,459
4111.2 OBMP Adm Assessment	2,040,986	2,090,342	1,677,418	1,330,157	-347,261
4112 Agric. Pool Transfer	485,791	400,663	235,741	218,229	-17,512
4113 OBMP - Ag Pool Water Reallocation	986,870	1,150,104	1,031,707	873,017	-158,890
4115 Recharge Improvement Revenue	0	430,000	0	871,109	871,109
4117 P/Y Adjustments & Pool Interest	-114,514	-97,380	0	0	0
Total 4110 Admin Asmnts-Approp Pool	4,241,553	4,470,785	3,580,590	3,931,695	351,105
4120 Admin Asmnts-Non-Agri Pool					
4123 Non-Agricultural Pool	67,748	26,797	47,695	30,664	-17,031
4124 OBMP Adm Assessment	174,213	122,245	149,287	57,537	-91,750
Total 4120 Admin Asmnts-Non-Agri Pool	241,961	149,042	196,982	88,201	-108,761
Total 4100 Assessment Revenues	4,483,514	4,619,827	3,777,572	4,019,896	242,324
4714 Unrealzd Gain(Loss)/Invest	0	0	0	0	0
4730 Prorated Interest Income					
4731 Interest - Agri. Pool	15,983	5,827	18,168	16,000	-2,168
4732 Interest - Approp. Pool	97,380	30,444	108,353	92,000	-16,353
4733 Interest - Non-Ag Pool	5,144	1,789	6,244	3,900	-2,344
4739 Interest - Education Fund	101	36	125	125	0
Total 4730 Prorated Interest Income	118,608	38,095	132,890	112,025	-20,865
Total 4700 Non Operating Revenues	118,608	38,095	132,890	112,025	-20,865
4900 Miscellaneous Income	43	0	0	0	0
Total Income	4,687,290	4,684,551	3,930,462	4,131,921	201,459

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**CHINO BASIN WATERMASTER
FY 2003/2004
DETAIL BUDGET**

	FY 01-02 June Actual	FY 02-03 December Actual	FY 02-03 Current Budget	FY 03-04 Proposed Budget	Current vs. Proposed
Administrative Expenses					
6010 Salary Costs					
6011 WM Staff Salaries & Payroll Burden	421,610	187,410	411,130	382,844	-28,286
6012 Payroll Services	1,814	895	1,800	1,800	0
6016 New Employee Search Costs	800	0	500	500	0
6017 Temporary Services	789	0	750	750	0
Subtotal Wages	<u>424,813</u>	<u>188,304</u>	<u>414,180</u>	<u>385,894</u>	<u>-28,286</u>
6018 Fringe Benefits – See Exhibit B-1	232,419	130,471	304,870	308,774	3,904
60199 Payroll Burden Allocated – See Exhibit B-1 for percentage applied for 01/02	-228,835	-120,490	-304,877	-308,768	-3,891
Total 6010 Salary Costs	<u>426,397</u>	<u>198,285</u>	<u>414,173</u>	<u>385,900</u>	<u>-28,273</u>
6020 Office Building Expense					
6021 Office Lease	50,689	26,713	52,400	52,500	100
6022 Telephone	10,898	5,873	13,920	13,920	0
6023 Electricity	7,418	5,279	9,450	12,500	3,050
6026 Security Services	546	252	500	500	0
6027 Other Expense	1,010	2,374	47,575	28,575	-18,000
Total 6020 Office Building Expense	<u>70,561</u>	<u>40,491</u>	<u>123,845</u>	<u>108,995</u>	<u>-14,850</u>
6030 Office Supplies & Equip.					
6031 Office Supplies	17,746	6,838	16,500	15,000	-1,500
6036 Minor Office Furniture	1,216	0	1,000	0	-1,000
6038 Other Office Equipment	511	7,288	9,000	14,500	5,500
6039 Other Office Expenses	8,300	0	2,500	11,500	9,000
6141 Meeting Expenses	2,309	688	800	0	-800
Total 6030 Office Supplies & Equip.	<u>30,082</u>	<u>14,814</u>	<u>29,800</u>	<u>41,000</u>	<u>12,000</u>
6040 Postage & Printing Costs					
6041 & 6042 Postage	19,553	6,405	24,000	14,500	-9,500
6043 Copy Machine Lease	41,231	19,494	44,000	43,500	-500
6044 Postage Meter Lease	742	1,461	750	2,400	1,650
6045 Outside Printing	1,528	399	3,500	5,000	1,500
6046 Legal Publications	100	967	200	1,000	800
Total 6040 Postage & Printing Costs	<u>63,155</u>	<u>28,726</u>	<u>72,450</u>	<u>66,400</u>	<u>-6,050</u>
6050 Information Services					
6052 Computer Consultant Support Svcs	55,162	25,199	59,000	53,250	-5,750
6053 Internet Services	13,612	6,622	14,000	14,000	0
6054 Computer Software	6,890	470	9,000	15,500	6,500
6055 Computer Hardware	12,196	7,003	11,000	15,000	4,000
6057 Computer Maintenance	8,044	4,055	8,800	8,000	-800
Total 6050 Information Services	<u>95,905</u>	<u>43,348</u>	<u>101,800</u>	<u>105,750</u>	<u>3,950</u>

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**CHINO BASIN WATERMASTER
FY 2003/2004
DETAIL BUDGET**

	FY 01-02 June Actual	FY 02-03 December Actual	FY 02-03 Current Budget	FY 03-04 Proposed Budget	Current vs. Proposed
6060 WM Special Contract Services					
6061 Other Contract Services	9,462	10,688	29,000	29,000	0
6062 Audit Services	3,745	0	5,000	5,000	0
6063 Public Relations Consultant	0	0	12,000	12,000	0
6065 MWD Connection Fee	15,600	6,500	15,600	0	-15,600
6066 Engineering Services	90,078	0	90,000	0	-90,000
6067 Legal Services - General Counsel	60,943	36,281	71,000	75,000	4,000
6068 Legal Services - Markot Settlement	4,798	90	5,000	0	-5,000
Total 6060 WM Special Contract Services	184,646	63,569	227,600	121,000	-106,600
6080 Insurance Expense					
6085 Business Insurance Package	10,480	6,919	11,000	16,500	5,500
6088 Position Bond Insurance	209	209	210	210	0
Total 6080 Insurance Expense	10,689	7,128	11,210	16,710	5,500
6110 Dues and Subscriptions					
6111 Membership Dues	10,315	10,555	12,000	13,000	1,000
6112 Subscriptions	2,304	662	1,500	1,500	0
Total 6110 Dues and Subscriptions	12,619	11,217	13,500	14,500	1,000
6150 Field Supplies & Equipment					
6151 Small Tools & Equipment	3,490	770	2,000	2,000	0
6152 Safety Shoes	0	0	250	250	0
6153 Film Processing & Development	452	0	800	200	-600
6154 Uniforms	316	1,137	900	1,800	900
Total 6150 Field Supplies & Equipment	4,258	1,907	3,950	4,250	300
6170 Vehicle Maintenance Costs					
6171 Vehicle Allowance	13,475	6,655	13,200	7,200	-6,000
6172 Vehicle Lease	201	0	1,000	0	-1,000
6173 Mileage Reimbursements	100	169	200	600	400
6174 Public Transportation	2,577	27	500	0	-500
6175 Vehicle Fuel	4,176	2,188	3,300	5,000	1,700
6177 Vehicle Repairs & Maintenance	2,702	777	5,500	5,000	-500
6179 Vehicle Purchases	1,425	0	1,800	28,500	26,700
Total 6170 Travel & Transportation	24,656	9,816	25,500	46,300	20,800
6190 Conferences & Seminars					
6191 Conferences & Seminars	7,065	3,900	7,500	11,500	4,000
6192 Training & Continuing Education	136	577	4,000	4,500	500
6194 Lodging	3,229	0	2,500	0	-2,500
6195 Meals	1,073	447	500	0	-500
6196 Travel	180	6,028	0	0	0
Total 6190 Conferences & Seminars	11,682	10,952	14,500	16,000	1,500

