

CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, July 22, 2004

9:00 a.m. – Advisory Committee Meeting

And

11:00 a.m. – Watermaster Board Meeting

AT THE CHINO BASIN WATERMASTER OFFICES

*9641 San Bernardino Road
Rancho Cucamonga, CA 91730
(909) 484-3888*



CHINO BASIN WATERMASTER

July 22, 2004

9:00 a.m. – Advisory Committee Meeting
And
11:00 a.m. – Watermaster Board Meeting

AGENDA PACKAGE



**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING**

9:00 a.m. – July 22, 2004

At The Offices Of

Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. MINUTES

1. Minutes of the Advisory Committee meeting held June 24, 2004 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of June 2004 *(Page 13)*
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through May 31, 2004 *(Page 17)*
3. Treasurer's Report of Financial Affairs for the Period May 1 through May 31, 2004 *(Page 19)*
4. Profit & Loss Budget vs. Actual July 2003 through May 2004 *(Page 21)*

C. WATER TRANSACTION

1. Consider Approval for Transaction of Notice of Sale or Transfer from Cucamonga Valley Water District to Fontana Water Company in the Amount of 2,500 acre-feet; Date of Application: April 8, 2004 *(Page 23)*
2. Consider Approval for Transaction of Notice of Sale or Transfer from The Nicholson Trust to Fontana Water Company in the Amount of 6,475 acre-feet; Date of Application: April 7, 2004 *(Page 37)*
3. Consider Approval for Transaction of Notice of Sale or Transfer from The City of Chino to The City of Ontario in the Amount of 5,600 acre-feet; Date of Application: April 20, 2004 *(Page 53)*
4. Consider Approval for Transaction of Notice of Sale or Transfer from Cucamonga Valley Water District to Fontana Water Company in the amount of 2,500 acre-feet; Date of Application: May 14, 2004 *(Page 69)*
5. Consider Approval for Transaction of Notice of Sale or Transfer from Jurupa Community Services District to The City of Ontario in the Amount of 3,000 acre-feet; Date of Application: April 20, 2004 *(Page 83)*
6. Consider Approval for Transaction of Notice of Sale or Transfer from Santa Ana River Water Company to Jurupa Community Services District; Date of Application: May 12, 2004 *(Page 97)*

II. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney/Manager Meetings
2. Santa Ana River Application Process
3. Santa Ana Sucker Update
4. June 24th Hearing

B. STAFF REPORT

1. Update on Repairs to the Piezometer
2. Update on OC-59 Water Deliveries
3. IUEA Partnership Funding Request (*Page 109*)
4. Update on the Draft Chino I and Chino II Desalter Projects Groundwater Monitoring and Mitigation Plan

C. INLAND EMPIRE UTILITIES AGENCY

1. Rialto Pipeline Shutdown – Task Force Update – Rich Atwater (oral)
2. MWD Status Report – Rich Atwater (oral)
3. Recharge Project Status Report – Tom Love (oral)
4. Water Resources Report (Handout)
5. Water Conservation Status Report (*Page 120*)
6. Recycled Water Program (*Page 122*)
7. Chino Basin Facilities Improvement Project (Recharge) (*Page 126*)
8. State/Federal Legislation (*Page 130*)
9. Public Relations (*Page 154*)

III. INFORMATION

1. San Diego County Water Authority Letter of Interest Regarding Water in Storage (*Page 156*)
2. Annual Operating Plan for Fiscal Year 2004/2005 (*Page 157*)

IV. POOL MEMBER COMMENTS

V. OTHER BUSINESS

VII. FUTURE MEETINGS

July 20, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
July 21, 2004	9:00 a.m.	MZ1 Technical Committee Meeting
July 22, 2004	9:00 a.m.	Advisory Committee Meeting
	11:00 a.m.	Watermaster Board Meeting
August 12, 2004	9:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
August 17, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
August 26, 2004	9:00 a.m.	Advisory Committee Meeting
	11:00 a.m.	Watermaster Board Meeting

Meeting Adjourn

**CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING**

11:00 a.m. – July 22, 2004

At The Offices Of

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

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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.

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III. INFORMATION

- 1. San Diego County Water Authority Letter of Interest Regarding Water in Storage (*Page 156*)

IV. POOL MEMBER COMMENTS

V. OTHER BUSINESS

VI. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

VII. FUTURE MEETINGS

July 20, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
July 21, 2004	9:00 a.m.	MZ1 Technical Committee Meeting
July 22, 2004	9:00 a.m.	Advisory Committee Meeting
	11:00 a.m.	Watermaster Board Meeting
August 12, 2004	9:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
August 17, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
August 26, 2004	9:00 a.m.	Advisory Committee Meeting
	11:00 a.m.	Watermaster Board Meeting

Meeting Adjourn



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Advisory Committee – June 24, 2004



Draft Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

June 24, 2004

The Advisory Committee Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on June 24, 2004 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

Ken Jeske, Chair	City of Ontario
John Huitsing	Milk Producers Council
Dave Crosley	City of Chino
Ray Wellington	San Antonio Water Company
Arnold Rodriguez	Santa Ana River Water Company
Mike McGraw	Fontana Water Company
Raul Garibay	City of Pomona

Agricultural Pool

Pete Hall	State of California Institute for Men
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Non-Agricultural Pool

Bob Bowcock	Vulcan Materials Company (Calmat Division)
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Watermaster Staff Present

Sheri Rojo	Chief of Watermaster
Gordon Treweek	Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Rich Atwater	Inland Empire Utilities Agency
Barrett Kehl	Chino Basin Water Conservation District
Steven G. Lee	Agricultural Pool Legal Counsel
Bill Stafford	Marygold Mutual Water Company
Justin Brokaw	Marygold Mutual Water Company
Rich Hansen	Three Valleys Municipal Water District

The Advisory Committee meeting was called to order by Chair Jeske at 9:05 a.m.

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee meeting held May 27, 2004

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2004
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through April 30, 2004

3. Treasurer's Report of Financial Affairs for the Period April 1 through April 30, 2004
4. Profit & Loss Budget vs. Actual July 2003 through April 2004

C. COST OF LIVING ADJUSTMENT (COLA)

Consider Approval for 2.5% COLA included in the FY 2004-05 Budget, beginning July 1, 2004

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

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

II. BUSINESS ITEMS

A. CONSIDER COOPERATIVE MONITORING AGREEMENT BETWEEN IEUA AND WATERMASTER FOR BASIN MONITORING ACTIVITIES

Ms. Rojo stated this information was brought to all Pool Committee Members last month for approval to send to MWD per our contract, and this month for review and discussion, noting the Agreement starts on page 23 of the meeting packet for those who need to review it at this time. Chair Jeske inquired to the outcome of the Pool meetings if there were any comments or actions. Mr. Rojo acknowledged that all Pools unanimously approved the Agreement.

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

Moved to Approve the Cooperative Monitoring Agreement between IEUA and Watermaster for Basin Monitoring Activities, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney/Manager Process – Continuance of MVWD Motion

Counsel Fife confirmed the attorney/manager meetings are still in the process of being held and noted they are progressing well. Counsel Fife stated there was a technical meeting, which came out of the regular meetings, being held today at 1:00 p.m. here at the Chino Basin Watermaster office. Counsel Fife commented that Monte Vista Water District did agree to continue their motion and the new hearing date is September 2, 2004, which will be confirmed by the court today.

2. Santa Ana River Application Process

Counsel Fife informed the Committee members that Orange County Water District (OCWD) has put out their draft Environmental Impact Report (EIR) for their application to the State Board for 500,000 acre-feet of Santa Ana River water. Counsel Fife noted it is an interesting EIR and this report can be found on their web site. Counsel Fife stated that on the back table there is a draft letter from Watermaster of our comments collected and encouraged all to read this draft and to get back to him as quickly as possible with comments on the comment letter; these are due by July 7, 2004.

Added Item:

3. Counsel Fife commented on the other issue connected to the Santa Ana River application process which is the critical habitat designation for the Santa Ana sucker that is coming up for finalization. The Santa Ana River has designated four areas as critical habitat; the one most relevant to us is the Prado Basin. Counsel Fife acknowledged that we will stay informed as to the nature of the critical habitat designation.

B. STAFF REPORTAdded Item:

Ms. Rojo commented that the AGWA meeting was held here recently, and that the minutes from that meeting will be provided as information as soon as they are made available to us. Ms. Rojo stated there were a few additional handouts available on the back table for information, noting one item is on the Colorado River, and the lack of water and the second item is an update on regulatory issues. Ms. Rojo also wanted to give advance notice regarding the upcoming Water Quality conference that AGWA is sponsoring and will be held in October 2004.

1. Update on the Draft Chino I and Chino II Desalter Projects Groundwater Monitoring and Mitigation Plan

Ms. Rojo informed the Committee members that Tom O'Neil from Jurupa Community Services/CDA was scheduled to give a presentation today but due to a scheduling conflict had to reschedule to give his presentation at the July meeting.

2. MWD Refund for Water Sales from 2002/2003 of \$188,113.38

Ms. Rojo explained this item was for information purposes only and that the parties who actually had purchased water either from cyclic purchases or replenishment water purchases would receive a portion of this refund. Ms. Rojo noted on page 97 of the packet was a breakdown on who would receive a refund. It was noted there was some rounding differences from page 97 to page 98 for reference. The question of how the credit is accomplished was presented to staff. Ms. Rojo stated a check will be mailed for this refund. Ms. Rojo informed the Committee that the refund was a result from Metropolitan Water District reevaluating their rate structure from prior years as it relates to their reserve balances.

3. \$132,000 Reimbursement from MWD – Per The Dry Year Yield Funding Agreement

Ms. Rojo noted this item was for information purposes only and wanted to inform the Committee that Watermaster will be sending out a bill to Metropolitan Water District (MWD). Ms. Rojo affirmed that according to the terms of the DYY funding agreement Watermaster is allowed to bill MWD \$132,000 a year as reimbursement of administrative expenses related to the management of the Dry Year Yield program fee per the contract.

4. Update Regarding the Recharge Improvement Project

Mr. Treweek gave the Chino Basin Facilities Improvement Project March 2003 – March 2004 presentation. The discussion topics covered for the presentation was 1) Budget and Schedule, 2) Immediate Concerns, 3) On-Going Projects, and 4) Future Projects. Mr. Treweek reviewed construction budget statuses for Bid Package 1 through 7. An analysis of construction schedules was examined including excavation, connection, force main, pump station, monitoring, imported supply, and flexibility. Mr. Treweek discussed the immediate concern with regard to imported water recharge. A few questions were presented to Mr. Treweek with regard to recharge and a brief discussion ensued. Mr. Treweek informed the Committee members that Watermaster was currently in the process of preparing Operation Manuals.

C. INLAND EMPIRE UTILITIES AGENCY

1. Rialto Pipeline Shutdown – Task Force Evaluation to Improve Reliability

Mr. Atwater commented on the need to improve the overall system water supply reliability within the IEUA service area. Mr. Atwater stated he is exploring the formation of a task force to evaluate opportunities to enhance the reliability of water service when the pipeline is shut down. Mr. Atwater is looking for any comments from the Committee members with

this regard and possibly putting this item on a future agenda or having a separate meeting. A discussion ensued to the parties who should be involved in this task force.

2. Wastewater Master Plan/Urban Water Management Plan Update
Mr. Atwater informed the Committee members that IEUA will be working with Watermaster on the 2005 overall water and waste water plan; while looking at growth forecast and demands. Mr. Atwater asked that if any Committee member had any areas of concerns or areas that IEUA should focus on to please contact him. Mr. Atwater commented that on the IEUA web page there is now a water statistics page available for the prior year.
3. MWD DYY Project Status and Planned Replenishment Deliveries During FY 2004/2005
Mr. Atwater noted that the IEUA recycled water plan was available in the packet for May and noted June's was emailed today. Mr. Atwater commented on the phases 3 & 4 construction. Regarding the DYY, Mr. Atwater stated IEUA is processing invoices, and the good news is one of the items negotiated with MWD is that when we submit invoices to MWD that they will pay within 30 days.

A question regarding planned replenishment deliveries that was associated with the Dry Year Yield item was presented. Mr. Wellington inquired about discussions/questions presented at prior meetings regarding deliveries and recharge due of our current basin capacities while meeting our replenishment obligations. Mr. Wellington asked staff about the arrangement with MWD for taking such deliveries. Mr. Atwater commented that it was in fact a discussion at the Appropriative Pool and noted that Kathy Tieg and he had prepared an updated draft for that; noting this item will be on the agenda for July. A brief discussion ensued and Ms. Rojo stated Watermaster is currently working on this internally and will bring this item back in July with more information to offer than is available at this time for comment.

4. Water Resources Report
No comment was made regarding this item.
5. Water Conservation Status Report
No comment was made regarding this item.
6. Recycled Water Program
No comment was made regarding this item.
7. Chino Basin Facilities Improvement Project (Recharge)
No comment was made regarding this item.
8. State/Federal Legislation
No comment was made regarding this item.
9. Public Relations
No comment was made regarding this item.

IV. INFORMATION

1. Black & Veatch Technical Memorandum – Agricultural Land Conversion Study
Ms. Rojo noted this was included in the package as an information item only. Chair Jeske stated that this report shows pumping pattern changes over time based on history and based on future land use conversion plans. Mr. Wellington asked staff to turn to page 16 of 17 of the report, section 5.0 and made comments regarding the land conversions and hydraulic control. Mr. Wellington stated he wanted to understand what this meant as far as increase in new yield to the basin and noted it was a concern to him. Chair Jeske stated that this is a draft report and requested that Watermaster work with Black & Veatch on section 5.0 for clarification purposes.

V. POOL MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

The Committee members were reminded of the Hydraulic Control meeting today at 1:00 p.m.

VIII. FUTURE MEETINGS

June 21, 2004	1:00 p.m.	AGWA Meeting
June 24, 2004	9:00 a.m.	Advisory Committee Meeting
	11:00 a.m.	Watermaster Board Meeting
	1:00 p.m.	Hydraulic Control Atty/Mgr Technical Workgroup
June 29, 2004	9:00 a.m.	Attorney/Manager Meeting @ BB&K
July 8, 2004	9:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
July 14, 2004	12:00 p.m.	Attorney/Manager Meeting @ BB&K
July 19, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
July 21, 2004	9:00 a.m.	MZ1 Technical Committee Meeting
July 22, 2004	9:00 a.m.	Advisory Committee Meeting
	11:00 a.m.	Watermaster Board Meeting

The Advisory Committee Meeting Adjourned at 9:50 a.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Watermaster Board – June 24, 2004



Draft Minutes
CHINO BASIN WATERMASTER
BOARD MEETING
June 24, 2004

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on June 24, at 11:00 a.m.

WATERMASTER BOARD MEMBERS PRESENT

Bob Kuhn, Chair	Three Valleys Municipal Water District
Michael Whitehead	San Gabriel Valley Water Co.
John Huitsing	Agricultural Pool, Crops
Paul Hofer	Agricultural Pool, Crops
Bob Bowcock	Vulcan Materials Company (Calmat Division)
Bill Kruger	City of Chino Hills
Donald Schroeder	Western Municipal Water District

Watermaster Staff Present

Sheri Rojo	Chief of Watermaster
Gordon Treweek	Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Scott Slater	Hatch & Parent
Michael Fauver	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Josephine Johnson	Monte Vista Water District
Carole McGreevy	Jurupa Community Services District
Raul Garibay	City of Pomona
David DeJesus	Three Valleys Municipal Water District
Ken Jeske	City of Ontario
Dave Crosley	City of Chino

The Watermaster Board Meeting was called to order by Chair Kuhn at 11:03 a.m.

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

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A. MINUTES

1. Minutes of the Watermaster Board meeting held May 27, 2004

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3. Treasurer's Report of Financial Affairs for the Period April 1 through April 30, 2004
4. Profit & Loss Budget vs. Actual July 2003 through April 2004

C. COST OF LIVING ADJUSTMENT (COLA)

Consider Approval for 2.5% COLA included in the FY 2004-05 Budget, beginning July 1, 2004

Motion by Bowcock, second by Kruger, and by unanimous vote

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

II. BUSINESS ITEMS

A. CONSIDER COOPERATIVE MONITORING AGREEMENT BETWEEN IEUA AND WATERMASTER FOR BASIN MONITORING ACTIVITIES

Ms. Rojo noted this item was being brought to the Board through unanimous approval by the Pool and Advisory Committee. The question was presented to staff regarding the way the numbers were split and if those numbers remained the same or had they been changed. Ms. Rojo stated the numbers had actually gone down approximately \$400,000 in total. Mr. Jeske commented on how the splits were decided upon, noting the request for review by IEUA had been accomplished.

Motion by Kruger, second by Whitehead, and by unanimous vote

Moved to Approve the Cooperative Monitoring Agreement between IEUA and Watermaster for Basin Monitoring Activities, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney/Manager Meetings

Counsel Slater commented that all parties are working hard at the Attorney/Manager meetings. Noting three separate sessions have been held to wrap issues up, two half days and one full day. Counsel Slater stated that at the conclusion of the last meeting we were able to secure a unanimous agreement on how to dispose of the salt credit issue. The Monte Vista Water District has graciously agreed to extend its motion until September and we have a formal understanding of how that is to be resolved and are waiting to develop written documentation on that until we see how the balance of issues are resolved. Counsel Slater acknowledged that the Monte Vista Water District issue is completely resolved, no matter the outcome, of any other issues pending. If in the next couple meetings we are successful in completing the negotiations we will then bring back the full package to the Pool members, Advisory Committee, and the Watermaster Board for ultimate adoption.

Added Comment:

Counsel Slater commented there is a hearing scheduled for this afternoon with reference to the final stage for the Dry Year Yield Agreement, wherein we will receive the final stamp; there is no known opposition and no papers in opposition have been filed regarding the submitted agreement. Counsel Slater anticipates court approval today.

2. Santa Ana River Application Process

Counsel Slater discussed the continuing relationship between Orange County and Inland Empire (specifically the Chino Basin parties) which evolved from the 1969 Judgment. Orange County filed an application to remove the Santa Ana River from the fully appropriated stream list, there were hearings held which the Chino Basin parties participated in. Those processes were resolved favorably towards Chino Basin, in which we were also allowed to move forward on our application process. Orange County was required to then prepare an environmental documentation. The draft environmental document is complete for review and comment, noting our final comments are due on the on July 7. Counsel Slater stated that on the back table there is a draft letter from

Watermaster of our comments collected and encouraged all to read this draft and to get back to him as quickly as possible with comments on the comment letter; these are due by July 7, 2004.

B. STAFF REPORT

Ms. Rojo added comment, stating the AGWA committee recently held their meeting here, and the minutes from the meeting will be in the next packet for the Board's review. A handout regarding the Colorado River which basically states there is a lack of water in the River, and an update regarding regulatory issues is available at the back table for information purposes. Ms. Rojo also noted there is going to be an upcoming Water Quality Conference which is being held in Ontario during October and Watermaster will be gathering more information on the conference as it comes in and will make it available at the meetings for all interested parties.

1. Update on the Draft Chino I and Chino II Desalter Projects Groundwater Monitoring and Mitigation Plan

Ms. Rojo informed the Board that Tom O'Neil was unable to attend this meeting today and was planning on giving a full presentation at the July Board meeting.

2. MWD Refund for Water Sales from 2002/2003 of \$188,113.38

Ms. Rojo stated a check will be mailed for this refund. Ms. Rojo informed the Committee that the refund was a result from Metropolitan Water District reevaluating their rate structure from prior years as it relates to their reserve balances. Ms. Rojo noted on page 97 of the packet was a breakdown on who would receive a refund. It was noted there was some rounding differences from page 97 to page 98 for reference. The question of whether or not that refund would be credited against assessments was presented and Ms. Rojo commented that the refund would go out in the form of a check.

3. \$132,000 Reimbursement from MWD – Per The Dry Year Yield Funding Agreement

Ms. Rojo noted this item was for information purposes only and wanted to inform the Committee that Watermaster will be sending out a bill to Metropolitan Water District (MWD). Ms. Rojo affirmed that according to the terms of the DYY funding agreement Watermaster is allowed to bill MWD \$132,000 a year as reimbursement of administrative expenses related to the management of the Dry Year Yield program fee per the contract, nothing due to inflation this figure will increase every year.

4. Update Regarding the Recharge Improvement Project

Mr. Treweek gave the Chino Basin Facilities Improvement Project March 2003 – March 2004 presentation. The discussion topics covered for the presentation was 1) Budget and Schedule, 2) Immediate Concerns, 3) On-Going Projects, and 4) Future Projects. Mr. Treweek reviewed construction budget statuses for Bid Package 1 through 7. An analysis of construction schedules was examined including excavation, connection, force main, pump station, monitoring, imported supply, and flexibility. Mr. Treweek discussed the immediate concern with regard to imported water recharge. A question was presented to Mr. Treweek with regard to the SCADA system at Grove Basin and how the situation with the controls was being handled. Mr. Treweek stated that Mr. Feenstra from the Ag Pool had asked Watermaster to look into this condition. Mr. Treweek confirmed he had gone to the Basin to investigate and noted that the Flood Control District has not been able to bring the SCADA system up to operational level; we have asked one of our contractors to go out and investigate further and report back to us their findings as to what they see the problems to be and we will keep the Board members apprised to a time frame when this will be complete.

Mr. Treweek noted a demonstration test was performed and the basin percolated well, at 5 feet per day. This test also revealed that as the water percolated, it was hitting a clay layer and then running latterly and daylighting in the Upland Basin which is approximately 200

yards south of the College Heights Basin. Watermaster has contracted with URS, who performed the original geotechnical evaluation of that basin, and asked them to determine how we can make the College Heights Basin functional for our requirements.

IV. INFORMATION

1. Black & Veatch Technical Memorandum – Agricultural Land Conversion Study

Ms. Rojo stated that Mr. Rossi asked Black & Veatch to perform this study as we went into the attorney/manager process where there had been discussions regarding the desalters. There was expressed desire to acquire technical information concerning the rate of Agricultural leaving the southern end of the basin Counsel stated. A discussion regarding this study ensued and Ms. Rojo commented this handout was included in the agenda package for informational purposes only at this time.

V. POOL MEMBER COMMENTS

Mr. Hofer stated there have been several comments received at the last two Agricultural Pool meetings that he has attended concerning the two plumes, one being the Chino Airport Plume and the other the Ontario Airport Plume. The understanding at the Ag Pool is that there have been requests for additional information to determine the scope of the plumes and there is additional testing taking place. One of their main concerns is there have been a lot of "busy work" and "well data requests", both resulting in zero action or at least no action that the Ag Pool can determine. Mr. Hofer acknowledged he was bringing the concern of the Ag Pool members to the Board level in anticipation to see a more rapid action from the results of the recent tests and requests. Mr. Hofer also noted he was asked to mention one of the by-pass wells being affected by a plume. Chair Kuhn affirmed there is an Executive Oversight Committee who is presently meeting with Ms. Rojo on a weekly basis for the purpose of reviewing on-going issues relating to Watermaster and commented that this topic has been on the agendas for discussion. Chair Kuhn recognized this is not an issue which is being taken lightly at Watermaster and is being addressed with great fervor.

VI. OTHER BUSINESS

Mr. Bowcock addressed the issue that Dan Rodriguez, our present Board Secretary/Treasurer, has not been available for the Watermaster Board meetings for the past several months and administrative issues are stemming from his absence. A brief discussion ensued and it was decided to accept a motion for consideration of reappointment of this position.

*Motion by Bowcock, second by Whitehead, and by unanimous vote
Moved to approve adding this item Agenda Item for action*

Motion by Bob Bowcock to nominate Mr. Bob Kuhn as the new Board Secretary/Treasurer

Mr. Kuhn accepted the new position.

Chair Jeske acknowledged the acceptance and so moved Mr. Bob Kuhn as the new Board Secretary/Treasurer starting immediately

A recess to hold the Confidential Session was called by Chair Kuhn at 12:02 p.m.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Kuhn called the Board meeting back to order after the Confidential Session at 12:20 p.m.

The following items were the result from the Confidential Session.

Revised job description for the new Chief Executive Officer:

- Item 9: Successfully work in Regional affairs
- Item 10: Successfully work in state wide issues

In addition under qualifications portion of the job description specifically under education and experience the second sentence will read knowledge of California water policies and issues demonstration experiences under state wide issues and with those changes the Board adopted the updated and revised job description.

VIII. FUTURE MEETINGS

June 21, 2004	1:00 p.m.	AGWA Meeting
June 24, 2004	9:00 a.m.	Advisory Committee Meeting
	11:00 a.m.	Watermaster Board Meeting
	1:00 p.m.	Hydraulic Control Atty/Mgr Technical Workgroup
June 29, 2004	9:00 a.m.	Attorney/Manager Meeting @ BB&K
July 8, 2004	9:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
July 14, 2004	12:00 p.m.	Attorney/Manager Meeting @ BB&K
July 19, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
July 21, 2004	9:00 a.m.	MZ1 Technical Committee Meeting
July 22, 2004	9:00 a.m.	Advisory Committee Meeting
	11:00 a.m.	Watermaster Board Meeting

The Watermaster Board Meeting Adjourned at 12:22 p.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements June 2004
2. Combining Schedule of Revenue, Expenses and changes in Working Capital for the Periods July 1, 2003 through May 31, 2004
3. Treasurer's Report of Financial Affairs for May 1 through May 31, 2004
4. Profit & Loss Budget vs. Actual July 2003 through May 2004





CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

STAFF REPORT

DATE: July 8, 2004
July 20, 2004
July 22, 2004

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – June 2004

SUMMARY

Issue – Record of cash disbursements for the month of June 2004.

