

# CHINO BASIN WATERMASTER



## NOTICE OF MEETING

August 14, 2003 @ 10:00 a.m. - Joint Appropriative Pool &  
Non-Agricultural Pool Meeting  
11:30 a.m. - Lunch will be served  
August 14, 2003 @ 1:00 p.m. - Agricultural Pool Meeting

**NOTE: Joe Scalmanini, the Special Referee's Technical Expert,  
will attend the Pool Meetings, schedule permitting.**

*at the office of the  
Chino Basin Watermaster  
8632 Archibald Avenue, Suite 109  
Rancho Cucamonga, CA 91730  
Tele. (909) 484-3888  
FAX (909) 484-3890  
[www.cbwm.org](http://www.cbwm.org)*

**CHINO BASIN WATERMASTER**  
**Joint Meeting**  
**Appropriative Pool & Non-Agricultural Pool**  
10:00 a.m. – August 14, 2003

**AGENDA**

**CALL TO ORDER**

**AGENDA - ADDITIONS/REORDER**

**INTRODUCTIONS**

Joe Scalmanini, Special Referee's Technical Assistant  
Danniel Maurizio, Watermaster's Senior Engineer

**I. CONSENT CALENDAR**

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

**A. MINUTES**

1. Draft Minutes - Special Meeting of the Appropriative Pool on June 25, 2003 (*page 1*)
2. Draft Minutes - Joint Meeting, Appropriative & Non-Agricultural Pools on July 10, 2003 (*page 3*)

**B. FINANCIAL REPORTS**

1. Cash Disbursement Report – July 2003 (*page 13*)
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2002 through June 30, 2003 (*page 17*)
3. Treasurer's Report of Financial Affairs For June 1 through June 30, 2003 (*page 19*)
4. 2002-03 Actual YTD Revenues And Expenses Compared With Adopted 2002-03 Budget (*page 21*)

**C. WATER TRANSACTIONS**

1. Transfer of Annual Production Right for FY 2002-2003 from Santa Ana River Water Company to Jurupa Community Services District in the amount of 2,000 acre-feet (*Notice mailed August 7, 2003*) (*page 23*)

**II. BUSINESS ITEMS - POSSIBLE ACTION**

**A. BALANCE OF RECHARGE & DISCHARGE IN ALL AREAS, AND DETERMINATION OF OPERATING STORAGE & SAFE STORAGE**

Mr. Wildermuth will present a Draft Technical Memorandum on the Dry-Year Yield findings related to recharge and discharge in all areas and operating storage and safe storage for consideration by the pools. (*page 37*)

**B. DRY-YEAR YIELD PROGRAM**

Mr. Wildermuth and Mr. Argo will present the Dry-Year Yield Analysis to the pools. The Dry-Year Yield Program Modeling Report was distributed during the last week of July and first week of August. (*page 51*)

**C. STORAGE & RECOVERY PROGRAM SCOPE OF WORK AND BUDGET**

Staff will present the scope and budget for engineering services for the Storage & Recovery Project totaling \$373,749. The pools will be asked to consider a recommendation to the Advisory Committee. *(page 75)*

**D. LEASE AGREEMENT FOR WATERMASTER OFFICE**

The Pools will be asked to recommend approval of the terms for an agreement between Chino Basin Watermaster and Cucamonga County Water District (CCWD) for relocating the office of Watermaster during the month of September to CCWD's office on San Bernardino Road. *(page 83)*

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Chino Land & Water
2. Hearing re Cyclic Storage Agreement Amendment

**B. CEO REPORT/UPDATES**

1. Status Report on the Recharge Project. *(page 85)*
2. Status Report on MZ1 Technical Committee Meeting on July 23, 2003. *(page 93)*

**C. OTHER AGENCY REPORTS**

**IV. COMMITTEE MEMBER COMMENTS**

**V. OTHER BUSINESS**

**VI. FUTURE MEETINGS AND EVENTS**

August 18, 2003	9:00 a.m.	AGWA @ Watermaster
August 20, 2003	9:00 a.m.	MZ1 Technical Committee @ Watermaster
August 27, 2003	1:30 p.m.	Water Quality Committee
August 28, 2003	10:00 a.m. 1:00 p.m.	Advisory Committee Meeting Watermaster Board Meeting
September 11, 2003	8:30 a.m. 10:00 a.m. 1:00 p.m.	Storage & Recovery Workshop Joint Appropriative Pool & Non-Agricultural Pool Meeting Agricultural Pool Meeting
September 25, 2003	10:00 a.m. 1:00 p.m.	Advisory Committee Meeting Watermaster Board Meeting

Meeting Adjourn

**CHINO BASIN WATERMASTER**  
**Agricultural Pool Meeting**  
1:00 p.m. – August 14, 2003

**AGENDA**

**CALL TO ORDER**

**AGENDA - ADDITIONS/REORDER**

**INTRODUCTIONS**

Joe Scalmanini, the Special Referee's Technical Assistant  
Danielle Maurizio, Watermaster's Senior Engineer

**I. CONSENT CALENDAR**

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1. Draft Minutes - Agricultural Pool Meeting held July 17, 2003 *(page 7)*

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Meeting Adjourn

# CHINO BASIN WATERMASTER



## AGENDA PACKAGE

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

**THURSDAY, August 14, 2003**

# **CHINO BASIN WATERMASTER**

August 14, 2003

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

## **I. CONSENT CALENDAR**

**A. MINUTES**  
**Appropriative Pool**  
**& Non-Agricultural Pool**

**Draft Minutes**  
CHINO BASIN WATERMASTER  
Special Meeting of the  
Appropriative Pool  
June 25, 2003

A special meeting of the Appropriative Pool was held at the offices of Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, California 91710, on June 25, 2003 at 10:00 a.m.

**APPROPRIATIVE POOL MEMBERS PRESENT**

Robert DeLoach, Vice-Chair	Cucamonga County Water District
Gerald Black	Fontana Union Water Company
Dave Crosley	City of Chino
Mohamed El-Amamy	City of Ontario
Raul Garibay	City of Pomona
Mark Kinsey	Monte Vista Water District
Mike McGraw	Fontana Water Company
Ray Wellington	San Antonio Water Company
Ken Waring	Jurupa Community Services District

**AGRICULTURAL POOL MEMBERS PRESENT**

Rick Rees	Geomatrix for State of California
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**Watermaster Consultants Present**

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

**Watermaster Staff Present**

John Rossi	Chief Executive Officer
Mary Staula	Recording Secretary

**Others Present**

Rita Kurth	Cucamonga County Water District
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Vice-Chair DeLoach called the Special Meeting of the Appropriative Pool to order at 10:10 a.m.

**1. MONTE VISTA WATER DISTRICT'S REQUEST FOR REVIEW OF SALT CREDITS PER THE PEACE AGREEMENT**

Mr. Kinsey presented charts and graphs supporting the concerns of Monte Vista Water District (MVWD) regarding salt credit benefits. During negotiations of the Peace Agreement, it was his understanding that the appropriators would receive a cost apportionment of OBMP salt credits in return for subsidizing the desalters. He compared the cost apportionment with and without implementation of the Maximum Benefit Proposal/Basin Plan Amendment. He said that approval of the Maximum Benefit Proposal/Basin Plan Amendment by the State Water Resources Control Board would change the business deal that had been negotiated in the Peace Agreement by removing this benefit. Additionally, MVWD believes that salt credits should be assigned to the appropriators before recycled water (net), not on total credits (gross). Mr. Kinsey noted that MVWD never agreed to subsidize the Recycled Water Program.

Mr. Kinsey reviewed the charts prepared by MVWD indicating the \$(in millions)/Fiscal Year being expended by the appropriators to subsidize the desalters, as well as the recycled water recharge supported by OBMP programs from Year 2003 through 2020. The history and interpretation of salt removal and salt credits that had been discussed during formulation of the Peace Agreement were revisited.



Further discussion ensued among the members regarding the amount of salts currently being removed at Desalter I. It was noted, however, that the numbers have not yet been quantified. Under the OBMP, salt credits from Desalter I will first go toward cleaning up the legacy contamination in the Basin; whereas, the Desalter I expansion and the future Desalter II will fall under the 80/20 Rule. Additionally, only the Regional Water Quality Control Board can issue salt credits and they have not done so. Therefore, some of the Appropriators expressed that because salt credits do not exist, this discussion or concern is moot. Staff was asked to talk with the Regional Board about the assignment of left over salt credits or the accumulation of salt credits.

Mr. Kinsey indicated that MVWD feels very strongly about this matter. He added that MVWD never agreed to subsidize the Recycled Water Program. To resolve an inequity, Mr. Kinsey suggested that less expensive recycled water be purchased.

With regard to receiving a benefit in exchange for subsidizing the desalters, several of the Appropriators commented that the only benefits they anticipated during negotiations of the Peace Agreement were more general, in terms of a basin-wide benefit. As to salt credits benefits, the fundamental question is whether or not there will be salt credits in the future.

Staff prepared a white paper as requested and at their last meeting, the Watermaster Board requested that MVWD provide the figures to support their concerns to resolve this issue. Requested information will be provided to the members of the Board and the item rescheduled for possible action at the next Appropriative Pool meeting in July.

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Secretary

Minutes Approved: August 14, 2003

**Draft Minutes**  
**CHINO BASIN WATERMASTER**  
**Joint Meeting**  
**Appropriative Pool & the Non-Agricultural Pool**  
*July 10, 2003*

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

**APPROPRIATIVE POOL MEMBERS PRESENT**

Ken Jeske, Chair	City of Ontario
Gerald Black	Fontana Union Water Company
Dave Crosley	City of Chino
Raul Garibay	City of Pomona
Mark Kinsey	Monte Vista Water District
Rita Kurth	Cucamonga County Water District
Mike McGraw	Fontana Water Company
Carole McGreevy	Jurupa Community Services District
Mike Maestas	City of Chino Hills
J. Arnold Rodriguez	Santa Ana River Water Company
Ray Wellington	San Antonio Water Company

**NON-AGRICULTURAL POOL MEMBERS PRESENT**

Vic Barrion	Reliant Energy, Etiwanda LLC
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**Watermaster Consultants Present**

Dave Argo	Black & Veatch
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**

Cari Dale	City of Ontario
Mohamed El Amamy	City of Ontario
Rick Hansen	Three Valleys Municipal Water District
Josephine Johnson	Monte Vista Water District
Tom O'Neill	Jurupa Community Services District
John Schatz	Jurupa Community Services District

Chair Jeske called the meeting to order at 10:05 a.m.

**AGENDA - ADDITIONS/REORDER**

None

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

1. Draft Minutes - Joint Meeting Appropriative & Non-Agricultural Pools held April 10
2. Draft Minutes - Meeting of the Appropriative Pool held May 15
3. Draft Minutes - Special Meeting of the Appropriative Pool held May 21
4. Draft Minutes - Joint Meeting Appropriative & Non-Agricultural Pools held June 12

**B. FINANCIAL REPORTS**

1. Cash Disbursement Report – June 2003
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2002 through May 31, 2003
3. Treasurer's Report of Financial Affairs For May 1 through May 31, 2003
4. 2002-03 Actual YTD Revenues And Expenses Compared With Adopted 2002-03 Budget

**C. WATER TRANSACTIONS**

1. Application to Recapture Water in Storage by Fontana Water Company in the amount of 2.516 acre-feet stored by the Nicholson Trust and Transfer Annual Production Right or Safe Yield from The Nicholson Trust to Fontana Water Company in the amount of 4 acre-feet (*Notice mailed June 11, 2003*)

Mr. McGraw pointed out that Fontana Water Company submitted the incorrect Recapture Plan and will provide the correct plan upon returning to his office.

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

***Moved, that the Appropriators approve Consent Calendar Items A - C with submittal of corrected Recapture Plan for Item C.***

**II. BUSINESS ITEMS****A. REVIEW OF COST APPORTIONMENT RELATED TO OBMP SALT CREDITS**

Mr. Kinsey explained that Monte Vista Water District's (MVWD) understanding during the Peace Agreement negotiations was that in return for subsidizing the desalter, salt credits would be cost apportioned back to the Appropriators. If the State Board adopts the Maximum Benefit Proposal/Basin Plan Amendment, salt credits will go away. At previous meetings, Mr. Kinsey presented charts and graphs supporting this concern. Additionally, if the Maximum Benefit Proposal is approved, MVWD will end up subsidizing the recharge operation of a basin that is outside its jurisdiction. There may be solutions to eliminate their concerns before this becomes a legal issue. In order to explore solutions, action on the Maximum Benefit Proposal/Basin Plan Amendment would have to be delayed.

Discussion ensued in which the difference between "salt balance" and "salt credit" was defined; ownership of recycled water was clarified; and, whether or not the Regional Board would be willing to create a salt credit program was contemplated. There was a recap of and a brief discussion regarding suggestions that might allow the parties to move forward with this item. The following motion was made and Chair Pool Jeske requested the minutes reflect the Ayes, Noes and Abstentions.

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

**Ayes:** City of Chino, City of Chino Hills, Cucamonga County Water District, Fontana Union Water Company, Fontana Water Company, City of Ontario, Nicholson Trust, City of Pomona

**Noes:** Jurupa Community Services District, Monte Visa Irrigation Company, Monte Vista Water District, San Antonio Water Company

**Abstain:** Santa Ana River Water Company

***Moved, that because the Regional Board has not issued salt credits, the Appropriative Pool recommends that Watermaster take no action at this time on MVWD's request regarding salt credit allocation per to the Peace Agreement.***

**B. FUTURE EXPANSION OF CHINO I AND CHINO II DESALTERS**

Tom O'Neill, Jurupa Community Services District (JCSD), gave a presentation on behalf of the Chino Basin Desalter Authority (CDA) concerning expansion of the Chino I desalter and construction of Chino II desalter. There is rapid development taking place in the southern area of the Basin and concern regarding the availability of land within the next two-three years. He noted that it would be beneficial for the CDA to acquire land now for future desalters and desalter expansions as well as cost effective if the users of the desalted water were in close proximity of the wells/facilities for easy access to existing pipelines and booster stations. Discussion ensued whether development fees or land dedication requirements are being imposed on the developers in the area to help fund the purchase of land. Mr. O'Neill reported that the CDA is negotiating with the property owners as part of the development plans to set up sights for Chino I expansion and the future construction of Chino II desalter. Purchase of the property is a CDA expense that is charged to the operating and capital budget. However, because the CDA is not a direct water retailer, they do not have the ability to impose a fee for or issue connection permits.

Ms. McGreevy explained that first and foremost is the need to determine how future replenishment obligations will be met. There would be no point in expanding Chino I or constructing Chino II without that decision because MWD water would be cost prohibitive.

A recommendation was made that a committee be set up of parties interested in participating in future desalting activities. The committee could work out the details and a recommendation to bring back through the Watermaster approval process. A suggestion was made that the committee be small, possibly comprised of one CDA member, one Watermaster staff member and one non-CDA party to discuss and draft a list of issues. Mr. Wellington was selected to serve as the non-CDA party on that committee.

*No action required at this time.*

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

1. Santa Ana Application Response to Protests  
Legal Counsel filed Watermaster's Response to the protests in a timely fashion. To date, they have not seen any service of response from the other applicants. Counsel Fife reminded the parties that Watermaster is in this process in a defensive capacity only.
2. Hearing re Cyclic Storage Agreement Amendment  
The Cyclic Storage Agreement Amendment was signed at the last Watermaster Board meeting and will be filed for hearing upon receipt of a date from the Court.
3. Chino Land & Water  
Counsel Fife had nothing new to report on the Chino Land & Water case at this time.

**Item added...**

4. MZ1 Workshop  
In October 2002, the Court ordered an MZ1 Workshop on July 17, 2003 with the Special Referee to receive an update on the progress of the MZ1 Subsidence Interim Plan. The extensometers will go on this week and Watermaster continues to collect data. Counsel spoke with the Special Referee, the City of Chino and the City of Chino Hills and proposed moving the workshop a few weeks into August to allow Watermaster time to assemble the data. The parties were agreeable and Counsel will ask the Court to move the date.

**B. CEO REPORT/UPDATES**

1. Balance of Recharge & Discharge in all areas, Determination of Operating Storage & Safe Storage, and the Cumulative Impact of Transfers  
A Draft Technical Memorandum on the Dry-Year Yield findings will be mailed to the parties within the next two weeks for consideration at the meetings in August.
2. Storage & Recovery Workshops  
Workshops have been scheduled monthly at 8:30 a.m. just prior to the 10:00 a.m. Joint

Pool Meeting. At the workshop held earlier, they discussed a scope of work to help culminate the work that has been done and market storage capacity. The scope of work should come forward to the pools for consideration in August.

- 3. Status regarding MWD Operating Plan Meeting held July 3 @ IEUA
- 4. Report regarding opportunities to recharge water in the Chino Basin

Mr. Rossi combined his report on Items 3 and 4. A second meeting was held last week on developing operating plans for next year relative to the Dry-Year Yield Program. The meetings are going very well. A \$270,000 grant from the U. S. Bureau of Reclamation and a \$250,000 grant from the State Department of Water Reclamation have been awarded for this program, which provides the resources needed to complete the initial phase during the next 12 months and move forward on the five-year program. Staff will provide additional details next month.

- 5. Status regarding Hydraulic Control Monitoring Meeting held July 8 @ IEUA
- 6. CBWM/IEUA awarded \$250,000 AB303 Grant from DWR  
Previously reported under Item 4.

**Item Added...**

- 7. Recruiting Efforts

Mr. Wildermuth, Mr. Argo and Mr. Mills assisted Mr. Rossi with interviewing eight candidates last week to fill the two engineering positions. The level of applicants, qualifications and experience, was impressive. Three candidates were asked to return for a second interview and after references are checked, he anticipates making offers for the two positions. He anticipates starting the recruitment effort and making a decision regarding the Executive Assistant position within the next few weeks.

**C. OTHER AGENCY REPORTS**

*None*

**IV. COMMITTEE MEMBER COMMENTS**

*None*

**V. OTHER BUSINESS**

Chair Barrion said the Non-Agricultural Pool concurs with action taken by the Appropriative Pool to approve the Consent Calendar items (with a minor correction on the minutes) and abstains from voting on II.A "Review of Cost Apportionment Related to OBMP Salt Credits".

**VI. FUTURE MEETINGS AND EVENTS**

July 17, 2003	08:30 a.m.	MZ1 Workshop with Special Referee
	01:00 p.m.	Agricultural Pool Meeting
July 23, 2003	09:00 a.m.	MZ1 Technical Committee Meeting @ City of Chino
July 24, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board
August 14, 2003	8:30 a.m.	Storage & Recovery Workshop
	10:00 a.m.	Joint Meeting of the Appropriative & Non-Agricultural Pools
	1:00 p.m.	Agricultural Pool Meeting

Chair Jeske adjourned the meeting at 11:42.

\_\_\_\_\_  
Secretary

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



# CHINO BASIN WATERMASTER

August 14, 2003

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

## I. CONSENT CALENDAR

A. MINUTES  
Agricultural Pool

Draft Minutes  
CHINO BASIN WATERMASTER  
AGRICULTURAL POOL  
July 17, 2003

The Agricultural Pool meeting was held at the offices of the Chino Basin Watermaster, 8632 Archibald Ave., Suite 109, Rancho Cucamonga, CA, on July 17, 2003 at 1:00 p.m.

AGRICULTURAL POOL MEMBERS PRESENT

Nathan deBoom, Vice-Chair	Dairy - Milk Producers Council
Glen Durrington	Crops
Bob Feenstra	Dairy - Milk Producers Council
Don Galleano	Crops
Jack Hagerman	State of California Institution for Men
Sylvia Hale	State Attorney General's Office
John Huitsing	Dairy - Milk Producers Council
Gene Koopman	Dairy - Milk Producers Council
Jeff Pierson	Crops - Unitex Corporation
Rick Reese	State of California - Geomatrix

Watermaster Board Members Present

Geoffrey Vanden Heuvel	Dairy - Agricultural Pool
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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
Dan McKinney	Reed & Hellyer
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

None

Chair deBoom called the meeting to order at 1:04 p.m.

**AGENDA - ADDITIONS/REORDER**

Mr. Feenstra introduced Don Galleano. Mr. Galleano's accomplishments, interest in protecting the environment and the water, concern for preservation and conservation, experience as a producer of groundwater in the ag preserve, 23 years of service at Jurupa Community Services District, and knowledge of OBMP projects will be an asset to the Agricultural Pool. Mr. Feenstra said the members are very proud to welcome him aboard.

Watermaster staff and members introduced themselves to Mr. Galleano.

Mr. Feenstra also reiterated that the Agricultural Pool would like to do something special in remembrance of the hard work and dedication of Mr. DeBerard who served several decades on the Agricultural Pool. They are considering an oil painting of him that could be presented to his family. He solicited the help of Watermaster staff to find a good photo of Mr. DeBerard to use for that purpose.

Motion by Feenstra, second by Durrington, and by unanimous vote

***Moved, that the Agricultural Pool, with the assistance of Watermaster staff, acquire photos of Mr. DeBerard and chose one that would be appropriate for an oil painting with a brass plated***

*inscription regarding his years of service on the Agricultural Pool and his interest in the water industry.*

#### **NOMINATION & SELECTION OF NEW CHAIR & VICE-CHAIR**

With the passing of Chair DeBerard, it was necessary for the members to nominate and elect a new Agricultural Pool Chair and Vice-Chair to serve the remainder of Calendar-Year 2003. The CEO of Watermaster will remain the Pool Secretary.

After confirming that Vice-Chair deBoom could serve as Chair on both the Agricultural Pool and the Advisory Committee and remain a member of two Watermaster committees, the Personnel Committee and the Water Quality Committee, Mr. Feenstra nominated current Vice-Chair deBoom to serve as Pool Chair for the remainder of Calendar-Year 2003. As additional information, he reported that Mr. deBoom is currently working on his Master's Degree in Urban Development, is very professional and would be a great leader of the Pool. There were no other nominations.

Motion by Feenstra, second by Durrington, and by unanimous vote

***Moved, to elect Nathan deBoom to serve as Chair of the Agricultural Pool for the remainder of Calendar-Year 2003.***

Mr. Feenstra nominated Mr. Koopman to serve as Vice-Chair of the Agricultural Pool for the remainder of Calendar-Year 2003. There were no other nominations.

Motion by Feenstra, second by Durrington, and by unanimous vote

***Moved, to elect Gene Koopman to serve as Vice-Chair of the Agricultural Pool for the remainder of Calendar-Year 2003.***

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

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Mr. Rossi reported that at the Appropriative Pool Meeting, Mr. McGraw said that Fontana Water Company had submitted the incorrect Recapture Plan with this transaction and will provide the correct plan upon returning to his office.

Motion by Feenstra, second by Durrington, and by unanimous vote

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

#### **II. BUSINESS ITEMS**

##### **A. DISCUSS DIGESTER FUNDING BUDGET (*Agricultural Pool*)**

Mr. Rossi provided background regarding the digester funds. As part of the OBMP Phase I Report, in FY 2000-2001 a budget of \$150,000 was contemplated for salt management



activities. Staff confirmed that the \$150,000 was never expended so it was included as a line item in the FY 2003-2004 budget.

Mr. Feenstra explained that it is very important to see that the funds are used for the removal of additional salts from the dairy area and to increase deliveries of manure through the compostor out of the Basin. To accomplish these goals, the funds should go to IEUA as the lead agency for the Anaerobic Digester Program.

For clarification, Chair deBoom asked if the recommendation was to split the \$150,000 between the two efforts, \$75,000 toward the digester program and \$75,000 to reduce tipping fees through IEUA's compostor. There was concern that only a small percentage of dairymen would benefit by the reduction in tipping fees. Mr. Feenstra felt this would be an opportunity to invite other dairies to use the compostor. Mr. Rossi agreed to attend future IEUA Biosolids Committee meetings. The next meeting will be on Wednesday at IEUA. A lengthy discussion ensued regarding current fees the dairies pay for hauling manure out of the Basin vs. compostor fees. Mr. Rossi will assemble findings and provide a report next month for the record.

Motion by Feenstra, second by Mr. Durrington, and by unanimous vote

***Moved, that the digester program funds in the amount of \$150,000 be used by IEUA for the Anaerobic Digester Program and result in the removal of additional salts from the dairy area by increasing composting of manure to maximum capacity.***

#### **B. REVIEW OF COST APPORTIONMENT RELATED TO OBMP SALT CREDITS**

At the end of May, Monte Vista Water District (MVWD) sent a letter to the Watermaster Board requesting staff look into the way the salt credit benefit would be cost apportioned to the parties and to consider asking the Regional Board to delay action on the Maximum Benefit Proposal/Basin Plan Amendment. Mr. Rossi reported that this matter has been discussed at five Appropriative Pool meetings since that time. Last Thursday, the Appropriators took the following action: "Because the Regional Board has not issued salt credits, the Appropriative Pool recommends that the Watermaster Board take no action on salt credits relative to the OBMP at this time". The motion received four nays, one abstention, and the remaining votes were affirmative. The differences in opinion and perspectives relate to each party's interpretation of the intent during negotiations of the Peace Agreement regarding salt credits and whether or not a salt credit program would ever come to fruition.

Mr. Kinsey explained that MVWD was talking about ways to incentivise the export of salt from the Chino Basin. He presented tables and charts supporting their position. In order to support maximum beneficial use, clean up of the Chino Basin will have to follow higher objectives and those objectives would then facilitate reclamation. During negotiations of the Peace Agreement, MVWD understood that in exchange for subsidizing the desalters, the Appropriators would receive a cost apportionment of salt credits. This business deal was based on Peace Agreement, Section 5.5, which states that salt credits will be allocated back to the Appropriative Pool without stipulating the individual Appropriators (some exceptions exist for the first desalter). Section 4.1 states that salt credits are allocated to each individual Appropriator on a pro-rata share. MVWD is concerned because this benefit will go away with State Board approval of the Maximum Benefit Proposal/Basin Plan Amendment. Another concern they have is that upon approval of the Maximum Benefit Proposal, MVWD will be subsidizing the recharge operation in a basin that is outside their jurisdiction. He believes there are solutions that should be explored in order to eliminate this becoming a legal issue.

