

# CHINO BASIN WATERMASTER



## NOTICE OF MEETINGS

Thursday, September 30, 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  
ADVISORY COMMITTEE MEETING**

9:00 a.m. – September 30, 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 on August 26, 2004 (*page 1*)

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of August 2004 (*page 17*)
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2004 through July 31, 2004 (*page 21*)
3. Treasurer's Report of Financial Affairs for the Period July 1 through July 31, 2004 (*page 23*)
4. Profit & Loss Budget vs. Actual July 2004 (*page 25*)

**C. NOTICE OF CONRAD & ASSOCIATES, LLP TO PERFORM FISCAL YEAR 2003-04  
FINANCIAL STATEMENTS AUDIT**

**II. BUSINESS ITEMS**

**A. CONSIDER FIRST AMENDMENT TO PEACE AGREEMENT AND WATERMASTER  
RESOLUTION 2004-\_\_**

Consider the First Amendment to the Peace Agreement Regarding Salt Credits and Allocation of Stormwater Recharge and Consider Associated Watermaster Resolution (*page 27*)

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. September 2, 2004 Hearing
2. Castaic Lake Water Agency Meetings
3. Attorney/Manager Meetings

**B. STAFF REPORT**

1. Update on Pilot Project at IEUA for Composting and Other Related Studies
2. Update on the Cleanup and Abatement Orders
4. Update on Subsidence Monitoring Program

- 5. "Think Environment Week" Flyer (page 37)

**C. METROPOLITAN WATER DISTRICT MEMBER AGENCY REPORT**

- 1) **INLAND EMPIRE UTILITIES AGENCY** (page 39)
  - a. Rialto Pipeline Shutdown – Task Force Update – Rich Atwater (oral)
  - b. MWD Status Report – Rich Atwater (oral)
  - c. College Heights Project Status Report – Tom Love (oral)
  - d. Southern California Water Quality Planning Project – Martha Davis (oral)
  - e. Proposition 50 Grant Funding Status Report – Martha Davis (oral)
  - f. Water Resources Report (handout)
  - g. Water Conservation Status Report
  - h. Recycled Water Program
  - i. Chino Basin Facilities Improvement Project
  - j. State/Federal Legislation
  - k. Public Relations
- 2) **WESTERN MUNICIPAL WATER DISTRICT**
  - a. Relevant Activities – John Rossi (oral)
- 3) **THREE VALLEYS MUNICIPAL WATER DISTRICT**
  - a. Relevant Activities – Rick Hansen (oral)

**IV. INFORMATION**

- 1. August 2004 Shutdown Workgroup (page 81)
- 2. Drought Proof the Chino Basin (page 83)
- 3. Newspaper Clippings (page 85)

**V. COMMITTEE MEMBER COMMENTS**

**VI. OTHER BUSINESS**

**VII. FUTURE MEETINGS**

September 30, 2004	9:00 a.m.	Advisory Committee Meeting
September 30, 2004	11:00 a.m.	Watermaster Board Meeting
October 14, 2004	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
October 18, 2004	1:30 p.m.	AGWA Meeting
October 19, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
October 28, 2004	9:00 a.m.	Advisory Committee Meeting
October 28, 2004	11:00 a.m.	Watermaster Board Meeting

**Meeting Adjourn**

**CHINO BASIN WATERMASTER  
WATERMASTER BOARD MEETING**

11:00 a.m. – September 30, 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**

**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 Watermaster Board Meeting held on August 26, 2004 (*page 9*)

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of August 2004 (*page 17*)
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2004 through July 31, 2004 (*page 21*)
3. Treasurer's Report of Financial Affairs for the Period July 1 through July 31, 2004 (*page 23*)
4. Profit & Loss Budget vs. Actual July 2004 (*page 25*)

**C. NOTICE OF CONRAD & ASSOCIATES, LLP TO PERFORM FISCAL YEAR 2003-04  
FINANCIAL STATEMENTS AUDIT**

**II. BUSINESS ITEMS**

**A. CONSIDER FIRST AMENDMENT TO PEACE AGREEMENT AND WATERMASTER  
RESOLUTION 2004-\_\_**

Consider the First Amendment to the Peace Agreement Regarding Salt Credits and Allocation of Stormwater Recharge and Consider Associated Watermaster Resolution (*page 27*)

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. September 2, 2004 Hearing
2. Castaic Lake Water Agency Meetings
3. Attorney/Manager Meetings

**B. STAFF REPORT**

- 1. Update on Pilot Project at IEUA for Composting and Other Related Studies
- 2. Update on the Cleanup and Abatement Orders
- 3. Update on Subsidence Monitoring Program
- 4. "Think Environment Week" Flyer *(page 39)*

**IV. INFORMATION**

- 1. August 2004 Shutdown Workgroup *(page 81)*
- 2. Drought Proof the Chino Basin *(page 83)*
- 3. Newspaper Clippings *(page 85)*

**V. BOARD MEMBER COMMENTS**

**VI. OTHER BUSINESS**

**VII. 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**

September 30, 2004	9:00 a.m.	Advisory Committee Meeting
September 30, 2004	11:00 a.m.	Watermaster Board Meeting
October 14, 2004	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
October 18, 2004	1:30 p.m.	AGWA Meeting
October 19, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
October 28, 2004	9:00 a.m.	Advisory Committee Meeting
October 28, 2004	11:00 a.m.	Watermaster Board Meeting

**Meeting Adjourn**



# CHINO BASIN WATERMASTER

**September 30, 2004**

9:00 a.m. – Advisory Committee Meeting

And

11:00 a.m. – Watermaster Board Meeting

## AGENDA PACKAGE





# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Advisory Committee Meeting  
August 26, 2004



**Draft Minutes**  
**CHINO BASIN WATERMASTER**  
**ADVISORY COMMITTEE MEETING**

*August 26, 2004*

The Advisory Committee Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on August 26, 2004 at 9:00 a.m.

**ADVISORY COMMITTEE MEMBERS PRESENT**

**Appropriative Pool**

Ken Jeske, Chair	City of Ontario
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
Gerald Black	Fontana Union Water Company
Mike Maestas	City of Chino Hills
Mark Kinsey	Monte Vista Water District

**Agricultural Pool**

Robert Nobles	State of California Institute for Men
John Huitsing	Milk Producers Counsel

**Non-Agricultural Pool**

Bob Bowcock	Vulcan Materials Company (Calmat Division)
-------------	--

**Watermaster Board Members Present**

Robert Neufeld	Fontana Union Water Company
----------------	-----------------------------

**Watermaster Staff Present**

Sheri Rojo	Chief of Watermaster/Finance Manager
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
Martha Davis	Inland Empire Utilities Agency
Dave Hill	Inland Empire Utilities Agency
Josephine Johnson	Monte Vista Water Company
Rick Rees	Geomatrix for CIM
Bill Stafford	Marygold Mutual Water Company
Ken Manning	San Gabriel Valley School District

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

**AGENDA - ADDITIONS/REORDER**

Chair Jeske recognized the new Chief Executive Officer for the Chino Basin Watermaster, Ken Manning, and welcomed him to the Advisory meeting. Chair Jeske noted there would be a formal introduction for Mr. Manning at the Watermaster Board meeting with lunch provided after the meeting.



Chair Jeske informed the Committee Members there was an upcoming Groundwater Resources Association Conference in September and applications for that conference are available on the back table. Chair Jeske noted the regularly scheduled Advisory meeting on September 23 could possibly be changed to September 30 due to several Committee members' attendance at that conference.

Due to a lack of quorum at the start of the meeting, Chair Jeske asked that the Consent Calendar and Business Items section be placed on hold until the arrival of the required members.

### III. REPORTS/UPDATES

#### A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

##### 1. Attorney/Manager Meetings

Counsel Fife noted that Item D in Business Item section could be discussed now since it is an information only item and is in correlation with Attorney/Manager meetings. Counsel Fife commented the Attorney/Manager meetings are moving forward and progress is being made on different areas including the storage issue. In those meetings a resolution for the salt credit issue has been concluded which is represented by way of an amendment to the Peace Agreement. The first amendment has been distributed and discussed by all parties involved with the Attorney/Manager process; copies will be available as a hand out later today. This is not an action item today it must go through the Pool process first, however, it is being distributed today for review. The next meeting will be held at Best Best and Krieger on September 13 at 9:00 a.m. Mr. Kinsey noted the Monte Vista Water District's took action on the first amendment last night and authorized us to ratify it once it goes through the Watermaster process. Counsel Fife commented for Watermaster purposes there is not only a first amendment but also a Resolution, noting that Watermaster is not a signatory to the Peace Agreement by which needing to pass a Resolution committing Watermaster to proceed in accordance with the Peace Agreement. The question of whether or not there are a certain number of entities that need to have a Resolution of their governing bodies before we take this first amendment to the court was presented. Counsel Fife stated that unless there are exigent circumstances all parties who signed the original Peace Agreement will need to consent to the first amendment. Chair Jeske stated that all signatories will need to take this item to their individual Boards. Counsel Fife commented he was anticipating this will be done in the month of September due to an October court date.

##### 2. Santa Ana River Application Process

Counsel Fife reviewed the recent issues with the Santa Ana River application process noting the recently released Environmental Impact Report (EIR) from Orange County Water District (OCWD) which the State Board has recently commented on. Counsel Fife noted OCWD quite possibly will have to redo their EIR at some level. Counsel Fife has spoken to Mr. Rossi and Western Municipal Water District will be putting out their EIR in the next 30 to 60 days. Counsel Fife stated that San Bernardino Municipal Water District has put out their EIR and comments are due back on that. Counsel will be looking at our CEQA compliance noting the position on CEQA is that we are finished due to our PEIR and our findings of our consistency for the Recharge Master Plan. That will be reviewed again in light of the State Board's position with regards to OCWD EIR; we will not be redoing any of our environmental work, however, it may be supplemented.

In addition there are a number of items with regard to the Santa Ana River which are coming along which include the critical habitat with Prado Basin (staff has started attending task force meetings regarding this issue) noting the comment period on the critical habitat designation has been extended. Watermaster also has the Basin Plan Amendment which is being reviewed by the State Board presently and will hopefully be processed in a timely manner. Counsel Fife commented there are a lot of issues going on with the Santa Ana River presently and because of that we will be seeing quite a bit of action on the Santa Ana River.

Chair Jeske noted there was a recently reported Agreement between Redlands, Bear Valley, et al, San Bernardino Muni, and Western; Counsel Fife noted that Mr. Rossi had commented on that Agreement at the last Board meeting they have come up with a Settlement Agreement concerning water rights to the Seven Oaks Dam water and the result is that all of the upper water shed entities are going to withdraw their protests of each others applications. Counsel Fife stated with this their applications will begin to move more smoothly through the process.

## B. STAFF REPORT

### 1. Phase VII Bid Results

Ms. Rojo stated the Phase VII bid results for the Recharge Improvement Project was included into the package for a review only. Mr. Wellington inquired about totals on the Phase VII bid results whether they indicated above or below funding availability. Mr. Atwater gave a detailed explanation on the bid packages and commented this information was available on their web site, however, felt we were right on target. Mr. Wellington reiterated that through bid package VII we have all the basins in the original set up except the College Heights Basin. It was noted that additional work would need to be performed at the College Heights Basin to get it up and running. Ms. Rojo commented we are on budget for completion dates and dollars spent.

### 2. Groundwater Modeling Update/Interim Results

Ms. Rojo remarked that Mr. Wildermuth has been working diligently on this project and wanted him to provide the group with an update on his efforts. Mr. Wildermuth stated that Metropolitan through Inland Empire Utilities Agency funded the development of a detailed groundwater model of the Chino Basin and some surrounding areas. Mr. Wildermuth stated the only area where we found problems in calibrating that model was in the area of the deep zone in Chino Hills. As a parallel effort to the OBMP we have been collecting groundwater well data every 15 minutes for about 40 or 50 wells and noted that on the west side of the Basin there is an extensometer facility and from that we have been able to come up with revised aquifer properties which have excellent calibration right now. Our ongoing efforts presently support our Peace II process; we now have a recalibrated model and will be receiving planning information shortly from Black & Veatch. Once we receive that information we will go back and re-run those scenarios as well as some scenarios that were requested by appropriators in the Peace II process. Mr. Wildermuth commented this will allow us to review different groundwater production scenarios in the lower end of the basins which will give us an idea if we need to construct a large wellfield and desalter south of the existing desalter well fields or if we can achieve the goals of the OBMP with a series of distributed facilities located north of the existing desalter well fields. Mr. Wildermuth anticipates having some results in approximately two weeks and producing a full document from that in about four weeks.

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

Ms. Rojo commented there have been discussions regarding Desalter II and an update on this was given at the recent Agricultural Pool meeting, however, that presentation was put on hold while we continue dialog with the Chino Desalter Authority. Ms. Rojo noted that on page 155 of the packet is the July 2004 Progress Report for the Chino I Expansion and Chino II Desalter Project if more information on this is needed.

## C. METROPOLITAN WATER DISTRICT MEMBER AGENCY REPORT

### 1. Rialto Pipeline Shutdown – Task Force Update – Rich Atwater (oral)

Mr. Atwater noted this item was discussed at the July Advisory Committee meeting and with discussions with Metropolitan Water District (MET) they are working with the San Gabriel Valley Municipal Water District on our concept of having emergency back up connections. Mr. Atwater commented there is work being done with engineering studies about how to isolate the 30 mile reach of the Rialto pipeline from Devils Canyon to Live

Oak. Cucamonga has provided background information on how to improve their 7 day outage and it is expected to get the information from the WFA participants in about mid September. Once those items are put together the gathered information will be used at the next meeting with MET.

2. MWD Status Report – Rich Atwater (oral)  
Mr. Atwater noted there is a scheduled meeting on September 10 regarding the groundwater replenishment rates and commented he is still advocating having the rates reduced next year, however, in the meantime MET will be publishing their proposed rates in the next few months which will not take effect until January 1, 2006. There is a member agency workshop on the replenishment rates scheduled.
3. College Heights Project Status Report – Tom Love (oral)  
Mr. Atwater mentioned that Mr. Love could not attend today's meeting, however, there was a written summary on the College Heights Basin Seepage Evaluation – Status Report now available on the back table. Mr. Atwater summarized the handout and reviewed the summary of tasks which included 1) Install four additional monitoring wells at strategic locations, 2) Develop protocol for seepage test, 3) Using information collected from wells and seepage test develop a flow model, 4) Flow model will be used to predict water surface elevations in embankments and below adjacent and nearby property, and 5) Develop operating parameters and monitoring requirements to safely recharge in College Heights and Upland Basins. Mr. Atwater commented there is still a lot of work to be done and he will provide a more detailed update next month.
4. Proposition 50 Grant Funding Status Report – Martha Davis (oral)  
Ms. Davis reported on the prop 50 bond monies and noted there was an available hand out which described the various programs, grant program status, and comments which will be made a part of the regular monthly report updates. Ms. Davis gave detailed descriptions on two "hot" programs 1) Water Use Efficiency under Chapter 7 of Cal Fed (noting the final PSP was released on August 11, 2004 and there is a workshop at IEUA regarding this issue on August 31). Ms. Davis commented there was new language that has been included in the grant application which is cause for concern particularly for Southern California. 2) Integrated Regional Water Grant Program under Chapter 8 which was the large five hundred million programs within Cal Fed that was intended to fund infrastructure that would provide integrated water supply water quality benefits in California. Ms. Davis noted the integrated package will start moving very quickly and with encouragement all parties should take a close look at the definitions that are in the guidelines because it is the definitions that can strain what we can and cannot qualify for in terms of an application. Ms. Davis stated that SAWPA is very interested in being helpful in coordinating applications regionally.
5. Water Resources Report (handout)  
No comment was made regarding this item.
6. Water Conservation Status Report  
No comment was made regarding this item.
7. Recycled Water Program  
No comment was made regarding this item.
8. Chino Basin Facilities Improvement Project  
No comment was made regarding this item.
9. State/Federal Legislation  
No comment was made regarding this item.

10. Public Relations  
No comment was made regarding this item.

The Consent Calendar was taken out of order by Chair Jeske.

**I. CONSENT CALENDAR**

**A. MINUTES**

1. Minutes of the Advisory Committee meeting held on July 22, 2004

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of July 2004
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through June 30, 2004
3. Treasurer's Report of Financial Affairs for the Period June 1 through June 30, 2004
4. Profit & Loss Budget vs. Actual July 2003 through June 2004

**C. WATER TRANSACTION**

1. Consider Approval for Transaction of Notice of Sale or Transfer from West Valley Water District to Fontana Water Company in the amount of 500 acre-feet; Date of Application: May 27, 2004

**D. STATUS REPORT #11**

Consider Authorization to File Status Report 11 with Court and Authorize Staff and Counsel to Make Minor Edits as Necessary

*Motion by McGraw, second by Black, and by unanimous vote*

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

Business Items was taken out of order by Chair Jeske.

**II. BUSINESS ITEMS**

**A. CONSIDER IEUA FUNDING REQUEST**

Ms. Rojo commented the National Academy of Sciences is doing an investigation and this request was coming by way of unanimous recommendation from the Pools.

*Motion by Wellington, second by DeLoach, and by unanimous vote*

***Moved to approve the IEUA funding request, as presented***

**B. CONSIDER AGREEMENT TO FORM A TASK FORCE**

Ms. Rojo commented that under the Maximum Benefit proposal Watermaster has committed to the Basin Monitoring Program for Nitrogen and is a once every three year study and has been budgeted for and this request was coming by way of unanimous recommendation from the Pools.

*Motion by Wellington, second by Black, and by unanimous vote*

***Moved to approve the agreement to form a task force, as presented***

**C. CONSIDER AGREEMENT TO CONDUCT A NITROGEN LOSS MONITORING PROGRAM**

Ms. Rojo commented this is a one time test and has no real cost due to the fact that these are tests we are already performing and have been budgeted for. This gathered data will be combined with that of other agencies and this request was coming by way of unanimous recommendation from the Pools.