Recommendation – Staff recommends the Cash Disbursements for June 2004 be received and filed as presented.

Fiscal Impact – All funds disbursed were included in the FY 2003-04 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 June 2004 were \$758,128.87. The most significant expenditures during the month were Inland Empire Utilities Agency in the amount of \$133,432.92, Wildermuth Environmental Inc. in the amount of \$131,417.52, and Fontana Water Company in the amount of \$74,375.58.

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
June 2004

Type	Date	Num	Name	Amount
Jun 04				
Bill Pmt -Check	6/1/2004	8691	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-4,613.65
Bill Pmt -Check	6/1/2004	8692	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-4,975.12
Bill Pmt -Check	6/1/2004	8693	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-4,678.17
Bill Pmt -Check	6/1/2004	8694	BOWCOCK, ROBERT	-375.00
Bill Pmt -Check	6/1/2004	8695	CATLIN, TERRY	-375.00
Bill Pmt -Check	6/1/2004	8696	CITISTREET	-6,550.00
Bill Pmt -Check	6/1/2004	8697	KRUGER, W. C. "BILL"	-125.00
Bill Pmt -Check	6/1/2004	8698	KUHN, BOB	-500.00
Bill Pmt -Check	6/1/2004	8699	MATSON, JANET	-1,960.00
Bill Pmt -Check	6/1/2004	8700	MWH LABORATORIES	-1,570.00
Bill Pmt -Check	6/1/2004	8701	NEUFELD, ROBERT	-625.00
Bill Pmt -Check	6/1/2004	8702	PURCHASE POWER	-2,043.04
Bill Pmt -Check	6/1/2004	8703	SAN BERNARDINO COUNTY FLOOD CONTROL DI...	-5,226.54
Bill Pmt -Check	6/1/2004	8704	STANDARD INSURANCE CO.	-509.26
Bill Pmt -Check	6/1/2004	8705	STATE COMPENSATION INSURANCE FUND	-1,124.82
Bill Pmt -Check	6/1/2004	8706	VANDEN HEUVEL, GEOFFREY	-125.00
Bill Pmt -Check	6/1/2004	8707	VELASQUEZ JANITORIAL	-900.00
Bill Pmt -Check	6/1/2004	8708	VERIZON	-38.71
Bill Pmt -Check	6/1/2004	8709	WHEELER METER MAINTENANCE	-150.00
Bill Pmt -Check	6/1/2004	8710	WILDERMUTH ENVIRONMENTAL INC	-200.00
Bill Pmt -Check	6/1/2004	8711	YUKON DISPOSAL SERVICE	-123.90
Bill Pmt -Check	6/1/2004	8712	MEDIA JIM	-300.00
Bill Pmt -Check	6/1/2004	8713	PAYCHEX	-155.75
Bill Pmt -Check	6/1/2004	8714	RETAIL SERVICES	-338.96
Bill Pmt -Check	6/1/2004	8715	VERIZON	-406.38
Bill Pmt -Check	6/3/2004	8716	APPLIED COMPUTER TECHNOLOGIES	-1,871.40
Bill Pmt -Check	6/3/2004	8717	PARK PLACE COMPUTER SOLUTIONS, INC.	-2,640.00
General Journal	6/5/2004	04/06/3	PAYROLL	-9,793.44
General Journal	6/5/2004	04/06/4	PAYROLL	-5,724.39
General Journal	6/5/2004	04/06/4	PAYROLL	-17,116.84
Bill Pmt -Check	6/7/2004	8718	ROSSI, JOHN V	-9,793.44
Bill Pmt -Check	6/9/2004	8719	BEST BEST & KRIEGER LLP-RIVERSIDE OFFICE	-581.76
Bill Pmt -Check	6/9/2004	8720	BLACK & VEATCH CORPORATION	-5,971.75
Bill Pmt -Check	6/9/2004	8721	CHEVRON	-115.56
Bill Pmt -Check	6/9/2004	8722	DAILY BULLETIN	-172.80
Bill Pmt -Check	6/9/2004	8723	INLAND EMPIRE UTILITIES AGENCY	-6,666.67
Bill Pmt -Check	6/9/2004	8724	MWH LABORATORIES	-4,910.00
Bill Pmt -Check	6/9/2004	8725	POWERS ELECTRIC PRODUCTS CO.	-546.98
Bill Pmt -Check	6/9/2004	8726	RAUCH COMMUNICATION CONSULTANTS, LLC	-2,446.28
Bill Pmt -Check	6/9/2004	8727	REID & HELLYER	-12,987.20
Bill Pmt -Check	6/9/2004	8728	ROUTE 66 SUBS	-123.47
Bill Pmt -Check	6/9/2004	8729	SAVIN CORPORATION dba RICOH BUSINESS	-1,760.40
Bill Pmt -Check	6/9/2004	8730	UNITED PARCEL SERVICE	-446.36
Bill Pmt -Check	6/9/2004	8731	UNITEK TECHNOLOGY INC.	-7,029.61
Bill Pmt -Check	6/18/2004	8732	ROUTE 66 SUBS	-117.30
Bill Pmt -Check	6/22/2004	8733	ACWA SERVICES CORPORATION	-106.88
Bill Pmt -Check	6/22/2004	8734	BANK OF AMERICA	-2,072.23
Bill Pmt -Check	6/22/2004	8736	CUCAMONGA VALLEY WATER DISTRICT	-4,900.00
Bill Pmt -Check	6/22/2004	8737	ELLISON, SCHNEIDER & HARRIS, LLP	-2,677.30
Bill Pmt -Check	6/22/2004	8738	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	6/22/2004	8739	HATCH AND PARENT	-63,956.32
Bill Pmt -Check	6/22/2004	8740	IDEAL GRAPHICS	-285.54
Bill Pmt -Check	6/22/2004	8742	INLAND EMPIRE UTILITIES AGENCY	-133,432.92
Bill Pmt -Check	6/22/2004	8743	LAB SAFETY SUPPLY, INC.	-197.54
Bill Pmt -Check	6/22/2004	8744	MCI	-900.15
Bill Pmt -Check	6/22/2004	8745	MWH LABORATORIES	-4,010.00
Bill Pmt -Check	6/22/2004	8746	OFFICE DEPOT	-1,115.46
Bill Pmt -Check	6/22/2004	8747	PETTY CASH	-490.08
Bill Pmt -Check	6/22/2004	8748	RAUCH COMMUNICATION CONSULTANTS, LLC	-4,299.32
Bill Pmt -Check	6/22/2004	8749	RICOH BUSINESS SYSTEMS-Lease	-3,591.31
Bill Pmt -Check	6/22/2004	8750	SOLINST CANADA LTD.	-12,483.00
Bill Pmt -Check	6/22/2004	8751	STAULA, MARY L	-136.61
Bill Pmt -Check	6/22/2004	8752	UNITEK TECHNOLOGY INC.	-816.75
Bill Pmt -Check	6/22/2004	8753	WILDERMUTH ENVIRONMENTAL INC	-131,417.52
Bill Pmt -Check	6/22/2004	8754	CAFE CALATO	-74.24
Bill Pmt -Check	6/23/2004	8755	ADEX MEDICAL INC	-65.48
Bill Pmt -Check	6/23/2004	8756	BLACK & VEATCH CORPORATION	-9,225.00
Bill Pmt -Check	6/23/2004	8757	EXCEL LANDSCAPE	-110.00
Bill Pmt -Check	6/23/2004	8758	HAWAI BBQ	-189.60
Bill Pmt -Check	6/23/2004	8759	OWENS ELECTRIC INC	-93.14
Bill Pmt -Check	6/23/2004	8760	RICOH BUSINESS SYSTEMS-Maintenance	-1,104.44
Bill Pmt -Check	6/23/2004	8762	WHEELER METER MAINTENANCE	-3,150.00

CHINO BASIN WATERMASTER
 Cash Disbursement Detail Report
 June 2004

Type	Date	Num	Name	Amount
Bill Pmt -Check	6/23/2004	8763	HOME DEPOT	-429.92
Bill Pmt -Check	6/23/2004	8764	THE WACHS COMPANIES	-6,161.00
Bill Pmt -Check	6/24/2004	8765	MWH LABORATORIES	-1,680.00
Bill Pmt -Check	6/24/2004	8766	INLAND COUNTIES INSURANCE SERVICES, INC.	-24,833.00
Bill Pmt -Check	6/24/2004	8767	MAURIZIO, DANNIELLE	-170.00
General Journal	6/28/2004	04/06/6	PAYROLL	-3,349.30
General Journal	6/28/2004	04/06/6	PAYROLL	-12,268.66
Check	6/29/2004	8768	ANGELICA RENTAL SERVICE	-259.00
Check	6/29/2004	8769	GEOMATRAIX CONSUL	-274.85
Check	6/29/2004	8770	ARROWHEAD MOUNTAIN SPRING WATER CO.	-1,148.33
Check	6/29/2004	8771	CHINO, CITY OF	-7,270.36
Check	6/29/2004	8772	CHINO HILLS, CITY OF	-3,805.65
Check	6/29/2004	8773	CUCAMONGA VALLEY WATER DISTRICT	-6,523.26
Check	6/29/2004	8774	FONTANA UNION WATER COMPANY	-11,519.72
Check	6/29/2004	8775	FONTANA WATER COMPANY	-74,375.58
Check	6/29/2004	8776	INLAND EMPIRE UTILITIES AGENCY	-57.24
Check	6/29/2004	8777	JURUPA COMMUNITY SVCS DIST	-3,714.73
Check	6/29/2004	8778	MARYGOLD MUTUAL WATER CO.	-1,180.93
Check	6/29/2004	8779	MONTE VISTA IRRIGATION CO	-1,219.47
Check	6/29/2004	8780	MONTE VISTA WATER DIST	-8,693.40
Check	6/29/2004	8781	NICHOLSON TRUST	-6.92
Check	6/29/2004	8782	NORCO, CITY OF	-363.67
Check	6/29/2004	8783	ONTARIO, CITY OF	-33,442.83
Check	6/29/2004	8784	POMONA, CITY OF	-20,213.12
Check	6/29/2004	8785	SANTA ANA RIVER WATER COMPANY	-2,345.05
Check	6/29/2004	8786	SAN BERNARDINO CO. REGIONAL PARKS	-232.91
Check	6/29/2004	8787	SOUTHERN CALIFORNIA WATER COMPANY	-741.17
Check	6/29/2004	8788	UPLAND, CITY OF	-5,140.74
Check	6/29/2004	8789	WEST END CONSOLIDATED WATER COMPANY	-1,707.65
Check	6/29/2004	8790	WEST SAN BERNARDINO C.W.D.	-1,161.16
Check	6/29/2004	8791	SAN ANTONIO WATER COMPANY	-2,715.64
Bill Pmt -Check	6/29/2004	8792	CITISTREET	-3,200.00
Bill Pmt -Check	6/29/2004	8793	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-4,678.17
Bill Pmt -Check	6/29/2004	8794	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-3,414.66
Jun 04				-758,128.87

CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2003 THROUGH MAY 31, 2004

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION AND APPROPRIATIVE POOL	SPECIAL PROJECTS AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER OPERATIONS GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2003-04
Administrative Revenues										
Administrative Assessments			4,614,056		122,460				4,736,516	\$3,940,516
Interest Revenue			48,169	5,448	2,305			30	55,952	112,025
Mutual Agency Project Revenue		169,209							169,209	0
Grant Income									-	0
Miscellaneous Income	188,113								188,113	0
Total Revenues	188,113	169,209	4,662,225	5,448	124,765	-	-	30	5,149,790	4,052,541
Administrative & Project Expenditures										
Watermaster Administration	678,663								678,663	617,732
Watermaster Board-Advisory Committee	41,894								41,894	43,442
Pool Administration			12,948	223,161	3,078				239,187	255,148
Optimum Basin Mgmt Administration		858,407							858,407	1,034,064
OBMP Project Costs		2,021,189							2,021,189	3,365,079
Education Funds Use								375	375	375
Mutual Agency Project Costs	74,750								74,750	85,004
Total Administrative/OBMP Expenses	795,307	2,879,596	12,948	223,161	3,078	-	-	375	3,914,465	5,400,844
Net Administrative/OBMP Income	(607,194)	(2,710,387)								
Allocate Net Admin Income To Pools	607,194		450,445	138,769	17,980				-	0
Allocate Net OBMP Income To Pools		2,710,387	2,010,691	619,437	80,259				-	0
Agricultural Expense Transfer			974,717	(974,717)					-	0
Total Expenses			3,448,801	6,650	101,317	-	-	375	3,914,465	5,400,844
Net Administrative Income			1,213,424	(1,202)	23,448	-	-	(345)	1,235,325	(1,348,303)
Other Income/(Expense)										
Replenishment Water Purchases						4,135,998			4,135,998	0
MZ1 Supplemental Water Assessments						1,585,854			1,585,854	2,189,500
Water Purchases									-	0
MZ1 Imported Water Purchase									-	(2,273,500)
Groundwater Replenishment						(1,617,842)			(1,617,842)	0
Net Other Income			-	-	-	4,104,010	-	-	4,104,010	(84,000)
Net Transfers To/(From) Reserves			1,213,424	(1,202)	23,448	4,104,010	-	(345)	5,339,335	(1,432,303)
Working Capital, July 1, 2003			2,813,947	466,069	188,310	266,503	158,251	2,532	3,895,611	
Working Capital, End Of Period			4,027,371	464,867	211,758	4,370,513	158,251	2,187	9,234,946	
02/03 Production			121,586.420	37,457.315	4,853.247				163,896.982	
02/03 Production Percentages			74.185%	22.854%	2.961%				100.000%	

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**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
MAY 1 THROUGH MAY 31, 2004**

DEPOSITORIES:

Cash on Hand - Petty Cash			\$	500
Bank of America				
Governmental Checking-Demand Deposits	\$	71,317		
Savings Deposits		9,623		
Zero Balance Account - Payroll		-		80,940
Local Agency Investment Fund - Sacramento				9,425,549
TOTAL CASH IN BANKS AND ON HAND				\$ 9,506,989
TOTAL CASH IN BANKS AND ON HAND	5/31/2004			\$ 9,506,989
TOTAL CASH IN BANKS AND ON HAND	4/30/2004			10,847,936
PERIOD INCREASE (DECREASE)				<u>\$ (1,340,947)</u>

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable			\$	75
Assessments Receivable				88,078
Prepaid Expenses, Deposits & Other Current Assets				1,750
(Decrease)/Increase in Liabilities: Accounts Payable				(125,906)
Accrued Payroll, Payroll Taxes & Other Current Liabilities				(6,039)
Transfer to/(from) Reserves				(1,298,905)
PERIOD INCREASE (DECREASE)				<u>\$ (1,340,947)</u>

	Petty Cash	Gov't'l Checking Demand	Zero Balance Account Payroll	Savings	Local Agency Investment Funds	Totals
<u>SUMMARY OF FINANCIAL TRANSACTIONS:</u>						
Balances as of 4/30/2004	\$ 500	\$ 112,264	\$ -	\$ 9,623	\$ 10,725,549	\$ 10,847,936
Deposits		88,078	-	-	-	88,078
Transfers		1,256,417	43,583	-	(1,300,000)	-
Withdrawals/Checks		(1,385,442)	(43,583)	-	-	(1,429,025)
Balances as of 5/31/2004	<u>\$ 500</u>	<u>\$ 71,317</u>	<u>\$ -</u>	<u>\$ 9,623</u>	<u>\$ 9,425,549</u>	<u>\$ 9,506,989</u>
PERIOD INCREASE OR (DECREASE)	<u>\$ -</u>	<u>\$ (40,947)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,300,000)</u>	<u>\$ (1,340,947)</u>

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
MAY 1 THROUGH MAY 31, 2004**

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
5/10/2004	Withdrawal	L.A.I.F.	(950,000)				
5/26/2004	Withdrawal	L.A.I.F.	<u>(350,000)</u>				
TOTAL INVESTMENT TRANSACTIONS			<u><u>\$ (1,300,000)</u></u>	<u>-</u>			

* The earnings rate for L.A.I.F. is a daily variable rate; 1.47% was the effective yield rate at the Quarter ended March 31, 2004.

**INVESTMENT STATUS
May 31, 2004**

<u>Financial Institution</u>	<u>Principal Amount</u>	<u>Number of Days</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Local Agency Investment Fund	\$ 9,425,549			
Time Certificates of Deposit	<u>-</u>			
TOTAL INVESTMENTS	<u><u>\$ 9,425,549</u></u>			

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 2003 through May 2004

	<u>Jul '03 - May 04</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 · Local Agency Subsidies	169,208.96	0.00	169,208.96	100.0%
4110 · Admin Asmnts-Approp Pool	4,614,055.82	3,931,695.00	682,360.82	117.36%
4120 · Admin Asmnts-Non-Agri Pool	122,460.43	88,201.00	34,259.43	138.84%
4700 · Non Operating Revenues	55,951.87	112,025.00	-56,073.13	49.95%
4900 · Miscellaneous income	188,113.38			
Total Income	<u>5,149,790.46</u>	<u>4,131,921.00</u>	<u>1,017,869.46</u>	<u>124.63%</u>
Gross Profit	5,149,790.46	4,131,921.00	1,017,869.46	124.63%
Expense				
6010 · Salary Costs	384,308.27	385,900.00	-1,591.73	99.59%
6020 · Office Building Expense	165,693.42	108,995.00	56,698.42	152.02%
6030 · Office Supplies & Equip.	49,365.90	41,000.00	8,365.90	120.41%
6040 · Postage & Printing Costs	61,563.86	66,400.00	-4,836.14	92.72%
6050 · Information Services	100,361.77	105,750.00	-5,388.23	94.91%
6060 · Contract Services	91,619.59	121,000.00	-29,380.41	75.72%
6080 · Insurance	19,267.60	16,710.00	2,557.60	115.31%
6110 · Dues and Subscriptions	8,742.90	14,500.00	-5,757.10	60.3%
6140 · Other WM Admin Expenses	2,282.80	0.00	2,282.80	100.0%
6150 · Field Supplies	600.83	4,250.00	-3,649.17	14.14%
6170 · Travel & Transportation	39,686.30	46,300.00	-6,613.70	85.72%
6190 · Conferences & Seminars	17,843.68	16,000.00	1,843.68	111.52%
6200 · Advisory Comm - WM Board	13,635.46	15,071.00	-1,435.54	90.48%
6300 · Watermaster Board Expenses	28,258.60	28,371.00	-112.40	99.6%
8300 · Appr PI-WM & Pool Admin	12,948.19	14,471.00	-1,522.81	89.48%
8400 · Agri Pool-WM & Pool Admin	163,373.26	166,979.00	-3,605.74	97.84%
8467 · Agri-Pool Legal Services	53,137.96	51,000.00	2,137.96	104.19%
8470 · Ag Meeting Attend -Special	6,650.00	16,000.00	-9,350.00	41.56%
8500 · Non-Ag PI-WM & Pool Admin	3,078.41	6,698.00	-3,619.59	45.96%
6500 · Education Funds Use Expens	375.00	375.00	0.00	100.0%
9500 · Allocated G&A Expenditures	<u>-262,673.70</u>	<u>-309,073.00</u>	<u>46,399.30</u>	<u>84.99%</u>
Subtotal G&A Expenditures	960,120.10	916,697.00	43,423.10	104.74%
6900 · Optimum Basin Mgmt Plan	781,565.38	942,065.00	-160,499.62	82.96%
6950 · Mutual Agency Projects	74,749.72	85,004.00	-10,254.28	87.94%
9501 · G&A Expenses Allocated-OBMP	<u>76,841.28</u>	<u>91,999.00</u>	<u>-15,157.72</u>	<u>83.52%</u>
Subtotal OBMP Expenditures	933,156.38	1,119,068.00	-185,911.62	83.39%
7101 · Production Monitoring	47,931.21	79,283.00	-31,351.79	60.46%
7102 · In-line Meter Installation	48,428.68	131,380.00	-82,951.32	36.86%
7103 · Grdwtr Quality Monitoring	275,540.15	274,613.00	927.15	100.34%
7104 · Gdwtr Level Monitoring	97,657.97	157,852.00	-60,194.03	61.87%
7105 · Sur Wtr Qual Monitoring	61,053.82	133,595.00	-72,541.18	45.7%
7106 · Wtr Level Sensors Install	0.00	26,835.00	-26,835.00	0.0%
7107 · Ground Level Monitoring	89,293.75	202,283.00	-112,989.25	44.14%
7108 · Hydraulic Control Monitoring	298,763.10	718,227.00	-419,463.90	41.6%
7200 · PE2- Comp Recharge Pgm	142,485.86	531,434.00	-388,948.14	26.81%
7300 · PE3&5-Water Supply/Desalte	2,336.69	47,499.00	-45,162.31	4.92%
7400 · PE4- Mgmt Plan	234,501.31	187,308.00	47,193.31	125.2%

CHINO BASIN WATERMASTER
Profit & Loss Budget vs. Actual
July 2003 through May 2004

	<u>Jul '03 - May 04</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7500 · PE6&7-CoopEfforts/SaltMgmt	54,962.25	51,820.00	3,142.25	106.06%
7600 · PE8&9-StorageMgmt/Conj Use	106,170.72	146,179.00	-40,008.28	72.63%
7690 · Recharge Improvement Debt Pymt	376,169.00	429,250.00	-53,081.00	87.63%
7700 · Inactive Well Protection Prgm	62.45	30,447.00	-30,384.55	0.21%
9502 · G&A Expenses Allocated-Projects	185,832.38	217,074.00	-31,241.62	85.61%
Subtotal Special Project Expenditures	<u>2,021,189.34</u>	<u>3,365,079.00</u>	<u>-1,343,889.66</u>	<u>60.06%</u>
Total Expense	<u>3,914,465.82</u>	<u>5,400,844.00</u>	<u>-1,486,378.18</u>	<u>72.48%</u>
Net Ordinary Income	1,235,324.64	-1,268,923.00	2,504,247.64	-97.35%
Other Income/Expense				
Other Income				
4231 · MZ1 Assigned Water Sales	0.00	615,000.00	-615,000.00	0.0%
4210 · Approp Pool-Replenishment	4,124,710.02	0.00	4,124,710.02	100.0%
4220 · Non-Ag Pool-Replenishment	11,288.32	0.00	11,288.32	100.0%
4230 · MZ1 Sup Wtr Assessment	1,585,853.60	1,574,500.00	11,353.60	100.72%
Total Other Income	<u>5,721,851.94</u>	<u>2,189,500.00</u>	<u>3,532,351.94</u>	<u>261.33%</u>
Other Expense				
5010 · Groundwater Replenishment	1,617,841.85	2,273,500.00	-655,658.15	71.16%
9999 · To/(From) Reserves	5,339,334.73	-1,352,923.00	6,692,257.73	-394.65%
Total Other Expense	<u>6,957,176.58</u>	<u>920,577.00</u>	<u>6,036,599.58</u>	<u>755.74%</u>
Net Other Income	<u>-1,235,324.64</u>	<u>1,268,923.00</u>	<u>-2,504,247.64</u>	<u>-97.35%</u>
Net Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0%</u>



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. WATER TRANSACTIONS

1. Transaction of Notice of Sale or Transfer from Cucamonga Valley Water to Fontana Water Company
2. Transaction of Notice of Sale or Transfer from The Nicholson Trust to Fontana Water Company
3. Transaction of Notice of Sale or Transfer from The City of Chino to The City of Ontario
4. Transaction of Notice of Sale or Transfer from Cucamonga Valley Water to Fontana Water Company
5. Transaction of Notice of Sale or Transfer from Jurupa Community Services District to The City of Ontario
6. Transaction of Notice of Sale or Transfer from Santa Ana River Water Company to Jurupa Community Services District



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

April 15, 2004

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



NOTICE OF APPLICATION(S) RECEIVED

Date of Application: April 8, 2004

Date of this notice: April 15, 2004

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

- A. Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from Cucamonga Valley Water District water in storage in the amount of 2,500 acre-feet.

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

Appropriative Pool:	May 13, 2004
Non-Agricultural Pool:	May 13, 2004
Agricultural Pool:	May 20, 2004

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
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

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

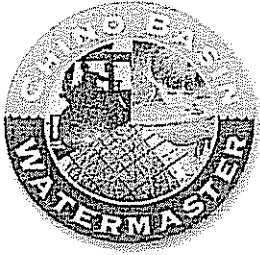
CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: April 15, 2004

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

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: (909) 484.3888 Fax: (909) 484-3890 www.cbwm.org

JOHN V. ROSSI
Chief Executive Officer

DATE: April 15, 2004
TO: Watermaster Interested Parties
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 Sale or Transfer – Fontana Water Company has agreed to purchase from Cucamonga Valley Water District water in storage in the amount of 2,500 acre-feet.

Recommendation –

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

- Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from Cucamonga Valley Water District water in storage in the amount of 2,500 acre-feet.