A lengthy discussion followed in which several of the Agricultural Pool producers expressed their perception of this issue. Board Member Vanden Heuvel pointed out that "Peace" itself is much more valuable than any small dip in the road. During negotiations of the Peace Agreement, all of the parties gave up individual claims in the interest of Peace. He asked that everyone continue to focus on the bigger picture, the benefits that exist today and the benefits that will accrue and be there tomorrow as a result of the Peace Agreement. He reminded them that the Regional Board could not move forward on the Maximum Benefit Proposal/Basin Plan Amendment without findings that it will benefit the people in the State of California. To his

knowledge, this is the only place in the State that has had a serious chance of being successful. Watermaster is on the cutting edge of doing something really great for the people that live here and compromise is the price of Peace.

Mr. Kinsey concurred but explained that the Maximum Beneficial Use/Basin Plan Amendment was not a compromise; instead, it was a major change to a business deal. There was a general consensus that this issue should be resolved outside the Court if MVWD could provide a plan or a proposal for resolution. Otherwise, this issue will remain a difference in opinions.

**No action.**

### **C. FUTURE EXPANSION OF CHINO I AND CHINO II DESALTERS**

On behalf of the CDA, Jurupa Community Services District (JCSD) wrote a letter to Watermaster concerning future desalter replenishment obligations. At the Appropriative/Non-Agricultural Pool meeting last week, Mr. O'Neill gave a presentation regarding current and future desalters. He reported that with the rapid development in the southern end of the Basin, they are concerned about the availability of land for desalters two-three years from now. It would be beneficial to acquire the land now for future desalting facilities and more cost effective if the future users of desalted water resided close to the wells for easy access to existing pipelines and booster stations. Before land can be purchased by the CDA, however, it is imperative to determine how any future replenishment obligations will be met.

Mr. Rossi reported that Appropriators and Non-Agricultural producers did not act on this matter. This is a significant issue that has no quick answer. This needs to be thought out and it was recommended a committee be formed comprised of one CDA member, Watermaster staff and one Non-CDA member (Mr. Wellington was selected) to work out the details.

Several questions were asked and considerable discussion took place regarding new development in the Chino area, associated development fees and costs, the increased exit of dairies, reduction in production creating water quality concerns, etc. To respond to some of the inquiries, Mr. Rossi offered to give Mr. O'Neill's presentation. After the presentation, Mr. Feenstra announced that within the next ten months, there are two major wells in Chino that will shut down. He asked what the impact might be on water quality when they go off-line. Mr. Rossi offered to discuss that with Mr. Wildermuth and provide a report in August. As part of the Maximum Beneficial Use proposal, Watermaster made a commitment not to allow other than de minimus amounts of water to leach out into the River.

**No action.**

## **II. REPORTS/UPDATES**

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

1. Santa Ana Application Response to Protests  
Legal Counsel filed Watermaster's Response to the four protests received. To date, Counsel has not seen any responses from other applicants. At the Appropriative Pool meeting, there was a question about the timing and all that Counsel could really report is that it has been 13 years and they are now at the beginning of the process. The next phase is actually the more difficult phase. However, Watermaster's application was filed as a defensive strategy against the other users in the watershed of the Santa Ana River. Watermaster's application covers storm flows in the Chino Basin that could be tributary to the Santa Ana River. The recharge project being constructed is designed to take those flows. Watermaster is not asking for anything new so timing is not a concern.
2. Hearing regarding Cyclic Storage Agreement Amendment  
The Cyclic Storage Agreement Seventh Amendment extending the agreement with Metropolitan Water District a few more years was signed at the last Watermaster Board meeting and yesterday, the Court gave Counsel a date for hearing, which is September 4.

3. **Chino Land & Water**  
Counsel Fife said the Chino Land & Water is a newly instituted cooperation that claims to be the successor in interest to deed restrictions that they say are in deeds on 33,000 acres of agricultural land in the southern end of the Basin that gives them the water rights to the property. They filed a lawsuit that Judge Norell dismissed after determining that they did not know what kind of water rights they possess. They have now appealed and the Court of Appeals has set a briefing schedule. Chino Land and Water's opening brief will be due by August 11. Best, Best & Krieger is handling the appeal on behalf of Lewis Homes and Watermaster will want to consider coming in as an amicus under the Court. A copy of their appeal will be distributed.
4. **Continuance of the Subsidence Interim Plan Workshop**  
In October 2002, the Court ordered an MZ1 Workshop be held on July 17, 2003 with the Special Referee to receive an update on the progress of the MZ1 Subsidence Interim Plan. Watermaster requested a continuance to August 7 because there didn't seem to be enough information to warrant a workshop at this time. The Special Referee concurred and the Court continued the workshop to October 30, 2003. The extensometer is a key component of the monitoring program and it was completed on schedule around June 30. With more time, more data can be gathered to present at the workshop.

## **B. CEO REPORT/UPDATES**

1. **Balance of Recharge & Discharge in all Areas, Determination of Operating Storage & Safe Storage, and the Cumulative Impact of Transfers**  
A Draft Technical Memorandum on the Dry-Year Yield findings will be mailed to the parties within the next two weeks for consideration at the meetings in August.
  2. **Storage & Recovery Workshops have been scheduled monthly at 8:30 a.m. just prior to the 10:00 a.m. Joint Pool Meeting**  
At the workshop held at 8:30 a.m. July 20, the parties discussed a scope of work presented by Dave Argo to help culminate the work that has been done and all of the components necessary to market storage capacity. The scope of work should come forward to the pools for consideration in August.
  3. **Status regarding MWD Operating Plan Meeting held July 3 @ IEUA**  
Mr. Rossi had nothing new to report at this time.
  4. **Report regarding opportunities to recharge water in the Chino Basin.**  
Items 3 and 4 were combined for reporting purposes. Watermaster is on part of the State Project System and because Metropolitan has water available, they are offering it for recharge purposes in the Chino Basin. Staff has had a series of meetings with Metropolitan staff and IEUA staff and it was decided to put water into the Trust Storage Account until the new storage account has been approved. Two connections have been turned on to receive wet water into the Basin at 100% deferred cost as part of the Long Term Storage Program and Metropolitan will begin delivering water tomorrow morning. Also, the Appropriators will be able to take portions of this water as an in-lieu delivery through their water treatment plants at no cost, at a higher water quality for blending purposes later this year. Watermaster first has to commit to Metropolitan to turn off wells and allow water to build up in the Basin. There is another Metropolitan program that gives a \$92 of subsidy or buy-down for long-term in-lieu storage if Watermaster can shut off wells and build up storage. It would be better to go with the first program for 100% deferred cost. Staff is working with the Appropriators to find out what availability they have, if any.
  5. **Status regarding Hydraulic Control Monitoring Meeting held July 8 @ IEUA**  
Based on requests, staff will present a more comprehensive report on the Hydraulic Control Monitoring Program at the next meeting.
  6. **Watermaster/IEUA awarded \$250,000 AB303 Grant from Department of Water Resources.**  
Reported earlier.
- Item Added...**
7. **Recruiting Efforts**  
Mr. Wildermuth, Mr. Argo and Mr. Mills assisted Mr. Rossi with interviewing eight candidates last week to fill the two engineering positions. The level of applicants, qualifications and experience, was impressive. Three candidates were asked to return for a second interview

and after references were checked, he made offers to the top two. He received one offer letter back accepting the position of Project Engineer to begin Monday. Gordon Treweek has about 25-30 years experience working for Montgomery Watson, TetraTech and his own firm. He actually did the earlier characterizations of water anomalies at the Stringfellow Acid Pits years ago for Montgomery. He graduated from Caltech with a PhD. The other person offered the Sr. Engineer position is still making a decision.

**C. OTHER AGENCY REPORTS**

*None*

**IV. COMMITTEE MEMBER COMMENTS**

*None*

**V. OTHER BUSINESS**

Special Counsel, Dan McKinney, asked to speak to the Agricultural Pool members confidentially.

**VI. FUTURE MEETINGS AND EVENTS**

July 17, 2003	08:30 a.m.	MZ1 Workshop with Special Referee
	01:00 p.m.	Agricultural Pool Meeting
July 23, 2003	09:00 a.m.	MZ1 Technical Committee Meeting @ City of Chino
July 24, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board
August 14, 2003	8:30 a.m.	Storage & Recovery Workshop
	10:00 a.m.	Joint Meeting of the Appropriative & Non-Agricultural Pools
	1:00 p.m.	Agricultural Pool Meeting

Chair deBoom adjourned the meeting at 3:30 p.m.

\_\_\_\_\_  
Secretary

Minutes Approved: August 14, 2003



# CHINO BASIN WATERMASTER

August 14, 2003

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

1:00 p.m. – Agricultural Meeting

## I. CONSENT CALENDAR

B. FINANCIAL REPORTS



# CHINO BASIN WATERMASTER

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

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JOHN V. ROSSI  
Chief Executive Officer

## STAFF REPORT

**DATE:** August 14, 2003

**TO:** Watermaster Pool Committee Members

**SUBJECT:** CASH DISBURSEMENT REPORT – July 2003

### SUMMARY

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

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

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

### BACKGROUND

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

### DISCUSSION

Total cash disbursements during the month of July 2003 were \$665,375.13. The most significant expenditures during the month were Layne Christensen Company in the amount of \$300,207.50; Inland Empire Utilities Agency in the amount of \$61,242.00; Wildermuth Environmental Inc. in the amount of \$46,548.42; and Libolt Design & Remodeling, Inc. in the amount of \$29,410.00.

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CHINO BASIN WATERMASTER  
Cash Disbursement Detail Report  
July 2003

Type	Date	Num	Name	Amount
Jul 03				
General Journal	7/5/2003	03/07/4	PAYROLL	-4,060.06
General Journal	7/5/2003	03/07/4	PAYROLL	-14,590.67
Bill Pmt -Check	7/7/2003	7764	ADEX MEDICAL INC	-195.72
Bill Pmt -Check	7/7/2003	7765	APPLIED COMPUTER TECHNOLOGIES	-2,382.10
Bill Pmt -Check	7/7/2003	7766	BANK OF AMERICA	-1,077.99
Bill Pmt -Check	7/7/2003	7767	BARRION, VICTOR A	-125.00
Bill Pmt -Check	7/7/2003	7768	CATLIN, TERRY	-125.00
Bill Pmt -Check	7/7/2003	7769	CHEVRON	-465.29
Bill Pmt -Check	7/7/2003	7770	CITRUS FORD	-20,351.42
Bill Pmt -Check	7/7/2003	7771	COSTCO WHOLESAL	-279.66
Bill Pmt -Check	7/7/2003	7772	DAILY BULLETIN	-172.80
Bill Pmt -Check	7/7/2003	7773	DE BOOM, NATHAN	-1,000.00
Bill Pmt -Check	7/7/2003	7774	DeBERARD, ROBERT	-500.00
Bill Pmt -Check	7/7/2003	7775	DONALD E. WILLIAMSON, ASSESSOR	-40.00
Bill Pmt -Check	7/7/2003	7776	DURRINGTON, GLEN	-375.00
Bill Pmt -Check	7/7/2003	7777	FEENSTRA, BOB	-375.00
Bill Pmt -Check	7/7/2003	7778	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	7/7/2003	7779	GROOMAN'S PUMP & WELL DRILLING, INC.	-1,529.19
Bill Pmt -Check	7/7/2003	7780	HATCH AND PARENT	-22,218.24
Bill Pmt -Check	7/7/2003	7781	HUITSING, JOHN	-375.00
Bill Pmt -Check	7/7/2003	7782	INLAND COUNTIES INSURANCE SERVICES, INC.	-340.66
Bill Pmt -Check	7/7/2003	7783	INLAND EMPIRE UTILITIES AGENCY	-61,242.00
Bill Pmt -Check	7/7/2003	7784	KOOPMAN, GENE	-375.00
Bill Pmt -Check	7/7/2003	7785	KUHN, BOB	-125.00
Bill Pmt -Check	7/7/2003	7786	LA BRUCHERIE, RONALD	-125.00
Bill Pmt -Check	7/7/2003	7787	LAYNE CHRISTENSEN COMPANY	-300,207.50
Bill Pmt -Check	7/7/2003	7788	MWH LABORATORIES	-30.00
Bill Pmt -Check	7/7/2003	7789	OFFICE DEPOT	-270.74
Bill Pmt -Check	7/7/2003	7790	P.C. CLUB	-3,946.42
Bill Pmt -Check	7/7/2003	7791	PASCAL & LUDWIG CONSTRUCTORS	-4,997.85
Bill Pmt -Check	7/7/2003	7792	PAYCHEX	-135.00
Bill Pmt -Check	7/7/2003	7793	PIERSON, JEFFREY	-375.00
Bill Pmt -Check	7/7/2003	7794	POWERS ELECTRIC PRODUCTS CO.	-1,115.40
Bill Pmt -Check	7/7/2003	7795	R & B Lock and Key	-294.80
Bill Pmt -Check	7/7/2003	7796	REID & HELLYER	-4,773.55
Bill Pmt -Check	7/7/2003	7797	RICOH BUSINESS SYSTEMS-Lease	-3,591.31
Bill Pmt -Check	7/7/2003	7798	RICOH BUSINESS SYSTEMS-Maintenance	-651.95
Bill Pmt -Check	7/7/2003	7799	RODRIGUEZ, DAN	-125.00
Bill Pmt -Check	7/7/2003	7800	SOUTHERN CALIFORNIA EDISON	-955.26
Bill Pmt -Check	7/7/2003	7801	STEWART, TRACI L.	-570.94
Bill Pmt -Check	7/7/2003	7802	TLC STAFFING	-3,623.22
Bill Pmt -Check	7/7/2003	7803	TURNER & ASSOCIATES	-31.30
Bill Pmt -Check	7/7/2003	7804	UNITED PARCEL SERVICE	-545.94
Bill Pmt -Check	7/7/2003	7805	URBAN WATER INSTITUTE	-700.00
Bill Pmt -Check	7/7/2003	7806	VELASQUEZ JANITORIAL	-175.00
Bill Pmt -Check	7/7/2003	7807	VERIZON	-502.38
Bill Pmt -Check	7/7/2003	7808	WHEELER METER MAINTENANCE	-872.34
Bill Pmt -Check	7/7/2003	7809	WHITEHEAD, MICHAEL	-125.00
Bill Pmt -Check	7/7/2003	7810	WILDERMUTH ENVIRONMENTAL INC	-46,548.42
Bill Pmt -Check	7/7/2003	7811	YATES, DENNIS	-125.00
Bill Pmt -Check	7/7/2003	7812	MWH Montgomery Watson Harza	-18,236.64
Bill Pmt -Check	7/14/2003	7763	ACWA SERVICES CORPORATION	-84.45
General Journal	7/21/2003	03/07/8	PAYROLL	-3,931.15
General Journal	7/21/2003	03/07/8	PAYROLL	-14,461.34
Bill Pmt -Check	7/24/2003	7813	STATE COMPENSATION INSURANCE FUND	-719.80
Bill Pmt -Check	7/24/2003	7814	LAB SAFETY SUPPLY, INC.	-188.91
Check	7/24/2003	7815	ROMANO'S MACARONI GRILL	-259.71
Bill Pmt -Check	7/24/2003	7816	AUTOMOBILE CLUB OF SOUTHERN CALIFORNIA	-44.00
Bill Pmt -Check	7/24/2003	7817	BLACK & VEATCH CORPORATION	-23,501.21
Bill Pmt -Check	7/24/2003	7818	CALPERS	-1,231.82
Bill Pmt -Check	7/24/2003	7819	CITISTREET	-1,081.77
Bill Pmt -Check	7/24/2003	7820	CITIZENS CONFERENCING	0.00
Bill Pmt -Check	7/24/2003	7821	ELLISON, SCHNEIDER & HARRIS, LLP	-17,215.58
Bill Pmt -Check	7/24/2003	7822	Hettinga, Peter	-125.00
Bill Pmt -Check	7/24/2003	7823	INLAND EMPIRE UTILITIES AGENCY	-132.25
Bill Pmt -Check	7/24/2003	7824	Jin M. Kim, M.D.	-140.00
Bill Pmt -Check	7/24/2003	7825	MCCALL'S METER SALES & SERVICE	-2,237.41
Bill Pmt -Check	7/24/2003	7826	MCI	-945.95
Bill Pmt -Check	7/24/2003	7827	MWH LABORATORIES	-2,040.00



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CHINO BASIN WATERMASTER  
Cash Disbursement Detail Report  
July 2003

Type	Date	Num	Name	Amount
Bill Pmt -Check	7/24/2003	7828	OFFICE DEPOT	-588.25
Bill Pmt -Check	7/24/2003	7829	PARK PLACE COMPUTER SOLUTIONS, INC.	-3,410.00
Bill Pmt -Check	7/24/2003	7830	PITNEY BOWES CREDIT CORPORATION	-468.72
Bill Pmt -Check	7/24/2003	7831	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-3,650.90
Bill Pmt -Check	7/24/2003	7832	RAUCH COMMUNICATION CONSULTANTS, LLC	-8,187.15
Bill Pmt -Check	7/24/2003	7833	RICOH BUSINESS SYSTEMS-Maintenance	-89.21
Bill Pmt -Check	7/24/2003	7834	STANDARD INSURANCE CO.	-421.92
Bill Pmt -Check	7/24/2003	7835	TLC STAFFING	-1,067.60
Bill Pmt -Check	7/24/2003	7836	USA-FACT INC	-248.40
Bill Pmt -Check	7/24/2003	7837	VALLEY VET SUPPLY	-101.53
Bill Pmt -Check	7/30/2003	7838	ACE METALS	-525.00
Bill Pmt -Check	7/30/2003	7839	ARROWHEAD MOUNTAIN SPRING WATER	-39.09
Bill Pmt -Check	7/30/2003	7840	CALIFORNIA TRUCK SHELLS	-1,542.74
Bill Pmt -Check	7/30/2003	7841	CBA STEREO & SECURITY	-188.56
Bill Pmt -Check	7/30/2003	7842	CITIZENS CONFERENCING	-37.96
Bill Pmt -Check	7/30/2003	7843	COLONIAL LIFE & ACCIDENT INSURANCE CO	-42.80
Bill Pmt -Check	7/30/2003	7844	CONRAD & ASSOCIATES, L.L.P.	-3,839.00
Bill Pmt -Check	7/30/2003	7845	EARL SCHEIB PAINT & BODY	-597.78
Bill Pmt -Check	7/30/2003	7846	LOS ANGELES TIMES	-39.92
Bill Pmt -Check	7/30/2003	7847	MIJAC ALARM	-126.00
Bill Pmt -Check	7/30/2003	7848	NEXTEL COMMUNICATIONS	-433.68
Bill Pmt -Check	7/30/2003	7849	RANCHO TECH LLC	-4,485.00
Bill Pmt -Check	7/30/2003	7850	TLC STAFFING	-1,067.60
Bill Pmt -Check	7/30/2003	7851	LIBOLT DESIGN & REMODEL, INC.	-29,410.00
Bill Pmt -Check	7/30/2003	7852	SOFTCHOICE	-10,329.21
				<hr/>
				<b>-665,375.13</b>

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CHINO BASIN WATERMASTER  
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL  
 FOR THE  
 PERIOD JULY 1, 2002 THROUGH JUNE 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			\$4,470,784.83		\$149,042.18				\$4,619,827.01	\$3,797,572
Interest Revenue			79,234.18	\$10,168.29	4,423.40			\$61.87	93,887.74	132,890
Mutual Agency Project Revenue	\$ 25,878.94								25,878.94	0
Grant Income									0.00	0
Miscellaneous Income									0.00	0
<b>Total Revenues</b>	<b>25,878.94</b>	<b>\$0.00</b>	<b>4,550,019.01</b>	<b>10,168.29</b>	<b>153,465.58</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>61.87</b>	<b>4,739,593.69</b>	<b>3,930,462</b>
Administrative & Project Expenditures										
Watermaster Administration	833,897.13								833,897.13	752,208
Watermaster Board-Advisory Committee	39,415.31								39,415.31	60,392
Pool Administration			14,128.90	71,706.45	4,404.21				90,239.56	139,782
Optimum Basin Mgmt Administration		939,061.08							939,061.08	891,634
OBMP Project Costs		2,850,393.00							2,850,393.00	3,324,257
Education Funds Use								375.00	375.00	375
Mutual Agency Project Costs	78,158.30								78,158.30	2,500
<b>Total Administrative/OBMP Expenses</b>	<b>951,470.74</b>	<b>3,789,454.08</b>	<b>14,128.90</b>	<b>71,706.45</b>	<b>4,404.21</b>			<b>375.00</b>	<b>4,831,539.38</b>	<b>5,171,148</b>
Net Administrative/OBMP Income	(925,591.80)	(3,789,454.08)								
Allocate Net Admin Income To Pools	925,591.80		674,285.74	220,349.59	30,956.47				0.00	0
Allocate Net OBMP Income To Pools		3,789,454.08	2,760,585.01	902,130.57	126,738.49				0.00	0
Agricultural Expense Transfer			1,181,936.61	(1,181,936.61)					0.00	0
<b>Total Expenses</b>	<b>4,630,936.27</b>		<b>12,250.00</b>	<b>162,099.17</b>		<b>-</b>	<b>-</b>	<b>375.00</b>	<b>4,831,539.38</b>	<b>5,171,148</b>
Net Administrative Income			(80,917.26)	(2,081.71)	(8,633.59)			(313.13)	(91,945.69)	(1,240,686)
Other Income/(Expense)										
Replenishment Water Purchases						1,473,723.71			1,473,723.71	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						(2,998,168.99)			(2,998,168.99)	(1,586,049)
Net Other Income			0.00	0.00	0.00	61,554.72	0.00	0.00	61,554.72	0
Net Transfers To/(From) Reserves			(80,917.26)	(2,081.71)	(8,633.59)	61,554.72	-	(313.13)	(30,390.97)	(1,240,686)
Working Capital, July 1, 2002			2,916,003.13	468,150.31	175,804.57	204,947.95	158,250.86	2,845.07	3,926,001.89	
Working Capital, End Of Period	\$ 2,835,085.87	\$ 466,068.60	\$ 167,170.98	\$ 266,502.67	\$ 158,250.86	\$ 2,531.94	\$ 3,895,610.92			
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%	

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

**SUMMARY at 6/30/2003**

<b>DEPOSITORIES:</b>			
Cash on Hand - Petty Cash		\$	500.00
Bank of America			
Governmental Checking-Demand Deposits	\$106,788.72		
Savings Deposits	9,604.66		
Zero Balance Account - Payroll	0.00		116,393.38
Local Agency Investment Fund - Sacramento			<u>4,343,137.75</u>
<b>TOTAL CASH IN BANKS AND ON HAND</b>	<b>6/30/2003</b>	<b>\$</b>	<b>4,460,031.13</b>
<b>TOTAL CASH IN BANKS AND ON HAND</b>	<b>5/31/2003</b>		<b>5,880,665.84</b>
<b>PERIOD INCREASE (DECREASE)</b>		<b>\$</b>	<b><u>(1,420,634.71)</u></b>

**CHANGE IN CASH POSITION DUE TO:**

Decrease/(Increase) in Assets:	Accounts Receivable	(26,322.05)
	Assessments Receivable	0.00
	Prepaid Expenses, Deposits & Other Current Assets	(11,044.81)
(Decrease)/Increase in Liabilities:	Accounts Payable	(791,479.31)
	Accrued Payroll, Payroll Taxes & Other Current Liabilities	(4,380.65)
	Transfer to/(from) Reserves	<u>(587,407.89)</u>
<b>PERIOD INCREASE (DECREASE)</b>		<b>\$ <u>(1,420,634.71)</u></b>

<u>SUMMARY OF FINANCIAL TRANSACTIONS:</u>	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Savings	Local Agency Investment Funds	Totals
Balances as of 5/31/2003	\$500.00	\$77,435.30	\$0.00	\$9,592.79	\$5,793,137.75	\$5,880,665.84
Deposits		41,115.00	0.00	11.87	0.00	41,126.87
Transfers		1,415,837.10	34,162.90	0.00	(1,450,000.00)	0.00
Withdrawals/Checks		(1,427,598.68)	(34,162.90)	0.00	0.00	(1,461,761.58)
Balances as of 6/30/2003	<u>\$500.00</u>	<u>\$106,788.72</u>	<u>\$0.00</u>	<u>\$9,604.66</u>	<u>\$4,343,137.75</u>	<u>\$4,460,031.13</u>
<b>PERIOD INCREASE OR (DECREASE)</b>	<b><u>\$0.00</u></b>	<b><u>\$29,353.42</u></b>	<b><u>\$0.00</u></b>	<b><u>\$11.87</u></b>	<b><u>(\$1,450,000.00)</u></b>	<b><u>(\$1,420,634.71)</u></b>

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

**INVESTMENT TRANSACTIONS**

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
6/21/2003	Withdrawal	L.A.I.F.	(400,000.00)				
6/30/2003	Withdrawal	L.A.I.F.	(1,050,000.00)				
<b>TOTAL INVESTMENT TRANSACTIONS</b>			<b>(\$1,450,000.00)</b>	<b>\$0.00</b>			

\* 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**

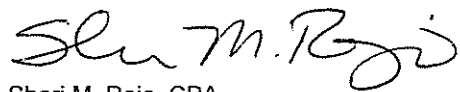
June 30, 2003

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$4,343,137.75			
Time Certificates of Deposit		0.00		
<b>TOTAL INVESTMENTS</b>	<b>\$4,343,137.75</b>			