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

***Moved to approve the agreement to conduct a nitrogen loss monitoring program as presented***

**D. CONSIDER FIRST AMENDMENT TO PEACE AGREEMENT AND WATERMASTER RESOLUTION 2004-\_\_**

Chair Jeske noted legal counsel had previously reviewed this item and commented counsel stated this item does not require action due to the fact this item needs to go through the Pool process prior to action from this committee. Chair Jeske noted this item should have action taken on it to refer this agreement to go through the Pool process for those parties who need to take this item to their Boards. The question of whether or not the first amendment which was being approved to move through the Pool process was the one provided in the packet or the one which was provided as a hand out was presented. Counsel Fife stated the revised first amendment which was provided as a hand out was the one which will be presented through the Pools and the Watermaster Resolution is the one that is in the packet.

*Motion by Kinsey, second by Wellington, and by unanimous vote*

***Moved to approve forwarding this first amendment to the Peace Agreement through the Pool process and adopting it as a resolution through the Watermaster Board, as presented***

**IV. INFORMATION**

1. Chino Basin Desalter Authority – Chino I Expansion and Chino II Desalter Project – Progress Report  
No comment was made regarding this item.
2. CBFIP Mapping Information Facilities Location / Operational Stats / Startup Dates  
No comment was made regarding this item.
3. Dry Year Yield Operating Plan  
No comment was made regarding this item.

**V. COMMITTEE MEMBER COMMENTS**

No comment was made regarding this item.

**VI. OTHER BUSINESS**

No comment was made regarding this item.

**VIII. FUTURE MEETINGS**

August 25, 2004	9:00 a.m.	MZ1 Technical Committee Meeting
August 26, 2004	9:00 a.m.	Advisory Committee Meeting
August 26, 2004	11:00 a.m.	Watermaster Board Meeting
September 9, 2004	9:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
September 13, 2004	9:00 a.m.	Attorney/Manager Meeting @ BB&K
September 21, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
September 23, 2004	9:00 a.m.	Advisory Committee Meeting
September 23, 2004	11:00 a.m.	Watermaster Board Meeting

The Advisory Committee Meeting Adjourned at 9:55 a.m.

Secretary: \_\_\_\_\_

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

THIS PAGE  
HAS  
INTENTIONALLY  
BEEN LEFT  
BLANK  
FOR PAGINATION



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Watermaster Board Meeting –  
August 26, 2004





***Draft Minutes***  
**CHINO BASIN WATERMASTER**  
**BOARD MEETING**  
*August 26, 2004*

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on August 26, at 11:00 a.m.

**WATERMASTER BOARD MEMBERS PRESENT**

Robert Neufeld, Chair	Fontana Union Water Company
John Huitsing	Agricultural Pool
Bob Kuhn	Three Valleys Municipal Water District
Bob Bowcock	Vulcan Materials Company
Bill Kruger	City of Chino Hills

**Watermaster Staff Present**

Sheri Rojo	Chief of Watermaster/Finance Manager
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

**Watermaster Consultants Present**

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

**Others Present**

Ken Manning	San Gabriel Valley School District
Josephine Johnson	Monte Vista Water District
Raul Garibay	City of Pomona
Ken Jeske	City of Ontario
Dave Crosley	City of Chino
Mike Maestas	City of Chino Hills
Bill Stafford	Marygold Mutual Water Company

The Watermaster Board Meeting was called to order by Chair Neufeld at 11:04 a.m.

**PLEDGE OF ALLEGIANCE**

**INTRODUCTION OF THE NEW CHIEF EXECUTIVE OFFICER FOR CHINO BASIN WATERMASTER**

Chair Neufeld welcomed the new Chief Executive Officer, Kenneth Manning on behalf of the Chino Basin Watermaster's Board noting that his official start day will be September 1, 2004. Chair Neufeld stated that Ken comes to the Chino Basin with a great deal of experience. For the past twelve years Ken has served as a member of the Board of Directors of the Upper San Gabriel Valley Municipal Water District and San Gabriel Valley Water Quality Authority. During his time with those agencies Ken has been instrumental in bringing together the diverse interests within the region to improve water quality and ensure water availability. Prior to that, Mr. Manning served twenty years on the Board of Education for the Hacienda La Puente Unified School District. Mr. Manning thanked the attendees and stated so far he had met a great group of people and was energized to begin working on so many exciting issues that are currently present in the Chino Basin. Mr. Manning stated he has an open door policy and welcomes visitors and the opportunity to get to know each person on a personal basis.

**AGENDA - ADDITIONS/REORDER**

Chair Neufeld stated an item needed to be added to the agenda for an executive meeting to discuss personnel issues which is the finalization contract with Mr. Manning and commented to the Board members the need for them to stay for this brief meeting.

*Motion by Kuhn, second by Kruger, and by unanimous vote  
Moved to approve adding this item to the agenda for a closed session*

**I. CONSENT CALENDAR**

**A. MINUTES**

- 1. Minutes of the Watermaster Board Meeting held on July 22, 2004
- 2. Minutes of the Watermaster Closed Board Meeting held on July 29, 2004

**B. FINANCIAL REPORTS**

- 1. Cash Disbursements for the month of July 2004
- 2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through June 30, 2004
- 3. Treasurer's Report of Financial Affairs for the Period June 1 through June 30, 2004
- 4. Profit & Loss Budget vs. Actual July 2003 through June 2004

**C. WATER TRANSACTION**

- 1. Consider Approval for Transaction of Notice of Sale or Transfer from West Valley Water District to Fontana Water Company in the amount of 500 acre-feet; Date of Application: May 27, 2004

**D. STATUS REPORT #11**

Consider Authorization to File Status Report 11 with Court and Authorize Staff and Counsel to Make Minor Edits as Necessary

**E. STATEMENT OF COMMENDATION**

Consider Authorization to Present P. Joseph Grindstaff a Statement of Commendation for Outstanding Public Service

*Motion by Kruger, second by Kuhn, and by unanimous vote  
Moved to approve Consent Calendar Items A through E, as presented*

Added Comment:

Ms. Rojo stated that at the time the package was mailed out the Statement of Commendation for Mr. Grindstaff was not available; however, a copy of that Statement was now available as a handout on the back table. Chair Neufeld noted due to the timing on this issue there was a reception held on behalf of Mr. Grindstaff last week to wish him well and in working with staff a Commendation was prepared on short notice to be presented to Mr. Grindstaff at the reception. Chair Neufeld stated he had spoken to Director Bowcock and felt this was an important decision to maintain our relationships.

**II. BUSINESS ITEMS**

**A. CONSIDER IEUA FUNDING REQUEST**

Ms. Rojo commented the National Academy of Sciences is doing an investigation and this request was coming by way of unanimous recommendation from the Pools and Advisory Committee after a detailed discussion. Ms. Rojo noted Mr. Huitsing, who is sitting in as Mr. Vanden Heuvel's alternate, attended a recent Agricultural Pool meeting where there was a detailed discussion on getting a representative from this Basin on this advisory committee; the Agricultural Pool strongly urged the Board to get somebody who would represent us well and

recommended that Mr. Wildermuth be on that committee. Mr. Huitsing was asked if that was correct or if he wanted to add any comment to Ms. Rojo's statement and Mr. Huitsing replied the statement made was correct and added no further comment.

*Motion by Bowcock, second by Kuhn, and by unanimous vote  
Moved to approve the IEUA funding request, as presented*

**B. CONSIDER AGREEMENT TO FORM A TASK FORCE**

Ms. Rojo commented under the Maximum Benefit proposal Watermaster has committed to the Basin Monitoring Program for Nitrogen and Total Dissolved Solids in the Santa Ana River Watershed noting this is a once every three year study and has been budgeted. This request was coming by way of unanimous recommendation from the Pools and Advisory Committee.

*Motion by Kuhn, second by Bowcock, and by unanimous vote  
Moved to approve the agreement to form a task force, as presented*

**C. CONSIDER AGREEMENT TO CONDUCT A NITROGEN LOSS MONITORING PROGRAM**

Ms. Rojo commented this is a one time study to monitor the Nitrogen loss to the Santa Ana River and there are no new costs associated with this due to the fact that these are tests we are already performing and therefore, this item has been budgeted. The gathered data will be combined with that of other agencies and this request was coming by way of unanimous recommendation from the Pools and Advisory Committee.

*Motion by Kuhn, second by Kruger, and by unanimous vote  
Moved to approve the agreement to conduct a nitrogen loss monitoring program as presented*

**D. CONSIDER FIRST AMENDMENT TO PEACE AGREEMENT AND WATERMASTER RESOLUTION 2004-\_\_**

Ms. Rojo noted this item is for Counsel Slater because this item is a result from the Attorney/Manager process and that Counsel Slater will provide an update for the Board. Counsel Slater noted these meetings were proceeding along a constructive course and that we had finalized a proposed resolution of the Monte Vista salt credit issue. Counsel reported on July 22, that the Board members were assured at that time although the discussions and negotiations were to remain confidential that any outcome would then be poured into the traditional Watermaster process. A documentation of the proposed agreement among the participants in those proceedings has been circulated, commented on, edited, and it has been included in the packet. Both a Resolution and a proposed Amendment to the Peace Agreement, by frame of reference for the Board, Watermaster is not a signatory to the Peace Agreement the Peace Agreement is among all of the producers it is a contractual method to bind them to a set of principals. Watermaster's role in the Peace Agreement is to respect the agreement among the producers and to agree to act in accordance with their wishes if and when the Pool process, Advisory Committee, and the Board elect to do so. Counsel Slater noted it is the wish of the producers; it would then be incumbent upon the process and the Board to decide to take an action and by choosing to do so, adopt as a matter of policy, the Resolution and agree to proceed in accordance to the proposed Amendment and then an application would be made to the court. This method of process is subscribed to by all parties noting this is the exact process followed by the adoption of the original Peace Agreement. Counsel Slater stated where we are today is we are before you with a proposed Resolution, not to be acted on, but for you to transmit or refer to the Pool process to secure comments and to come back to you in an orderly fashion so that you can exercise at your discretion as to whether you wish to proceed in accordance with the proposed Amendment. Counsel Slater noted he was advised that the Advisory Committee took action today to request the Board to

follow that process. Counsel Slater commented that if it is the Board's desire, Watermaster's general counsel will move the court on September 2, for a continuance of the Monte Vista motion to allow Watermaster the proper procedural compliance and time to deliberate the first Amendment and the Resolution and to secure the signatures to make the first Amendment effective and that would occur sometime in October, again, this is a request that you refer today the Pool process for feedback and potential adoption of the Resolution. The question of whether or not the Resolution which was presented was for the amendment itself or the actual amendment will go the Pool process. Counsel Slater commented that through the Pool process and the Board, however, knowing that all the parties are in favor of the Amendment it will be the Board's decision if they wish to proceed in accordance with their wishes; this is their desire and they are now taking this through the Pool process. Chair Neufeld stated this will also be incumbent upon each of the signatories to the Agreement to take action on whatever level there is on their Boards or agencies to move this forward. The question if there was an approximate time frame this process would take was presented. Counsel Slater commented that given the proper cycling through the public agendas it could be wrapped up as early as mid to late October.

*Motion by Kuhn, second by Bowcock, and by unanimous vote*

***Moved to approve forwarding this first amendment to the Peace Agreement through the Pool process and adopting it as a resolution through the Watermaster Board, as presented***

### III. REPORTS/UPDATES

#### A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

##### 1. Attorney/Manager Meetings

Counsel Salter stated we have continued to take the issues in a single package, just from an efficiency standpoint, and have warranted to Monte Vista that if that process started to slide that we would take the first Amendment in isolation, which is what we are proposing to do, and address the balance in a second step. Counsel Salter noted that has become necessary because many of the participants in the underlying Attorney/Manager process have become reluctant to engage in further deal making until more is known about some of the underlying objective facts, in that context, Mark Wildermuth and Dave Argo, as consultants to Watermaster, have been tasked with responsibility of interfacing with the producers to secure information which would then digested, evaluated, and then form a foundation upon which they would do more deal making. Counsel Slater noted just because the information has not been pulled together as rapidly as we would have hoped, we were hoping for an early August distribution date; it looks to be about September 20. There is a further negotiation date set for September 13, noting a slight concern because of the delay but in hopes to get it wrapped by the 20<sup>th</sup>. Counsel Slater stated based on all the information, the good faith of the parties, and various pieces of the puzzle that are coming together it is his opinion that there is a deal there and that we will get there in a constructive way just as was done with the salt credit issue. This will be done by a two step process instead of a one step process and we are sincerely anticipating its finalization by the end of this year.

##### 2. Santa Ana River Application Process

Counsel Slater stated there are a number of activities that are moving forward and the item of greatest interest is Watermaster's Application. There is a historical tension between the upper and the lower area. Counsel Slater noted there is an actual law suit in the 60's which resulted in the Judgment, which essentially drew an imaginary line and on the side they would do one thing and on the other they would do another and a party that was missing from that process was the State Water Resource Control Board. In judicial decisions that day there is a rule that was developed that if the Sate Board is not part of

the process it is not bound. Counsel Slater commented that while we adhere to the 1969 Judgment, Orange County has been carrying on its operations down gradient, which is always contended is immune from regulation by the State Board. This came to light in the context of their proposed project and their Environmental Impact Report (EIR) and in the comments that are distributed on the back table there is an indication from the State Board that Orange County may not have the permit authorization that they are presently doing. Counsel Slater noted there is a draft San Bernardino Municipal Water District EIR out, an anticipated Western EIR being issued shortly, the reopening of the Santa Ana Sucker, rumors swirling on the Basin Plan Amendment which is relevant to Watermaster, and in summation the Santa Ana River is "hot" right now as it has been in a long time.

## B. STAFF REPORT

### 1. Phase VII Bid Results

Ms. Rojo noted the Phase VII bid results has to do with the Recharge Improvement Project and it has been past practice to include a copy of the bid results in the package. Ms. Rojo stated the project is on schedule and on budget and presentations have been given recently on the subject. Time and financial budgets are looking favorably on this item.

### 2. Groundwater Modeling Update/Interim Results

Ms. Rojo commented that Mark Wildermuth and his staff have been working diligently on this project and asked Mr. Wildermuth to provide the group with an update on his efforts. Mr. Wildermuth stated that Metropolitan through Inland Empire Utilities Agency funded the development of detailed groundwater model of the Chino Basin and some surrounding areas. Mr. Wildermuth stated the only area where we found problems in calibrating that model was in the area of the deep zone of Chino Hills. As a parallel effort to the OBMP we have been collecting groundwater well data every 15 minutes of about 40 or 50 wells and noted that on the west side of the basin there is an extensometer facility and from that we have been able to come up with revised aquifer properties which have excellent calibration right now. Our ongoing efforts presently support our Peace II process; we now have a recalibrated model and will be receiving planning information shortly from Black & Veatch. Mr. Wildermuth stated there have been some difficulties due to various people being on vacation and such in getting data from various agencies. Counsel Slater commented that in the view of counsel no fault is lying at the feet of the consultants, the issue is getting the information out of the producers. Mr. Wildermuth stated that once we receive that information we will go back and re-run those scenarios as well as some scenarios that were requested by appropriators in the Peace II process. Mr. Wildermuth commented this will allow us to review different groundwater production scenarios in the lower end of the basins which will give us an idea if we to construct a large wellfield and desalter south of the existing desalter well fields or if we can achieve the goals of the OBMP with a series of distributed facilities located north of the existing desalter well fields. Mr. Wildermuth anticipates having some results in approximately two weeks and producing a good document from that in about four weeks.

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

Ms. Rojo commented there have been discussions regarding Desalter II and an update on this was given at the recent Agricultural Pool meeting, however, that presentation was put on hold while we continue dialog with the Chino Basin Authority before we bring that forward. Ms. Rojo noted that on page 155 of the packet is the July 2004 Progress Report for the Chino I Expansion and Chino II Desalter Project if more information on this is needed.

Ms. Rojo stated we are also continuing dialog with Castaic Lake along with the San Diego Water Authority who have expressed an interest in storage within the Chino Basin; Ms. Rojo asked legal counsel if they had any further comment on these storage opportunity discussions. Counsel Slater commented that both of those entities are interested in participating in the harvesting of existing water which has been stored in the basin and access to available storage in the basin in exchange for compensation. We have held several meetings with Castaic with a follow up set for August 30, and in particular, the Castaic piece holds considerable promise as we have reported to appropriate pool members because it lacks the wheeling complexities associated with doing a deal within the Metropolitan area. Counsel stated there are some advantages that have been discussed before if the water does not have to be pumped over the hill there are actually some cost savings to MET, there are no loss sales issues within the MET service area which is an issue that would otherwise be troubling. Counsel Slater noted Castaic has stockpiled some connection fees that are being associated with its rapid growth and that those connection fees are available to fund capital facilities and projects. Counsel Slater stated we have disclosed to Castaic our proposed schedule and how we might proceed with things; it appears Castaic is eager to work with us. The next step in this process will be approaching MET.

#### IV. INFORMATION

1. Chino Basin Desalter Authority – Chino I Expansion and Chino II Desalter Project – Progress Report

Ms. Rojo noted this item is included in the packet as an informational item only.

2. CBFIP Mapping Information Facilities Location / Operational Stats / Startup Dates

Ms. Rojo noted there is an actual schedule of the operational stats for each recharge basin and what the expected startup dates for each of those basins will be. We are waiting for water from MWD and/or rain to make this happen.

3. Dry Year Yield Operating Plan

Ms. Rojo stated there were some questions presented earlier on the Dry Year Yield Operating Plan and wanted to discuss this item briefly. Ms. Rojo noted this Operating Plan was put together and submitted to MET at the beginning of the year as part of our Dry Year Yield obligation and what was done internally at staff level was to take our recharge improvement projects when they were coming on line and list their capacity. We will true up the operating plan as months go by.

#### V. BOARD MEMBER COMMENTS

Mr. Kuhn commented that the new C.E.O., the Board Chair, and possibly other Board members will be attending a conference at the same time the next Board meeting is to take place and inquired if the next meeting could be scheduled one week later to accommodate their schedules. Ms. Rojo noted the application for that conference was now available on the back table and that the Advisory Committee had discussed changing the meeting date as well. It was decided the next Advisory Committee and Watermaster Board meeting will be pushed back to Thursday, September 30, 2004.

The Board members each welcomed Mr. Manning to the Chino Basin Watermaster.