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DETAIL BUDGET PAGE 3

20032004 Budget

**CHINO BASIN WATERMASTER
FY 2003/2004
DETAIL BUDGET.**

	FY 01-02 June Actual	FY 02-03 December Actual	FY 02-03 Current Budget	FY 03-04 Proposed Budget	Current vs. Proposed
6200 Advisory Committee Expenses					
6201 WM Staff Salaries	18,586	6,664	15,770	13,071	-2,699
6211 Compensation - AG Pool Members	50	0	100	0	-100
6212 Meeting Expense	1,620	647	2,000	2,000	0
Total 6200 Advisory Committee Expenses	20,256	7,311	17,870	15,071	-2,799
6300 Watermaster Board Expenses					
6301 WM Staff Salaries	19,511	6,729	18,522	13,071	-5,451
6311 Board Member Compensation	21,000	5,625	23,500	13,000	-10,500
6312 Meeting Expense	1,310	1,464	200	2,000	1,800
6313 Board Members' Expenses	377	0	300	300	0
Total 6300 WM Board Expenses	42,198	13,818	42,522	28,371	-14,151
6500 Education Fund Expenditures	375	0	375	375	0
8300 Appropriative Pool Administration					0
8301 WM Staff Salaries	13,646	6,065	15,310	13,071	-2,239
8312 Meeting Expenses	1,590	681	1,000	1,400	400
Total 8300 Appropriative Pool Administration	15,236	6,746	16,310	14,471	-1,839
8400 Agricultural Pool Administration					
8401 WM Staff	14,450	7,825	15,310	13,579	-1,731
8411 Compensation	2,175	625	1,600	1,600	0
8412 Meeting Expenses	69	125	300	300	0
8450 Digester Funding	0	0	0	150,000	150,000
8456 IEUA RTS Meter Charge	1,242	661	1,500	1,500	0
8467 Agri-Pool Legal Service	76,217	16,055	73,000	45,000	-28,000
8467.1 Frank B & Associates	11,042	2,655	10,000	6,000	-4,000
8470 Ag Pool Meeting Special Compensation	15,025	5,875	17,300	16,000	-1,300
Total 8400 AG Pool Admin	120,221	33,821	119,010	233,979	114,969
8500 Non-Agricultural Pool Administration					
8501 WM Staff	6,626	2,303	4,162	6,398	2,236
8512 Meeting Expense	41	77	300	300	0
Total 8500 Non-Agricultural Pool Admin	6,666	2,380	4,462	6,698	2,236
9500 Allocated G&A Expenditures	0	-119,852	-286,120	-309,073	-22,953
Total Administrative Expenses	1,141,602	364,479	952,757	916,697	-36,060

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**CHINO BASIN WATERMASTER
FY 2003/2004
DETAIL BUDGET**

	FY 01-02 June Actual	FY 02-03 December Actual	FY 02-03 Current Budget	FY 03-04 Proposed Budget	Current vs. Proposed
General OBMP Expenses					
6900 Optimum Basin Mgmt Program					
6901 OBMP - Staff	35,937	35,860	97,361	106,794	9,433
6902 OBMP - Temporary Staff	14,509	23,744	31,416	47,900	16,484
6903 OBMP - S.A.R.W.G. Support	12,000	4,000	12,000	12,000	0
6904 OBMP - Financial Analyses	0	0	15,000	0	-15,000
6906 OBMP - Engineering	172,336	75,630	205,000	255,371	50,371
6907 OBMP - Legal					
6907.1 Ellison & Schnelder	116,251	83,856	80,000	140,000	60,000
6907.2 Ludorh & Scalmanini	31,010	25,657	40,000	40,000	0
6907.3 WM Legal Counsel	412,466	177,292	310,000	320,000	10,000
6909 OBMP - Other Expense	12,167	17,231	20,000	20,000	0
Total 6900 OBMP	806,676	443,070	810,777	942,065	131,288
6950 Cooperative Efforts					
6953 TDS-Nitrogen Study	0	4,821	2,500	5,000	-2,500
6956 CBWCD-Tuner Basin Development	23,500	0	0	0	0
6959 Emerg. Energy/OBMP Funding Coalition	80,004	33,335	0	80,004	80,004
Total 6950 Cooperative Efforts	103,504	38,156	2,500	85,004	82,504
9501 Allocated G&A Expenditures	0	33,419	80,857	91,999	11,142
Total General OBMP Expenses	910,180	514,645	894,134	1,119,068	224,934
7000 OBMP Implementation Projects					
<i>7100 OBMP Pgm Element 1 - Comp Monitoring Program</i>					
7101 Production Monitoring					
7101.1 Production Monitoring - WM Staff	15,233	13,597	16,886	32,133	15,247
7101.2 Production Monitoring - Temporary Services	0	0	7,426	33,000	25,574
7101.3 Production Monitoring - Engineering Services	12,094	200	24,000	12,000	-12,000
7101.4 Production Monitoring - Computer Services	1,063	377	12,000	2,000	-10,000
7101.5 Production Monitoring - Supplies & Repairs	98	0	750	150	-600
Total 7101 Production Monitoring	28,488	14,174	61,062	79,283	18,221

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**CHINO BASIN WATERMASTER
FY 2003/2004
DETAIL BUDGET**

	FY 01-02 June Actual	FY 02-03 December Actual	FY 02-03 Current Budget	FY 03-04 Proposed Budget	Current vs. Proposed
7102 In-Line Meter Installation/Maintenance					
7102.1 In-Line Meter - WM Staff	17,557	29,549	40,901	14,380	-26,521
7102.2 In-Line Meter - Temporary Services	0	0	5,998	5,000	-998
7102.4 In-Line Meter - Contract Services	43,841	40,002	162,000	30,000	-132,000
7102.5 In-Line Meter - Maintenance and Repair	0	0	0	24,000	24,000
7102.6 In-Line Meter - Supplies	0	1,559	0	2,800	2,800
7102.7 In-Line Meter - In-line Meters	146,460	105,792	199,500	18,000	-181,500
7102.8 Calibration & Testing	15,115	10,400	31,000	37,200	6,200
Total 7102 In-Line Meter Installation/Maintenance	222,973	187,302	439,399	131,380	-308,019
7103 Groundwater Quality Monitoring					
7103.1 Grdwtr Quality - WM Staff	9,764	803	19,843	13,499	-6,344
7103.2 Grdwtr Quality - Temporary Services	13,696	4,245	35,986	16,650	-19,336
7103.3 Grdwtr Quality - Engineering Services	96,022	69,119	65,000	90,764	25,764
7103.5 Grdwtr Quality - Laboratory Services	71,085	25,373	200,000	150,000	-50,000
7103.6 Grdwtr Quality - Supplies	3,281	1,203	1,000	2,500	1,500
7103.7 Grdwtr Quality - Computer Services	1,063	377	0	1,200	1,200
Total 7103 Groundwater Quality Monitoring Program	194,891	101,120	321,829	274,613	-47,216
7104 Groundwater Level Monitoring					
7104.1 Grdwtr Level - WM Staff	5,251	998	12,876	13,499	623
7104.2 Grdwtr Level - Temporary Services	80,223	35,649	78,540	74,750	-3,790
7104.3 Grdwtr Level - Engineering Services	75,895	7,435	75,000	32,003	-42,997
7104.4 Grdwtr level - Contract Services	11,784	4,093	0	6,500	6,500
7104.6 Grdwtr Level - Supplies	9,348	3,319	15,000	6,100	-8,900
7104.7 Grdwtr Level - Capital Equipment	0	0	24,500	25,000	500
Total 7104 Groundwater Level Monitoring	182,501	51,492	205,916	157,852	-48,064
7105 Surface Water Quality Monitoring					
7105.1 Surface Water Quality - WM Staff	4,532	1,695	10,022	10,079	57
7105.2 Surface Water Quality - Temporary Services	1,702	2,179	9,139	25,700	16,561
7105.3 Surface Water Quality - Engineering Services	7,900	3,145	28,000	62,316	36,316
7105.4 Surface Water Quality - Laboratory Services	9,464	9,726	40,000	35,000	-5,000
7105.6 Surface Water Quality - Supplies	129	283	0	500	500
Total 7105 Surface Water Quality Monitoring	23,727	17,028	85,161	133,595	48,434