Notice of the water transaction identified above was mailed on April 15, 2004 along with the materials submitted by the requestors.

DISCUSSION

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 this transaction is necessary at this time. As part of the OBMP Implementation Plan, continued measurement of water levels and the installation of extensometers are planned. Based on no real change in the available data, we cannot conclude that the proposed water transaction will cause material physical injury to a party or to the Basin.




FONTANA WATER COMPANY

A DIVISION OF SAN GABRIEL VALLEY WATER COMPANY

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


April 8, 2004



Mr. John Rossi, Chief Executive Officer
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, California 91730

Subject: Purchase of Water in Storage
Chino Basin-Fiscal Year 2003/2004

Dear John:

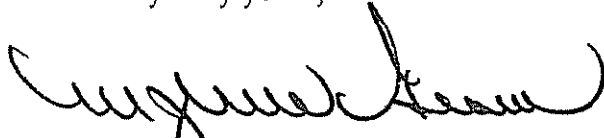


Please take notice that Fontana Water Company ("Company") has agreed to purchase from Cucamonga Valley Water District water in storage in the amount of 2,500 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2003/2004.

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

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

Very truly yours,



Michael J. McGraw
General Manager

MJM:bf
Enclosures

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

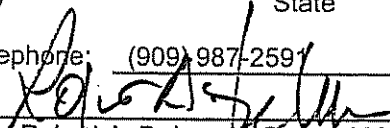
TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

Cucamonga Valley Water District March 29, 2004
Name of Party Date Requested Date Approved

10440 Ashford Street 2,500 Acre-feet _____ Acre-feet
Street Address Amount Requested Amount Approved

Rancho Cucamonga CA 91729
City State Zip Code

Telephone: (909) 987-2591 Facsimile: (909) 476-8032


Robert A. DeLoach, General Manager
Cucamonga Valley Water District

TRANSFER TO:

Fontana Water Company
Name of Party

Attach Recapture Form 4

8440 Nuevo Avenue
Street Address

Fontana CA 92334
City State Zip Code

Telephone: (909) 822-2201 Facsimile: (909) 823-5046

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

WATER QUALITY AND WATER LEVELS

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

Recapture by Fontana Water Company accomplished by pumping of 15 wells-static water levels vary from 375'
to 684'. Of the wells routinely pumped, nitrate levels vary from a low of 8 mg/l to a high of 33 mg/l.

MATERIAL PHYSICAL INJURY

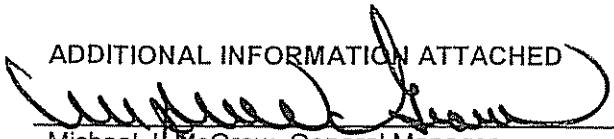
Is the Applicant aware of any Material Physical Injury to a party to the judgment or the Basin that
may be caused by the action covered by the application? Yes [] No [X]

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]



Michael J. McGraw, General Manager
Fontana Water Company

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____


DATE OF BOARD APPROVAL: _____ Agreement # _____

MATERIAL PHYSICAL INJURY

Is the Applicant aware of any 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 [X]


Applicant

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

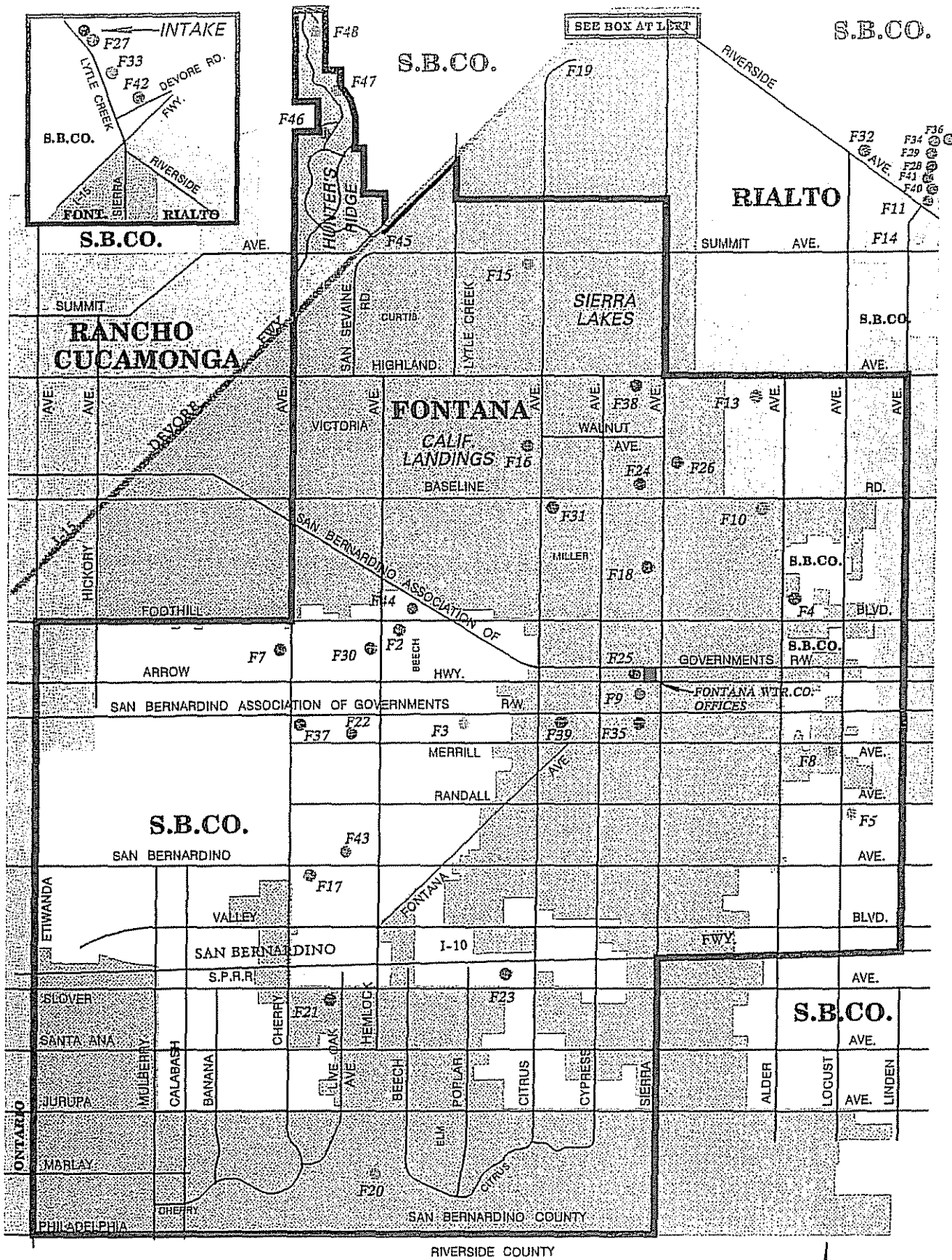
DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____



LEGEND

- - WELL
- ⊙ - WELL & BOOSTERS
- ⊕ - BOOSTERS
- ⊗ - WELL, BOOSTERS & RESERVOIR
- ⊘ - TREATMENT FACILITY
- ⊙ - RESERVOIR
- ⊕ - P.R. VALVE
- ⊗ - BOOSTERS & RESERVOIR
- ⊘ - INTAKE

FONTANA WATER COMPANY

SYSTEM NO. 3610041

SCALE IN MILES

FONTANA WATER COMPANY
Recapture Plan

The subject water is a transfer of stored groundwater from Cucamonga Valley Water District to Fontana Water Company (FWC) of 2,500 acre-feet to satisfy a portion of FWC's replenishment obligation for FY 2003/2004. Recapture of the stored water is accomplished by the production of any or all of the 15 wells owned and operated by FWC within Management Zone 3 of the Chino Groundwater Basin. The approximate daily production capacity of these wells is as follows:

<u>Well</u>	<u>Production</u> <u>Acre-Feet/Day</u>
F23A	10.6
F21A	5.7
F37A	5.7
F7A	11.0
F22A	8.2
F24A	8.4
F26A	8.6
F31A	7.3
F2A	10.6
F30A	5.1
F44A	11.0
F44B	10.6
F44C	10.6
F17B	5.7
F17C	7.1
Daily Total	126.2

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

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

April 15, 2004

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **April 7, 2004**

Date of this notice: **April 15, 2004**

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

- A. Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from The Nicholson Trust water in storage and annual production right in the amount of 6.475 acre-feet.

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

Appropriative Pool: May 13, 2004

Non-Agricultural Pool: May 13, 2004

Agricultural Pool: May 20, 2004

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
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

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

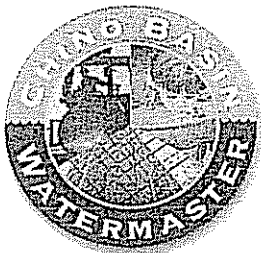
CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: April 15, 2004

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

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: (909) 484.3888 Fax: (909) 484-3890 www.cbwm.org

JOHN V. ROSSI
Chief Executive Officer

DATE: April 15, 2004
TO: Watermaster Interested Parties
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 Sale or Transfer – Fontana Water Company has agreed to purchase from The Nicholson Trust water in storage and annual production right in the amount of 6.475 acre-feet.

Recommendation –

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

- Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from The Nicholson Trust water in storage and annual production right in the amount of 6.475 acre-feet.

Notice of the water transaction identified above was mailed on April 15, 2004 along with the materials submitted by the requestors.

DISCUSSION

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 this transaction is necessary at this time. As part of the OBMP Implementation Plan, continued measurement of water levels and the installation of extensometers are planned. Based on no real change in the available data, we cannot conclude that the proposed water transaction will cause material physical injury to a party or to the Basin.

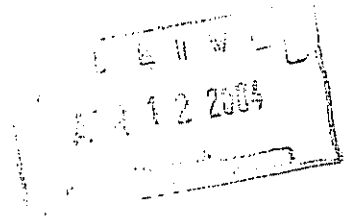


FONTANA WATER COMPANY

A DIVISION OF SAN GABRIEL VALLEY WATER COMPANY

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

April 7, 2004



Mr. John Rossi, Chief Executive Officer
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, California 91730

Subject: Purchase of Water in Storage and Annual Production Right
Chino Basin-Fiscal Year 2003/2004

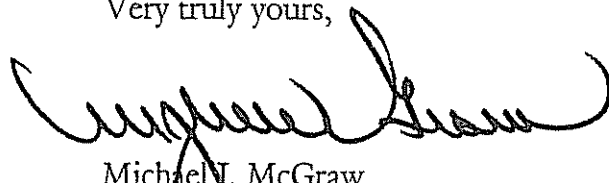
Dear John:

Please take notice that Fontana Water Company ("Company") has agreed to purchase from The Nicholson Trust water in storage and annual production right in the amount of 6.475 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2003/2004.

Enclosed are fully executed Chino Basin Watermaster Forms No. 3, 4 and 5, along with the Company's Recapture Plan for consideration by Watermaster. Please agendize this proposed transfer at the earliest possible opportunity.

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

Very truly yours,



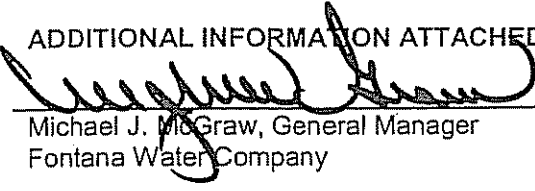
Michael J. McGraw
General Manager

MJM:bf
Enclosures

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ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]



Michael J. McGraw, General Manager
Fontana Water Company

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION OR AMENDMENT TO APPLICATION TO RECAPTURE WATER IN STORAGE

APPLICANT

Fontana Water Company April 1, 2004
Name of Party Date Requested Date Approved
8440 Nuevo Avenue 0.929 Acre-feet Acre-feet
Street Address Amount Requested Amount Approved
Fontana CA 92334 Varies July 1, 2003-June 30, 2004
City State Zip Code Projected Rate of Projected Duration of
Recapture Recapture
Telephone: (909) 822-2201 Facsimile: (909) 823-5046

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: The Nicholson Trust

PURPOSE OF RECAPTURE

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

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

N/A

PLACE OF USE OF WATER TO BE RECAPTURED

Within Fontana Water Company's service area (see attached map)
Management Zone 3

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

N/A

WATER QUALITY AND WATER LEVELS

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

Recapture by Fontana Water Company accomplished by pumping of 15 wells-static water levels vary from 375' to 684'. Of the wells routinely pumped, nitrate levels vary from a low of 8 mg/l to a high of 33 mg/l.

MATERIAL PHYSICAL INJURY

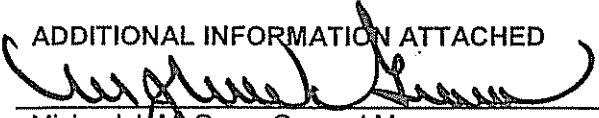
Is the Applicant aware of any Material Physical Injury to a party to the judgment or the Basin that may be caused by the action covered by the application? Yes [] No [X]

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]



Michael J. McGraw, General Manager
Fontana Water Company

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION
TO
TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2003 - 2004

Commencing on July 1, 2003 and terminating on June 30, 2004, The Nicholson Trust ("Transferor") hereby transfers to Fontana Water Company ("Transferee") the quantity of 5.546 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 production in any year shall be that produced pursuant to carry-over rights defined in the Judgment. After production of its carry-over rights, if any, the next (or first if no carry-over rights) water produced by Transferee from the Chino Basin shall be that produced hereunder.
- (2) Transferee shall put all waters utilized pursuant to said Transfer to reasonable beneficial use.
- (3) Transferee shall pay all Watermaster assessments on account of the water production hereby Transferred.
- (4) Any Transferee not already a party must intervene and become a party to the Judgment.

TO BE EXECUTED by both Transferor and Transferee, and to be accomplished 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?

Recapture by Fontana Water Company accomplished by pumping of 15 wells-static levels vary from 375' to 684'. Of the wells routinely pumped, nitrate levels vary from a low of 8 mg/l to a high of 33 mg/l.

MATERIAL PHYSICAL INJURY?

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

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No []

Robert H. Nicholson, Jr., Trustee
The Nicholson Trust
Robert H. Nicholson, Jr., Trustee

Michael J. McGraw
Michael J. McGraw, General Manager
Fontana Water Company

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

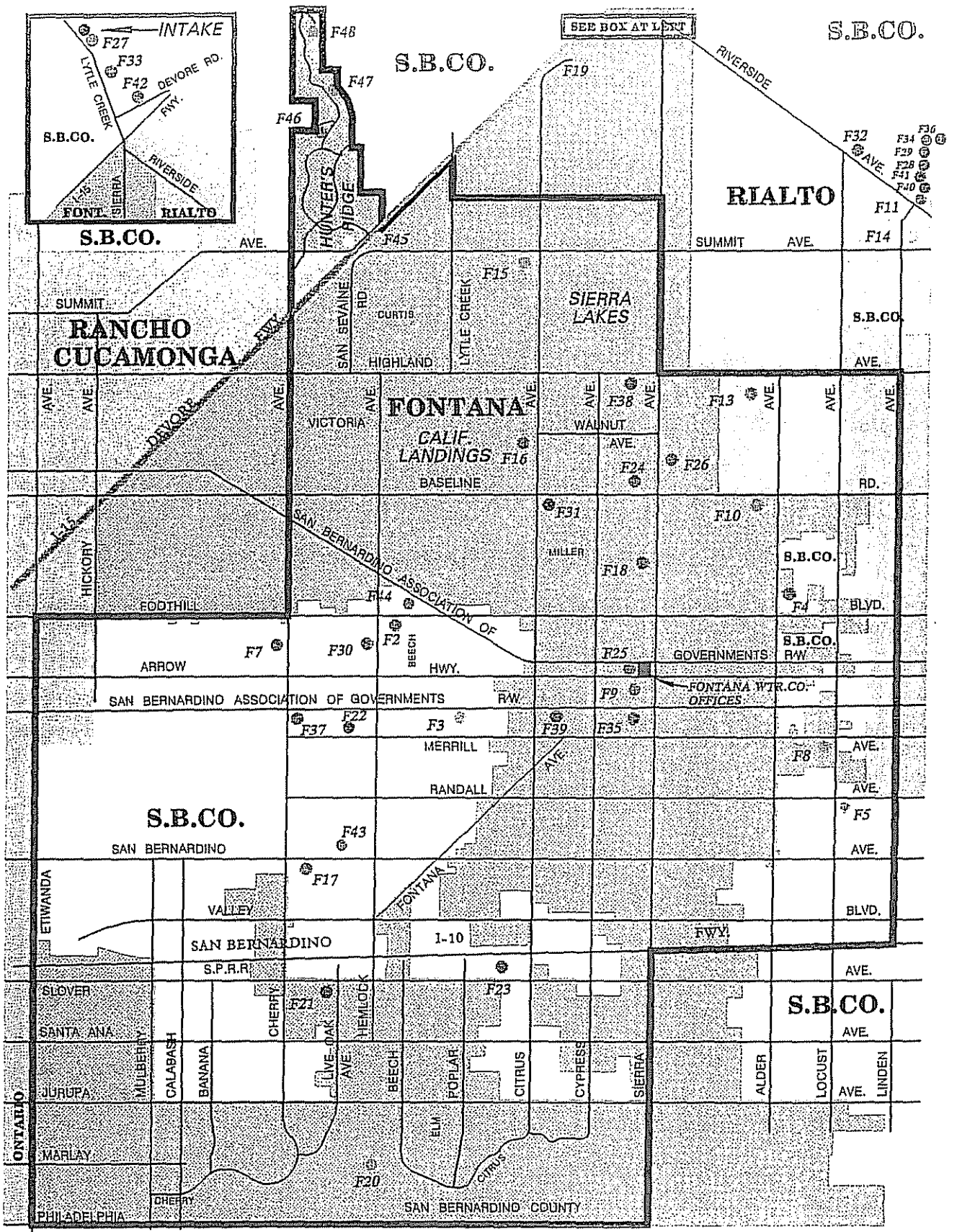
DATE OF BOARD APPROVAL: _____ Agreement # _____

FONTANA WATER COMPANY
Recapture Plan

The subject water is a transfer of stored groundwater and annual production rights from The Nicholson Trust to Fontana Water Company (FWC) of 6.475 acre-feet to satisfy a portion of FWC's replenishment obligation for FY 2003/2004. Recapture of the stored water is accomplished by the production of any or all of the 15 wells owned and operated by FWC within Management Zone 3 of the Chino Groundwater Basin. The approximate daily production capacity of these wells is as follows:

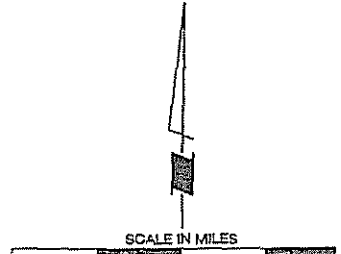
<u>Well</u>	-	<u>Production Acre-Feet/Day</u>
F23A	-	10.6
F21A	-	5.7
F37A	-	5.7
F7A	-	11.0
F22A	-	8.2
F24A	-	8.4
F26A	-	8.6
F31A	-	7.3
F2A	-	10.6
F30A	-	5.1
F44A	-	11.0
F44B	-	10.6
F44C	-	10.6
F17B	-	5.7
F17C	-	7.1
Daily Total	-	<u>126.2</u>

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



- LEGEND**
- ⊙ - WELL
 - ⊙ - WELL & BOOSTERS
 - ⊙ - BOOSTERS
 - ⊙ - WELL, BOOSTERS & RESERVOIR
 - ⊙ - TREATMENT FACILITY
 - ⊙ - RESERVOIR - P.R. VALVE
 - ⊙ - BOOSTERS & RESERVOIR
 - ⊙ - INTAKE

FONTANA WATER COMPANY
SYSTEM NO. 3610041



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

May 20, 2004

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: April 20, 2004

Date of this notice: May 20, 2004

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

- A. Notice of Sale or Transfer – The City of Ontario has agreed to purchase from the City of Chino water in storage in the amount of 5,600 acre-feet.

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

Appropriative Pool: June 10, 2004

Non-Agricultural Pool: June 10, 2004

Agricultural Pool: June 15, 2004

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
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

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

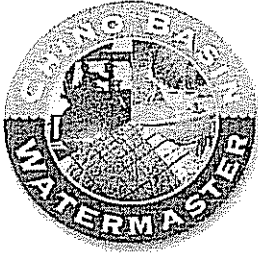
CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: May 20, 2004

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

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: (909) 484.3888 Fax: (909) 484-3890 www.cbwm.org

JOHN V. ROSSI
Chief Executive Officer

DATE: May 20, 2004
TO: Watermaster Interested Parties
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 Sale or Transfer – the City of Ontario has agreed to purchase from the City of Chino water in storage in the amount of 5,600 acre-feet.

Recommendation –

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

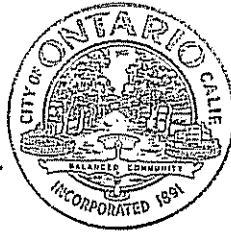
The following application for water transaction is attached with the notice of application.

- Notice of Sale or Transfer - the City of Ontario has agreed to purchase from the City of Chino water in storage in the amount of 5,600 acre-feet.

Notice of the water transaction identified above was mailed on May 20, 2004 along with the materials submitted by the requestors.

DISCUSSION

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 this transaction 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.



PUBLIC WORKS AGENCY

ONTARIO MUNICIPAL SERVICES CENTER

GARY C. OVITT
MAYOR

PAUL S. LEON
MAYOR PRO TEM

ALAN D. WAPNER
GERALD A. DuBOIS
DEBORAH S. ACKER
COUNCIL MEMBERS

GREGORY C. DEVEREAUX
CITY MANAGER

KENNETH L. JESKE
PUBLIC WORKS \ COMMUNITY
SERVICES DIRECTOR

MARY WIRTES, MMC
CITY CLERK

JAMES R. MILHISER
TREASURER

April 20, 2004

Mr. John Rossi, CEO
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, California 91730

Subject: PURCHASE OF WATER IN STORAGE
CHINO BASIN – FY 2003-2004

Dear Ms. Stewart:

Please take notice that the City of Ontario (Ontario) has agreed to purchase from the City of Chino (Chino) a portion of Chino's water in storage in the amount of 5,600 acre feet to satisfy a portion of the Ontario's anticipated Chino Basin replenishment obligation for FY 2003-2004.

Enclosed is executed application for sale or transfer of right to produce water from storage and a recapture plan for consideration by Watermaster. Please agendize the proposed purchase at the earliest possible opportunity.

If you have any questions or require additional information concerning this matter, please call me at 395-2681. Thank you.

Sincerely,

Mohamed El-Amamy
Utilities Director

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

City of Chino
Name of Party

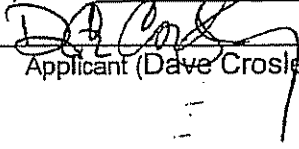
2/18/2004
Date Requested Date Approved

13220 Central Avenue
Street Address

5,600 Acre-feet _____ Acre-feet
Amount Requested Amount Approved

Chino CA 91710
City State Zip Code

Telephone: 909-927-7577 Facsimile: 909-591-6829


Applicant (Dave Crosley, Environmental & Water Manager)

TRANSFER TO:

City of Ontario
Name of Party

Attach Recapture Form 4

1425 S. Bon View
Street Address

Ontario CA 91761
City State Zip Code

Telephone: 909-395-2681 Facsimile: 909-395-2601

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?

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 []

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 OR AMENDMENT TO APPLICATION
TO
RECAPTURE WATER IN STORAGE

APPLICANT

<u>City Of Ontario</u>			<u>February 23, 2004</u>	_____
Name of Party			Date Requested	Date Approved
<u>1425 S. Bon View Avenue</u>			<u>5,600</u> Acre-feet	_____ Acre-feet
Street Address			Amount Requested	Amount Approved
<u>Ontario</u>	<u>CA</u>	<u>91761</u>	<u>Varies</u>	<u>July 1, 2003 - June 30, 2004</u>
City	State	Zip Code	Projected Rate of Recapture	Projected Duration of Recapture
Telephone: <u>909-395-2600</u>			Facsimile: <u>909-395-2601</u>	

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

IDENTITY OF PERSON THAT STORED THE WATER: _____

PURPOSE OF RECAPTURE

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

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

N/A

PLACE OF USE OF WATER TO BE RECAPTURED

Management zones 1, 2 and 3

N/A

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

WATER QUALITY AND WATER LEVELS

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

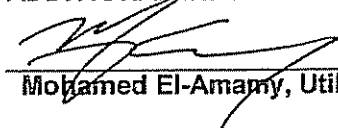
Recapture by Ontario will be accomplished by pumping 21 wells. Static level varies from 272 feet to 524 feet. Of the wells routinely pumped, nitrate levels vary form less than 5 to 40 mg/L.