Mr. Kuhn addressed Legal Counsel with regards to the matter of potential conflict of interest. Mr. Kuhn commented on the former C.E.O. of Watermaster, John Rossi, who now sits on the Board as an alternate representing Western Municipal Water District and Terry Catlin with his new position at the WFA and being a Board member. Mr. Kuhn noted these comments were made for the protections of the entire Board to make sure that their decisions have integrity and that are otherwise legally sound. Counsel Slater stated Legal Counsel will take a look at the subject generally and there are processes that can be followed, one of which is an external independent agency that can offer opinions and take a neutral position. Legal Counsel will take a look at the general parameters

and report back to the Board. It was noted that Mr. Rossi was no longer an alternate that his Board took action and made him the official Watermaster Board representative.

Mr. Kuhn added comments regarding a local newspapers environmental section which a lot of other agencies are involved with and felt this was an opportune time for Watermaster to take part in this project. Mr. Kuhn asked Mr. Manning as part of coming on board to look into this type of advertising noting this ad usually takes place in October. If Watermaster can partake in this it would be a great opportunity Mr. Kuhn stated. Chair Neufeld gave a more detailed description of how the ad looks. Ms. Rojo noted this item can be an item added to the Agenda for next month.

Chair Neufeld commented on his duties as a member of the Cal Fed Drinking Water Committee and noted the monthly meeting of that committee will be tomorrow. Chair Neufeld stated they are in the process of reviewing the ten year budget for programs to be funded with prop 15 and some of the monies left over from prop 13 for drinking water quality projects throughout the State of California. Chair Neufeld mentioned that he had indicated to many of the present members before that one of the largest things facing Southern California is our friends and neighbors to the North and Central Valley and in looking at the package in preparation for the meeting tomorrow noted that 90% plus of the items that are being pushed forward are for projects outside the Southern California area. There is a need to develop a unified voice for water in Southern California; we are making progress but lots still needs to be accomplished. Chair Neufeld encouraged each member to go back to their respective agencies and carry the message that if Southern California does not develop a unified voice for water through this region we are going to continue to wind up on the short end of the stick.

#### **VI. OTHER BUSINESS**

No comment was made regarding this item.

The Confidential session was called into session at 11:51 a.m. and Chair Neufeld asked all participants other than the Watermaster Board, Watermaster Legal Counsel, and Mr. Manning to step outside.

#### **VII. 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.

The Confidential session was concluded and the Watermaster Board meeting was reconvened and called into order by Chair Neufeld at 12:05 p.m.

Counsel Slater reviewed the two items discussed in the closed session which included:

- 1) The Board accepted the proposed agreement between Ken Manning and the Board for the Chief Executive Officer position which is now fully effective and is going forward.
- 2) The Personnel Committee has been charged to develop some goals and objectives for the Chief Executive Officer and to have a report by the end of October (10/31/04).

Chair Neufeld briefly reviewed the future meetings and noted the date change for the next Watermaster Board meeting.

#### **VIII. FUTURE MEETINGS**

August 25, 2004	9:00 a.m.	MZ1 Technical Committee Meeting
August 26, 2004	9:00 a.m.	Advisory Committee Meeting
August 26, 2004	11:00 a.m.	Watermaster Board Meeting
September 9, 2004	9:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
September 13, 2004	9:00 a.m.	Attorney/Manager Meeting @ BB&K

September 21, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
September 30, 2004	9:00 a.m.	Advisory Committee Meeting
September 30, 2004	11:00 a.m.	Watermaster Board Meeting

The Watermaster Board Meeting Adjourned at 12:07 p.m.

Secretary: \_\_\_\_\_

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





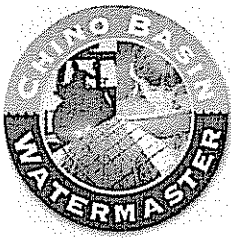
# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### **B. FINANCIAL REPORTS**

1. Cash Disbursements August 2004
2. Combining Schedule of Revenue, Expenses and changes in Working Capital for the Period July 1, 2004 through July 31, 2004
3. Treasurer's Report of Financial Affairs for July 1 through July 31, 2004
4. Profit & Loss Budget vs. Actual July 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:** September 9, 2004  
September 21, 2004  
September 30, 2004

**TO:** Committee Members  
Watermaster Board Members

**SUBJECT:** Cash Disbursement Report – August 2004

### SUMMARY

**Issue** – Record of cash disbursements for the month of August 2004.

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

**Fiscal Impact** – All funds disbursed were included in the FY 2004-05 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 August 2004 were \$529,989.19. The most significant expenditures during the month were DCSE in the amount of \$49,908.50, Hatch and Parent in the amount of \$67,222.86, Wildermuth Environmental in the amount of \$127,547.38, and Inland Empire Utilities Agency in the amount of \$145,393.78.

THIS PAGE  
HAS  
INTENTIONALLY  
BEEN LEFT  
BLANK  
FOR PAGINATION

CHINO BASIN WATERMASTER  
 Cash Disbursement Detail Report  
 August 2004

Type	Date	Num	Name	Amount
Aug 04				
Bill Pmt -Check	8/4/2004	8885	LIVING SPACES	-204.73
General Journal	8/4/2004	04/08/4	PAYROLL	-3,407.17
General Journal	8/4/2004	04/08/4	PAYROLL	-13,515.81
Bill Pmt -Check	8/5/2004	8886	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-5,439.21
Bill Pmt -Check	8/5/2004	8887	AUTOMOBILE CLUB OF SOUTHERN CALIFORNIA	-44.00
Bill Pmt -Check	8/5/2004	8888	AWWA	-172.00
Bill Pmt -Check	8/5/2004	8889	BOWCOCK, ROBERT	-375.00
Bill Pmt -Check	8/5/2004	8890	CATLIN, TERRY	-750.00
Bill Pmt -Check	8/5/2004	8891	CHINO BASIN WATER CONSERVATION DISTRICT	-1,013.26
Bill Pmt -Check	8/5/2004	8892	CITISTREET	-700.00
Bill Pmt -Check	8/5/2004	8893	DAN VASILE	-140.00
Bill Pmt -Check	8/5/2004	8894	DCSE	-49,908.50
Bill Pmt -Check	8/5/2004	8895	DELUXE BUSINESS FORMS & SUPPLIES	-47.82
Bill Pmt -Check	8/5/2004	8896	IDEAL GRAPHICS	-1,198.18
Bill Pmt -Check	8/5/2004	8897	INLAND COUNTIES INSURANCE SERVICES, INC.	-216.77
Bill Pmt -Check	8/5/2004	8898	KRUGER, W. C. "BILL"	-250.00
Bill Pmt -Check	8/5/2004	8899	KUHN, BOB	-875.00
Bill Pmt -Check	8/5/2004	8900	MWH LABORATORIES	-5,285.00
Bill Pmt -Check	8/5/2004	8901	NEUFELD, ROBERT	-375.00
Bill Pmt -Check	8/5/2004	8902	P.C. CLUB	-850.15
Bill Pmt -Check	8/5/2004	8903	PAYCHEX	-155.45
Bill Pmt -Check	8/5/2004	8904	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-3,433.26
Bill Pmt -Check	8/5/2004	8905	RAUCH COMMUNICATION CONSULTANTS, LLC	-5,034.17
Bill Pmt -Check	8/5/2004	8906	REID & HELLNER	-9,328.85
Bill Pmt -Check	8/5/2004	8907	RETAIL SERVICES	-1,244.52
Bill Pmt -Check	8/5/2004	8908	SANTA ANA WATERSHED PROJECT AUTHORITY	-18,500.00
Bill Pmt -Check	8/5/2004	8909	STATE COMPENSATION INSURANCE FUND	-981.51
Bill Pmt -Check	8/5/2004	8910	E.H. WACHS COMPANY	-462.76
Bill Pmt -Check	8/5/2004	8911	USA-FACT INC	-101.20
Bill Pmt -Check	8/5/2004	8912	VANDEN HEUVEL, GEOFFREY	-250.00
Bill Pmt -Check	8/5/2004	8913	VELASQUEZ JANITORIAL	-900.00
Bill Pmt -Check	8/5/2004	8914	VERIZON	-454.02
Bill Pmt -Check	8/5/2004	8915	WATER EDUCATION FOUNDATION	-45.00
Bill Pmt -Check	8/5/2004	8916	WHITEHEAD, MICHAEL	-125.00
Bill Pmt -Check	8/5/2004	8917	WILDERMUTH ENVIRONMENTAL INC	-1,077.50
Bill Pmt -Check	8/5/2004	8918	YUKON DISPOSAL SERVICE	-123.90
Bill Pmt -Check	8/11/2004	8919	JAMES JOHNSTON	-450.00
Bill Pmt -Check	8/11/2004	8920	CAFE CALATO	-68.42
Bill Pmt -Check	8/17/2004	8921	ACWA SERVICES CORPORATION	-357.11
Bill Pmt -Check	8/17/2004	8922	APPLIED COMPUTER TECHNOLOGIES	-595.70
Bill Pmt -Check	8/17/2004	8923	BANK OF AMERICA	-4,927.57
Bill Pmt -Check	8/17/2004	8924	BEN MEADOWS COMPANY	-704.75
Bill Pmt -Check	8/17/2004	8925	BEST BEST & KRIEGER LLP-RIVERSIDE OFFICE	-1,154.59
Bill Pmt -Check	8/17/2004	8926	CALPERS	-2,175.09
Bill Pmt -Check	8/17/2004	8927	CHEVRON	-123.16
Bill Pmt -Check	8/17/2004	8928	CITICORP VENDOR FINANCE, INC.	-168.43
Bill Pmt -Check	8/17/2004	8929	CITISTREET	-350.00
Bill Pmt -Check	8/17/2004	8930	CITIZENS CONFERENCING	-145.86
Bill Pmt -Check	8/17/2004	8931	CNA SURETY	-208.80
Bill Pmt -Check	8/17/2004	8932	DELUXE BUSINESS FORMS & SUPPLIES	-160.40
Bill Pmt -Check	8/17/2004	8933	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	8/17/2004	8934	HATCH AND PARENT	-67,222.86
Bill Pmt -Check	8/17/2004	8935	IMAGE APPAREL	-1,716.34
Bill Pmt -Check	8/17/2004	8936	INLAND EMPIRE UTILITIES AGENCY	-145,393.78
Bill Pmt -Check	8/17/2004	8937	MCI	-900.15
Bill Pmt -Check	8/17/2004	8938	MODERN OFFICE	-2,048.00
Bill Pmt -Check	8/17/2004	8939	OFFICE DEPOT	-909.08
Bill Pmt -Check	8/17/2004	8940	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-3,484.02
Bill Pmt -Check	8/17/2004	8941	RICOH BUSINESS SYSTEMS-Lease	-3,591.31
Bill Pmt -Check	8/17/2004	8942	SAVIN CORPORATION dba RICOH BUSINESS	-639.50
Bill Pmt -Check	8/17/2004	8943	STAULA, MARY L	-136.61
Bill Pmt -Check	8/17/2004	8944	TELECOM SERVICES	-315.79
Bill Pmt -Check	8/17/2004	8945	UNITED PARCEL SERVICE	-276.00
Bill Pmt -Check	8/17/2004	8946	WILDERMUTH ENVIRONMENTAL INC	-127,547.38
Bill Pmt -Check	8/17/2004	8947	SAVIN CORPORATION dba RICOH BUSINESS	-32.95
General Journal	8/20/2004	04/08/7	PAYROLL	-3,423.08
General Journal	8/20/2004	04/08/7	PAYROLL	-13,393.93
Bill Pmt -Check	8/26/2004	8948	ARROWHEAD MOUNTAIN SPRING WATER	-33.16
Bill Pmt -Check	8/26/2004	8949	CUCAMONGA VALLEY WATER DISTRICT	-4,900.00
Bill Pmt -Check	8/26/2004	8950	DIRECTV	-71.98
Bill Pmt -Check	8/26/2004	8951	ELLISON, SCHNEIDER & HARRIS, LLP	-598.01
Bill Pmt -Check	8/26/2004	8952	IDEAL GRAPHICS	-49.57

CHINO BASIN WATERMASTER  
Cash Disbursement Detail Report  
August 2004

Type	Date	Num	Name	Amount
Bill Pmt -Check	8/26/2004	8953	LOS ANGELES TIMES	-42.00
Bill Pmt -Check	8/26/2004	8954	MARK IV COMMUNICATIONS, INC.	-161.63
Bill Pmt -Check	8/26/2004	8955	MATSON, JANET	-805.00
Bill Pmt -Check	8/26/2004	8956	MWH LABORATORIES	-4,110.00
Bill Pmt -Check	8/26/2004	8957	PARK PLACE COMPUTER SOLUTIONS, INC.	-4,209.63
Bill Pmt -Check	8/26/2004	8958	PETTY CASH	-454.39
Bill Pmt -Check	8/26/2004	8959	SOFTCHOICE	-3,126.03
Bill Pmt -Check	8/26/2004	8960	UNITEK TECHNOLOGY INC.	-297.39
Bill Pmt -Check	8/26/2004	8961	INLAND SIGNS INC.	-1,000.00
Bill Pmt -Check	8/27/2004	8962	INLAND SIGNS INC.	-400.00
<b>Aug 04</b>				<b>-529,989.19</b>

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

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION AND SPECIAL PROJECTS APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER OPERATIONS GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2004-05
<b>Administrative Revenues</b>										
Administrative Assessments			-		-				-	\$3,984,888
Interest Revenue			-		-				-	78,330
Mutual Agency Project Revenue		-							-	0
Grant Income									-	0
Miscellaneous Income	-								-	0
<b>Total Revenues</b>	-	-	-	-	-	-	-	-	-	4,063,218
<b>Administrative &amp; Project Expenditures</b>										
Watermaster Administration	103,595								103,595	621,784
Watermaster Board-Advisory Committee	6,262								6,262	37,018
Pool Administration			867	1,066	270				2,203	91,153
Optimum Basin Mgmt Administration		108,553							108,553	1,019,183
OBMP Project Costs		584,992							584,992	3,733,694
Education Funds Use								-	-	375
Mutual Agency Project Costs	6,667								6,667	80,004
<b>Total Administrative/OBMP Expenses</b>	<b>116,524</b>	<b>693,545</b>	<b>867</b>	<b>1,066</b>	<b>270</b>			<b>-</b>	<b>812,272</b>	<b>5,583,211</b>
<b>Net Administrative/OBMP Income</b>	<b>(116,524)</b>	<b>(693,545)</b>								
Allocate Net Admin Income To Pools	116,524		86,443	26,631	3,450				-	0
Allocate Net OBMP Income To Pools		693,545	514,504	158,504	20,537				-	0
Agricultural Expense Transfer			176,076	(176,076)					-	0
<b>Total Expenses</b>			<b>777,890</b>	<b>10,125</b>	<b>24,257</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>812,272</b>	<b>5,583,211</b>
<b>Net Administrative Income</b>			<b>(777,890)</b>	<b>(10,125)</b>	<b>(24,257)</b>			<b>-</b>	<b>(812,272)</b>	<b>(1,519,993)</b>
<b>Other Income/(Expense)</b>										
Replenishment Water Purchases						-			-	0
MZ1 Supplemental Water Assessments						-			-	2,179,500
Water Purchases									-	0
MZ1 Imported Water Purchase									-	(2,278,500)
Groundwater Replenishment						(138,521)			(138,521)	0
<b>Net Other Income</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>(138,521)</b>	<b>-</b>	<b>-</b>	<b>(138,521)</b>	<b>(99,000)</b>
<b>Net Transfers To/(From) Reserves</b>			<b>(777,890)</b>	<b>(10,125)</b>	<b>(24,257)</b>	<b>(138,521)</b>	<b>-</b>	<b>-</b>	<b>(950,793)</b>	<b>(1,618,993)</b>
<b>Working Capital, July 1, 2004</b>			<b>3,455,402</b>	<b>463,055</b>	<b>173,102</b>	<b>4,133,061</b>	<b>158,251</b>	<b>2,195</b>	<b>8,385,066</b>	
<b>Working Capital, End Of Period</b>			<b>2,677,512</b>	<b>452,930</b>	<b>148,845</b>	<b>3,994,540</b>	<b>158,251</b>	<b>2,195</b>	<b>7,434,273</b>	
<b>02/03 Production</b>			<b>121,586.420</b>	<b>37,457.315</b>	<b>4,853.247</b>				<b>163,896.982</b>	
<b>02/03 Production Percentages</b>			<b>74.185%</b>	<b>22.854%</b>	<b>2.961%</b>				<b>100.000%</b>	

THIS PAGE  
HAS  
INTENTIONALLY  
BEEN LEFT  
BLANK  
FOR PAGINATION

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

**DEPOSITORIES:**

Cash on Hand - Petty Cash		\$		500
Bank of America				
Governmental Checking-Demand Deposits	\$		73,908	
Savings Deposits			9,629	
Zero Balance Account - Payroll			-	83,537
Local Agency Investment Fund - Sacramento				7,736,454
<b>TOTAL CASH IN BANKS AND ON HAND</b>				<b>\$ 7,820,491</b>
<b>TOTAL CASH IN BANKS AND ON HAND</b>	7/31/2004			<b>\$ 7,820,491</b>
	6/30/2004			<b>8,763,233</b>
<b>PERIOD INCREASE (DECREASE)</b>				<b><u>\$ (942,742)</u></b>

**CHANGE IN CASH POSITION DUE TO:**

Decrease/(Increase) in Assets: Accounts Receivable		\$		35,905
Assessments Receivable				-
Prepaid Expenses, Deposits & Other Current Assets				5,677
(Decrease)/Increase in Liabilities: Accounts Payable				(55,671)
Accrued Payroll, Payroll Taxes & Other Current Liabilities				22,140
Transfer to/(from) Reserves				(950,793)
<b>PERIOD INCREASE (DECREASE)</b>				<b><u>\$ (942,742)</u></b>

<u>SUMMARY OF FINANCIAL TRANSACTIONS:</u>	Petty Cash	Gov't'l Checking Demand	Zero Balance Account Payroll	Savings	Local Agency Investment Funds	Totals
Balances as of 6/30/2004	\$ 500	\$ 52,555	\$ -	\$ 9,629	\$ 8,700,549	\$ 8,763,233
Deposits		921	-	-	35,905	36,826
Transfers		957,067	42,933	-	(1,000,000)	-
Withdrawals/Checks		(936,635)	(42,933)	-	-	(979,568)
<b>Balances as of 7/31/2004</b>	<b>\$ 500</b>	<b>\$ 73,908</b>	<b>\$ -</b>	<b>\$ 9,629</b>	<b>\$ 7,736,454</b>	<b>\$ 7,820,491</b>
<b>PERIOD INCREASE OR (DECREASE)</b>	<b>\$ -</b>	<b>\$ 21,353</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (964,095)</b>	<b>\$ (942,742)</b>



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

**INVESTMENT TRANSACTIONS**

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
7/15/2004	Interest	L.A.I.F.	\$ 35,905				
7/22/2004	Withdrawal	L.A.I.F.	(1,000,000)				
<b>TOTAL INVESTMENT TRANSACTIONS</b>			<b>\$ (964,095)</b>	<b>-</b>			

\* The earnings rate for L.A.I.F. is a daily variable rate; 1.44% was the effective yield rate at the Quarter ended June 30, 2004.