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

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

Respectfully submitted,



Sheri M. Rojo, CPA  
Finance Manager  
Chino Basin Watermaster

**CHINO BASIN WATERMASTER**  
**Profit & Loss Budget vs. Actual**  
**July 2002 through June 2003**

	Jul '02 - Jun 03	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
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	93,887.74	132,890.00	-39,002.26	70.7%
4900 · Miscellaneous income	0.00	0.00	0.00	0.0%
<b>Total Income</b>	<b>4,739,593.69</b>	<b>3,930,462.00</b>	<b>809,131.69</b>	<b>120.6%</b>
<b>Gross Profit</b>	<b>4,739,593.69</b>	<b>3,930,462.00</b>	<b>809,131.69</b>	<b>120.6%</b>
<b>Expense</b>				
6010 · Salary Costs	480,736.76	414,173.00	66,563.76	116.1%
6020 · Office Building Expense	80,097.14	123,845.00	-43,747.86	64.7%
6030 · Office Supplies & Equip.	24,846.22	27,500.00	-2,653.78	90.3%
6040 · Postage & Printing Costs	64,478.71	48,450.00	16,028.71	133.1%
6050 · Information Services	98,349.16	101,800.00	-3,450.84	96.6%
6061 · Other Consultants	33,326.18	29,000.00	4,326.18	114.9%
6062 · Audit Services	3,839.00	5,000.00	-1,161.00	76.8%
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	136,027.62	71,000.00	65,027.62	191.6%
6067.2 · Legal Services -Markot	90.36	5,000.00	-4,909.64	1.8%
6080 · Insurance	14,046.80	11,210.00	2,836.80	125.3%
6110 · Dues and Subscriptions	19,687.47	13,500.00	6,187.47	145.8%
6140 · Other WM Admin Expenses	1,354.82	2,300.00	-945.18	58.9%
6150 · Field Supplies	3,424.39	3,950.00	-525.61	86.7%
6170 · Travel & Transportation	46,349.02	25,500.00	20,849.02	181.8%
6190 · Conferences & Seminars	16,519.60	14,500.00	2,019.60	113.9%
6200 · Advisory Comm - WM Board	13,738.35	17,870.00	-4,131.65	76.9%
6300 · Watermaster Board Expenses	25,676.96	42,522.00	-16,845.04	60.4%
8300 · Appr PI-WM & Pool Admin	14,128.90	16,310.00	-2,181.10	86.6%
8400 · Agri Pool-WM & Pool Admin	16,724.23	18,710.00	-1,985.77	89.4%
8467 · Agri-Pool Legal Services	42,732.22	83,000.00	-40,267.78	51.5%
8470 · Ag Meeting Attend -Special	12,250.00	17,300.00	-5,050.00	70.8%
8500 · Non-Ag PI-WM & Pool Admin	4,404.21	4,462.00	-57.79	98.7%
6500 · Education Funds Use Expens	375.00	375.00	0.00	100.0%
9500 · Allocated G&A Expenditures	-197,076.12	-286,120.00	89,043.88	68.9%
6900 · Optimum Basin Mgmt Plan	882,424.85	810,777.00	71,647.85	108.8%
6950 · Mutual Agency Projects	78,158.30	2,500.00	75,658.30	3,126.3%
9501 · G&A Expenses Allocated-OBMP	56,636.23	80,857.00	-24,220.77	70.0%
7101 · Production Monitoring	29,662.32	61,062.00	-31,399.68	48.6%
7102 · In-line Meter Installation	421,978.11	439,399.00	-17,420.89	96.0%
7103 · Grdwtr Quality Monitoring	193,721.92	321,829.00	-128,107.08	60.2%
7104 · Gdwtr Level Monitoring	84,284.32	205,916.00	-121,631.68	40.9%
7105 · Sur Wtr Qual Monitoring	56,403.64	85,161.00	-28,757.36	66.2%
7106 · Wtr Level Sensors Install	28,956.23	34,501.00	-5,544.77	83.9%
7107 · Ground Level Monitoring	711,916.55	801,070.00	-89,153.45	88.9%
7108 · Hydraulic Control Monitoring	18,096.80			
7200 · PE2- Comp Recharge Pgm	222,395.32	184,168.00	38,227.32	120.8%
7300 · PE3&5-Water Supply/Desalte	5,710.47	123,587.00	-117,876.53	4.6%
7400 · PE4-MZ1 Mgmt Plan	353,530.65	81,172.00	272,358.65	435.5%
7500 · PE6&7-CoopEfforts/SaltMgmt	114,242.79	58,299.00	55,943.79	196.0%
7600 · PE8&9-StorageMgmt/Conj Use	39,804.02	102,830.00	-63,025.98	38.7%
7690 · Recharge Improvement Debt Pymt	429,250.00	620,000.00	-190,750.00	69.2%
9502 · G&A Expenses Allocated-Projects	140,439.86	205,263.00	-64,823.14	68.4%
<b>Total Expense</b>	<b>4,831,539.38</b>	<b>5,147,148.00</b>	<b>-315,608.62</b>	<b>93.9%</b>
<b>Net Ordinary Income</b>	<b>-91,945.69</b>	<b>-1,216,686.00</b>	<b>1,124,740.31</b>	<b>7.6%</b>
<b>Other Income/Expense</b>				
<b>Other Income</b>				
4231 · MZ1 Assigned Water Sales	0.00	615,000.00	-615,000.00	0.0%
4210 · Approp Pool-Replenishment	1,424,041.36			
4220 · Non-Ag Pool-Replenishment	49,682.35			

**CHINO BASIN WATERMASTER**  
**Profit & Loss Budget vs. Actual**  
**July 2002 through June 2003**

	<u>Jul '02 - Jun 03</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
4230 · MZ1 Sup Wtr Assessment	1,586,000.00	1,670,049.00	-84,049.00	95.0%
Total Other Income	3,059,723.71	2,285,049.00	774,674.71	133.9%
Other Expense				
5010 · Groundwater Replenishment	2,998,168.99	2,285,049.00	713,119.99	131.2%
9999 · To/(From) Reserves	557,016.92	-1,240,686.00	1,797,702.92	-44.9%
Total Other Expense	3,555,185.91	1,044,363.00	2,510,822.91	340.4%
Net Other Income	-495,462.20	1,240,686.00	-1,736,148.20	-39.9%
Net Income	<u>-587,407.89</u>	<u>24,000.00</u>	<u>-611,407.89</u>	<u>-2,447.5%</u>

# CHINO BASIN WATERMASTER

August 14, 2003

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

## I. CONSENT CALENDAR

### C. WATER TRANSACTIONS



***CHINO BASIN WATERMASTER***

**NOTICE**

**OF**

**APPLICATION(S)**

**RECEIVED FOR**

**WATER TRANSACTIONS – ACTIVITIES**

Date of Notice:

August 7, 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: **July 30, 2003**

Date of this notice: **August 7, 2003**

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

- A. Notice of Lease of Water Rights from Santa Ana River Water Company to Jurupa Community Services District, in the amount of 2,000.000 acre-feet to offset anticipated over-production in F.Y. 2002-2003.

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

Agricultural Pool:	August 14, 2003
Appropriative Pool:	August 14, 2003
Non-Agricultural Pool:	August 14, 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: August 7, 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

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**JOHN V. ROSSI**  
Chief Executive Officer

**DATE:** August 7, 2003  
**TO:** Watermaster Committee Members  
**SUBJECT:** Summary and Analysis of Application for Water Transaction

### Summary

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

**Issue -** Notice of Lease of Water Rights from Santa Ana River Water Company to Jurupa Community Services District, in the amount of 2,000.000 acre-feet to offset anticipated over-production in F.Y. 2002-2003.

### 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.

Notice of Lease of Water Rights from Santa Ana River Water Company to Jurupa Community Services District, in the amount of 2,000.000 acre-feet to offset anticipated over-production in F.Y. 2002-2003.

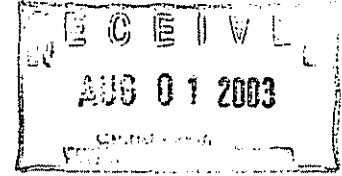
Notice of the water transaction(s) identified above was mailed August 7, 2003 along with the materials submitted by the requestors.

**DISCUSSION**

This transfer occurs between a producer located primarily in Management Zone 1 to a producer located primarily in Management Zones 3, 4 and 5.

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.

Paul E. Hamrick, Director  
James C. Huber, Director  
Curtis W. Hummel, Director  
Kenneth McLaughlin, Director  
Jack E. Smith, Director



July 30, 2003

Mr. John Rossi  
Chino Basin Watermaster  
8632 Archibald Avenue, Suite 109  
Rancho Cucamonga, CA 91730

RE: LEASE OF WATER RIGHTS – SANTA ANA RIVER WATER COMPANY  
TO JURUPA COMMUNITY SERVICES DISTRICT – FY 2002-2003

Dear Mr. Rossi:

This letter is to notify Watermaster of the lease of 2,000 AF of water from the Santa Ana River Water Company production rights to Jurupa Community Services District (District). This lease is made first from Santa Ana River Water Company's net underproduction in 2002-2003, with any remainder to be recaptured from storage. This transaction is a lease of water rights to offset a portion of the District's anticipated Chino Basin replenishment obligation for FY 2002-2003. The recapture plan of which is on file with Watermaster.

Enclosed is a fully executed Application To Assign, Transfer or Lease Water Rights and the District's recapture plan for consideration by Watermaster. Please agendize the proposed lease at the earliest possible opportunity.

If you have any questions, or require additional information concerning this matter, please call me at (909) 685-7434.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carole A. McGreevy".

Carole A. McGreevy  
General Manager.

Enclosure: Application  
Recapture plan  
Copy: Ken Waring  
Arnold Rodriguez, SARWC  
7005 Admin  
7020.admin.ltr.wmaster.sarwc/cr

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

TRANSFER FROM LOCAL STORAGE AGREEMENT

# \_\_\_\_\_

Santa Ana River Water Company  
Name of Party

03/11/03

Date Requested

\_\_\_\_\_ Date Approved

10530 54<sup>th</sup> Street  
Street Address

2000 Acre-feet

Amount Requested

\_\_\_\_\_ Acre-feet

Amount Approved

Mira Loma Ca 91752  
City State Zip Code

Telephone: 909-685-6503

Facsimile: (909)6851978 \_\_\_\_\_

  
Applicant

J Arnold Rodriguez General Manager

TRANSFER TO:

Jurupa Community Services District

Recapture Form 4 on file

Name of Party  
11201 Harrel Street  
Street Address

Mira Loma CA 92752  
City State Zip Code

Telephone: 909-685-7434

Facsimile: 909-685-1154

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?

These wells do not exceed the MCL for nitrates and are used to blend with other wells within the Districts service area that do exceed the MCL for nitrates . All five wells are perforated to a depth of between 300 – 400 feet

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 ]

**Form 3 (cont.)**

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?


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**ADDITIONAL INFORMATION ATTACHED**    Yes [ ]    No [x]    On file

  
Applicant

**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  
TO  
TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2002 - 2003

Commencing on July 1, 2002 and terminating on June 30, 2003, SARWC ("Transferor") hereby transfers to JCSD("Transferee") the quantity of 2,000 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) (2) Transferee shall put all waters utilized pursuant to said Transfer to reasonable beneficial use.
- (3) (3) Transferee shall pay all Watermaster assessments on account of the water production hereby Transferred.
- (4) (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?

These wells do not exceed the MCL for nitrates and are used to blend with other wells within the Districts service area that do exceed the MCL for nitrates . All five wells are perforated to a depth of between 300 – 400 feet

**MATERIAL PHYSICAL INJURY**

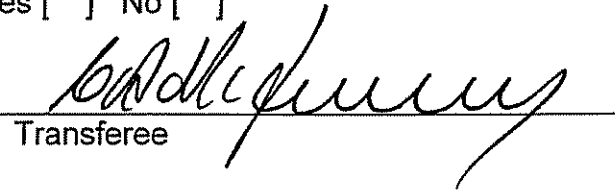
Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application?  
Yes [ ] No X

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?

**ADDITIONAL INFORMATION  
ATTACHED**

Yes [ ] No [ ]

  
Transferor

  
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 # \_\_\_\_\_

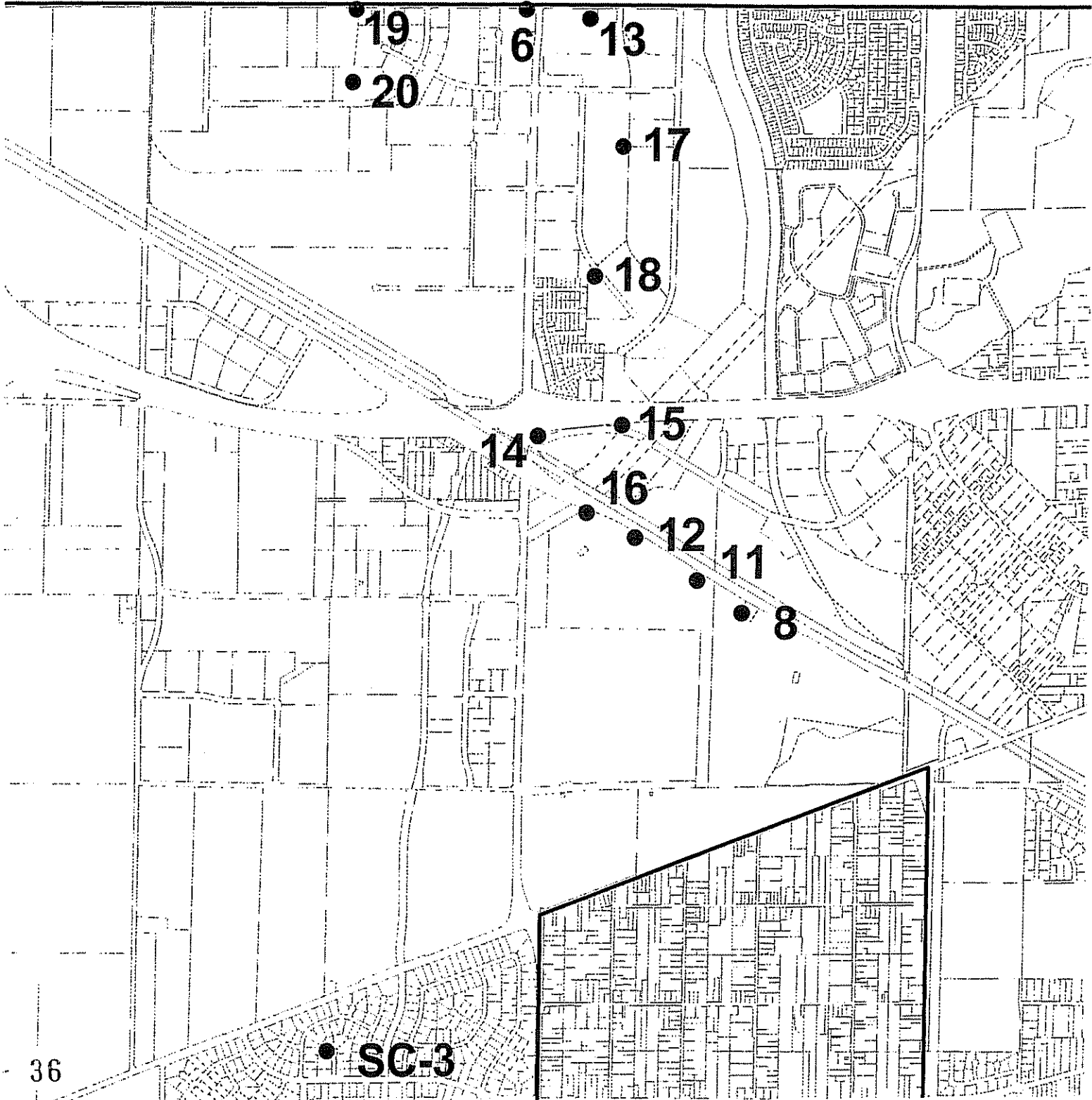
## JURUPA COMMUNITY SERVICES DISTRICT

### RECAPTURE PLAN

The subject water is a transfer of 650 acre-feet of stored groundwater from the San Antonio Water Company to the Jurupa Community Services District. San Antonio Water Company is located within Management Zone 1 and Jurupa Community Services District is located within Management Zones 3, 4 and 5 of the Chino Groundwater Basin. Recapture of the water will be accomplished as follows:

JCSD WELL #	13	17	18	6
February 2002	25af	25af	75af	25af
March 2002	25af	25af	75af	25af
April 2002	25af	25af	75af	50af
May 2002	25af	25af	75af	50af

The attached map shows the location of these wells within the District's service area. These wells do not exceed the MCL for nitrates and are used to blend with other wells within the District's service that do exceed the MCL for nitrates. All four wells are perforated to a depth of between 300-400 feet.



• SC-3

# CHINO BASIN WATERMASTER

August 14, 2003

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

1:00 p.m. – Agricultural Meeting

## II. BUSINESS ITEMS

A. BALANCE OF RECHARGE & DISCHARGE  
IN ALL AREAS, AND DETERMINATION OF  
OPERATING STORAGE & SAFE STORAGE



# 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:** August 14, 2003  
**TO:** Pool Committee Members  
**SUBJECT:** Court Required Report on Analysis of Supplemental Water Recharge and Analysis of Operational Storage Capacity, Safe Storage and Safe Storage Capacity

### SUMMARY

*Issue* – File report with Court on Analysis of Supplemental Water Recharge and Analysis of Operational Storage Capacity, Safe Storage and Safe Storage Capacity.

*Recommendations* – Consider recommendation to Advisory Committee to file final report with court.

*Fiscal Impact* – No fiscal impact.

### BACKGROUND

Section 5.1(e) of the Peace Agreement contains the Watermaster commitments regarding the recharge of supplemental water in the Chino Basin.

Section 7 of the Rules and Regulations repeats the commitments of Section 5.1(e) of the Peace Agreement and adds (see Rules and Regulations, page 37, 7.1(b)(iv):

“(b) Watermaster shall exercise Best Efforts to: ...

- (iv) Make its initial report on the then existing state of Hydrologic Balance by July 1, 2003, including any recommendations on Recharge actions, which may be necessary under the OBMP. Thereafter, Watermaster shall make written reports on the long term balance in the Chino Basin every two years; ...”

The attached draft technical memorandum prepared by Wildermuth Environmental, Inc. (WEI) was drafted pursuant to the requirements of the Peace Agreement and the Watermaster Rules and Regulations cited above. Staff and WEI continue to work on the analysis of cumulative effects of transfers and expect to present the draft technical memorandum in October.

Staff and WEI have presented, at meetings in the months of June and July, the criteria and background assumptions utilized in this analysis and some of the preliminary findings. Input received at these meetings has been incorporated. Staff anticipates the possibility of further comments at the meetings in July. Mark Wildermuth will present the memorandum at the meetings

### SUMMARY

Staff recommends that the Watermaster authorize staff and legal counsel to file the final report with the court.



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## Technical Memorandum

### Analysis of Supplemental Water Recharge Pursuant to the Peace Agreement.

### Analysis of Operational Storage Requirement, Safe Storage, and Safe Storage Capacity Pursuant to the Peace Agreement.

August 2003

#### BACKGROUND

##### Supplemental Water Recharge

Section 5.1 (e) of the Peace Agreement contains the Watermaster commitments regarding the recharge of supplemental water in the Chino Basin. This analysis focuses on the Watermaster's implementation of the Peace Agreement Section 5.1 (e) items (i), (iii), (v), (vii), and (viii), that are as follows (see Peace agreement pages 20 and 21):

"Watermaster shall exercise Best Efforts to:

- (i) protect and enhance the safe yield of the Chino Basin through Replenishment and Recharge; ...
- (iii) direct Recharge relative to Production in each area and sub-area of the Basin to achieve long term balance and to promote the goal of equal access to groundwater in all areas and sub-areas of the Chino Basin; ...
- (v) establish and periodically update criteria for the use of water from different sources for Replenishment purposes; ...
- (vii) recharge the Chino Basin with water in any area where groundwater levels have declined to such an extent that there is an imminent threat of Material Physical Injury to any party to the Judgment;
- (viii) maintain long-term hydrologic balance between total Recharge and discharge in all areas and sub-areas;"

Maximization of the recharge of storm water is occurring and the related requirements of the Peace Agreement and Watermaster Rules and Regulations are being satisfied.

The *OBMP Implementation Plan* (Exhibit B of the Peace Agreement) contains identical language to the Peace Agreement Section 5.1 (e) but is mostly silent as to the schedule for implementation of the specific commitments listed above (see Exhibit B, page 20 paragraph 11 and the implementation schedule on pages 22 and 23). Paragraph 9 on page 20 of the Implementation Plan includes additional recharge guidelines that Watermaster must consider regarding recharge:

"9. When locating and directing physical recharge, Watermaster shall consider the following guidelines:

- (i) provide long term hydrologic balance within the areas and sub-areas of the basin
- (ii) protect and enhance water quality
- (iii) improve water levels
- (iv) the cost of recharge water
- (v) any other relevant factors"

Technical Memorandum  
Analysis of Supplemental Water Recharge, Operational Storage and Safe Storage

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Section 7 of the Rules and Regulations repeats the commitments of Section 5.1 (e) of the Peace Agreement and adds (see Rules and Regulations, page 37, 7.1 (b) (iv)):

“(b) Watermaster shall exercise Best Efforts to: ...

- (iv) Make its initial report on the then existing state of Hydrologic Balance by July 1, 2003, including any recommendations on Recharge actions which may be necessary under the OBMP. Thereafter, Watermaster shall make written reports on the long term Balance in the Chino Basin every two years; ...”

This technical memorandum was prepared pursuant to the requirements of the Peace Agreement and the Watermaster Rules and Regulations cited above.

#### **Operational Storage Requirement, Safe Storage, and Safe Storage Capacity**

The Implementation Plan defines the *operational storage requirement* as the storage or volume in the Chino Basin that is necessary to maintain safe yield and sets the initial estimate of the operational storage requirement at 5,300,000 acre-ft, which corresponds to the estimated storage for the year 2000. The *safe storage* is defined as the maximum storage in the Basin that will not cause significant water quality and high-groundwater related problems. The *safe storage capacity* is the difference between the operational storage requirement and the safe storage. Watermaster committed to reassess the operational storage requirement and the safe storage in fiscal 2002/03. This technical memorandum contains an assessment of the operational storage requirement and safe storage.

#### **SUPPLEMENTAL RECHARGE AND THE HYDROLOGIC BALANCE OF RECHARGE AND DISCHARGE**

WEI developed a new groundwater model (hereafter, the *2003 Watermaster Model*) for the Chino Basin in support of the Chino Basin Watermaster, IEUA, and Metropolitan Water District of Southern California (Metropolitan) dry-year yield (DYY) program. The 2003 Watermaster Model was used to evaluate the magnitude of groundwater level and storage changes throughout Chino Basin, the change in direction and speed of specific known water quality anomalies, and the storage losses from the DYY program. This was accomplished by determining and simulating a baseline and a DYY scenario. The planning period used in this analysis consisted of a 25-year period ranging from October 2003 through September 2028. This period corresponds approximately to the 25-year period of the DYY program. The impacts listed above were estimated by:

- Preparing maps that show the maximum differences in groundwater levels at the point of peak storage and at the end of a dry-year yield extraction period. Time histories at the same wells used in the calibration were plotted to show local impacts at each of these wells.
- Preparing maps that show the plume migration tracks for the baseline and dry-year yield scenarios over the planning period. Each plume was modeled as though the contaminant of concern was a conservative (non-sorbing, non-degrading) constituent using MODPATH.
- Preparing time histories of Santa Ana River discharge for the baseline and dry-year yield scenarios and comparing these time histories for the planning period. The total water lost from storage will be estimated by subtracting the baseline time history from the dry-year yield time history.

**Baseline OBMP Scenario**

The baseline scenario is based on a modified version of the water supply plan from the Implementation Plan. The water supply plan from the Implementation Plan contains future groundwater production plans for all producers in the Chino Basin. Black and Veatch modified the water supply plan for the water purveyors that are participating in the DYY program and WEI used the water supply plan from the Implementation Plan for the remaining producers.

Table 1 shows the baseline groundwater production time history. Groundwater production in the Basin ranges from 197,000 acre-ft/yr in 2003/2004 to about 210,000 acre-ft/yr in 2019/2020 and thereafter. Watermaster's replenishment obligation was estimated using the following assumptions pursuant to the Judgment and the Implementation Plan:

- The initial increase in stormwater recharge that is anticipated from the Chino Basin Facilities Improvement Plan is about 12,000 acre-ft/yr with a goal of about 20,000 acre-ft/yr. To be conservative, the increase in stormwater recharge was assumed to be 12,000 acre-ft/yr.
- OBMP desalter capacity is increased from the current level of 8 million gallons per day (mgd) in 2002/2003 to 40 mgd as per the water supply plan from the Implementation Plan. Half of the production from the desalters will come from decreased rising water and new induced recharge from the Santa Ana River.
- The Judgment allows a 5,000 acre-ft/yr overdraft of Chino Basin through 2017.

Table 1 contains the replenishment obligation pursuant to the Judgment and the Implementation Plan, which ranges from about 30,000 acre-ft/yr in 2003/2004 to about 34,000 acre-ft/yr in 2019/2020 and is constant thereafter. An analysis of actual recent production in the Chino Basin suggests that the production and replenishment estimated in Table 1 may be slightly higher than will actually occur in first few years of the baseline scenario. For consistency with the OBMP planning documents, the production and replenishment estimates in Table 1 were used.

The locations and magnitude of recharge shown in Table 1 were based on the requirements of the Peace Agreement to balance recharge and discharge in every area and sub-area. This requirement must be met over a period of time, which was interpreted herein as a long-term requirement. Thus, in an individual season or year there might not be a balance between recharge and discharge in an area, subarea, or the Basin.