MATERIAL PHYSICAL INJURY

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

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

ADDITIONAL INFORMATION ATTACHED Yes [X] No []



Mohamed El-Amamy, Utilities Director

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 # _____

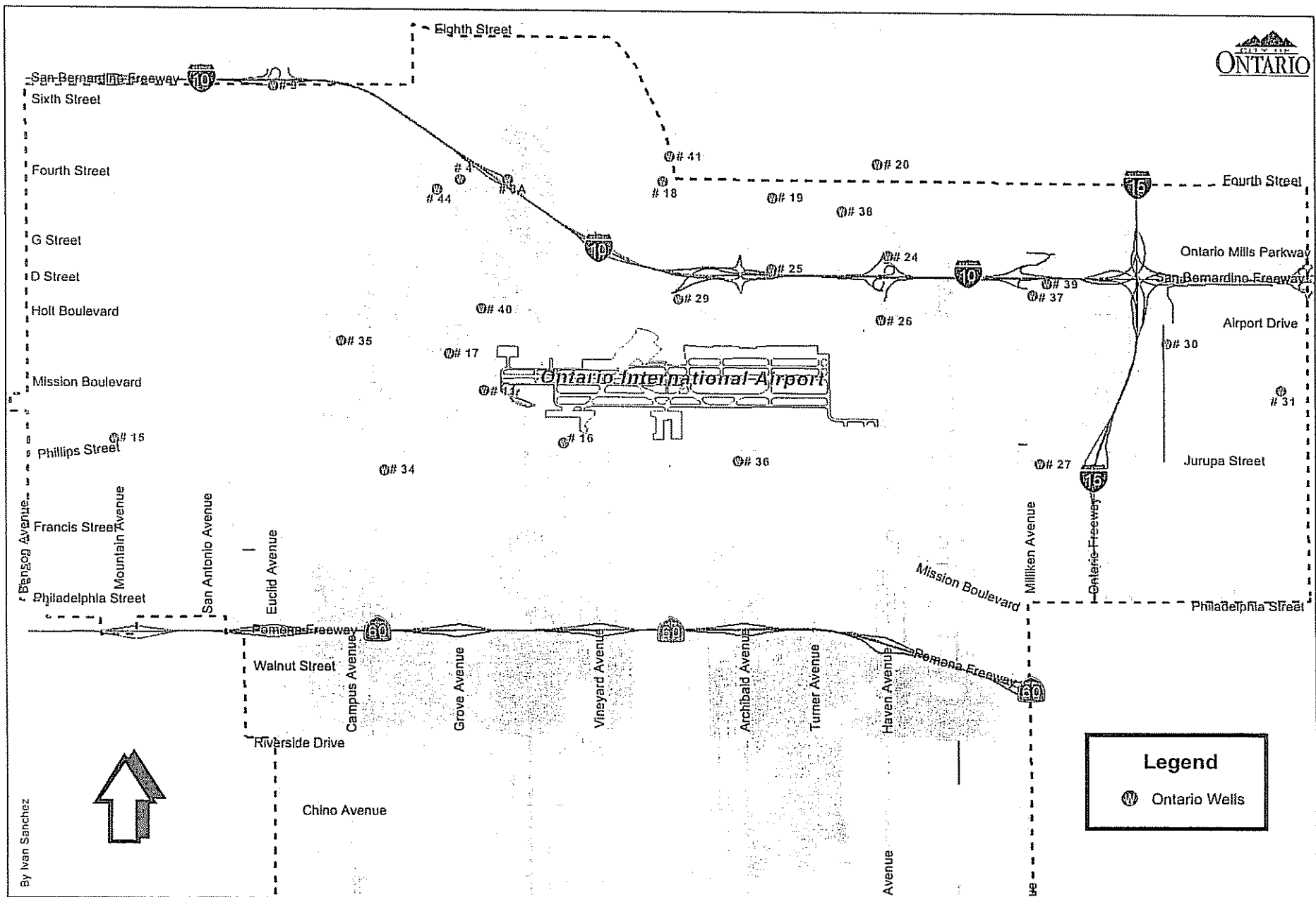
CITY OF ONTARIO Recapture Plan

The subject water is a transfer of stored groundwater from the City of Chino located within Management Zones 1 and 2 to the City of Ontario located within Management Zones 1, 2 and 3 in the amount of 5,600 acre-feet to satisfy a portion of the City's replenishment obligation for FY 2002-2003. Recapture of the stored water is accomplished by the production of any or all of the 23 wells owned and operated by the City with Management Zones 1, 2 or 3 of the Chino Groundwater Basin. The approximate daily production capacity of these wells is as follows.

Well No.	Capacity acre-feet/day
3	4.9
4	6.4
9	7.8
11	5.7
15	7.8
16	3.2
17	7.2
18	5.3
19	2.5
20	3.4
24	8.4
25	6.2
26	5.7
27	4.9
29	11.2
30	14.1
31	13.1
33	13.0
35	8.6
36	8.3
37	13.4
38	11.4
39	8.6

181.3

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



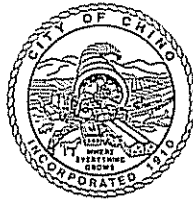
Legend

W Ontario Wells

By Ivan Sanchez

EUNICE M. ULLOA
Mayor

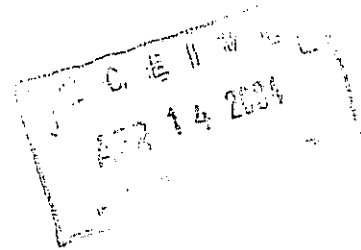
TOM HAUGHEY
Mayor Pro Tem



CITY of CHINO

GLENN DUNCAN
EARL C. ELROD
DENNIS YATES
Council Members

GLEN ROJAS
City Manager



April 7, 2004

Mr. John Rossi
Chief Executive Officer
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

Subject: Lease of Water Production in Chino Basin

Dear Mr. Rossi:

This letter is to notify Watermaster of the one-year lease of 5,600 acre-feet of water from the City of Chino's annual production rights to the City of Ontario. This lease is made first from Chino's net underproduction in Fiscal Year 2003-2004, with any remainder to be recaptured from storage.

A copy of Watermaster Form No. 3 is enclosed for reference. Executed original Watermaster forms and all supporting documentation shall be provided under separate cover. Please advise me as to when this transaction will be scheduled for Watermaster committee review/action.

Should you have any questions regarding this matter, please contact me at (909) 591-9823.

Sincerely,

David G. Crosley, P. E.
Water & Environmental Manager

DGC:dz
Enclosure



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

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

City of Chino
Name of Party

2/18/2004
Date Requested Date Approved

13220 Central Avenue
Street Address

5,600 Acre-feet _____ Acre-feet
Amount Requested Amount Approved

Chino CA 91710
City State Zip Code

Telephone: 909-927-7577

Facsimile: 909-591-6829

Applicant (Glen Rojas, City Manager)

TRANSFER TO:

City of Ontario
Name of Party

Attach Recapture Form 4

1425 S. Bon View
Street Address

Ontario CA 91761
City State Zip Code

Telephone: 909-395-2681

Facsimile: 909-395-2601

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?

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?

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

May 20, 2004

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: May 14, 2004

Date of this notice: May 20, 2004

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

- A. Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from Cucamonga Valley Water District water in storage in the amount of 2,500 acre-feet.

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

Appropriative Pool: June 10, 2004

Non-Agricultural Pool: June 10, 2004

Agricultural Pool: June 15, 2004

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
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

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

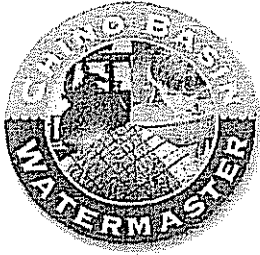
CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: May 20, 2004

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

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: (909) 484.3888 Fax: (909) 484-3890 www.cbwm.org

JOHN V. ROSSI
Chief Executive Officer

DATE: May 20, 2004
TO: Watermaster Interested Parties
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 Sale or Transfer – Fontana Water Company has agreed to purchase from the Cucamonga Valley Water District water in storage in the amount of 2,500 acre-feet.

Recommendation –

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

- Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from the Cucamonga Valley Water District water in storage in the amount of 2,500 acre-feet.

Notice of the water transaction identified above was mailed on May 20, 2004 along with the materials submitted by the requestors.

DISCUSSION

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 this transaction 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.

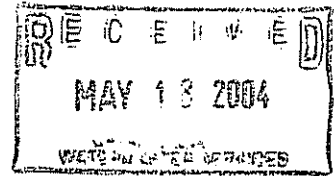
C.V. 112

FONTANA WATER COMPANY

A DIVISION OF SAN GABRIEL VALLEY WATER COMPANY

3440 NUEVO VENDE P.O. BOX 987, FONTANA, CALIFORNIA 92334 • (909) 822-2201

May 14, 2004



Mr. John Rossi, Chief Executive Officer
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, California 91730

Subject: Purchase of Water in Storage
Chino Basin-Fiscal Year 2003/2004

Dear John:

Please take notice that Fontana Water Company ("Company") has agreed to purchase from Cucamonga Valley Water District water in storage in the amount of 2,500 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2003/2004. This is in addition to the previously applied for transfer of 2,500 acre-feet from Cucamonga Valley Water District to the Company which was submitted to Watermaster on April 8, 2004.

Enclosed are fully executed Chino Basin Watermaster Forms No. 3 and 4, along with the company's Recapture Plan for consideration by Watermaster. Please agendaize this proposed transfer at the earliest possible opportunity.

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

Very truly yours,

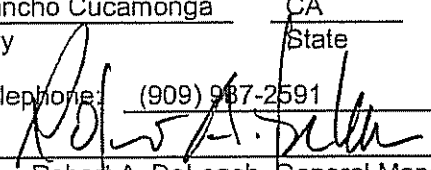
Michael J. McGraw
General Manager

MJM:bf
Enclosures

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

<u>Cucamonga Valley Water District</u> Name of Party	<u>May 5, 2004</u> Date Requested	_____ Date Approved
<u>10440 Ashford Street</u> Street Address	<u>2,500</u> Acre-feet Amount Requested	_____ Acre-feet Amount Approved
<u>Rancho Cucamonga</u> City	<u>CA</u> State	<u>91729</u> Zip Code
Telephone: <u>(909) 987-2591</u>	Facsimile: <u>(909) 476-8032</u>	
 Robert A. DeLoach, General Manager Cucamonga Valley Water District		

TRANSFER TO:

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

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

WATER QUALITY AND WATER LEVELS

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

Recapture by Fontana Water Company accomplished by pumping of 15 wells-static water levels vary from 375' to 684'. Of the wells routinely pumped, nitrate levels vary from a low of 8 mg/l to a high of 33 mg/l.

MATERIAL PHYSICAL INJURY

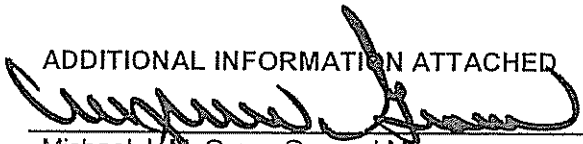
Is the Applicant aware of any Material Physical Injury to a party to the judgment or the Basin that may be caused by the action covered by the application? Yes [] No [X]

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]



Michael J. McGraw, General Manager
Fontana Water Company

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION OR AMENDMENT TO APPLICATION
TO
RECAPTURE WATER IN STORAGE

APPLICANT

<u>Fontana Water Company</u>			<u>May 5, 2004</u>	_____
Name of Party			Date Requested	Date Approved
<u>8440 Nuevo Avenue</u>			<u>2,500</u> Acre-feet	_____ Acre-feet
Street Address			Amount Requested	Amount Approved
<u>Fontana</u>	<u>CA</u>	<u>92335</u>	_____	_____
City	State	Zip Code	Projected Rate of Recapture	Projected Duration of Recapture
Telephone: <u>(909) 822-2201</u>			Facsimile: <u>(909) 823-5046</u>	

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

IDENTITY OF PERSON THAT STORED THE WATER: Cucamonga Valley Water District

PURPOSE OF RECAPTURE

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

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

N/A

PLACE OF USE OF WATER TO BE RECAPTURED

Within Fontana Water Company's Service Area

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

N/A

WATER QUALITY AND WATER LEVELS

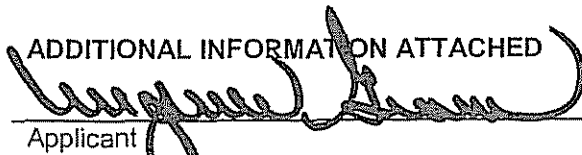
What is the existing water quality and what are the existing water levels in the areas that are likely to be affected?

Recapture by Fontana Water Company accomplished by pumping of 15 wells-static water levels vary from 375' to 684'. Of the wells routinely pumped, nitrate levels vary from a low of 8 mg/l to a high of 33 mg/l.

MATERIAL PHYSICAL INJURY

Is the Applicant aware of any 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 [X]

Applicant

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

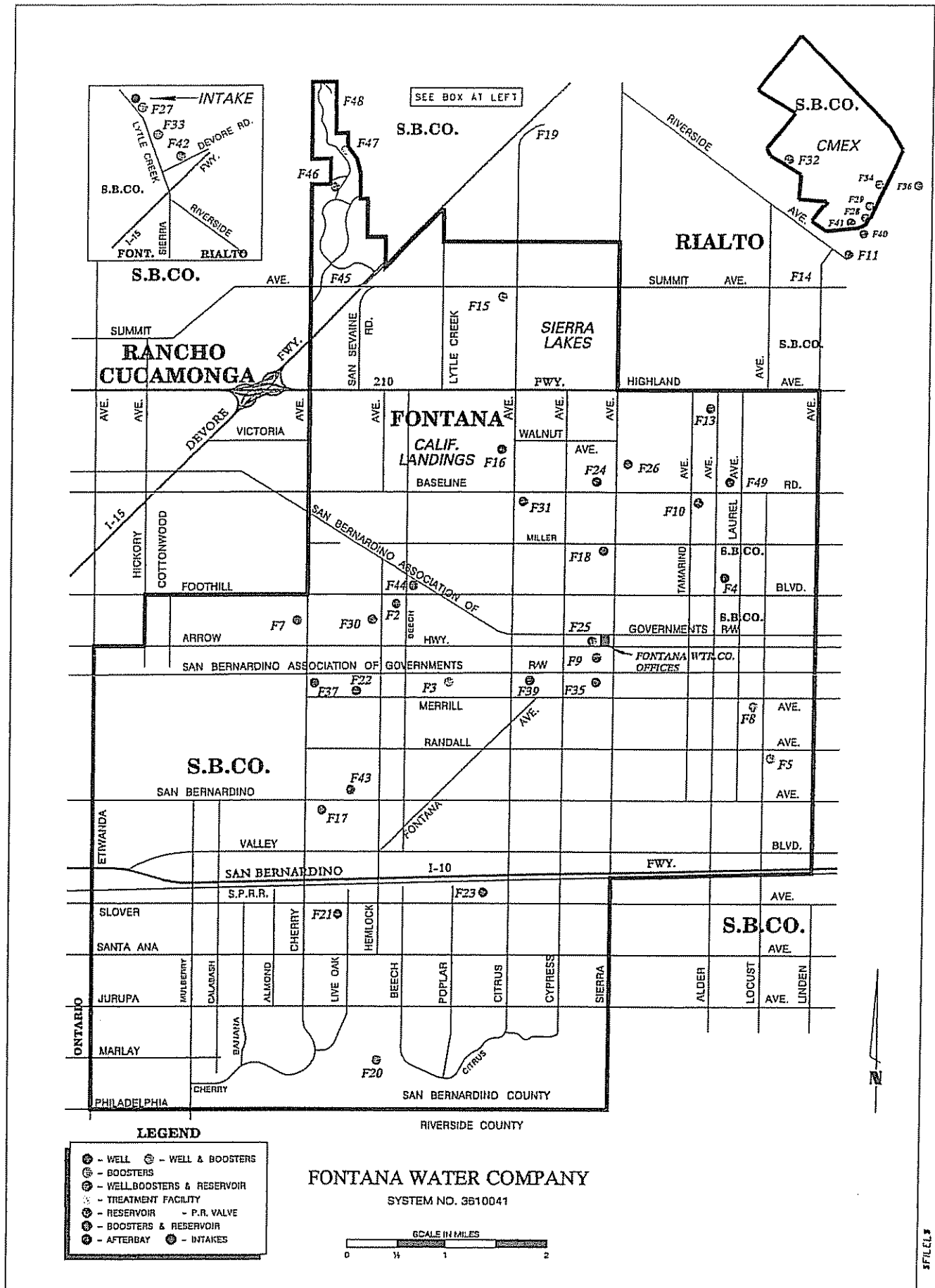
DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____



FONTANA WATER COMPANY
Recapture Plan

The subject water is a transfer of stored groundwater from Cucamonga Valley Water District to Fontana Water Company (FWC) of 2,500 acre-feet to satisfy a portion of FWC's replenishment obligation for FY 2003/2004. Recapture of the stored water is accomplished by the production of any or all of the 15 wells owned and operated by FWC within Management Zone 3 of the Chino Groundwater Basin. The approximate daily production capacity of these wells is as follows:

<u>Well</u>	-	<u>Production Acre-Feet/Day</u>
F23A	-	10.6
F21A	-	5.7
F37A	-	5.7
F7A	-	11.0
F22A	-	8.2
F24A	-	8.4
F26A	-	8.6
F31A	-	7.3
F2A	-	10.6
F30A	-	5.1
F44A	-	11.0
F44B	-	10.6
F44C	-	10.6
F17B	-	5.7
F17C	-	7.1
Daily Total	-	<u>126.2</u>

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

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

May 21, 2004

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: April 20, 2004

Date of this notice: May 21, 2004

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

- A. Notice of Sale or Transfer – The City of Ontario has agreed to purchase from Jurupa Community Services District water in storage in the amount of 3,000 acre-feet.

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

Appropriative Pool: June 10, 2004

Non-Agricultural Pool: June 10, 2004

Agricultural Pool: June 15, 2004

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
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: May 21, 2004

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

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: (909) 484.3888 Fax: (909) 484-3890 www.cbwm.org

JOHN V. ROSSI
Chief Executive Officer

DATE: May 21, 2004
TO: Watermaster Interested Parties
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 Sale or Transfer-- The City of Ontario has agreed to purchase from Jurupa Community Services District water in storage in the amount of 3,000 acre-feet.

Recommendation --

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

- Notice of Sale or Transfer-- The City of Ontario has agreed to purchase from Jurupa Community Services District water in storage in the amount of 3,000 acre-feet.

Notice of the water transaction identified above was mailed on May 21, 2004 along with the materials submitted by the requestors.

DISCUSSION

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 this transaction 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.

CITY OF



ONTARIO

PUBLIC WORKS AGENCY

ONTARIO MUNICIPAL SERVICES CENTER

GARY C. OVITT
MAYOR

PAUL S. LEON
MAYOR PRO TEM

ALAN D. WAPNER
GERALD A. DuBOIS
DEBORAH S. ACKER
COUNCIL MEMBERS

April 20, 2004

GREGORY C. DEVEREAUX
CITY MANAGER

KENNETH L. JESKE
PUBLIC WORKS & COMMUNITY
SERVICES DIRECTOR

MARY WIRTES, MMC
CITY CLERK

JAMES R. MILHISER
TREASURER

Mr. John Rossi, CEO
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, California 91730

Subject: PURCHASE OF WATER IN STORAGE
CHINO BASIN - FY 2003-2004

Dear Ms. Stewart:

Please take notice that the City of Ontario (Ontario) has agreed to purchase from Jurupa Community Services District (JCSD) a portion of JCSD's water in storage in the amount of 3,000 acre feet to satisfy a portion of the Ontario's anticipated Chino Basin replenishment obligation for FY 2003-2004.

Enclosed is executed application for sale or transfer of right to produce water from storage and a recapture plan for consideration by Watermaster. Please agendize the proposed purchase at the earliest possible opportunity.

If you have any questions or require additional information concerning this matter, please call me at 395-2681. Thank you.

Sincerely,

Mohamed El-Amamy
Utilities Director

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

Jurupa Community Services District

Name of Party

4/12/2004

Date Requested

_____ Date Approved

11201 Harrel Street

Street Address

3,000 Acre-feet

Amount Requested

_____ Acre-feet

Amount Approved

Mira Loma

City

CA

State

91752

Zip Code

Telephone: 909-685-7434

Facsimile: 909-685-1153

Carole McGreevy
Applicant (Carole McGreevy, General Manager)

TRANSFER TO:

City of Ontario

Name of Party

Attach Recapture Form 4

1425 S. Bon View

Street Address

Ontario

City

CA

State

91761

Zip Code

Telephone: 909-395-2681

Facsimile: 909-395-2601

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?

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 []

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 # _____

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 [X] No []



Mohamed El-Arnaby, Utilities Director

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 # _____

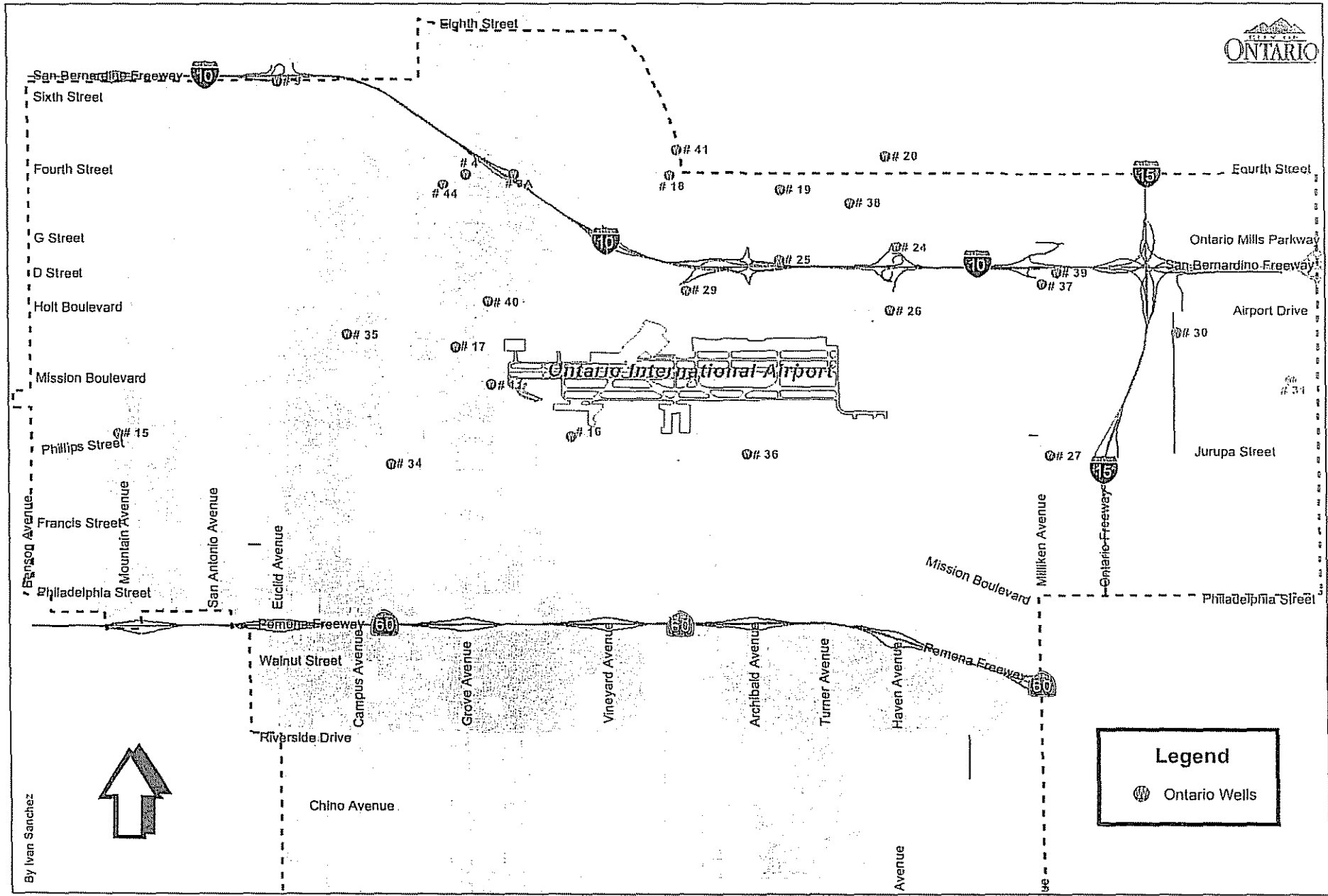
CITY OF ONTARIO Recapture Plan

The subject water is a transfer of stored groundwater from Jurupa Community Services District (JCSD) located within Management Zones 3 and 4 to the City of Ontario located within Management Zones 1, 2 and 3 in the amount of 3,000 acre-feet to satisfy a portion of the City's replenishment obligation for FY 2002-2003. Recapture of the stored water is accomplished by the production of any or all of the 23 wells owned and operated by the City with Management Zones 1, 2 or 3 of the Chino Groundwater Basin. The approximate daily production capacity of these wells is as follows.

Well No.	Capacity acre-feet/day
3	4.9
4	6.4
9	7.8
11	5.7
15	7.8
16	3.2
17	7.2
18	5.3
19	2.5
20	3.4
24	8.4
25	6.2
26	5.7
27	4.9
29	11.2
30	14.1
31	13.1
33	13.0
35	8.6
36	8.3
37	13.4
38	11.4
39	8.6

181.3

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



By Ivett Sanchez

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

May 21, 2004

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: May 12, 2004

Date of this notice: May 21, 2004

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

- A. Notice of Transfer of Annual Production Right – Jurupa Community Services District has agreed to lease 1,000 acre-feet of water from Santa Ana River Water Company production rights.