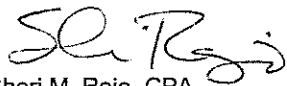
**INVESTMENT STATUS  
July 31, 2004**

<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	\$ 7,736,454			
Time Certificates of Deposit	-			
<b>TOTAL INVESTMENTS</b>	<b>\$ 7,736,454</b>			

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

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

Respectfully submitted,



Sheri M. Rojo, CPA  
Finance Manager  
Chino Basin Watermaster

**CHINO BASIN WATERMASTER**  
**Profit & Loss Budget vs. Actual**  
**July 2004**

	<u>Jul 04</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4010 · Local Agency Subsidies	0.00	132,000.00	-132,000.00	0.0%
4110 · Admin Asmnts-Approp Pool	0.00	3,755,236.00	-3,755,236.00	0.0%
4120 · Admin Asmnts-Non-Agri Pool	0.00	97,652.00	-97,652.00	0.0%
4700 · Non Operating Revenues	0.00	78,330.00	-78,330.00	0.0%
<b>Total Income</b>	<u>0.00</u>	<u>4,063,218.00</u>	<u>-4,063,218.00</u>	<u>0.0%</u>
<b>Gross Profit</b>	0.00	4,063,218.00	-4,063,218.00	0.0%
<b>Expense</b>				
6010 · Salary Costs	42,685.28	401,704.00	-359,018.72	10.63%
6020 · Office Building Expense	11,070.91	100,800.00	-89,729.09	10.98%
6030 · Office Supplies & Equip.	3,145.01	45,500.00	-42,354.99	6.91%
6040 · Postage & Printing Costs	10,510.43	67,100.00	-56,589.57	15.66%
6050 · Information Services	15,823.74	105,076.00	-89,252.26	15.06%
6060 · Contract Services	42,279.79	106,000.00	-63,720.21	39.89%
6080 · Insurance	2,069.42	21,710.00	-19,640.58	9.53%
6110 · Dues and Subscriptions	1,131.00	16,600.00	-15,469.00	6.81%
6140 · Other WM Admin Expenses	186.72	2,500.00	-2,313.28	7.47%
6150 · Field Supplies	0.00	4,250.00	-4,250.00	0.0%
6170 · Travel & Transportation	1,945.10	24,650.00	-22,704.90	7.89%
6190 · Conferences & Seminars	0.00	16,000.00	-16,000.00	0.0%
6200 · Advisory Comm - WM Board	1,525.53	13,459.00	-11,933.47	11.34%
6300 · Watermaster Board Expenses	4,736.22	23,559.00	-18,822.78	20.1%
8300 · Appr PI-WM & Pool Admin	866.98	13,659.00	-12,792.02	6.35%
8400 · Agri Pool-WM & Pool Admin	1,066.28	16,417.00	-15,350.72	6.5%
8467 · Agri-Pool Legal Services	0.00	45,000.00	-45,000.00	0.0%
8470 · Ag Meeting Attend -Special	0.00	10,000.00	-10,000.00	0.0%
8500 · Non-Ag PI-WM & Pool Admin	270.51	6,077.00	-5,806.49	4.45%
6500 · Education Funds Use Expens	0.00	375.00	-375.00	0.0%
9500 · Allocated G&A Expenditures	<u>-27,252.47</u>	<u>-290,106.00</u>	<u>262,853.53</u>	<u>9.39%</u>
<b>Subtotal Administrative Expenditures</b>	112,060.45	750,330.00	-638,269.55	14.94%
6900 · Optlimum Basin Mgmt Plan	97,300.61	933,566.00	-836,265.39	10.42%
6950 · Mutual Agency Projects	6,666.67	80,004.00	-73,337.33	8.33%
9501 · G&A Expenses Allocated-OBMP	<u>11,252.68</u>	<u>85,617.00</u>	<u>-74,364.32</u>	<u>13.14%</u>
<b>Subtotal OBMP Expenditures</b>	115,219.96	1,099,187.00	-983,967.04	10.48%
7101 · Production Monitoring	2,854.20	54,957.00	-52,102.80	5.19%
7102 · In-line Meter Installation	851.62	93,969.00	-93,117.38	0.91%
7103 · Grdwtr Quality Monitoring	18,801.82	148,792.00	-129,990.18	12.64%
7104 · Gdwtr Level Monitoring	6,052.90	135,072.00	-129,019.10	4.48%
7105 · Sur Wtr Qual Monitoring	6,996.69	282,220.00	-275,223.31	2.48%
7106 · Wtr Level Sensors Install	0.00	19,114.00	-19,114.00	0.0%
7107 · Ground Level Monitoring	19,940.62	433,720.00	-413,779.38	4.6%
7108 · Hydraulic Control Monitoring	26,058.99	437,987.00	-411,928.01	5.95%
7200 · PE2- Comp Recharge Pgm	198,104.07	413,177.00	-215,072.93	47.95%
7300 · PE3&5-Water Supply/Desalte	0.00	20,885.00	-20,885.00	0.0%
7400 · PE4- Mgmt Plan	13,737.16	795,099.00	-781,361.84	1.73%
7500 · PE6&7-CoopEfforts/SaltMgmt	1,425.00	251,343.00	-249,918.00	0.57%
7600 · PE8&9-StorageMgmt/Conj Use	0.00	140,400.00	-140,400.00	0.0%

**CHINO BASIN WATERMASTER**  
**Profit & Loss Budget vs. Actual**  
**July 2004**

	<u>Jul 04</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7690 · Recharge Improvement Debt Pymt	274,169.00	274,169.00	0.00	100.0%
7700 · Inactive Well Protection Prgm	0.00	28,302.00	-28,302.00	0.0%
9502 · G&A Expenses Allocated-Projects	15,999.77	204,488.00	-188,488.23	7.82%
<b>Subtotal Special Project Expenditures</b>	<u>584,991.84</u>	<u>3,733,694.00</u>	<u>-3,148,702.16</u>	<u>15.67%</u>
<b>Total Expense</b>	<u>812,272.25</u>	<u>5,583,211.00</u>	<u>-4,770,938.75</u>	<u>14.55%</u>
<b>Net Ordinary Income</b>	-812,272.25	-1,519,993.00	707,720.75	53.44%
<b>Other Income/Expense</b>				
<b>Other Income</b>				
4231 · MZ1 Assigned Water Sales	0.00	600,000.00	-600,000.00	0.0%
4230 · MZ1 Sup Wtr Assessment	0.00	1,579,500.00	-1,579,500.00	0.0%
<b>Total Other Income</b>	<u>0.00</u>	<u>2,179,500.00</u>	<u>-2,179,500.00</u>	<u>0.0%</u>
<b>Other Expense</b>				
5010 · Groundwater Replenishment	138,520.80	2,278,500.00	-2,139,979.20	6.08%
9999 · To/(From) Reserves	-950,793.05	-1,618,993.00	668,199.95	58.73%
<b>Total Other Expense</b>	<u>-812,272.25</u>	<u>659,507.00</u>	<u>-1,471,779.25</u>	<u>-123.16%</u>
<b>Net Other Income</b>	<u>812,272.25</u>	<u>1,519,993.00</u>	<u>-707,720.75</u>	<u>53.44%</u>
<b>Net Income</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0%</u>

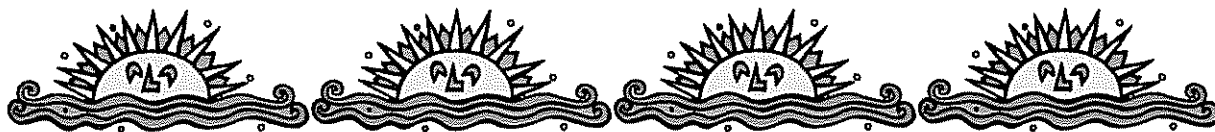


# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

### A. CONSIDER FIRST AMENDMENT TO PEACE AGREEMENT AND WATERMASTER RESOLUTION 2004-\_\_\_

Consider the First Amendment to the Peace Agreement Regarding Salt Credits and Allocation of Stormwater Recharge and Consider Associated Watermaster Resolution





# 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:** September 9, 2004  
September 21, 2004  
September 30, 2004

**TO:** Committee Members  
Watermaster Board Members

**SUBJECT:** First Amendment to the Peace Agreement

### SUMMARY

**Issue** - First Amendment to the Peace Agreement

**Recommendation** – Approve the First Amendment and Recommend that Watermaster adopt the Resolution which commits it to proceed in accordance with the First Amendment.

**Fiscal Impact** – None. The First Amendment will alter the manner in which the replenishment obligation of the desalters is met in the future, but it does not eliminate the other sources of desalter replenishment water as described in the Peace Agreement.

### Background

On March 11, 2004, Monte Vista Water District filed a "Motion for an Order Compelling Watermaster to Establish a Program to Equitably Allocate Benefits from Water Quality Mitigation Measures Under the Physical Solution" ("Motion").

The Motion had its genesis in the issue of Salt Credits and the potential inequities resulting from the adoption by the Regional Water Quality Control Board of the Basin Plan Amendment. It is possible that adoption of the Basin Plan Amendment by the RWQCB will obviate the need for Salt Credits as described in Sections 1.1(rr) and 5.5 of the Peace Agreement. The Motion articulates the position by Monte Vista that it made certain concessions in the Peace Agreement in exchange for an expectation of value based upon Salt Credits.

In response, on March 25, 2004, the Watermaster Board directed staff and legal counsel to convene a process that would be responsive to the relief requested by the Motion. Staff and legal counsel convened the attorney/manager group and began meeting with the parties in April.

While these meetings continue, a solution to the Salt Credits issue has emerged in the form of a First Amendment to the Peace Agreement. The essence of this First Amendment is an agreement that the concept of Salt Credits can be eliminated from the Peace Agreement if the obligation to dedicate the storm flow component of New Yield for Desalter Replenishment is also eliminated from the Peace Agreement.

Sections one and two of the First Amendment implement this agreement by articulating the manner of these adjustments to the Peace Agreement. Section three of the First Amendment then contains an assurance to the parties that, other than as amended, Section 7.5 of the Peace Agreement shall remain in full force in effect unaltered by the First Amendment.

Any amendment to the Peace Agreement must be executed by all of the parties who were signatory to the Peace Agreement. While Watermaster is not a signatory to the Peace Agreement, it did adopt a resolution by which it committed itself to proceed in accordance with the terms of the Peace Agreement (see Peace Agreement Exhibit "A").

Included with this staff report are two documents:

- (1) the First Amendment to the Peace Agreement; and
- (2) a resolution committing Watermaster to proceed in accordance with the Peace Agreement as amended by the First Amendment.

Two motions are therefore recommended:

(1) a motion by the Pool to accept the First Amendment and directing the Chair of the Pool to execute the First Amendment on behalf of the Pool; and

(2) a motion to recommend to the Advisory Committee that it recommend adoption by the Board of the resolution committing Watermaster to proceed in accordance with the Peace Agreement as amended by the First Amendment and that the Board direct legal counsel to file the First Amendment with the Court for approval.

## **FIRST AMENDMENT TO PEACE AGREEMENT CHINO BASIN**

THIS FIRST AMENDMENT TO PEACE AGREEMENT ("Agreement") is dated the 2<sup>nd</sup> of September 2004 regarding the Chino Groundwater Basin.

### **RECITALS**

A. The Parties entered into that certain "Peace Agreement" dated June 29, 2000. The Peace Agreement was approved by the Court in San Bernardino Superior Court Case No. RCV 51010.

B. Section 5.5 of the Peace Agreement provided for Watermaster assignment of "Salt Credits." Certain parties to the Peace Agreement contend that Salt Credits were intended as a benefit to compensate non-discharging Appropriators for their obligation under Section 7.5(b) of the Peace Agreement to provide their share of the storm flow Recharge component of New Yield for Desalter Replenishment. The storm flow Recharge component of New Yield has been established by Watermaster at 12,000 acre-feet per annum.

C. Pursuant to that contention, Monte Vista Water District brought a "Motion for an Order Compelling Watermaster to Establish a Program to Equitably Allocate Benefits from Water Quality Mitigation Measures Under the Physical Solution" on March 11, 2004.

D. The Parties have agreed that if the obligation to dedicate the storm flow Recharge component of New Yield for Desalter Replenishment is eliminated from the Peace Agreement, then Salt Credits can be eliminated from the Peace Agreement. The Parties intend that the storm flow Recharge component of New Yield will remain assigned to the individual Appropriators as a component of Safe Yield, and will not be independently dedicated to Desalter Replenishment, even if it subsequently becomes determined to be part of the Safe Yield in accordance with Section 4.5 of the Peace Agreement and Sections 6.2 and 6.5 of the Watermaster Rules and Regulations.

E. Except as set forth herein, the Parties to the Peace Agreement have agreed that Desalter Replenishment will continue to be provided for as set forth in Section 7.5 of the Peace Agreement, as amended, with Desalter Replenishment being provided from the following sources in order of priority: (a) the 25,000 acre-feet of Kaiser water; (b) New Yield other than the 12,000 acre-feet of storm flow Recharge; (c) Safe Yield and (d) Additional Replenishment Water purchased by Watermaster.

NOW THEREFORE, in consideration of the covenants and conditions herein contained, and for other good and valuable consideration the receipt of which is hereby acknowledged, the Parties agree as follows:

**AGREEMENT**

1. **Salt Credits Deleted.** Sections 1.1(rr) and 5.5 of the Peace Agreement are hereby deleted.

2. **Stormwater Component of New Yield Dedicated to Appropriators.**  
The 12,000 acre-feet of storm flow Recharge determined by Watermaster to be part of New Yield shall be allocated to the Appropriators according to their percentages of Safe Yield under the Judgment. Notwithstanding section 7.5(c) of the Peace Agreement, those amounts will continue to be dedicated in those percentages to the Appropriators if that storm flow Recharge is subsequently determined to be Safe Yield. Section 7.5(b) of the Peace Agreement is hereby amended to read:

" New Yield, other than the storm flow Recharge component thereof, unless the water Produced and treated by the Desalters is dedicated by a purchaser of the desalted water to offset the price of desalted water to the extent of the dedication."

3. **Effect of Amendment.** Except as amended hereby, the Peace Agreement remains in full force and effect and nothing in this First Amendment shall be construed to require Watermaster to levy the Replenishment Assessment contemplated by subdivision (d) of Section 7.5 thereof separately against the Parties that receive desalted water

IN WITNESS WHEREOF, the Parties hereto have set forth their signatures as of the date written below:

DATED: STATE OF CALIFORNIA

BY: \_\_\_\_\_

DATED: CITY OF ONTARIO

BY: \_\_\_\_\_

[Signatures continued on following pages]



DATED: **CITY OF UPLAND**

BY: \_\_\_\_\_

DATED: **CITY OF POMONA**

BY: \_\_\_\_\_

DATED: **CITY OF CHINO**

BY: \_\_\_\_\_

DATED: **CUCAMONGA COUNTY WATER DISTRICT**

BY: \_\_\_\_\_

DATED: **MONTE VISTA WATER  
DISTRICT**

BY: \_\_\_\_\_

[Signatures continued on following pages]

DATED: **FONTANA UNION WATER  
COMPANY**

BY: \_\_\_\_\_

DATED: **CITY OF CHINO HILLS**

BY: \_\_\_\_\_

DATED: **JURUPA COMMUNITY  
SERVICES DISTRICT**

BY: \_\_\_\_\_

DATED: **AGRICULTURAL POOL**

BY: \_\_\_\_\_

DATED: **APPROPRIATIVE POOL**

BY: \_\_\_\_\_

[Signatures continued on following pages]

DATED: **NON-AGRICULTURAL POOL**

BY: \_\_\_\_\_

DATED: **INLAND EMPIRE UTILITY  
AGENCY**

BY: \_\_\_\_\_

DATED: **THREE VALLEYS MUNICIPAL  
WATER DISTRICT**

BY: \_\_\_\_\_

DATED: **KAISER VENTURES, INC.**

BY: \_\_\_\_\_

DATED: **WESTERN MUNICIPAL  
WATER DISTRICT**

BY: \_\_\_\_\_

[Signatures continued on following pages]

DATED: **SAN ANTONIO WATER  
COMPANY**

BY: \_\_\_\_\_

DATED: **CHINO BASIN WATER  
CONSERVATION DISTRICT**

BY: \_\_\_\_\_

WATERMASTER RESOLUTION  
NO. 2004-\_\_

**RESOLUTION OF THE CHINO BASIN WATERMASTER TO  
PROCEED IN ACCORDANCE WITH THE PEACE  
AGREEMENT AS AMENDED**

WHEREAS, the Judgment in the Chino Basin Adjudication, *Chino Basin Municipal Water District v. City of Chino, et al.*, San Bernardino Superior Court No. RCV 51010, created the Watermaster and directed it to perform the duties as provided in the Judgment or ordered or authorized by the Court in the exercise of the Court's continuing jurisdiction; and

WHEREAS, the Judgment directs Watermaster to develop an OBMP subject to the limitations contained in the Judgment; and

WHEREAS, the Parties entered into that certain "Peace Agreement" dated June 29, 2000; and

WHEREAS, Watermaster adopted Resolution 2000-\_\_ which was attached to the Peace Agreement as Exhibit "A," whereby Watermaster resolved to proceed with implementation of the OBMP in accordance with the Peace Agreement; and

WHEREAS, the Court Ordered Watermaster to proceed with implementation of the OBMP in accordance with the Peace Agreement in its Order dated July 13, 2000; and

WHEREAS, the parties are executing a First Amendment to the Peace Agreement a copy of which First Amendment is attached hereto as Exhibit "A."

