

**CHINO BASIN WATERMASTER
ANNUAL MEETING
NON-AGRICULTURAL POOL**

10:00 a.m. - January 15, 2004

At The Offices Of

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

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. ANNUAL ELECTIONS – Action

Resolution 01-05 constituting a quorum for the transaction of Non-Agricultural Pool affairs is included as information.

A. Calendar-Year 2004 Non-Agricultural Pool Officers

Nominations will be heard for Pool Chair, followed by nominations for Pool Vice-Chair, to serve during Calendar-Year 2004.

Chair	_____
Vice-Chair	_____
Secretary/Treasurer	<u>Watermaster Chief Executive Officer</u>

B. Calendar-Year 2004 Advisory Committee Members

Pool member(s) will be asked to elect representatives and alternates to serve on the Advisory Committee during Calendar-Year 2004.

Member: _____	Alternate: _____
Member: _____	Alternate: _____
Member: _____	Alternate: _____

C. Calendar-Year 2004 Advisory Committee Officers

Based on the rotation sequence established among the pools, the members of the Non-Agricultural Pool will be asked to appoint a designated representative, as 2nd Vice-Chair of the Advisory Committee during Calendar-Year 2004. If the appointed representative is unable to attend an Advisory Committee meeting, a remaining pool officer may serve as his/her alternate.

Appropriative Pool	Chair	_____
Agricultural Pool	Vice-Chair	_____
Non-Agricultural Pool	2 nd Vice-Chair	_____

D. Calendar-Year 2004 Pool Representation on Watermaster Board

The Pool members will be asked to select one representative to serve on the Watermaster Board during Calendar-Year 2004 and one alternate representative.

Member: _____ Alternate: _____

II. 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 Agricultural Pool & Non-Agricultural held November 13, 2003
2. Minutes of the of the Non-Agricultural Pool held December 15, 2003

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of November 2003
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through October 31, 2003
3. Treasurer's Report of Financial Affairs for the Period October 1, 2003 through October 31, 2003
4. Profit & Loss Budget vs. Actual July 2003 through October 2003
5. Cash Disbursements for the month of December 2003
6. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through November 30, 2003
7. Treasurer's Report of Financial Affairs for the Period November 1, 2003 through November 30, 2003
8. Profit & Loss Budget vs. Actual July 2003 through November 2003

C. INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS FOR YEAR ENDED

Consider Receiving and Filing the Annual Audited Financial Statements for Year Ended June 30, 2003

D. CHINO BASIN WATERMASTER INVESTMENT POLICY

Resolution 04-01 - Resolution of the Chino Basin Watermaster, San Bernardino County, California, re-authorizing the Watermaster's Investment Policy

E. WATER TRANSACTION

Consider Approval for Transaction of Notice of Sale or Transfer from West San Bernardino County Water District to Cucamonga County Water District in the Amount of 500 acre-feet

F. NOTICE OF INTENT

Annual Filing of Notice of Intent Regarding the Determination of Operating Safe Yield

G. ANNUAL REPORT

Consider Authorization to File the Annual Report for Fiscal Year 2003 with Court, and Authorize Staff to Make Minor Edits as Necessary

H. STATUS REPORT #9

Consider Authorization to File Status Report 9 with Court and Authorize Staff and Counsel to Make Minor Edits as Necessary

III. BUSINESS ITEMS

A. APPLICATION TO DWR – MZ3 INVESTIGATION

Consider Authorization to Prepare and File Grant Application to DWR

B. DISCUSS ASSISTANCE TO REGIONAL WATER QUALITY CONTROL BOARD ON WATER QUALITY ANOMOLY SOUTH OF ONTARIO AIRPORT

Provide Direction to Staff on RWQCB's Offer to Provide Assistance

IV. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Wilson v. Watermaster
2. Chino Land & Water v. Watermaster
3. DYY Storage Agreement

B. CEO/STAFF REPORT

1. Mark Wildermuth Will Make a Presentation Regarding OBMP Progress through December 31, 2003
2. Presentation Regarding Storm Damage to Construction at Victoria Basin
3. Status Update on Recharge Project

V. INFORMATION

A. MONTE VISTA WATER DISTRICT

Letter Concerning 2003/2004 Assessment Package

B. METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Update on Availability of Replenishment Deliveries for the Winter

C. JURUPA COMMUNITY SERVICES DISTRICT

Letter Concerning Groundwater Quality Investigation Activities and Related Proposed OBMP Scope of Work in Regards to the Kaiser Plume's Potential Impact of JCSD's Existing and Future Wells, and Chino Desalters' Wells

VI. POOL MEMBER COMMENTS

VII. OTHER BUSINESS

VIII. FUTURE MEETINGS

January 12, 2004	1:30 p.m.	AGWA Meeting
January 14, 2004	9:00 a.m.	MZ1 Technical Group Meeting
January 29, 2004	10:00 a.m.	Advisory Committee Annual Meeting
	1:00 p.m.	Watermaster Board Annual Meeting
February 5, 2004	2:00 p.m.	Water Quality Meeting
February 12, 2004	1:00 p.m.	Agricultural Annual Pool Meeting
	3:00 p.m.	Joint Appropriative & Non-Ag Pool Meeting
February 26, 2004	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

Meeting Adjourn

**CHINO BASIN WATERMASTER
ANNUAL MEETING
AGRICULTURAL POOL**
1:00 p.m. - January 15, 2004
At The Offices Of
Chino Basin Watermaster
9641 San Bernardino Road
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AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. ANNUAL ELECTIONS – Action

A. Calendar-Year 2004 Agricultural Pool Members

The Agricultural Pool membership shall consist of not less than ten representatives selected at large by members of the pool. Pool members will be asked to make any necessary changes to the following list in order to establish pool membership and alternates during calendar year 2004:

Current Agricultural Pool Members

Crops: Glen Durrington
Jeff Pierson
Dairy: Robert Feenstra
Gene Koopman
Ron LaBrucherie
Nathan deBoom
State: Jack Hagerman
Marilyn Levin
Nathan Mackamul
Joe Delgado

Current Alternates:

Crops: John Huitsing
Don Galleano
Dairy: Syp Vander Dussen
Peter Hettinga
State: Pete Hall
Peter Van Haam
Rob Kettle
Duffy Blau

B. Calendar Year 2004 Agricultural Pool Officers

Nominations will be heard for Pool Chair, followed by nominations for Pool Vice-Chair.

Chair	
Vice-Chair	
Secretary/Treasurer	<u>Watermaster Chief Executive Officer</u>

C. Calendar Year 2004 Advisory Committee Members & Officers

The pool members will be asked to determine the ten agricultural representatives to serve on the Advisory Committee and, according to the rotation sequence established among the pools, appoint a representative to serve as Vice-Chair of the Advisory Committee during calendar year 2004

Chair	Appropriative Pool	
Vice-Chair	Agricultural Pool	
2 nd Vice-Chair	Non-Agricultural Pool	

D. Calendar-Year 2004 Pool Representation on Watermaster Board

The Pool members will be asked to consider selecting two representatives to serve on the Watermaster Board during Calendar-Year 2004 and one or two alternate representatives.

Member: _____ Alternate: _____

Member: _____ Alternate: _____

II. 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.

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Consider Receiving and Filing the Annual Audited Financial Statements for Year Ended June 30, 2003

D. CHINO BASIN WATERMASTER INVESTMENT POLICY

Resolution 04-01 - Resolution of the Chino Basin Watermaster, San Bernardino County, California, re-authorizing the Watermaster's Investment Policy

E. WATER TRANSACTION

Consider Approval for Transaction of Notice of Sale or Transfer from West San Bernardino County Water District to Cucamonga County Water District in the Amount of 500 acre-feet

F. NOTICE OF INTENT

Annual Filing of Notice of Intent Regarding the Determination of Operating Safe Yield

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A. APPLICATION TO DWR – MZ3 INVESTIGATION

Consider Authorization to Prepare and File Grant Application to DWR

B. DISCUSS ASSISTANCE TO REGIONAL WATER QUALITY CONTROL BOARD ON WATER QUALITY ANOMOLY SOUTH OF ONTARIO AIRPORT

Provide Direction to Staff on RWQCB's Offer to Provide Assistance

C. REGIONAL WATER QUALITY CONTROL BOARD GROUND WATER MONITORING DATA ISSUES

Discuss and Consider Data Requested by Regional Water Quality Control Board

IV. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

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	1:00 p.m.	Watermaster Board Meeting

Meeting Adjourn

**CHINO BASIN WATERMASTER
ANNUAL MEETING
APPROPRIATIVE POOL**

3:00 p.m. - January 15, 2004

At The Offices Of

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

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. ANNUAL ELECTIONS – Action

A. Calendar Year 2004 Appropriative Pool Officers

Nominations will be heard for Pool Chair, followed by nominations for Pool Vice-Chair, to serve during calendar year 2004.

Chair	_____
Vice-Chair	_____
Secretary/Treasurer	<u>Watermaster Chief Executive Officer</u>

B. Calendar Year 2004 Non-Major Appropriators on the Advisory Committee

Non-Major Appropriators will be asked to elect two representatives to serve on the Advisory Committee during calendar year 2004.

- () Arrowhead Mountain Springs Water Company
- () Inland Empire Utilities Agency
- () Los Serranos Country Club
- () Marygold Mutual Water Company
- () Monte Vista Irrigation Company
- () Nicholson Trust
- () Norco, City of
- () San Antonio Water Company
- () Santa Ana River Water Company
- () San Bernardino, County of (Prado Shooting Park)
- () Southern California Water Company
- () Upland, City of
- () West End Consolidated Water Company
- () West San Bernardino County Water District

C. Calendar Year 2004 Advisory Committee Members & Officers

According to the rotation sequence established among the pools, the appropriators be asked to appoint the Appropriative Pool Chair, or a designated representative, to serve on the Advisory Committee during calendar year 2004.

Chair	Appropriative Pool	_____
Vice-Chair	Agricultural Pool	_____
2 nd Vice-Chair	Non-Agricultural Pool	_____

D. Calendar Year 2004 Pool Representation on the Watermaster Board

Based on the Court-adopted Rotation Schedule for Representatives to the Watermaster, during calendar year 2004, the City of Chino Hills, The City of Pomona, and the Fontana Union Water Company will represent the Appropriative Pool on the Watermaster Board.

The City of Chino Hills has Selected Councilman W.C. "Bill" Kruger, and the Fontana Union Water Company has Selected Director Bob Neufeld.

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February 26, 2004	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

Meeting Adjourn

CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

January 15, 2004

- 10:00 a.m. - Non-Agricultural Annual Pool Meeting
- 1:00 p.m. - Agricultural Pool Annual Meeting
- 3:00 p.m. - Appropriative Annual Meeting

(Lunch will not be provided)

AT THE OFFICES OF
CHINO BASIN WATERMASTER

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

CHINO BASIN WATERMASTER

January 15, 2004

10:00 a.m. - Non-Agricultural Pool Annual Meeting

1:00 p.m. - Agricultural Pool Annual Meeting

3:00 p.m. - Appropriative Pool Annual Meeting

AGENDA PACKAGE

CHINO BASIN WATERMASTER

January 15, 2004

10:00 a.m. - Non-Agricultural Pool Annual Meeting

1:00 p.m. - Agricultural Pool Annual Meeting

3:00 p.m. - Appropriative Pool Annual Meeting

I. ANNUAL ELECTION

A. **Calendar-Year 2004 Non-Agricultural Pool Officers**

Resolution 01-05 constituting a Quorum for transaction of Non-Ag Pool Affairs

RESOLUTION NO. 01-05
A RESOLUTION OF THE CHINO BASIN WATERMASTER
AMENDING THE OVERLYING (NON-AGRICULTURAL) POOL RULES & REGULATIONS
IN REGARD TO WHAT CONSTITUTES A QUORUM FOR THE TRANSACTION OF ITS AFFAIRS

WHEREAS, pursuant to Judgment entered on January 27, 1978, Chino Basin Municipal Water District v. City of Chino, et al, Case No RCV 51010 (formerly 164326), Exhibit "G", Overlying (Non-Agricultural) Pool Pooling Plan, "The Pool Committee shall adopt rules for administering its program..."; and

WHEREAS, pursuant to adopted Rules and Regulations, Article 2, Paragraph 2.03, "The Pool Committee shall meet...for purpose of conducting the business of the pool and to make such recommendations as may be necessary to properly advise Watermaster"; and

WHEREAS, pursuant to adopted Rules and Regulations, Article 2, Paragraph 2.08, "A majority of the voting power of the Pool Committee shall constitute a quorum for the transaction of its affairs"; and

WHEREAS, an annual meeting of the Overlying (Non-Agricultural) Pool was noticed to occur on January 25, 2001 for the purpose of electing a pool committee chairperson and a vice chairperson from its membership in accordance with Judgment Paragraph 37(a), and

WHEREAS, the annual meeting was cancelled due to less than a quorum (a majority of the voting power) being present, and

WHEREAS, it has become increasingly difficult for a majority of the voting power of the Overlying (Non-Agricultural) Pool to attend meetings and the current escalated meeting schedule is anticipated to continue in order to facilitate implementation of the Optimum Basin Management Program.

NOW, THEREFORE, BE IT RESOLVED that in order to assure the regular business of the Overlying (Non-Agricultural) Pool is conducted and its collective interests are represented at Advisory Committee and Board meetings, Paragraph 2.08 of the Overlying (Non-Agricultural) Pool Rules and Regulations is amended to "The members of the Overlying (Non-Agricultural) Pool in attendance at meetings shall constitute a quorum for the transaction of its affairs and will represent the collective interest of the entire Pool membership." On February 2, 2001, the members of the Overlying (Non-Agricultural) Pool were sent a copy of this Resolution via facsimile and provided an opportunity to approve or oppose its adoption in writing.

BE IT FURTHER RESOLVED that upon execution of Resolution 01-05 amended Paragraph 2.08 shall become effective and remain in effect until amended or rescinded by subsequent resolution.

THE FOREGOING RESOLUTION NO. 01-05 was approved by a majority of the Overlying (Non-Agricultural) Pool voting power on this 21st day of March 2001.

By: Stephen Arbellide
Chairman, Overlying (Non-Agricultural) Pool

Attest:
Loni Stewart
Secretary, Overlying (Non-Agricultural) Pool

CHINO BASIN WATERMASTER

January 15, 2004

10:00 a.m. - Non-Agricultural Pool Annual Meeting

1:00 p.m. - Agricultural Pool Annual Meeting

3:00 p.m. - Appropriative Pool Annual Meeting

II. CONSENT CALENDAR

A. MINUTES

1. Joint Meeting
Agricultural Pool &
Non-Agricultural Pool
2. Non-Agricultural Pool

Draft Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL & NON-AGRICULTURAL MEETING
November 13, 2003

A meeting of the Agricultural Pool was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on November 13, 2003 at 1:00 p.m.