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**CHINO BASIN WATERMASTER
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	FY 01-02 June Actual	FY 02-03 December Actual	FY 02-03 Current Budget	FY 03-04 Proposed Budget	Current vs. Proposed
7106 Water Level Sensors Install					
7106.1 Water Level Sensors - WM Staff	0	0	6,645	5,835	-810
7106.2 Water Level Sensors - Temporary Services	0	0	2,856	0	-2,856
7106.3 Water Level Sensors - Engineering Services	7,482	16,596	25,000	21,000	-4,000
7106.7 Water Level Sensors - Capital Equipment	13,487	0	0	0	0
Total 7106 Water Level Sensors Installation	20,969	16,596	34,501	26,835	-7,666
7107 Ground Level Monitoring					
7107.1 Ground Level - WM Staff	2,630	0	6,070	19,631	13,561
7107.2 Ground Level - Engineering Services	48,184	48,488	135,000	127,652	-7,348
7107.3 Ground Level - Synthetic Aperture Radar	0	0	10,000	25,000	15,000
7107.4 Ground Level - Computer Services	488	0	0	0	0
7107.5 Ground Level - Laboratory Services	0	0	0	30,000	30,000
7107.8 Ground Level - Capital Equipment Extensometers	0	319,493	650,000	0	-650,000
Total 7107 Ground Level Monitoring Pgm	51,302	367,981	801,070	202,283	-598,787
7108 Hydraulic Control Monitoring Program					
7108.1 Hydraulic Control Monitoring - WM Staff	0	0	0	19,720	19,720
7108.3 Hydraulic Control Monitoring - Engineering Services	0	0	0	137,607	137,607
7108.4 Hydraulic Control Monitoring - Laboratory Services	0	0	0	72,900	72,900
7108.5 Hydraulic Control Monitoring - Construction	0	0	0	488,000	488,000
Total 7108 Hydraulic Control Monitoring Pgm	0	0	0	718,227	718,227
7200 OBMP Pgm Element 2 - Comp Recharge Program					
7201 Comp Recharge - WM Staff	43,560	22,702	34,168	49,543	15,375
7202 Comp Recharge - Engineering Services	239,195	70,479	150,000	21,532	-128,468
7203 Comp Recharge - Contract Services	0	2,960	0	6,000	6,000
7204 Comp Recharge - Supplies	2,499	758	0	2,500	2,500
7205 Comp Recharge - Other Expenses	1,602	17,624	0	0	0
7207 Comp Recharge - Legal	0	0	0	10,000	10,000
Total 7200 Comprehensive Recharge Pgm	286,856	114,523	184,168	89,575	-94,593
7300 OBMP Program Element 3 & 5 - Water Supply Plan - Desalter					
7301 OBMP - WM Staff	3,258	0	6,587	7,455	868
7303 OBMP - Engineering Services	128,982	5,300	100,000	39,544	-60,456
7305 OBMP - Supplies	626	0	0	500	500
7306 OBMP - Other Expense	223	0	17,000	0	-17,000
Total 7300 OBMP Elements 3 & 5 Water Supply Plan	133,089	5,300	123,587	47,499	-76,088

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**CHINO BASIN WATERMASTER
FY 2003/2004
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	FY 01-02 June Actual	FY 02-03 December Actual	FY 02-03 Current Budget	FY 03-04 Proposed Budget	Current vs. Proposed
7400 OBMP Pgm Element 4 - Mgmt Zone Mgmt Strategies					
7401 OBMP - WM Staff	15,584	6,323	26,172	20,198	-5,974
7402 OBMP - Engineering Services	81,596	91,835	45,000	65,880	20,860
7403 OBMP - Contract Services	0	0	10,000	100,000	90,000
7404 OBMP - Supplies	888	254	0	500	500
7405 OBMP - Other Expenses	455	391	0	750	750
Total 7400 OBMP Element 4 - MZ1	98,523	98,803	81,172	187,308	106,136
7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Salt Mgmt					
7501 OBMP - WM Staff	7,018	13,435	13,299	15,172	1,873
7502 OBMP - Engineering Services	29,984	40,234	45,000	35,648	-9,352
7503 OBMP - Contract Services	0	34,220	0	0	0
7504 OBMP - Supplies	887	25	0	500	500
7505 OBMP - Other Expenses	0	28	0	500	500
Total 7500 OBMP Element 6 & 7	37,869	87,942	58,299	51,820	-6,479
7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use					
7601 OBMP - WM Staff	38,335	15,993	37,830	30,838	-6,992
7602 OBMP - Engineering Services	79,663	10,520	40,000	115,341	75,341
7603 OBMP - Contract Services	38,722	0	25,000	0	-25,000
7604 OBMP - Supplies	483	143	0	0	0
7605 OBMP - Other Expenses	131	0	0	0	0
Total 7600 OBMP Element 8 & 9	157,334	26,656	102,830	146,179	43,349
7700 Inactive Well Protection Program					
7701 Inactive Well Protection Program - WM Staff	0	0	0	5,447	5,447
7703 Inactive Well Protection Program - Contract Services	0	0	0	25,000	25,000
Total 7700 Inactive Well Protection Program	0	0	0	30,447	30,447
7206 Comp Recharge - Basin Program O&M	0	0	0	441,859	441,859
7690 Recharge Improvement Debt Payment	0	429,250	620,000	429,250	-190,750
9502 Allocated G&A Expenditures	0	86,433	205,263	217,074	11,811
Total OBMP Implementation Projects	1,438,552	1,604,600	3,324,257	3,365,079	-401,037
Total General OBMP & Implementation Projects	2,348,732	2,119,245	4,218,391	4,484,147	265,756
Total Expenses	3,490,334	2,483,725	5,171,148	5,400,844	229,696
Net Ordinary Income	1,196,956	2,200,926	-1,240,686	-1,268,923	-28,237

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**CHINO BASIN WATERMASTER
FY 2003/2004
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	FY 01-02 June Actual	FY 02-03 December Actual	FY 02-03 Current Budget	FY 03-04 Proposed Budget	Current vs. Proposed
Other Income					
Water Replenishment Assessments					
4210 Approp Pool-Replenishment					
4211 15% Gross Assessments	633	210,896	0	0	0
4212 85% Net Assessments	3,575	1,194,716	0	0	0
4213 100% Net Assessments	34,739	18,429	0	0	0
Total 4210 Approp Pool-Replenishment	38,946	1,424,041	0	0	0
4220 Non-Ag Pool-Replenishment					
4223 Net Replenishment	9,329	8,567	0	0	0
Total 4220 Non-Ag Pool-Replenishment	9,329	8,567	0	0	0
4230 Groundwater Recharge Activity					
4230 Groundwater Recharge	1,579,500	1,586,000	1,670,049	1,574,500	-95,549
4231 MZ1 Assigned Water Sales	0	0	615,000	615,000	0
Total 4230 Groundwater Recharge Activity	1,579,500	1,586,000	2,285,049	2,189,500	-95,549
Total Other Income	1,627,776	3,018,609	2,285,049	2,189,500	-95,549
Other Expense					
5010 Groundwater Recharge					
5011.5 Pre-delivered Replenishment Water	0	0	49	0	-49
5012.3 MZ1 Recharge Commitment	1,545,844	1,323,909	1,514,500	1,514,500	0
5012.4 MZ1 Interim Imported Water Purchase	0	0	699,000	699,000	0
5014 Vector Control	1,000	9,158	13,000	0	-13,000
5015 OC-59 Use Fees	5,170	0	13,000	8,000	-5,000
5017 IEUA Surcharges	16,510	0	45,500	52,000	6,500
Total 5010 Groundwater Recharge	1,567,524	1,333,067	2,285,049	2,273,500	-11,549
Total Other Expense	1,567,524	1,333,067	2,285,049	2,273,500	-11,549
Net Other Income	60,252	1,685,541	0	-84,000	-84,000
(To) / From Reserves	-1,257,208	-3,886,368	1,240,686	1,352,923	112,237
Net Income	\$0	\$0	\$0	\$0	\$0

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CHINO BASIN WATERMASTER
2003-2004 BUDGET
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ORDINARY INCOME/EXPENSE

4000 COOPERATIVE EFFORT CONTRIBUTIONS

- 4031 IEUA Contribution re Groundwater Level This Budget assumes that there will be no lit-coming contributions for this work.
- 4038 IEUA Contribution 50% MZ3 Study This Study commenced during fiscal 01/02. This initial phase will be completed in fiscal 03/04. 50% is fund by IEUA up to \$75,000.
- 4039 State Water Resources Control Board 205(j) Grant The Budget is based on the schedule of Completion Dates in the approved Grant. Expenses are budgeted under OBMP Task #7103 Groundwater Quality Monitoring .