NOW, THEREFORE, IT IS HEREBY RESOLVED AND DETERMINED THAT:

1. The goals and plans in the Phase I Report and their implementation as provided in and consistent with the Implementation Plan and the Peace Agreement as amended by the First Amendment are in furtherance of the physical solution set forth in the Judgment and Article X, Section 2 of the California Constitution.
2. Although not a signatory, the Chino Basin Watermaster Board supports and approves the Peace Agreement negotiated by the parties thereto and as amended by the First Amendment to the Peace Agreement.
3. Subject to the unanimous approval of the First Amendment to the Peace Agreement by the Parties, Watermaster will proceed in accordance with the OBMP Implementation Plan and the Peace Agreement as amended.
4. The Watermaster Board will transmit a request to the Court to issue an Order authorizing and directing Watermaster to proceed in accordance with this Resolution.



# CHINO BASIN WATERMASTER

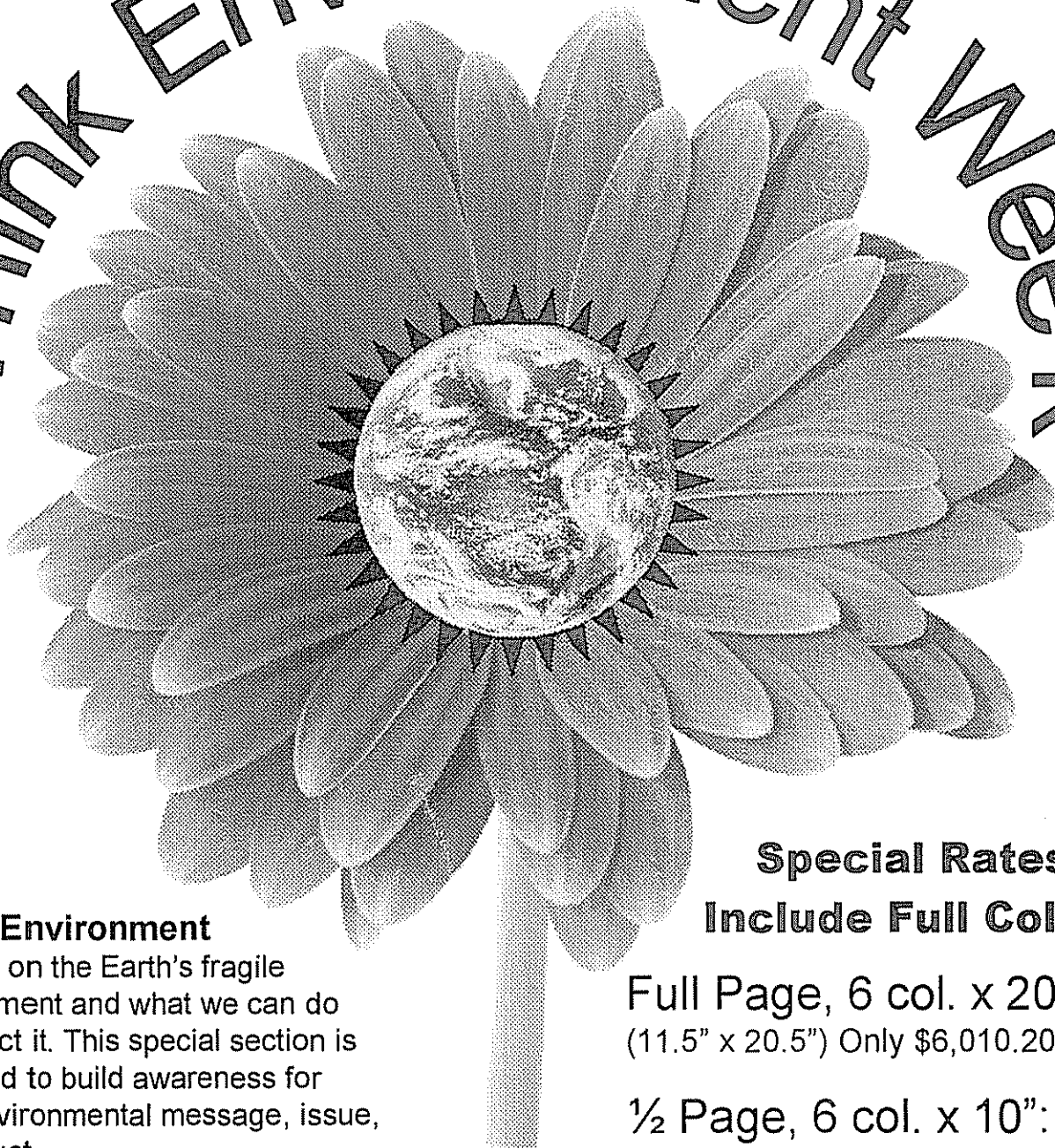
## III. REPORTS/UPDATES

### B. STAFF REPORT

4. "Think Environment Week" Flyer



# Think Environment Week



## Think Environment

focuses on the Earth's fragile environment and what we can do to protect it. This special section is designed to build awareness for your environmental message, issue, or product.


More than 125,000\* Daily Bulletin readers will see your ad in this 8 page standard section, printed in full color!


## Special Rates Include Full Color!

Full Page, 6 col. x 20.5":  
(11.5" x 20.5") Only \$6,010.20

½ Page, 6 col. x 10":  
(11.5" x 10") Only \$3,606.12

¼ Page, 3 col. x 10":  
(5.69" x 10") Only \$2,704.50

 **Space & Copy Deadline:**  
Wednesday, September 15<sup>th</sup>

 **Publish Date:**  
Thursday, September 30<sup>th</sup>

INLAND VALLEY  
**Daily Bulletin**

Call Your Sales Rep Today! (909) 987-9397 ext. \_\_\_\_\_



THIS PAGE  
HAS  
INTENTIONALLY  
BEEN LEFT  
BLANK  
FOR PAGINATION



# CHINO BASIN WATERMASTER

## III. REPORTS/UPDATES

### C. Metropolitan Water District Member Agency Report

#### 1) INLAND EMPIRE UTILITIES AGENCY

- g. Water Conservation Status Report
- h. Recycled Water Program
- i. Chino Basin Facilities Improvement  
Project (Recharge)
- j. State/Federal Legislation
- k. Public Relations



**CHINO BASIN WATERMASTER  
ADVISORY COMMITTEE  
September 30, 2004**

**AGENDA**

**INTER-AGENCY WATER MANAGERS' REPORT**

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

**20 – 30 Minutes**

---

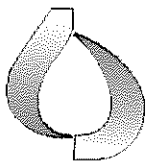
**Discussion Items:**

- Rialto Pipeline Shutdown Task Force Update – Richard Atwater
- MWD Status Report – Richard Atwater
- College Heights Project Status Report – Tom Love
- Southern California Water Quality Planning Project – Martha Davis and Bob Neufeld
- Proposition 50 Grant Funding Status Report – Martha Davis

**Written Monthly Updates:**

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

THIS PAGE  
HAS  
INTENTIONALLY  
BEEN LEFT  
BLANK  
FOR PAGINATION



---

Date: September 30, 2004  
To: Chino Basin Inter-Agency Advisory Committee  
From: Inland Empire Utilities Agency  
Subject: Water Conservation Report

---

## **RECOMMENDATION**

### **BACKGROUND**

#### **ULF TOILET REBATE PROGRAM**

In the month of August, a total of 48 rebates were issued and 136 rebates for the current fiscal year. This brings the total number of rebates to 1,729 since the rebate program began.

#### **HECW REBATE PROGRAM**

A total of 124 rebates were issued in the month of August, bringing the total for the current fiscal year to 384 rebates. A total of 3,724 rebates have been issued since the program began.

#### **MULTI-FAMILY ULF TOILET EXCHANGE PROGRAM**

An RFP was issued on August 6, 2004 to retain a contractor that will provide direct-installation services to property owners. IEUA will recommend approval of a one year contract with "Water Wise Consulting" in October for these services.

#### **ARCHSTONE ULFT DIRECT INSTALL PROGRAM**

The contract with Oldtimers Foundation to directly install 1,056 toilets in the Archstone-Terricina apartment complex in Ontario will be terminated. Insurance issues prevented the project from going forward under this contract. The project will be rolled into the new ULF Direct-Install contract after approval of the IEUA Board of Directors.

#### **ULFT SUPPLIER**

Water Resources staff issued an RFP on August 5, 2004 to request bids for IEUA's ULF toilet supplier for the regional and local ULF toilet distribution projects for fiscal years 2004-05 and 2005-06. In September, the IEUA Board awarded a contract to Niagara Conservation Corporation to provide toilets for both regional and local toilet distribution events using the Niagara Flapperless toilet.

**LARGE LANDSCAPE AUDIT PROGRAM**

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. The contractor will first meet with local agencies staff to coordinate site visits. The first site audits will occur in late September.

**SWIMMING POOL COVER SURVEY PROGRAM**

The Swimming Pool Cover Rebate Program started on July 1, 2004 and will run through September 30, 2004. In the month of August, a total of 21 rebates were processed. This brings the total to 46 rebates issued for the current fiscal year. IEUA is budgeted for 300 rebates of \$50 each and is administering the program internally.

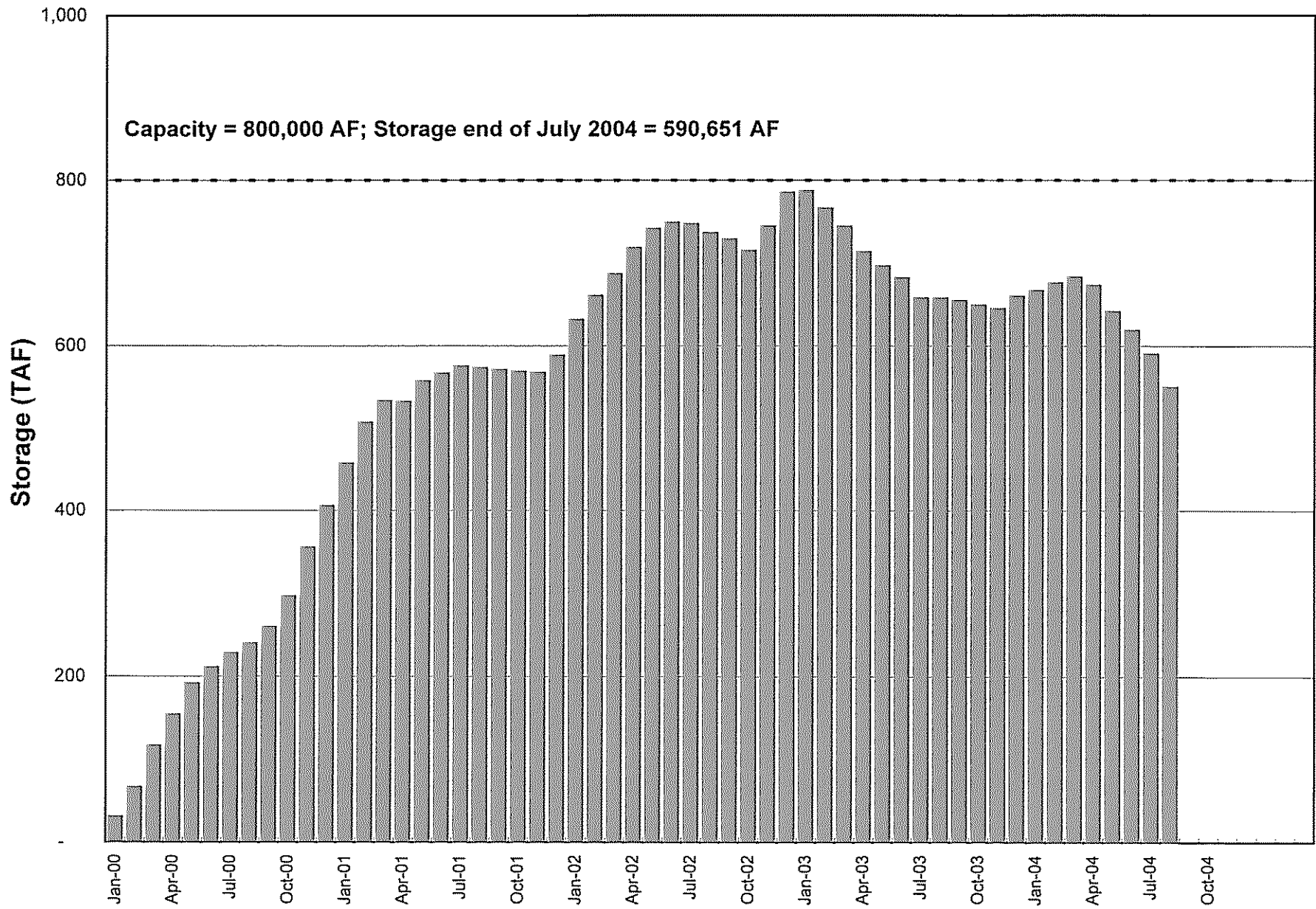
**"A GARDEN IN EVERY SCHOOL" PROGRAM**

"A Garden in Every School" program will provide a native landscape garden at up to seven schools in the service area. Two school districts have agreed participate in the program - Alta Loma School District and the Fontana School District. Other school districts are considering participation in the program.

**CHINO BASIN GREEN**

IEUA, working in conjunction with the Inland Empire West Resource Conservation District, has distributed about one-third of the available "California Friendly" trees and shrubs to area schools and cities. Planting ceremonies are currently being planned for September and October at many of these sites.

# Month-End Storage at Diamond Valley Reservoir

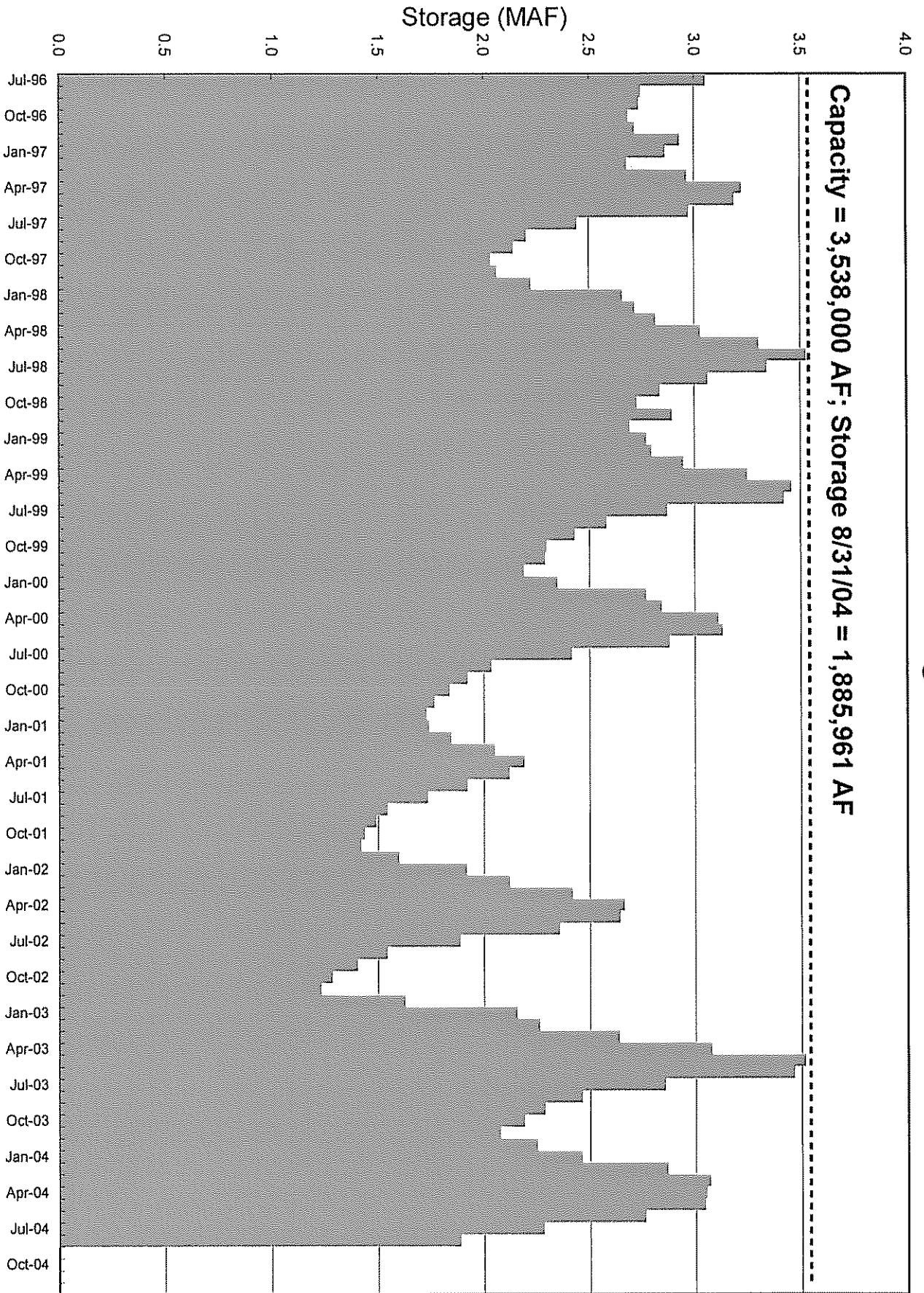


THIS PAGE  
HAS  
INTENTIONALLY  
BEEN LEFT  
BLANK  
FOR PAGINATION



# Month-End Storage at Oroville Reservoir

Capacity = 3,538,000 AF; Storage 8/31/04 = 1,885,961 AF

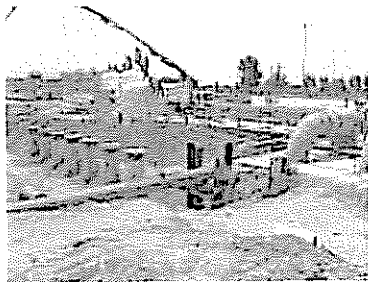


THIS PAGE  
HAS  
INTENTIONALLY  
BEEN LEFT  
BLANK  
FOR PAGINATION

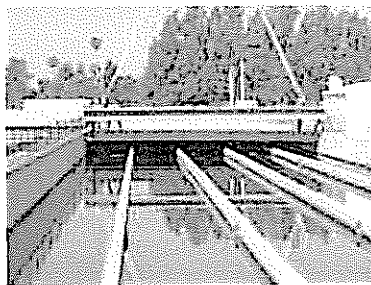


# AUGUST 2004 RECYCLED WATER SUMMARY

## Capital Projects Summary



RP-1 New Pump Station



RP-1 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 August 2004.
- RP-1 Chlorination Tank (Budget \$4,817,000)  
Under construction and scheduled for completion in August 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:

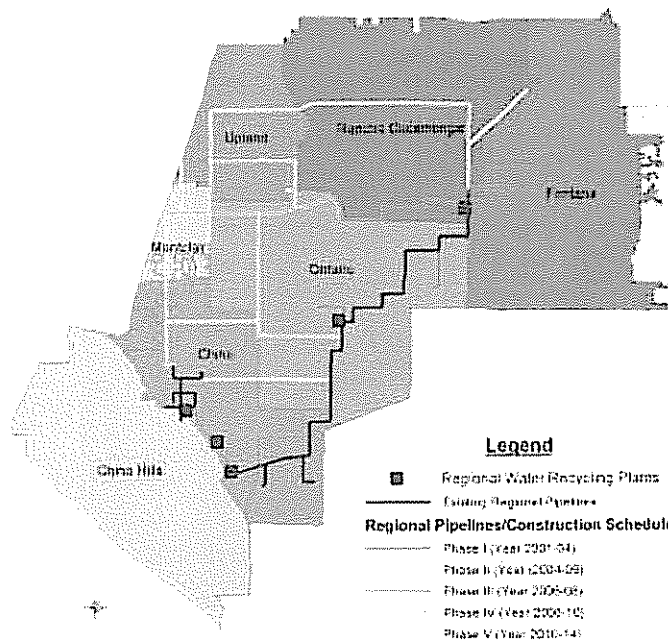
1. Recycled Water Master Plan Update (2005);
2. RP-4 Area 2 MG Regional Recycled Water Reservoir, Pipeline and Pump Station;
3. North Etiwanda Regional Water Pipeline and Pump Station;
4. Etiwanda Avenue 3 MG Regional Recycled Water Reservoir;
5. RP-1 South Regional Recycled Water Pump Station; and
6.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

Montgomery Watson was awarded for the design of Phase II on June 16, 2004. Major effort is underway to collect updated potential recycled water demand from each of the Cities and water purveyors to update the recycled water master plan.