AGRICULTURAL POOL MEMBERS PRESENT

Nathan DeBoom, Chair	Milk Producers Counsel
Gene Koopman, Vice-Chair	Milk Producers Counsel
Glen Durrington	Crops
Jeff Pierson	Crops
Jack Hagerman	State of California, CIM
Ron La Brucherie	Dairy
Robert Feenstra	Dairy
Pete Hettinga	Dairy

NON-AGRICULTURAL POOL MEMBERS PRESENT

Vic Barrion	Reliant Energy, Etiwanda LLC
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Watermaster Staff Present

John Rossi	Chief Executive Officer
Sheri Rojo	Finance Manager
Danielle Maurizio	Senior Engineer
Gordon Treweek	Project Engineer
Sheri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Mark Wildermuth	Wildermuth Environmental, Inc.
Dan McKinney	Reid & Hellyer
Michael Fife	Hatch & Parent

Others Present

Rich Atwater	Inland Empire Utilities Agency
Jerry Thibeault	Regional Water Board
John Huitsing	Dairy

Chair deBoom called the meeting to order at 1:09 p.m.

Note: Due to the unavailability of Pool Member representation at the originally scheduled joint Appropriative & Non-Agricultural meeting, Vic Barrion, Non-Agricultural Chair, attended the Agricultural Pool meeting.

I. CONSENT CALENDAR

A. MINUTES

1. Agricultural Pool meeting held October 9, 2003

B. FINANCIAL REPORT

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

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

Item C was pulled from Consent Calendar for discussion.

C. WATER TRANSACTIONS

1. Notice of Sale or Transfer – the transfer of Monte Vista Irrigation Company FY 2003-04 Annual Production Rights to the Monte Vista Water District. The total quantity of water to be transferred is estimated at 1,040 acre-feet. *(Notice mailed November 7, 2003)*
2. Notice of Sale or Transfer – the lease and/or purchase of 2,500 acre-feet of water from the City of Pomona's production rights to the Monte Vista Water District. This lease is made first from the City's net under production, if any, in FY 2003-04, with any remainder to be recaptured from storage. *(Notice mailed November 7, 2003)*

Discussion ensued regarding the Notice of Sale or Transfers mailed November 7, 2003 (Item C, 1 and 2). Mr. Wildermuth of Wildermuth Environmental stated that Watermaster OBMP reviews all transfer requests for any physical injury. Mr. Wildermuth also noted that transfers are satisfactorily monitored and transfers to date have had no negative physical impact. Pool members concurred that all water transfers made within the MZ1 area should be reviewed by the MZ1 Technical Committee.

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

Moved, to approve Consent Calendar Item C, as presented, with the understanding that all transfers in the MZ1 area will be reviewed by the MZ1 Technical Committee.

II. BUSINESS ITEMS - POSSIBLE ACTION

A. PRESENT DRAFT 2003/2004 ASSESSMENT PACKAGE

Mr. Rossi reviewed in detail the draft 2003/2004 assessment package handout which is requiring no action at this meeting. Mr. Rossi made mention of the various trends across the board and perceived we were continuing to hold the line on costs. Mr. Rossi reviewed production levels and noted the downward trend by agricultural users. Dave Argo was asked to execute a storage & recovery study specifically for new and upcoming developed land, mainly due to the construction of new homes that has continued to rise at a staggering rate. This study will include water survey findings due to the extra land use of said new construction sites. An inquiring statement was made wondering if new pumps will eventually be installed for the designated use of farm lands given the rate new homes are being built and using additional water

No action taken.

B. PRESENTATION ON CONSTRUCTION ACTIVITIES FOR RECHARGE IMPROVEMENT PROJECT

Mr. Gordon Treweek, Project Engineer for Chino Basin Watermaster gave two status reports and one improvement project presentation. Mr. Treweek's first status report was on the GE Test Cell Facility, this presentation included a site environmental history, Ground Water (GW) contaminants of concern, and lastly site remedial actions. The second status report was on the GE Flat Iron Facility, this presentation included site history, site environmental history, GW

contaminants of concern, soil contaminants of concern, and lastly site remedial actions. Mr. Treweek's final presentation was on the Chino Basin Facilities Improvement Project which included construction activities from 3/19/03 through 10/15/03. This thorough presentation reviewed the Lower Day Basin, Victoria Basin, Banana Basin, RP3 Basin, Declez Basin, Turner 1, 2, 3 & 4 Basins, Brooks Basin, and the College Heights Basin and detailed construction modifications and upgrades. Discussion ensued in regards to these basin projects and how the enhancements will affect the basins water flow and testing.

No action taken.

C. MEMORANDUM OF UNDERSTANDING BETWEEN CASTAIC LAKE WATER AGENCY AND CHINO BASIN WATERMASTER

Mr. Rossi commented that the staff has been discussing the potential for the Castaic Lake Water Agency to participate in a storage and recovery project with the Chino Groundwater Basin. Mr. Rossi reviewed the Memorandum of Understanding (MOU) between the Castaic Lake Water Agency and the Chino Basin Watermaster. This MOU puts in motion Chino Basin Watermaster to begin preliminary non-binding negotiations for Castaic's possible participation in the Chino basin Storage and Recovery Program.

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

Moved, to approve draft Memorandum of Understanding with Castaic Lake Water Agency and authorized to staff and legal counsel to make minor edits, as necessary, in addition authorizing staff to begin the negotiation process.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Chino Land & Water Lawsuit Update regarding filing of Amicus Brief
Counsel Fife reported on the Chino Land & Water lawsuit regarding filing of Amicus Brief. Counsel Fife handed out the draft *APPLICATION FOR LEAVE TO FILE AMICUS CURIAE BRIEF AND AMICUS CURIAE BRIEF OD CHINO BASIN WATERMATER IN SUPPORT OF LEWIS INVESTMENT CO., L.L.C.* Counsel Fife commented it would be approximately 60 days out for seeing this venture completed and that he was seeking approval to forward this draft to the Board for direction.

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

Moved, to approve draft Amicus Brief to be presented to the Board members.

2. Metropolitan Water District Dry Year Yield Storage Transmittal to Court
Counsel Fife distributed the draft *MOTION FOR APPROVAL OF METROPOLITAN DRY YEAR YIELD FUNDING AGREEMENT APPLICATION.* Counsel Fife stated that this was a long process and that this motion was the final step and anticipated no trouble. Counsel Fife noted that no action was required to file this brief.

No action taken.

B. CEO REPORT/UPDATES

1. Update regarding DWR Grant Request for Conjunctive Use Project
Mr. Rossi expressed enthusiasm in Watermasters DWR grant approval which was obtained due to the assistance of IEUA who filed on our behalf. Many thanks were given to Rich Atwater for pursuing this for us. Mr. Rossi stated by means of this grant we will have the opportunity to work on the expansion of the Desalters, the Upland Recharge Project, Imported Water Projects and Perchlorate treatments. Mr. Rossi anticipates final word on

the amount of the grant in January/February 2004 and looks on to having the finances in hand and seeking direction on how funds will be allocated. Mr. Atwater commented that he felt it would be appropriate that a letter of appreciation be forwarded to congress thanking them for this grant approval.

2. Update regarding Water Quality Committee Meeting of Wednesday November 12
Mr. Rossi gave a brief overview on the potential work on the plumes. Mr. Wildermuth gave the same presentation that was presented to the Water Quality Committee the day prior and shared comments made and received at the meeting. Mr. Wildermuth commented the OBMP envisioned the creation of the Water Quality Committee in which committee members came out of water agencies and the Watermaster organization allowing them to work together on water anomalies and water quality issues. This committee was created last summer and since its conception has worked on important water quality issues. Mr. Wildermuth offered a list of anomalies they had been working on and their status. He gave an overview of Watermaster activities and referred to Perchlorate contamination in regards to the plume. Mr. Wildermuth assured the pools that anomalies were being monitored and samplings are taken on a routine basis. Dialogue continued between committee members and Mr. Wildermuth in regards to specific well information and release of information. Mr. Thibeault offered several comments in reference to well studies and information release. Discussion continued and it was decided that this topic will be brought back to the pools in January 2004.
3. New Watermaster Brochure
Mr. Rossi made mention of the new Watermaster brochure hand out and that it would be a useful tool for a brief synopsis when meeting people and a quick source of reference as to who and what Chino Basin Watermaster is all about.
4. Discuss holiday meeting schedules
It was noted that no meetings are scheduled for the month of December and all regular Pool, Committee and Board meetings will reconvene in January 2004.

C. INFORMATION

1. MWD Rialto Pipeline "Planned Shutdown" for January 12-16, 2004
No comment made – please refer to the September 15, 2003 memo from Rich Atwater.
2. Letter from Robert DeLoach, Cucamonga County Water District, regarding Perchlorate Remediation – Department of Defense
No comment made – please refer to the October 9, 2003 letter from Robert A. DeLoach.

D. OTHER AGENCY REPORTS

None

IV. COMMITTEE MEMBER COMMENTS

None

V. OTHER BUSINESS

None

VI. FUTURE MEETINGS AND EVENTS

November 12, 2003	2:00 p.m.	Water Quality Committee Meeting
November 13, 2003	1:00 p.m.	Agricultural Pool Meeting
	3:00 p.m.	Appropriative & Non-Agricultural Pool Meeting

November 19, 2003	9:00 a.m.	MZ1 Technical Committee Meeting
November 20, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

Notes: All meetings will be held at the Watermaster offices, 9641 San Bernardino Road, Rancho Cucamonga, California (909) 484-3888

No meetings are currently planned for the month of December 2003

Note: Vic Barrion, Non-Agricultural Chair, concurred with approval of the Agricultural Pool meeting actions for the Non-Agricultural Pool.

Chair deBoom adjourned the meeting at 3:00 p.m.

Secretary

Minutes Approved: _____

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Draft Minutes
CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL MEETING
December 15, 2003

Non-Agricultural Pool meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on December 15, 2003 at 10:00 a.m.

NON-AGRICULTURAL POOL MEMBERS PRESENT

Vic Barrion, Chairman	Reliant Energy, Etiwanda LLC
Steve Arbelbide	California Steel Industries, Inc.
James Jenkins	San Bernardino County – Chino Airport
Mike Thies	Space Center Mira Loma
Tom Cruikshank	Space Center Mira Loma
Bob Bowcock	Vulcan Materials Company

Watermaster Staff Present

John Rossi	Chief Executive Officer
Sherri Lynne Molino	Recording Secretary

The Non-Agricultural Pool meeting was called to order at 10:05 a.m. by Chair Barrion.

AGENDA - ADDITIONS/REORDER

None

I. BUSINESS ITEM

Discussion ensued in regards to the upcoming nominations for the officers representing the Non-Agricultural Pool such as Chairman, Vice Chairman and representation on the Advisory Committee and Watermaster Board Committees. It was discussed that the nominations would take place at the regular annual meeting in January 2004.

No action was taken.

II. FUTURE MEETINGS AND EVENTS

January 15, 2004	10:00 a.m.	Non-Agricultural Pool Annual Meeting (added)
	1:00 p.m.	Appropriative Pool Annual Meeting
	3:00 p.m.	Agricultural Pool Annual Meeting
January 29, 2004	10:00 a.m.	Advisory Committee Annual Meeting
	1:00 p.m.	Watermaster Board Annual Meeting

It was noted that the Appropriative and Non-Agricultural Pool must meet separately for the annual meetings. It was decided that the annual Non-Agricultural Pool will meet on January 15, 2004 at 10:00 a.m. and that notice would be sent out subsequently.

Chair Barrion adjourned the meeting at 10:55 a.m.

Secretary

Approved: _____

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CHINO BASIN WATERMASTER

January 15, 2004

10:00 a.m. - Non-Agricultural Pool Annual Meeting

1:00 p.m. - Agricultural Pool Annual Meeting

3:00 p.m. - Appropriative Pool Annual Meeting

II. CONSENT CALENDAR

A. MINUTES

1. Agricultural Pool & Non Agricultural Pool

Draft Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL & NON-AGRICULTURAL MEETING
November 13, 2003

A meeting of the Agricultural Pool was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on November 13, 2003 at 1:00 p.m.

AGRICULTURAL POOL MEMBERS PRESENT

Nathan DeBoom, Chair	Milk Producers Counsel
Gene Koopman, Vice-Chair	Milk Producers Counsel
Glen Durrington	Crops
Jeff Pierson	Crops
Jack Hagerman	State of California, CIM
Ron La Brucherie	Dairy
Robert Feenstra	Dairy
Pete Hettinga	Dairy

NON-AGRICULTURAL POOL MEMBERS PRESENT

Vic Barrion	Reliant Energy, Etiwanda LLC
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Watermaster Staff Present

John Rossi	Chief Executive Officer
Sheri Rojo	Finance Manager
Danielle Maurizio	Senior Engineer
Gordon Treweek	Project Engineer
Sheri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Mark Wildermuth	Wildermuth Environmental, Inc.
Dan McKinney	Reid & Hellyer
Michael Fife	Hatch & Parent

Others Present

Rich Atwater	Inland Empire Utilities Agency
Jerry Thibeault	Regional Water Board
John Huitsing	Dairy

Chair deBoom called the meeting to order at 1:09 p.m.

Note: Due to the unavailability of Pool Member representation at the originally scheduled joint Appropriative & Non-Agricultural meeting, Vic Barrion, Non-Agricultural Chair, attended the Agricultural Pool meeting.

I. CONSENT CALENDAR

A. MINUTES

1. Agricultural Pool meeting held October 9, 2003

B. FINANCIAL REPORT

1. Cash Disbursements for the month of October 2003
2. Treasurer's Report of Financial Affairs for September 1, 2003 through September 30, 2003

3. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through September 30, 2003
4. Profit & Loss Budget vs. Actual July through September 2003

Motion by Koopman, second by Pierson, and by unanimous vote
Moved, to approve Consent Calendar Items A through B, as presented.

Item C was pulled from Consent Calendar for discussion.

C. WATER TRANSACTIONS

1. Notice of Sale or Transfer – the transfer of Monte Vista Irrigation Company FY 2003-04 Annual Production Rights to the Monte Vista Water District. The total quantity of water to be transferred is estimated at 1,040 acre-feet. *(Notice mailed November 7, 2003)*
2. Notice of Sale or Transfer – the lease and/or purchase of 2,500 acre-feet of water from the City of Pomona's production rights to the Monte Vista Water District. This lease is made first from the City's net under production, if any, in FY 2003-04, with any remainder to be recaptured from storage. *(Notice mailed November 7, 2003)*

Discussion ensued regarding the Notice of Sale or Transfers mailed November 7, 2003 (Item C, 1 and 2). Mr. Wildermuth of Wildermuth Environmental stated that Watermaster OBMP reviews all transfer requests for any physical injury. Mr. Wildermuth also noted that transfers are satisfactorily monitored and transfers to date have had no negative physical impact. Pool members concurred that all water transfers made within the MZ1 area should be reviewed by the MZ1 Technical Committee.

Motion by Feenstra, second by Durrington, and by unanimous vote
Moved, to approve Consent Calendar Item C, as presented, with the understanding that all transfers in the MZ1 area will be reviewed by the MZ1 Technical Committee.

II. BUSINESS ITEMS - POSSIBLE ACTION

A. PRESENT DRAFT 2003/2004 ASSESSMENT PACKAGE

Mr. Rossi reviewed in detail the draft 2003/2004 assessment package handout which is requiring no action at this meeting. Mr. Rossi made mention of the various trends across the board and perceived we were continuing to hold the line on costs. Mr. Rossi reviewed production levels and noted the downward trend by agricultural users. Dave Argo was asked to execute a storage & recovery study specifically for new and upcoming developed land, mainly due to the construction of new homes that has continued to rise at a staggering rate. This study will include water survey findings due to the extra land use of said new construction sites. An inquiring statement was made wondering if new pumps will eventually be installed for the designated use of farm lands given the rate new homes are being built and using additional water

No action taken.