4110 ADMINISTRATIVE ASSESSMENTS - APPROPRIATIVE POOL

- 4111 Gross Administration Appropriative Pool Assessments equal the Pool's share of all General Administrative Expenses levied to the Appropriators on a per acre foot basis levied based on the prior year's production.
- 4111.2 OBMP Administrative Assessment Appropriative Pool Assessments equal the Pool's share of all Optimum Management costs levied to the Appropriators on a per acre foot basis based on the prior year's production.
- 4112 Agricultural Pool Reallocation-General Admin. The Appropriative Pool and the Overlaying Agricultural Pool agreed that the unproduced portion of Ag Pool's annual share of safe yield (92,800 acre feet) would be immediately reallocated to the Appropriative Pool members provided the Appropriative Pool would pay the Agricultural Pool's share of Administrative and Special Project expenses.
- 4113 OBMP Agricultural Pool Reallocation With separate assessments levied for General Administration and Optimum Basin Management Plan and Implementation Costs, the Agricultural Pool costs charged through the reallocation levy have been separated to differentiate between the revenues from the two levies.
- 4115 Recharge Improvement Revenue This line item covers funds required to pay the budgeted debt service payment and the operating & maintenance expenses.
- 4117 P/Y Adjustments Made up of prior year interest and replenishment pre-purchase adjustments. Credit reflected here showing interest earned during 02/03 spread among the Appropriators based upon their 01/02 assessment payments. This is calculated during the assessment process.

4120 ADMINISTRATIVE ASSESSMENTS - OVERLYING NON-AGRICULTURAL POOL

- 4123 Gross Administration Overlaying Non-Agricultural Pool Assessments equal the Pool's share of all General Administrative Expenses levied to the Non-Agricultural Pool on a per acre foot basis based on the prior year's production.
- 4124 OBMP Administrative Assessment Non-Agricultural Pool Assessments equal the Pool's share of all Optimum Basin Management costs levied to the Pool members on a per acre foot basis based on the prior year's production.

4730 PRORATED INTEREST INCOME

- 4731 Interest - Agricultural Pool Interest is prorated between the pools and the Education Fund using formulae approved by the Advisory Committee and Pools several years ago.
- 4732 Interest - Appropriative Pool Interest is prorated between the pools and the Education Fund using formulae approved by the Advisory Committee and Pools several years ago.
- 4733 Interest - Non-Agricultural Pool Interest is prorated between the pools and the Education Fund using formulae approved by the Advisory Committee and Pools several years ago.
- 4739 Interest - Education Fund Interest is prorated between the pools and the Education Fund using formulae approved by the Advisory Committee and Pools several years ago.

4900 Miscellaneous Income

Miscellaneous income, such as fees collected for data requests, rebates, etc.

6010 SALARY COSTS

- 6011 WM Staff Salaries & Payroll Burden Expenses related to staff hours and costs.
- 6012 Payroll Services WM has entered into a contract with Paychex to process bi-weekly payrolls, employees' direct deposits, computation and payment of federal and state payroll taxes, preparation of annual W-2's.
- 6016 Employee Search Costs Costs cover "help wanted" advertisements, pre-employment physicals & non-staff or consultant interviewer's time (if applicable).
- 6017 Temporary Services Temporary help on special administrative projects and staffing for vacant positions.
- 6018 Fringe Benefits Benefits paid to employees such as medical, dental, vacation, sick leave & holidays.
- 60189 Payroll Burden Allocated Fringe Benefits allocated to salary costs.

**CHINO BASIN WATERMASTER
2003-2004 BUDGET
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6020 OFFICE BUILDING EXPENSE

6021 Office Lease Lease for Watermaster offices.
 6022 Telephone Telephone expense includes office telephone system, cellular phones for CEO & field staff along with conference call service.
 6023 Electricity Electricity for office based on projected actuals of current year.
 6026 Security Services The Office alarm system is currently provided by Mjac Alarm at \$126.00/quarter. This service started in 1996 and the rate has not changed since inception.
 6027 Other Expense Expenses to this line include "one-time" expenses of moving into new office building. Negotiations ongoing w/ CCWD on costing details.

6030 OFFICE SUPPLIES & EQUIPMENT

6031 Office Supplies Office Supplies include: copy paper, stationery, envelopes, transcription cassettes and headphones, public notice post cards, minute books and paper, 3 ring binders for all purposes, small office equipment such as staplers, calculators, hole punches, tablers, etc. checks and other miscellaneous office supplies.
 6036 Minor Office Furniture This budget line covers the purchase of any tangible office furniture. Large office equipment is purchased under Account #6039.
 6038 Other Office Equipment This Budget line covers the cost of Office Equipment other than Computer equipment. Items could include FAX machines, telephones, overhead projectors, refrigerators, coffee machines, etc.
 6039 Other Office Expense This line covers the costs of items not covered under any of the above #6030 lines including file management consulting fees.
 6141 Meeting Expenses Expenses charged to this line include administrative meeting expenses.

6040 POSTAGE & PRINTING COSTS

6041-42 Postage Postage reflected here covers the cost of mailing or shipping all meeting notices and agendas; correspondence; annual reports; outgoing bills and payments, etc. Charges include FEDEX and United Parcel Service contract costs as well as postage. Includes Permit 10 postage. Costs have decreased due to electronic transmissions of data.
 6043 Copy Machine Lease This line covers the cost of leasing copy machines from Ricoh as well as the costs for copies exceeding the minimum number per month/year as stipulated in the lease agreement.
 6044 Postage Meter Lease Postage Meter costs will include the annual lease fee, quarterly reset fees and postage meter ink cartridge replacements.
 6045 Printing Printing costs covered here are those done by out-side printers and include blueprints, special area street maps, color prints, emergency printing when copiers are down for repairs, etc. Color brochures and annual financial statements will be printed.
 6046 Legal Publications Legal Publications include transcripts of Court Hearings, current ZIP Code directories, and other Legal Publications.

6050 WATERMASTER INFORMATION SERVICES

6052 Computer Consultant Support Services During FY 03/04 Watermaster will be using consultants to identify hardware/software requirements; purchase, install and configure the computer system; train Watermaster staff, perform routine diagnostics, to provide application design services, and interagency coordination/communication.
 6053 Internet Services WM Website has been set up at the direction of Judge Gunn and a T-1 for direct connection to the Internet.
 6064 Computer Software Costs include new software, software upgrades, textbooks, manuals, etc.
 6055 Computer Hardware Costs include new and upgraded computer hardware such as workstations, servers, printers, backup power supplies, etc.
 6057 Computer Maintenance Computer maintenance includes parts for breakdowns and routine maintenance.

6060 WATERMASTER SPECIAL CONTRACT SERVICES

6061 Other Contract Services Watermaster retained Rauch Communication Consultants to develop and implement a strategic plan.
 6062 Audit Services This line item budgets funds to pay for the required annual financial statement audit.
 6063 Public Relations Consultant Watermaster retained the Dolphin Group as our Public Relations Consultant. Dolphin Group will assist with newsletter and press release preparations.
 6065 MWD Connection Fee MWD charges, through IEUA, a monthly connection maintenance fee for each connection. This cost has been carried under Administration for the past several years rather than carried as a part of water replenishment costs because it is assessed whether or not Watermaster spreads water.
 6066 Engineering Services Engineering services will be charged to specific projects of account #6905, general engineering for OBMP related activities.
 6067 Legal Services - General Counsel Hatch & Parent, Watermaster's General Counsel.
 6068 Legal Services - Markot Legal fees incurred regarding this litigation.