Balancing recharge and discharge may be critical to the management of the subsidence-prone area in MZ1. Watermaster is currently involved in an investigation to develop a management program for this subsidence-prone area. Until that management program is developed, it is assumed that Watermaster replenishment and groundwater production would be managed such that groundwater levels would remain near or above current levels in the southern part of MZ1. Current groundwater levels were assumed to be the groundwater levels at the end of the calibration period of the 2003 Watermaster Model; the groundwater levels from fall 2001. In the rest of the Basin, replenishment would be managed to maximize desalter replenishment from a combination of reduced rising water to the Santa Ana River and increased streambed recharge from the Santa Ana River.

The 2003 Watermaster Model was used to investigate the recharge requirements for managing groundwater levels in MZ1 and to determine the theoretical potential of induced recharge from the Santa Ana River. The results of this work are summarized in Table 1 that shows the location and magnitude of supplemental water recharge. Approximately 75 percent of the recharge will be needed in the College Heights, Upland, Montclair, and Brooks spreading basins to manage

groundwater levels in the western part of the Basin. The location of these recharge facilities are shown in Figure 1. The remaining 25 percent is shown to occur in the San Sevaine and RP3 spreading facilities; however, there is some flexibility in the selection of facilities that could be used in the eastern part of the Basin. Figures 2a, 2b, and 2c illustrate the model-estimated change in groundwater levels over the 25-year planning period for the baseline scenario. Throughout the duration of the baseline scenario, groundwater levels in the western part of the Chino Basin remain near or above the Fall 2001 groundwater levels. Groundwater levels in the other parts of Chino Basin declined over the planning period to levels that support decreased rising water to the Santa Ana River and increased streambed recharge from the Santa Ana River. Groundwater levels declined the most in the Fontana area – as much as 30 to 40 feet near the far eastern edge of the Fontana area. In the subsidence-prone area in MZ1, there was almost no change in groundwater levels. In the area north of the subsidence-prone area, there was a slight increase in groundwater levels due to the shifting of Watermaster’s replenishment to this area as shown in Table 1. The effect of the desalters is evident in the south-central part of Chino Basin where groundwater levels declined in excess of 25 feet.

The total storage in the Chino Basin declined monotonically during the baseline scenario from a high of 5,940,000 acre-ft in Fall 2003 to 5,730,000 acre-ft in Fall 2028 – a decline of about 210,000 acre-ft. Figure 3 shows the estimated groundwater storage for the Chino Basin during the planning period. The modeling results suggest that the total storage in the Basin appears to be asymptotically approaching a level near 5,700,000 acre-ft. This decline in storage is necessary to induce the recharge of the Santa Ana River.

#### **Analysis of Material Physical Injury**

There is no material physical injury to a Party to the Judgment or to the Chino Basin from the projected groundwater level changes from the baseline scenario. The only location where significant increases in groundwater levels occur is in the vicinity of the recharge basins in Upland and Montclair (College Heights, Upland, Montclair, and Brooks Street Basins) where the depth to water is 300 feet or greater.

Under the baseline scenario, groundwater levels are projected to remain almost unchanged in the western third of the Basin. In the center of Chino Basin, groundwater levels are projected to decrease by about 15 to 20 feet, and at the far eastern edge of the Basin, north of the Jurupa Hills, groundwater levels are projected to decrease by as much as 40 feet. In addition, groundwater levels are projected to decline 25 feet or more in the vicinity of the OBMP desalter well fields. Slight increases in production costs will occur and slight decreases in production capacity might occur in these areas of groundwater level decline. The added cost of production will be more than offset by the savings provided by the avoided purchase of supplemental water for desalter replenishment. Production costs could increase about \$3.50 per acre-ft (assuming \$0.10 per kilowatt-hour, 60 percent pumping efficiency, and an average additional lift of 20 feet). The producers that will be impacted by operating the Basin at about 20 feet lower under the baseline scenario are the City of Ontario, Cucamonga County Water District, Fontana Water Company, and Jurupa Community Water District whose combined production averages about 80,000 acre-ft during the baseline scenario. The increased power cost totals about \$240,000 per year. Operating the Basin at this lower level avoids the cost of purchasing about 24,600 acre-ft/yr of supplemental water at a cost of about \$6,000,000 if the replenishment water consists of State Water Project water and about \$2,000,000 if it were recycled water.

Under the baseline scenario, the groundwater levels in the subsidence-prone part of MZ1 are projected to remain near or above current levels. This occurs because of the recharge program described in Table 1 and because deep groundwater pumping in the subsidence-prone area were

adjusted to maintain groundwater levels near or above current levels. This is a minimum necessary condition to minimize subsidence and ground fissuring in this area. Groundwater levels in this area should be managed using this criterion until Watermaster can implement a long-term management program for subsidence; after which groundwater levels in this area would be managed according to the long-term management program.

#### Limitations of this Analysis

Significant amounts of new information regarding the hydrogeology of the MZ1 area have been developed since the 2003 Watermaster Model was developed and calibrated. This new information seems to suggest that the deeper water bearing units that underlie the subsidence area are recharged much slower than predicted by the model. If this is true, it would imply that the model may exaggerate the benefits from the spreading of water in the northern part of MZ1 on piezometric levels in the subsidence-prone area. By extension, this implies that the management of piezometric levels in the subsidence-prone area in MZ1 will likely be done by reducing groundwater production from the deeper aquifer units, recharge by injection, or a combination of both. Given the limitations of the model and the uncertainty in the contents of the long-term MZ1 management program, the results of this analysis should be used as guidelines for planning recharge activities for the next five years. It is likely in the long term that significant quantities of future replenishment by Watermaster will need to occur in MZ1. However, the location and magnitude of future recharge should depend on the actual production by producers in MZ1, which could be different than was assumed in the OBMP and subsequently in this analysis.

#### Recommended Supplemental Recharge Program for the Next Five Years

We recommend the following actions by Watermaster regarding the recharge of supplemental water:

- Continue supplemental water recharge in MZ1 as is currently done (6,500 acre-ft/yr) until the long-term MZ1 management program is developed. Should Watermaster be required to replenish over-production, the replenishment should be done in MZ1 up to the amount shown in Table 1. Watermaster should monitor groundwater levels in MZ1 to ensure that this level of recharge is sufficient to maintain groundwater levels throughout MZ1 in the short term until the long-term MZ1 management program is implemented.
- The 2003 Watermaster model should be recalibrated prior to the completion of the long-term MZ1 management program. The revised model should be used to assess the viability of the management program and the need for supplemental water recharge in the program.
- For the next five years Watermaster should assume that half of the desalter replenishment obligation will come from reduced rising water outflow to the Santa Ana River and induced inflow from the Santa Ana River.
- The 2003 Watermaster Model should be recalibrated at the end of this five-year period to verify recharge assumptions regarding the Santa Ana River. This, of course, requires that Watermaster continue to monitor groundwater levels throughout the Basin.
- Per the requirements of the Peace Agreement, Watermaster should review the applicability of these recommendations in the Spring of 2005 and make revisions as appropriate.

**ESTIMATION OF OPERATIONAL STORAGE CAPACITY, SAFE STORAGE AND SAFE STORAGE CAPACITY**

The Implementation Plan defines the *operational storage requirement* as the storage or volume in the Chino Basin that is necessary to maintain safe yield and sets an initial estimate of the *operational storage requirement* at 5,300,000 acre-ft, which corresponds to the estimated storage for the year 2000. The year 2000 estimate of storage developed from the baseline scenario is about 5,980,000 acre-ft. The *safe storage* was defined as the maximum storage in the Basin that will not cause significant water quality and high-groundwater related problems. The *safe storage capacity* is the difference between the operational storage requirement and the safe storage. During the development of the Peace Agreement, safe storage capacity was initially set at 500,000 acre-ft. Thus, safe storage was initially estimated at 5,800,000 acre-ft. Given the revised year 2000 estimate of storage, safe storage is about 6,480,000 acre-ft.

The safe storage capacity in the Peace Agreement was set at 500,000 acre-ft based on the observation that the change in storage during the base period for the determination of the safe yield (1965 through 1974) was at about 400,000 acre-ft and that the storage in the Basin was declining prior to the base period. It seemed reasonable that the Basin could be operated at these prior levels without causing significant water quality and other high-groundwater related problems. This assumption is maintained herein. The recharge and production plans in the OBMP that are represented in the baseline scenario will result in the Basin being operated at lower groundwater levels than that envisioned during the development of the OBMP. Thus, the concept of safe storage is not as relevant for future storage and recovery programs as was initially thought during the development of the OBMP.

WEI recently completed a hydrogeologic assessment of the proposed DYY program (WEI, 2003). The maximum storage reached during the DYY scenario was estimated to be about 5,950,000 acre-ft (See Figure 3) which is about the storage reached in 2000 (operational storage capacity) and is otherwise less than the storage level of the year 2000. By adopting the supplemental recharge plan recommended above, the storage will always be less than the safe storage capacity of about 6,480,000 acre-ft. Thus, the anticipated future groundwater storage time histories, as projected for the baseline scenario DYY program, are entirely consistent with the storage management program in the Implementation Plan.

**REFERENCES**

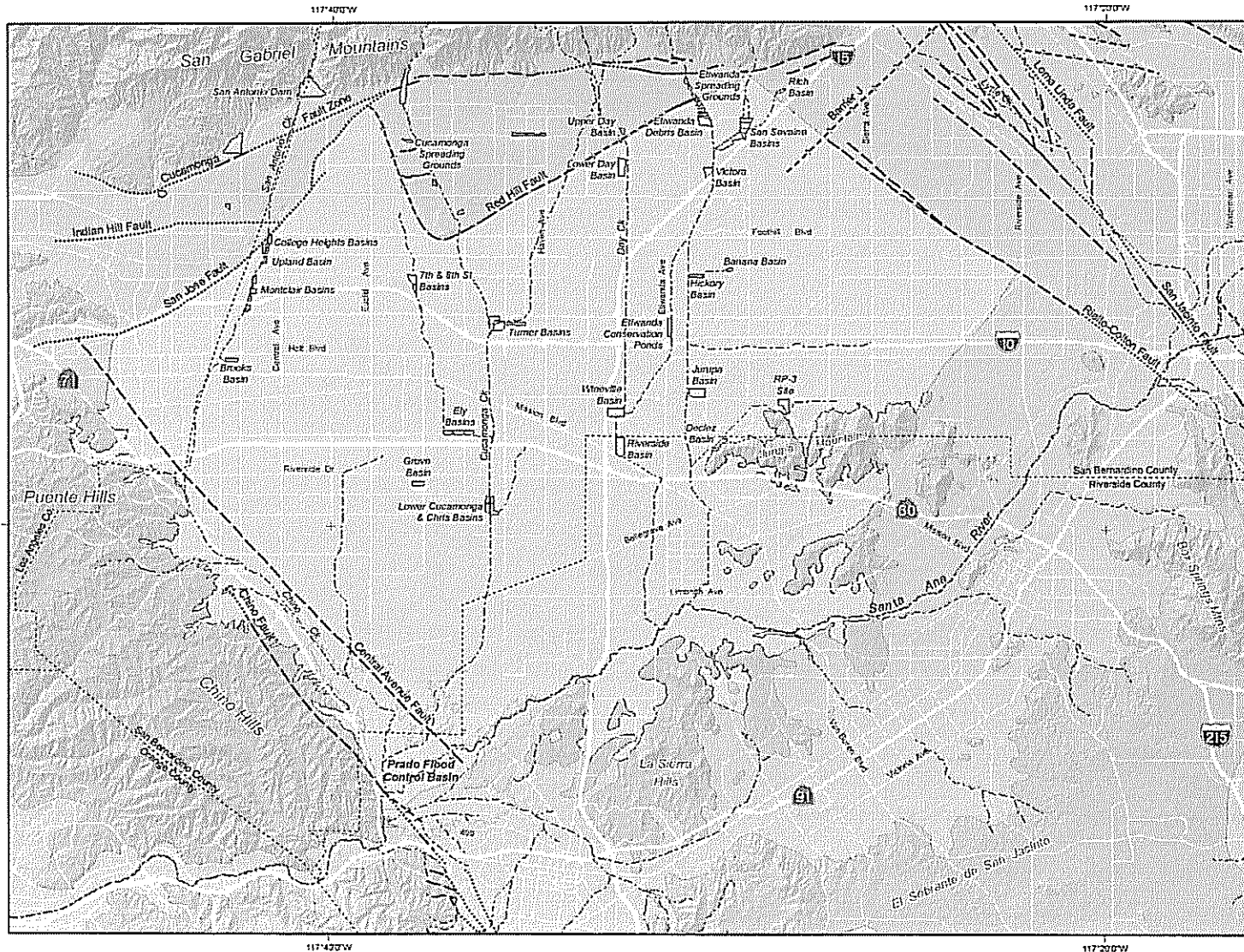
Chino Basin Watermaster, *Peace Agreement*, June 2000.

Chino Basin Watermaster, *Rules and Regulations*, June 2001.

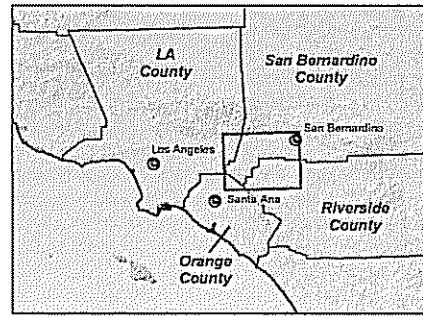
Wildermuth Environmental, Inc., *Optimum Basin Management Program, Chino Basin Dry-Year Yield Program, Final Modeling Report*, July 2003.





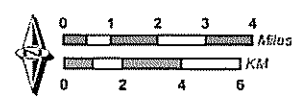


- Main Features**
- Flood Control and Conservation Basins
  - Chino Basin
- Geology**
- Water-Bearing Sediments**
- Quaternary Alluvium
- Consolidated Bedrock**
- Cretaceous to Miocene Sedimentary Rocks
- Faults**
- Location Certain
  - Location Approximate
  - Location Concealed
  - Location Uncertain



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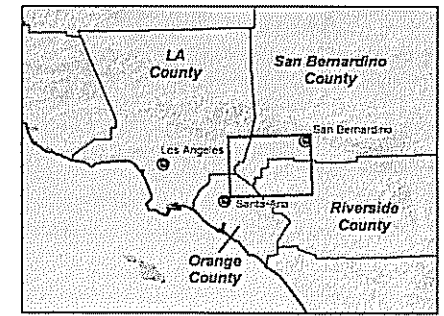
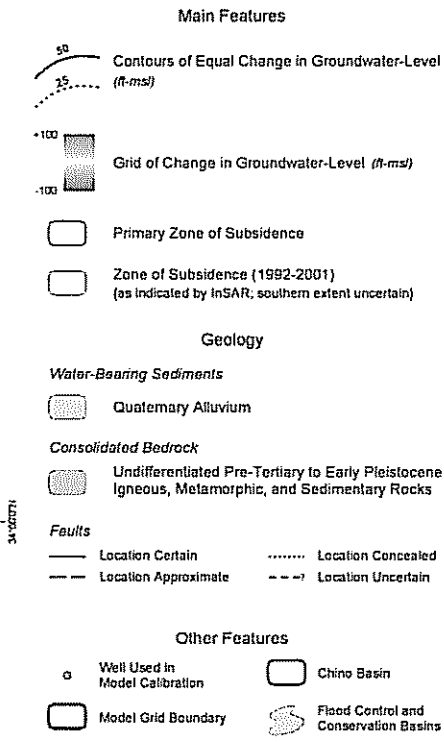
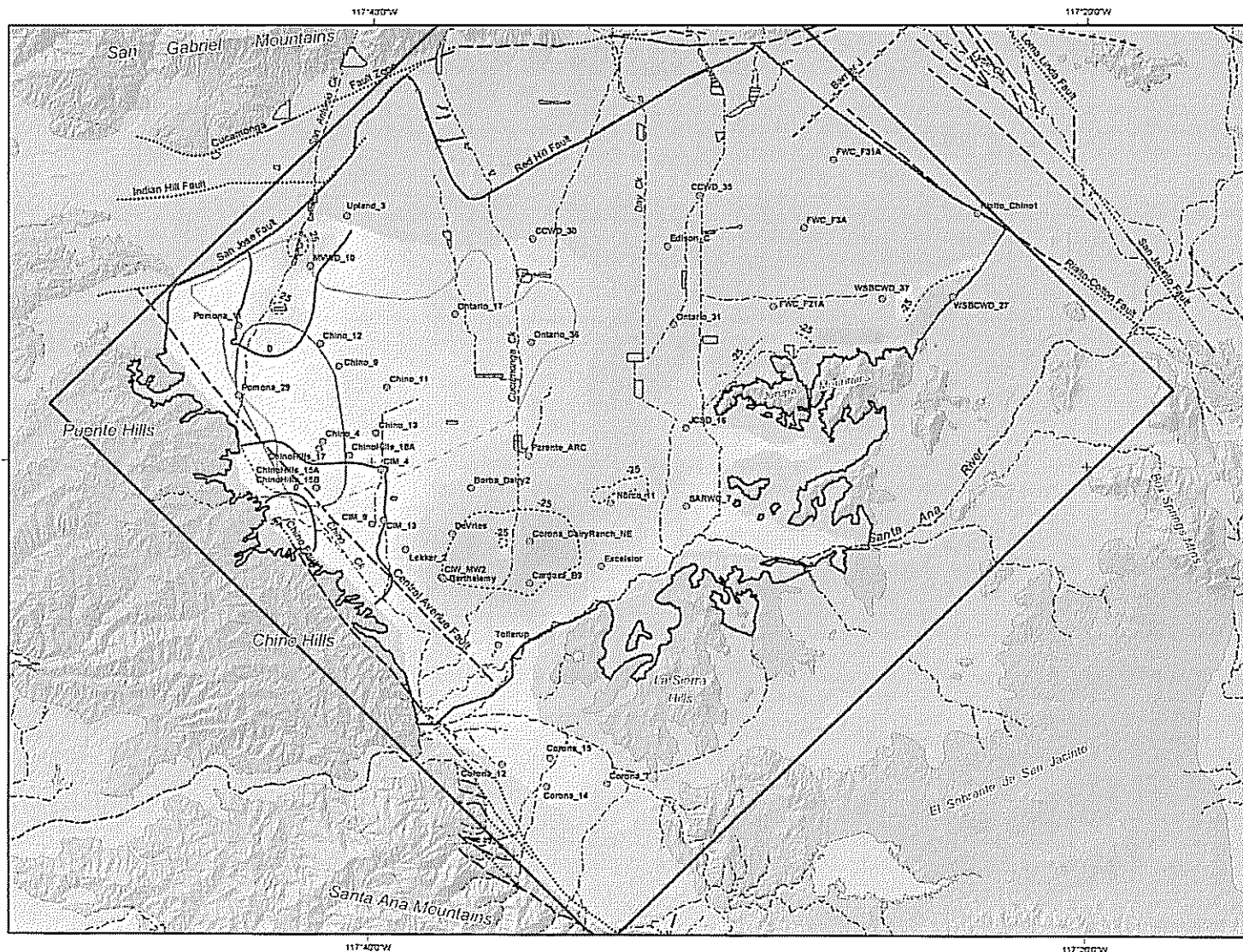
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Chino Basin Dry-Year Yield Program  
 Geology and Hydrogeology

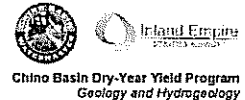
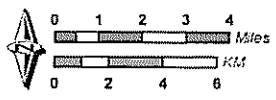
**Chino Groundwater Basin and Surface Water Spreading Facilities**

Figure 1



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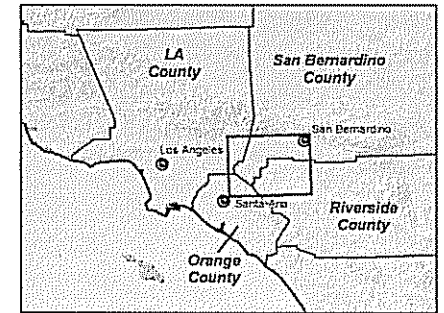
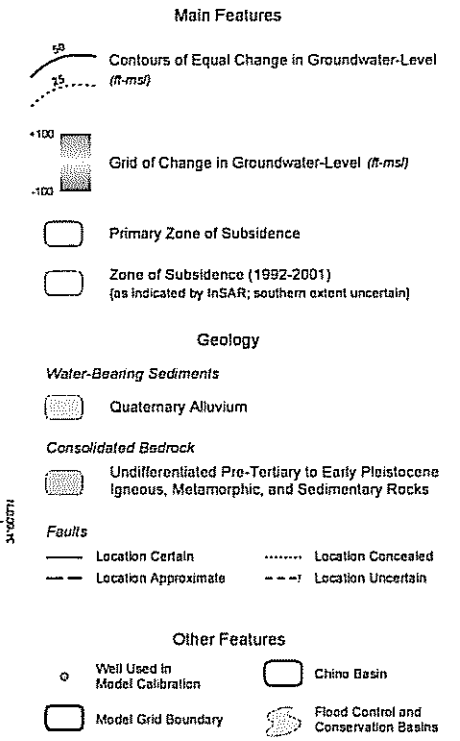
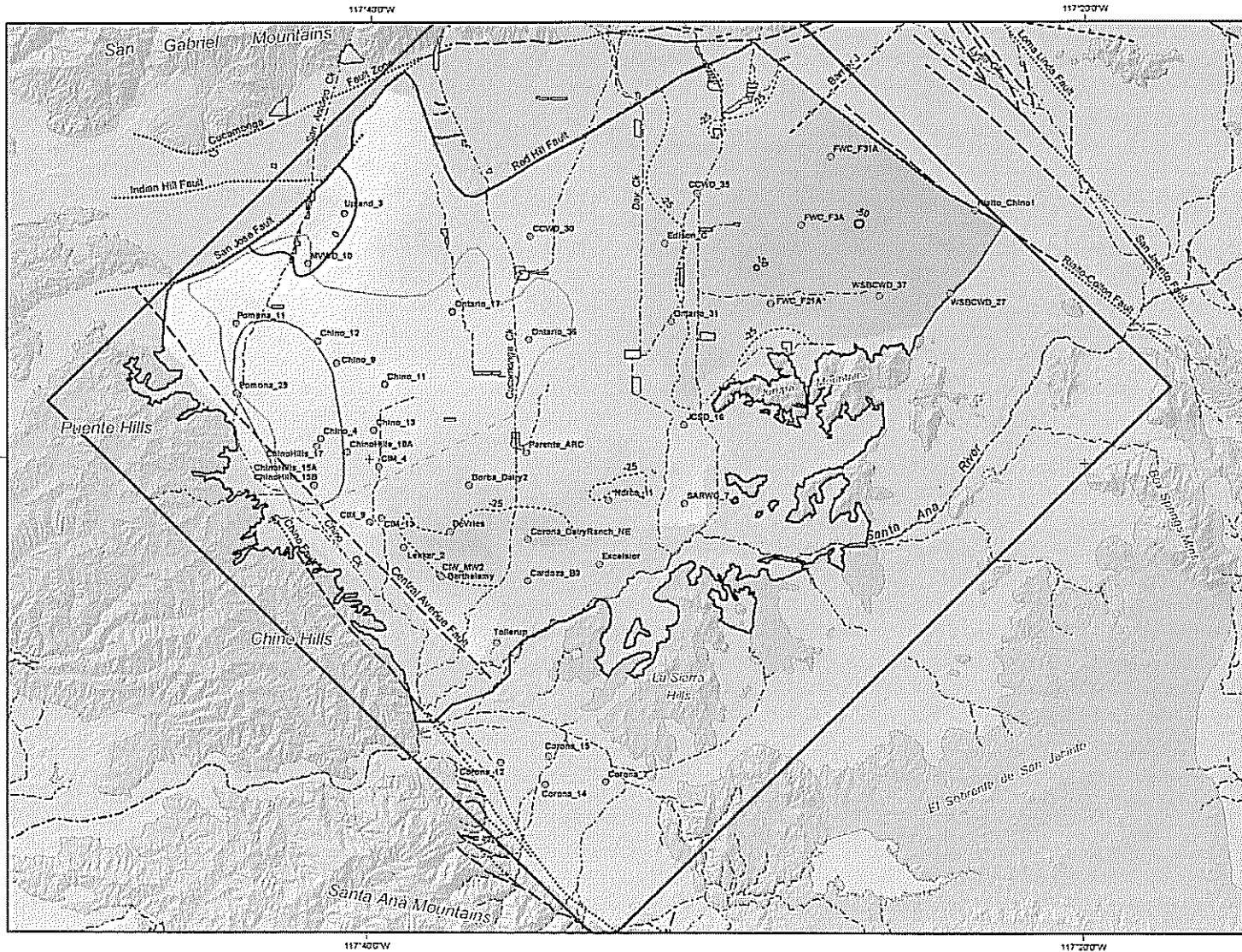
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**Change in Groundwater Level from Start to End of Baseline Scenario for Layer 1  
 2004-2028**