B. PRESENTATION ON CONSTRUCTION ACTIVITIES FOR RECHARGE IMPROVEMENT PROJECT

Mr. Gordon Treweek, Project Engineer for Chino Basin Watermaster gave two status reports and one improvement project presentation. Mr. Treweek's first status report was on the GE Test Cell Facility, this presentation included a site environmental history, Ground Water (GW) contaminants of concern, and lastly site remedial actions. The second status report was on the GE Flat Iron Facility, this presentation included site history, site environmental history, GW

contaminants of concern, soil contaminants of concern, and lastly site remedial actions. Mr. Treweek's final presentation was on the Chino Basin Facilities Improvement Project which included construction activities from 3/19/03 through 10/15/03. This thorough presentation reviewed the Lower Day Basin, Victoria Basin, Banana Basin, RP3 Basin, Declez Basin, Turner 1, 2, 3 & 4 Basins, Brooks Basin, and the College Heights Basin and detailed construction modifications and upgrades. Discussion ensued in regards to these basin projects and how the enhancements will affect the basins water flow and testing.

No action taken.

C. MEMORANDUM OF UNDERSTANDING BETWEEN CASTAIC LAKE WATER AGENCY AND CHINO BASIN WATERMASTER

Mr. Rossi commented that the staff has been discussing the potential for the Castaic Lake Water Agency to participate in a storage and recovery project with the Chino Groundwater Basin. Mr. Rossi reviewed the Memorandum of Understanding (MOU) between the Castaic Lake Water Agency and the Chino Basin Watermaster. This MOU puts in motion Chino Basin Watermaster to begin preliminary non-binding negotiations for Castaic's possible participation in the Chino basin Storage and Recovery Program.

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

Moved, to approve draft Memorandum of Understanding with Castaic Lake Water Agency and authorized to staff and legal counsel to make minor edits, as necessary, in addition authorizing staff to begin the negotiation process.

III. REPORTS/UPDATES

A WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Chino Land & Water Lawsuit Update regarding filing of Amicus Brief

Counsel Fife reported on the Chino Land & Water lawsuit regarding filing of Amicus Brief. Counsel Fife handed out the draft *APPLICATION FOR LEAVE TO FILE AMICUS CURIAE BRIEF AND AMICUS CURIAE BRIEF OD CHINO BASIN WATERMATER IN SUPPORT OF LEWIS INVESTMENT CO., L.L.C.* Counsel Fife commented it would be approximately 60 days out for seeing this venture completed and that he was seeking approval to forward this draft to the Board for direction.

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

Moved, to approve draft Amicus Brief to be presented to the Board members.

2. Metropolitan Water District Dry Year Yield Storage Transmittal to Court

Counsel Fife distributed the draft *MOTION FOR APPROVAL OF METROPOLITAN DRY YEAR YIELD FUNDING AGREEMENT APPLICATION*. Counsel Fife stated that this was a long process and that this motion was the final step and anticipated no trouble. Counsel Fife noted that no action was required to file this brief.

No action taken.

B. CEO REPORT/UPDATES

1. Update regarding DWR Grant Request for Conjunctive Use Project

Mr. Rossi expressed enthusiasm in Watermasters DWR grant approval which was obtained due to the assistance of IEUA who filed on our behalf. Many thanks were given to Rich Atwater for pursuing this for us. Mr. Rossi stated by means of this grant we will have the opportunity to work on the expansion of the Desalters, the Upland Recharge Project, Imported Water Projects and Perchlorate treatments. Mr. Rossi anticipates final word on

the amount of the grant in January/February 2004 and looks on to having the finances in hand and seeking direction on how funds will be allocated. Mr. Atwater commented that he felt it would be appropriate that a letter of appreciation be forwarded to congress thanking them for this grant approval.

2. Update regarding Water Quality Committee Meeting of Wednesday November 12
Mr. Rossi gave a brief overview on the potential work on the plumes. Mr. Wildermuth gave the same presentation that was presented to the Water Quality Committee the day prior and shared comments made and received at the meeting. Mr. Wildermuth commented the OBMP envisioned the creation of the Water Quality Committee in which committee members came out of water agencies and the Watermaster organization allowing them to work together on water anomalies and water quality issues. This committee was created last summer and since its conception has worked on important water quality issues. Mr. Wildermuth offered a list of anomalies they had been working on and their status. He gave an overview of Watermaster activities and referred to Perchlorate contamination in regards to the plume. Mr. Wildermuth assured the pools that anomalies were being monitored and samplings are taken on a routine basis. Dialogue continued between committee members and Mr. Wildermuth in regards to specific well information and release of information. Mr. Thibeault offered several comments in reference to well studies and information release. Discussion continued and it was decided that this topic will be brought back to the pools in January 2004.
3. New Watermaster Brochure
Mr. Rossi made mention of the new Watermaster brochure hand out and that it would be a useful tool for a brief synopsis when meeting people and a quick source of reference as to who and what Chino Basin Watermaster is all about.
4. Discuss holiday meeting schedules
It was noted that no meetings are scheduled for the month of December and all regular Pool, Committee and Board meetings will reconvene in January 2004.

C. INFORMATION

1. MWD Rialto Pipeline "Planned Shutdown" for January 12-16, 2004
No comment made – please refer to the September 15, 2003 memo from Rich Atwater.
2. Letter from Robert DeLoach, Cucamonga County Water District, regarding Perchlorate Remediation – Department of Defense
No comment made – please refer to the October 9, 2003 letter from Robert A. DeLoach.

D. OTHER AGENCY REPORTS

None

IV. COMMITTEE MEMBER COMMENTS

None

V. OTHER BUSINESS

None

VI. FUTURE MEETINGS AND EVENTS

November 12, 2003	2:00 p.m.	Water Quality Committee Meeting
November 13, 2003	1:00 p.m.	Agricultural Pool Meeting
	3:00 p.m.	Appropriative & Non-Agricultural Pool Meeting

November 19, 2003	9:00 a.m.	MZ1 Technical Committee Meeting
November 20, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

Notes: All meetings will be held at the Watermaster offices, 9641 San Bernardino Road, Rancho Cucamonga, California (909) 484-3888

No meetings are currently planned for the month of December 2003

Note: Vic Barrion, Non-Agricultural Chair, concurred with approval of the Agricultural Pool meeting actions for the Non-Agricultural Pool.

Chair deBoom adjourned the meeting at 3:00 p.m.

Secretary

Minutes Approved: _____

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CHINO BASIN WATERMASTER

January 15, 2004

10:00 a.m. - Non-Agricultural Pool Annual Meeting

1:00 p.m. - Agricultural Pool Annual Meeting

3:00 p.m. - Appropriative Pool Annual Meeting

II. CONSENT CALENDAR

A. MINUTES

1. Appropriative Pool

Draft Minutes
CHINO BASIN WATERMASTER
APPROPRIATIVE POOL MEETING
November 13, 2003

A meeting of the Appropriative Pool and Non-Agricultural was held at the offices Chino Basin Watermaster 9641 San Bernardino Road, Rancho Cucamonga, California, on November 13, 2003 at 3:00 p.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Ken Jeske, Chair	City of Ontario
Robert DeLoach, Vice Chair	Cucamonga County Water District
Rich Atwater	Inland Empire Utilities Agency
Gerald J. Black	City of Fontana
Ray Wellington	San Antonio Water Company
J. Arnold Rodriguez	Santa Ana River Water Company
Mark Kinsey	Monte Vista Water District
Dave Crosley	City of Chino
Raul Garibay	City of Pomona
Mike McGraw	Fontana Water Company

NON-AGRICULTURAL POOL MEMBERS PRESENT

Bob Bowcock	Vulcan Materials Company
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Watermaster Staff Present

John Rossi	Chief Executive Officer
Sheri Rojo	Finance Manager
Danielle Maurizio	Senior Engineer
Gordon Treweek	Project Engineer
Sheri Lynne Molino	Recording Secretary

Watermaster Consultants Present

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

Others Present

Josephine Johnson	Monte Vista Water District
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Chair Jeske called the meeting to order at 3:10 p.m.

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

A. MINUTES

1. Joint Meeting of the Appropriative and Non-Agricultural Pools held October 9, 2003

B. FINANCIAL REPORT

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

C. WATER TRANSACTIONS

1. Notice of Sale or Transfer – the transfer of Monte Vista Irrigation Company FY 2003-04 Annual Production Rights to the Monte Vista Water District. The total quantity of water to be transferred is estimated at 1,040 acre-feet. (*Notice mailed November 7, 2003*)
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Motion by DeLoach, second by Wellington, and by unanimous vote

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

II. BUSINESS ITEMS - POSSIBLE ACTION**A. PRESENT DRAFT 2003/2004 ASSESSMENT PACKAGE**

Mr. Rossi reviewed in detail the draft 2003/2004 assessment package handout which is requiring no action at this meeting. Mr. Rossi made mention of the various trends across the board and perceived we were continuing to hold the line on costs. Mr. Rossi reviewed production levels and noted the downward trend and in production by the agricultural users. Mr. Rossi explained the new data gathering process and how it will help gather more accurate data and facilitate the assessment process. He also noted that if any person needed a more detailed description of this process to contact him directly. Mr. Rossi commented that the final 2003/2004 Assessment Package will be brought back to the pools in January for final approval due to the fact that there will be no meetings scheduled for December.

No action taken.

B. PRESENTATION ON CONSTRUCTION ACTIVITIES FOR RECHARGE IMPROVEMENT PROJECT

Mr. Gordon Treweek, Project Engineer for Chino Basin Watermaster gave two status reports and one improvement project presentation. Mr. Treweek's first status report was on the GE Test Cell Facility, this presentation included a site environmental history, Ground Water (GW) contaminants of concern, and lastly site remedial actions. The second status report was on the GE Flat Iron Facility, this presentation included site history, site environmental history, GW contaminants of concern, soil contaminants of concern, and lastly site remedial actions. Mr. Treweek's final presentation was on the Chino Basin Facilities Improvement Project which included construction activities from 3/19/03 through 10/15/03. This thorough presentation reviewed the Lower Day Basin, Victoria Basin, Banana Basin, RP3 Basin, Declerz Basin, Turner 1, 2, 3 & 4 Basins, Brooks Basin, and the College Heights Basin and detailed construction modifications and upgrades. Discussion ensued in regards to these basin projects and how the enhancements will affect the basins water flow and testing.

No action taken.

C. MEMORANDUM OF UNDERSTANDING BETWEEN CASTAIC LAKE WATER AGENCY AND CHINO BASIN WATERMASTER

Mr. Rossi commented that staff has been discussing the potential for the Castaic Lake Water Agency to participate in a storage and recovery project with the Chino Groundwater Basin. Mr. Rossi reviewed the Memorandum of Understanding (MOU) between the Castaic Lake Water

Agency and the Chino Basin Watermaster. This MOU puts in motion Chino Basin Watermaster to begin preliminary non-binding negotiations for Castaic Lake Water Agencies possible participation in the Chino basin Storage and Recovery Program. Mr. Rossi noted that Castaic Lake Water Agency would be bringing water to the table and this is something that he believes should be pursued.

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

Moved, to approve draft Memorandum of Understanding with Castaic Lake Water Agency and authorized staff and legal counsel to make minor edits, as necessary, in addition authorizing staff to begin the negotiation process.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Chino Land & Water Lawsuit Update regarding filing of Amicus Brief

Counsel Fife reported on the Chino Land & Water lawsuit regarding filing of Amicus Brief. Counsel Fife handed out the draft *APPLICATION FOR LEAVE TO FILE AMICUS CURIAE BRIEF AND AMICUS CURIAE BRIEF OD CHINO BASIN WATERMATER IN SUPPORT OF LEWIS INVESTMENT CO., L.L.C.* Counsel Fife commented it would be approximately 60 days out for seeing this venture completed and that he was seeking approval to forward this draft to the Board for direction.

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

Moved, to approve draft Amicus Brief to be presented to the Board members.

2. Metropolitan Water District Dry Year Yield Storage Transmittal to Court

Counsel Fife distributed the draft *MOTION FOR APPROVAL OF METROPOLITAN DRY YEAR YIELD FUNDING AGREEMENT APPLICATION*. Counsel Fife stated that this was a long process and that this motion was the final step and anticipated no trouble. Counsel Fife noted that no action was required to file this brief.

No action taken.

B. CEO REPORT/UPDATES

1. Update regarding DWR Grant Request for Conjunctive Use Project

Mr. Rossi expressed enthusiasm in Watermasters DWR grant approval which was obtained with the assistance of IEUA, who filed on our behalf. Many thanks were given to Rich Atwater for pursuing this for us. Mr. Rossi stated by means of this grant we will have the opportunity to work on the expansion of the Desalters, the Upland Recharge Project, Imported Water Projects and Perchlorate treatments. Mr. Rossi anticipates final word on the amount of the grant in January/February 2004. Mr. Atwater commented that he felt it would be appropriate that a letter of appreciation be forwarded to congress thanking them for their help.

2. Update regarding Water Quality Committee Meeting of Wednesday November 12

Mr. Rossi gave a brief overview on the potential work on the plumes. Mr. Wildermuth gave the same presentation that was presented to the Water Quality Committee the day prior and shared comments made and received at the meeting.

Discussion ensued in regards to the Regional Boards need for help in writing orders for potential responsible parties (PRP's) and the request for this assistance. It was noted that with this 2 to 3 week assistance it could take months or even years off the order writing process and investigation and be a valuable asset to this project. Dialogue on putting relationships and costs in line prior to the decision continued. Conversation on the costs of the desalters and the diversion of cost to the possible PRP's once identified prolonged. It

was noted that the possibility of responsible parties cost involvement would impact the whole desalter project and a possibility of lowering desalter costs. Comments on desalter capacity and estimated detrimental impacts were noted. Mr. Wildermuth commented that there were pretty good historical records on this and he would investigate this complex situation further and report back.

3. New Watermaster Brochure

Mr. Rossi made mention of the new Watermaster brochure hand out and that it would be a useful tool for a brief synopsis when meeting people and a quick source of reference as to who and what Chino Basin Watermaster is all about.

4. Discuss holiday meeting schedules

It was noted that no meetings are scheduled for the month of December and all regular Pool, Committee and Board meetings will reconvene in January 2004.

C. INFORMATION

1. MWD Rialto Pipeline "Planned Shutdown" for January 12-16, 2004

No comment made – please refer to the September 15, 2003 memo from Rich Atwater.

2. Letter from Robert DeLoach, Cucamonga County Water District, regarding Perchlorate Remediation – Department of Defense

Mr. Rossi briefly reviewed the October 9, 2003 letter regarding Perchlorate Remediation and received no comment in return.

D. OTHER AGENCY REPORTS

None

IV. COMMITTEE MEMBER COMMENTS

Mr. Kinsey inquired as to the progress of the work group for salt credits. It was noted that the work group had met twice and no new recommendations had come out of either of the meetings. Their next workshop is to be held on November 21, 2003 and the findings will be reported back to the pools in January 2004.

V. OTHER BUSINESS

An additional comment was offered on the water transactions from the Agricultural pool meeting on November 13, 2003 that all water transactions in the MZ1 area would be reviewed by the MZ1 Technical Committee.