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

Appropriative Pool: June 10, 2004

Non-Agricultural Pool: June 10, 2004

Agricultural Pool: June 15, 2004

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
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

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

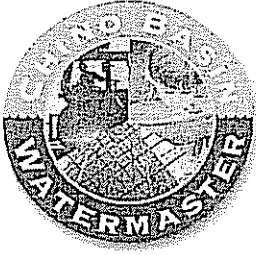
CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: May 21, 2004

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

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: (909) 484.3888 Fax: (909) 484-3890 www.cbwm.org

JOHN V. ROSSI
Chief Executive Officer

DATE: May 21, 2004
TO: Watermaster Interested Parties
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 Transfer of Annual Production Right or Safe Yield – Jurupa Community Services District has agreed to lease 1,000 acre-feet of water from the Santa Ana River Water Company production rights.

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 transactions 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 water transaction is attached with the notice of application.

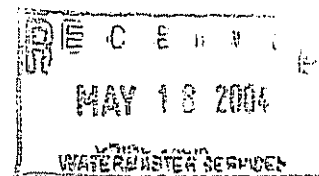
- Notice of Transfer of Annual Production Right or Safe Yield – Jurupa Community Services District has agreed to lease 1,000 acre-feet of water from the Santa Ana River Water Company production rights.

Notice of the water transaction identified above was mailed on May 21, 2004 along with the materials submitted by the requestors.

DISCUSSION

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 this transaction 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 J. McLaughlin, Director
Jack E. Smith, Director



May 12, 2004

Mr. John Rossi
Chief of Watermaster Services
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

RE: LEASE OF WATER RIGHTS – SANTA ANA RIVER WATER COMPANY
TO JURUPA COMMUNITY SERVICES DISTRICT – FY 2003-2004

Dear Ms. Stewart:

This letter is to notify Watermaster of the lease of 1000 acre-feet of water from Santa Ana River Water Company (SARWC) production rights to the Jurupa Community Services District at the price of \$198.05 net per acre-foot with the 15% due to SARWC. (\$233.00 – \$34.95= \$198.05).

This transaction is to offset a portion of the Districts anticipated replenishment obligation for FY 2003-2004. The recapture plan is attached. Please agendize this transaction at your earliest possible convenience.

Enclosed is a fully executed Application to Assign, transfer or Lease Water Rights and the District's recapture plan for consideration by Watermaster.

Sincerely,

A handwritten signature in cursive script that reads "Ken Waring".

Ken Waring
Finance Manager

Copy: J. Arnold Rodriguez, SARWC

7020.admin.ltr.wmaster.pchseprice.sarwc/cr

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APPLICATION
TO
TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2003 - 2004

Commencing on July 1, 2003 and terminating on June 30, 2004, SARWC ("Transferor") hereby transfers to JCSD("Transferee") the quantity of 1,000 acre-feet of corresponding Annual Production Right (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.," RCV 51010 (formerly Case No. SCV 164327).

Said Transfer shall be conditioned upon:

- (1) Transferee shall exercise said right on behalf of Transferor under the terms of the Judgment and the Peace Agreement and for the period described above. The first water produced in any year shall be that produced pursuant to carry-over rights defined in the Judgment. After production of its carry-over rights, if any, the next (or first if no carry-over rights) water produced by Transferee from the Chino Basin shall be that produced hereunder.
- (2) (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

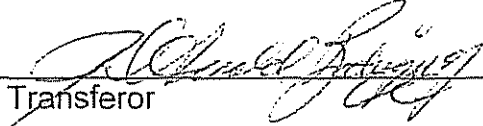
Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application?

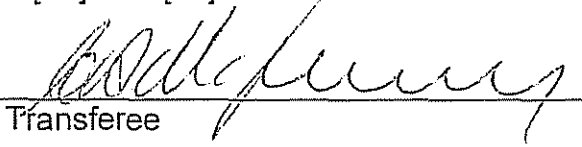
Yes [] No X

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 lease of 1000 acre-feet of water rights from the Santa Ana River Water Company to the Jurupa Community Services District. Santa Ana River Water Company is located within Management Zone 4 and 5 and the Jurupa Community Services District is located within Management Zones 3, 4 and 5 of the Chino Groundwater Basin. Production of the water will be accomplished as follows:

JCSD WELL #	15	19	20
March	25af	25af	50af
April	100af	100af	100af
May	100af	100af	100af
June	100af	100af	100af

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 perforated to a depth of between 300 – 400 feet.

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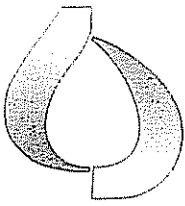
CHINO BASIN WATERMASTER

II. REPORTS/UPDATES

B. STAFF REPORT

3. IUEA Partnership Funding Request





Inland Empire
UTILITIES AGENCY*

6075 Kimball Avenue • Chino, CA 91710
P.O. Box 9020 • Chino Hills, CA 91709
TEL (909) 993-1600 • FAX (909) 597-8875
www.ieua.org
* A Municipal Water District

June 22, 2004

Chino Basin Watermaster
Chairman Bob Neufeld
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

Subject - National Academy of Sciences

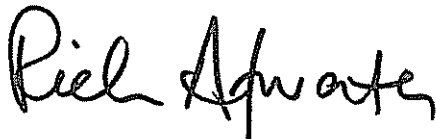

Dear Chairman Neufeld:

IEUA and Watermaster through John Rossi and Mark Wildermuth, had been working with the Water Science Technology Board of the National Academies/National Research Council regarding an exciting opportunity on groundwater conjunctive use research proposal. Please find attached a copy of the research proposal prepared by the Water Science Technology Board (WSTB).

The IEUA Board of Directors has agreed to fund \$25,000 to the WSTB for the "Potential and Pitfalls for Sustainable Underground Storage of Recoverable Water". I am seeking a matching \$25,000 contribution from Watermaster given the importance of this research to the OBMP implementation.

At your convenience I would be pleased to discuss with you this item.

Sincerely,
INLAND EMPIRE UTILITIES AGENCY



Richard W. Atwater
Chief Executive Officer/
General Manager

Enc.

c.c. Sheri Rojo
Mark Wildermuth

Richard Atwater

From: Logan, William [wlogan@nas.edu]
Sent: Thursday, May 13, 2004 1:34 PM
To: Richard Atwater
Cc: Parker, Stephen; James Crook
Subject: NRC study of sustainable underground storage of recoverable water



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Dear Rich - I was delighted to hear first from Jim Crook and now from Steve Parker of your potential interest in providing partial support for the WSTB's proposed study of sustainable underground storage of recoverable water. We're making great progress in the fundraising, and with a few more participants such as IEUA, we'll be ready to begin work. It has the potential to be a wonderful project, and we are really looking forward to starting on it.

Steve asked me to send along a draft proposal, which I have attached below. I've written it for \$50,000, based on your emails and conversations with Steve and Jim. A formal proposal (fancy signatures, itemized budget, blessings by lawyers, etc.) can follow later at a time of your choosing.

Please do not hesitate to call if you have any further questions about the project.

Kind regards - Will Logan

+++++

William S. Logan, Ph.D.
Senior Staff Officer
Water Science and Technology Board/Keck 652
The National Academies
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Washington, D.C. 20001
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wlogan@nas.edu

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DRAFT, May 13, 2004
NATIONAL ACADEMIES/NATIONAL RESEARCH COUNCIL
DIVISION ON EARTH AND LIFE STUDIES
WATER SCIENCE AND TECHNOLOGY BOARD

Proposal No. nn-DELS-ann-nn

Potential and Pitfalls for
Sustainable Underground Storage of Recoverable Water

SUMMARY

The National Research Council's (NRC) Water Science and Technology Board proposes to undertake a study on "Potential and Pitfalls for Sustainable Underground Storage of Recoverable Water." The goals of this study will be: (a) to provide an overview of some of the research needs and priorities concerning sustainable underground storage technology and implementation, and (b) to assess geological, geochemical, biological, engineering, and institutional factors that may contribute to good or poor performance of such projects.

The study will be conducted by a multidisciplinary committee whose members have expertise in groundwater and surface water hydrology, recycled water, inorganic and organic geochemistry and biogeochemistry, behavior of pathogens in the subsurface, risk assessment, environmental and water resources engineering, and natural resource economics and law. This committee will produce a report, as described in the "Anticipated Results" section of this proposal. The duration of this effort will be 24 months – approximately July 2004 to June 2006. The estimated cost is \$500,000, of which \$50,000 is requested from the Inland Empire Utilities Agency.

BACKGROUND

Freshwater supplies in the US may be hard pressed to meet anticipated needs in the future, for a variety of reasons. Among these are:

- 1) A general increase in population, especially in semi-arid and coastal regions of the country,
- 2) Reallocation of existing water resources to protect sensitive aquatic species,
- 3) Legal and institutional barriers to, and adverse impacts of, water export projects,
- 4) Increasing recognition of irrigation-induced water quality problems in semi-arid regions,
- 5) Reduction of snowpack in the western and northeastern U.S. in recent years, and
- 6) Continued groundwater overdrafting throughout the nation.

These considerations will put great demands on many traditional sources of water in the coming years. New strategies for water management and flow regulation will be required on a broad geographic scale. This need has inspired major new initiatives such as the Department of the Interior's *Water 2025: Preventing Crises and Conflict in the West* (see Figure 1).

Options for addressing these issues include increasing supply through importation and desalination, improving water-use efficiency through technology and conservation, and reuse of treated wastewater. However, with or without these strategies, there is often a need for temporary detention and storage of water during times of abundance for release during times of need. Given the problems associated with storage in above-ground reservoirs – including evaporative losses, land consumption and ecological impacts – there is increased interest in storing recoverable water underground as part of an overall water management plan. This water may come from streams, water treatment plants, water reclamation plants or other sources. It may be recharged through injection wells or basin spreading. And the recovered water may be used for drinking water, agriculture, or even returned to streams to support ecological communities.

The number of such projects is increasing rapidly. For example, in 1983 there were three operating aquifer storage and recovery (ASR) wells in the U.S. By 1994 there were 24, and as of July 2002 there were 56, with over 100 in development (Pyne, 1994; Pyne, 2002). Significantly, most of those systems west of the Mississippi are located in regions identified in Water 2025 as at risk for water-supply crises within a few decades (Figure 1). Other kinds of artificial recharge and conjunctive use projects are common in California and throughout the arid southwest. In California alone, over 48,000 acre-feet of recycled water per year is used to recharge groundwater systems (State of California, 2000). Many of these systems are fully successful; others encounter difficulties. There remain many questions about the hydrogeologic conditions under which success is likely, and the consequences of the use of such systems at large scales. Mineral transformations that occur during storage are poorly understood, as are the conditions under which inorganic or organic chemical contamination problems may be either improved or exacerbated. The long storage times associated with underground aquifers suggest that the consequences of these projects – either beneficial or detrimental – will also be long-lived.

Likewise, many existing water institutions are not well positioned to manage the long-term and widespread consequences of such systems, or to facilitate the most effective strategies. Aquifer “boundaries” are often not aligned with institutional boundaries (see Blomquist et al., 2001). Distinct laws may govern the same water before, during, and after recharge, leading to uncertainties as to how current water rights laws might apply. Issues of ownership and responsibility when recharged water moves in the ground, or causes perturbation of surrounding water supplies, may be unclear. Current regulation of aquifer storage systems is in the early stages of development in many parts of the country. Water institutions that manage and regulate these systems face unprecedented challenges.

The timing is excellent for a summary of the state of knowledge of Sustainable Underground Storage of Recoverable Water. There are enough operational systems that information on long-term performance in a range of geologic and hydrogeologic environments is available. This technology will clearly be used even more widely in the future, but we lack an ability to make unbiased predictions of the likely performance of such projects. An NRC study at this time would (a) provide an overall, integrated assessment of interrelated technical and institutional issues, (b) identify the gaps in the science and practice that limit our understanding, and provide a prospective examination of how these gaps might be closed, (c) provide guidance to prevent development of systems founded on unsubstantiated assumptions or poorly

conceptualized models, d) improve the accuracy of predictions of system performance over time, especially with respect to plugging or dissolution of the aquifer, and e) provide guidance for monitoring plans to track performance of operational systems and to gain knowledge for the design of future systems.

A strategic planning session of the Water Science and Technology Board of the NRC ranked the topic of Sustainable Underground Storage as of the highest priority. This resulted in an April 2003 planning workshop attended by scientists and engineers from 25 organizations identified many important challenges that need to be defined, clarified, and resolved before underground storage can effectively contribute to clean and reliable water supplies and healthy and well managed watersheds. The highest priority challenges are highlighted in the following action plan for the study.

PROPOSED PLAN OF ACTION

The proposed study will provide an overview of some of the research needs and priorities concerning sustainable underground storage technology and implementation. It will also assess geological, geochemical, biological, engineering, and institutional factors that may affect the performance of such projects, based in part on a review and evaluation of existing projects.

Specifically, the study will assess and make recommendations with respect to the following questions:

- What research needs to be done to develop predictors of performance for underground storage projects based on hydrogeology, major ion geochemistry of the source water and the aquifer, well characteristics, and the character of the recharge water in terms of contaminants, disinfectants, and microbes?
- What are the long-term impacts of underground storage on aquifer use—hydraulic, geotechnical, geochemical, adsorptive capacity of contaminants—at wellhead and regional scales, and can these impacts be ameliorated?
- What physical, chemical, and geological factors associated with underground storage of water may increase or decrease human and environmental health risks concerning microbes, inorganic contaminants such as nitrite, disinfectant by-products, endocrine disruptors, personal care products, pharmaceuticals, and other trace organic compounds?
- Are there any chemical markers or surrogates that can be used to help assure regulators and the public of the safety of water for groundwater recharge? What should we monitor and at what spatial and temporal scales?
- What are the challenges and potential for incorporating sustainable underground storage projects into current systems approaches to water management for solving public and environmental water needs?

- How do the institutional, regulatory and legal environments at federal, state, and local levels encourage or discourage sustainable underground storage, if and where this is considered desirable?

The study will be conducted by an ad hoc committee composed of approximately 15 volunteers. The principal criterion for committee appointment will be level of experience and expertise related to the study tasks. Members of the committee will likely come from academic, consulting, and governmental backgrounds and from different regions of the country. Disciplines represented on the committee will include groundwater and surface water hydrology, recycled water, inorganic and organic geochemistry and biogeochemistry, behavior of pathogens in the subsurface, risk assessment, toxicology, environmental and water resources engineering, and natural resource economics and law.

The committee will meet approximately five times to discuss the charge, gather information, listen to briefings from, and closely interact with relevant parties (e.g., federal agency scientists and managers, scientists and engineers involved in planning, designing, and operating underground storage projects for utilities, etc.). Extensive background information is available and will be provided to the committee. The committee's meetings will include open sessions when gathering information and closed sessions to deliberate and generate the report's content and recommendations.

Staff from the Water Science and Technology Board will manage the activity, including conducting the committee nominations process, supporting committee research and logistical needs, facilitating report preparation and review, ensuring compliance with all NRC procedures, and maintaining close communication with agencies funding the committee.

ANTICIPATED RESULTS AND BROADER IMPACTS

This study will produce a consensus report with conclusions and recommendations. The committee will prepare and deliver a prepublication copy of its final report within 22 months of receipt of funds; an additional 2 months are necessary to allow for publication of the final volume. The committee and its report will be subject to standard NRC procedures for peer review and will be available to the public upon request. At project completion, representatives of the committee and staff will perform appropriate dissemination activities, including conducting briefings, giving presentations at relevant technical and policy conferences, and writing articles for relevant publications.

WSTB reports are known for being authoritative, insightful, helpful, and balanced. They are often the benchmark for policy considerations and for setting national research agendas. WSTB committees are composed of a broad spectrum of professionals who are well suited to synthesizing the complex issues that typify the water resources landscape. However, our reports are not simply for government agencies and university researchers. In a contentious and litigious society, they often provide common ground from which disparate interests can come together to resolve complex water resource issues.

More specifically, this report should be immediately useful to agencies, practitioners, and

scientists involved in conjunctive use of groundwater and surface water, aquifer storage and recovery, and water reuse. By transforming the accumulated knowledge of tens of water districts and utilities into scientific knowledge, it will provide a valuable source of information on the risks and opportunities of underground storage of water in different settings. It will examine the difficulties that have been encountered in such systems, how they have (or have not) been overcome, and how such problems may be avoided in the future. Those working in public health and risk assessment will receive information on the physical, chemical, and geological factors associated with underground storage of water that may affect human and environmental health risks. And those involved in, or regulating, water supply, watershed management or instream flows will find ideas for institutional, regulatory and legal changes that would increase the feasibility of sustainable underground storage if adopted.

PUBLIC INFORMATION ABOUT THE PROJECT

In order to afford the public greater knowledge of Academy activities and an opportunity to provide comments on these activities, the Academy may post on its website (www.national-academies.org) the following information as appropriate under its procedures: (1) notices of meetings open to the public; (2) brief descriptions of projects; (3) committee appointments (including biographies of committee members); (4) report information; and (5) any other pertinent information.

FEDERAL ADVISORY COMMITTEE ACT

The Academy has developed interim policies and procedures to implement Section 15 of the Federal Advisory Committee Act, 5 U.S.C. App. § 15. Section 15 includes certain requirements regarding public access and conflicts of interest that are applicable to agreements under which the Academy, using a committee, provides advice or recommendations to a Federal agency. In accordance with Section 15 of FACA, the Academy shall submit to the government sponsor(s) following delivery of each applicable report a certification that the policies and procedures of the Academy that implement Section 15 of FACA have been substantially complied with in the performance of the contract/grant/cooperative agreement with respect to the applicable report.

ESTIMATE OF DURATION AND COSTS

The duration of this effort will be 24 months – approximately July 2004 to June 2006. The total cost is estimated at \$500,000, of which \$50,000 is requested from the Inland Empire Utilities Agency. Other potential sponsors include AwwaRF, WateReuse Foundation, USGS, the city of Phoenix, California DWR, CALFED, National Science Foundation, WERF and other local and regional water suppliers and districts.

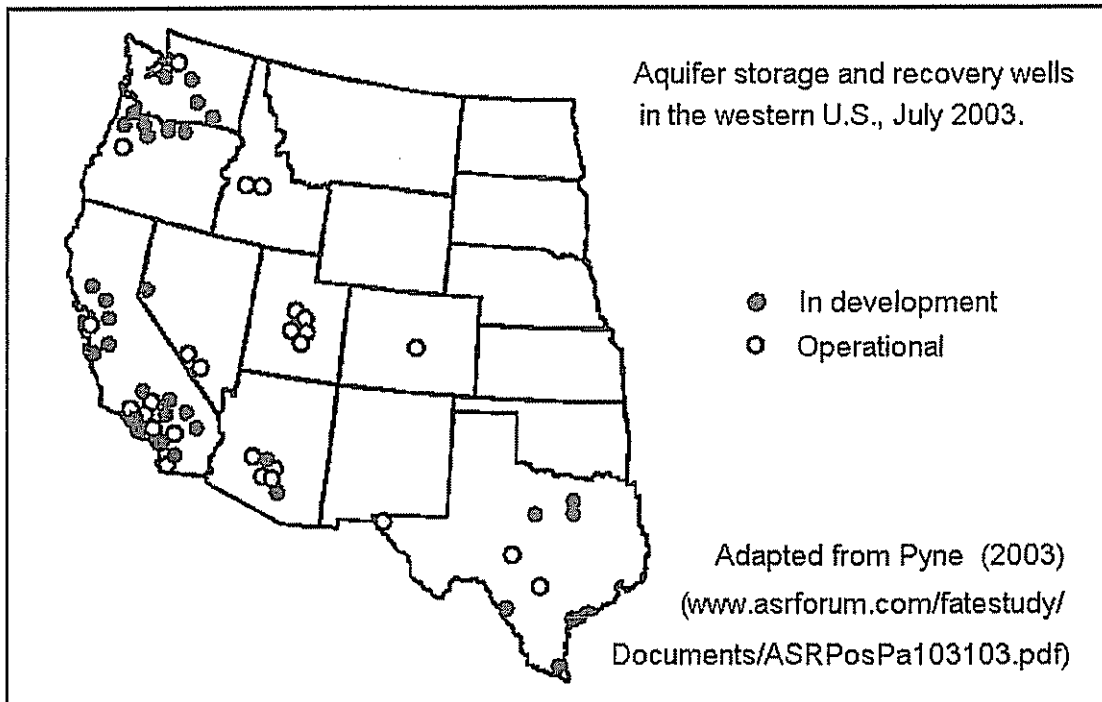
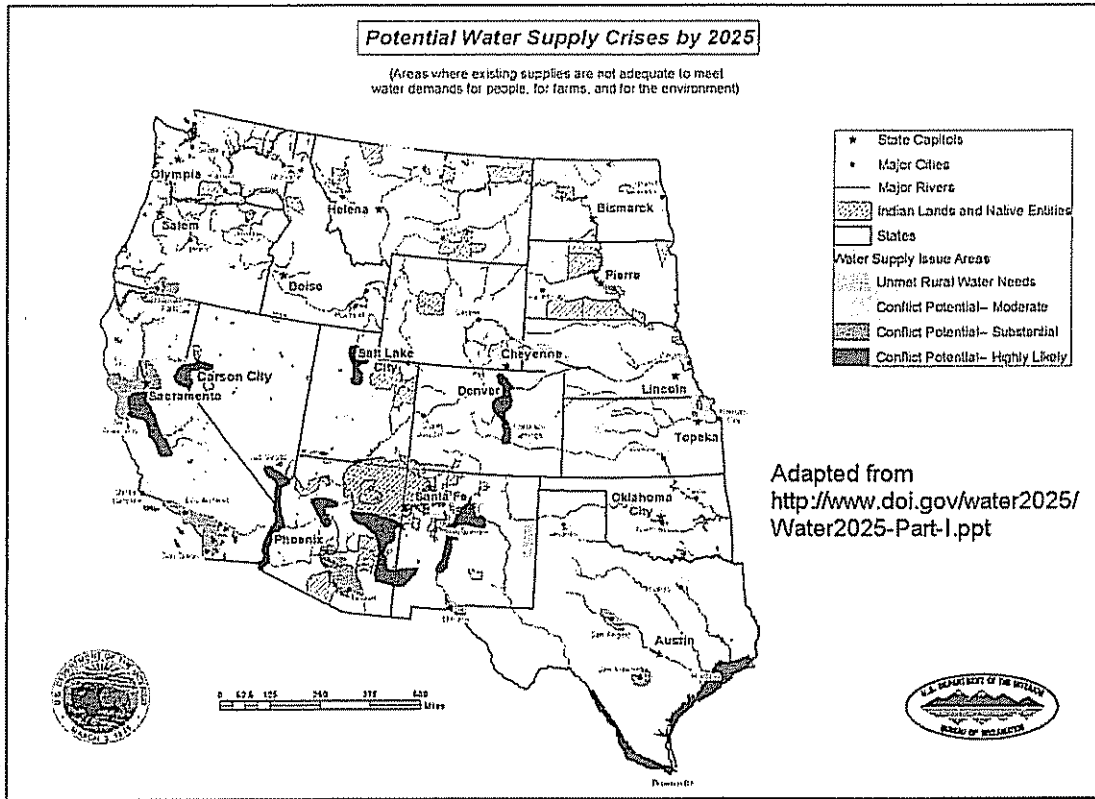


Figure 1. Comparison of ASR sites with high conflict potential sites according to Water 2025.



CHINO BASIN WATERMASTER

II. REPORTS/UPDATES

C. Inland Empire Utilities Agency

4. Water Resource Report
5. Water Conservation Status Report
6. Recycled Water Program
7. Chino Basin Facilities Improvement
Project (Recharge)
8. State/Federal Legislation
9. Public Relations



**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE
July 22, 2004**

AGENDA

INTER-AGENCY WATER MANAGERS' REP ORT

**Chino Basin Watermaster
9641 San Bernardino Rd.
Rancho Cucamonga, CA 91730**

20 – 30 Minutes

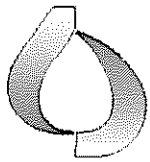
Discussion Items:

- Rialto Pipeline Shutdown – Task Force Update – Richard Atwater
- MWD Status Report – Richard Atwater
- Recharge Project Status Report – Tom Love
-

Written Monthly Updates:

- Water Resources Report (Handout)
- Water Conservation Status Report
- Recycled Water Program
- Chino Basin Facilities Improvement Project (Recharge)
- State/Federal Legislation
- Public Relations

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Date: July 22, 2004
To: Chino Basin Water Master Advisory Committee
From: Inland Empire Utilities Agency
Subject: Water Conservation Report

RECOMMENDATION

For Information Only

BACKGROUND

METROPOLITAN WATER DISTRICT INTEGRATED RESOURCES PLAN UPDATE

On Tuesday, July 13, the MWD Board of Directors gave final approval for the updated Integrated Water Resources Plan (IRP). The IRP was originally created and approved in 1996, but was updated over the last twelve months. The updated IRP calls for a 500,000 acre-foot planning "buffer" that will consist of local projects and imported water sources, plus a 150,000 acre-feet goal to develop seawater desalination projects.

ULF TOILET REBATE PROGRAM

A total of 106 rebates were issued in the month of June, bringing the total number of rebates up to 1,593 for the length of the program, and 1,378 rebates within the current FY. The current fiscal year goal is to complete 1,000 rebates. This program has now met and exceeded the annual goal.