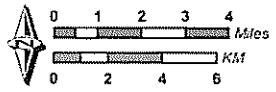
Figure 2a

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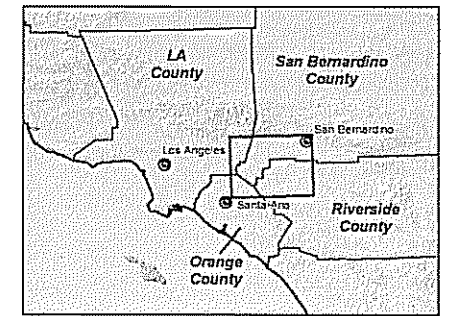
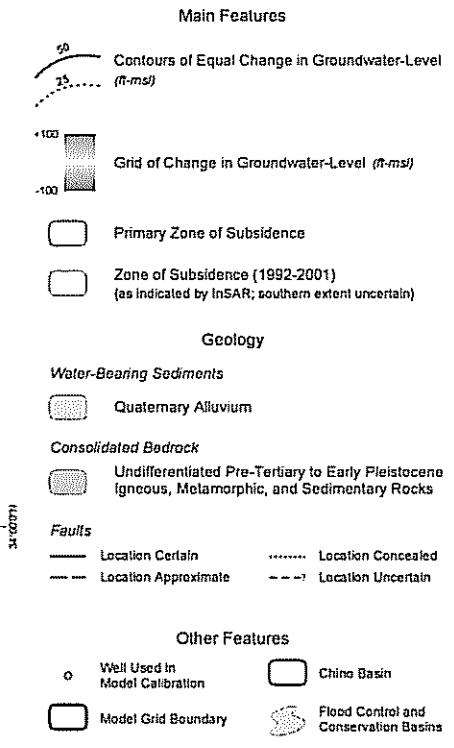
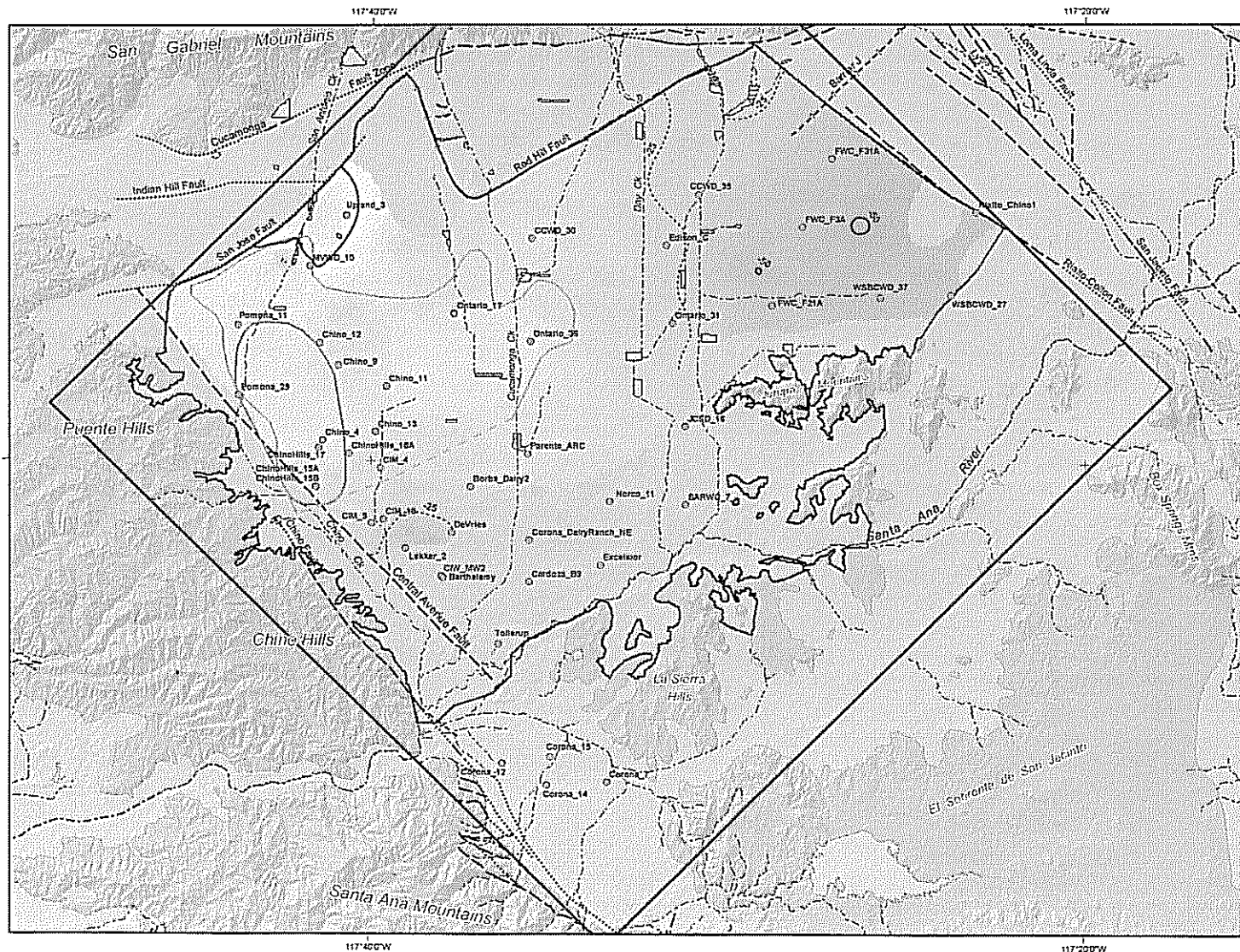
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**Chino Basin Dry-Year Yield Program**  
 Geology and Hydrogeology

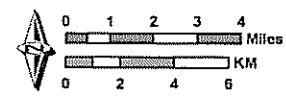
**Change in Groundwater Level from Start to End of Baseline Scenario for Layer 2**  
 2004-2028

Figure 2b



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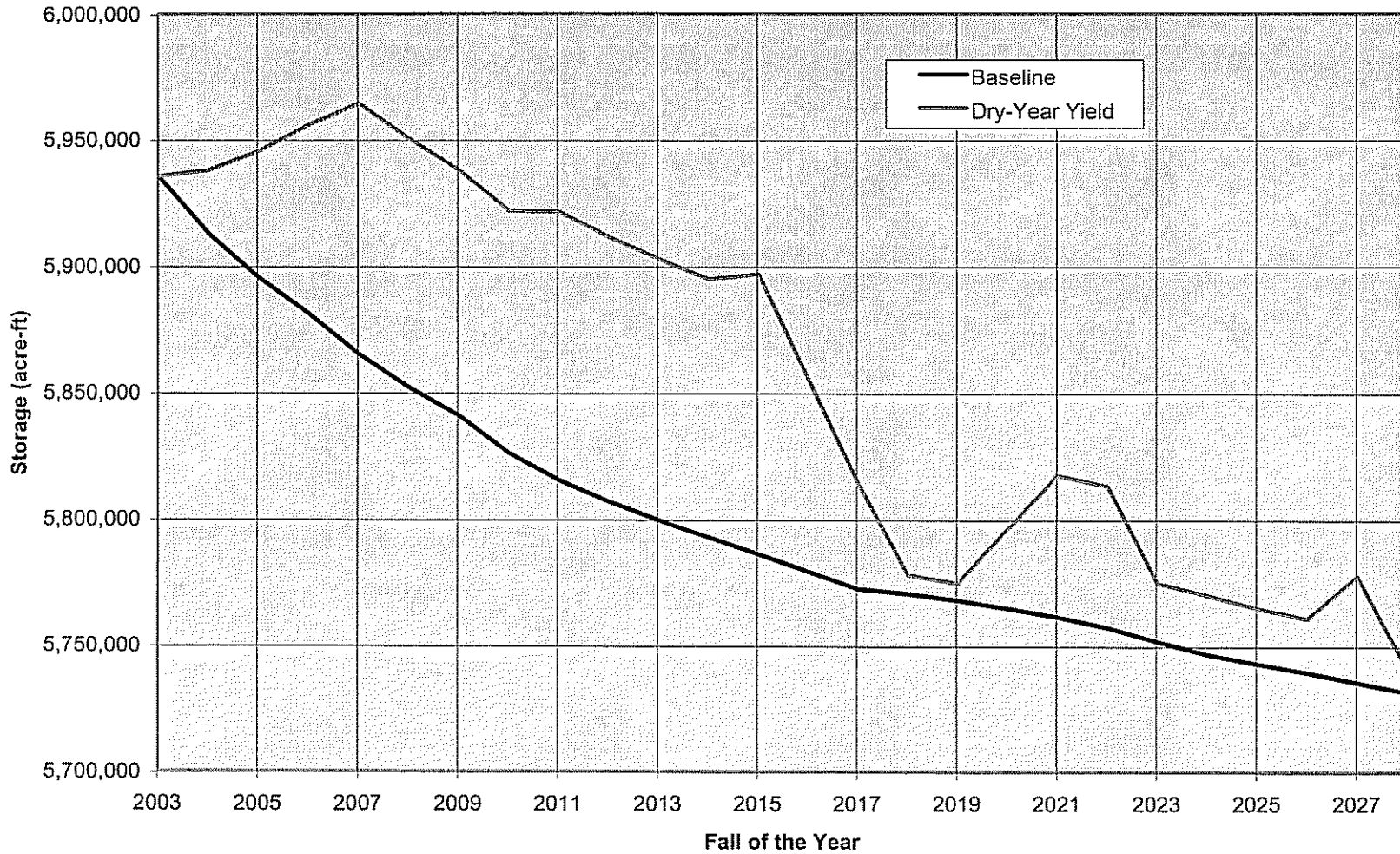


Chino Basin Dry-Year Yield Program  
 Geology and Hydrogeology

**Change in Groundwater Level from Start to End of Baseline Scenario for Layer 3  
 2004-2028**

Figure 2c

**Figure 3**  
**Projected Time History of Total Storage in the Chino Basin for Baseline**  
**and Dry-Year Yield Scenarios**





# CHINO BASIN WATERMASTER

August 14, 2003

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

1:00 p.m. – Agricultural Meeting

## II. BUSINESS ITEMS

### B. DRY-YEAR YIELD PROGRAM



# 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:** August 14, 2003  
**TO:** Pool Committee Members  
**SUBJECT:** Approval of IEUA/MWD Groundwater Storage Account

### SUMMARY

*Issue* – Approval of Storage Account for IEUA/MWD Groundwater Storage Program

*Recommendations* – Staff recommends that the Pools forward the Application to the Advisory Committee and Board for approval conditioned upon yearly approval of the Annual Operating Plan as described by the Funding Agreement. Such yearly approval to follow the normal Watermaster approval process and not require a new Article X Application.

*Fiscal Impact* – Approval of this item has no additional financial impact.

### BACKGROUND

On April 2, 2003 Inland Empire Utilities Agency ("IEUA") submitted an Application under Article X of the Watermaster Rules and Regulations for a 100,000 acre-foot storage account in Watermaster's Storage and Recovery Program. This storage account will be used to implement the terms of the Groundwater Storage Program Funding Agreement (Agreement No. 49960) ("Funding Agreement") that was executed by IEUA, Three Valleys Municipal Water District, Watermaster, and the Metropolitan Water District of Southern California ("Metropolitan") on June 19, 2003.

Pursuant to Watermaster's Rules and Regulations § 10.10, Watermaster provided Notice of this Application on April 30, 2003. This Notice included the Application and supporting materials as well as a staff report which summarized the Application, the Article X procedures relative to applications to participate in the Storage and Recovery Program, and a brief summary and analysis of the potential for Material Physical Injury to any person or the Basin due to the 100,000 acre-foot account. This analysis for the potential for Material Physical Injury was based upon the previous CEQA analysis for the project, and a preliminary analysis performed by Wildermuth Environmental.

On July 23, 2003, Watermaster provided further Notice of the availability of the complete Material Physical Injury analysis performed by Wildermuth Environmental under a subcontract with Black & Veatch. Copies of the full report have been provided to all parties who requested them and copies were made available at the July 24, 2003 Advisory Committee and Board Meetings. In addition, copies were sent via overnight mail to the Special Referee and her Technical Assistant and to Mr. Brommenschenkel on behalf of the Agricultural Pool.

Pursuant to Watermaster's Rules and Regulations § 10.11, upon completion of Watermaster's summary and analysis, Watermaster Staff shall place the Application on the first available Pool Committee Agenda for each of the respective Pool Committees for consideration.

Because it is not possible at this time to determine the specific nature of annual water deliveries and withdrawals for the twenty-five year term of the Agreement, Watermaster's current analysis of the potential for Material Physical Injury is framed in terms of the maximum gross deliveries of 25,000 acre-feet in put years, and a maximum withdrawal rate of 33,000 acre-feet with shift commitments in particular locations depending on obligations as described in the Local Agency Agreements.

Watermaster's approval of the Application will therefore be conditioned upon a yearly approval of the Annual Operating Plan. While this yearly approval will utilize the material developed in the current analysis by Wildermuth Environmental, it will also ensure that the ongoing implementation of the program does not result in Material Physical Injury to a party or to the Basin. As described above, such yearly approval by Watermaster is explicitly provided for under the Funding Agreement.

Since such yearly approvals will take place within the overall framework of the Funding Agreement and the physical parameters analyzed by the Wildermuth report, it is not necessary that a new Article X Application be submitted every year. Rather, the approval of the Annual Operating Plan can take place through the normal Watermaster approval process. Such approval will preserve for all parties an opportunity to object under the procedures described in the Judgment and the Rules and Regulations if they believe that the Program is causing Material Physical Injury.

If there are no Contests to the Application, then under §10.17 of the Rules and Regulations, Watermaster may approve or conditionally approve the Application based upon the record as created at the Pools. This record will consist of the Application and supporting material submitted with the Application, the Funding Agreement as well as materials submitted in support of the Funding Agreement, Watermaster staff reports, and Watermaster's full analysis of the potential for Material Physical Injury.





# CHINO BASIN WATERMASTER

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JOHN V. ROSSI  
Chief Executive Officer

## NOTICE OF AVAILABILITY OF CHINO BASIN DRY-YEAR YIELD MODELING REPORT July 23, 2003

Watermaster is pleased to announce the availability of the Chino Basin Dry-Year Yield Modeling Report prepared by Wildermuth Environmental, Inc. under a subcontract with Black & Veatch Corp. for the Chino Basin Watermaster and the Inland Empire Utilities Agency. This Report constitutes Watermaster's analysis of the potential for Material Physical Injury to be caused to any party or to the Chino Basin from the implementation of the terms of the Groundwater Storage Program Funding Agreement (Agreement No. 49960) ("Funding Agreement") that was executed by IEUA, Three Valleys Municipal Water District, Watermaster and the Metropolitan Water District of Southern California ("Metropolitan") on June 19, 2003.

On April 2, 2003 Inland Empire Utilities Agency ("IEUA") submitted an Application under Article X of the Watermaster Rules and Regulations for a 100,000 acre-foot storage account in Watermaster's Storage and Recovery Program. This storage account will be used to implement the terms of the Funding Agreement. Pursuant to Watermaster's Rules and Regulations § 10.10, Watermaster provided Notice of this Application on April 30, 2003. This Notice included the Application and supporting materials as well as a staff report which summarized the Application, the Article X procedures relative to applications to participate in the Storage and Recovery Program, and a brief summary and analysis of the potential for Material Physical Injury to any person or the Basin due to the 100,000 acre-foot account. This analysis of the potential for Material Physical Injury was based upon the previous CEQA analyses of the project, and a preliminary analysis performed by Wildermuth Environmental.

Both the Application and the Notice of the Application anticipated that a fuller Material Physical Injury analysis would be made available to the parties prior to consideration of the Application by Watermaster. In fact, the Application itself makes prospective reference to reports that were anticipated to be prepared by both Wildermuth Environmental and Black & Veatch.<sup>1</sup> During preparation of the analysis, however, it became apparent that a comprehensive analysis of Basin conditions would be necessary and beneficial not only for the analysis of the 100,000 acre-foot storage account, but also to assess other OBMP activities.

Watermaster's analysis of the potential for Material Physical Injury to be caused to any party or the Basin due to the 100,000 acre-foot account is now available for review by the parties. Because of the voluminous nature of the Report, Watermaster will only be serving this notice of availability to the parties. Copies of the Report are available from Watermaster and will be provided to any party who requests a copy. In order to avoid confusion, Watermaster has also included the original IEUA Application as well as Watermaster's April 30, 2003 summary and analysis with this distribution.

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<sup>1</sup> The facilities design report from Black & Veatch is still under preparation, and should be available to the parties prior to the August pool meetings. However, Black & Veatch participated in the preparation of the Wildermuth Environmental analysis and all of the information from the facilities design report that was required for this analysis was incorporated into section seven of the Wildermuth Environmental report.

The Application and Watermaster's analysis will first be considered by the Pools at their August 14, 2003 meetings. Under the Watermaster Rules and Regulations, consideration by the Advisory Committee and Board cannot occur less than 21 days after consideration by the last pool to consider the Application. Due to the extensive nature of the Material Physical Injury analysis and the fact that none of the parties have previously seen this analysis, Watermaster will provide an extra month for review of the report and agendaize final approval of the Application for the October 23, 2003 Advisory Committee and Board meetings.

The nature of the Funding Agreement requires that IEUA is the appropriate entity to act as applicant for the Application. The Funding Agreement broadly articulates the business deal terms by which the Chino Basin parties have committed 100,000 acre-feet of storage space from the Storage and Recovery Program for Metropolitan's use, in exchange for certain financial items of benefit. However, specific terms relating to the delivery of water into storage and the withdrawal of water from storage are primarily governed by the terms of the "Local Agency Agreements" between IEUA, Three Valleys and the local agencies. It is through these Local Agency Agreements that the local agencies have committed to construct the facilities funded through the Funding Agreement. It is also through the Local Agency Agreements that the local agencies have committed to shift their production and extraction upon instruction from IEUA and Three Valleys in such a manner that water deliveries and extractions from the storage account can be accomplished. Metropolitan is not a party to the Local Agency Agreements. Because of this, any conditions that Watermaster may place on approval of the storage account, will necessarily be implemented by the local agencies through IEUA and Three Valleys. For these reasons, IEUA rather than Metropolitan is the appropriate entity to act as the applicant under Article X of the Rules and Regulations.

Under the Funding Agreement, the schedule and location for all storage and extraction to and from the storage account will be formulated on a yearly basis depending on water needs of the parties and availability from Metropolitan through the Annual Operating Plan. (Funding Agreement VI.A.3.a.) Under the Funding Agreement, the Annual Operating Plan must provide sufficient information to allow Watermaster to assess the potential impacts from the operation of the storage account on the Basin and the Judgment parties. (Funding Agreement VI.A.3.b.) Watermaster reserves the right under the Funding Agreement to approve the Annual Operating Plan in accordance with the Judgment and the OBMP and reserves the right to require modification of the Annual Operating Plan if necessary. (Funding Agreement VI.A.3.c-d.)

Because it is not possible at this time to determine the specific nature of water deliveries and withdrawals for each year for the twenty-five year term of the Agreement, Watermaster's current analysis of the potential for Material Physical Injury is framed in terms of the gross deliveries of a maximum of 25,000 acre-feet in put years, and a maximum withdrawal rate of 33,000 acre-feet with shift commitments in particular locations depending on obligations as described in the Local Agency Agreements.

Watermaster's approval of the Application will therefore be conditioned upon a yearly approval of the Annual Operating Plan. By this method Watermaster will be able to ensure that the ongoing implementation of the program does not result in Material Physical Injury to a party or to the Basin. As described above, such yearly approval by Watermaster is explicitly provided for under the Funding Agreement.

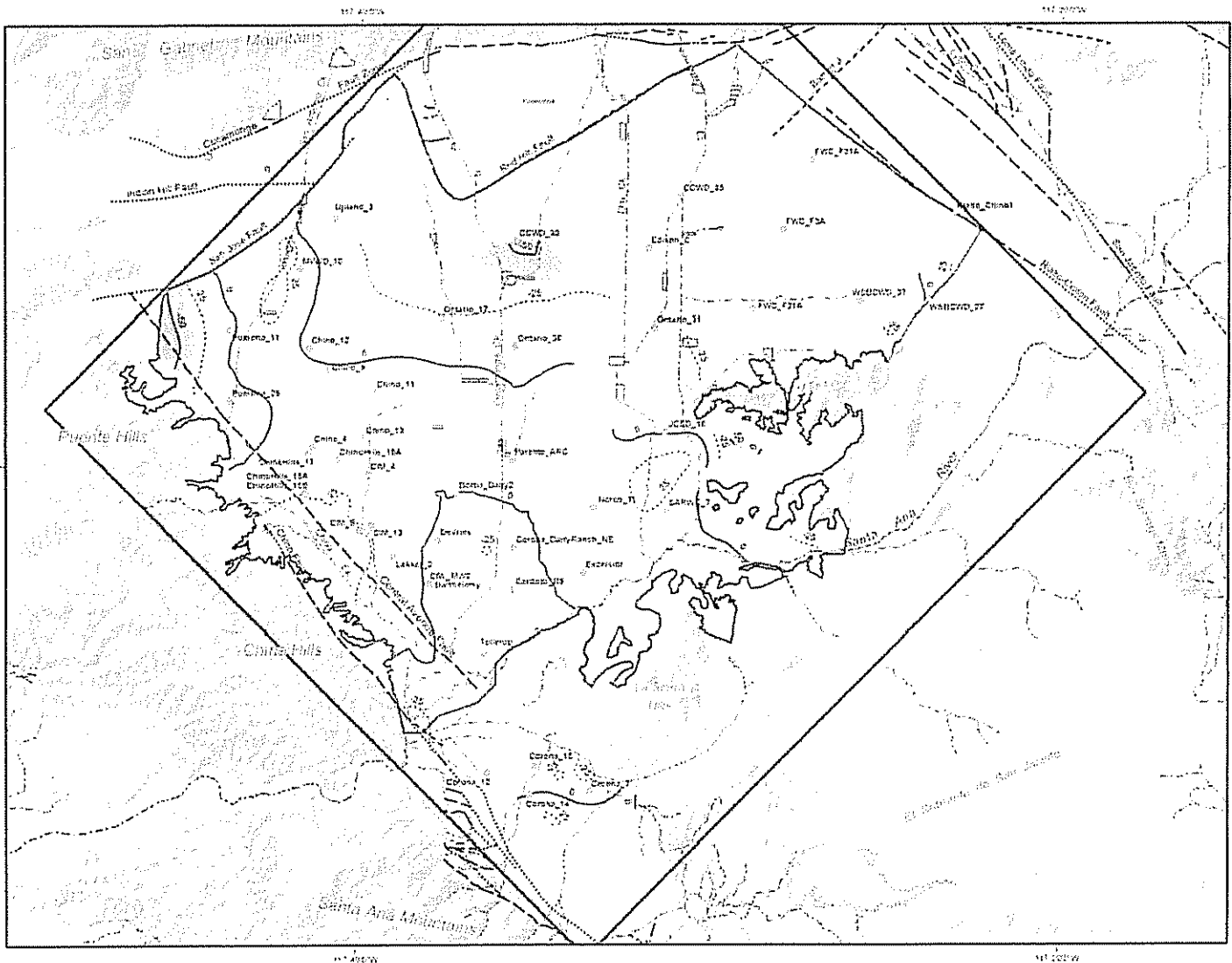
If there are no Contests to the Application, then under § 10.17 of the Rules and Regulations, Watermaster may approve or conditionally approve the Application based upon the record as created at the Pools. This record will consist of the Application and supporting material submitted with the Application, the Funding Agreement as well as materials submitted in support of the Funding Agreement, Watermaster staff reports, and Watermaster's full analysis of the potential for Material Physical Injury.



Inland Empire  
UTILITIES AGENCY

## OPTIMUM BASIN MANAGEMENT PROGRAM

# Chino Basin Dry-Year Yield Program Modeling Report



Prepared for:

**Chino Basin Watermaster &  
Inland Empire Utilities Agency**

under a Subcontract Agreement with:

**Black & Veatch Corp.**

Prepared by:

**WE WILDERMUTH  
ENVIRONMENTAL, INC.**  
23692 Birtcher Drive  
Lake Forest, CA 92630  
949.420.3030

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# WE INC.

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Wildermuth Environmental, Inc.  
23692 Birtcher Drive  
Lake Forest, California 92630  
Tel. 949/420-3030  
Fax. 949/420-4040  
Email mwildermuth@wildh2o.com

July 21, 2003

Chino Basin Watermaster  
Attention: John Rossi  
8632 Archibald Avenue, Suite 109  
Rancho Cucamonga, CA 91730-4665

Inland Empire Utilities Agency  
Attention: Richard Atwater  
6075 Kimball Avenue  
Chino, CA 91710

**Subject: Transmittal of *Optimum Basin Management Program, Chino Basin Dry-Year Yield Program, Modeling Report, July 2003.***

Gentlemen:

The Chino Basin Watermaster (CBWM), the Inland Empire Utilities Agency (IEUA), and the Metropolitan Water District of Southern California (Metropolitan) have developed a groundwater storage and recovery program for the Chino Basin. This effort was consummated in June 2003 with the signing of an agreement among these agencies to implement a 100,000 acre-ft dry-year yield program.

The Black and Veatch Corporation was the lead consultant in the development of the facility and related operating plans for the dry-year yield program. Starting in February of 2002, Black and Veatch developed a series of preliminary dry-year yield plans with the participating water agencies. These plans were subsequently refined through an exhaustive series of meetings and engineering studies. The investigation reported herein is an assessment of the potential groundwater-related impacts from the proposed dry-year yield facility and operating plans. Black and Veatch is preparing a report that describes the facility and operating plans for the CBWM-IEUA-Metropolitan 100,000 acre-ft dry-year yield program. The Black and Veatch report will be available in late July or early August of 2003. Transmitted herewith is our report entitled *Optimum Basin Management Program, Chino Basin Dry-Year Yield Program, Modeling Report, July 2003* that describes the potential impacts of the proposed 100,000 acre-ft dry-year yield program on Chino Basin groundwater resources. The facilities and related operating plans assumed in the Wildermuth Environmental (WEI) investigation were provided by Black and Veatch and will be documented in their forthcoming report. The new groundwater production facilities that could be constructed for the 100,000 acre-ft dry-year yield program are shown and analyzed in Section 7 of this report.

WEI developed and applied a series of simulation models to project the impacts of storing 100,000 acre-ft of water via in-lieu recharge and the subsequent removal of this water from storage. The impacts evaluated in this investigation include groundwater-level impacts during the put, hold, and take periods; the losses of water from increases in groundwater storage; and the change in direction and speed of known water quality anomalies. CBWM requested that WEI determine if the proposed dry-year yield program would cause or threaten material physical injury to a party to the Chino Judgment or to the Chino Basin as is required by the OBMP Peace Agreement. Based on the investigations reported herein, WEI concluded that there will be no physical material injury from the 100,000 acre-ft dry-year yield program to either a party to the Chino Judgment or to the Chino Basin.