VI. FUTURE MEETINGS AND EVENTS

November 12, 2003	2:00 p.m.	Water Quality Committee Meeting
November 13, 2003	1:00 p.m.	Agricultural Pool Meeting
	3:00 p.m.	Appropriative & Non-Agricultural Pool Meeting
November 19, 2003	9:00 a.m.	MZ1 Technical Committee Meeting
November 20, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

Notes: All meetings will be held at the Watermaster offices, 9641 San Bernardino Road, Rancho Cucamonga, California (909) 484-3888

No meetings are currently planned for the month of December 2003

Chair Jeske adjourned the meeting at 4:11 p.m.

Secretary

Minutes Approved: _____

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CHINO BASIN WATERMASTER

January 15, 2004

10:00 a.m. - Non-Agricultural Pool Annual Meeting

1:00 p.m. - Agricultural Pool Annual Meeting

3:00 p.m. - Appropriative Pool Annual Meeting

II. CONSENT CALENDAR

B. FINANCIAL REPORTS

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



CHINO BASIN WATERMASTER

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

JOHN V. ROSSI
Chief Executive Officer

STAFF REPORT

DATE: January 15, 2004
January 29, 2004

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – November 2003

SUMMARY

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

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

Fiscal Impact – All funds disbursed were included in the FY 2003-04 Watermaster Budget.

BACKGROUND

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

DISCUSSION

Total cash disbursements during the month of November 2003 were \$300,601.59. The most significant expenditures during the month were Wildermuth Environmental Inc. in the amount of \$77,436.45 and Inland Empire Utilities Agency in the amount of \$21,940.07.

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
November 2003

Type	Date	Num	Name	Amount
Nov 03				
Bill Pmt -Check	11/5/2003	8133	PATRAL CUSTOM CABINETS	-5,746.10
Bill Pmt -Check	11/6/2003	8134	A & R TIRE	-90.55
Bill Pmt -Check	11/6/2003	8135	ARROWHEAD MOUNTAIN SPRING WATER	-47.68
Bill Pmt -Check	11/6/2003	8136	BARRION, VICTOR A	-125.00
Bill Pmt -Check	11/6/2003	8137	BLACK & VEATCH CORPORATION	-6,041.25
Bill Pmt -Check	11/6/2003	8138	CATLIN, TERRY	-125.00
Bill Pmt -Check	11/6/2003	8139	COLONIAL LIFE & ACCIDENT INSURANCE CO	-42.80
Bill Pmt -Check	11/6/2003	8140	COSTCO	-435.61
Bill Pmt -Check	11/6/2003	8141	Diehl, Evans & Co, LLP	-175.00
Bill Pmt -Check	11/6/2003	8142	HARRY L. IRWIN	-1,120.00
Bill Pmt -Check	11/6/2003	8143	HOME DEPOT	-280.15
Bill Pmt -Check	11/6/2003	8144	INLAND COUNTIES INSURANCE SERVICES, INC.	-340.66
Bill Pmt -Check	11/6/2003	8145	INLAND EMPIRE UTILITIES AGENCY	-6,730.55
Bill Pmt -Check	11/6/2003	8146	KUHN, BOB	-125.00
Bill Pmt -Check	11/6/2003	8147	MWH LABORATORIES	-1,835.00
Bill Pmt -Check	11/6/2003	8148	MYRON L COMPANY	-836.55
Bill Pmt -Check	11/6/2003	8149	NEXTEL COMMUNICATIONS	-780.52
Bill Pmt -Check	11/6/2003	8150	OFFICE DEPOT	-430.66
Bill Pmt -Check	11/6/2003	8151	PATRAL CUSTOM CABINETS	-638.45
Bill Pmt -Check	11/6/2003	8152	PAYCHEX	-216.70
Bill Pmt -Check	11/6/2003	8153	QUILL	-2,277.62
Bill Pmt -Check	11/6/2003	8154	RAMONA'S COMPLETE GLASS & MIRROR SERVI...	-297.00
Bill Pmt -Check	11/6/2003	8155	RAUCH COMMUNICATION CONSULTANTS, LLC	-3,006.36
Bill Pmt -Check	11/6/2003	8156	RBM LOCK & KEY	-62.45
Bill Pmt -Check	11/6/2003	8157	RICOH BUSINESS SYSTEMS-Maintenance	-34.64
Bill Pmt -Check	11/6/2003	8158	RODRIGUEZ, DAN	-125.00
Bill Pmt -Check	11/6/2003	8159	SOURCE 1 PRINTING, PACKAGING & MEDIA	-2,549.80
Bill Pmt -Check	11/6/2003	8160	SOUTHERN CALIFORNIA WATER COMMITTEE	-750.00
Bill Pmt -Check	11/6/2003	8161	STATE COMPENSATION INSURANCE FUND	-1,309.31
Bill Pmt -Check	11/6/2003	8162	TELECOM SERVICES	-65.00
Bill Pmt -Check	11/6/2003	8163	THEIRL, JIM	-169.68
Bill Pmt -Check	11/6/2003	8164	TLC STAFFING	-2,068.40
Bill Pmt -Check	11/6/2003	8165	TREWEEK, GORDON	-381.82
Bill Pmt -Check	11/6/2003	8166	UNITED PARCEL SERVICE	-235.11
Bill Pmt -Check	11/6/2003	8167	VANDEN HEUVEL, GEOFFREY	-125.00
Bill Pmt -Check	11/6/2003	8168	VELASQUEZ JANITORIAL	-900.00
Bill Pmt -Check	11/6/2003	8169	VERIZON	-437.01
Bill Pmt -Check	11/6/2003	8170	WHEELER METER MAINTENANCE	-600.00
Bill Pmt -Check	11/6/2003	8171	YATES, DENNIS	-125.00
Bill Pmt -Check	11/6/2003	8172	YUKON DISPOSAL SERVICE	-123.90
Bill Pmt -Check	11/6/2003	8173	COSTCO	-258.49
Bill Pmt -Check	11/6/2003	8174	VERIZON	-37.10
General Journal	11/8/2003	03/11/4	PAYROLL	-8,156.23
General Journal	11/8/2003	03/11/4	PAYROLL	-13,651.94
Bill Pmt -Check	11/10/2003	8175	P.C. CLUB	-1,514.36
Bill Pmt -Check	11/13/2003	8176	GALLEANO, DON	-250.00
Bill Pmt -Check	11/13/2003	8177	Hettinga, Peter	-375.00
Bill Pmt -Check	11/13/2003	8178	HUITSING, JOHN	-375.00
Bill Pmt -Check	11/14/2003	8179	JAMES JOHNSTON	-250.00
Bill Pmt -Check	11/20/2003	8180	A-Z VIDEO SERVICES	-116.26
Bill Pmt -Check	11/20/2003	8181	A & R TIRE	-141.54
Bill Pmt -Check	11/20/2003	8182	ACWA	-5,475.00
Bill Pmt -Check	11/20/2003	8183	ACWA SERVICES CORPORATION	-77.89
Bill Pmt -Check	11/20/2003	8184	ADEX MEDICAL INC	-65.48
Bill Pmt -Check	11/20/2003	8185	APPLIED COMPUTER TECHNOLOGIES	-2,785.15
Bill Pmt -Check	11/20/2003	8186	BANK OF AMERICA	-2,840.22
Bill Pmt -Check	11/20/2003	8187	BEST BEST & KRIEGER LLP-RIVERSIDE OFFICE	-25.00
Bill Pmt -Check	11/20/2003	8188	CHEVRON	-388.34
Bill Pmt -Check	11/20/2003	8189	CITIZENS CONFERENCING	-1.04
Bill Pmt -Check	11/20/2003	8190	COSTCO BUSINESS DELIVERY	0.00
Bill Pmt -Check	11/20/2003	8191	CUCAMONGA COUNTY WATER DISTRICT	-4,900.00
Bill Pmt -Check	11/20/2003	8192	ELLISON, SCHNEIDER & HARRIS, LLP	-7,708.56
Bill Pmt -Check	11/20/2003	8193	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	11/20/2003	8194	HATCH AND PARENT	-15,700.05
Bill Pmt -Check	11/20/2003	8195	INLAND EMPIRE UTILITIES AGENCY	-21,940.07
Bill Pmt -Check	11/20/2003	8196	LOS ANGELES TIMES	-39.92
Bill Pmt -Check	11/20/2003	8197	MCI	-900.15
Bill Pmt -Check	11/20/2003	8198	MWH LABORATORIES	-214.00

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 Accrual Basis

CHINO BASIN WATERMASTER
 Cash Disbursement Detail Report
 November 2003

Type	Date	Num	Name	Amount
Bill Pmt -Check	11/20/2003	8199	NEVADA WATER RESOURCES ASSOCIATION	-90.00
Bill Pmt -Check	11/20/2003	8200	OFFICE DEPOT	-148.63
Bill Pmt -Check	11/20/2003	8201	PATRAL CUSTOM CABINETS	-200.00
Bill Pmt -Check	11/20/2003	8202	POWERS ELECTRIC PRODUCTS CO.	-600.60
Bill Pmt -Check	11/20/2003	8203	PUMP CHECK	-6,164.31
Bill Pmt -Check	11/20/2003	8204	QUILL	-124.00
Bill Pmt -Check	11/20/2003	8205	REID & HELLYER	-5,310.60
Bill Pmt -Check	11/20/2003	8206	RICOH BUSINESS SYSTEMS-Lease	-3,591.31
Bill Pmt -Check	11/20/2003	8207	RICOH BUSINESS SYSTEMS-Maintenance	-621.02
Bill Pmt -Check	11/20/2003	8208	SANTA ANA WATERSHED PROJECT AUTHORITY	-1,750.00
Bill Pmt -Check	11/20/2003	8209	TLC STAFFING	-6,205.20
Bill Pmt -Check	11/20/2003	8210	UNITEK TECHNOLOGY INC.	-771.47
Bill Pmt -Check	11/20/2003	8211	MARK IV COMMUNICATIONS, INC.	-12,718.79
Bill Pmt -Check	11/20/2003	8212	WILDERMUTH ENVIRONMENTAL INC	-77,436.45
Bill Pmt -Check	11/20/2003	8213	COSTCO BUSINESS DELIVERY	-550.79
Bill Pmt -Check	11/20/2003	8214	COSTCO BUSINESS DELIVERY	-270.39
General Journal	11/20/2003	03/11/8	PAYROLL	-3,583.38
General Journal	11/26/2003	03/11/8	PAYROLL	-13,651.94
Bill Pmt -Check	11/26/2003	8215	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	0.00
Bill Pmt -Check	11/26/2003	8216	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-3,999.81
Bill Pmt -Check	11/26/2003	8217	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-3,999.81
Bill Pmt -Check	11/26/2003	8218	HOFFMAN VIDEO	-8,977.11
Bill Pmt -Check	11/26/2003	8219	HOFFMAN VIDEO	-9,202.17
Bill Pmt -Check	11/26/2003	8220	AJ CONSTRUCTION SPECIALTIES	-915.00
Bill Pmt -Check	11/26/2003	8221	CALPERS	-1,579.30
Bill Pmt -Check	11/26/2003	8222	CITISTREET	-5,600.00
Bill Pmt -Check	11/26/2003	8223	DIRECTV	-64.99
Bill Pmt -Check	11/26/2003	8224	HARRY L. IRWIN	-717.81
Bill Pmt -Check	11/26/2003	8225	JUST IN TIME COMMUNICATIONS	-79.30
Bill Pmt -Check	11/26/2003	8226	MATSON, JANET	-1,820.00
Bill Pmt -Check	11/26/2003	8227	NEVADA WATER RESOURCES ASSOCIATION	-135.00
Bill Pmt -Check	11/26/2003	8228	NEXTEL COMMUNICATIONS	-509.36
Bill Pmt -Check	11/26/2003	8229	OFFICE DEPOT	-306.03
Bill Pmt -Check	11/26/2003	8230	PETTY CASH	-476.83
Bill Pmt -Check	11/26/2003	8231	RICKLY HYDROLOGICAL CO.	-1,652.00
Bill Pmt -Check	11/26/2003	8232	STANDARD INSURANCE CO.	-435.41
Bill Pmt -Check	11/26/2003	8233	STATE COMPENSATION INSURANCE FUND	-1,703.60
Bill Pmt -Check	11/26/2003	8234	TLC STAFFING	-2,068.40
General Journal	11/30/2003	03/11/10	PAYROLL	7,547.34
				-300,601.59

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

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION AND SPECIAL PROJECTS APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER OPERATIONS GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2003-04
Administrative Revenues										
Administrative Assessments									-	\$3,940,516
Interest Revenue			12,365	1,915	842			10	15,132	112,025
Mutual Agency Project Revenue									-	0
Grant Income									-	0
Miscellaneous Income	471								471	0
Total Revenues	471	-	12,365	1,915	842	-	-	10	15,603	4,052,541
Administrative & Project Expenditures										
Watermaster Administration	333,742								333,742	617,732
Watermaster Board-Advisory Committee	14,694								14,694	43,442
Pool Administration			5,703	177,215	1,107				184,025	255,148
Optimum Basin Mgmt Administration		256,037							256,037	1,034,064
OBMP Project Costs		844,114							844,114	3,365,079
Education Funds Use									-	375
Mutual Agency Project Costs	10,818								10,818	85,004
Total Administrative/OBMP Expenses	359,254	1,100,151	5,703	177,215	1,107			-	1,643,430	5,400,844
Net Administrative/OBMP Income	(358,783)	(1,100,151)								
Allocate Net Admin Income To Pools	358,783		266,162	81,997	10,624				-	0
Allocate Net OBMP Income To Pools		1,100,151	816,143	251,431	32,577				-	0
Agricultural Expense Transfer			507,467	(507,467)					-	0
Total Expenses			1,595,476	3,175	44,308	-	-	-	1,643,430	5,400,844
Net Administrative Income			(1,583,110)	(1,260)	(43,467)			10	(1,627,827)	(1,348,303)
Other Income/(Expense)										
Replenishment Water Purchases						-			-	0
MZ1 Supplemental Water Assessments						-			-	2,189,500
Water Purchases									-	0
MZ1 Imported Water Purchase									-	(2,273,500)
Groundwater Replenishment						(31,610)			(31,610)	0
Net Other Income						(31,610)	-	-	(31,610)	(84,000)
Net Transfers To/(From) Reserves			(1,583,110)	(1,260)	(43,467)	(31,610)	-	10	(1,659,437)	(1,432,303)
Working Capital, July 1, 2003			2,813,947	466,069	188,310	266,503	158,251	2,532	3,895,611	
Working Capital, End Of Period			1,230,837	464,809	144,843	234,893	158,251	2,542	2,236,174	
02/03 Production			121,586,420	37,457,315	4,853,247				163,896,982	
02/03 Production Percentages			74.185%	22.854%	2.961%				100.000%	

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

SUMMARY at 10/31/2003

DEPOSITORIES:			
Cash on Hand - Petty Cash			\$ 500
Bank of America			
Governmental Checking-Demand Deposits	\$	70,789	
Savings Deposits		9,611	
Zero Balance Account - Payroll		-	80,400
Local Agency Investment Fund - Sacramento			<u>2,345,086</u>
TOTAL CASH IN BANKS AND ON HAND		10/31/2003	\$ 2,425,986
TOTAL CASH IN BANKS AND ON HAND		9/30/2003	2,865,297
PERIOD INCREASE (DECREASE)			<u>\$ (439,311)</u>

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable	\$ 940
Prepaid Expenses, Deposits & Other Current Assets	1,709
(Decrease)/Increase in Liabilities: Accounts Payable	23,505
Accrued Payroll, Payroll Taxes & Other Current Liabilities	(31,716)
Transfer to/(from) Reserves	<u>(433,749)</u>
PERIOD INCREASE (DECREASE)	<u>\$ (439,311)</u>

	Petty Cash	Gov't Checking Demand	Zero Balance		Local Agency Investment Funds	Totals
			Account Payroll	Savings		
SUMMARY OF FINANCIAL TRANSACTIONS:						
Balances as of 9/30/2003	\$ 500	\$ 110,100	\$ -	\$ 9,611	\$ 2,745,086	\$ 2,865,297
Deposits		15,126	-	-	-	15,126
Transfers		343,484	56,516	-	(400,000)	-
Withdrawals/Checks		(397,921)	(56,516)	-	-	(454,437)
Balances as of 10/31/2003	\$ 500	\$ 70,789	\$ -	\$ 9,611	\$ 2,345,086	\$ 2,425,986
PERIOD INCREASE OR (DECREASE)	\$ -	\$ (39,311)	\$ -	\$ -	\$ (400,000)	\$ (439,311)

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

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
10/23/2003	Withdrawal	L.A.I.F.	\$ (400,000)				
TOTAL INVESTMENT TRANSACTIONS			\$ (400,000)	-			

* The earnings rate for L.A.I.F. is a daily variable rate; 1.63% was the effective yield rate at the Quarter ended September 30, 2003.