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**CHINO BASIN WATERMASTER
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6080 INSURANCES

6085 Business Insurance Package All insurance policies are now included under Business Insurance Package, including auto & general liability.
6086 Position Bond Insurance Insures key positions for risk of misappropriation and/or fraud.

6110 DUES & SUBSCRIPTIONS

6111 Membership Dues Watermaster memberships include: American Water Works Assoc Research Fdn., Association of California Water Agencies, Association of Ground Water Agencies, Automobile Club of Southern California and Costco.
6112 Subscriptions Watermaster currently subscribes to the following: The Business Press, California Water Law, California Water Journal, Chino Champion, Daily Bulletin, One-On-One Computer training and Smart Access assuming all current subscriptions will be renewed as well as new ones acquired.

6160 FIELD SUPPLIES & EQUIPMENT

6161 Small Tools and Equipment Small tools include cameras, pliers, nuts & bolts, any type of tool which might be required while working around well sites.
6162 Safety Shoes Work boot & shoe cost reimbursement for field staff.
6163 Film Processing & Development Processing of pictures taken in field.
6164 Uniforms T-shirts, hats & jackets are provided to field staff with Watermaster's logo to wear while in the field.

6170 TRAVEL & TRANSPORTATION

6171 Vehicle Allowances Employment agreement allows the Chief Executive Officer a vehicle allowance of \$600 per month.
6172 Vehicle Lease Occasionally it is necessary to lease a vehicle when Watermaster's vehicles are in for repairs, other vehicles are used for Watermaster sponsored tours.
6173 Mileage Reimbursements Reimbursements paid to Watermaster employees' for use of personal vehicles for Watermaster business at the federally approved rate per mile. It is anticipated that personal vehicle use will increase for attendance at various meetings away from Watermaster's offices.
6174 Public Transportation Costs of public transportation (Metrolink, airlines, etc.) to meetings in Cities outside the local area. (Note transportation to conferences is shown as part of account #6191 below)
6175 Vehicle Fuel With expanded field staff requirements for use of Watermaster's vehicles it is anticipated that fuel costs will increase.
6177 Vehicle Repairs Covers repairs & maintenance to Watermaster vehicles.
6179 Vehicle Purchase Vehicle purchase allows for the addition of one truck to be purchased during the fiscal year.

6190 CONFERENCES & SEMINARS

6191 Conferences & Seminars Staff attends certain conferences for information, training, or making presentations regarding the Chino Basin Watermaster activities. Conferences attended in the past include: Association of California Water Agencies, California Water Law and Policy Conference, High Desert Water Conference, Department of Water Resources Conference and Santa Ana River Water Group Retreat.
6192 Training & Continuing Education Attendance at training & continuing education for staff.
6194 Lodging Lodging expenses will be charged to the account representing the purpose of the trip.
6195 Meals Meals will be charged to the account representing the purpose of the trip.
6196 Travel Public Transportation to attend meetings & conferences.

6200 ADVISORY COMMITTEE

6201 WM Staff Salaries Reflected here are salary and burden costs of WM staff in attending and preparing minutes of Advisory Committee meetings.
6211 Compensation -AG Pool Members Compensation for AG pool members is paid through accounts 8411 & 8470.
6212 Meeting Expenses Advisory Committee meetings are normally scheduled to cover the lunch hour so that members are absent from their normal jobs the least amount of time possible. To accommodate the members, a luncheon is served and those costs are reflected here.

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**CHINO BASIN WATERMASTER
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6300 WATERMASTER BOARD EXPENSES

6301	WM Staff Salaries	Reflected here are salary and burden costs of WM staff in attending and preparing minutes of Watermaster Board Meetings.
6314	Member Compensation	Board Members are entitled to, but may waive, compensation for each day of service. Those who have not waived, receive \$125 for day served at various meetings including Board meetings, committee meetings and other water agency meetings, including conference calls.
6312	Meeting Expenses	Board and Committee meetings may be scheduled to cover the lunch hour so that attendees are absent from their normal jobs the least amount of time possible. If this occurs, a luncheon is served and those costs are reflected here.
6313	Board Member's Expenses	Board Members are entitled to receive reimbursement for expenses incurred on behalf of Watermaster. Mileage is reimbursed to any Board Member using a personal vehicle on Watermaster business.
6500	Education Funds Use Expense	This account disburses funds from the educational account as directed.

8300 APPROPRIATIVE POOL ADMINISTRATION AND SPECIAL PROJECTS

8301	WM Staff Salaries	Reflected here are salary and burden costs of WM staff in attending and preparing minutes of Pool Meetings, collecting and recording production data and any other Appropriative Pool administrative activity.
8312	Meeting Expenses	Appropriative Pool meetings are normally scheduled to cover the lunch hour so that members are absent from their normal jobs the least amount of time possible. To accommodate the members, a luncheon is served and those costs are reflected here.

8400 OVERLYING AGRICULTURAL POOL ADMINISTRATION AND SPECIAL STUDIES

8401	WM Staff Salaries	Reflected here are salary and burden costs of WM staff in attending and preparing minutes of Pool Meetings, collecting and recording production data and any other Agricultural Pool administrative activity.
8411	Compensation - AG Pool Members	AG Pool Members are reimbursed \$25 for each Pool, Committee or Board Meeting attended. Ag Pool voted to increase reimbursement to \$125 per meeting with the extra \$100 to be paid out of Ag Pool accumulated interest. This additional \$100 is shown under account #8470.
8412	Meeting Expenses	Agricultural Pool meetings are scheduled so that members are absent from their normal jobs the least amount of time possible. To accommodate the members, coffee and snacks are served and those costs are reflected here.
8450	Digester Funding	At the request of the Agricultural Pool, \$160,000 has been budgeted to assist Inland Empire Utilities Agency's Digester Project.
8459	IEUA RTS Meter Charge	Inland Empire Utilities Agency implemented a 'readiness to serve' charge against Watermaster for future provision of service to the land in the Agricultural preserve.
8467	Agri-Pool Legal Services	The Agricultural Pool retains its own legal counsel, Reid & Hellyer, to represent them in all Watermaster matters.
8467.1	Frank B & Associates	Reid & Hellyer have contracted with Frank B & Associates, a water management consultant to assist them in following Watermaster activities important to the Agricultural Pool.
8470	Ag Pool Meeting Special Compensation	See account #8411 for details of this line item.

8500 OVERLYING NON-AGRICULTURAL POOL ADMINISTRATION AND SPECIAL PROJECTS

8501	WM Staff Salaries	Reflected here are salary and burden costs of WM staff in attending and preparing minutes of Pool Meetings, collecting and recording production data and any other Non-Agricultural Pool administrative activity.
8512	Meeting Expense	Non-Agricultural Pool meetings are normally scheduled for early morning so that members are absent from their normal jobs the least amount of time possible. To accommodate the members, coffee and snacks are served and those costs are reflected here.
9500	Allocated G&A Expenditures	Administrative Overhead is allocated to OBMP & Project jobs as a percentage of total Watermaster salaries.

6900 OPTIMUM BASIN MANAGEMENT PROGRAM

The Honorable Judge J. Michael Gunn ruled on February 19, 1998 that Watermaster develop an Optimum Basin Management Program for the Chino Basin under SBSC Case No. RCV 51010. These are the ongoing administrative costs necessary to implement the Optimum Basin Management Program on an annual basis. This line item includes allocation of G&A expenses.

6900	OPTIMUM BASIN MANAGEMENT PROGRAM - ADMINISTRATION OF PROGRAM THROUGH 05/30/03	The work in the 6900 series includes general legal and engineering services requested by Watermaster to support implementation of the OBMP, including legal services of the Special Referee. The current budget request includes general, non-project specific as well as ad hoc requests for services promoting the ongoing efforts to implement the OBMP. Further planning includes development of stormwater best management practices for the Chino Basin.
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5950 COOPERATIVE EFFORTS

On an ad hoc basis, Watermaster and other agencies agree to share the costs of various projects that will benefit both parties.