July 21, 2003

We appreciate the opportunity to work with the CBWM, IEUA, Metropolitan, and the water purveyors in Chino Basin area on this very important project. Please call me if you have any questions regarding this report or if we can be of further assistance.

Sincerely,

Wildermuth Environmental, Inc.

A handwritten signature in black ink, appearing to read "Mark J. Wildermuth". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark J. Wildermuth, MS, PE  
President, Principle Engineer

Cc: Michael Fife, Hatch and Parent  
David Argo, Black and Veatch

Due to the voluminous nature of the Chino Basin Dry-Year Yield Program Modeling Report, the text of the report is not included in this Notice of Availability. Copies of the report are available on request from Watermaster.

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***CHINO BASIN WATERMASTER***

**NOTICE**

**OF**

**APPLICATION(S)**

**RECEIVED FOR**

**WATER TRANSACTION – STORAGE ACCOUNT**

Date of Notice:

April 30, 2003

This notice is to advise interested persons that the attached application will come before the Watermaster Board on or after 90 days from the date of this notice.

**NOTICE OF APPLICATION(S) RECEIVED**

Date of Applications: **April 2, 2003**

Date of this notice: **April 30, 2003**

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

- A. Notice of Application for 100,000 acre-feet Storage Account by IEUA on behalf of Metropolitan Water District of Southern California.

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 ninety-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

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:** April 30, 2003  
**TO:** Active Parties of Chino Basin Watermaster  
**SUBJECT:** Summary and Analysis  
Notice of Application for 100,000 acre-feet Storage Account by IEUA on behalf of  
Metropolitan Water District of Southern California

## I. INTRODUCTION

The Inland Empire Utilities Agency ("IEUA"), on behalf of the Metropolitan Water District of Southern California ("Metropolitan"), has submitted an Application under Article X of the Watermaster Rules and Regulations for a storage account in the amount of 100,000 acre-feet. This Application has been submitted in order to implement the terms of the Groundwater Storage Program Funding Agreement by and among Metropolitan, IEUA, Three Valleys Municipal Water District and the Chino Basin Watermaster (Agreement No. 49960) that was approved by the Watermaster Advisory Committee and Board on March 27, 2003.

## II. ARTICLE X APPLICATION RULES AND PROCEDURES

Under Watermaster's Rules and Regulations § 10.7, any person may request Watermaster's approval of an Agreement to participate in a Storage and Recovery Program by submitting an Application to Watermaster that, at a minimum, includes the following information:

- (a) The identity of the person(s) that will Recharge, Store and Recover the water as well as its ultimate place of use;
- (b) The quantity of water to be Stored and Recovered;
- (c) The proposed schedule for the Recharge of water for storage, if any;
- (d) The proposed schedule and method for Recovery;
- (e) The location of the Recharge facilities through which the Stored Water will be recharged;
- (f) The location of the Production facilities through which the Stored Water will be recovered;
- (g) The water levels and water quality of the Groundwater in the areas likely to be affected by the Storage and Recovery, if known; and
- (h) Any other information that Watermaster requires to be included.

Watermaster shall have no obligation to process incomplete Applications. (Rules § 10.3(a).) Watermaster staff has reviewed the Application and the previously approved Funding Agreement and finds that the information required by the Rules and Regulations has been provided as reasonably required to allow Watermaster to analyze the Application for its potential to cause Material Physical Injury.

Under Rules and Regulations § 8.1(h), each Groundwater Storage Agreement shall include but not be limited to the following components [Judgment Exhibit "I" ¶ 3.]:

- (i) The quantities and the term of the storage right, which shall specifically exclude credit for any return flows;

- (ii) A statement of the priorities of the storage right as against overlying, Safe Yield uses, and other storage rights;
- (iii) The delivery rates, together with schedules and procedures for spreading, injection or in-lieu deliveries of Supplemental Water for direct use;
- (iv) The calculation of storage water losses and annual accounting for water in storage; and
- (v) The establishment and administration of withdrawal schedules, locations and methods.

Under the Rules and Regulations § 8.1(f)(ii), Watermaster may not approve an Application to store and Recover water if it is inconsistent with the terms of the Peace Agreement or will cause any Material Physical Injury to any party to the Judgment or the Basin. Any potential or threatened Material Physical Injury to any party to the Judgment or the Basin caused by the storage and Recovery of water shall be reasonably and fully mitigated as a condition of approval. In the event the Material Physical Injury cannot be mitigated, the request for storage and Recovery must be denied. (Peace Agreement § 5.2 (a) (iii).) Applications for the storage of Supplemental Water shall be processed in accordance with the provisions of Article X.

Compliance with the Peace Agreement § 5.2(c) concerning the broad mutual benefits of the allocation of 100,000 AF to Metropolitan under Agreement No. 49960 has already been the subject of Watermaster review and approval. The Application that has been submitted by IEUA merely implements this previously approved agreement and this Watermaster's review is limited to an analysis of the potential for Material Physical Injury to result from the activities described by the Application.

### III. SUMMARY OF THE APPLICATION

The Application identifies the maximum quantity of the storage account at 100,000 AF. This is within the targeted 500,000 AF identified in the Peace Agreement as the Storage and Recovery Program.

The Application identifies the method of placement of water in storage as in-lieu delivery by Metropolitan. The specific amount of water to be delivered into storage will be determined according to availability by the Operating Committee under Agreement No. 49960. However, the maximum that can be placed into storage in any one year is 25,000 AF.

Recapture from storage will be accomplished by pumping from wells. A list of new wells to be constructed under is provided by the Application and can be found as Exhibit H to Agreement No. 49960. While these new facilities are constructed in order to provide the ability to recapture the water out of storage, it is recognized that the production of water out of the storage account will be determined by the Operating Committee by looking at the gross production from the participating entities and comparing this with past pumping. Under the Application, the maximum amount that can be recaptured from storage in any one year is 33,000 AF.

Specific commitments by the appropriators to take the in lieu deliveries of water and to shift to increased groundwater pumping to accomplish the recapture of water are detailed in the Local Agency Agreements which are in the process of being approved by each of the local agencies. A schedule of the shift performance obligations for each of the participating entities is included with the Application.

As well as Form 6, the Application also includes a Recapture Form 4.

### IV. SUMMARY OF ANALYSIS OF POTENTIAL TO CAUSE MATERIAL PHYSICAL INJURY

In addition to providing a summary of the Application, Watermaster's notice of the Application is required to provide a reasonable preliminary analysis of the potential for the activities described in the Application to result in Material Physical Injury (Rules § 10.10)

In December 2002, Wildermuth Environmental performed an initial review of the proposed project descriptions within the Groundwater Storage Program Funding Agreement, including the facilities and operating plans, to determine consistency with the Chino Basin Optimum Basin Management Program (OBMP) and the OBMP Program Environmental Report (OBMP PEIR), and to answer three specific questions:

Will the proposed project cause groundwater levels to rise unacceptably, causing high groundwater problems to structures?

Will the proposed projects adversely impact groundwater quality?

Will the proposed project adversely impact Santa Ana River quality?

Wildermuth Environmental is currently completing a more detailed report based on more specific information that has been developed since December. This report will be available in advance of consideration of the Application by Watermaster.

The proposed Application would result in a temporary increase in the storage in the Chino Basin by as much as 100,000 acre-ft. Water would be put into storage by taking imported water through surface water treatment plants and reducing groundwater pumping during *put* years. The stored water would be recovered by reducing the use of imported water during dry years and increasing groundwater production.

OBMP PEIR Figure 4.5-51 shows the projected steady state groundwater elevations for full OBMP implementation. The OBMP PEIR Figure 4.5-53 illustrates the change in groundwater levels that is expected to occur in the Chino Basin by implementation of the OBMP. The time frame that this change in groundwater level was projected to occur was over 100s of years. The changes in groundwater levels range from zero just north of the OBMP desalters and increase to about 60 to 80 feet under the Montclair and Fontana areas. The change in storage associated with the OBMP is about 200,000 acre-ft – 100,000 acre-ft greater than the storage described by the Application.

Will the proposed project cause groundwater levels to rise unacceptably high causing high groundwater problems to structures?

No. The modeling work done for the PEIR estimated the cumulative effect of OBMP projects. Based on these model projections (refer to Figure 4.5-53 of OBMP PEIR), it was estimated that implementation of the OBMP could cause groundwater levels to rise: up to 40 to 60 feet throughout the northern half of the basin; up to 60 to 80 feet under the Montclair and Fontana areas; and possibly as much as 200 feet under the Montclair and Upland basins. Under each recharge basin, the depth to groundwater will be 200 feet or greater after implementation of the OBMP. Groundwater levels north of the desalter well fields will remain 100 feet or more below the ground surface with the storage associated with the Application, and in most cases 200 feet or more.

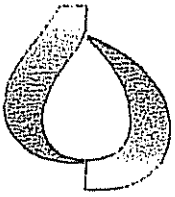
Will the proposed projects adversely impact groundwater quality?

No. The modeling work done for the OBMP PEIR (refer to Figure 4.5-55 of OBMP PEIR) estimated the cumulative changes in direction and speed of groundwater movement from the implementation the OBMP. As mentioned above, the increase in groundwater storage associated with the ultimate OBMP implementation is about 200,000 acre-ft or twice that being proposed in the Application. The modeling results showed that the relative displacement of known water quality anomalies is similar for *with* and *without* OBMP conditions. That is, the storage associated with the Application will not significantly redirect or accelerate the movement of known water quality anomalies.

Water quality degradation from temporary increases in groundwater levels flushing contaminants from the vadose zone was not explicitly investigated in the OBMP PEIR. The safe storage capacity was defined in the OBMP as the unused storage space that can be used without significant water quality impacts and was estimated to be about 500,000 acre-ft (WEI, 1999). The proposed DYYP use of 100,000 acre-ft is well within the safe storage.

Will the proposed project adversely impact Santa Ana River quality?

No, as long as Watermaster conducts recharge operations in the basin as described in the OBMP Peace Agreement, and Watermaster and IEUA implement the OBMP desalter projects that maintain hydraulic control. Groundwater outflow, if allowed to occur, would degrade the Santa Ana River because the groundwater quality in the lower Chino Basin is poorer than the River. Per the Peace Agreement, Watermaster must consider balancing recharge and discharge in each management zone and subarea when making decisions regarding the location and magnitude of artificial recharge. This would apply to all discretionary recharge activities of the Watermaster and other entities that desire to recharge the Chino Basin. One of the goals of the OBMP is to maximize the yield of the Chino Basin by reducing groundwater outflow to the Santa Ana River and, where possible, to maximize recharge of the Santa Ana River into the Chino Basin. The modeling work done for the OBMP PEIR showed that outflow of groundwater from the Chino Basin to the Santa Ana River would decrease with ultimate OBMP implementation. That is, with balancing discretionary recharge and the construction of the OBMP desalters, the outflow of groundwater from the Chino Basin to the Santa Ana River will decrease even though the storage in the basin increases 200,000 acre-ft. This is demonstrated graphically in OBMP PEIR Figure 4.5-51.



**Inland Empire**  
UTILITIES AGENCY

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

Richard W. Atwater  
Chief Executive Officer  
General Manager

April 2, 2003

Board of Directors

John L. Anderson  
President

Terry Catlin  
Vice President

Angel Santiago  
Secretary/Treasurer

Wyatt L. Troxel  
Director

Gene Koopman  
Director

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

**Subject: Application for 100,000 AF Storage and Recovery Program with Metropolitan Water District and the local Agency Participants.**

Dear Mr. Rossi:

On behalf of the Metropolitan Water District of Southern California, Three Valleys Municipal Water District, and each local agency participant, the Inland Empire Utilities Agency submits this letter, Form 6 and a copy of "standard" agreement with the local agencies participating in the MWD Dry Year Yield Conjunctive Use Program. IEUA's Board authorized approval of the MWD Dry Year Yield Conjunctive Use (Funding) Agreement No. 49960 on February 5, 2003. IEUA's Board also approved and authorized execution of the local agency participation agreements on March 5, and approved amendments on April 2, 2003.

This application is submitted consistent with the requirements for Regional Storage and Recovery Program Section 5.2 © provisions of the Peace Agreement and the Rules and Regulations Section 8.3. The requirements of Section 10.7 of the Rules and Regulations have been documented and are summarized below.

- (A) Metropolitan Water District of Southern California through its member agencies, IEUA and TVMWD, will provide imported water for storage and recovery via direct replenishment, injection, or in lieu.
- (B) Consistent with the Agreement between MWD, TVMWD, IEUA, and Watermaster the amounts of water placed into storage and recovered will be administered through an Operating Committee.
- (C) The schedule for recharge into the MWD account will be subject of an Annual Operating Plan consistent with the Agreement.
- (D) The recovery of MWD water from the 100,000 storage account will also be consistent with the Agreement and the Annual Operating Plan(s).

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Mr. John Rossi, Chino Basin Watermaster

April 2, 2003

Page 2

- (E) The location of recharge is fully described in the CEQA documents and the Watermaster's adopted Recharge Master Plan.
- (F) The locations of new production facilities have been CEQA certified by IEUA and are fully described in the Black and Veatch preliminary design report and Exhibit H of the Agreement.
- (G) Water Level information is documented on the groundwater involving studies funded by the MWD funding agreement (\$1.6 million) by Wildermuth Environmental.

Sincerely,  
INLAND EMPIRE UTILITIES AGENCY



Richard W. Atwater  
Chief Executive Officer  
General Manager

Enc.



APPLICATION BY A PARTY TO THE JUDGMENT  
TO  
PARTICIPATE IN A STORAGE & RECOVERY PROGRAM

APPLICANT

Inland Empire Utilities Agency on behalf of  
Metropolitan Water District of Southern California  
Name

March 1, 2003  
Date Requested

Date Approved

9400 Cherry Avenue, Bldg. A  
Street Address

100,000 Acre-feet  
Amount Requested

Acre-feet  
Amount Approved

Fontana  
City

CA  
State

92335  
Zip Code

Telephone: (909) 993-1740

Facsimile: (909) 428-6164

TYPE OF WATER TO BE PLACED IN STORAGE

- Recycled  Imported  Both

METHOD AND LOCATION OF PLACEMENT IN STORAGE - Check and attach all that may apply

- Recharge (Form 2)  In-lieu pursuant to Metropolitan Funding Agreement  
 Transfer of Right to Water in Storage (Form 3)  
 Transfer from another Party to the Judgment (Form 5)

METHOD AND LOCATION OF RECAPTURE FROM STORAGE - Check and attach all that may apply

- Pump from wells (Form 4)  
 Transfer to another party to the Judgment (Form 3)

FEASIBILITY PLAN TO ACCOMPLISH STORAGE & RECOVERY PROGRAM ATTACHED?

Yes  No  Analyzed through approval process of Funding Agreement.

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?

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

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?

CEQA Compliance completed and certified by Applicant

ADDITIONAL INFORMATION ATTACHED Yes [ X ] No [ ]

IEUA  
Applicant

**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: \_\_\_\_\_

APPLICATION OR AMENDMENT TO APPLICATION  
TO  
RECAPTURE WATER IN STORAGE

APPLICANT

Inland Empire Utilities Agency on behalf of  
Metropolitan Water District of Southern California  
Name of Party

March 1, 2003  
Date Requested

\_\_\_\_\_  
Date Approved

9400 Cherry Avenue, Bldg. A  
Street Address

100,000 Acre-feet  
Amount Requested

\_\_\_\_\_  
Acre-feet  
Amount Approved

Fontana      CA      92335  
City              State          Zip Code

Max 33,000 AFY  
Projected Rate of  
Recapture

\_\_\_\_\_  
Projected Duration of  
Recapture

Telephone: (909) 993-1740

Facsimile: (909) 428-6164

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: Metropolitan Water District of Southern California

PURPOSE OF RECAPTURE

- [ ] Pump when other sources of supply are curtailed
- [ ] Pump to meet current or future demand over and above production right
- [ ] Pump as necessary to stabilize future assessment amounts
- [X] Other, explain: Pump pursuant to call by Metropolitan of stored water

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

PLACE OF USE OF WATER TO BE RECAPTURED

Within service area of agencies participating in Metropolitan Funding Agreement (see attached shift obligation schedule)

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

Facilities constructed pursuant to Metropolitan Funding Agreement

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?  
See Watermaster Summary and Analysis of Application and reports by Wildermuth Environmental

**MATERIAL PHYSICAL INJURY**

Form 4 (cont'd)

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?

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**ADDITIONAL INFORMATION ATTACHED** Yes [X] No [ ]

IEUA  
Applicant

**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 #: \_\_\_\_\_

Dry Year Yield Project - Allocation of Funding w/ JCSD  
 April 15, 2003

Revised

Agency	Total Increased Yield				Shift Performance Obligation			Funding Allocation (1)(3)			Cost Per AF	Wells Cost per AF	Treatment Cost Per AF
	Treatment(5) AFY	No. Wells	Well(4) AFY	Total AFY	Treatment AFY	Well(4) AFY	Total	Wells \$	Treatment(6) \$	Total			
	Average							650	925				
Pomona (2)	3,110		-	3,110	2,000	-	2,000		1,700,000	1,700,000	850		850
Monte Vista	1,500	1	2,419	4,019	1,544	2,419	3,963	1,572,581	1,420,200	3,000,781	757	650	925
San Antonio	-		-	-	-	-	-	-	-	-			
Chino	1,201		-	1,201	1,159	-	1,159	-	1,072,043	1,072,043	925		925
Upland	3,110		-	3,110	3,001	-	3,001	-	2,776,064	2,776,064	925		925
Chino Hills	1,500		-	1,500	1,448	-	1,448	-	1,338,938	1,338,938	925		925
CCWD	3,200	3	7,250	10,450	3,000	6,532	9,620	4,245,968	2,855,400	7,102,368	738	650	925
Ontario	1,600	3	7,258	8,858	1,544	6,532	8,076	4,245,968	1,420,200	5,674,168	703	650	925
Subtotal	15,321	7	10,935	32,258	13,784	15,404	29,267	10,064,516	12,589,044	22,654,360	774	650	914
Reserve for Unsubscribed Funds (6)									48,575	48,575			
JCSD (8)					2,000		2,000		1,494,000	1,494,000			
Unsubscribed (6) (7)					1,733		1,733		1,293,065	1,293,065	746		
Total					17,516	15,404	33,000	10,064,516	15,435,404	25,500,000			

Criteria for Allocation of Funding:

1) Based Allocation of Grant Funds on two Factors:

- a) Utilized \$650 per AF of Well Capacity Developed
- b) Utilized \$925 per AF for Treatment Capacity Developed

2) City of Pomona was allocated \$1,700,000 for 2,000 AF of Shift Obligation per the original proposal to MWD.

3) Funds to be Allocated was reduced to \$25,550,000 (estimated funds available for construction and final design).

Total Funding	27,500,000
CEQA, Pre-Design, Modeling	(2,000,000)
Funding for Construction, Design, etc.	25,500,000

4) 1,500 gpm utilized for estimate of Well Capacity Developed. CCWD and Ontario well capacity reduced by 10% to limit shift obligation to amounts requested.

5) Submitted figures used for estimate of Treatment plant Capacity Developed less 3.5% to limit shift obligation to amounts requested.

6) To the extent the total project participant shift obligation is less than the MWD contract amount of 33,000, the unsubscribed funds would not be expended:

Total Program Funding	\$ 27,500,000
Percent Subscribed	09%
Subtotal	24,389,572
Less: CEQA, Pre-Design, etc. @	88%
Funds to be Expended	22,619,785
Subscribed Amount	22,664,360
Reserve for Under-Subscribing	48,575
Revised Unsubscribed Account	1,293,065
Revised Rate per AF	746

The unsubscribed pool could be reduced now to \$2,330,694 at \$704 per AF. This would eliminate uncertainty with further project changes as to funding.

7) Any further project amendments would be processed on a first come, first serve basis. Funding would come from the unsubscribed balance at the rate of \$704 per AF for treatment capacity developed and \$650 per AF for well capacity developed.

8) JCSD funding allocation:

Desired Participation - Treatment	\$ 2,000
Value per AF	747
Funding Allocated	\$ 1,494,000

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# **CHINO BASIN WATERMASTER**

August 14, 2003

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

1:00 p.m. – Agricultural Meeting

## **II. BUSINESS ITEMS**

### **C. STORAGE & RECOVERY PROGRAM SCOPE OF WORK AND BUDGET**



# CHINO BASIN WATERMASTER

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

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JOHN V. ROSSI  
Chief Executive Officer

## STAFF REPORT

**DATE:** August 14, 2003  
**TO:** Pool Committee Members  
**SUBJECT:** Master Plan Report on Storage & Recovery Program

### SUMMARY

*Issue* – Authorize Black & Veatch to Perform Engineering Services and Prepare Master Plan Report for Storage & Recovery Project

*Recommendations* – Consider recommendation to Advisory Committee to engage Black & Veatch to develop a Master Plan for the Long-Range Storage and Recovery Program for a fee of \$373,749 including modeling work by Wildermuth Environmental, Inc.

*Fiscal Impact* – Funds have been budgeted for this work in accounts 6900 and 7600.

### BACKGROUND

The Peace Agreement outlines the Watermaster's responsibilities to develop a plan and market certain storage capacities in the Chino Groundwater Basin for the Appropriate Pool Members. In May 2001, the Watermaster solicited proposals for storing water in the Basin. Ten proposals were received indicating serious interest in the program.

In working with the pool members, staff found that additional engineering is necessary in order to fully market the program for maximum benefit to the pool members. The proposals looked for various benefits in addition to storage space such as peaking capacity, additional sources of water, and dry year yield capabilities.

Staff has reviewed the scope and budget for the proposed service at workshops in June and July, and through the Appropriate Pool, Advisory Committee, and Board meetings in the month of July.

Staff and Black and Veatch recommend the following scope (see attached scope):

- 1) Develop Planning Assumptions and Basin Operating Criteria
- 2) Develop Initial Storage and Recovery Operational and Facilities Alternatives
- 3) Evaluate the Hydrologic Feasibility of the Planning Alternatives
- 4) Refine Alternatives
- 5) Prepare Report and Conduct Workshops
- 6) Attend Meetings
- 7) Perform Project Management



An important part of this effort is to develop more specificity on the individual agencies' ability and desire in terms of water supply plans, potential facilities, and shift performance limits. Therefore, the scope proposes workshops and meetings to be conducted with the parties to develop a consensus Master Plan for the program. The work is to be completed by July 2004.

**Budget Impacts**

Funding has been budgeted for the project. Staff anticipates potential reimbursement of associated costs for engineering, CEQA, and construction from eventual third party entities banking water in the Chino Basin. Staff believes this investment is necessary to provide the Watermaster and parties the ability to negotiate with entities interested in our program. Staff recommends that, based on the potential to obtain tens of millions of dollars to fund various improvements from wells and wellhead treatment to regional transmission and hydraulic control facilities, this is a prudent investment at this time.

Staff recommends that Black & Veatch be engaged to prepare a Storage and Recovery Master Plan report for a fee not to exceed \$373,749.

The following presents the Black & Veatch/WEI team's approach to complete the Large-Scale Storage and Recovery Program Master Plan.

#### TASK 1 DEVELOP PLANNING ASSUMPTIONS AND BASIN OPERATING CRITERIA

##### *Task 1.1 Developed Criteria and Assumptions Memorandum for the SRP Master Plan*

The purpose of this task is to define the planning criteria and assumptions that will be used in the development of the SRP master plan. The project team will, based on their experience with the 100,000 AF dry-year yield program, prepare a strawman proposal for planning criteria and assumptions for the expansion of the SRP from 100,000 to 500,000 acre-ft. The strawman proposal will include:

##### Water Quality

- Groundwater
- Imported water
- Recycled water

##### Groundwater storage

- Storage limitations
- Description of Baseline and SRP planning scenarios and related assumptions

##### Asset inventory

- Wells – location, capacity, limitations (water quality, others)
- Conveyance – pipelines, pump stations, reservoirs, capacity, others
- Treatment systems – surface water and groundwater, capacity, limitations. Others
- Recharge facilities

##### Future facilities and related operating plans

- Wells – location, capacity, limitations (water quality, others)
- Conveyance – pipelines, pump stations, reservoirs, capacity, others
- Treatment systems – surface water and groundwater, capacity, limitations, others
- Recharge facilities

##### Capital and O&M costs

- Existing and future projections

##### Recharge programs

- Storm water
- Supplemental water

Hydraulic control  
Yield maintenance  
Storage losses

*Task 1.2 Describe Basin's Potential to Accommodate a 500,000 Acre-foot Storage Program*

Based on the information developed in Task 1.1, the Basin's potential to accommodate a 500,000 AF storage program will be described.

*Task 1.3 Update Local Producer Water Supply Plans and Projections*

Local producer water supply plans and projections will be updated to ensure that the most current planning assumptions are used throughout the master plan. This information will be used for hydraulic modeling of the Basin.

*Task 1.4 Develop Draft Memorandum Summarizing Tasks 1.1-1.3*

The memorandum will be compiled and distributed to the SRP stakeholders. The Task 1 memorandum will be posted on SRP project web site for viewing and downloading.

*Task 1.5 Conduct Kickoff Meeting to Present Draft Memorandum*

The SRP Master Plan kickoff meeting will occur about two weeks after the draft Task 1 Memorandum is circulated to the SRP stakeholders. The project team will present the draft Task 1 Memorandum at the kickoff meeting and will receive comments.

*Task 1.6 Finalize Task 1 Memorandum*

The project team will finalize the Task 1 Memorandum and will distribute to the SRP stakeholders. The Task 1 memorandum will be posted on SRP project web site for viewing and downloading.

**TASK 2 DEVELOP INITIAL STORAGE AND RECOVERY OPERATIONAL AND FACILITIES ALTERNATIVES**

*Task 2.1 Describe In-Lieu vs. Export Storage and Recovery Concepts*

In-lieu and export storage and recover concepts will be described and the benefits of each will be identified. Examples of each concept will be provided.