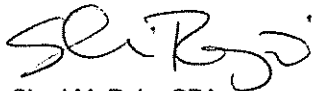
**INVESTMENT STATUS
October 31, 2003**

<u>Financial Institution</u>	<u>Principal Amount</u>	<u>Number of Days</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Local Agency Investment Fund	\$ 2,345,086			
Time Certificates of Deposit	-			
TOTAL INVESTMENTS	\$ 2,345,086			

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 through October 2003

	<u>Jul - Oct 03</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4110 · Admin Asmnts-Approp Pool	0.00	3,931,695.00	-3,931,695.00	0.0%
4120 · Admin Asmnts-Non-Agrl Pool	0.00	88,201.00	-88,201.00	0.0%
4700 · Non Operating Revenues	15,603.46	112,025.00	-96,421.54	13.93%
Total Income	<u>15,603.46</u>	<u>4,131,921.00</u>	<u>-4,116,317.54</u>	<u>0.38%</u>
Gross Profit	15,603.46	4,131,921.00	-4,116,317.54	0.38%
Expense				
6010 · Salary Costs	167,198.01	385,900.00	-218,701.99	43.33%
6020 · Office Building Expense	80,584.82	108,995.00	-28,410.18	73.93%
6030 · Office Supplies & Equip.	17,448.00	41,000.00	-23,552.00	42.56%
6040 · Postage & Printing Costs	26,014.26	66,400.00	-40,385.74	39.18%
6050 · Information Services	45,298.40	105,750.00	-60,451.60	42.84%
6061 · Other Consultants	4,291.34	29,000.00	-24,708.66	14.8%
6062 · Audit Services	0.00	5,000.00	-5,000.00	0.0%
6063 · Public Relations Consultan	18,347.90	12,000.00	6,347.90	152.9%
6067.1 · General Counsel	10,441.28	75,000.00	-64,558.72	13.92%
6080 · Insurance	7,006.40	16,710.00	-9,703.60	41.93%
6110 · Dues and Subscriptions	2,342.86	14,500.00	-12,157.14	16.16%
6140 · Other WM Admin Expenses	443.09	0.00	443.09	100.0%
6150 · Field Supplies	188.91	4,250.00	-4,061.09	4.45%
6170 · Travel & Transportation	27,633.44	46,300.00	-18,666.56	59.68%
6190 · Conferences & Seminars	7,258.85	16,000.00	-8,741.15	45.37%
6200 · Advisory Comm - WM Board	5,623.81	15,071.00	-9,447.19	37.32%
6300 · Watermaster Board Expenses	9,069.73	28,371.00	-19,301.27	31.97%
8300 · Appr PI-WM & Pool Admin	5,703.11	14,471.00	-8,767.89	39.41%
8400 · Agrl Pool-WM & Pool Admin	155,490.80	166,979.00	-11,488.20	93.12%
8467 · Agrl-Pool Legal Services	18,549.27	51,000.00	-32,450.73	36.37%
8470 · Ag Meeting Attend -Special	3,175.00	16,000.00	-12,825.00	19.84%
8500 · Non-Ag PI-WM & Pool Admin	1,107.13	6,698.00	-5,590.87	16.53%
6500 · Education Funds Use Expens	0.00	375.00	-375.00	0.0%
9500 · Allocated G&A Expenditures	-80,755.20	-309,073.00	228,317.80	26.13%
Subtotal G&A Expenses	<u>532,461.21</u>	<u>916,697.00</u>	<u>-384,235.79</u>	<u>58.09%</u>
6900 · Optimum Basin Mgmt Plan	235,187.10	942,065.00	-706,877.90	24.97%
6950 · Mutual Agency Projects	10,817.92	85,004.00	-74,186.08	12.73%
9501 · G&A Expenses Allocated-OBMP	20,850.04	91,999.00	-71,148.96	22.66%
Subtotal OBMP Expenses	<u>266,855.06</u>	<u>1,119,068.00</u>	<u>-852,212.94</u>	<u>23.85%</u>
7101 · Production Monitoring	29,194.34	79,283.00	-50,088.66	36.82%
7102 · In-line Meter Installation	10,028.12	131,380.00	-121,351.88	7.63%
7103 · Grdwtr Quality Monitoring	77,239.83	274,613.00	-197,373.17	28.13%
7104 · Gdwtr Level Monitoring	30,626.18	157,852.00	-127,225.82	19.4%
7105 · Sur Wtr Qual Monitoring	14,062.68	133,595.00	-119,532.32	10.53%
7106 · Wtr Level Sensors Install	0.00	26,835.00	-26,835.00	0.0%
7107 · Ground Level Monitoring	31,398.08	202,283.00	-170,884.92	15.52%

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

	<u>Jul - Oct 03</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7108 · Hydraulic Control Monitoring	70,744.36	718,227.00	-647,482.64	9.85%
7200 · PE2- Comp Recharge Pgm	47,481.84	531,434.00	-483,952.16	8.94%
7300 · PE3&5-Water Supply/Desalte	1,589.17	47,499.00	-45,909.83	3.35%
7400 · PE4-MZ1 Mgmt Plan	74,291.58	187,308.00	-113,016.42	39.66%
7500 · PE6&7-CoopEfforts/SaltMgmt	13,771.89	51,820.00	-38,048.11	26.58%
7600 · PE8&9-StorageMgmt/Conj Use	7,549.18	146,179.00	-138,629.82	5.16%
7690 · Recharge Improvement Debt Pymt	376,169.00	429,250.00	-53,081.00	87.63%
7700 · Inactive Well Protection Prgm	62.45	30,447.00	-30,384.55	0.21%
9502 · G&A Expenses Allocated-Projects	59,905.16	217,074.00	-157,168.84	27.6%
Subtotal Special Project Expenses	<u>844,113.86</u>	<u>3,365,079.00</u>	<u>-2,520,965.14</u>	<u>25.09%</u>
Total Expense	<u>1,643,430.13</u>	<u>5,400,844.00</u>	<u>-3,757,413.87</u>	<u>30.43%</u>
Net Ordinary Income	-1,627,826.67	-1,268,923.00	-358,903.67	128.28%
Other Income/Expense				
Other Income				
4231 · MZ1 Assigned Water Sales	0.00	615,000.00	-615,000.00	0.0%
4230 · MZ1 Sup Wtr Assessment	0.00	1,574,500.00	-1,574,500.00	0.0%
Total Other Income	<u>0.00</u>	<u>2,189,500.00</u>	<u>-2,189,500.00</u>	<u>0.0%</u>
Other Expense				
5010 · Groundwater Replenishment	31,610.00	2,273,500.00	-2,241,890.00	1.39%
9999 · To/(From) Reserves	-1,659,436.67	-1,352,923.00	-306,513.67	122.66%
Total Other Expense	<u>-1,627,826.67</u>	<u>920,577.00</u>	<u>-2,548,403.67</u>	<u>-176.83%</u>
Net Other Income	<u>1,627,826.67</u>	<u>1,268,923.00</u>	<u>358,903.67</u>	<u>128.28%</u>
Net Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0%</u>

CHINO BASIN WATERMASTER

January 15, 2004

10:00 a.m. - Non-Agricultural Pool Annual Meeting

1:00 p.m. - Agricultural Pool Annual Meeting

3:00 p.m. - Appropriative Pool Annual Meeting

II. CONSENT CALENDAR

B. FINANCIAL REPORTS

5. Cash Disbursements December 2003
6. Combining Schedule of Revenue, Expenses and changes in Working Capital for the Periods July 1, 2003 through November 30, 2003
7. Treasurer's Report of Financial Affairs for November 1, 2003 through November 30, 2003
8. Profit & Loss Budget vs. Actual July 2003 through November 2003



CHINO BASIN WATERMASTER

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

JOHN V. ROSSI
Chief Executive Officer

STAFF REPORT

DATE: January 15, 2004
January 29, 2004

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – December 2003

SUMMARY

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

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

Fiscal Impact – All funds disbursed were included in the FY 2003-04 Watermaster Budget.

BACKGROUND

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

DISCUSSION

Total cash disbursements during the month of December 2003 were \$337,645.89. The most significant expenditures during the month were Wildermuth Environmental Inc. in the amount of \$124,497.82 and McCall's Meter Sales & Service in the amount of \$44,910.50.

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CHINO BASIN WATERMASTER
 Cash Disbursement Detail Report
 December 2003

Type	Date	Num	Name	Amount
Dec 03				
Bill Pmt -Check	12/2/2003	8235	PARK PLACE COMPUTER SOLUTIONS, INC.	-4,314.34
Bill Pmt -Check	12/2/2003	8236	ADAM'S ELECTRONICS, INC.	-150.00
Bill Pmt -Check	12/2/2003	8237	ARROWHEAD MOUNTAIN SPRING WATER	-23.09
Bill Pmt -Check	12/2/2003	8238	GALLERY COLLECTION	-356.07
Bill Pmt -Check	12/2/2003	8239	INLAND EMPIRE UTILITIES AGENCY	-11,655.58
Bill Pmt -Check	12/2/2003	8240	LAYNE CHRISTENSEN COMPANY	-44,910.50
Bill Pmt -Check	12/2/2003	8241	MCCALL'S METER SALES & SERVICE	-1,180.94
Bill Pmt -Check	12/2/2003	8242	PAYCHEX	-138.80
Bill Pmt -Check	12/2/2003	8243	STEWART, TRACI L.	0.00
Bill Pmt -Check	12/2/2003	8244	TLC STAFFING	-1,890.32
Bill Pmt -Check	12/2/2003	8245	USA-FACT INC	-211.70
Bill Pmt -Check	12/2/2003	8246	YUKON DISPOSAL SERVICE	-123.90
Bill Pmt -Check	12/2/2003	8247	STEWART, TRACI L.	0.00
General Journal	12/6/2003	03/12/4	PAYROLL	-3,562.01
General Journal	12/6/2003	03/12/4	PAYROLL	-13,673.31
Bill Pmt -Check	12/16/2003	8248	CUCAMONGA COUNTY WATER DISTRICT	-17,466.05
Bill Pmt -Check	12/16/2003	8249	VERIZON	-549.64
Bill Pmt -Check	12/16/2003	8250	RICOH BUSINESS SYSTEMS-Maintenance	-34.64
Bill Pmt -Check	12/16/2003	8251	APPLIED COMPUTER TECHNOLOGIES	-2,084.60
Bill Pmt -Check	12/16/2003	8252	ASPEN PUBLISHERS	-173.58
Bill Pmt -Check	12/16/2003	8253	BARRION, VICTOR A	-250.00
Bill Pmt -Check	12/16/2003	8254	CATLIN, TERRY	-125.00
Bill Pmt -Check	12/16/2003	8255	COLONIAL LIFE & ACCIDENT INSURANCE CO	-42.80
Bill Pmt -Check	12/16/2003	8256	CUCAMONGA COUNTY WATER DISTRICT	-4,900.00
Bill Pmt -Check	12/16/2003	8257	DAN VASILE	-140.00
Bill Pmt -Check	12/16/2003	8258	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	12/16/2003	8259	HATCH AND PARENT	-25,444.03
Bill Pmt -Check	12/16/2003	8260	HOFFMAN VIDEO	-2,019.92
Bill Pmt -Check	12/16/2003	8261	IDEAL GRAPHICS	-1,007.46
Bill Pmt -Check	12/16/2003	8262	INLAND COUNTIES INSURANCE SERVICES, INC.	-340.66
Bill Pmt -Check	12/16/2003	8263	KUHN, BOB	-125.00
Bill Pmt -Check	12/16/2003	8264	MWH LABORATORIES	-5,725.00
Bill Pmt -Check	12/16/2003	8265	MWH Montgomery Watson Harza	-16,987.92
Bill Pmt -Check	12/16/2003	8266	OFFICE DEPOT	-517.85
Bill Pmt -Check	12/16/2003	8267	PURCHASE POWER	-57.40
Bill Pmt -Check	12/16/2003	8268	RAUCH COMMUNICATION CONSULTANTS, LLC	-637.89
Bill Pmt -Check	12/16/2003	8269	RICOH BUSINESS SYSTEMS-Lease	-387.24
Bill Pmt -Check	12/16/2003	8270	RICOH BUSINESS SYSTEMS-Maintenance	-621.02
Bill Pmt -Check	12/16/2003	8271	SKILLPATH SEMINARS	-199.00
Bill Pmt -Check	12/16/2003	8272	TLC STAFFING	-3,780.64
Bill Pmt -Check	12/16/2003	8273	UNITED PARCEL SERVICE	-260.36
Bill Pmt -Check	12/16/2003	8274	VANDEN HEUVEL, GEOFFREY	-125.00
Bill Pmt -Check	12/16/2003	8275	VELASQUEZ JANITORIAL	-900.00
Bill Pmt -Check	12/16/2003	8276	VERIZON	-38.76
Bill Pmt -Check	12/16/2003	8277	VISTA PAINT	-111.08
Bill Pmt -Check	12/16/2003	8278	WATER EDUCATION FOUNDATION	-500.00
Bill Pmt -Check	12/16/2003	8279	WHITEHEAD, MICHAEL	-125.00
Bill Pmt -Check	12/16/2003	8280	WILDERMUTH ENVIRONMENTAL INC	-124,497.82
Bill Pmt -Check	12/16/2003	8281	YATES, DENNIS	-125.00
Bill Pmt -Check	12/16/2003	8282	CHEVRON	-282.67
Bill Pmt -Check	12/16/2003	8283	BANK OF AMERICA	-948.54
Bill Pmt -Check	12/16/2003	8284	ACWA SERVICES CORPORATION	-77.89
Bill Pmt -Check	12/16/2003	8285	ELLISON, SCHNEIDER & HARRIS, LLP	-2,718.00
Bill Pmt -Check	12/16/2003	8286	MCI	-900.15
Bill Pmt -Check	12/17/2003	8287	RICOH BUSINESS SYSTEMS-Lease	-3,204.07
Bill Pmt -Check	12/19/2003	8288	STEWART, TRACI L.	-4,072.69
General Journal	12/20/2003	03/12/6	PAYROLL	-862.27
General Journal	12/20/2003	03/12/7	PAYROLL	-4,142.03
General Journal	12/20/2003	03/12/7	PAYROLL	-15,722.26
Bill Pmt -Check	12/24/2003	8289	BEN MEADOWS COMPANY	-99.22
Bill Pmt -Check	12/24/2003	8290	CALPERS	-2,084.62
Bill Pmt -Check	12/24/2003	8291	DE BOOM, NATHAN	-500.00
Bill Pmt -Check	12/24/2003	8292	DURRINGTON, GLEN	-250.00
Bill Pmt -Check	12/24/2003	8293	FEENSTRA, BOB	-250.00
Bill Pmt -Check	12/24/2003	8294	Hettinga, Peter	-250.00
Bill Pmt -Check	12/24/2003	8295	HUITSING, JOHN	-125.00
Bill Pmt -Check	12/24/2003	8296	INLAND EMPIRE UTILITIES AGENCY	-3,836.75
Bill Pmt -Check	12/24/2003	8297	KOOPMAN, GENE	-250.00