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 and existing areas in Ontario and Jurupa community.

Projected Budget—\$12,000,000



### Total Implementation Plan

ID	Task Name	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1	Phase I				\$34,000,000.00											
2	Phase II							\$28,000,000.00								
3	Phase III									\$25,000,000.00						
4	Phase IV										\$23,000,000.00					
5	Phase V											\$22,000,000.00				

### 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 bar]															
2	RP-1 Chlorination Tank	\$4,817,200	\$3,668,159	\$1,149,041	[Gantt bar]															
3	Pine Avenue Inter tie	\$1,056,000	\$1,008,431	\$57,569	[Gantt bar]															
4	Wineville Pipeline	\$2,307,200	\$1,262,998	\$1,044,202	[Gantt bar]															
5	Reliant Pipeline	\$1,115,476	\$1,115,476	\$0	[Gantt bar]															
6	Philadelphia Pipeline	\$3,591,400	\$727,483	\$2,863,917	[Gantt bar]															
7	Whitram Pipeline	\$3,620,000	\$484,750	\$3,135,250	[Gantt bar]															
8	RP-4 West Branch	\$9,848,000	\$484,068	\$9,363,932	[Gantt bar]															

### 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 bar]												[Gantt bar]												[Gantt bar]				
2	North Etiwanda Pipeline & Pump Station	\$8,000,000	[Gantt bar]												[Gantt bar]												[Gantt bar]				
3	Etiwanda Recycled Water Reservoir	\$4,400,000	[Gantt bar]												[Gantt bar]												[Gantt bar]				
4	RP-1 South Pump Station	\$4,500,000	[Gantt bar]												[Gantt bar]												[Gantt bar]				
5	San Antonio Channel Pipeline	\$8,000,000	[Gantt bar]												[Gantt bar]												[Gantt bar]				
6	Edison Pipeline (Phase III)	\$9,150,000	[Gantt bar]												[Gantt bar]												[Gantt bar]				
7	Archibald Pipeline (Phase III)	\$2,650,000	[Gantt bar]												[Gantt bar]												[Gantt bar]				

### 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**

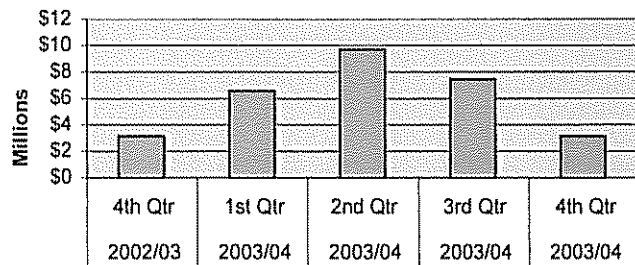
- Regional Capital Fund \$2 Million
- SWRCB Recycling Grant\* \$5 Million
- SWRCB Loan\* \$11 Million
- USBR Grant \$7 Million

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

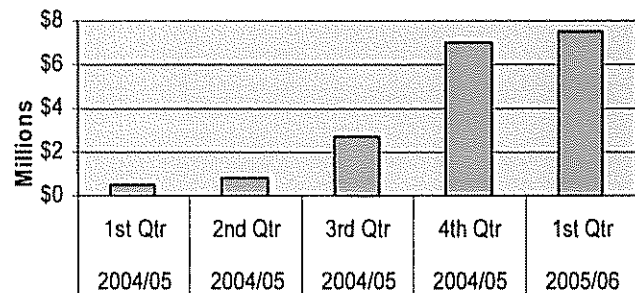
**Funding Phase III**

- 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
<b>Total</b>	<b>2,420</b>

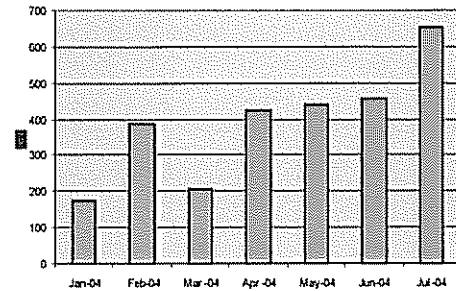
## New Customers in 2004

- Fairfield Ranch Business Park Phase II  
Denny's restaurant started to use recycled water in June.
- 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  
The farmer is interested in using recycled water and has a booster pump to increase the pressure for sprinkler irrigation. The engineer's report will be prepared by one of the four consultants hired for recycled water customer development.
- Mission Linen  
In the process of developing retrofit concept to maximize the use of recycled water in the facility.
- Cotton Wood Dairy  
Submitted the engineer's report to DHS.
- Bakken Property  
IEUA issued a permit to connect to Wineville regional recycled water pipeline.
- Fruit Growers Supply  
The same lateral for Bakken Property will be used to irrigate the landscape.

## 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  
Metal Coaters of California, Inc.

## Recycled Water Sales



Delivery Period	FY 2003-04	FY 2004-05
July	537	658
Year to Date	2,248	2,742
<b>FY Total</b>	<b>537</b>	<b>658</b>
<b>Budget</b>		<b>8,290</b>

## Operation & Planning

- TP-1 Outfall line and RP-4 Outfall line were shutdown on August 4th and August 6th respectively for a period of 24 hours and 8 hours for the construction of RP-1 pump station.
- IEUA plans to construct 11 recycled water hydrants along the existing recycled water system to deliver recycled water for constructions.



3 MG Recycled Water Reservoir in Chino Hills

## 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

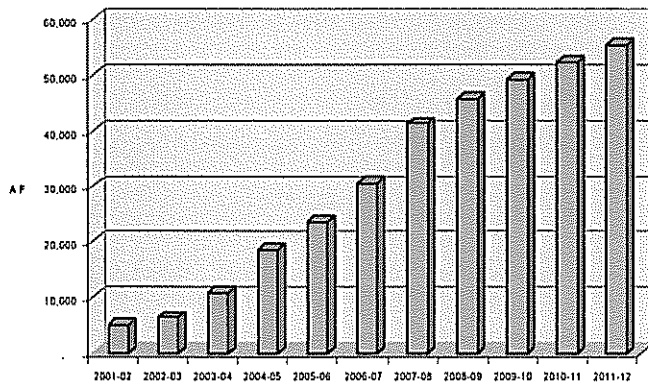
1. Empire Lakes Golf Course (CVWD)	800 AFY
2. Additional Farms on Outfall (Ontario & Chino)	5,000 AFY
3. Ontario Center Owners Association (Ontario)	260 AFY
4. California Co-generation (Chino)	250 AFY
5. Vellano Golf Course (Chino Hills)	500 AFY
6. CIM (Farming Operation & Laundry Facility--Chino)	1,500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



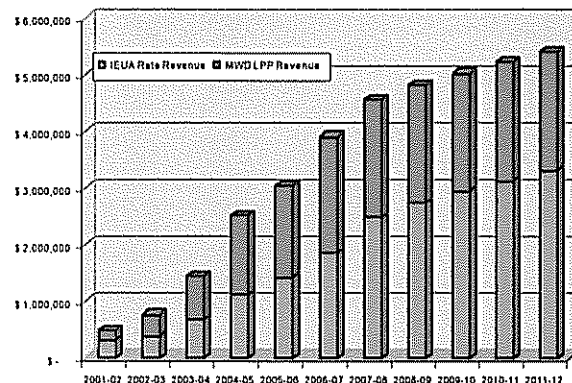
New Kaiser Hospital in Ontario

## Projected Sales & Revenue

Projected Recycled Water Sales

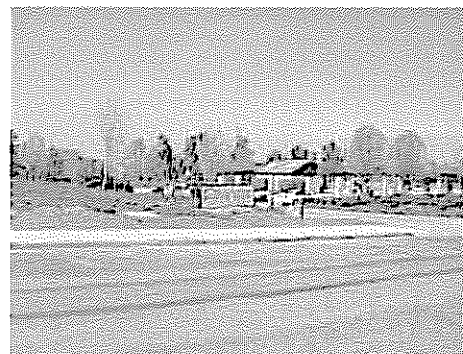


Projected Recycled Water Revenue



## 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



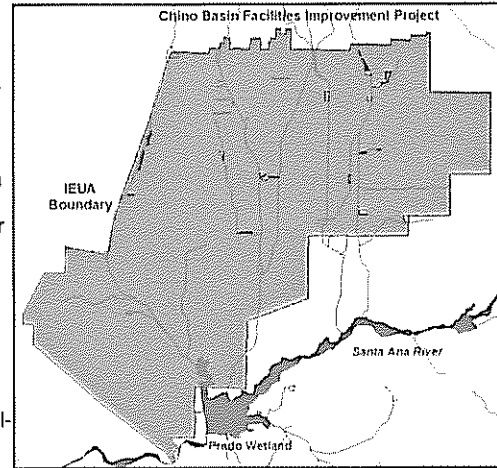
Rincon Park in Chino Hills

## AUGUST 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.



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

#### 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)*

#### Project Participant:

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

#### Design and Construction Management Team:

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

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.

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

Bid Package No. 2 includes three basins: Declez Basin, Ely Basins 1, 2, & 3, and 8<sup>th</sup> 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 - COMPLETE
- Ely Basins 1, 2, & 3 - COMPLETE
- 8<sup>th</sup> Street Basins - COMPLETE

#### Rubber Dam status

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

#### Drop Inlets

- The three drop inlets— COMPLETE

#### Monitoring Wells at Brooks Basin — COMPLETE

- Monitoring Wells at Brooks Basin
- The IEUA Board of Directors accepted as complete Bid Package No. 2, August 18, 2004

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

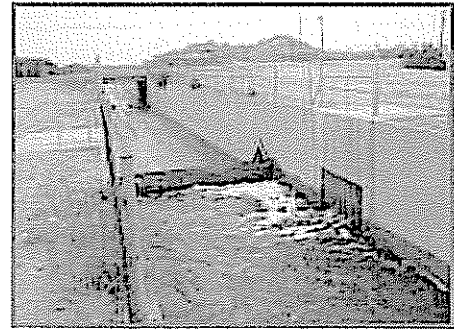
- Construction began January 5, 2004. Bid was \$2,889,477. Estimated claims to date due to changes in alignment, weather and other delays = \$325,000

- 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.

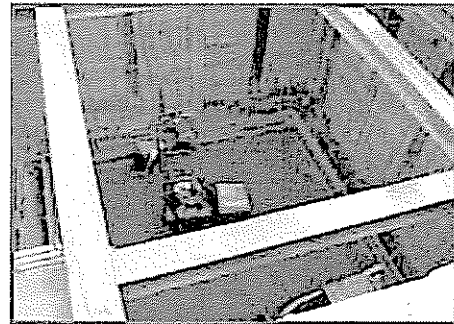
- 10,000 lineal feet has been installed from RP-3 site westward along Jurupa Avenue. The project is 93% complete.
- The construction period is 367 calendar days.
- Substantially complete Date: September 10, 2004

**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 for delivering water to the 36" Jurupa Pipeline (BP No. 3).
- 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 third pour of the walls of the wet well are complete. Work on the canal from the Jurupa turnout to the pump station is underway; estimate work is 75% complete.
- 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 Declaz Basin. The drop inlet is schedule for completion January 2006. 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.
- Substantially complete date: November 4, 2004



College Heights Rubber Dam inflated



Jurupa Pump Station

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

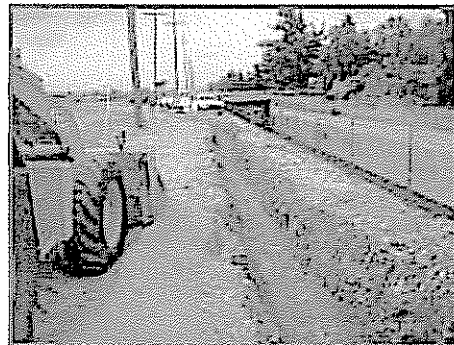
- Bid Package No. 5 includes the SCADA system consisting of radio controls to monitor and govern water levels in all the basins, control the drop inlets and rubber dams. Four monitoring sites will be established at the CBWM, CBWCD and SBCFCD offices with the master controls located at RWRP-1. The SBCFCD offices will have a satellite control station.
- DenBoer began construction at the RP-3 site on March 18, 2004. The contractor has laid the cable at sites and is beginning to install the appurtenances for all locations.
- The construction period is 242 calendar days. Estimate work is 65% complete.
- Substantially complete date: December 8, 2004



Lower Day Basin

**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.
- IEUA pre-purchased butterfly and sleeve valves to expedite the project. The valves have been installed at each of the three MWD locations.
- Eilar & Associates is completing the acoustical survey for noise level investigation of sleeve valves.
- The construction period is 193 calendar days. Estimate work is 84% complete.
- Substantially complete date: September 22, 2004



Monclair Basin Trenching for SCADA



### Bid Package No. 7 (Budget \$3,020,000)

- Bid Package No. 7 consists of RP-3 mitigation project, Hickory Basin manifold and pump station, discharge pipeline and appurtenances to Banana Basin, improvements to Victoria Basin and SCADA module.
- Bid Package No. 7, was advertise on June 11, 2004 for bid on July 7, 2004. Four bids were received and opened. The winning bid was at \$2,743,000. The award of contract was on July 21, 2004.

Bidder	Base Bid	Alternates	Total Bid
1. Brutoco Engineering & Construction, Inc.	\$2,743,000	\$134,000	\$2,877,000
2. Banshee Construction, Inc.	\$3,200,000	\$126,000	\$3,326,000
3. Reyes Construction, Inc.	\$3,537,764	\$160,000	\$3,697,764
4. DenBoer Engineering & Cosntruction, Inc.	\$3,613,000	\$199,000	\$3,812,000

- The construction period is 150 calendar days.
- Substantially complete date: December 2, 2004

### Bid Package No. 8

- Bid Package No. 8 has been deleted. Projects formally considered under this bid package will be handled under change orders or through contacts let by the City of Upland for development of the Upland Basin, including the Upland Basin 48" pipeline.

### Equipment Purchase

- Due to increased construction costs the equipment considered for purchase will be limited to:

Equipment to be Purchased

1. Portable Pumps, 2 ea.	\$100,000
2. Pickup, 1 ea.	\$30,000
3. Safety grates for gate opening	\$7,500
Subtotal	\$137,000

- The equipment pre-purchased for various bid packages included:

Pre-purchased Equipment

1. Rubber Dams, 5 ea.	\$885,479
2. Steeve valves 3 each and butterfly valves 3 each	\$264,941
Subtotal	\$1,150,420
Total—Recommended Projects & Equipment	\$1,287,420

### Cost Savings Achieved

RP-3 Site

- Dispatch Trucking has removed the 250,000 cubic yards of stock piled dirt from RP-3 site Cell No. 2. The hauling was completed in August 9, 2004. The saving from this is \$1,500,000 (\$6.00/cu.yd. X 250,000 cu.yd.)
- Clay materials washed into the Victoria Basin during the December 25, 2003 flooding has transported to the RP-3 Mitigation Site and placed the material to seal the bottom of the wetlands portion of the site. Estimated savings by not purchasing Bentinite clay is \$75,0000.

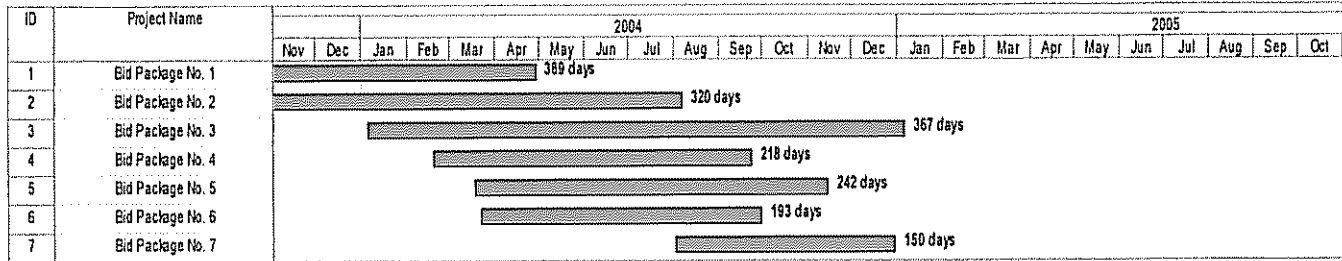
Victoria Basin

- Dispatch Trucking has excavated the 100,000 cubic yards. of soil from the floor of the Victoria Basin which will ultimately save \$855,000 (\$8.55/cu.yd. X 100,000 cu.yd.)