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|------|---|--|
| 6963 | TDS/Nitrogen Study - SAWPA | This is an on-going study managed through SAWPA with many contributors and participants. The amount budgeted is 1/2 the previous Watermaster commitment as was budgeted for Phase 2B. It is to finalize the Basin Plan Update with the RWQCB. |
| 6966 | CBWCD-Turner Basin Development | This represents funds expended in fiscal year 2001/02 for development within the Turner Basin. |
| 6959 | Emergency Energy/OBMP Funding Committee | This is a project that began as a result of the State of California's electric supply problems. It was subsequently designated as the initial OBMP Funding Committee with the specific purpose of coordinating efforts to obtain funding to implement OBMP activities. |
| 9501 | Allocated G&A Expenditures | Administrative Overhead is allocated to OBMP & Project Jobs as a percentage of total Watermaster salaries. |

7000 OPTIMUM BASIN MANAGEMENT PROGRAM IMPLEMENTATION PROJECTS

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|------|--------------------------------------|---|
| 7101 | PRODUCTION MONITORING | The work for production monitoring includes Watermaster staff time to collect and process production information for private and other wells. |
| 7102 | IN-LINE METER INSTALLATION | The work in this series includes the following for the current fiscal year: maintain/calibrate of metered private wells and install several in-line flow meters on unmetered private wells. |
| 7103 | GROUNDWATER QUALITY MONITORING | <p>Pursuant to the OBMP & Peace Agreement, Program Element 1 includes the development and implementation of a comprehensive groundwater quality monitoring program. Annually, Watermaster will collect water quality data from approximately 200 private wells and obtain other water quality data from other cooperators so that approximately 1/3 of the active wells are sampled every third year. Other cooperators include members of the appropriate and overlying non-agricultural pools, the Regional Water Quality Control Board, the Department of Toxic Substances Control, the United States Geological Survey, the Orange County Water District and others. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use.</p> <p>Watermaster has formed an ad hoc Water Quality Committee. The WQC will oversee the surface water and groundwater quality programs to ensure that necessary data to effectively manage Chino Basin are collected. After Fiscal Year 2004/2005, two complete sets of groundwater data from private wells will have been collected and the overall groundwater quality program will be evaluated and potentially reduced so long as the on-going program provides the requisite data to fulfill management objectives.</p> |
| 7104 | GROUNDWATER LEVEL MONITORING PROJECT | <p>Pursuant to the OBMP & Peace Agreement, Program Element 1 includes the development and implementation of a comprehensive groundwater-level monitoring program. Watermaster staff measures all the private wells in the agricultural area that can be measured - once in the fall and once in the spring. Groundwater level data is also obtained from cooperators for other wells. Cooperators include members of the appropriate and overlying non-agricultural pools, Regional Water Quality Control Board (RWQCB), Department of Toxic Substances Control (DTSC), United States Geological Survey, Orange County Water District, and others.</p> <p>Another part of this program involves monitoring groundwater levels as frequently as every two weeks at about 250 wells. These wells are in the vicinity of the Desalter 1 well field, and the proposed well fields for the Chino 1 expansion and the Chino II. A key well monitoring program has been developed for the Chino-1 desalter program. About 20 of these key wells will have transducers installed to obtain continuous data for more intensive analysis. This key well program will allow for a reduction in staff time for well water level soundings. A similar set of key wells will ultimately be selected for the Chino-1 expansion and Chino-2 desalter monitoring program after pumping at these well fields commences. These monitoring activities are a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use.</p> |
| 7105 | SURFACE WATER QUALITY MONITORING | Pursuant to the OBMP & Peace Agreement, Program Element 1 also includes the expansion of the Watermaster surface water quality monitoring program. Work in this line item includes measuring water quality at recharge and flood retention basins within the Chino Basin. Flow and water quality data will also be collected from cooperators including IEUA, WR, JCSD, Cities of Corona and Riverside, Regional Water Quality Control Board, United States Geological Survey, Orange County Water District and others. This information is necessary to determine the quality of stormwater recharge, which is subsequently used to estimate salt offsets for recycled and imported water recharge. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use. |

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CHINO BASIN WATERMASTER
2003-2004 BUDGET
LINE ITEM JUSTIFICATION

Budget Line Number	Comments	
7106	PROGRAM ELEMENT 1 -- SURFACE WATER DISCHARGE AND RECHARGE MONITORING	Pursuant to the OBMP & Peace Agreement, Program Element 1 also includes the development and implementation of a surface water discharge and recharge monitoring program. Recharge basins, except for Mendick, Brooks, and Turner 1, will be equipped with sensors in 2003/04. Water level data will be acquired by Watermaster staff. This information is necessary to determine the volume of stormwater recharge, and will be subsequently used to determine new yield and (in association with work in Line Item 7105) salt credits for recycled and imported water recharge. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use.
7107	GROUND LEVEL MONITORING	Pursuant to the OBMP & Peace Agreement, Program Element 1 also includes the development and implementation of a ground level monitoring program. Watermaster is interested in determining how much, if any, subsidence has occurred in the Basin and in monitoring the effectiveness of the OBMP in managing it. Data will be collected from a network of ground elevation stations, from a multi-piezometer, from a dual borehole extensometer (in the subsidence-prone area (mainly Management Zone 1). Satellite imagery also will be collected and analyzed for subsidence on a basin-wide scale. Watermaster is implementing these efforts as part of the monitoring program associated with the MZ1 interim management plan.
7108	HYDRAULIC CONTROL MONITORING PROGRAM	As part of the Basin Plan, a monitoring plan to evaluate the state of hydraulic control in the southern end of the basin needs to be developed. Hydraulic control will be used to maximize the safe yield of the basin. Watermaster, OCWD and the Regional Board continued to develop a monitoring plan to assess the state of hydraulic control to provide information to Watermaster to manage future production and recharge. A site for will be acquired in FY 2003/04 for the construction of four nested wells. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use.
7200	OBMP PROGRAM ELEMENT 2 -- COMPREHENSIVE RECHARGE PROGRAM	Pursuant to the OBMP & Peace Agreement, Watermaster completed the Recharge Master Plan Phase 2 Report, appropriate CEQA process and began implementing it in FY 01-02. In this fiscal year Watermaster staff, in cooperation with other agency staff, will continue implementation of the Chino Basin Recharge Facilities Improvement Plan to fully utilize the Proposition 13 funding.
7300	OBMP PROGRAM ELEMENTS 3 & 5 -- WATER SUPPLY PLAN - DESALTER	Pursuant to the OBMP & Peace Agreement, Watermaster assisted in the formation of the Chino Basin Desalter Authority (CDA) to expand the Chino Desalter No. 1 and to construct Chino Desalter No. 2. The work in this line item includes engineering services for the technical review of non-Watermaster consultant work products for consistency with OBMP and other Watermaster interests.
7400	OBMP PROGRAM ELEMENT 4 - MANAGEMENT ZONE MANAGEMENT STRATEGIES	Pursuant to the OBMP & Peace Agreement, Watermaster has begun the process of developing management plans for MZ1 & MZ3. Producers in the known subsidence area in MZ1 agreed to an MZ1 Interim Management Plan. Watermaster will be collecting and reporting data gathered from the piezometer & extensometer installed in FY 02/03 and data from ground level survey stations. Injection tests at two wells are planned for FY 03/04. Data collected will be presented and discussed at the MZ1 Technical Group meetings.
7500	OBMP PROGRAM ELEMENTS 6 & 7 -- COOPERATIVE EFFORTS AND SALT MANAGEMENT	Pursuant to the OBMP & Peace Agreement, Watermaster will complete specific activities to improve water quality monitoring and analyze the effectiveness of the OBMP to accomplish its goals. The work in this line item included coordinating with RWQCS and DTSC, and participating in the TMDL process for Santa Ana River, Chino and Mill Creeks.
7600	OBMP PROGRAM ELEMENTS 8 & 9 -- STORAGE MANAGEMENT AND CONJUNCTIVE USE PROGRAMS	Pursuant to the OBMP & Peace Agreement, Watermaster will complete specific activities to implement storage management and to develop storage and recovery programs. In FY 02-03, the CEQA work and initial alternative development and evaluation will be completed, including identification of facilities needs and participant cost/benefits. Most of this work is being funded by MWD/EUA as part of a \$1.6 million advance for the Dry Year Yield Program.
7700	INACTIVE WELL PROTECTION PROGRAM	Pursuant to the OBMP & Peace Agreement, Watermaster has compiled a list of inactive wells that have not been properly abandoned. In this FY Watermaster will equip roughly 35 inactive wells with devices that will meet the requirement of well abandonment to protect the integrity of the groundwater. These devices will also allow for access to the well for monitoring purposes, if necessary.
7206	COMPREHENSIVE RECHARGE OPERATING & MAINTENANCE	Operating & Maintenance expenses related to the improved recharge basins as budgeted by Inland Empire Utilities Agency and agreed to be paid by the Appropriative Pool.
7690	RECHARGE IMPROVEMENT DEBT PAYMENT	Repayment of debt as agreed to in contract with Inland Empire Utilities Agency for improvement of recharge basins within the Chino Basin, to be paid by the Appropriators.
9602	Allocated G&A Expenditures	Administrative Overhead is allocated to OBMP & Project jobs as a percentage of total Watermaster salaries.