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01/06/04
Accrual Basis

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
December 2003

Type	Date	Num	Name	Amount
Bill Pmt -Check	12/24/2003	8298	LA BRUCHERIE, RONALD	-250.00
Bill Pmt -Check	12/24/2003	8299	MWH LABORATORIES	-825.00
Bill Pmt -Check	12/24/2003	8300	PIERSON, JEFFREY	-125.00
Bill Pmt -Check	12/24/2003	8301	STANDARD INSURANCE CO.	-435.41
Bill Pmt -Check	12/24/2003	8302	TLC STAFFING	-2,068.40
Bill Pmt -Check	12/24/2003	8303	WHEELER METER MAINTENANCE	-750.00
				<u>-337,645.89</u>

Dec 03

CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2003 THROUGH NOVEMBER 30, 2003

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION AND SPECIAL PROJECTS APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER OPERATIONS GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2003-04
Administrative Revenues										
Administrative Assessments									-	\$3,940,516
Interest Revenue			12,365	1,915	842			10	15,132	112,025
Mutual Agency Project Revenue									-	0
Grant Income									-	0
Miscellaneous Income	471								471	0
Total Revenues	471	-	12,365	1,915	842	-	-	10	15,603	4,052,541
Administrative & Project Expenditures										
Watermaster Administration	406,424								406,424	617,732
Watermaster Board-Advisory Committee	18,029								18,029	43,442
Pool Administration			6,684	179,442	1,107				187,233	255,148
Optimum Basin Mgmt Administration		315,643							315,643	1,034,064
OBMP Project Costs		1,055,462							1,055,462	3,365,079
Education Funds Use									-	375
Mutual Agency Project Costs	10,818								10,818	85,004
Total Administrative/OBMP Expenses	435,271	1,371,105	6,684	179,442	1,107	-	-	-	1,993,609	5,400,844
Net Administrative/OBMP Income	(434,800)	(1,371,105)								
Allocate Net Admin Income To Pools	434,800		322,555	99,370	12,875				-	0
Allocate Net OBMP Income To Pools		1,371,105	1,017,150	313,355	40,601				-	0
Agricultural Expense Transfer			588,017	(588,017)					-	0
Total Expenses	1,934,405	4,150	54,583	-	-	-	-	-	1,993,609	5,400,844
Net Administrative Income			(1,922,040)	(2,235)	(53,741)			10	(1,978,006)	(1,348,303)
Other Income/(Expense)										
Replenishment Water Purchases						-			-	0
MZ1 Supplemental Water Assessments						-			-	2,189,500
Water Purchases									-	0
MZ1 Imported Water Purchase									-	(2,273,500)
Groundwater Replenishment						(35,447)			(35,447)	0
Net Other Income						(35,447)			(35,447)	(84,000)
Net Transfers To/(From) Reserves			(1,922,040)	(2,235)	(53,741)	(35,447)	-	10	(2,013,453)	(1,432,303)
Working Capital, July 1, 2003			2,813,947	466,069	188,310	266,503	158,251	2,532	3,895,611	
Working Capital, End Of Period			891,907	463,834	134,569	231,056	158,251	2,542	1,882,158	
02/03 Production			121,586.420	37,457.315	4,853.247				163,896.982	
02/03 Production Percentages			74.185%	22.854%	2.961%				100.000%	

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

SUMMARY at 11/30/2003

DEPOSITORIES:			
Cash on Hand - Petty Cash			\$ 500
Bank of America			
Governmental Checking-Demand Deposits	\$	73,307	
Savings Deposits		9,611	
Zero Balance Account - Payroll		-	82,918
Local Agency Investment Fund - Sacramento			2,045,086
TOTAL CASH IN BANKS AND ON HAND			\$ 2,128,504
TOTAL CASH IN BANKS AND ON HAND		11/30/2003	2,425,986
		10/31/2003	
PERIOD INCREASE (DECREASE)			\$ (297,482)

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable			\$ 279
Prepaid Expenses, Deposits & Other Current Assets			4,809
(Decrease)/Increase in Liabilities: Accounts Payable			55,876
Accrued Payroll, Payroll Taxes & Other Current Liabilities			(4,430)
Transfer to/(from) Reserves			(354,016)
PERIOD INCREASE (DECREASE)			\$ (297,482)

SUMMARY OF FINANCIAL TRANSACTIONS:	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Savings	Local Agency Investment Funds	Totals
Balances as of 10/31/2003	\$ 500	\$ 70,789	\$ -	\$ 9,611	\$ 2,345,086	\$ 2,425,986
Deposits		3,120	-	-	-	3,120
Transfers		260,957	39,043	-	(300,000)	-
Withdrawals/Checks		(261,559)	(39,043)	-	-	(300,602)
Balances as of 11/30/2003	\$ 500	\$ 73,307	\$ -	\$ 9,611	\$ 2,045,086	\$ 2,128,504
PERIOD INCREASE OR (DECREASE)	\$ -	\$ 2,518	\$ -	\$ -	\$ (300,000)	\$ (297,482)

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

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
11/30/2003	Withdrawal	L.A.I.F.	\$ (300,000)				
TOTAL INVESTMENT TRANSACTIONS			\$ (300,000)	-			

* The earnings rate for L.A.I.F. is a daily variable rate; 1.63% was the effective yield rate at the Quarter ended September 30, 2003.

INVESTMENT STATUS
November 30, 2003

<u>Financial Institution</u>	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 2,045,086			
Time Certificates of Deposit	-			
TOTAL INVESTMENTS	\$ 2,045,086			

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 through November 2003

	<u>Jul - Nov 03</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4110 · Admin Asmnts-Approp Pool	0.00	3,931,695.00	-3,931,695.00	0.0%
4120 · Admin Asmnts-Non-Agri Pool	0.00	88,201.00	-88,201.00	0.0%
4700 · Non Operating Revenues	15,603.46	112,025.00	-96,421.54	13.93%
Total Income	<u>15,603.46</u>	<u>4,131,921.00</u>	<u>-4,116,317.54</u>	<u>0.38%</u>
Gross Profit	15,603.46	4,131,921.00	-4,116,317.54	0.38%
Expense				
6010 · Salary Costs	203,995.42	385,900.00	-181,904.58	52.86%
6020 · Office Building Expense	100,720.04	108,995.00	-8,274.96	92.41%
6030 · Office Supplies & Equip.	32,327.23	41,000.00	-8,672.77	78.85%
6040 · Postage & Printing Costs	29,318.63	66,400.00	-37,081.37	44.16%
6050 · Information Services	53,460.22	105,750.00	-52,289.78	50.55%
6061 · Other Consultants	4,929.23	29,000.00	-24,070.77	17.0%
6062 · Audit Services	0.00	5,000.00	-5,000.00	0.0%
6063 · Public Relations Consultan	18,347.90	12,000.00	6,347.90	152.9%
6067.1 · General Counsel	10,656.13	75,000.00	-64,343.87	14.21%
6080 · Insurance	8,758.00	16,710.00	-7,952.00	52.41%
6110 · Dues and Subscriptions	8,031.36	14,500.00	-6,468.64	55.39%
6140 · Other WM Admin Expenses	487.88	0.00	487.88	100.0%
6150 · Field Supplies	370.65	4,250.00	-3,879.35	8.72%
6170 · Travel & Transportation	29,161.77	46,300.00	-17,138.23	62.98%
6190 · Conferences & Seminars	7,845.10	16,000.00	-8,154.90	49.03%
6200 · Advisory Comm - WM Board	6,687.14	15,071.00	-8,383.86	44.37%
6300 · Watermaster Board Expenses	11,342.59	28,371.00	-17,028.41	39.98%
8300 · Appr PI-WM & Pool Admin	6,683.65	14,471.00	-7,787.35	46.19%
8400 · Agri Pool-WM & Pool Admin	156,742.78	166,979.00	-10,236.22	93.87%
8467 · Agri-Pool Legal Services	18,549.27	51,000.00	-32,450.73	36.37%
8470 · Ag Meeting Attend -Special	4,150.00	16,000.00	-11,850.00	25.94%
8500 · Non-Ag PI-WM & Pool Admin	1,107.13	6,698.00	-5,590.87	16.53%
6500 · Education Funds Use Expens	0.00	375.00	-375.00	0.0%
9500 · Allocated G&A Expenditures	<u>-101,985.68</u>	<u>-309,073.00</u>	<u>207,087.32</u>	<u>33.0%</u>
Subtotal G&A Expenses	611,686.44	916,697.00	-305,010.56	66.73%
6900 · Optimum Basin Mgmt Plan	288,485.09	942,065.00	-653,579.91	30.62%
6950 · Mutual Agency Projects	10,817.92	85,004.00	-74,186.08	12.73%
9501 · G&A Expenses Allocated-OBMP	<u>27,157.84</u>	<u>91,999.00</u>	<u>-64,841.16</u>	<u>29.52%</u>
Subtotal OBMP Expenses	326,460.85	1,119,068.00	-792,607.15	29.17%
7101 · Production Monitoring	33,123.74	79,283.00	-46,159.26	41.78%
7102 · In-line Meter Installation	16,374.58	131,380.00	-115,005.42	12.46%
7103 · Grdwtr Quality Monitoring	124,247.99	274,613.00	-150,365.01	45.25%
7104 · Gdwtr Level Monitoring	40,184.57	157,852.00	-117,667.43	25.46%
7105 · Sur Wtr Qual Monitoring	22,122.34	133,595.00	-111,472.66	16.56%
7106 · Wtr Level Sensors Install	0.00	26,835.00	-26,835.00	0.0%
7107 · Ground Level Monitoring	76,308.58	202,283.00	-125,974.42	37.72%
7108 · Hydraulic Control Monitoring	81,975.91	718,227.00	-636,251.09	11.41%

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

	<u>Jul - Nov 03</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7200 · PE2- Comp Recharge Pgm	72,444.15	531,434.00	-458,989.85	13.63%
7300 · PE3&5-Water Supply/Desalte	1,589.17	47,499.00	-45,909.83	3.35%
7400 · PE4-MZ1 Mgmt Plan	110,292.72	187,308.00	-77,015.28	58.88%
7500 · PE6&7-CoopEfforts/SaltMgmt	16,445.97	51,820.00	-35,374.03	31.74%
7600 · PE8&9-StorageMgmt/Conj Use	9,293.00	146,179.00	-136,886.00	6.36%
7690 · Recharge Improvement Debt Pymt	376,169.00	429,250.00	-53,081.00	87.63%
7700 · Inactive Well Protection Prgm	62.45	30,447.00	-30,384.55	0.21%
9502 · G&A Expenses Allocated-Projects	<u>74,827.83</u>	<u>217,074.00</u>	<u>-142,246.17</u>	<u>34.47%</u>
Subtotal Special Project Expenses	<u>1,055,462.00</u>	<u>3,365,079.00</u>	<u>-2,309,617.00</u>	<u>31.37%</u>
Total Expense	<u>1,993,609.29</u>	<u>5,400,844.00</u>	<u>-3,407,234.71</u>	<u>36.91%</u>
Net Ordinary Income	-1,978,005.83	-1,268,923.00	-709,082.83	155.88%
Other Income/Expense				
Other Income				
4231 · MZ1 Assigned Water Sales	0.00	615,000.00	-615,000.00	0.0%
4230 · MZ1 Sup Wtr Assessment	0.00	<u>1,574,500.00</u>	<u>-1,574,500.00</u>	<u>0.0%</u>
Total Other Income	<u>0.00</u>	<u>2,189,500.00</u>	<u>-2,189,500.00</u>	<u>0.0%</u>
Other Expense				
5010 · Groundwater Replenishment	35,446.75	2,273,500.00	-2,238,053.25	1.56%
9999 · To/(From) Reserves	<u>-2,013,452.58</u>	<u>-1,352,923.00</u>	<u>-660,529.58</u>	<u>148.82%</u>
Total Other Expense	<u>-1,978,005.83</u>	<u>920,577.00</u>	<u>-2,898,582.83</u>	<u>-214.87%</u>
Net Other Income	<u>1,978,005.83</u>	<u>1,268,923.00</u>	<u>709,082.83</u>	<u>155.88%</u>
Net Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0%</u>

CHINO BASIN WATERMASTER

January 15, 2004

10:00 a.m. - Non-Agricultural Pool Annual Meeting

1:00 p.m. - Agricultural Pool Annual Meeting

3:00 p.m. - Appropriative Pool Annual Meeting

II. CONSENT CALENDAR

C. INDEPENDENT AUDITOR'S REPORT ON FINICIAL STATEMENTS

Annual Audited Financial Statements for
Year Ended June 30, 2003



CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, CA 91720
Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

JOHN V. ROSSI
Chief Executive Officer

STAFF REPORT

DATE: January 15, 2004
January 29, 2004

TO: Watermaster Committee Members
Watermaster Board Members

SUBJECT: ANNUAL AUDIT REPORT - FISCALYEAR 2002-2003

SUMMARY

Issue - Fiscal Year 2002-03 Independent Audit Report

Recommendation – Receive and file the FY 2002-03 Independent Auditor's Report as prepared by Conrad and Associates, L.L.P

Fiscal Impact - None

BACKGROUND

Pursuant to the Judgment, Paragraph 48, Watermaster Reports and Accounting, Watermaster's Annual Report shall contain "a certified audit of all assessments and expenditures pursuant to this Physical Solution".

DISCUSSION

Conrad and Associates, L.L.P. performed Watermaster's annual audit and their Independent Auditor's Report dated August 29, 2003 concludes that the financial statements "present fairly, in all material respects, the financial position of the Chino Basin Watermaster as of June 30, 2003 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America."