HECW REBATE PROGRAM

A total of 137 rebates were issued during the month of June, bringing the total to 1,780 issued during the current fiscal year. A total of 3,340 rebates have been issued over the length of the program. The current fiscal year goal is 2,500 rebates which puts this program at 71 percent of the goal.

SWIMMING POOL COVER SURVEY PROGRAM

With the support of the Regional Water Conservation Partnership Workgroup, the Swimming Pool Cover Rebate started on July 1st and will continue through September 30th 2004. In the first week of operation of the rebate program, 3 rebates applications have been received. The budgeted goal for this rebate program is 300 for the fiscal year.

MULTI-FAMILY ULF TOILET EXCHANGE PROGRAM

IEUA and its retail water agencies provide free ULF toilets to multi-family property owners throughout the year. The number of ULF toilets installed in the month of June is 252. For the current FY, the program has installed 2,338 toilets. The goal was to complete 3,900 installations, which puts the program at 60 percent of the annual goal. At the request of property owner, the direct installation of 1,056 ULF toilets in the Archstone Apartment building, originally scheduled to occur in June, will be delayed until July/August.

LANDSCAPE AUDIT PROGRAM

A landscape audit program is now under way. Working with IEUA's Partnership agencies, properties with high water use have been targeted and will be offered a free landscape audit/survey to determine improvements needed to the irrigation system, plant selection, stormwater retention prospects, and recycled water use potential. Final recommendations at selected sites could include a weather-based irrigation controller through Metropolitan Water District's ET Controller Program.

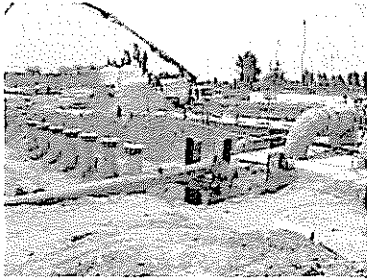
"A GARDEN IN EVERY SCHOOL" PROGRAM

A program to offer a native landscape garden to selected public elementary schools has begun. Through a teacher workshop held on June 8th at IEUA, two school districts (Alta Loma School District and Fontana School Districts) have already agreed to install gardens at elementary schools to be selected. The program goal is to install 7 native plant gardens at 7 different elementary schools during the summer and fall.

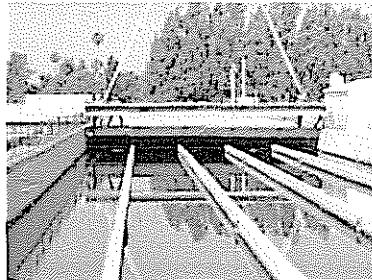


JUNE 2004 RECYCLED WATER SUMMARY

Capital Projects Summary



RP-I New Pump Station



RP-I New Chlorine Contact Basin

Phase I - Projects Under Construction

- RP-1/RP-4 Pump Station (Budget \$7,718,000)
Under construction and scheduled for completion in July 2004.
- RP-1 Chlorination Tank (Budget \$4,817,000)
Under construction and scheduled for completion in July 2004.
- Pine Avenue Intertie (Budget—Phase I & II \$1,066,000) COMPLETE
- Wineville Pipeline (Budget \$2,307,200) COMPLETE
Inland Paperboard Packaging will begin taking recycled water in Summer 2004.
- Reliant Pipeline (Budget \$1,115,476) COMPLETE
- Philadelphia Pipeline (Budget \$3,591,400)
Under construction and scheduled for completion in July 2004.
- Whittram Pipeline (Budget \$3,620,000)
The Whittram Pipeline will serve recycled water to the Banana and Hickory Basins. Project was bid March 11, contract was approved on April 21, with state approval on April 28, 2004. Construction is scheduled for completion by December 2004.
- RP-4 West Branch (Budget \$9,849,000)
Design for the RP-4 West Branch is complete. The pipeline will serve recycled water to Turner Recharge Basins and Empire Lakes Golf Course as well as other customers in Ontario and CVWD. Bid was awarded on May 10, 2004. The project will be completed by Spring 2005.

Total Budget—Active Projects—\$34,084,276

Phase II - Engineering Design

RFP for the Phase II of Regional Recycled Water Distribution System was circulated on March 10, 2004 and includes:

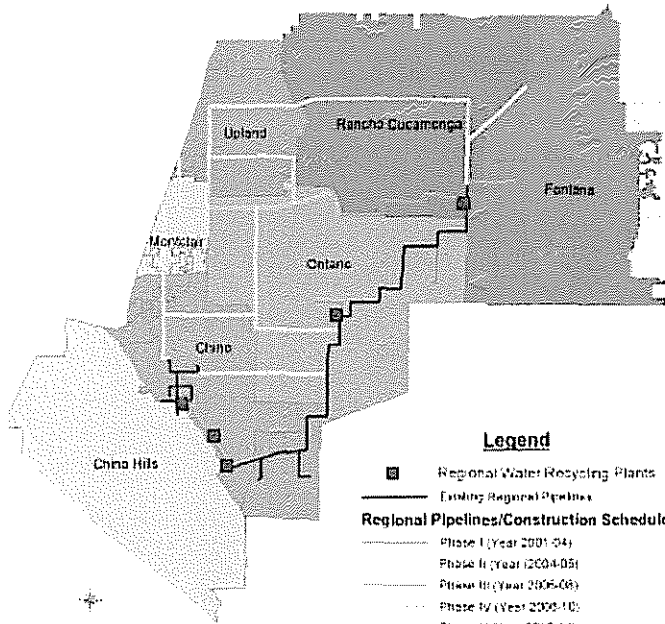
1. Recycled Water Master Plan Update (2005);
2. RP-4 Area 2 MG Regional Recycled Water Reservoir, Pipeline and Pump Station;
3. North Etiwanda Regional Water Pipeline and Pump Station;
4. Etiwanda Avenue 3 MG Regional Recycled Water Reservoir;
5. RP-1 South Regional Recycled Water Pump Station; and
6. San Antonio Channel Recycled Water Pipeline.

Montgomery Watson was awarded for the design of Phase II on June 16, 2004. In addition, consultant will update the existing recycled water master plan to justify and adjust the alignments and update recycled water demands using a hydraulic model.

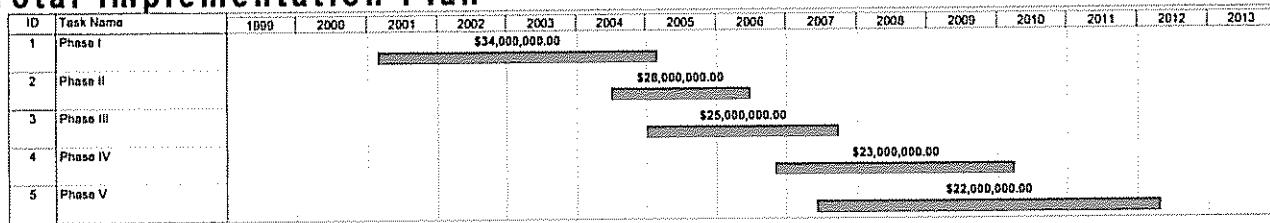
Projected Budget—\$28,000,000

Edison Regional Recycled Water Transmission Pipeline will be designed and built to interconnect the existing CCWRF and TP-1 Outfall system. This pipeline will serve major agricultural users in Ontario and Chino and ultimately many parks and other landscaping customers. In addition, Archibald Alignment will be built to serve new development areas in Ontario and Jurupa community.

Projected Budget—\$12,000,000



Total Implementation Plan



Phase I Implementation Plan

ID	Task Name	Budget	Actual	Remaining	2004															
					Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
1	RP-1/RP-4 Pump Station	\$7,718,000	\$5,244,144	\$2,473,856	[Gantt bars for 2004]															
2	RP-1 Chlorination Tank	\$4,817,200	\$3,668,159	\$1,149,041	[Gantt bars for 2004]															
3	Pine Avenue Interiors	\$1,060,000	\$1,008,431	\$51,569	[Gantt bars for 2004]															
4	Wineville Pipeline	\$2,307,200	\$1,262,998	\$1,044,202	[Gantt bars for 2004]															
5	Reliant Pipeline	\$1,115,476	\$1,115,476	\$0	[Gantt bars for 2004]															
6	Philadelphia Pipeline	\$3,591,400	\$727,483	\$2,863,917	[Gantt bars for 2004]															
7	Whittram Pipeline	\$3,620,000	\$464,750	\$3,155,250	[Gantt bars for 2004]															
8	RP-4 West Branch	\$9,849,000	\$484,068	\$9,364,932	[Gantt bars for 2004]															

Phase II & III Implementation Plan

ID	Task Name	Budget	2004												2005												2006											
			Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul										
1	RP-4 Recycled Water Reservoir	\$3,200,000	[Gantt bars for 2004-2006]																																			
2	North Elwanda Pipeline & Pump Station	\$8,000,000	[Gantt bars for 2004-2006]																																			
3	Elwanda Recycled Water Reservoir	\$4,400,000	[Gantt bars for 2004-2006]																																			
4	RP-1 South Pump Station	\$4,500,000	[Gantt bars for 2004-2006]																																			
5	San Antonio Channel Pipeline	\$8,000,000	[Gantt bars for 2004-2006]																																			
6	Edison Pipeline (Phase III)	\$9,150,000	[Gantt bars for 2004-2006]																																			
7	Archibald Pipeline (Phase III)	\$2,850,000	[Gantt bars for 2004-2006]																																			

Financing Plan

Program Financing Plan:

- Regional Capital Fund 20-25%
- SWRCB Grants 10-15%
- DWR Grant 5%
- Federal Grants 20%
- SWRCB Loans 20-35%

Annual Revenue:

- MWD LPP (Loan Repayment) \$2 Million
- Recycled Water Sales \$4-6 Million

Funding Phase I

- Regional Capital Fund \$7 Million
- SWRCB Recycling Grant \$5 Million
- SWRCB Recycling Loan \$22 Million

Funding Phase II

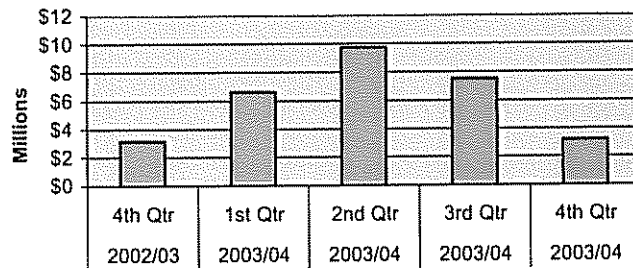
- Regional Capital Fund \$2 Million
- SWRCB Recycling Grant* \$5 Million
- SWRCB Loan* \$1.1 Million
- USBR Grant \$7 Million

*SWRCB Funding application submitted in September 2003 and funding expected in July 2004.

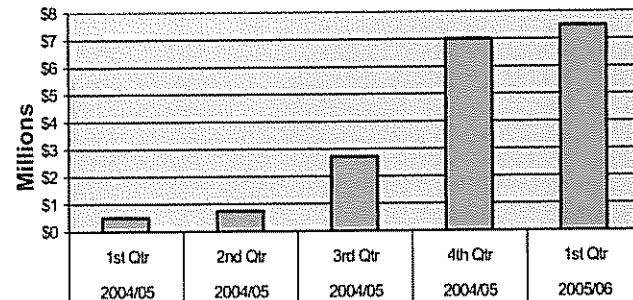
Funding Phase III

- Regional Capital Fund \$2 Million
- SWRCB Loan \$9 Million
- DWR Grant \$7 Million
- USBR Grant \$7 Million

Regional Recycled Water Phase I—Projected Cash Flow



Regional Recycled Water Phase II—Projected Cash Flow



Activity Summary

New Customers in 2003

- 13 new recycled water customers were connected:

	Expected Usage (AF)
CW Farm (former Arthur Farms)	1,000
Lewis Homes Corporation	120
Big League Dreams	100
Fairfield Ranch Neighborhood Park	20
Higgins Brick	5
Engelsma Dairy	150
DBRS Medical System	1
Central Chino Business Park	10
Artesian HOA	5
Reliant Energy	1,000
Fairfield Ranch Business park Phase I	5
Macro-Z Technology	1
Industrial Real Estate Development	3
Total	2,420

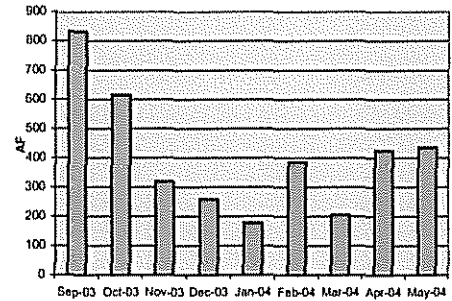
New Customers in 2004

- Fairfield Ranch Business Park Phase II**
Received an approval for the engineer's report from DHS. Needs to complete the cross-connection test prior to using recycled water.
- New Chino Hills High School and elementary school**
The school board has accepted to use recycled water on the school ground. The City of Chino Hills is in the process of preparing the engineer's report.
- Quetico II**
Started to use recycled water in February.
- Sterling & Pinnacle Apartment in Chino Hills**
Submitted the engineer's report to DHS.
- Inland Paper Board**
In the process of negotiating with Inland Paper Board to use recycled water.
- Kaiser Hospital**
DHS approved the engineer's report. With the completion of Philadelphia pipeline in July and the pump station at Regional Plant No. 1 in September, Kaiser will start to use recycled water.
- Murai Farm**
Met with the farmer in May. The farmer is interested in using recycled water, but concerned about the available pressure. The operation is checking the pressure.
- Mission Linen**
In the process of developing retrofit concept to maximize the use of recycled water in the facility.
- Cotton Wood Dairy**
In the process of preparing the engineer's report.

Potential Customers in 2005

- City of Chino**
CIM (CalPoly & Laundry facility), OLS Energy, College Park (2,500 homes, 2 schools, extension of Ayala Park over 435 acre), and Paradise Textile.
- City of Chino Hills**
Vellano Golf Course
- City of Ontario**
Ontario Mills, California Commerce Center, Carlisle Tire & Wheel, Cintas, Crothall Laundry, Danco Metal Surfacing, and Agricultural customers
- City of Rancho Cucamonga**
Empire Lakes Golf Course

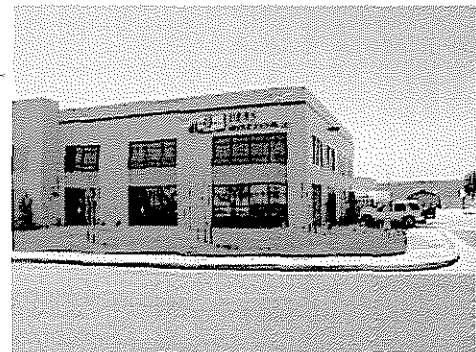
Recycled Water Sales



Delivery Period	FY 2002-03	FY 2003-04
May	305	436
Year to Date	1,211	1,629
FY Total	3,997	4,943
Budget		6,950

Operation & Planning

- TP-1 Outfall line was shutdown on June 17 for a period of 8 hours due to the construction of RP-1 Pump Station.
- During MWD's Rialto Pipeline repair, almost 2 million gallons of recycled water was distributed for construction at no cost to users.



DBRS Medical System in Chino

Customer Development

■ Agricultural customers along the TP-1 Outfall line

Once the RP-1 chlorine contact basin is completed, many agricultural customers and other outfall customers could be served as early as early summer 2004. Prepared priority list of customers and working with Ontario staff to market recycled water.

■ Focused Customer Marketing

Large customers with annual usage over 100 AFY will be targeted. Other smaller customers will be added along the way. IEUA staff is working closely with the retail agencies to develop and update the customer list and to coordinate marketing effort. IEUA's 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 2004

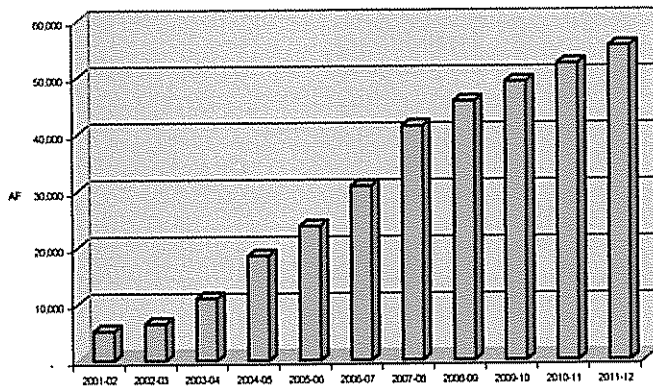
1. Empire Lakes Golf Course	800 AFY
2. Additional Farms on Outfall	5,000 AFY
3. Ontario Center Owners Association	260 AFY
4. California Co-generation	250 AFY
5. Oak Crest Golf Course	500 AFY
6. CIM (Farming Operation & Laundry Facility)	1,500 AFY
7. Paradise Textile	600 AFY
8. Mission Linen	500 AFY



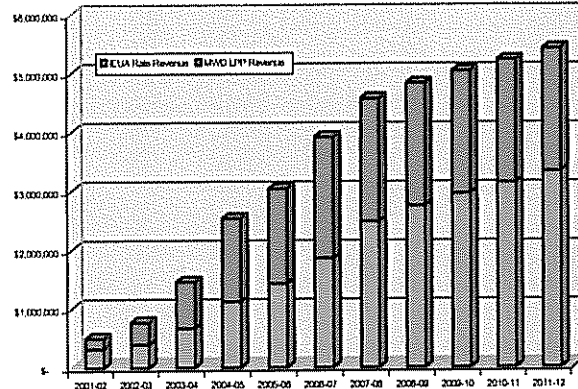
Rincon Park in Chino Hills

Projected Sales & Revenue

Projected Recycled Water Sales

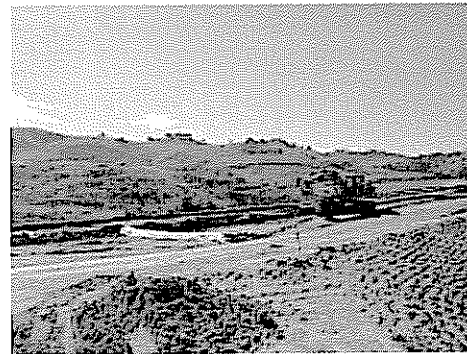


Projected Recycled Water Revenue



Regulatory/Permits

■ CEQA—PEIR Certified	June, 2002
■ CBWM Article X—Approved	May, 2002
■ SARWQCB Basin Plan—Approved	January, 2004
■ DHS Title 22 Report (Recharge)	June, 2004
■ SARWQCB Discharge Permit	Summer, 2004

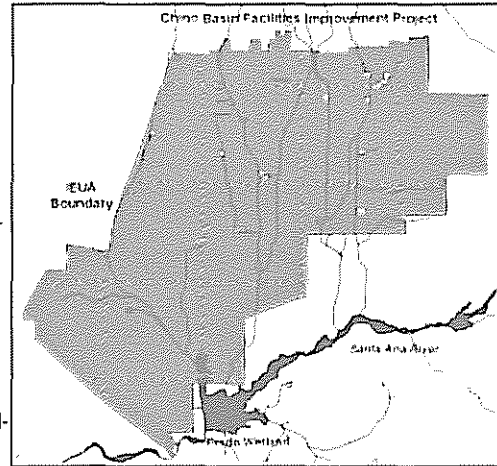


Construction of Vellano Golf Course in Chino Hills

JUNE 2004 CHINO BASIN FACILITIES IMPROVEMENT PROJECT SUMMARY

Program Description

The Chino Basin Facilities Improvement Program (CBFIP), a joint effort of the Chino Basin Watermaster (CBWM), the Chino Basin Water Conservation District (CBWCD), the Inland Empire Utilities Agency (IEUA), and the San Bernardino County Flood Control Department (SBCFCD) is well underway with six of eight bid packages being constructed. IEUA was selected as the "Contracting Agency", established financing for the CBFIP through grants from the Santa Ana Watershed Project Authority (SAWPA) under Proposition 13 in June 1999. The CBFIP is a system comprised of activation of two Metropolitan Water District turnouts from the Rialto Pipeline and construction of a new turnout on the Etiwanda Intertie; modifications to several flood control channels conveying imported water, storm water and recycled water; and five rubber dams and three drop inlets diversion structures in the flood control channels to divert the water to the 18 groundwater recharge sites. The 18 sites have 42 recharge basins varying from 1 to 5 basins at the respective sites. The groundwater recharge sites, when fully developed will have a total annual recharge capacity of 120,000 to 170,000 ac. ft.; 20,000 to 25,000 of storm water; 80,000 to 120,000 ac. ft. of imported water; and 20,000 to 25,000 ac. ft. of recycled water.



The construction of the CBFIP will be in eight phases, with different contractors, totaling \$38,700,000. Construction is projected for completion in March 2005.

Project Purpose:

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

Bid Package No. 1 (Budget \$8,250,000)

Bid Package No. 1 includes six basins: Banana Basin, College Heights Basins, Lower Day Basin, RP-3 Basins, Turner Basin No. 1, Turner Basins No. 2, 3, & 4

■ The IEUA Board of Directors accepted as complete Bid Package No. 1, May 12, 2004.

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:

- Tettermer & Associates (Design Consultant)
- Black & Veatch/IEUA (Program & Construction Management)
- URS/Twining-Govil-Ryan (Geotechnical Consultant)

Bid Package No. 2 (Budget \$7,060,000)

Bid Package No. 2 includes three basins: Declez Basin, Ely Basins 1, 2, & 3, and 8th Street Basins; four rubber dams: College Heights (San Antonio Channel), Lower day Basin (Day Creek Channel), RP-3 Basins (Declez Channel), Turner Basin No. 1 (Cucamonga Channel); and three drop inlets: Brooks Basin (San Antonio Channel), Turner Basins 2, 3, & 4 (Deer Creek Channel), and Victoria Basin (Etiwanda Channel).

Basins status

- Declez Basin – SUBSTANTIALLY COMPLETE
- Ely Basins 1, 2, & 3 – SUBSTANTIALLY COMPLETE—Sluice gates stolen—reordered & installed.
- 8th Street Basins – SUBSTANTIALLY COMPLETE

Rubber Dam status

- The four rubber dams are installed in the channels and have been manually air tested—SUBSTANTIALLY COMPLETE.

Drop Inlets

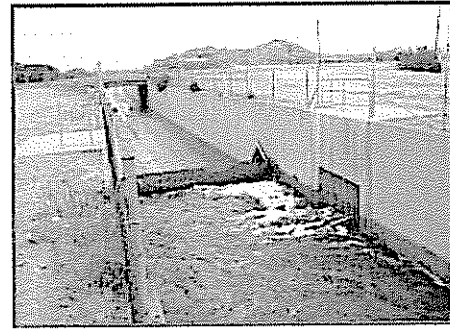
- The three drop inlets—SUBSTANTIALLY COMPLETE

Monitoring Wells at Brooks Basin –SUBSTANTIALLY COMPLETE

- Monitoring Wells at Brooks Basin
- Expected Acceptance Date: July 7, 2004

Bid Package No. 3 (Budget \$3,570,000)

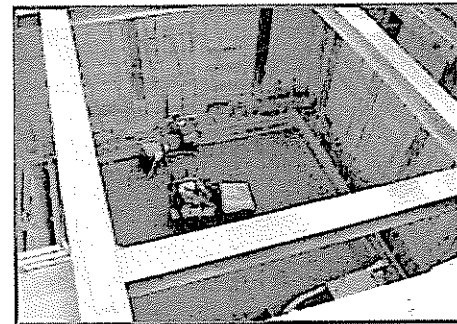
- Construction began January 5, 2004. Bid was \$2,889,477. Estimated claims to date due to changes in alignment, weather and other delays = \$362,000
- Bid Package No. 3 includes the construction of 11,000 linear feet of 36" diameter pipeline in Jurupa Avenue from the Jurupa Basin at Mulberry Avenue to Beech Avenue at the RP-3 Basins.
- 7,500 lineal feet has been installed from RP-3 site westward along Jurupa Avenue. The project is 68% complete.
- The construction period is 367 calendar days.



College Heights Rubber Dam inflated

Bid Package No. 4 (Budget \$2,250,000)

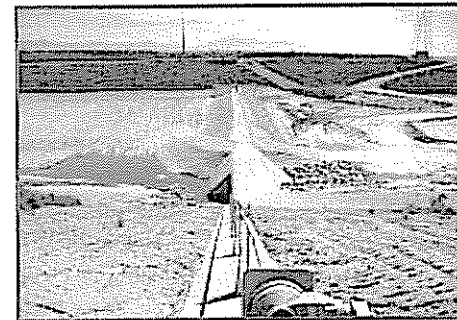
- Bid package No.4 consists of constructing (1) a canal and 100 linear feet of 48" pipe to convey water to (2) the Jurupa Pump Station and (3) 400 lineal feet of 36" diameter cement mortar lined & coated (CML & C) steel pipe force main.
- The Jurupa Basin Pump Station was bid November 20, 2003 and was awarded December 3, 2003. The "notice to proceed" was issued at preconstruction meeting held February 19, 2004. Construction started on February 20, 2004. The invert and second lift of the walls of the wet well have been poured.
- SBCFCD has committed to constructing a section of the San Sevaine concrete channel with a drop inlet and pipeline to deliver stormwater, imported water, and recycled water to Jurupa Basin that will be pumped to the RP-3 Basins and the Delez Basin. The remainder of the San Sevaine Channel between Valley Boulevard to the Jurupa Basin drop inlet will be an open channel until funds are available to complete channel lining.
- The construction period is 218 calendar days.