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CHINO BASIN WATERMASTER
2003-2004 BUDGET
LINE ITEM JUSTIFICATION

Budget
Line
Number Comments

SUPPLEMENTAL & REPLENISHMENT WATER INCOME AND EXPENSES

Water rights were assigned in the Judgment entered in 1978. It established the terms and conditions regarding replenishment water and how the assessments would be levied to cover the water for each pool.

Appropriative Pool Replenishment Assessments

Certain Appropriators under the Judgment have 16% of the cost of replenishment water required by their group and 85% of the cost is paid by the appropriator overproducing water in the prior year. Other Appropriators have the obligation to pay 100% of the costs of replacing any overproduced water.

- 4211 15% Gross Assessments Costs levied against the 15%/85% group for replacing water.
- 4212 85% Gross Assessments Costs levied against the 15%/85% group for replacing water.
- 4213 100% Net Assessments Costs levied against those subject to 100% assessments for replacing water.

Non-Agricultural Pool Replenishment

Non-AG members (primarily industrial producers) are required to replace any water produced which exceeds their assigned water rights.

- 4223 Net Replenishment Assessments Costs levied against those subject to 100% assessments for replacing
- 4300 Local Agency Subsidies In past years the Chino Basin Water Conservation District has assumed part of the costs of delivery and percolation of all water deliveries to the Watermaster. This subsidy is not anticipated during FY 02/03.

5010 Groundwater Recharge

Costs of Replenishment or Supplemental Water are assessed at \$243/acre foot. Should actual expenses exceed the revenues from assessments, the difference will be covered by Watermaster's Reserve for Water Replenishment.

- 5011.4 Replenishment Water This line covers the costs of purchasing Replenishment water from MWD at \$233/af
- 5011.6 Pre-delivered Replenishment Water Replenishment water delivered by MWD.
- 5012.3 MZI Recharge Commitment This line covers the costs of purchasing 0,500 acre feet of supplemental water from MWD for recharge.
- 5012.4 MZI Interim Imported Water Purchase This line covers the costs of purchasing water @ \$233/af

Replenishment and Supplemental Water Delivery Costs

Estimated at \$11/acre foot, these costs are included under lines 5014 - 5018 below. At time of delivery actual costs are charged to the appropriate accounts.

- 5014 Vector Control Vector control at Recharge Basins.
- 5016 OC-69 Use Fees Connection Fees.
- 5017 IEUA Surcharges Inland Empire Utilities Agencies charges \$0.00/acre foot for water delivered from the Metropolitan Water District of Southern California (MWD).

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CHINO BASIN WATERMASTER

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JOHN V. ROSSI
Chief Executive Officer

STAFF REPORT

DATE: June 12, 2003
June 19, 2003

TO: Pool Members
Advisory Committee Members
Watermaster Board Members

SUBJECT: MVWD Request for Review of Cost Apportionment of OBMP Salt Credits

SUMMARY

Issue – Monte Vista Water District has requested that the Watermaster Review Cost Apportionment related to Alt Credits per the OBMP

Recommendation - Staff has no recommendation at this time.

Fiscal Impact – Further analysis will be performed when a recommendation has been developed.

BACKGROUND

A TIN/TDS task force was formed in the mid 1990's to perform certain investigations that would lead to the establishment of new TIN and TDS objectives for the groundwater basins in the Santa Ana River Watershed. The Regional Water Quality Control Board (RWQCB), Chino Basin Watermaster, water-recycling agencies, and many other entities are participating in the Task Force. The RWQCB intends to revise the Water Quality Control Plan for the Santa Ana River watershed (Basin Plan) in mid to late 2003.

In April 2002, the Chino Basin Watermaster and the Inland Empire Utilities Agency made a proposal to the Santa Ana Regional Water Quality Control Board to amend the Basin Plan utilizing a Maximum Benefit concept. Watermaster proposes using California Water Code section 13241 and other criteria to establish TDS and TIN objectives in the Chino Basin. Section 13241 states criteria that need to be considered in establishing water quality objectives other than the minimum requirement stated in Executive Order 68-16.

Watermaster proposed that the Chino Basin be divided into Chino North and Chino South management zones (Figure 2), instead of the five management zones presented in the TIN/TDS Study – Phase 2A, Final Technical Memorandum. The boundary between Chino North and Chino South is a line that runs generally east-west through the Desalter 1 and 2 well fields. Most if not all the groundwater north of this internal boundary will be produced by wells north of the boundary or be captured by the desalter well fields. Most of the groundwater in the Chino South zone will be produced by the desalter wells or other wells located within the zone. Staff has been working through the Task Force to implement the Watermaster's proposal into the Basin Plan amendment.

DISCUSSION

At the May 2003 Appropriative Pool meeting, the Monte Vista Water District's representative forwarded a concern that the change to the Basin Plan could alter the possible apportionment of future salt credits per the Optimum Basin Management Plan. The Appropriative Pool continued the discussion to a Special Meeting on May 21, 2003 for the sole purpose of discussing the issue. At this meeting, staff was directed to schedule the item for the June Appropriative Pool meeting for further discussion.

The attached letter presented to the Watermaster Board at its meeting of May 29, 2003, asks for a review of this Issue.

McCORMICK, KIDMAN & BEHRENS, LLP

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*A PROFESSIONAL CORPORATION

May 29, 2003

Hand Delivered

CHINO BASIN WATERMASTER
8632 Archibald Ave., Suite 109
Rancho Cucamonga, CA 91730

Re: *Monte Vista Water District Request for Review of Cost Apportionment*

Dear Board Members:

Monte Vista Water District respectfully requests Watermaster to review and resolve an inequity arising from allocation of costs associated with the upcoming proposed Basin Plan amendment. The inequity, or "harm," results from the fact that certain parties to the Judgment are required to pay OBMP program costs which inure, disproportionately, to the benefit of other parties to the Judgment. The Judgment, the Peace Agreement and the Watermaster Rules and Regulations all require costs under the Judgment to be apportioned among the parties in a manner that is equitable in relationship to the benefits derived from those costs.

Monte Vista urges the Watermaster to consider and act upon this request before moving forward with proposed amendments to the Regional Water Quality Control Board's Basin Plan. The Basin Plan amendments are predicated upon OBMP programs and will provide significant and unique benefits to those appropriators who provide sewer services.

Monte Vista believes that, under current approaches to apportionment of OBMP program costs, appropriators which do not provide sewer service are or will be required to provide specific support to OBMP programs that will uniquely benefit the appropriators which do provide sewer service. Monte Vista is currently preparing a cost/benefit analysis in support of this request and wishes to present that analysis for consideration by Watermaster.

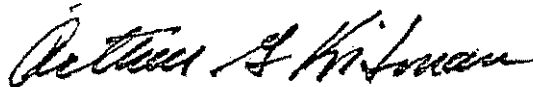
CHINO BASIN WATERMASTER
Re: *Monte Vista Water District Request for Review of Cost Apportionment*
May 29, 2003
Page 2 of 2

Monte Vista believes that Watermaster and the parties have obligations under the Chino Basin Judgment and Peace Agreement to consider this request before proceeding with support for the Basin Plan amendment. Monte Vista believes that the Peace Agreement and OBMP were approved by the parties with the common understanding that the costs and benefits of salt mitigation programs would be apportioned fairly.