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CHINO BASIN WATERMASTER

Financial Statements

Year Ended June 30, 2003
(With Independent Auditor's Report Thereon)

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Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	3
Notes to the Financial Statements	4
Combining Schedule of Revenue, Expenditures and Changes in Fund Balance – General Fund	10

Board of Directors
Chino Basin Watermaster
Rancho Cucamonga, California

Independent Auditors' Report

We have audited the accompanying financial statements of the Chino Basin Watermaster as of and for the year ended June 30, 2003, as listed in the accompanying table of contents. These financial statements are the responsibility of the Chino Basin Watermaster's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chino Basin Watermaster as of June 30, 2003 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Conrad and Associates, L.L.P.

August 29, 2003

CHINO BASIN WATERMASTER
Balance Sheet - All Fund Types and Account Groups
June 30, 2003

<u>Assets</u>	General Fund	General Fixed Assets Account Group	Totals (Memorandum Only)	
			2003	2002
Cash (Note 2)	\$ 116,893		\$ 116,893	\$ 85,082
Short-term investments (Note 2)	4,343,138		4,343,138	4,045,244
Accounts receivable	34,788		34,788	108,905
Prepaid expenses	31,876		31,876	30,976
Property and equipment, at cost (Note 3)		\$ 222,809	222,809	237,434
Total assets	\$4,526,695	\$ 222,809	\$4,749,504	\$4,507,641
 <u>Liabilities and Fund Equity</u>				
Accounts payable and accrued liabilities	\$ 605,103		\$ 605,103	\$ 261,958
Compensated absences payable (Note 4)	82,177		82,177	82,248
Total liabilities	687,280	-	687,280	344,206
 Fund Equity				
Investment in general fixed assets		\$ 222,809	222,809	237,434
Fund balance:				
Reserved for:				
SB222 expenditures (Note 6)	158,251		158,251	158,251
Groundwater replenishment	266,503		266,503	204,948
Appropriative pool	2,780,770		2,780,770	2,936,186
Agricultural pool (Note 7)	466,068		466,068	448,150
Non-agricultural pool	165,291		165,291	175,621
Educational programs	2,532		2,532	2,845
Total fund equity	3,839,415	222,809	4,062,224	4,163,435
Total liabilities and fund equity	\$4,526,695	\$ 222,809	\$4,749,504	\$4,507,641

CHINO BASIN WATERMASTER
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual - General Fund
Year Ended June 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
Revenues:				
Administrative Assessments (Note B)	\$ 3,797,572	\$ 4,619,827	\$ 822,255	\$ 4,483,514
Interest	132,890	93,888	(39,002)	118,608
Local Agency Subsidies	-	25,879	25,879	-
Grants	-	-	-	76,151
Miscellaneous Revenue	-	-	-	9,017
Total Revenues	<u>3,930,462</u>	<u>4,739,594</u>	<u>809,132</u>	<u>4,687,290</u>
Expenditures:				
Watermaster Administration	752,208	813,545	(61,337)	999,104
Pool, Advisory & Board Administration	200,174	129,655	70,519	142,214
Education Funds Expenditures	375	375	-	375
Optimum Basin Management Plan	4,215,891	3,866,001	349,890	2,245,137
Mutual Agency Project Costs	2,500	78,158	(75,658)	103,505
Total Expenditures	<u>5,171,148</u>	<u>4,887,734</u>	<u>283,414</u>	<u>3,490,335</u>
Excess of Revenues over/(under) Expenditures	(1,240,686)	(148,140)	525,718	1,196,955
Other Revenues:				
Replenishment Water Assessments	-	1,473,723	1,473,723	48,276
MZ1 Supplemental Water Assessments	2,285,049	1,586,000	(699,049)	1,579,500
Total Other Revenues	<u>2,285,049</u>	<u>3,059,723</u>	<u>774,674</u>	<u>1,627,776</u>
Other Expenditures:				
Replenishment Water Purchases	699,000	1,430,645	(731,645)	-
MZ1 Supplemental Water	1,586,049	1,567,524	18,525	1,567,524
Total Other Expenditures	<u>2,285,049</u>	<u>2,998,169</u>	<u>713,120</u>	<u>1,567,524</u>
Excess of Other Revenues over/(under) Other Expenditures	-	61,554	61,554	60,252
Net Excess of Revenues over/(under) Expenditures	(1,240,686)	(86,586)	1,154,100	1,257,207
Fund Balance at Beginning of Year	3,926,001	3,926,001	-	2,668,794
Fund Balance at End of Year	<u>\$ 2,685,315</u>	<u>\$ 3,839,415</u>	<u>\$ 1,154,100</u>	<u>\$ 3,926,001</u>

**CHINO BASIN WATERMASTER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity

The Chino Basin Watermaster ("Watermaster") was established under a judgment entered in Superior Court of the State of California for the County of San Bernardino as a result of Case No. RCV 51010 (formerly Case No. SCV 164327) entitled "Chino Basin Municipal Water District v. City of Chino et al", signed by the Honorable Judge Howard B. Wiener on January 27, 1978. The effective date of this Judgment for accounting and operations was July 1, 1977.

Pursuant to the Judgment, the Chino Basin Municipal Water District (CBMWD) five (5) member Board of Directors was initially appointed as "Watermaster". Their term of appointment as Watermaster was for five (5) years, and the Court, by subsequent orders, provides for successive terms or for a successor Watermaster. Pursuant to a recommendation of the Advisory Committee, the Honorable J. Michael Gunn appointed a nine-member board as Watermaster on September 28, 2000.

Under the Judgment, three (3) Pool committees were formed: (1) Overlying (Agricultural) Pool which includes the State of California and all producers of water for overlying uses other than industrial or commercial purposes; (2) Overlying (Non-Agricultural) Pool which represents producers of water for overlying industrial or commercial purposes; and (3) Appropriative Pool which represents cities, districts, other public or private entities and utilities. The three Pools act together to form the "Advisory Committee".

The Watermaster provides the Chino Groundwater Basin service area with services which primarily include: accounting for water appropriations and components of acre-footage of stored water by agency, purchase of replenishment water, groundwater monitoring and implementation of special projects.

Watermaster expenditures are allocated to the pools based on the prior year's production volume (or the same percentage used to set the annual assessments). Allocations for fiscal year 2002-03 expenses are based on the 2001-02 production volume.

	2001-02	
	Acre Feet	%
Appropriative Pool	120,856	72.849
Agricultural Pool	39,494	23.806
Non-Agricultural Pool	5,548	3.345
Total Production	165,898	100.000

The Agricultural Pool members ratified an agreement with the Appropriative Pool at their meeting of June 16, 1988, wherein the Appropriative Pool assumes Agricultural Pool administrative expenses and special project cost allocations in exchange for an accelerated transfer of unpumped agricultural water to the Appropriative Pool. In addition the Agricultural Pool transferred all pool administrative reserves at June 30, 1988 to the Appropriative Pool effective July 1, 1988.

In July of 2000, the principal parties in the Basin signed an agreement, known as the Peace Agreement, which among other things formalized the commitment of the Basin parties to implement an Optimum Basin Management Program. The Peace Agreement was signed by all of the parties, and the Court has approved the agreement and ordered the Watermaster to proceed in accordance with the terms of the agreement. The Court has approved revisions to the Chino Basin Watermaster Rules and Regulations.

The accounting policies of the Watermaster conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies.

Description of Fund and Account Group

General Fund

The General Fund is used to account for all revenues and activities financed by the Watermaster except those required to be accounted for in another fund.

General Fixed Asset Account Group

The General Fixed Asset Account Group is used to account for the cost of fixed assets required to perform general governmental functions.

Cash and investments

Investments are reported in the accompanying balance sheet at fair value. Changes in fair value that occur during a fiscal year are recognized as interest income reported for that fiscal year.

Watermaster pools cash and investments of all fund balance reserves. Investment income earned by the pooled investments is allocated quarterly to the various reserves based on each reserve's average cash and investments balance.

Basis of Accounting

The Watermaster financial statements are prepared on the modified accrual basis of accounting. Revenues are accrued when they become both measurable and available. "Available" means collected in the current period or soon enough thereafter to pay for the expenditures incurred during the current period. Expenditures are recorded when the related liability for goods or services received is incurred.

General Fixed Assets

General fixed assets are recorded as expenditures of the General Fund at the time of purchase and are subsequently capitalized for memorandum purposes in the General Fixed Assets Account Group. No depreciation is provided on general fixed assets.

NOTE 2 – CASH, DEPOSITS, SHORT-TERM AND POOLED INVESTMENTS

State statutes and the Watermaster's investment policy authorize the Watermaster to invest in certificates of deposit with financial institutions having an operating branch within the Watermaster's geographic area and the State of California Treasurer's Local Agency Investment Fund (LAIF).

The Watermaster's deposits and investments are categorized to give an indication of the level of risk assumed at year-end by the following three categories:

Category 1

- Includes deposits insured or collateralized with securities held by the Watermaster or its agent in the Watermaster's name.
- Includes investments that are insured or registered or for which the securities are held by the Watermaster or its agent in the Watermaster's name.

Category 2

- Includes deposits with collateralized securities held by the pledging financial institution's trust department or agent in the Watermaster's name and deposits collateralized by an interest in an undivided collateral pool held by an authorized agent or depository and subject to certain regulatory requirements under State law.
- Includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Watermaster's name.

Category 3

- Includes uncollateralized deposits or deposits with collateralized securities held by the pledging financial institution or by its trust department or agent, but not in the Watermaster's name.
- Includes uninsured and unregistered investments for which securities are held by the broker or dealer or by its trust department or agent but not in the Watermaster's name.

In accordance with Government Accounting Standards Board Statement Number 3 ("GASB 3") criteria, the Watermaster's deposits and investments are categorized as follows for the year ended June 30, 2003:

	Categories			Bank Balance	Carrying Amount
	1	2	3		
DEPOSITS					
Demand deposits	\$198,064	\$0	\$0	\$198,064	\$116,893
INVESTMENTS					
Pooled funds:					
Local Agency Investment Funds (LAIF)*	0	0	0	4,343,138	4,343,138
Total deposits and investments	<u>\$198,064</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,541,202</u>	<u>\$4,460,031</u>

*Monies pooled with the State Treasurer in the Local Agency Investment Fund (LAIF) are not subject to risk categorization.

The bank balance reflects the amount credited by a financial institution to the Watermaster's account as opposed to the Watermaster's own ledger balance for the account. The carrying value reflects the ledger value, which includes checks written by the Watermaster, which have not cleared the bank as of June 30, 2003.

The Watermaster is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of Watermaster's investment in this pool is reported in the accompanying financial statements at amounts based upon Watermaster's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the investment accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises and corporations.

NOTE 3 – CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets for the year ended June 30, 2003 is as follows:

General fixed assets at June 30, 2002, as previously reported	\$237,434
Additions	18,808
Deletions	<u>(33,433)</u>
General fixed assets at June 30, 2003	<u>\$222,809</u>

NOTE 4 – COMPENSATED ABSENCES PAYABLE

Permanent Watermaster employees earn from 10 to 20 days vacation days a year, depending upon their length of employment and 12 sick days a year. Employees may carry vacation days forward up to the equivalent number of days earned in the immediately preceding twenty-four (24) month period. There is no maximum accumulation of sick leave; and upon retirement or resignation at age 55 or greater, employees with continuous employment for a minimum of twenty (20) years are compensated for all accumulated sick leave at 50% of their rate of pay at termination. Other employees are paid based upon length of employment and age at time of retirement or resignation.

NOTE 5 – DEFERRED COMPENSATION PLAN

The Watermaster has established deferred compensation plans for all employees of Watermaster in accordance with Internal Revenue Code Section 457, whereby employees authorize the Watermaster to defer a portion of their salary to be deposited in individual investment accounts. Participation in the plans is voluntary and may be revoked at any time upon advance written notice. Generally, the amount of compensation subject to deferral until retirement, disability, or other termination by a participant may not exceed the lesser of \$12,000 or 33.33% of includible compensation, or 25% of gross compensation. Amounts withheld by Watermaster under this plan are deposited regularly with California Public Employees' Retirement System. The Watermaster makes no contribution under the plan. As of June 30, 2003 the deferred compensation plan assets were held in trust accounts for the sole benefit of the employees and their beneficiaries, and accordingly have been excluded from Watermaster's reported assets.

NOTE 6 – SB 222 FUNDS

On November 21, 1978, the Chino Basin Watermaster unanimously approved that remaining SB222 funds be utilized primarily to deliver and spread cyclic water and secondarily to purchase and spread replenishment water.

NOTE 7 – AGRICULTURAL POOL SALE OF WATER

In June 1988, the Agricultural Pool sold 2,000 acre feet of water in storage to Cucamonga County Water District. Funds from this sale are held and invested by the Watermaster for future use as determined by the Agricultural Pool members. At June 30, 2003, the proceeds from the sale and related interest earned thereon totaled \$466,068.

NOTE 8 – APPROPRIATIVE POOL INTEREST REVENUE ALLOCATION

On August 30, 1979, the Appropriative Pool unanimously approved assessment procedures whereby any interest earned from the Watermaster assessments paid by Appropriative Pool members would reduce the total current assessment due from those members. Fiscal year 2001-02 interest revenue was allocated to the Appropriative Pool, resulting in a reduction of the 2002-03 assessments.

NOTE 9 – OPERATING LEASE

The Watermaster currently has a lease agreement for office space expiring March 31, 2004. The amount paid under this lease was \$53,272 for the year ended June 30, 2003. The future minimum lease payments for this lease are as follows:

<u>Year Ending June, 30</u>	<u>Amount</u>
2004	<u>40,365</u>
Total	<u>\$ 40,365</u>

NOTE 10 – EMPLOYEE RETIREMENT PLAN

Plan Description and Provision

The Watermaster contributes to the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and Watermaster resolutions. Copies of PERS' annual financial report may be obtained from its executive office at 400 "P" Street, Sacramento, California 95814.

Funding Policy

Participants are required to contribute 7% of their annual covered salary. The Watermaster makes the contribution required by the employees on their behalf and for their account. The Watermaster is required to contribute at an actuarially determined rate. The current rate is 12.756% of annual covered payroll. The contribution requirements of plan members and the Watermaster are established and may be amended by PERS.

Annual Pension Cost

For the fiscal year ended June 30, 2003, Watermaster's Annual Pension Cost (APC) of \$117,941 was equal to the Watermaster's required and actual contributions. The required contribution for the year ended June 30, 2003 was determined as part of the June 30, 2000 actuarial valuation using the entry age normal cost method. The actuarial assumptions included (a) 8.25% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by age, service and type of employment, and (c) 2% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.5%.

The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period (smoothed market value). PERS' unfunded actuarial accrued liability may not be lower than the payment calculated over a 30 year amortization period.

Three-Year Trend Information for PERS

Three-Year Trend Information

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC) (Employer Contribution)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/01	\$ 58,089	100%	-0-
6/30/02	96,279	100%	-0-
6/30/03	117,941	100%	-0-

Required Supplementary Information

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded Liability</u>	<u>Funded Status</u>	<u>Annual Covered Payroll</u>	<u>*UAAL As a % of Payroll</u>
6/30/00	\$ 124,832	116,301	8,531	93.2%	333,316	(2.6%)
6/30/01	192,890	178,838	14,052	92.7%	291,502	(4.8%)
6/30/02	294,441	262,540	31,901	89.2%	517,200	(6.2%)

*UAAL refers to unfunded actuarial accrued liability.

NOTE 11 – LEGAL MATTERS

The Watermaster is involved in pending litigation for which a final outcome is not known at this time.