Jurupa Pump Station

Bid Package No. 5 (Budget \$3,860,000)

- DenBoer has begun construction at the RP-3 site, College Heights Basins, Brooks Basin, Lower Day Basins and Turner Basins; and has ordered cable for all other sites plus appurtenances.
- Radio controls will monitor and govern water levels in all the basins, control the drop inlets and rubber dams; four monitoring sites will be established at the CBWM, CBWCD and SBCFCD offices with the master controls located at RWRP-1. The SBCFCD offices will have a satellite control station.



Lower Day Basin

Basins status

- Montclair Basins—The SCADA system will be installed in the Montclair Basins to control the inlet and internal gates.
- The construction period is 242 calendar days.

Bid Package No. 6 (Budget \$1,450,000)

Bid Package No. 6 includes the MWD CB Turnouts No. 11TB, 15T and a new connection on the Etiwanda Intertie @ Station 211 + 47.

- The Bid for redevelopment of the two existing MWD turnouts and development of a new turnout from the Etiwanda Intertie @ location 211+47 was awarded February 4, 2004 to Griffith Construction, Inc. The letter of Notification to Proceed was issue on March 19, 2004.



Montclair Basin Trenching for SCADA

- IEUA pre-purchased butterfly and sleeve valves to expedite the project. The valves have been delivered and are being installed.
- The Etiwanda Intertie was shutdown on April 25, 2004; tapping the line and tie-in began early April 26, 2004, the butterfly valve was installed @ Station 211 + 47 and completed the same day. Work is progressing at the other two sites.
- The construction period is 193 calendar days.

Bid Package No. 7 (Budget \$3,690,000)

- Announcement of Bid Package No. 7, was on June 11, 2004, a courtesy tour of the prioritized construction sites was conducted on June 18, 2004. The scheduled bid opening is on July 7, 2004, and award of contract is anticipated July 14, 2004.
- The projects and the percentage of the design that is completed are listed by priority as follows:

Project	Design	Estimated Cost
1. RP-3 Mitigation Project, Cell #2	100% complete	\$500,000
2. Hickory Basin Manifold PS	100% complete	\$1,000,000
3. Banana Basin discharge	100% complete	\$70,000
4. Victoria Basin Completion	100% complete	\$1,000,000
5. San Sevaine Rubber Dam & Control House	100% complete	\$185,000
Subtotal		\$2,755,000

- The construction period is 150 calendar days.
 - Upland Basin* \$600,000
- *Per OBMP agreement—Recharge and additional storage

Victoria Basin - Windrow Earth Transport Contract (WET)

- Earthwork permits for Victoria Basin were issued by SBCFCD. Dispatch Trucking, subsidiary of WET, has excavated 100,000 cubic yards of soil from the floor of Victoria Basin saving \$600,000. Due to high gravel content of some material, an estimated 8,000 to 10,000 cu. yds. of un-marketable could not be used; plus, 5,000 cu. yds. of gumbo clay material washed into the basin during the December 25, 2003 storm. Therefore, IEUA contracted with WET for \$89,000 to dispose of these materials separately; removal of the non-marketable material and rough grading of the basin was agreed to for \$40,320. IEUA determined to use the 5,000 cu. yds. of the gumbo clay material to seal the RP-3, Cell No. 2 mitigation site rather than purchasing an equal amount of bentonite clay at \$15.00/cu. yd. The firm price of \$9.92/cu.yd. for excavation, hauling and placement of the 5,000 cu. yds of clay was \$49,600, saving \$25,400.

Montclair Basins

The SCADA system will be installed in the Montclair Basins to control the inlet gate and internal gates.

Bid Package No. 8 (Budget \$1,430,000)

The project is scheduled to start in July 2004 and expected to be completed at the end of September 2004.

1. Upland Basin 48" Pipeline	\$150,000	
2. SCADA Module Refinements	\$350,000	
3. Repair of College Heights Leak	\$700,000	
4. Complete Operational Design Modification	\$100,000	
Subtotal		\$1,300,000

- The construction period is 120 calendar days.

Equipment Cost

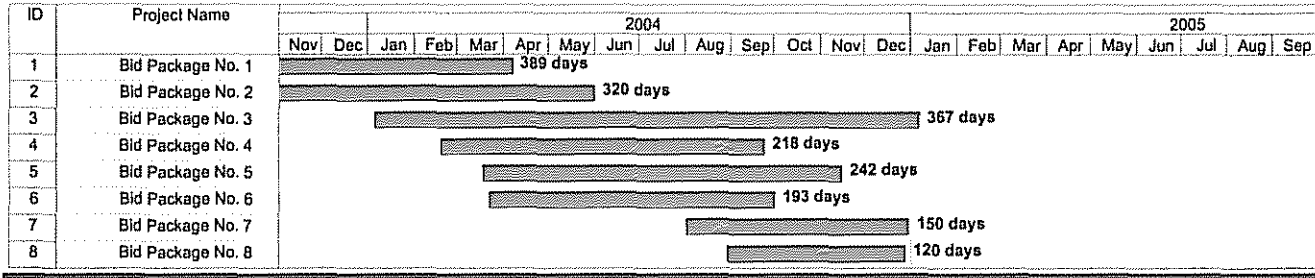
Equipment Pre-Purchased

1. Rubber Dams, 5 ea.	\$886,000
2. Sleeve and BF Valves, 3 ea.	\$265,000

Equipment to be Purchased

1. Portable Pumps, 2 ea.	\$80,000	
2. Spare Parts for Valve Actuator	\$50,000	
3. Safety Grates for Gate Opening	\$7,500	
Subtotal		\$1,288,500

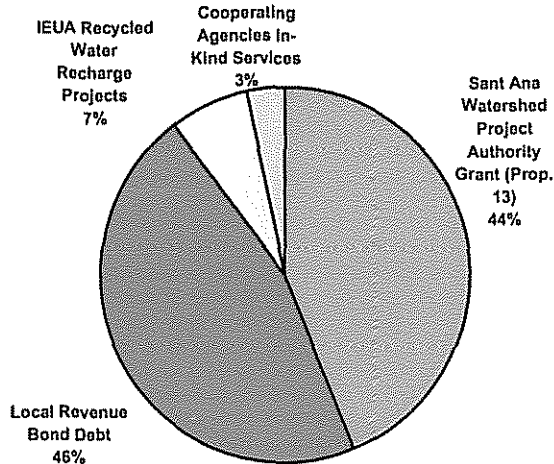
CBFIP Active Projects Construction Schedule



Project Financing

- Santa Ana Watershed Authority Grant (Prop. 13) \$19 Million
- Local revenue bond debt \$19.7 Million
- Cooperating Agencies in-kind Services \$1.5 Million

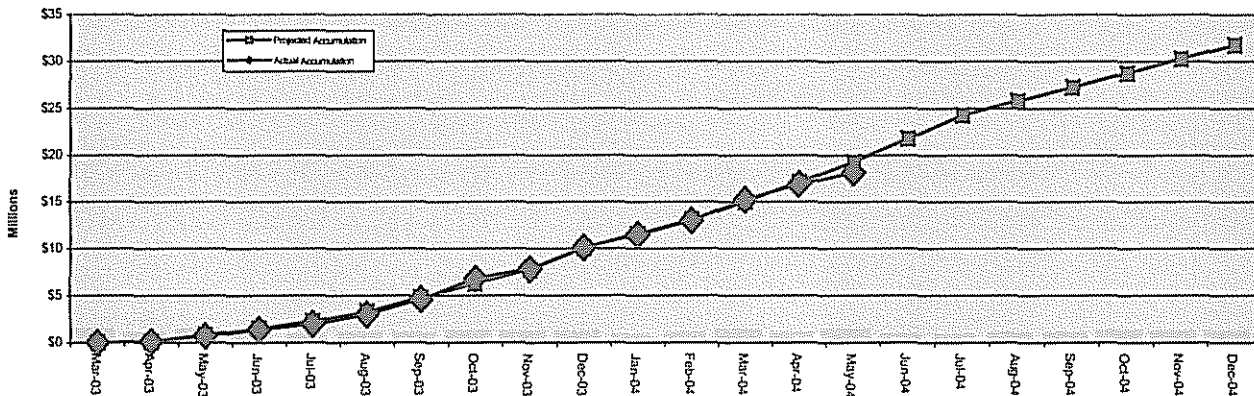
Project Summary



Construction Phase	Estimated Cost	Budget
Bid Package No. 1	\$8,250,000	\$8,250,000
Bid Package No. 2	\$7,060,000	\$7,060,000
Bid Package No. 3	\$3,430,000	\$3,570,000
Bid Package No. 4	\$2,170,000	\$2,250,000
Bid Package No. 5	\$3,610,000	\$3,860,000
Bid Package No. 6	\$1,380,000	\$1,450,000
Bid Package No. 7	\$3,360,000	\$3,690,000
Bid Package No. 8	\$1,300,000	\$0
Non-Construction Cost*	\$8,130,000	\$8,130,000
Total Budget	\$38,690,000	\$38,260,000
Expenditure To Date		(\$26,520,000)

*Includes equipment purchases, engineering administration, and cooperative contribution from other agencies.

Projected vs. Actual Costs



Agricultural Resources

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(202) 546-5115
(202) 546-4472-fax
agresources@erols.com

June 30, 2004

Legislative Report

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

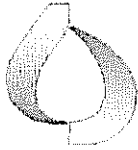
FR: David M. Weiman
Agricultural Resources
LEGISLATIVE REPRESENTATIVE, IEUA

SU: Legislative Report, June 2004

Highlights:

- Water Recycling Bills Marked Up, Reported from House Resources Committee – 200,000 AF of New Water Annually – Reports Filed, House Floor Action Pending
- CALFED Bill Approved by House Resources, Opposition Surfaces to Napolitano Amendments on Water Recycling and Groundwater Remediation
- Drought and Title XVI
- Chino Creek and US Army Corps of Engineers
- Perchlorate – Pombo and Baca Perchlorate Cleanup Bills – Introduced, Hearings Held, Markup Pending
- Perchlorate – Meeting with DOD Officials at Aberdeen Proving Grounds, Assistance with New Technologies Offered
- Perchlorate – Feinstein Amendment Accepted in Senate on DOD Authorization Bill
- Perchlorate – Found in Milk
- Cows and Cars – New IEUA Partnership Proposal
- Cows and Energy Tax Credits

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Inland Empire
UTILITIES AGENCY

Date: July 21, 2004
To: Honorable Board of Directors
Through: Public and Legislative Affairs Committee (7/14/04)
From: Richard W. Atwater
Chief Executive Officer/General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: June Legislative Report from Agricultural Resources

RECOMMENDATION

This is an informational item regarding the June legislative report from Agricultural Resources.

BACKGROUND

Dave Weiman provides a monthly report on his federal activities on behalf of IEUA.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

RWA:MD:jbs
G:\board-rec\2004\04380 June Leg Report from Ag Resources

- **IEUA Working Partners**

Resources Committee Approves Recycling Bills. As previously reported, in May on two occasions, the Resources Committee held a Committee business meeting at which three water recycling bills were passed. These included Rep. Gary Miller's Chino Basin Recycling bill (with authorization for the desalters) and Rep. David Dreier's IEUA and CVWD Recycling Authorizations. At the second May markup, the Committee approved the Orange County Water District recycling bill. Between the three bills, the Title XVI water recycling programs will produce approximately 200,000 af annually of new, recycled water for the region. The Resources Committee filed the Report on the Dreier Bill on May 20. Reports on the Miller and Sanchez (Orange County) bills were filed last week, at the end of June. Next, the bills will be placed on the Suspension Calendar for Floor consideration in July. This calendar is used for "non-controversial" bills. In the last month, Chairman Calvert's Subcommittee is also considering additional water recycling bills in Riverside County and for the Santa Ana region. After being passed in the House, the bills go to the Senate for consideration. A footnote to this report. As you are aware, there was a serious levee break in the Delta several weeks ago. One result – MWD and others are pointing to water recycling (again) as a partial solution to such developments.

Resources Committee Approves CALFED Bill – Backlash and Opposition Growing to Napolitano CALFED Amendments (Recycling and Ground Water Remediation). Last month, I reported that the House Resources Committee passed its version of the CALFED bill. Even though neither the Pombo/Calvert version of the bill, nor the Feinstein-Boxer version (also passed by Committee in the Senate) have gone to the Floor of either Chamber, the bill is being functionally "conferenced." Closed-door House/Senate meetings began in mid-June and are now occurring several times a week. As highlighted in last month's report, Rep. Grace Napolitano offered an amendment to declare the water recycling projects in the Southern California Feasibility Study "feasible," overturning the Interior Department's assertion to the contrary. In addition, her amendment contained a wholly new provision making "groundwater remediation" projects eligible for CALFED funding. This has the potential to help IEUA fund perchlorate and VOC groundwater problems. Chairman Domenici, on behalf of the Senate Energy Committee, is opposing the water recycling language. It is believed this is being done at the request of the Interior Department. Additionally, last last week, issues arose over the "brine line" language in the House version of the bill. These issues are being addressed now.

Drought and Title XVI. In mid-June, the USGS released a report declaring the current drought in the West to be a "500-year" drought. The water situation on the Colorado River is getting significant media attention and is well known. Lake Mead is at 55% of capacity and dropping. Lake Powell is down so far that one of the Power Agencies reported a week ago that power production may be suspended in 2005. The drought problem, in California and throughout the West, is wide-spread. California is feeling it internally in addition to dealing with it as a result of the reduction of water from the Colorado River. Notwithstanding the Interior Department's desire to eliminate the water recycling program, the drought is compelling fresh attention for it. In Nevada, Title XVI projects are being advanced to deal with the drought. I anticipate several Title XVI projects to be considered in the House in the remaining days of the Session. It's hard to imagine that the session will end without a "drought-relief" bill, though one is not pending at

this time.

Army Corps – Chino Creek Restoration Study. Meetings between the Corps and IEUA are continuing. The Corps staff at headquarters did not know that the IEUA project helped address ESA issues. This may become a new justification to restart the project. Discussions are on-going and include the LA District office as well as the office of the Assistant Secretary for Civil Works.

Perchlorate – Pombo and Baca Perchlorate Remediation Bills. In April, Resources Committee Chairman, Richard Pombo (R-CA) introduced a \$25 million cost-shared groundwater remediation (i.e. perchlorate) cleanup bill for the Santa Clara Valley. Rep. Baca, joined by Rep. Ken Calvert, Rep. Grace Napolitano, Rep. Gary Miller, and others, introduced a companion bill for the Santa Ana and San Gabriel watersheds. Both bills were heard on June 23rd. GM Atwater was asked to recommend a witness and, as a result, Robert DeLoach, GM, Cucamonga Valley Water District testified as did officials from the Rialto area. Testifying on behalf of the Bureau of Reclamation, Deputy Commissioner Renne, opposed the bill. The hearing became somewhat energized when Ranking Member Napolitano asked what they were doing to “track and understand” the perchlorate problem. The Deputy Commissioner replied that (a) they weren’t tracking it or even meeting to discuss it; and (b) the Bureau was really a “water supply” agency and all but declared that this problem was beyond their scope of interest. The explanations advanced by Bureau were not well received. The panel was not impressed. Pombo, Baca, Calvert and Napolitano concluded the hearing in full agreement on the need for these bills. SAWPA sent a letter of support for the Baca bill and submitted a draft report on perchlorate in the watershed which profiles the problem in each of the five member agency service areas. We are awaiting word from Pombo that these bills will be marked up in July.

Perchlorate – Meeting with DOD at Aberdeen Proving Ground. Last Thursday, immediately after the hearing on perchlorate, I arranged for Robert DeLoach and Marty Zvirbulis, the Deputy GM to meet with the US Army Environmental Center – a somewhat obscure agency within DOD and the Army that, among other things, addresses environmental issues, perchlorate included. The meeting took place at the Aberdeen Proving Grounds in Aberdeen, MD (up near the MD/DE border).

- Positive meeting.
- Army is intrigued with the Cucamonga initiative pending at DOD to test and evaluate PUV for disinfection and/or possible perchlorate cleanup and wants to be helpful. To that end, they offered the following:
 - Assistance designing test protocols for the PUV test.
 - Access to their staff of chemists, scientists and technical experts
 - DOD participation in field tests, as observers, advisors, etc.
 - Assistance in writing up and presenting test and evaluation results
 - Out reach nationally to regulators through an established process

DOD is deeply divided internally on perchlorate. Some want to engage. Others are content, instead to "defer, deflect, delay -- and duck." The US Army Environmental Center is actively looking for ways to engage constructively. Very refreshing.

Perchlorate – Feinstein Amendment to DOD Authorization Bill Accepted in Senate.

The Senate has taken up the annual DOD Authorization Bill. The Senate, late last week, completed action on the annual DOD policy bill. Last month, Senator Feinstein introduced an amendment urging DOD to take the lead in finding new ways to cleanup perchlorate. It was accepted.

Perchlorate – New Report Finds Perchlorate in Milk. The Environmental Working Group issued another report on perchlorate, this time as found in milk, according to sources at the State of California but previously unreleased. Worked with the Milk Producer's Council to fashion a response.

Cows and Cars. IEUA is continuing to work with CalStart on this new initiative. This effort is on-going. The proposal is to take some of the methane from dairy cows, clean it up, and then running a fleet of trucks and busses – all to reduce the regional air and water quality challenges.

Cows and Energy Tax Credits. Last month, IEUA issued a press release on the sale of energy tax credits. This statement was circulated to our delegation and to officials at the Energy Department, EPA, USDA and Interior. It generated numerous comments including, from R. Mack Gray, the USDA's Deputy Under Secretary for Resources, "*This is good news. I, as you know, the willingness of the power companies to buy power from agricultural operations who have methane digesters has been and continues to be one of the largest roadblocks to the use of digester technology. I hope that the cooperation between agricultural operations and the power companies will be stimulated by this agreement.*"

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

- Metropolitan Water District of Southern California
- Milk Producer's Council
- SAWPA
- Water Environment Federation (WEF)
- Association of California Water Agencies (ACWA)
- WaterReuse Association
- CALStart
- OCWD
- CVWD
- Others



Inland Empire
UTILITIES AGENCY

Date: July 21, 2004
To: Honorable Board of Directors
Through: Public and Legislative Affairs Committee (7/14/04)
From: Richard W. Atwater
Chief Executive Officer/General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: June Legislative Report from Dolphin Group

RECOMMENDATION

This is an informational item regarding the June legislative report from Dolphin Group.

BACKGROUND

Michael Boccodoro provides a monthly report on his activities on behalf of the Chino Basin/Optimum Basin Management Program Coalition.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

RWA:MD:jbs
G:\board-rec\2004\04379 June Leg Report from Dolphin Group

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Chino Basin / OBMP Coalition

Status Report – June 2004

ENERGY/REGULATORY

Community Choice Aggregation

Phase 1 of the proceeding to establish the rules that will govern Community Choice Aggregation continues at the CPUC. The CPUC is charged with the task of coming up with the rules to allow cities and counties to buy & sell electricity on behalf of utility customers. The rules will implement AB 117 (Midgen), passed by the Legislature in 2002, which authorizes communities to opt out of utility service and purchase power as a group.

Testimony from various parties was submitted throughout the month of May. Evidentiary hearings commenced in early June and are scheduled to continue through the end of this month. The schedule for Phase 1 continues to be extended due to the volume of testimony and documentation submitted. However, a draft decision for Phase 1 of the proceeding is expected from the Administrative Law Judge later this summer.

The primary issues addressed in Phase 1 include:

- Whether “exit fees” will be capped or allowed to fluctuate with the market in order to reflect real costs?
 - If “exit fees” are capped it is likely to be at 2.7 cents/kwh where they will remain until the shortfall created in the early years is paid off.
 - Uncapped rates may be higher than 2.7 cents in the first few years but are likely to decrease significantly thereafter
- The manner in which CCA will be implemented. Specifically, whether CCA will be implemented immediately in an unrestricted manner, or as a pilot program that will gradually be phased in to various areas.
- The costs associated with implementing CCA. How these costs will be paid, either directly by CCA customers or by IOU. And, ultimately who will be responsible for these costs.

How the CPUC rules on CCA-related costs is sure to influence the success of the programs. The Dolphin Group continues to closely monitor this proceeding.

Water District Self-Generation (Implementation of SB 1755)

This proceeding remains stalled at the Commission. The presiding judge indicated that it is unlikely that it will resume before Fall.

The Dolphin Group will continue to follow this proceeding and offer further testimony as directed by the Commission. We may also want to consider having Senator Soto, the author of SB 1755, send a letter following up with the CPUC to expedite the process.

Biogas Net Metering

IEUA staff, DGI and Edison representatives held a conference call on June 23rd to discuss the interconnection issues for the net metering program.

The purpose of the call was intended to clarify the legislative intent of AB 2228 and resolve remaining issues. Within two days all outstanding issues had been resolved which will now allow the interconnection to proceed.

LEGISLATIVE

Energy Market Restructuring

Legislation seeking to restructure California's failed electricity market continue to proceed in Sacramento.

A heavily amended **AB 2006** (Nunez D-Los Angeles) passed out of the Senate Energy, Utilities and Communications Committee on a recent 5-2 vote.

The measure was the subject of intensive debate and lobbying. The full extent of the amendments will not be known until the measure is in print over the next week or so. The sections of the bill dealing with utility generation and procurement remain the most controversial issues.

The Direct Access, or core/noncore, provisions were also amended and are moving in the right direction. Still to be resolved is the kW threshold for non-core participants and an anticipated MW limit. It is likely that the Legislature will punt these determinations to the CPUC to decide as the bill moves forward. The measure was also amended to allow for aggregation of individual meters at the same locations on contiguous property.

More importantly, the Schwarzenegger Administration has strongly suggested that they wish to pursue future regulation primarily through the CPUC as opposed to the Legislature. While not making explicit threats, the Administration has hinted that it will veto any legislation concerning procurement, as it believes AB 57, passed in 2001, gives the commission adequate authority to manage utility energy procurement.

AB 428, authored by Assemblymembers Keith Richman (R-Northridge) and Joe Canciamilla (D-Pittsburgh), failed in the Senate Energy, Utilities and Communications Committee. The bill would have implemented much of Governor Schwarzenegger's energy goals, including directing the CPUC to implement a core/noncore electricity market.

SPECIAL DISTRICT REFORM

SB 1272 (Ortiz D-Sacramento) is unlikely to be revived this year after failing in the Senate Appropriations Committee. The author is waiting for the results of a number of audits currently being conducted on special districts.

Along these lines, the California State Auditor has released the report which audited eight water districts across the state. The report made three significant conclusions:

1. Water Districts need to improve reserve policies

The Audit found that many districts had relatively high reserves (and average of 2.2 years operating expenses) without clear policies dictating the dedicated uses of those reserves. The report recommended that districts adopt clear policies to manage reserves.

2. Ethics Training

The Audit suggested that districts implement more comprehensive ethics training for management and directors to avoid violations and conflicts of interest.

3. Director Compensation

The State Auditor further recommended that districts improve reporting guidelines for director compensation, benefits and reimbursement practices.

It is likely that key components of this report will be incorporated into legislation next year.

GOVERNOR'S LOCAL GOVERNMENT PROPOSAL

Governor Schwarzenegger negotiated a deal with local government groups pursuing a constitutional amendment seeking to protect local revenues. In exchange for a \$1.3 billion transfer to the state in each of the next two years, the Administration will support a Constitutional amendment on the November ballot to limit similar transfers in future years.

Under the proposal, enterprise special districts will be expected to shift \$225 million per year, contributing roughly 40% of collected property tax revenues.

The Legislature is still debating the overall proposal, and is one of the few remaining topics of discussion of the state budget. Numerous changes to the Governor's proposal have already been made and the constitutional protection remains controversial. Extensive discussions are focusing on replacing the constitutional protection with statutory protection requiring a 4/5 majority of the Legislature.

The Legislature has already missed the June 15th Constitutional deadline for enacting a budget and is not expected to pass a budget by the beginning of the new fiscal year on July 1st. Several outstanding, including local government finance, are holding up discussions.

Allocation of \$1.3 Billion Revenue Shift

Governor's Proposal

Agencies—Amount	Allocation
<p>Cities— \$350 Million</p>	<ul style="list-style-type: none"> • One-third of the \$350 million reflects each city's proportionate share of statewide city vehicle license fee (VLF) revenues. Another one-third reflects each city's share of property taxes. The final one-third reflects each city's share of sales taxes. • Each city's reduction must be at least 2 percent—and not more than 4 percent—of the city's general-purpose revenues.
<p>Counties— \$350 Million</p>	<ul style="list-style-type: none"> • Each county's reduction reflects its proportionate share of 2003-04 county nonrealignment VLF. Three small counties (Trinity, Del Norte, and Lassen) are subject to a smaller reduction. In general, the county allocation formula is similar to imposing reductions on a population basis.
<p>Independent Special Districts— \$350 Million</p>	<ul style="list-style-type: none"> • Enterprise special districts (largely water and waste disposal districts) shift 40 percent of their property taxes, up to a maximum of \$225 million. • Nonenterprise special districts—with the exception of fire, police, healthcare, and library districts—shift 25 percent of their property taxes, up to a maximum of \$125 million. • Fire, police, healthcare, and library districts are exempt from the shift. • If this methodology fails to generate \$350 million statewide, the percentage reductions are increased proportionately.
<p>Redevelopment Agencies— \$250 Million</p>	<ul style="list-style-type: none"> • Half of the amount (\$125 million) is allocated among redevelopment agencies based on their relative share of gross tax increment revenues. The other half is allocated based on tax increment net of revenues "passed-through" to other agencies. This formula is similar to the ERAF methodology in current law. • If an agency fails to make its payment to ERAF, the city or county sponsoring agency makes the payment.