Thank you for considering this request. Monte Vista looks forward to cooperating with the Watermaster and the other parties to establish a mutually agreeable and equitable cost and benefit apportionment.

Very truly yours,

MCCORMICK, KIDMAN & BEHRENS



ARTHUR G. KIDMAN

AGK\BLH\mbr

Hand Delivered at Watermaster meeting at:

City of Ontario
Council Chambers
303 East "B" Street
Ontario, California 91764

cc: John Rossi, Watermaster Chief Executive Officer
Scott Slater, Watermaster Counsel



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JOHN V. ROSSI
Chief Executive Officer

STAFF REPORT

Date: June 12, 2003
June 19, 2003

To: Pool Members
Advisory Committee Members
Watermaster Board Members

SUBJECT: Adoption of Water Quality Committee Objectives

SUMMARY

Issue – The Watermaster's Implementation Plan for the Peace Agreement and Optimum Basin Management Plan requires the formation of a Water Quality Committee. Objectives need to be established for the Water Quality Committee.

Recommendation - Staff recommends action to form a Water Quality Committee pursuant to Watermaster's Implementation Plan consisting of members of the Appropriative Pool, one member of the Non-Agricultural Pool, two members of the Agricultural Pool, a representative of the Santa Ana Regional Water Quality Control Board and IEUA, and to consider action to direct the Committee to:

- Determine committee membership and chair,
- Review water quality conditions in the basin,
- Develop cooperative strategies and plans to improve quality in the basin,
- Develop funding strategies to accomplish desired water quality improvements, and
- Bring back recommendations to the Watermaster regarding goals and objectives in order to implement the items outlined above in accordance with the Judgment, OBMP, Peace Agreement, and Implementation Plan.

Fiscal Impact – Adoption of objectives for the Committee will not impact current budgetary levels.

BACKGROUND

Water quality issues within the Chino Basin were recognized as part of the 1978 Judgment. Engineering Exhibit I stated, "Maintenance and improvement of water quality is a prime consideration and function of management decisions by Watermaster. During the development of the OBMP, the parties further recognized the importance as well by calling for the formation of a Water Quality Committee as part of the Peace Agreement Implementation Plan.

Watermaster, as part of Program Element 1 of the OBMP, has been collecting and/or analyzing data associated with water quality samples taken at both private and municipal water wells. Samples have also been taken at recharge basins.

At Watermaster meetings in March 2003, staff and the Watermaster's consultant, Mark Wildermuth, presented some of the analytical results of this work. Various water quality anomalies were discussed as well as the water quality improvements associated with the desalters and other treatment activities.

DISCUSSION

Program Element 6 of the OBMP outlines the need for, and formation of, a water quality committee. The OBMP describes the following:

Watermaster will form an ad hoc committee, hereafter *water quality committee*, to review water quality conditions in the Basin and to develop cooperative strategies and plans to improve water quality in the Basin. The committee will meet regularly with Regional Board staff to share information and to recommend cooperative efforts for monitoring groundwater quality and detecting water quality anomalies. The schedule and frequency of meetings will be developed with the Regional Board during fiscal 2000/01 of the OBMP implementation. Watermaster will budget sufficient funds 2000/01 for the first year of ad hoc committee activities. Watermaster will refine its monitoring efforts to support the detection and quantification of water quality anomalies. This may require additional budgeting for analytical work and staff/support. If necessary, Watermaster will conduct investigations to assist the Regional Board in accomplishing mutually beneficial objectives. Watermaster will seek funding from outside sources to accelerate detection and clean up efforts.

The Water Quality Committee has met twice and has formulated objectives that it unanimously recommends to the Watermaster for adoption. The attached letter from Mr. Robert DeLoach, the Committee's Chairman, outlines the Committee's intent. The recommended objectives, as follows:

- Identify, review, and compile relevant data to create a comprehensive database of water quality in the Chino Basin. (Should this also extend to adjoining basins to the extent that there may be water quality impacts to the Chino Basin?)
- The committee should develop strategies and a management plan to improve basin water quality. (Note: This effort will discern and differentiate between "local" issues and "basin-wide" issues which might require Watermaster to intervene and effect a solution on behalf of all producers.
- The committee will work through the Watermaster process and its available resources to take a lead role on funding and legislative strategies on behalf of its member agencies.
- The committee will assist and provide input to Watermaster and to IEUA on implementation of the recharge masterplan, including input into a continuous monitoring and assessment plan for the Chino Basin.
- The Committee will assist Watermaster in developing relationships with the RWQCB. Additionally, the Committee, working through Watermaster, will work with the RWQCB related issues such as private well data issues.
- The committee will continue to conduct an assessment and evaluation of existing production patterns to determine their effect on water quality conditions within the basin. (This should also extend to production adjacent to existing barriers and faults).
- The committee will continue to meet to monitor and measure progress of management plans and recommend adjustments where necessary.
- The committee, working with Watermaster and its consultant team will provide written reports to the WM Board and to the Pools and Committee relative to its findings, work product and recommendations. The annual "State of the Basin Report" will continue to dedicate a section of the report to water quality issues.

Staff recommends that the Watermaster adopt the objectives as outlined.

Chino Basin Water Quality Committee

Date: June 4, 2003

To: Committee and Watermaster Board Members

Subject: Adoption of Water Quality Committee Objectives

The Water Quality Committee has now had the opportunity to meet for the second time and it is appropriate to provide the Pools, Advisory Committee, and Watermaster Board with an update of our progress thus far. Program Element 6 of the OBMP identifies the need to form a water quality committee with the strategy to review water quality conditions in the basin and to develop cooperative strategies to improve water quality in the basin. With the assistance of each of the members of the Committee, the overall strategy has been refined into a set of definitive objectives to guide the Committee and Watermaster going forward. A copy of the objectives is attached for your review. Additionally, the members of the Committee have provided their respective desired outcomes, which mirror the objectives. Over the next couple of meetings it is anticipated that we will work with Watermaster staff and Wildermuth Environmental, Inc. regarding specific water quality concerns such as perchlorate, mitigation objectives, Watermaster's role in effecting clean-up and identification of contaminate sources.

The intent of the Committee is to meet on a quarterly basis and provide the Pools, the Advisory Committee and the Watermaster Board with regular updates and reports. The Committee has also agreed that our annual "State of the Basin" report will have a dedicated section dealing with water quality issues as well as the activities of Committee. Your comments and thoughts on the attached work product to date are welcomed.

Robert A. DeLoach, Chair
Water Quality Committee

Objectives of Water Committee

June 2003

Working in conjunction with Watermaster, the Water Quality Committee endeavors to do the following:

- Identify, review, and compile relevant data to create a comprehensive database of water quality in the Chino Basin. (Should this also extend to adjoining basins to the extent that there may be water quality impacts to the Chino Basin?)
- The committee should develop strategies and a management plan to improve basin water quality. (Note: This effort will discern and differentiate between "local" issues and "basin-wide" issues which might require Watermaster to intervene and effect a solution on behalf of all producers.
- The committee will work through the Watermaster process and its available resources to take a lead role on funding and legislative strategies on behalf of its member agencies.
- The committee will assist and provide input to Watermaster and to IEUA on implementation of the recharge masterplan, including input into a continuous monitoring and assessment plan for the Chino Basin.
- The Committee will assist Watermaster in developing relationships with the RWQCB. Additionally, the Committee, working through Watermaster, will work with the RWQCB related issues such as private well data issues.
- The committee will continue to conduct an assessment and evaluation of existing production patterns to determine their effect on water quality conditions within the basin. (This should also extend to production adjacent to existing barriers and faults).
- The committee will continue to meet to monitor and measure progress of management plans and recommend adjustments where necessary.
- The committee, working with Watermaster and its consultant team will provide written reports to the WM Board and to the Pools and Committee relative to its findings, work product and recommendations. The annual "State of the Basin Report" will continue to dedicate a section of the report to water quality issues.