*Task 2.2 Review Existing In-Lieu Program with Metropolitan*

The existing 100,000 AF Dry-Year Yield Program with Metropolitan will be described and reviewed. Details from the Master and Local Agency agreements will be summarized.

*Task 2.3 Review Available Facilities for Delivery of Metropolitan Water*

Metropolitan facilities available for wheeling imported water into the Chino Basin will be identified. Limitations of any facilities will be identified.

*Task 2.4 Review and Evaluate Four Potential Export Alternatives*

Four export alternatives will be developed and evaluated. Maps showing facilities locations in addition to cost estimates will be provided.

*Task 2.5 Determine Potential Expansion Plan for CDA Facilities*

The most recent CDA expansion plans will be reviewed and evaluated. Further expansion of the CDA program will be discussed. Water supply plans for existing CDA members in addition to proposed members will be evaluated. CDA expansion facilities and an implementation plan will be developed.

*Task 2.6 Determine Replenishment Obligation for CDA Production*

The replenishment obligations resulting from production from existing and proposed CDA facilities will be presented. Hydraulic modeling will be used to support estimation of replenishment obligations.

*Task 2.7 Review Storage and Recovery Prospects with Other Agencies*

During the initial solicitation of potential storage and recovery partners within the Chino Basin, various agencies responded with interest. A summary of these potential prospects will be provided.

*Task 2.8 Quantify Limitations of Groundwater and Imported Supplies*

Limitation of groundwater and imported supplies will directly affect the potential size and feasibility of potential storage and recovery programs. The limitations in groundwater and imported supplies will be identified and facility requirements will be addressed.

*Task 2.9 Develop Cost Opinions*

Cost opinions for facility requirements will be provided.

*Task 2.10 Prepare Task 2 Memorandum*

A memorandum summarizing the Task 2 activities will be developed and posted on the project website for review.

*Task 2.11 Present Results and Recommendations to Stakeholders*

The results and recommendations for the Task 2 activities will be presented to the Chino Basin Stakeholders and comments will be solicited.

*Task 2.12 Support Development of Storage and Recovery Agreements*

Continuing support to Watermaster for development of SRP agreements will be provided.

**TASK 3 EVALUATE THE HYDROGEOLOGIC FEASIBILITY OF THE PLANNING ALTERNATIVES***Task 3.1 Review Planning Alternatives and Convert to Files for Groundwater and Surface Water Simulation*

The project team will develop input files for the planning alternatives that advanced through Task 2. The input files will be compatible with the 2003 Watermaster Model. The 2003 Watermaster Model was developed by the project team to evaluate, among other things, the groundwater and surface water impacts of the 100,000 dry-year yield program developed by CBWM, IEUA and Metropolitan.

*Task 3.2 Run 2003 Watermaster Model*

The project team will run one complete simulation for each planning alternative that advanced from Task 2.

*Task 3.3 Evaluate Simulation Runs*

The project team will prepare maps, charts and tables from the 2003 Watermaster Model results for each alternative. The impacts that will be reviewed and compared include groundwater level, storage, losses to the River, and transport of known water quality anomalies. Recommendations will be made to improve the performance of the planning alternatives and additional simulations may be made to validate the recommendations.

*Task 3.4 Prepare Draft Task 3 Memorandum*

The project team will prepare a draft memorandum describing the methods and results of Task 3 and submit this memorandum to the SRP stakeholders for their review. The project team will present the draft Task 3 Memorandum at a regularly scheduled meeting and will receive

comments. The project team will evaluate the need to perform additional simulations based on the comments received. The draft Task 3 Memorandum, comments and responses will be placed on the project web site for viewing and downloading.

*Task 3.5 Present Results and Recommendations to Stakeholders*

The results for the Task 3 activities will be presented to the Stakeholders and comments will be solicited.

**TASK 4 REFINE ALTERNATIVES**

*Task 4.1 Refine Operations and Facility Descriptions*

The Basin operating plans and facility requirements developed in Tasks 2 and 3 will be modified per Stakeholder comments.

*Task 4.2 Refine Cost Opinions*

Cost estimates will be developed for the refined facility descriptions developed in Task 4.1

*Task 4.3 Prepare Task 4 Memorandum*

A memorandum summarizing the refined facility descriptions and cost estimates will be prepared.

*Task 4.4 Present Results and Recommendations to Stakeholders*

A presentation will be given to the Stakeholders to review the refined facility alternatives and summarize the refined cost estimates.

**TASK 5 REPORT PREPARATION AND WORKSHOPS**

*Task 5.1 Prepare Draft SRP Master Plan Report*

The project team will prepare a draft SRP Master Plan Report based on the task memoranda from Tasks 1 through 5, and meetings. The draft report will be submitted to the SRP stakeholders for review and comment. The draft report will be on the project web site for viewing and downloading.

*Task 5.2 Conduct First Workshop on Draft SRP Master Plan Report*

The project team will conduct a workshop on the Draft SRP Master Plan Report to present the draft report and to receive comments.

*Task 5.3 Prepare Draft Report Addendum*

An addendum will be prepared to respond to comments and concerns of the SRP stakeholders. The addendum report will be on the project web site for viewing and downloading.

*Task 5.4 Conduct Second Workshop on Draft SRP Master Plan Report and Addendum*

The project team will conduct a second workshop on the Draft SRP Master Plan Report and Addendum to present the addendum and to receive comments.

*Task 5.5 Prepare Final SRP Master Plan Report*

The project team will prepare a final SRP Master Plan Report based on the results of Tasks 5.1 through 5.4. The final report will be on the project web site for viewing and downloading.

**TASK 6 MEETINGS**

Routine progress meetings will be held twice per month starting in July 2003 and until project completion in July 2004. A total of 24 meetings will be attended.

**TASK 7 PROJECT MANAGEMENT**

This task represents the overall project management activities required by the Black & Veatch/WEI team.

# CHINO BASIN WATERMASTER

August 14, 2003

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

1:00 p.m. – Agricultural Meeting

## II. BUSINESS ITEMS

### D. LEASE AGREEMENT FOR WATERMASTER OFFICE





# CHINO BASIN WATERMASTER

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

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JOHN V. ROSSI  
Chief Executive Officer

## STAFF REPORT

**DATE:** August 14, 2003  
**TO:** Pool Committee Members  
**SUBJECT:** WATERMASTER OFFICE RELOCATION

### SUMMARY

**Issue** – Authorize Lease Terms and Expenditures for Occupancy of Cucamonga County Water District (CCWD) Office Building

**Recommendations** – Consider recommendation to the Advisory Committee to approve:

- The lease terms for the San Bernardino Road office building,
- Authorize CEO to finalize office lease documents, and
- Authorize the CEO to expend up to \$74,000 as outlined in this staff report

**Fiscal Impact** – Monthly lease expense and lessee improvement costs amortized over a 10-year lease term are less than the current lease costs including the monthly lease, electricity, security, gas, electric, and water expenses. Costs per square foot will be approximately half of the current lease costs per square foot.

### BACKGROUND

In October of 2001, staff began reviewing the possibility of relocating the offices of the Watermaster. Three options were investigated:

1. Sharing office space in IEUA's new headquarters complex in Chino
2. Expanding offices at current location, 8632 Archibald Avenue, Rancho Cucamonga
3. Re-locating to CCWD's office building on San Bernardino Road, Rancho Cucamonga

Staff presented an analysis and received direction to pursue a lease with Cucamonga County Water District for their office building on San Bernardino Road that was to be available in approximately September of 2003.

### DISCUSSION

Various items have since been evaluated in addition to the lease expense, utilities, etc., such as parking security for Watermaster vehicles, space for future expansion, meeting room needs, and other matters. At that time, Mr. Robert DeLoach, General Manager for CCWD, indicated that CCWD intended to make certain leasehold improvements to the building to ready it for Watermaster occupancy.

The significant lease terms are:

- Monthly Lease of \$4,900 (for approximately 8,000 sq ft)  
Includes electricity, gas, water, landscaping, parking lots, warehouse use, security, and basic building maintenance & repairs to roof, HVAC, etc.
- No lease increase for 24 months; CPI annually thereafter.
- Ten year initial term. Automatic five year extensions unless notified by either party six months prior to end of lease. Watermaster may opt out under certain conditions with proper notice.
- CCWD will make its janitorial, plumbing, and other maintenance services available to Watermaster at cost plus pertinent overheads. Watermaster has the option to choose other services available.

CCWD now anticipates vacating the building by August 12. Various improvements with regard to the carpet, painting, and upgrades to wiring should be complete by August 31, 2003. Watermaster staff projects September 5 as a potential move date.

#### **Budget Impacts**

The following amounts are budgeted for the relocation:

##### **Funding**

Budgeted in Fiscal 2002/2003	\$45,500
Budgeted in Fiscal 2003/2004	<u>28,500</u>
Total	<u>\$74,000</u>

##### **Expenditures**

Upgraded Computer/Phone Wiring	\$12,500
Leasehold Improvements	19,000
Upgrade/Install Audio System in Board Room	14,700
Upgrade/Install Projector/Screen in Board Room	6,200
Move Furniture, etc.	5,000
Move Office Copiers	1,000
Move/Set-up Phone System	2,000
New Furniture	<u>4,000</u>
Subtotal	\$ 64,400
Contingency – 15%	<u>9,600</u>
Total	<u>\$ 74,000</u>

Staff analyzed current annual expenditures and budgets for lease, utilities and security and amortized the one-time expenditures listed above over a ten-year period at 5% interest. The new lease cost plus the amortized costs for relocating are at, or less than, the Watermaster's current monthly expenditures, while almost doubling the square footage in office space.

CCWD and Watermaster staffs anticipate a final lease document within the next two weeks.



# CHINO BASIN WATERMASTER

August 14, 2003

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

1:00 p.m. – Agricultural Meeting

**INFORMATION**



## JULY 2003 RECYCLED WATER SUMMARY

### CAPITAL PROJECTS SUMMARY

#### Active Projects - Phase I

- **RP-1/RP-4 Pump Station (Budget \$7,748,000)**  
The pump station will deliver recycled water from RP-1 to RP-4 to meet the anticipated demand in the RP-4 service area. The project also included a pump station at RP-4 to pressurize the distribution system. The construction contract was awarded in March. Construction will be complete by March 2004.
- **RP-1 Chlorination Tank (Budget \$4,817,000)**  
This chlorination tank will increase the use of the TP-1 Outfall line as a transmission main to deliver recycled water to the farmers and dairies along the pipeline rather than using it as a contact chamber to meet the Title 22 requirement. The construction contract was awarded in March. Construction will be complete by March 2004.
- **Pine Avenue Intertie (Phase I: Budget—Phase I & II \$1,066,000)**  
The Pine Avenue Intertie will connect the RP-2/CCWRF recycled water system with the RP-1 outfall thereby connecting all IEUA facilities. The Phase I construction contract was awarded in February. Phase II is under construction and will be complete by November 2003.
- **Wineville Pipeline (Budget \$2,307,200)**  
The Wineville Pipeline will convey recycled water from the RP-4 outfall to Inland Paperboard and other customers in Ontario. The construction contract was awarded in March. Construction of the project is expected to take 8 months.
- **Reliant Pipeline (Budget \$1,115,476)**  
The Reliant Pipeline will deliver recycled water to the Reliant Energy Plant from RP-4 and will serve future demands to the North along Etiwanda Ave. The construction contract was awarded in March and work will be complete by August 2003.
- **Philadelphia Pipeline (Budget \$3,935,400)**  
The Philadelphia Pipeline will serve recharge water to the Ely Basins and irrigation water to Ontario's soccer complex and to other customers. Design of the project is completed. Construction is scheduled for completion by November 2003.
- **Whittram Pipeline (Budget \$3,620,000)**  
The Whittram Pipeline will serve recharge water to the Banana and Hickory Basins. Project design is 85% complete, construction is scheduled for completion by Spring 2004.
- **RP-4 West Branch (Budget \$9,849,000)**  
Design for the RP-4 West Branch is in process and will be completed in early 2004. The pipeline will serve the Turner Recharge Basins and Empire Lakes Golf Course as well as other customers in Ontario and CCWD. The project will be complete by December 2004.

Total Budget—Active Projects—\$34,458,076



Ayala Park in Chino

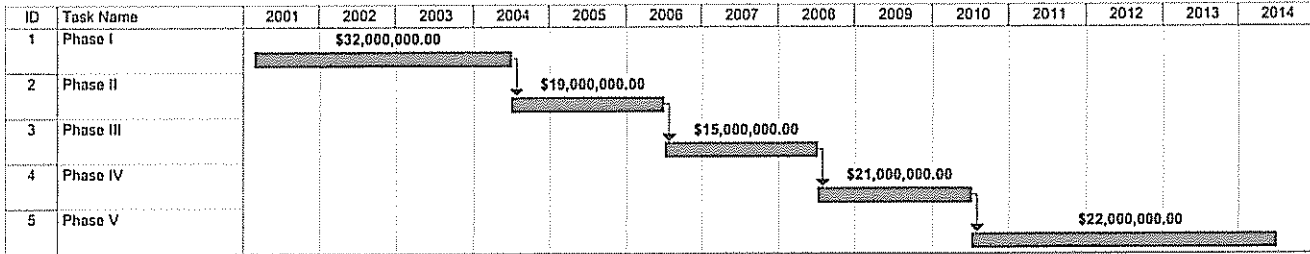


El Prado Park



Chino Business Park

### TOTAL IMPLEMENTATION PLAN



### PHASE I IMPLEMENTATION PLAN

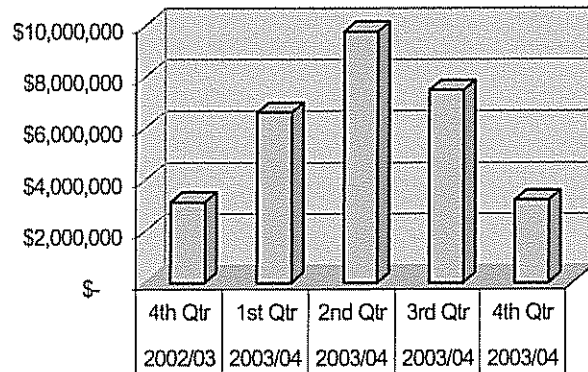
ID	Task Name	Budget	Actual	Remaining	2003												2004				
					May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1	RP-1/RP-4 Pump Station	\$7,748,000	\$676,171	\$7,071,829	[Progress bar]																
2	RP-1 Chlorination Tank	\$4,817,000	\$597,101	\$4,219,899	[Progress bar]																
3	Pine Avenue Inlet	\$1,066,000	\$251,228	\$814,772	[Progress bar]																
4	Winovilla Pipeline	\$2,307,200	\$257,415	\$2,049,785	[Progress bar]																
5	Rollant Pipeline	\$1,115,476	\$371,207	\$744,269	[Progress bar]																
6	Philadelphia Pipeline	\$3,035,400	\$262,053	\$3,673,347	[Progress bar]																
7	Whittram Pipeline	\$3,620,000	\$76,151	\$3,543,849	[Progress bar]																
8	RP-4 West Branch	\$9,840,000	\$86,549	\$9,762,451	[Progress bar]																

### FINANCING PLAN

#### Program Financing Plan

- Regional Capital Fund 25-30%
- SWRCB Grants 25%
- Federal Grants 25%
- SWRCB Loans 20-35%
- MWD LPP (Loan Repayment) \$2 Million Annually

#### REGIONAL RECYCLED WATER PHASE I—PROJECTED CASH FLOW



#### Funding Phase I

- Regional Capital Fund \$10,000,000
- SWRCB Recycling Grant \$5,000,000
- SWRCB Recycling Loan \$17,800,000
- Application Submitted 3/02
- Facility Plan Approval 1/03
- Plans & Specification Approval 1/03
- Approval to Award 3/03
- SRF Loan Commitment 3/03
- Grant Approval/Commitment 4/03
- Grant Contract 5/03

# ACTIVITY SUMMARY

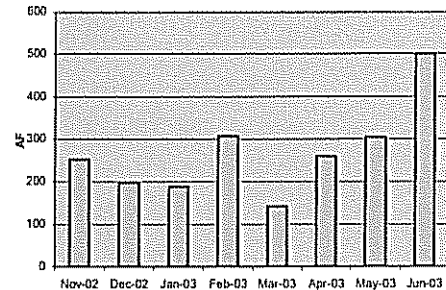
## New Customers in 2002

- **Durrington Farms**  
Started using recycled water on August 2002. On September 2002, they reached their peak, 263.5 AF in one month.
- **Yoshimura Racing LLC**  
Started using recycled water on July 2002 for their landscaped area. The annual estimated usage is about 10 AFY.

## New Customers in 2003

- **CW Farm (former Arthur Farms)**  
Started to use recycled water in March.
- **Big League Dreams**  
Started to use recycled water in March.
- **Fairfield Ranch Neighborhood Park**  
Started to use recycled water in March.
- **Higgins Brick**  
Started to use recycled water in July
- **DBRS Medical System**  
Received an approval for the engineer's report and will begin using recycled water as soon as the cross-connection test is performed and passed.
- **Central Chino Business Park**  
Received an approval for the engineer's report from DHS. Needs to complete the cross-connection test prior to using recycled water.
- **Fairfield Ranch Business Park Phase I**  
Received an approval for the engineer's report from DHS. Needs to complete the cross-connection test prior to using recycled water.
- **Fairfield Ranch Business Park Phase II**  
Submitted an engineer's report to DHS in March.
- **Artesian HOA**  
The engineer's report has been approved by DHS and waiting to conduct the cross-connection testing.
- **New Chino Hills High School**  
The City of Chino Hills is in the process of writing a letter to the school board for the final approval of use of recycled water on the school property.
- **Reliant Energy**  
After the completion of the Etiwanda extension in August 2003, Reliant Energy will start using recycled water up to 3,000 AFY.
- **Inland Paper Board**  
Wineville Ave. Pipeline is expected to be completed by December 2003. Upon its completion Inland Paper Board will start using recycled water.
- **Kaiser Hospital**  
In the process of preparing the engineer's report. Expected to use recycled water in December 2003.
- **Engelsma Dairy**  
The dairy has been impacted by CDA groundwater pumping facilities. The City of Chino will provide the recycled water to the dairy for irrigation of the pasture (13 Acres). The construction of 4" service is completed. Submitted an engineer's report to DHS.

## Recycled Water Sales



Delivery Period	FY 2001-02	FY 2002-03
June	325	501
Year to Date	1,644	1,712
FY Total	4,442	4,498
<b>Budget</b>		6,950

## Operation & Planning

- A shutdown is scheduled in CCWRF for repairing a valve in the recycled water reservoir on July 23rd. This will last only about 10 hrs. during the day to minimize the interruption to the recycled water customers.
- Ely Basin recharge started in May after the delay due to rains and the construction of lining the channel by San Bernardino County Flood Control District. Only 185 acre-feet of recycled water was recharged for the fiscal year 2003/03.
- Beginning from the fiscal year 2003/04, the original Carbon Canyon Reclamation Project Development and Utilization of Recycled Water agreement between the Metropolitan Water District of Southern California, and the Agency has been changed to include all beneficial recycled water distribution within the Agency's boundary excluding the first 3,500 acre-feet. However, this does not include beneficial use for groundwater recharge and in-plant usage.

## CUSTOMER DEVELOPMENT

### ■ Focused Customer Marketing

Large customers with annual usage over 100 AFY will be targeted. IEUA staff is working closely with the retail agencies to develop an updated customer list and to coordinate marketing effort. The recycled water marketing database was distributed to the Cities of Chino, Chino Hills, Ontario, and Cucamonga Water District to aid with the customer and recycled water use tracking.

### ■ Targeted Major Customers in 2003

- |  |           |
|--|-----------|
| 1. Empire Lakes Golf Course (May 2004)     | 800 AFY   |
| 2. Additional Farms on Outfall (Feb. 2004) | 1,200 AFY |
| 3. Ontario Center Owners Association       | 260 AFY   |
| 4. California Co-generation                | 250 AFY   |

### ■ Reliant Energy

The Inland Empire Utilities Agency (IEUA), Cucamonga County Water District (CCWD) and Reliant Energy Etiwanda, L.L.C., held a groundbreaking ceremony Tuesday, April 29 for the recycled water pipeline that will connect Reliant Energy Etiwanda L.L.C. to IEUA's Regional Water Recycling Plant No. 4 (RP-4).

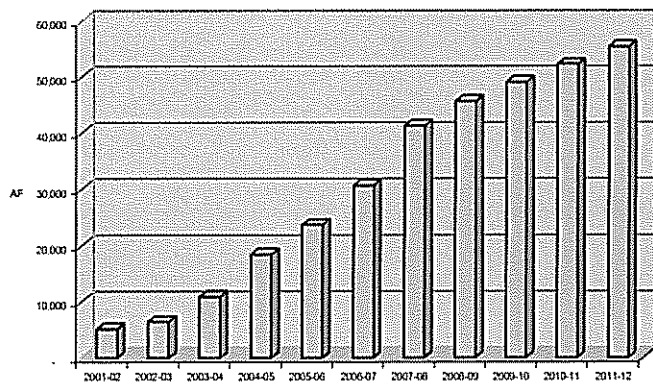
Reliant Resources is a 1,030 MW power plant facility that operates 24 hours, 7 days a week. IEUA's RP-4, which produces Title 22 "Non Restricted Use Quality Water," will supply recycled water via a 3,300 foot, 36-inch IEUA Regional Recycled Distribution System pipeline to the Etiwanda Plant to cool its equipment.



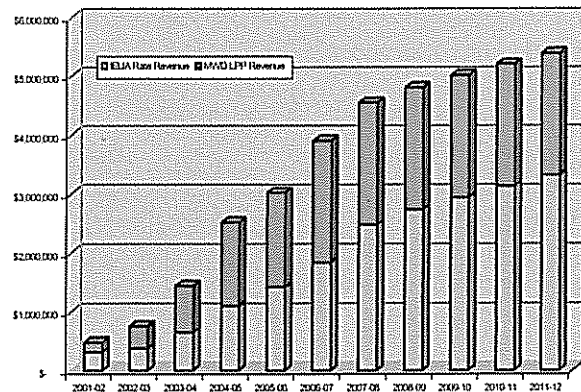
Westwind Park

## PROJECTED SALES & REVENUE

Projected Recycled Water Sales



Projected Recycled Water Revenue



## REGULATORY/PERMITS

- |                                  |       |
|----------------------------------|-------|
| ■ CEQA—PEIR Certified            | 06/02 |
| ■ CBWM Article X—Approved        | 05/02 |
| ■ SARWQCB Basin Plan Amd.        | 08/03 |
| ■ DHS Title 22 Report (Recharge) | 07/03 |
| ■ SARWQCB Discharge Permit       | 07/03 |



# JULY 2003 CHINO BASIN FACILITIES IMPROVEMENT PROJECT SUMMARY

**Project Purpose:**

*The purpose of the project is to provide of storm water and imported water recharge facilities improvements required to increase ground-water recharge in the Chino Basin and to implement the Recharge Master Plan and Optimum Basin Management Program (OBMP)*

**Project Participant:**

- Inland Empire Utilities Agency (Lead, Contracting Agency)
- Chino Basin Watermaster
- San Bernardino County Flood Control District
- Chino Basin Water Conservation District
- SAWPA

**Design and Construction Management Team:**

- Tettermier & Associates (Design Consultant)
- Black & Veatch (Program & Construction Management)
- URS (Geotechnical Consultant)

## BID PACKAGE NO. 3

Bid package No. 3 was bid July 23, 2003. The Hickory Basin force main was transferred to Bid Package No. 7 after evaluating the CBFIP funds. The Jurupa Regional force main from Jurupa Basin to RP-3 was the only project bid under Bid packager No. 3. A tabulation of the bids results is listed below:

BID RESULTS:	PIPE:	Ductile Iron	CML & C Steel
Albert W. Davies, Inc.		No Bid	\$3,053,077.00
Colich Construction Co., Inc.		No Bid	\$3,496,178.20
Mladen Buntich Construction Co. Inc.		No Bid	\$3,803,630.00
Norstar Plumbing and Engineering, Inc.		\$3,774,195.00	\$3,136,335.00
T.A. Rivard, Inc.		No Bid	\$4,312,904.00
Valverde Construction, Inc.		No Bid	\$3,101,505.00
Vido Artukovich & Son, Inc.		\$3,354,723.00	No Bid
W.A. Rasic Construction Co., Inc.		No Bid	\$2,889,477.00*

\*Apparent Responsive Bidder

The apparent low bidder was W.A. Rasic Construction Company, Inc. at \$2,889,477.00. References for the apparent low bidder, were favorable and staff is recommending award of Bid Package No. 3 to Rasic. Beginning date is estimated to be August 18, 2003 and runs 300 calendar days.

A final DRAFT of the Reimbursement Agreement with the City of Fontana is being reviewed by Kenneth R. Hunt, City Manager, Curtis Aaron, Manager of Public Works and Todd Miller of the City's Engineering Department regarding the City's construction project at the intersection of Mulberry Avenue and Jurupa Avenue. The City will place a temporary asphalt cap and temporary stripping; IEUA will then pave the entire street and install permanent stripping; the City will reimburse IEUA for 50% of the costs incurred.

## BID PACKAGE NO. 2

A rebid of Bid Package No. 2 was conducted with bids received prior to 10:00 AM with the bid opening at 10:00 AM, July 11, 2003 in the IEUA Boardroom; award of contract was made July 16, 2003, IEUA Board meeting. Construction was to begin no later than August 4, 2003. A summary of the bid results are as follows:

1.	Banshee Construction Company, Inc.	\$6,953,451.00
2.	L.T. Excavating, Inc.	\$7,380,234.50
3.	Brutoco Engineering and Construction, Inc.	\$7,359,139.00

The low bidder was Banshee Construction Company, Inc. Banshee did submit their required "Schedule of Values" at the pre-award meeting, July 17, 2003. Banshee is obtaining the necessary insurance certificates and insurance bond. Upon receipt of these documents the contract will be signed and notice to proceed (NOP) will be issued. Beginning date is estimated to be August 4, 2003 and runs 238 calendar days.