### DWR Grant for Future Recharge Improvements

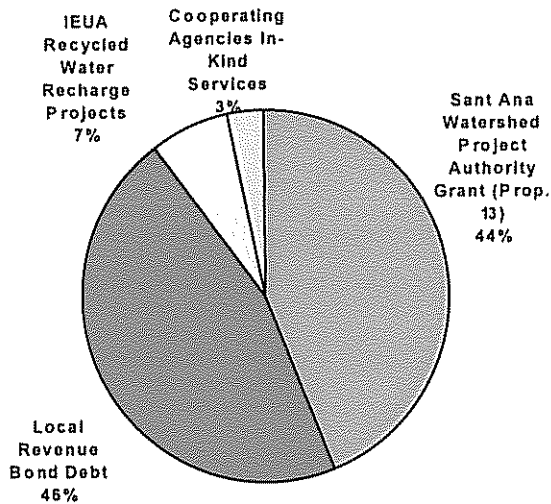
- IEUA (and Watermaster) are in the process of executing a grant agreement with DWR (Prop. 13 Funding) for additional recharge improvements. The estimated DWR grant amount is \$5.5 million.

### 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
- Future DWR Grant \$5.5 Million

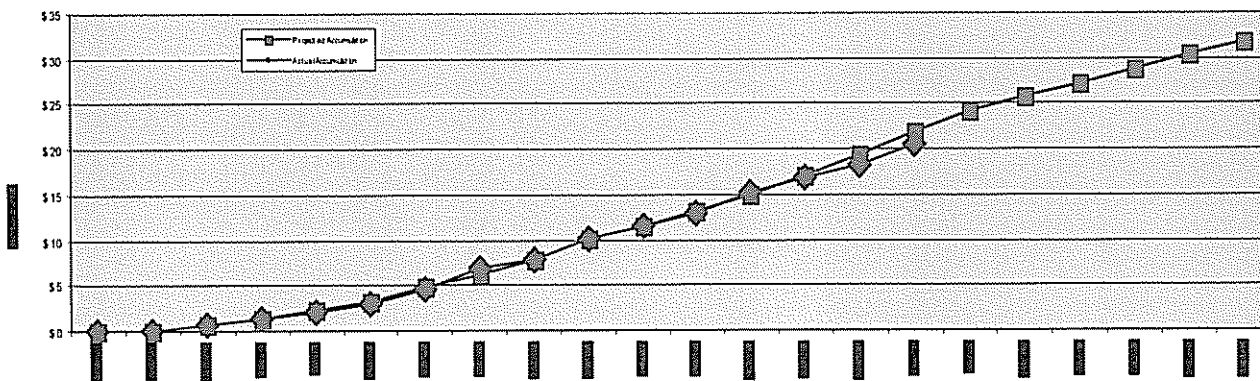


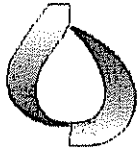
### Project Summary

Construction Phase	Estimated Cost	Budget
Bid Package No. 1	\$8,250,000	\$8,600,000
Bid Package No. 2	\$7,020,000	\$7,700,000
Bid Package No. 3	\$3,570,000	\$3,200,000
Bid Package No. 4	\$2,250,000	\$2,300,000
Bid Package No. 5	\$3,860,000	\$4,000,000
Bid Package No. 6	\$1,450,000	\$1,900,000
Bid Package No. 7	\$3,020,000	\$4,300,000
Non-Construction Cost*	\$8,994,000	\$8,994,000
<b>Total Budget**</b>	<b>\$38,414,000</b>	<b>\$38,700,000</b>
Expenditure To Date	(\$26,651,000)	

\*includes equipment purchases, engineering administration, and cooperative contribution from other agencies.  
 \*\*does not include \$5.5 million DWR grant.

### Projected vs. Actual Costs





Inland Empire  
UTILITIES AGENCY

---

Date: September 15, 2004  
To: Honorable Board of Directors  
Through: Public and Legislative Affairs Committee (9/8/04)  
From: Richard W. Atwater  
Chief Executive Officer/General Manager  
Submitted by: Martha Davis  
Executive Manager of Policy Development  
Subject: August Legislative Report from Agricultural Resources

---

### **RECOMMENDATION**

This is an informational item regarding the August 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.

THIS PAGE  
HAS  
INTENTIONALLY  
BEEN LEFT  
BLANK  
FOR PAGINATION

# *Agricultural Resources*

635 Maryland Avenue, N.E.  
Washington, D.C. 20002-5811  
(202) 546-5115  
(202) 546-4472-fax  
[agresources@erols.com](mailto:agresources@erols.com)

August 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, August 2004

**Highlights:**

- Congress Out for Conventions, August Break
- Lame Duck Session Looming?
- Three Water Recycling Bills – Senate Briefings
- Drought
- Desalination
- IEUA Working Partners

*The House and Senate Adjourned July 23<sup>rd</sup>, Out Until September 7.* As reported last month, the House and Senate began its traditional Summer break at the end of July and they will reconvene the Tuesday after Labor Day. It's slightly longer this year to accommodate the Democratic and Republican National Conventions in Boston and NY.

*Lame Duck in 2004?* There is considerable "talk" that a Lame Duck session is inevitable. Congress, under such circumstances, would return after the election to continue work on pending legislation. This may be critical for moving the water recycling bills.

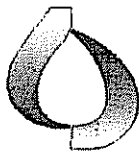
**Senate Briefings on Recycling Bills.** In early August, meetings and briefings were held with the Majority and Minority staff on the three recycling bills. A briefing was also held with Senator Feinstein's senior counsel. Working with representatives from OCWD, we jointly urged prompt action on the recycling bills. Whether or not a hearing is required is unresolved.

**Desalination.** The Calvert Subcommittee will hold legislative hearings on H.R. 3834, Mr. Davis, to direct the Secretary of Energy to make incentive payments to the owners or operators of qualified desalination facilities to partially offset the cost of electrical energy required to operate such facilities, and for other purposes; and, H.R. 4775, Mr. Reyes, to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the El Paso, Texas, water reclamation, reuse, and desalinization project, and for other purposes; and H.R. 4893, Mr. Calvert, to authorize additional appropriations for the Reclamation Safety of Dams Act of 1978. The IEUA General Manager has been invited to testify on the Desal bill in early September.

**Drought.** Drought continues to dominate the news throughout the West. All 17 of the Western States are experiencing some level of drought. More than half are experiencing "extreme" or "exceptional," the two most severe categories of drought. The Interior Department and Bureau of Reclamation are not calling for action, at least not yet. Last month, I reported that it's hard to imagine that the session will end without a "drought-relief" bill, though one is not pending at this time. I continue to believe it.

**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



Date: September 15, 2004  
To: Honorable Board of Directors  
Through: Public and Legislative Affairs Committee (9/8/04)  
From: Richard W. Atwater  
Chief Executive Officer/General Manager  
Submitted by: Martha Davis  
Executive Manager of Policy Development  
Subject: August Legislative Report from Dolphin Group

---

**RECOMMENDATION**

This is an informational item regarding the August 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.

THIS PAGE  
HAS  
INTENTIONALLY  
BEEN LEFT  
BLANK  
FOR PAGINATION



# Chino Basin / OBMP Coalition

## Status Report – August 2004

### ENERGY/REGULATORY

#### *Community Choice Aggregation*

The California Public Utilities Commission is expected to render a “draft” decision on exit fee issues in late September. We will be reviewing the “draft” decision and offering comments as appropriate. A final decision on those issues would likely follow by November.

After the exit fees issues are resolved, Phase II will begin to address administrative and operational issues.

#### *Water District Self-Generation (Implementation of SB 1755)*

This proceeding remains stalled at the Commission. DGI will continue to work with Senator Soto to urge the CPUC to resolve this issue.

#### *Biogas Net Metering*

At a special hearing held in mid-August, the Legislature discussed the concerns and problems with the implementation of the Experimental Biogas Net Metering program. Utility and industry representatives discussed the status of the program as well as the problems, namely interconnection issues.

At the hearing, the utilities committed to working with the dairy industry to resolve those issues, as well as the impending sunset of the program, scheduled to expire at the end of 2005.

DGI has separately met with representatives of Pacific Gas & Electric as well as Southern California Edison, and received similar commitments to extend and expand the program. The program is currently limited to just 5 MW per utility and 15 MW statewide.

DGI will be meeting with representatives from Pacific Gas & Electric, Southern California Edison and dairy industry representatives in September to begin drafting legislation for introduction in January to enhance and extend the Biogas Net Metering Program.

Issues to discuss include interconnection issues, the MW size cap, as well as which billing components should be included in the credit for net metering. Increasing the energy charge benefit will also be a top priority.

### *Energy Market Restructuring*

**AB 2006** (Nunez D-Los Angeles), sponsored by Southern California Edison, was dramatically amended late in session. The provisions related to direct access, or “core/noncore” were removed from the bill. The measure aimed solely to direct the CPUC on how utilities procure power, as well as some provisions intended to solidify consumer protection.

The Schwarzenegger Administration entered the fray, offering amendments to Speaker Nunez that would essentially delete the entire bill, and only direct the CPUC to formulate a core/noncore market.

Negotiations between the disparate sides failed, and the measure moved forward without the Governor’s provisions. The legislation passed out of the Senate 22-14 and the Assembly 45-30.

It is likely that the legislation will be vetoed by the Governor, who is already working with the CPUC on procurement issues, and is awaiting two new appointees to the Commission at the end of the year.

If vetoed, supporters of AB 2006 have warned they will place the measure before voters as an initiative on the 2006 Statewide Ballot.

### **CALIFORNIA PERFORMANCE REVIEW (CPR)**

Governor Schwarzenegger released his California Performance Review (CPR) in early August. The CPR report has been called a draft plan that is currently undergoing public review and comment. The Governor is expected to make a formal proposal to the Legislature when they reconvene in 2005.

The plan outline has far reaching implications for the water community. Among the report’s recommendations is the consolidation of the Department of Water Resources (DWR) into the newly created Infrastructure Department. The CPR report also proposes establishing the State Water Project as a separate authority within the Water Division of the Infrastructure Department. The Division would operate the SWP, the Water Commission and the Bay-Delta Authority.

The report also proposes elimination of hundreds of boards and commissions including the Colorado River Board and both the State Water Resources Control Board and associated Regional Boards.

A blue-ribbon panel appointed by the Governor is holding public hearings to solicit input on the report's findings. The first of those hearings focused on infrastructure issues, including water, was held in Riverside August 13<sup>th</sup> at U.C. Riverside.

Upcoming hearings include:

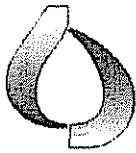
September 10<sup>th</sup> - Long Beach  
September 17<sup>th</sup> - Fresno

#### **LOCAL GOVERNMENT/BUDGET 2003-2004**

In the final days of the Legislative Session, the Legislature passed AB 2115 to make technical corrections and clarifying changes to SB 1096 (Chapter 211, Statutes of 2004), the local government budget trailer bill. The portion of the bill primarily affecting special districts is Section 97.72 of the Revenue and Taxation Code. This section corrects the allocation mechanism for the annual \$350 million property tax shift from special districts in 2004-05 and 2005-06. The allocation language in SB 1096 would have had the unintended effect of doubling the amount of the special district shift in 2005-06 and then increasing their ongoing annual property tax base by \$1.05 billion after the two-year period of the shift (rather than just restoring the \$350 million reduction).

This measure revises the allocation mechanism to be consistent with the intended budget action. The cleanup provisions in this bill also clarify that the calculations of districts' property tax shifts will be based on data reported to the State Controller and published in the 2001-02 State Controller's Special Districts Annual Report. This is instead of using the previously reported base year of 2000-01. Numerous special districts will find that their property taxes were higher in 2001-02, and therefore can assume a higher loss with this language

THIS PAGE  
HAS  
INTENTIONALLY  
BEEN LEFT  
BLANK  
FOR PAGINATION



Date: September 15, 2004  
To: Honorable Board of Directors  
Through: Public and Legislative Affairs Committee (9/8/04)  
From: Richard W. Atwater  
Chief Executive Officer/General Manager  
Submitted by: Martha Davis  
Executive Manager of Policy Development  
Subject: August Legislative Report from Geyer and Associates

---

**RECOMMENDATION**

This is an informational item regarding the August 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.

THIS PAGE  
HAS  
INTENTIONALLY  
BEEN LEFT  
BLANK  
FOR PAGINATION



## MEMORANDUM

TO: Richard Atwater and Martha Davis

FROM: Jennifer West

DATE: August 30, 2004

RE: August Legislative Report

---

### **Legislative Session Comes to a Close**

The Legislature ended its two-year session early Saturday morning. Although the legislature acted on a flurry of last minutes amendments, the end of the 2004 session did not see nearly as many completely new bills "gut and amends" as were enacted in the final days of the Davis Administration. I have included IEUA's bill lists and deleted most of the measures on the "watch list" that were not enrolled. One of the last minute bills that may impact the agency is AB 2121, which allows SWRCB to adopt principals and guidelines for maintaining instream flows on all streams and rivers in the state. This bill surfaced in that last week of the session and was passed on the final night by a margin of one vote. ACWA and a number of northern California water interests are opposed.

Many of the bills IEUA has supported this year were enrolled to the Governor this week and the agency should be prepared to send letters asking for the Governor to sign them.

### **Proposition 50 Update**

The Department of Health Services (DHS) is administering two Proposition 50 chapters of interest to IEUA. From conversations with DHS staff, the Department intends to issue four rounds of grant funding for all the chapters it is administering. DHS is now in the process of finalizing its funding guidelines. Earlier this year, IEUA submitted two comment letters on Chapter 4(b), the Southern California water quality funds, and participated in a public workshop for the development of the guidelines.

Before finalizing its guidelines, DHS has been waiting for the end of the legislative session to see if there would be a resolution to the issue of whether private water purveyors would be eligible for funding. Legislation was proposed in this area, but not passed, so at least the first rounds of grants will be eligible only to public water agencies.

### **Chapters 3 Water Security and Chapter 4 Water Quality**

Chapter 3 funds are for water security projects statewide, with a total of \$50 million available. A total of \$261 million is available for Chapter 4(b) for Southern California water quality projects that will reduce dependence on Colorado River supplies. For fiscal year the budget appropriated \$90.951 million for both Chapters 3 and 4 combined. Staff says they intend to break the funding down over four years, so we can expect in the next fiscal year that approximately \$10 million to be available for water security grants and \$65.25 to be available for Southern California water quality grants.

Pre-application workshops are scheduled for October 2004 and grant solicitation will occur in the fall of 2004 for both Chapters 3 and 4.

### **Chapter 6 Desalination and Contamination Removal Pilot Projects**

Proposition 50 stated that not less than \$50 million will be available for desalination projects, which include brackish water desalination. The rest of the funding would go toward pilot and demonstration projects for the removal of certain contaminants, including perchlorate. DWR has just conducted a public workshop to receive comments their guidelines and the tentative deadline to submit proposals is January 18, 2005. For fiscal year 04/05 \$25 million was re-appropriated for all of Chapter 6.

### **Chapter 8 Integrated Regional Water Management**

This a competitive grant program jointly administered by DWR and SWRCB for projects to protect communities from drought, protect, improve water quality, and to reduce dependence on imported water. Draft guidelines were released this month. Public meetings will be held in the next two weeks to provide input on the draft guidelines. There is approximately \$384 million total available for these grants statewide and approximately \$160 million statewide will be available in the first funding cycle. The maximum implementation grant will be for \$50 million and planning grants will be capped at \$500,000. SAWPA is well positioned to receive an implementation grant.