Inland Empire
UTILITY SERVICES AGENCY

Date: July 21, 2004
To: Honorable Board of Directors
Through: Public and Legislative Affairs Committee (7/14/04)
From: Richard W. Atwater
Chief Executive Officer/General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: June Legislative Report from Geyer and Associates

RECOMMENDATION

This is an informational item regarding the June legislative report from Geyer and Associates.

BACKGROUND

Bill Geyer and Jennifer West provide a monthly report on their state activities on behalf of IEUA.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

RWA:MD:jbs
G:\board rec\2004\04381 June Leg Report from Geyer

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MEMORANDUM

TO: Richard Atwater and Martha Davis

FROM: Jennifer West

DATE: June 25, 2004

RE: June Legislative Report

Please see attached bill lists for IEUA. Many of these bills are set for hearing within the next week. I will provide the board with an update right before its July meeting.

Budget Update

Budget negotiations are now taking place between the "Big 5" (Senate and Assembly leadership and the Governor) over the Governor's deal with cities, counties and special districts to accept a budget cut of \$2.6 billion over two years. During the month of June, Legislators in both houses began strongly objecting to one of the cornerstones to the deal -- the passage of a constitutional amendment prohibiting state government from siphoning property tax revenues in future years. There is broad concern that this would lock in place what many consider an inequitable system of property tax distribution. However, nothing in this agreement prevents further reform. And local government sources have begun talking about pursuing a comprehensive reform package once local funding sources are stabilized.

The deal was further complicated when transit agencies reduced their shift to only 3%, despite initial tough talk from the negotiators that no section would be exempted or have their share reduced from the 40% level. Now other components on the deal are suddenly open to negotiations, such as excluding from the shift some or all revenues used to finance debt service. IEUA and SAWPA are supporting a debt service exemption, similar to the one that was contained in the early 1990s ERAF shift.

There is general consensus that a budget agreement will be reached by the end of the month. At this point, there is still no document available describing the details of the agreement. I will provide the IEUA an update right before the board meeting.

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Inland Empire Utilities Agency

Positions/Position Recommendations

June 25, 2004

Bill # / Title	Summary	Position	Status
Desalination			
SB 318 (Alpert) UWMP: Desal	Requires UWMP to describe the opportunities for development of desalinated water, including brackish water. SCWA is the sponsor. Possible vehicle for desalination funding (Chap.6 \$50 M) in Proposition 50. Careful watch.	Support (03)	Assembly Inactive
ERAF/Local Government			
SB 407 (Torlakson) Local district financing	Would have redirected property tax revenue from Monte Vista Water District and at least one other SAWPA member agency. IEUA and SAWPA helped defeat this measure on the Assembly Floor in 2003. Depending upon what happens with the Governor's property tax budget proposal, this measure will probably not be revived.	Oppose (03)	Assembly Inactive
SB 1387 (Romero) Sanitation agencies	Requires a sanitation agency with a jurisdiction over 5 million (Los Angeles County) to get a vote of the people before developing or improving land for the purposes of creating or expanding a materials recycling center, including biosolids. The bill specifically targets a project in Senator Romero's district (Puente Hills MRF). Cities and counties are raising concerns that the bill usurps their decision-making authority. IEUA is opposed because the measure is bad precedent and, if expanded to areas with lower populations, could be applicable to IEUA's co-composting facilities. Initial policy hearing was cancelled on the bill. They will need a rule waiver to proceed.	Oppose (3/04)	Senate Local Gov. (dead)

SB 1272 (Ortiz) Special District Audits	Comprehensive special district reform measure. <ul style="list-style-type: none"> • Prohibits any member of the governing board of a special district from having any interest, financial or otherwise, or engage in any activity that is in conflict with the proper discharge of his or her duties. Any violation would be a new crime. • Requires legal and ethical orientation sessions for board members. • Establishes whistle-blower protections for board member or employees. • Requires that a meeting be noticed to the public if compensation is allowed. • Requires that for board members who first take office after 2005, no life insurance, health care or retirement benefits be provided. <p>ACWA circulated an alternative proposal to numerous water districts in the state, but has decided not to pursue this alternative proposal in 2004.</p>	Oppose unless amended (5/04)	Senate Approps. (dead)
Water Quality			
AB 2528 (Lowenthal) Action Level	IEUA and MWD heavily involved in the writing and placement of the bill. Deletes the term "action level." Replaces the term with "notification level" and "response level." Requires DHS to determine if a contaminate warrants just notification to the public by the local agencies, or further remediation actions. This is currently done administratively by DHS and the bill makes no changes to their determination process. Applies these terms to all sources of drinking water, including surface water. Action levels currently only apply to groundwater.	Support (1/04)	Senate Approps.
Water Supply/Watersheds			
AB 2690 (Hancock) Watershed: prevailing wage	Would exempt from the definition of "public works" any work that is performed by a volunteer, a volunteer coordinator, or by members of the California Conservation Corps, or of a certified Community Conservation Corps. This will exempt watershed volunteer work from the prevailing wage provisions of Proposition 50.	Support (3/04)	Senate Labor Committee

<p>SB 1155 (Machado) Cal-FED</p>	<p>The author reached a compromise on the bill right before it was heard and passed in the Assembly Water Parks and Wildlife Committee. The bill now requires the Director of DWR in collaboration with the Secretary to develop a plan by January 1, 2006 to meet the existing permit and license conditions for which DWR has an obligation under SWRCB Decision 1641. Requires that the plan be filed with the SWRCB and the Authority prior to increasing the rate of pumping at the Banks Pumping Plant. Also states the DWR is not limited or restricted in its operations of the SWP due to the failure of other water rights holders to meet the water quality conditions of their respective permits or licenses.</p> <p>These amendments remove most of the opposition to the bill. Recommend IEUA remove its opposition as well.</p>	<p>Oppose unless amended (3/04)</p> <p>Recommend removal of opposition</p>	<p>Assembly Approps.</p>
<p>Water Conservation</p>			
<p>AB 2299 (Plescia) Dishwasher water Efficiency</p>	<p>Requires the CEC by 2006 to revise regulations for commercial dishwashing pre-rinse spray values to use less than 1.6 gallons of water per minutes. San Diego County Water Authority is the sponsor.</p>	<p>Support (3/04)</p>	<p>Assembly Natural Resources (dead)</p>
<p>AB 2298 (Plescia) Landscape water metering</p>	<p>Requires that by 2006 a public water system serving 3,000 or more connections install or require the installation of water meters or submeters for irrigated landscapes of more than 10,000 square feet. Does not apply to single- family dwellings. By 2007 this information shall be used in whole or in part for billing purposes. The sponsors included language in the bill that is intended to make the program more compatible with the delivery of recycled water.</p> <p>The bill unfortunately was written in a way so that it would not apply to charter cities including Los Angeles, San Diego, San Francisco and Sacramento. The author intends to amend the bill to fix this. However, the bill was held in the Senate Ag and Water Committee because Senator Machado wanted to talk to the sponsors about including a provision about indoor water use. If Senator Machado is satisfied after these discussions, the bill will be reset for hearing and presumably granted a rule waiver.</p>	<p>Support (3/04)</p>	<p>Senate Ag. and Water Resources (held in committee)</p>

AB 2572 (Kehoe) Water Meters	With certain exceptions, requires all urban water suppliers to install or cause to be installed water meters on all municipal and industrial services, and to bill volumetrically based on those meters.	Support (3/04)	Senate Approps
Proposition 50/Bonds			
SB 403 (Florez) Air Quality Bond	<p>Places a \$5.15 billion bond on a future ballot to provide financing for a variety of projects and programs to reduce air pollution and improve agricultural practices and conserve agricultural lands.</p> <p>Part of the funding would go toward the creation of the "Innovative Clean Air Technology Program", which would provide \$400 million for programs such as biomass digester, which generate electricity from waste products.</p> <p>The bond also contains \$250 million for the purpose of acquiring easements over agricultural lands and incentives for retaining agricultural land in the Williamson Act. We are working with the author to help specify how the \$250 million would be spent, particularly as it relates to land in the Williamson Act. MPC is also in support.</p> <p>The bill passed out of Assembly Natural Resources Committee, but was re-referred back to the Assembly Rules Committee. It is unclear at this point whether the Administration and the Legislature are willing to put another major bond measure on a future, unspecified ballot.</p>	Support (6/5/04)	Assembly Rules
SB 1132 (Brulte) Prop. 50, Chap. 8 Fire Impacts	As amended 4/12, gives preference for Chapter 8 funds to projects designed to restore, repair, rehabilitate or replace water management projects damaged or destroyed as a consequence of fires or other natural disasters. Recent amendments made clear that more than just flood control projects were eligible for funding. SAWPA in support of the bill. The bill failed passage in a policy committee, but it may be revived as part of the budget proposal.	Support (4/04)	Senate Enviro. Quality (dead)

Inland Empire Utilities Agency

WATCH

("C" lowest level, "B" mid level, "A" high level watch)

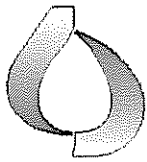
June 25, 2004

Bill # / Title	Summary	Watch Level	Status
Propositions 50 and 40			
AB 1647 (Horton) Prop. 50: Private Water Companies	Recent gut and amend that would allow private water companies to be eligible for Prop. 50 grant funds. Identical to SB 909, which was held in the Assembly Water Parks and Wildlife Committee (see below).	B	Senate Energy 6/28
SB 117 (Machado) Prop. 50 disadvantaged communities	Corrects a mistake in the Prop. 50 trailer bill language from last year on Prop. 50. Waives matching rates for economically disadvantaged communities. Requires state agencies, to the maximum extent feasible, to provide outreach to disadvantaged communities on Prop. 50 grant opportunities.	B	Assembly Approps
SB 909 (Machado) Water Grant	Allows grants of state bond funds to be made to public water utilities and mutual water companies.	B	Assembly W.P.W. (died)
SB 1318 (Burton) Prop. 50: Chap. 10	Appropriates up to \$30 million from Prop. 50 (from the WCB and Coastal Conservancy accounts) to the "Ocean Protection Council" created by another Burton bill (SB 1319). The funds will be available for a competitive grant program for ocean and coastal protection measures. Also requires that all SWRCB Prop. 50 funds comply with coastal watershed legislation authored by Assemblywoman Pavley in 2002.	B	Assembly Appros. 6/22
Groundwater			
SB 543 (Machado) Groundwater	Sponsored by a southern California private water company, the bill appears to alter the water rights for those entities that are under order to clean up contamination. Watermaster helped secure amendments to clarify that the bill will not impact water rights in adjudicated basins.	A	Assembly Enviro. Safety & Toxic Materials
AB 2733 (Strickland) Ventura County	The bill would exempt Ventura County from filing individual groundwater well reports to the SWRCB and paying the new fee of \$150 per well. SAWPA was	B	Senate Floor

Groundwater	successful in getting amendments to the bill that would allow SAWPA or any other agency in the region to volunteer to collect the groundwater well information and send it to the SWRCB. While these agencies may charge a fee for the collection service, it must be lower than the \$150 per well fee the SWRCB charges.		
Water Quality/Penalties and Fees			
AB 1020 (Laird) Contaminates: Civil Action	Authorizes a public water system to bring civil action against any RP for the presence of any contaminate in surface or groundwater supplies utilized by the water district. Recoverable costs include investigation, replacement water and attorney's fees.	A	Senate Inactive
AB 1353 (Matthews) Waste Discharge	Exempts a person who stores liquid wastewater in a holding tank and periodically transports the liquid to an authorized disposal facility from filing a WDR. Sponsored by the Wine Institute.	C	Senate Enviro. Quality 6/28
AB 2342 (Jackson) PHGs	When reviewing a PHG every five years the state should take into account the health impacts that contaminants may have on subpopulations, including children and infants.	B	Senate Approps. 6/28
AB 2884 (Calderon) RWRCB liability exemption	Requires RWQCB to abate a polluting condition when a local authority cannot complete the abatement. Santa Clara Valley Water District is the sponsor.	A	Senate Enviro Quality 6/28
SB 1477 (Sher) SWRCB: Wetlands	Requires that SWRCB create a new statewide permitting program under Porter-Cologne, for wetlands impacts no longer regulated by the Corps. The SWRCB has recently adopted an order increasing wetland mitigation requirements under its existing statutory authority. The bill failed passage in Assembly Water Parks and Wildlife, with five Democrats voting "no" or staying off the bill. Senator Sher will try to move the proposal using some other vehicle. RLC led a very large coalition effort on this bill.	B	Assembly Water Parks and Wildlife
Water Conservation			
AB 2470 (Kehoe) Water Conservation Program	Requires that water conservation material be made available on the sale of residential development. The water district would provide the material and could raise rates to offset the cost, pursuant to current law.	A	Senate Floor
AB 2717 (Laird) CUWCC	Declares the Legislature's intent to have the California Urban Water Conservation	B	Senate

	Council convene a stakeholders group to evaluate and recommend proposals for improving the efficiency of water use in new and existing urban irrigated landscapes in the state. The CUWCC would report to the Legislature by 2005 and pay their own expenses.		Approps.
SB 1909 (Ag. Committee)	Changes the term "reclaimed water" to "recycled water" in the code. Possible spot bill.	C	Assembly Floor
Special Districts/Property Tax Revenue			
SB 1310 (Johnson) MWD Complaints Member Agencies	Current law requires MWD to submit an annual report to the Legislature detailing member agency complaints of unethical, unauthorized or illegal activities by MWD against any member agency or the public. This bill extends this reporting requirement from 2005 to 2010.	B	Assembly Approps. 6/23
SB 1351 (Soto) Revolving Door	Prohibits "revolving door" activities between formal local officials and the agency where they used to hold office. City of Ontario scandal is the likely reason for the bill.	C	Assembly Local Gov.
Chino Basin/Santa Ana Region			
AB 496 (Correa) Santa Ana Conservancy	Establishes the Santa Ana River Conservancy by 2012. The conservancy would acquire lands within ½ mile on either side of the river. Establishes a 13-member board. One member would be designated from SAWPA. Last year OCWD opposed the bill and SAWPA and IEUA remained neutral.	A	Senate Natural Resources & Water 6/29
AB 2063 (Negrete-McLeod) Chino Ag. Preserve	Allows the County of San Bernardino to sell property within the Chino Agricultural Preserve that was purchased with Prop. 70 funds, provided the county uses all the proceeds from the sale only for the acquisition of replacement land within the Chino Ag. Preserve. San Bernardino County is the sponsor. MPC is in support.	B	Senate Natural Resources 6/29
AB 2212 (Runner) Dairy relocation	Makes changes to the redevelopment law to promote the relocation of dairies from Chino Basin to Harper Dry Lake. MPC is in support.	C	Senate Enviro. Quality 6/28
AB 2439 (Haynes) Elsinor Valley Municipal Water D.	Allows recreational use with body contact in a reservoir within the district.	C	Senate Enviro. Quality 6/28

Cal-Fed/Water Transfers			
SB 1374 (Machado) Transfers Third Party Impacts	Requires SWRCB to consider a number of factors before approving a long-term water transfer that will result in substantial negative third party impacts, including negative environmental and economic impacts.	B	Assembly Water Parks and Wildlife
Miscellaneous			
AB 1522 (Parra) Water rights	Specifies under what circumstances a water rights permits may be revoked. States that when a water rights permit is revoked without a hearing, the permittee may file with the SWRCB a request to set aside the revocation within 30 days of the order.	B	Senate Ag. and Water Resources
AB 2141 Longville (Floodplain Management)	Creates that Alluvial Fan Task Force, to be established by DWR. Would require the task force to prepare a model ordinance on alluvial fan flood plain management. San Bernardino County, agricultural groups and local governments are specifically included in the task force.	B	Senate Approps.
AB 2311 (Jackson) Green Buildings	Calls upon the state to develop a sustainable, or "green" building goal. Requires the formulation of a defined state strategy and annual reporting requirement on the implementation of that strategy.	B	Senate Approps.
SB 1089 (Johnson) SWPC Fund	For revolving fund monies, requires the SWRCB to give preference, to the maximum extent possible, to capital improvement projects undertaken by a municipality that is subject to an administrative compliance order relating to a sanitary sewer collection system.	B	Assembly
SB 1479 (Sher) RWQCB	Reduces the membership of the regional water quality control boards from nine to five. Reduces from three to one the number of persons appointed from the general public category. Previous versions eliminated the agricultural slots on the boards. These slots were reinstated after massive agricultural opposition. SWRCB sponsored.	C	Assembly Approps
Energy			
AB 2006 (Nunez) Energy Market restructuring	Addresses core and noncore issues and community choice aggregate. Energy coalition is handling the bill.	A	Assembly Floor



Date: July 22, 2004

To: The Honorable Board of Directors

From: Richard W. Atwater
Chief Executive Officer/General Manager

Submitted by: Sondra Elrod
Public Information Officer

Subject: Public Outreach and Communications

RECOMMENDATION

This is an informational item regarding a status update on public outreach and communications.

BACKGROUND

Outreach

Tours

- US Bureau of Reclamation Morocco Delegation tour of Desalter and HQ
June 22, 2004
- MWD's Colorado River Water User's Workshop tour of HQ and IEUA overview
June 25, 2004
- Visit of West Bengal, India Delegation to the US on Renewable Energy tour of RP-5 manure digestr
June 28, 2004
- AQMD tour of Desalter and RP-5 manure digester
June 28, 2004

Cerrell and Associates

- Finalized IEUA information/presentation boards to be displayed at IEUA facilities, SAWPA, etc.
- Preparing Landscape and Stormwater Brochure, RP-5 Brochure. IEUA Fact Sheet
- Provided general media relation support.

Conferences

- Digester Summit II
June 29 and 30, 2004

Calendar of Upcoming Events

- IEUA Leadership Breakfast
July 20, 2004 at 7:30am
- Local Government Commission Workshop
July 23, 2004
- IEUA Commercial Landscape Classes
July 7, 14, 21, 28
- LEED celebration
July 29, 2004

PRIOR BOARD ACTION

None

IMPACT ON BUDGET

None



CHINO BASIN WATERMASTER

III. INFORMATION

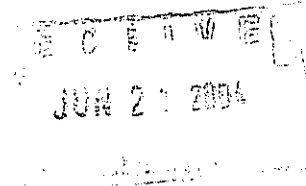
1. San Diego County Water
Authority Letter of Interest
Regarding Water in Storage





San Diego County Water Authority
 4677 Cleveland Avenue • San Diego, California 92121-4298
 (858) 522-3500 FAX (858) 522-8566
 www.sdawa.org

June 18, 2004



Sherri Rojo
 Chino Basin Watermaster
 9641 San Bernardino Road
 Rancho Cucamonga, CA 91730

Dear Sherri:

Letter of Interest in Purchasing Up to 20,000 Acre-feet
 from Local Storage Accounts within Chino Basin

The San Diego County Water Authority (Water Authority) understands that Chino Basin now has about 100,000 acre-feet stored in local storage accounts which is available for purchase by interested parties. The Water Authority is interested in exploring the purchase of up to 20,000 acre-feet in the basin that can be withdrawn or exchanged with other parties at the Water Authority's discretion primarily during dry-years when the Water Authority's water supplies from other sources may be partially curtailed.

The Water Authority is interested in discussing with Watermaster the price, term, and conditions of an agreement for the purchase of such water. Terms and conditions of agreement would be subject to approval by the Water Authority's Board of Directors before execution.

We look forward to talking with you the Water Authority's purchase of this water. Bob Campbell from our staff will contact you regarding arranging a meeting for further discussions.

Sincerely,

Maureen A. Stapleton
 General Manager

MAS:njs

MEMBER AGENCIES

CITIES
 • Del Mar • Encinitas • National City
 • Oceanside • Poway • San Diego

IRRIGATION DISTRICTS
 • Santa Fe • South Bay
 • Vista

WATER DISTRICTS
 • Halia • Otay
 • San Dieguito
 • Vallecitos

MUNICIPAL WATER DISTRICTS
 • Carlsbad • Ramona
 • Olivenhain • Rincon del Diablo
 • Foothill • Valley Center
 • Rainbow • Yuima

COUNTY
 • San Diego
 (an official)

PUBLIC UTILITY DISTRICT
 • Fallbrook

FEDERAL AGENCY
 • Pendleton Military Reservation

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CHINO BASIN WATERMASTER

III. INFORMATION

2. Annual Operating Plan for Fiscal Year 2004/2005





CHINO BASIN WATERMASTER

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

STAFF REPORT

DATE: July 8, 2004
July 20, 2004
July 22, 2004

TO: Committee Members
Watermaster Board Members

SUBJECT: Dry Year Yield Operating Plan For Fiscal 2004/2005

SUMMARY

Issue - Approve Initial Operating Plan for Chino Basin MWD Conjunctive Use Program

Recommendation - Staff recommends that the Pools forward a recommendation to the Advisory Committee to approve the Initial Operating Plan for Chino Basin MWD Conjunctive Use Program

Fiscal Impact - Approval of Operating plan has no impact on the Watermaster budget.

BACKGROUND

As part of the new MWD Groundwater Storage Program, Dry Year Yield Project, Watermaster must submit on to MWD annually the Annual Operating Plan. The plan is to outline proposed deliveries for fiscal 2004/2005. The attached draft operating plan details deliveries by connection for the MZ1 6,500 acre-foot program, the in-lieu deliveries for the Dry Year Yield Program, and estimated deliveries for the replenishment obligation for last year.

MWD will have State Project water available throughout the year which will allow for wet water replenishment. The approval of the operating plan will allow for in-lieu deliveries into MWD's storage account. The Advisory Committee and the Watermaster Board will be considering final approval of the related storage account at this months meeting. Staff would like to have the operating plan approval considered concurrently in order that those agencies wishing to begin in-lieu deliveries will be able to proceed.

The initial plan is subject to change as water is available and agency needs change. Staff is currently analyzing the replenishment capabilities as the recharge improvement project proceeds, as well as how this recharge will meet our replenishment obligation. A final draft plan will be handed out at the meetings.

Agencies are not obligated to take these deliveries, but amounts are estimated based on the percentage of shift performance obligations as previously determined by the participating agencies. Final deliveries are expected to differ.

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Annual Operating Plan

Agency Name Inland Empire Utilities Agency

CHINO BASIN WATERMASTER

Annual Operating Plan

Acre-Feet	Estimated												Total
	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	
Dry Year Yield Operating Plan - Storage													
Planned Storage													
Direct													
Service Connections													
CB-13T	-	400	-	-	-	-	-	-	-	-	-	-	400
CB-14T	300	400	-	-	-	-	-	-	-	-	-	-	700
OC-59	-	-	-	-	-	-	-	-	-	-	-	-	0
	300	800	0	0	0	0	0	0	0	0	0	0	1,100
In-Lieu													
Service Connections													
CB-12	400	400	400	1,400	1,614	1,542	400	1,000	1,000	1,450	1,800	1,000	12,406
CB-16	-	-	-	-	-	-	-	-	-	-	-	-	-
	400	400	400	1,400	1,614	1,542	400	1,000	1,000	1,450	1,800	1,000	12,406
Subtotal Storage	700	1,200	400	1,400	1,614	1,542	400	1,000	1,000	1,450	1,800	1,000	13,506
Replenishment Deliveries													
Replenishment (Including 6500 Acre-Feet to MZ-1)													
Direct													
Service Connections													
CB-13T	0	0	0	0	0	0	0	0	0	0	0	0	0
CB-14T	400	400	400	400	400	400	200	200	200	400	400	400	4,200
OC-59	1,500	1,500	1,500	1,500	1,500	900	700	700	700	1,500	1,500	1,500	15,000
CB-11T (Deer Creek)	0	0	0	0	0	0	0	0	300	300	300	300	1,200
CB-15T (Day Creek)	0	0	0	0	0	0	0	0	250	250	250	250	1,000
CB 247+11 (Etiwanda Inter-tie)	0	0	0	0	0	0	0	0	1,350	1,350	1,350	1,350	5,400
	1900	1900	1900	1900	1900	1300	900	900	900	1900	1900	1900	26,800
In-Lieu													
Service Connections													
CB-12	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-16	-	-	-	-	-	-	-	-	-	-	-	-	-
	0	0	0	0	0	0	0	0	0	0	0	0	0
Cyclic Account													
Subtotal Replenishment	1,900	1,900	1,900	1,900	1,900	1,300	900	900	900	1,900	1,900	1,900	26,800
Total All Deliveries	2,600	3,100	2,300	3,300	3,514	2,842	1,300	1,900	1,900	3,350	3,700	2,900	40,306