(Continued on page 2)



(Continued from page 1)

Bid package No. 2 includes the following projects:

Basin Development – Non Jurisdictional

1. Declez Basin
2. Ely Basins 1, 2, & 3
3. 8<sup>th</sup> Street Basins

Rubber Dam Structure\*

- |                         |                     |
|-------------------------|---------------------|
| 1. College Height Basin | San Antonio Channel |
| 2. Lower Day Basin      | Day Creek Channel   |
| 3. RP-3 Basins          | Declez Channel      |
| 4. Turner Basins No. 1  | Cucamonga Channel   |

\* The rubber dams will be limited to a height of 1/3 the height of the flood control channel, avoiding topping the channel in a 500-year storm.

Drop Inlet Structure

- |                                   |                     |
|-----------------------------------|---------------------|
| 1. Brooks Basin                   | San Antonio Channel |
| 2. Turner Basins No. 1, 2, 3, & 4 | Deer Creek Channel  |
| 3. Victoria Basin                 | Etiwanda Channel    |

The successful bidding contractor on Bid package No. 2, will contract with advise Bridgestone where and when to deliver the hardware and dams. The contractor will contract with Bridgestone, who will work closely with the contractor during the instillation of the rubber dams to assure proper construction.

**BID PACKAGE NO. 1**

Bid Package No. 1: Bid Package No. 1 included the following basins:

1. Banana Basin – Jurisdictional
2. College Height Basin\* – Non Jurisdictional
3. Lower Day Basin\* – Non Jurisdictional
4. RP-3 Basins\* – Non Jurisdictional
5. Turner Basin No. 1\* – Jurisdictional
6. Turner Basins No. 2, 3, & 4\* – Non Jurisdictional

\* Indicated basins on which construction has begun.

RP-3 site:

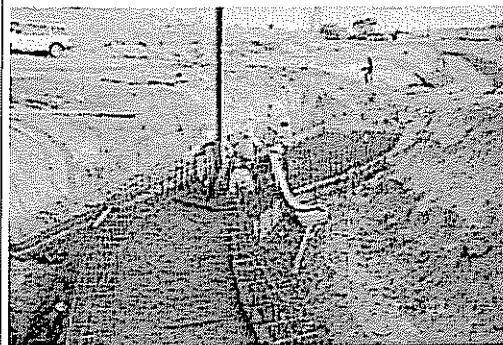
Pouring Concrete Lining in RP-3 Trap Channel. LTE's subcontractor began pouring the concrete lining in the trap channel at RP-3 Friday, July 25, 2003.

College Heights Basins:

Excavation in the College Heights Basins is nearing completion. The Agency staff, B&V, plus the contractor is in close coordination with CBWCD regarding placement and compaction in and around the boulders in the fill on the project

Turner 2, 3, & 4:

A CO is pending disposal of the buried 55 gallon drums uncovered at the site, plus, other buried asphalt and large boulders near the spillway between basins 3 and 4. Some boulders suitable for rip-rap will be screened and used for the project. The SB County Hazmat determined the drums were not hazardous material. Other unsuitable materials



RP-3



College Heights Basin

(drilling mud/clay, rocks and debris) have been uncovered at the site; these materials will have to be disposed of in a local landfill.

Lower Day Basin: Work is moving forward in the Lower Day Basin, now SCE has issued their encroachment permit (June 30, 2003). LTE is ready to begin grubbing and clearing of materials from the Lower Day Basins.

Time Remaining on LTE Contract:

The contract started March 25, 2003 and runs 238 calendar days. As of July 31, 2003, one hundred twenty eight (128) days have expired, 42 % of the time has expired with an estimated 35 % of the project is being completed. LTE has requested a 16-hour work day to complete the remaining work. B&V had not planned the requested overtime in their construction management contract; B&V is going to request LTE reimburse B&V for additional costs for the extended work day.

### BID PACKAGE NO. 1 CONSTRUCTION SCHEDULE

ID	Task Name	2003										
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	
1	Banana Basin											
2	College Heights Basin											
3	Lower Day Basin											
4	RP-3 Basins											
5	Turner No. 1 Basin											
6	Turner No. 2, 3, & 4 Basins											

### GROUNDWATER RECHARGE FACILITIES IMPROVEMENT CONSTRUCTION SCHEDULE

ID	Task Name	Start	Finish	Cost	2003														
					Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
1	Bid Package No. 1	Mar 17	Oct 31	\$9,426,000.00															
2	Banana, College Heights, Lower Day, RP-3, Turner No. 1, & Turner No. 2, 3, & 4	Mar 17	Oct 31	\$9,426,000.00															
3	Bid Package No. 2A	Apr 28	Jan 30	\$7,352,000.00															
4	Delez, Eighth Street, Ely, Upland, & Victoria	Apr 28	Jan 30	\$7,352,000.00															
5	Bid Package No. 2B	May 15	Nov 14	\$2,400,000.00															
6	Brooks Drop Inlet, College Heights Rubber Dam, Lower Day Rubber Dam, RP-3 Rubber Dam, Turner No. 1 Rubber Dam, & Turner No. 2, 3, & 4 Rubber Dam	May 15	Nov 14	\$2,400,000.00															
7	Bid Package No. 3	May 15	Nov 14	\$4,460,000.00															
8	Hickory & Jurupa (Civil Pump Station)	May 15	Nov 14	\$4,460,000.00															
9	Bid Package No. 4	Apr 15	Nov 14	\$2,870,000.00															
10	Hickory & Jurupa (Force Main)	Apr 15	Nov 14	\$2,870,000.00															
11	Bid Package No. 5	Jul 15	Jan 15	\$1,750,000.00															
12	Elwanda Conservation Ponds	Jul 15	Jan 15	\$1,750,000.00															
13	Bid Package No. 6	May 15	Nov 14	\$1,500,000.00															
14	SCADA	May 15	Nov 14	\$1,500,000.00															
15	Bid Package No. 7	Jul 15	Jan 15	\$2,000,000.00															
16	MWD Turnouts	Jul 15	Jan 15	\$2,000,000.00															

### PROJECT FINANCING

Capital Funding: \$44 to \$47 Million

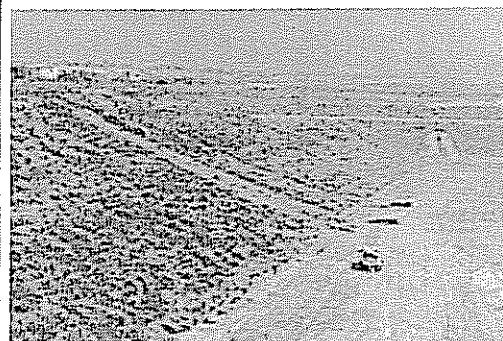
- \$19 Million (SAWPA Prop. 13 Grant)
- \$20 Million (local revenue bond debt)
- \$3 Million (IEUA Recycled Water Recharge Projects)
- Cooperating Agencies in-kind Services

### REVENUE/EXPENDITURE SUMMARY

Expenditures	To Date	Budget
Land/Row	\$4,300	\$500,000
Pre-Design	\$667,000	\$718,000
CEQA		
Design/Const. Mgt.	\$1,315,000	\$3,150,000
Admin/Legal	\$211,000	\$150,000
Construction	\$1,100	\$32,142,000
Monitoring Plan/Wells	\$83,000	\$2,000,000



Turner Basins No. 2, 3, & 4



Lower Day Basin

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Wildermuth Environmental, Inc.  
23692 Birtcher Drive  
Lake Forest, California 92630  
Tel. 949/420-3030  
Fax. 949/420-4040  
www.wild-environment.com

July 23, 2003

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

***Subject: Progress Report for MZ-1 Interim Monitoring Program for July 23, 2003.***

Dear John:

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

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

## **BENCHMARK SURVEYS**

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

*Conduct Spring 2003 Ground-Level Survey.* Associated Engineers (AE) completed monument installation and the initial survey during the last reporting period (April 2003). The survey data as a hard copy deliverable will be provided to the MZ-1 Technical Committee at the July 23<sup>rd</sup> meeting. This initial survey is the baseline to which all future surveys will be compared. From this point forward, the deep extensometer, anchored in solid bedrock, will be the starting benchmark for all survey loops. The next planned survey is April 2004.

AE performed ground-level surveys for the City of Chino from 1987 to 2001 at some of the same benchmarks used in April 2003 survey. The starting benchmark for these historical surveys was not found and presumed destroyed, but a nearby benchmark was used instead to allow for differential vertical movement to be estimated at the benchmarks used in both survey efforts. The data indicate that modest subsidence has continued in MZ-1 during the period October 2001 to April 2003, even though elastic rebound of the land surface due to seasonal water-level recovery would be expected during a Fall to Spring measurement interval. Maximum subsidence measured

at an individual monument during this period was 0.136 ft at the intersection of Pipeline Avenue and Walnut Street.

### InSAR

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

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

### AQUIFER-SYSTEM MONITORING

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

*Ayala Park Extensometer.* The extensometer borehole drilling and casing/pipe installation was completed in mid-May 2003. The extensometer building and the extensometer instrument platform (ground surface datum) was completed June 27, 2003. Extensometer wellhead construction and instrumentation was completed on July 7, 2003, at which time data collection commenced.

*Ayala Park Piezometers.* Piezometer construction and development was completed in Fall 2002. Permanent transducers and data loggers are installed at the piezometer vaults and are continually collecting water-level data. These data are shown on Exhibit 1 attached to this letter with the following observations:

- Water-levels at all of the piezometers are exhibiting rising water-levels from November 2002 to May 2003.
- The two shallowest piezometers (PA-11 and PA-10) have a separate and distinct water-level response to nearby pumping as compared to the deeper piezometers, confirming the existence of distinct shallow and deep aquifer-systems.
- The water-level data indicate a downward vertical hydraulic gradient from the water table to about 1,100 feet-bgs.
- The water-level data indicate an upward vertical hydraulic gradient below about 1,100 feet-bgs.
- Pumping at surrounding wells, screened in both the shallow and deep aquifer-systems, has lowered water-levels in all piezometers – particularly in piezometers PA-7 (438-448 ft-bgs) and PB-6 (502-522 ft-bgs). These two piezometers are exhibiting a typical response to pumping within a confined aquifer-system.

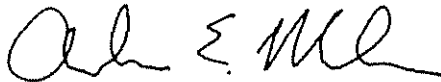
*Instrumentation of Surrounding Wells.* Where possible, nearby wells owned by the cities of Chino and Chino Hills have been equipped with pressure transducers and are recording water-level

July 23, 2003

data. These data are also shown on Exhibit 1. During the reporting period, an access agreement was signed between Watermaster and the State of California allowing Watermaster to install transducers at wells owned by CIM. On July 15, 2003, six monitoring wells on CIM property were instrumented with transducers and are collecting water-level data. Six production wells were inspected, and transducers have been ordered. Installation of transducers at these production wells will occur on or around August 1, 2003, which will complete the transducer installation effort at wells surrounding Ayala Park.

If you have any questions, please don't hesitate to call me at 949.420.3030 or send me e-mail at [amalone@wildh2o.com](mailto:amalone@wildh2o.com).

Best Regards,

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

Andrew E. Malone  
Senior Scientist

cc: Mark Wildermuth, P.E.

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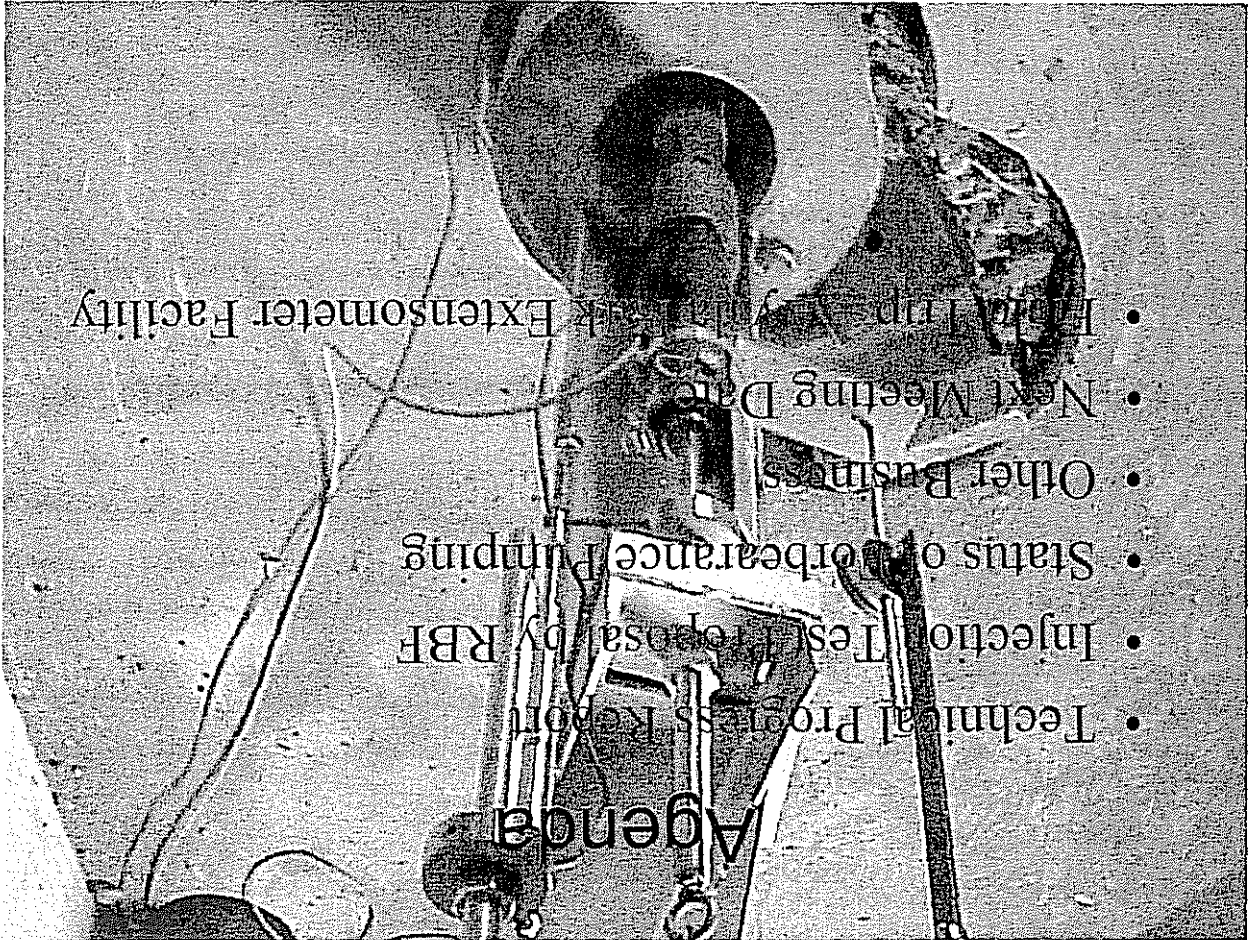
## Background

- Subsidence and Ground Fissuring on the West-Side of Ohio Basin – MZ-1
- OBMP Interim Management Plan & Long-Term Management Plan
- MZ-1 Technical Committee
- Work Plan Interim Monitoring Program



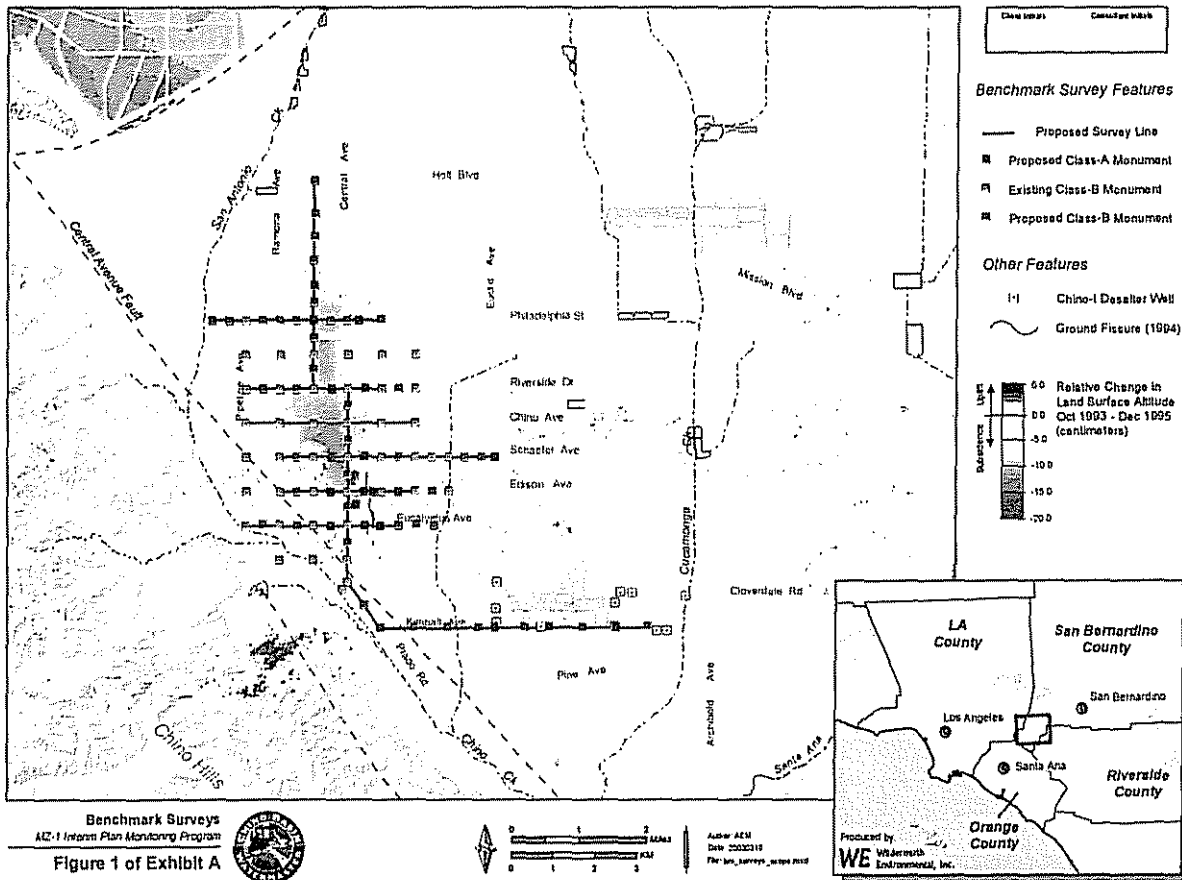
# Interim Monitoring Program

- Ground-Level Surveys
  - Monitor vertical and horizontal ground surface deformation at survey benchmarks along selected profiles
- InSAR Mapping
  - Remote-sensing of ground surface deformation over entire basin
- Active System Monitoring
  - Establish relationships between pore pressures and aquifer system deformation



- Technical Progress Report
- Injection Test Proposal by RBF
- Status of Performance Pumping
- Other Business
- Next Meeting Date
- Field Trip - Westbank Extensometer Facility

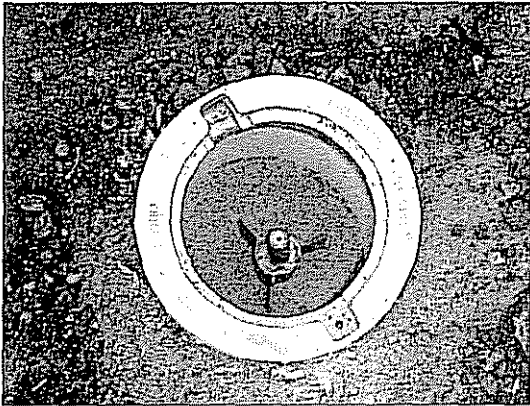
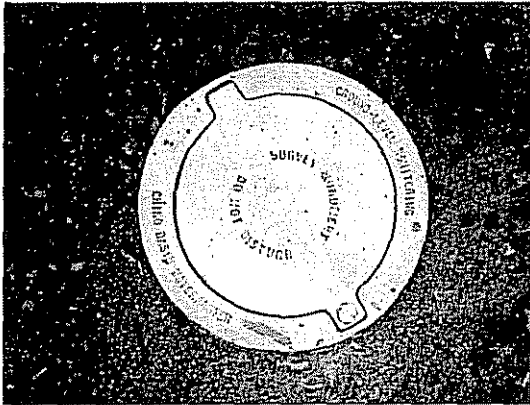
Agenda



Benchmark Surveys  
 AIZ-1 Interim Plan Monitoring Program  
 Figure 1 of Exhibit A



Class A Monument



Class B Monument



## Ground-Level Surveys

- Monument installation and initial survey completed in April 2003
- Results delivered as an AutoCAD drawing (map) – copies for M&T Technical Committee

## Ground-Level Surveys

- Initial survey: Baseline to which all future surveys will be compared.
- Deep extensometer, anchored in bedrock, is the starting benchmark.
- Next planned survey: April 2004
- AGENCY (0.000 m) monuments:
  - moderate subsidence in 1/2-1 from Oct-2001 to Apr-2003





## Ground-Level Surveys

- At City of Chicago monuments:
  - Comparisons can be made with historical data (1987-2001)
  - Starting benchmark was destroyed; used nearby monument instead; compromises comparisons
  - moderate subsidence in MZ-1 from Oct-2001 to Apr-2003
  - Maximum subsidence of 0.136 ft occurred at intersection of Pipeline Avenue and Walnut Street

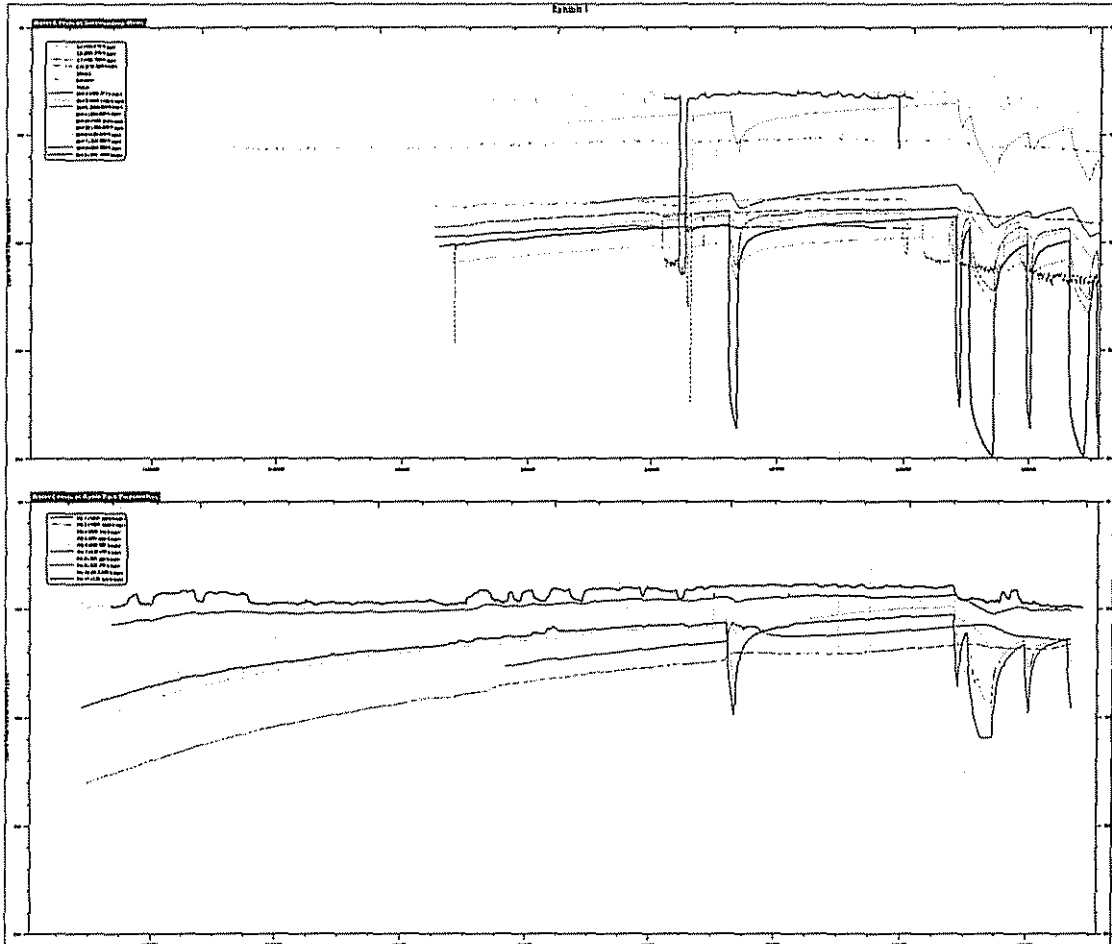


## Aquifer-System Monitoring

- Ayala Park Extensometer Construction
  - ▶ Borehole drilling and casing/pipe completion
    - Mid-May, 2003
  - ▶ Extensometer building and instrument platform
    - June 27, 2003
  - ▶ Wellhead construction and instrumentation
    - July 2003
- Data collection commenced on July 7, 2003.

# Aquifer-System Monitoring

- Ayala Park Piezometer
  - Water level data
    - Piezometric recovery from November to May
    - Shallow vs. Deep aquifer systems
    - Downward vertical hydraulic gradient to about 1,100 feet bgs
    - Upward vertical hydraulic gradient below 1,100 feet-
    - Excessance present; pumping has commenced and water-levels are declining





## Aquifer-System Monitoring

- Transducers at surrounding wells
  - ▶ Chino and Chino Hills
    - Wells equipped and collecting data where possible
  - ▶ Right of Entry agreement with CIM has been signed
    - Six monitoring wells were equipped and are collecting data
    - Inspected six production wells; ordered transducers
  - ▶ Installation of transducers will be complete on or around August 1, 2003



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