## Inland Empire Utilities Agency

### WATCH

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

August 28, 2004

Bill # / Title	Summary	Watch Level	Status
<b>Propositions 50 and 40</b>			
SB 117 (Machado) Prop. 50 disadvantaged communities	Corrects a mistake in the Prop. 50 trailer bill language from last year. Deletes 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	Enrolled
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. (failed passage)
<b>Water Rights</b>			
AB 2121 (Budget trailer)	Authorizes the SWRCB to adopt principles and guidelines by 2007 for maintaining instream flows based on draft guidelines for instream flows developed jointly by DFG and the National Marine Fisheries Service. Northern California water and agricultural interests heavily opposed this bill, which emerged in the last week of the session. The bill passed with support from leadership in both houses. It is unclear what, if any position, the Administration has on the bill.	A	Enrolled
<b>Water Quality/Penalties and Fees</b>			
AB 2342 (Jackson) PHGs	Authorizes the Office of Environmental Health Hazard Assessment (OEHHA) in conducting the revision of the public health goals to give special consideration to contaminants that cause or contribute to adverse health risks in members of subgroups that constitute a meaningful portion of the population. It specifically requires OEHHA, in preparing and publishing the risk assessments, to assess	B	Enrolled

	exposure patterns and special susceptibility on infants and children.		
AB 2884 (Calderon) RWRCB liability exemption	Requires RWQCB to abate a polluting condition, only when funds are available, when a local authority cannot complete the abatement. Santa Clara Valley Water District is the sponsor.	A	Enrolled
<b>Water Conservation</b>			
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	Chaptered
AB 2717 (Laird) CUWCC	Declares the Legislature's intent to have the California Urban Water Conservation 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.	B	Enrolled
<b>Special Districts/Property Tax Revenue</b>			
AB 2115 ERAF	Changes the base year to fiscal year 01/02 for collection of the special districts' share of the \$350 million ad valorem property tax revenue.	A	Enrolled
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	Chaptered
<b>Chino Basin/Santa Ana Region</b>			
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	Enrolled
AB 2439 (Haynes) Elsinor Valley Municipal Water D.	Until 2008, exempts the Canyon Lake Reservoir within Elsinor Valley Municipal Water District from recreational use involving body contact.	C	Enrolled

<b>Miscellaneous</b>			
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	Enrolled
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	Enrolled
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	Enrolled
SB 1479 (Sher) RWQCB	Reduces the membership of the regional water quality control boards from nine to seven. 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	Pulled back from enrollment
<b>Energy</b>			
AB 2006 (Nunez) Energy Market restructuring	Enacts the "Reliable Electric Service Act of 2004" and specifies cost recovery and obligation to serve provisions for investor owned utilities (IOU), long term procurement planning requirements, resource adequacy requirements, and PUC process reform requirements. The core and noncore issues were removed from the bill and with this change, SAWPA removed its opposition.	A	Enrollment

THIS PAGE  
HAS  
INTENTIONALLY  
BEEN LEFT  
BLANK  
FOR PAGINATION

# Inland Empire Utilities Agency

## Positions/Position Recommendations

August 30, 2004

Bill # / Title	Summary	Position	Status
<b>Desalination</b>			
SB 318 (Alpert) UWMP: Desal	Requires an Urban Water Management Plan to describe the opportunities for development of desalinated water, including brackish water, as a potential long-term water supply.	Support (03)	Enrolled
<b>ERAF/Local Government</b>			
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. The measure was not pursued in 2004.	Oppose (03)	Failed passage
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). IEUA was opposed because the measure set a bad precedent and, if expanded to areas with lower populations, could have been applicable to IEUA's co-composting facilities.	Oppose (3/04)	Failed Passage

SB 1272 (Ortiz) Special District Audits	<p>Comprehensive special district reform measure.</p> <ul style="list-style-type: none"> <li>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.</li> <li>Requires legal and ethical orientation sessions for board members.</li> <li>Establishes whistle-blower protections for board member or employees.</li> <li>Requires that a meeting be noticed to the public if compensation is allowed.</li> <li>Requires that for board members who first take office after 2005, no life insurance, health care or retirement benefits be provided.</li> </ul> <p>The bill failed to pass out of Senate Appropriations. After the bill failed, ACWA circulated an alternative proposal to numerous water districts in the state, but has decided <b>not</b> to pursue this alternative proposal in 2004.</p>	Oppose unless amended (5/04)	Failed Passage
<b>Water Quality/Groundwater</b>			
AB 2528 (Lowenthal) Action Level	<p>IEUA and MWD were very involved in the writing and placement of the bill. The measure 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.</p>	Support (1/04)	Enrolled
AB 2733 (Strickland) Groundwater Reporting	<p>Allows local agencies within the counties subject to the Recordation Act of 1955 (Los Angeles, Ventura, San Bernardino and Riverside) to voluntarily takeover the responsibility currently administered by the SWRCB to collect filing notices from certain groundwater diverters. This will ensure that the data currently collected continues to be maintained, and made available to the public, while providing local agencies with a more cost effect way to access the information and monitor local groundwater extraction. SAWPA is interested in collecting the data for the region.</p>	Support (8/04)	Enrolled

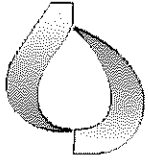
<b>Water Supply/Watersheds</b>			
AB 2690 (Hancock) Watershed: prevailing wage	Would exempt from the definition of "public works" any work that is performed by a volunteer, a volunteer coordinator, or by members of the California Conservation Corps. This will exempt watershed volunteer work from the prevailing wage provisions of Proposition 50.	Support (3/04)	Enrolled
SB 1155 (Machado) Cal-FED	Requires the Director of DWR in collaboration with the Secretary of Resources 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.  These provisions removed most of the opposition to the bill, including IEUA's opposition.	Oppose unless amended (3/04)  Neutral as amended	Enrolled
<b>Water Conservation</b>			
AB 2299 (Plescia) Dishwasher water Efficiency	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.	Support (3/04)	Failed Passage

<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>Unfortunately the bill contained a serious drafting error so that its provisions would not apply to charter cities including Los Angeles, San Diego, San Francisco and Sacramento. This error, considerable opposition from the building community, and the existence of the Kehoe statewide water meter bill helped bring down the bill in Senate Agriculture and Water Resources. The Chairman held the bill in committee.</p>	<p>Support (3/04)</p>	<p>Failed Passage</p>
<p>AB 2572 (Kehoe) Water Meters</p>	<p>With certain exceptions, requires all urban water suppliers, on or before 2025, to install or cause to be installed water meters on all municipal and industrial services, and to bill volumetrically based on those meters.</p>	<p>Support (3/04)</p>	<p>Enrolled</p>
<p><b>Proposition 50/Bonds</b></p>			
<p>SB 403 (Florez) Air Quality Bond</p>	<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 bill passed out of Assembly Natural Resources Committee, but was re-referred back to the Assembly Rules Committee. The author has indicated he wants to pursue the bill next year.</p>	<p>Support (6/5/04)</p>	<p>Failed Passage</p>



SB 1132 (Brulte) Prop. 50, Chap. 8 Fire Impacts	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.	Support (4/04)	Failed Passage
SB 1107 (Budget trailer) Dairy Water	Creates a new Dairy Water Quality Improvement Program. Allocated \$5 million for the program to make grants for on and off site projects that will improve water quality associated with dairies. SWRCB will be in charge of the program. MPC sponsored the measure and will work with the SWRCB to help draft the funding guidelines.	Support	Chaptered

THIS PAGE  
HAS  
INTENTIONALLY  
BEEN LEFT  
BLANK  
FOR PAGINATION



Date: October 20, 2004

To: The Honorable Board of Directors

Through: Public and Legislative Affairs Committee (10/13/04)

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**

#### **Cerrell and Associates**

- Continued preparing LEED web site material, Landscape and Stormwater Brochure, IEUA Fact Sheet, CCWRF brochure, water recycling brochure
- Provided general media relation support.

#### **Outreach**

- September 28, participating in Windrows Elementary School's fall carnival  
Rancho Cucamonga

#### **Calendar of Upcoming Events**

- October 1, 2, 3, 2004, participating in Rancho Cucamonga's Grape Harvest Festival
- October 5, 2004, Media Tour
- October 8, 2004, Inland Empire Regional Composting Facility Groundbreaking  
10am
- October 6, 2004 Water Education Foundation Southern California Tour
- October 13, 2004, Leadership Breakfast
- October 15, 2004 Recharge Basin dedication – Turner Basin  
10am
- April 15, 16 & 17, 2005 MWD AG Inspection Trip

**PRIOR BOARD ACTION**

None

**IMPACT ON BUDGET**

None



# CHINO BASIN WATERMASTER

## IV. INFORMATION

1. August 2004 Shutdown Workgroup



**THE ADMINISTRATIVE CODE OF  
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA  
(Showing additions and deletions)  
DIVISION IV  
WATER SERVICE POLICIES**

**§ 4503. Suspension of Deliveries.**

Whenever repairs or maintenance of the District's system, in the opinion of the Chief Executive Officer of the District, shall require suspension of delivery of water at any point or points, such delivery may be suspended without liability on the part of the District; provided, that except in cases of emergency, as determined by the Chief Executive Officer, notice of such suspension of service shall be given to the affected member public agency in advance of such suspension. Metropolitan will make a concerted effort to notify and work with member public agencies regarding all scheduled interruptions. Scheduled non-emergency interruptions will be planned for low demand months of the year.

Each member public agency shall have sufficient resources such as local reservoir storage, groundwater production capacity, system interconnections or alternate supply source to sustain a seven-day interruption in Metropolitan deliveries. If a member public agency has been provided with a sixty (60) day notice of when an interruption in service is to occur, the member public agency shall be responsible for and reimburse direct costs, excluding labor costs, incurred by Metropolitan in the event that a scheduled non-emergency interruption of up to seven days is postponed or cancelled at the request of the member public agency as a result of insufficient local resources. Direct costs shall be determined by Metropolitan's Chief Executive Officer. These direct costs shall be applied to the member public agency's water invoice following cancellation or postponement of the shutdown.

Except in cases of emergency, the District will produce a shutdown schedule each September for the annual shutdown season from October through April. The District will also develop a three-year shutdown schedule, which will give notice of the proposed shutdowns greater than seven days at least one-year in advance.

Replenishment Service certifications will be adjusted for the reduction of credits that are accrued due to shutdowns that are greater than seven days. No adjustments will be made for shutdowns seven days or less unless the member agency provides a service to the District by serving another member agency in-lieu of District deliveries during a shutdown even if the shutdown is seven days or less.

THIS PAGE  
HAS  
INTENTIONALLY  
BEEN LEFT  
BLANK  
FOR PAGINATION



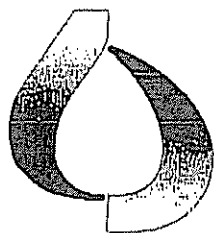
# CHINO BASIN WATERMASTER

## IV. INFORMATION

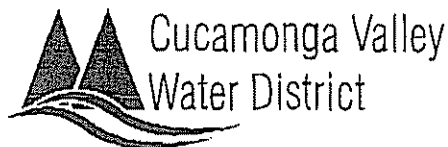
2. Drought Proof the Chino Basin







**Inland Empire**  
UTILITIES AGENCY



**Cucamonga Valley**  
Water District

For Immediate Release:

Contact: Inland Empire Utilities Agency, Sondra Elrod, 909.993.1747  
Cucamonga Valley Water District, Robert DeLoach, 909. 987,2591

**Inland Empire Utilities Agency and Cucamonga Valley Water District  
Continue Their Efforts to Drought Proof the Chino Basin**

As part of Inland Empire Utilities Agency (IEUA) and Cucamonga Valley Water District's (CVWD) ongoing efforts to expand its water resources, IEUA's board of directors approved an agreement with CVWD to amend its 2003 Dry Year Yield Groundwater Storage Program. As a result of the amendment CVWD will receive approximately \$1.3 million dollars to construct an additional well in the Chino Basin. CVWD has already been awarded \$7.1 million for the construction of wells and well-head treatment facilities as part of the Dry Year Yield Program.

The Dry Year Yield Program is a groundwater storage project, funded by Proposition 13, which was approved by California voters in March 2000, allowing participating member agencies to construct facilities to pump and treat groundwater. These facilities, also funded by Metropolitan Water District (MWD) will provide increased operational flexibility and improve water supplies when resources are limited. Groundwater would be pumped by the participating member agency (with a corresponding reduction in surface water deliveries from MWD) to be used during dry years or drought conditions.

Through this agreement CVWD will construct a new well that will deliver one million gallons of water per day creating an additional 1,000 acre-feet of 'new' water – enough for 5,000 residents per year. "The groundwater storage program will give us a reliable water supply during dry years," commented CVWD President Hank Stoy.

"The Dry Year Yield groundwater storage program is part of a larger effort to meet water supply demands in the Chino Basin as part of the Chino Basin Watermaster's Optimum Basin Management Program," stated IEUA Board Director Wyatt Troxel. "The groundwater storage program will bring basin-wide benefits and ensure a drought proof supply to the residents of Rancho Cucamonga."

IEUA serves the cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, the Cucamonga Valley Water District and Monte Vista Water District. The Cucamonga Valley Water District delivers high quality, reliable drinking water to the city of Rancho Cucamonga, portions of Upland, Ontario and Fontana, and some unincorporated areas of San Bernardino County.

THIS PAGE  
HAS  
INTENTIONALLY  
BEEN LEFT  
BLANK  
FOR PAGINATION



# CHINO BASIN WATERMASTER

## IV. INFORMATION

### 3. Newspaper Clippings



# Senate OKs changes for state water projects

## CalFed puts \$395M to restore supply

By ERICA WERNER  
ASSOCIATED PRESS

WASHINGTON — The Senate passed the long-fought CalFed water bill Wednesday, authorizing \$395 million to restore California's Sacramento-San Joaquin Delta and ensure a reliable water supply for millions of farmers and residents.

The sweeping, six-year bill would enact the first major changes to California's water systems since the 1960s. Differences with a version passed by the House in July must still be resolved before the legislation can go to the president for his signature.

The bill authorizes feasibility studies for several major new storage projects, among them enlarging Los Vaqueros reservoir in Contra Costa County and raising the Shasta Dam.

It authorizes \$90 million for ecosystem restoration programs and contains provisions to expedite approvals of 49 recycling projects. It requires a feasibility study for restoring the Salton Sea and includes an Environmental Water Account to ensure water for fisheries.

After a decade of dispute over the California Federal Bay-Delta Program among environmentalists, farmers, residential users and others, the passage was a victory some thought would never happen. The bill passed by unanimous consent with no debate.

"Passage of this legislation was a long time coming and it is the result of hard work to reach a bipartisan consensus involving a wide range of stakeholders," Sen.

Dianne Feinstein, D-Calif. and the bill's lead author, said in a statement.

House Resources Committee Chairman Richard Pombo, R-Tracy, also cheered passage of the legislation.

"House and Senate passage of CalFed has been sought for nearly a decade by all of us who have a vested interest in meeting California's water needs for the 21st century," he said in a statement.

Aides to Pombo and Feinstein said they were optimistic about getting a final bill passed that can be signed by the president before the end of the year. But a hurdle still remains.

The bill passed by the Senate on Wednesday leaves out so-called pre-authorization language that would allow the secretary of the Interior to approve four specific water storage projects without congressional sign-off. Congress would be given 120 days to say no but would not be asked to say yes. Feinstein had insisted the bill could not pass the Senate with that language.

But some Republican House members view the language as key in guaranteeing that the storage projects, which they view as central to a good water bill, will happen.

The four projects in question are the Los Vaqueros enlargement, the Shasta Dam raise, surface storage on the Upper San Joaquin and Sites Reservoir in the Antelope Valley. Under the Senate version of the bill, feasibility studies are authorized for those projects.

"Somebody's got to give," said Pombo spokesman Brian Kennedy.

Lawmakers will be under pressure to reach a compromise and get a final bill to the president. Gov. Arnold Schwarzenegger's administration has been involved, and Schwarzenegger wrote a letter supporting CalFed and has raised the issue in private talks with lawmakers, said his resources secretary, Mike Chrisman. If the legislation stalls, the administration may get more involved, Chrisman said.

"It's very, very important," Chrisman said. "At this stage of the game, given where we are with CalFed, the federal government stepping up with these kinds of dollars is very important to us completing our commitment to all of the parties."

Water agencies and business groups applauded the passage of the bill through the Senate, but environmentalists complained it puts creating new water storage ahead of ecosystem restoration. Nearly two dozen environmental organizations sent a letter to Feinstein and Sen. Barbara Boxer, D-Calif., this week criticizing the bill.

**JT's \$35 DRAIN CLEANING**

**Small Drains \$35**  
**Mainline \$55**  
w/Clean Out 

- Hydro-Jetting
- Plumbing Repairs

Bus# (909) 758-6675  
Lic. #17854



THIS PAGE  
HAS  
INTENTIONALLY  
BEEN LEFT  
BLANK  
FOR PAGINATION

# ONT growth plans might include baggage

By **BRENDA GAZZAR**  
STAFF WRITER

ONTARIO — Paul Hofer III has big plans to develop 105 acres of his ranch south of Ontario International Airport for air cargo and industrial-related facilities.

So he was surprised to discover that Los Angeles World Airports also has plans for his property — putting a future passenger terminal there.

Hofer and his business partner, John Magness of Hillwood Investments, were so concerned about the plan — one of three ideas now being studied by LAWA — that they had an aviation consultant fly in from Colorado this week to explain why it was a lousy idea.

“You know that law of physics that says it’s hard for two objects to occupy the same space at the same time — I think that would apply to this,” said Hofer, whose family has lived on the Hofer Ranch since 1882. “It certainly looks like to me (the alternate plan) would be interfering.”

Hofer is not the only one surprised by LAWA’s proposal. Many residents and local government officials say they did not expect airport officials to consider a passenger terminal

## AIRPORT PLANS

For more information on the ONT Master Plan, go to [ontmasterplan.org](http://ontmasterplan.org). Comments will be accepted until Sept. 13. They can be mailed to Paula McHargue, Manager, Forecasting and Analysis Division, P.O. Box 92216, Los Angeles, CA 90009-2216.

for the south side — an element included in one plan under exploration.

“The fact they would think about adding another terminal on the south side is not conducive to that area,” said 4th District Supervisor Patti Aguiar. “You have security issues, parking issues ... (problems) getting from one side to another. I just feel they are not planning rationally for future growth.”

LAWA, which owns and operates the airport, and Ontario city officials say the planning process is still in the very early stages, and by law, alternate plans must be considered.

Public comments were heard this week and are still being solicited for environmental reports needed for the ONT Master Plan, which will guide the airport’s development through 2030.

By the time significant growth does occur, “we want to have a plan in place that has been prop-

erly vetted, that everyone’s had a chance to address,” said Jim Ritchie, LAWA’s executive director for long range planning. “All too often, people fail to understand how complicated it is to get any idea, to get any project through the state and environmental process. It takes a long time.”

The first alternate plan would increase the number of terminals on the airport’s north side from two to five, and relocate both runways to the south side of the airport. About 30 acres of land could be acquired.

The second alternate plan would have three terminals on the north side and one on the south side.

This plan, which would have 35 gates on the north and 35 on the south, would require the acquisition of 220 acres south of the airport, including much of the land Hofer plans to use for his project.

Studies are now underway on whether the Hofer property,



Hofer

where vineyards now stand, can even be developed for a terminal because it is the habitat for the endangered Delhi Sands giant

flower-loving fly, said Tim Merwin, project manager of HNTB Architects Engineers Planners.

A third option — dubbed the no-project alternative — would add only one other terminal to the two that now stand as originally planned.

That option is expected to accommodate only about 15 million annual passengers, instead of the projected 30 million expected by 2030.

Some area residents worry that Ontario can’t afford to accommodate 30 million passengers a year.

David Grossberg of Rancho Cucamonga says that while he supports growth, he prefers the original plan of adding only one terminal.

“This area doesn’t want to be treated as a stepchild of Los Angeles World Airports,” said

Grossberg, who owns a business in Ontario. “What they are proposing, they need to moderate so they don’t disrupt the whole region with a bad plan. They need to think smart and consult local cities on what impacts they will have.”

Ontario Mayor Gary Ovitt said he also favors the first plan, since the second would require significant acquisition of property and would greatly impact industry already established on the south side.

Councilman Jerry DuBois agreed, saying the infrastructure doesn’t exist to create a passenger terminal on the south side.

“Our position has been with the airport to be positive supporters of it and of expansion, but if push comes to shove, if you start doing things on the illogical side, I think the city would step in and say, ‘We don’t think it’s in our best interest to have (a terminal) on the south side, because of our long-term interests and long-term plans,’” he said.

*Brenda Gazzar can be reached by e-mail at [brenda.gazzar@dailybulletin.com](mailto:brenda.gazzar@dailybulletin.com) or by phone at (909) 483-9375.*