NOTE 12 – PROJECT COMMITMENTS

Under a financing agreement developed pursuant to the OBMP Recharge Master Plan, the Watermaster is obligated to pay for one-half of the fixed project costs for certain recharge facilities in the Chino Basin area that are being constructed to increase the recharge of imported water, storm water, and recycled water to the Chino Groundwater Basin. The recharge facilities being constructed will be owned by the Inland Empire Utilities Agency pursuant to a Recharge Operations Agreement. When complete, the recharge project will enable the Watermaster to increase annual recharge supplemental water to the Chino Groundwater Basin. In addition, stormwater and recycled water recharge would be increased. Fixed project costs include construction costs, debt service on the related bond financing and reserves for repair, replacement, improvement and debt service.

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CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2002 THROUGH JUNE 30, 2003

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION AND SPECIAL PROJECTS APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER OPERATIONS GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2002-03
Administrative Revenues										
Administrative Assessments			4,470,785		149,042				4,619,827	3,797,572
Interest Revenue			79,234	10,168	4,423			62	93,888	132,890
Mutual Agency Project Revenue	25,879								25,879	-
Grant Income									-	-
Miscellaneous Income									-	-
Total Revenues	25,879	-	4,550,019	10,168	153,466	-	-	62	4,739,594	3,930,462
Administrative & Project Expenditures										
Watermaster Administration	813,546								813,546	752,208
Watermaster Board-Advisory Committee	39,415								39,415	60,392
Pool Administration			14,129	71,706	4,404				90,240	139,782
Optimum Basin Mgmt Administration		939,061							939,061	891,634
OBMP Project Costs		2,926,940							2,926,940	3,324,257
Education Funds Use								375	375	375
Mutual Agency Project Costs	78,158								78,158	2,500
Total Administrative/OBMP Expenses	931,119	3,866,001	14,129	71,706	4,404	-	-	375	4,887,735	5,171,148
Net Administrative/OBMP Income	(905,240)	(3,866,001)								
Allocate Net Admin Income To Pools	905,240		659,460	215,505	30,276				-	-
Allocate Net OBMP Income To Pools		3,866,001	2,816,349	920,354	129,299				-	-
Agricultural Expense Transfer			1,195,315	(1,195,315)					-	-
Total Expenses			4,685,252	12,250	163,979	-	-	375	4,887,735	5,171,148
Net Administrative Income			(135,233)	(2,082)	(10,513)			(313)	(148,141)	(1,240,686)
Other Income/(Expense)										
Replenishment Water Purchases						1,473,723			1,473,723	615,000
MZ1 Supplemental Water Assessments						1,586,000			1,586,000	1,670,049
Water Purchases									-	-
MZ1 Imported Water Purchase						(1,567,524)			(1,567,524)	(1,586,049)
Groundwater Replenishment						(1,430,645)			(1,430,645)	(699,000)
Net Other Income						61,554			61,554	-
Net Transfers To/(From) Reserves			(135,233)	(2,082)	(10,513)	61,554		(313)	(86,586)	(1,240,686)
Working Capital, July 1, 2002			2,916,003	468,150	175,805	204,948	158,251	2,845	3,926,002	
Working Capital, End Of Period			2,780,770	466,069	165,292	266,502	158,251	2,532	3,839,415	
01/02 Production			120,855.574	39,494.349	5,548.481				165,898.404	
01/02 Production Percentages			72.849%	23.806%	3.345%				100.000%	

CHINO BASIN WATERMASTER

January 15, 2004

10:00 a.m. - Non-Agricultural Pool Annual Meeting

1:00 p.m. - Agricultural Pool Annual Meeting

3:00 p.m. - Appropriative Pool Annual Meeting

II. CONSENT CALENDAR

D. CHINO BASIN WATERMASTER INVESTMENT POLICY

Re-authorizing the Watermaster's
Investment Policy



CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, CA 91720
Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

JOHN V. ROSSI
Chief Executive Officer

STAFF REPORT

DATE: January 15, 2004
January 29, 2004

TO: Watermaster Committee Members
Watermaster Board Members

SUBJECT: RESOLUTION 04-01, WATERMASTER INVESTMENT POLICY

SUMMARY

Issue – Annual review of the Watermaster Investment Policy.

Recommendations – Approve the Resolution 04-01, re-authorizing Watermaster Investment Policy.

Fiscal Impact – None.

BACKGROUND

The Watermaster adopted its first Investment Policy under the nine-member Watermaster Board in March 1998. In December 2000, the Investment Policy was revised to change "Controller" to "Accountant/Office Manager". The Position has further been changed to "Finance Manager".

DISCUSSION

Watermaster is required to review, update and adopt its Investment Policy annually. The only change to the Investment Policy since it was last adopted by Resolution 00-09 is the deletion of the reference to "Accountant/Office Manager", for "Finance Manager". Staff recommends approval of the attached Investment Policy.

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RESOLUTION 04-01**

**RESOLUTION OF THE CHINO BASIN WATERMASTER,
SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING
A WATERMASTER INVESTMENT POLICY**

WHEREAS, the normal and prudent operation of the Watermaster's daily business generates cash balances, operating and fund reserves; and

WHEREAS, the cash management system is designed to accurately monitor and forecast expenditures and revenues on behalf of Watermaster, thus enabling the Watermaster to invest funds to the fullest extent possible; and

WHEREAS, the cash funds are to be placed in investments authorized for public agencies of the State of California (Judgment Paragraph 23); and

WHEREAS, Watermaster deems it to be in the best interests of the parties to the Judgment to delegate the authority to invest and reinvest the funds of Watermaster to the Watermaster Finance Manager subject to the provisions of its Investment Policy and the ongoing review and control of Watermaster and the Watermaster Advisory Committee.

WHEREAS, it is the Watermaster's policy to annually review, update, and adopt an investment policy;

NOW, THEREFORE, BE IT RESOLVED, by the Chino Basin Watermaster that:

Section 1. The authority to invest and reinvest funds of Watermaster is hereby delegated to the Watermaster Finance Manager subject to the provisions of said Investment Policy and the ongoing review and control of Watermaster and the Watermaster Advisory Committee.

Section 2. This resolution shall take effect from and after its date of adoption and Resolution 00-09 is rescinded in its entirety.

**Watermaster's Investment Policy originally adopted by the Advisory Committee on February 13, 1997 and the Watermaster Board on March 5, 1998.

APPROVED by the Advisory Committee this 29th day of January 2004.

ADOPTED by the Watermaster Board on this 29th day of January 2004.

By: _____
Chairman, Watermaster Board

APPROVED:

Chairman, Advisory Committee

ATTEST:

Secretary
Chino Basin Watermaster

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

I, _____, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 04-01, was adopted at a regular meeting of the Chino Basin Watermaster Board by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CHINO BASIN WATERMASTER

Secretary

Date: _____

CHINO BASIN WATERMASTER

INVESTMENT POLICY

Investments shall be made, not for speculation, but considering first the probable safety of capital, then the probable income to be derived and the liquidity of the investment in relationship to Watermaster's ability to meet its financial obligation in a timely manner. All such investments shall be authorized for public agencies for the State of California and shall be made prudently according to the "prudent investor standard", as stated in the Government Code Section 53600.3, recognizing the Watermaster's fiduciary responsibilities to administer the Judgment and the funds derived therefrom. Any party involved in the investment of Watermaster funds shall refrain from activities that could be interpreted as a conflict of interest and shall act in accordance with generally acceptable rules of ethics and conduct.

A. Watermaster Annual Review Procedures

1. Watermaster staff will annually review the existing Investment Policy Statement and, if necessary, amend it for any changes necessary. A "Draft Investment Policy Statement (Policy Statement)" will then be prepared.
2. The Policy Statement will be reviewed by each Pool Committee. Should any Pool Committee recommend revisions to the Policy Statement, it shall be amended prior to presentation to the Advisory Committee for their review and comment. If necessary the Policy Statement will be further amended to reflect the comments of the Advisory Committee.
3. The final Policy Statement will then be presented to the Watermaster Board for their adoption at their next regularly scheduled meeting. Once adopted, staff will comply strictly by the policies contained therein.

B. Approved Financial Institutions

Funds shall only be invested as provided in "C" below, with:

1. Financial Institutions or Savings & Loan Associations (Bank(s)) with offices located within the geographical boundaries of the Chino Hydrologic Basin, having Equity/Asset Ratio of at least 5%; and
2. Local Agency Investment Fund (LAIF) in Sacramento, CA.

C. Limitations of Investments placed with Institutions

1. Funds to meet current expenses shall be available in checking, savings and/or money market accounts at all times.

Chino Basin Watermaster
Investment Policy (Continued)

2. Up to \$ 500,000 may be invested in Time Certificates of Deposit (TCD's) with any one Bank at any period of time.
3. Any other, or all funds, up to the dollar limit set by LAIF or the Watermaster Board, may be placed in an open "Floating" investment with LAIF.

D. Placement of Investments

The Watermaster Treasurer and alternates, and those individuals authorized with respect to authorization execution, verification and recording of investment transactions are delegated the responsibility for making investments.

Upon Watermaster's receipt of incoming monies available for investment, either from assessments or maturing investments, approved Banks and LAIF will be contacted to determine current interest rates in order to:

1. Achieve maximum security of funds invested; and
2. Achieve the maximum amount of interest available on the date the investment is to be placed; and
3. Verify available collateralization for TCD's. Collateral must be held by a third party trustee and valued regularly by the State Banking Department's Administrator of Local Agency Security.
 - a. For commercial banks, agreements allowing for the waiver of the collateral requirement for that amount of a deposit covered by the federal Deposit Insurance Corporation maximum (\$99,099) may be implemented provided the remainder of the deposit is secured by collateral with a market value of at least 10% greater than that remaining amount.
 - b. For savings and loan associations, the collateral requirement is increased to 150%.

E. Period of Investment

A Cash Flow Analysis will be prepared and maintained on a monthly basis by the Chief Executive Officer and the Finance Manager or Watermaster Controller to determine the amount(s) to be invested to mature at date(s) the funds will be required to meet Watermaster obligations, if funds are to be invested using investments other than LAIF.

F. Safekeeping of Investment Documents

TCD's, depository agreements and other documents shall be kept in Watermaster's Fire Safe.

G. Maturing Investments

Monies received from maturing investments will be immediately deposited in Watermaster's Regular Checking Account unless funds in this account exceed current cash need. Funds available from maturing investments, together with other surplus funds, will be invested or reinvested in accordance with this Investment Policy.

H. Quarterly Investment Reports

The Watermaster Finance Manager or Controller shall prepare Monthly Investment Reports which reflect investment transactions for review by the Pool Committees and the Advisory Committee prior to presentation to the Watermaster Board at their next regularly scheduled meeting.

Following formats used in prior years, said Investment Report will reflect the following information.

1. Funds held in each Bank at the beginning and ending of the reporting period; and
2. Investments deposited and/or redeemed by type and by Bank (including interest rates, days invested and maturity yield rates) during the reporting period; and
3. Investments outstanding at the close of the reporting period (including interest rates, days invested and maturity date); and
4. Elements effecting the change in Watermaster's cash position; and
5. A statement signed by the Watermaster Finance Manager or Controller as to the ability of the cash on hand to meet foreseen expenditures during the next six months.

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CHINO BASIN WATERMASTER

January 15, 2004

10:00 a.m. - Non-Agricultural Pool Annual Meeting

1:00 p.m. - Agricultural Pool Annual Meeting

3:00 p.m. - Appropriative Pool Annual Meeting

II. CONSENT CALENDAR

E. WATER TRANSACTION

Notice of Sale or Transfer from West San Bernardino County Water District to Cucamonga County Water District



CHINO BASIN WATERMASTER

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

JOHN V. ROSSI
Chief Executive Officer

DATE: January 15, 2004
TO: Watermaster Pool Committee Members
SUBJECT: Summary and Analysis of Applications for Water Transaction

Summary -

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

Issue -

- Notice of Sale or Transfer from West San Bernardino County Water District to Cucamonga County Water District in the amount of 500 acre-feet.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Notice of Sale or Transfer from West San Bernardino County Water District to Cucamonga County Water District in the amount of 500 acre-feet.

Notice of the water transaction identified above was mailed on January 8, 2004 along with the materials submitted by the requestors.

DISCUSSION

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: January 8, 2004

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

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

January 8, 2004

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **December 19, 2003** Date of this notice: **January 8, 2004**

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

- A. Notice of Sale or Transfer – from West San Bernardino Water County Water District to Cucamonga County Water District in the amount of 500 acre-feet.

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

Agricultural Pool:	January 15, 2004
Appropriative Pool:	January 15, 2004
Non-Agricultural Pool:	January 15, 2004

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

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

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

Watermaster address:

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

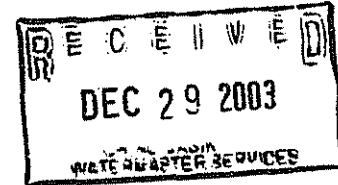
Tel: (909) 484-3888
Fax: (909) 484-3890



ROBERT A. DeLOACH
Secretary / General Manager/CEO

CUCAMONGA COUNTY WATER DISTRICT

10440 Ashford Street
Rancho Cucamonga, CA 91730-2799
(909) 987-2591 Fax (909) 476-8032



December 19, 2003

Mr. John Rossi
Chief Executive Officer
CHINO BASIN WATERMASTER
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

Dear Mr. Rossi:

Please be advised that Cucamonga County Water District ("CCWD") has an agreement with West San Bernardino County Water District ("WSBCWD") whereby CCWD will purchase 500 acre feet of WSBCWD's stored Chino Basin groundwater. Please credit the 500 acre feet to CCWD's local storage account.

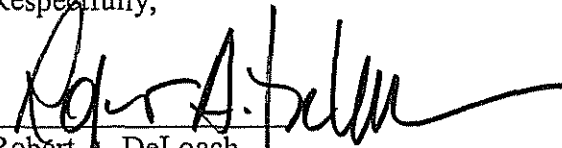
Enclosed please find:

- Form 3 - Application for Sale or Transfer of Right to Produce Water from Storage
- Form 4 - Application or Amendment to Application to Recapture Water in Storage
- Form 5 - Application to Transfer Annual Production Right or Safe Yield
- Map of CCWD's Chino Basin Wells

CCWD requests that this transaction be agendized for the next available Appropriative Pool meeting.

Should you have any questions, please contact me. Thank you.

Respectfully,


 Robert A. DeLoach
 General Manager/CEO

Enclosures

HENRY L. STOY
President

JAMES V. CURATALO, JR.
Vice President

ROBERT NEUFELD
Director

JEROME M. WILSON
Director

RANDALL J. REED
Director

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

West San Bernardino County Water District

Name of Party

December 19, 2003

Date Requested

_____ Date Approved

855 W. Baseline Road

Street Address

500 Acre-feet

Amount Requested

_____ Acre-feet

Amount Approved

Rialto

City

CA

State

92376

Zip Code

Telephone: (909) 875-1804

Facsimile: (909) 875-7284

Anthony W. Araiza

Applicant

TRANSFER TO:

Cucamonga County Water District

Name of Party

10440 Ashford Street

Street Address

Attach Recapture Form 4

Rancho Cucamonga

City

CA

State

91730

Zip Code

Telephone: (909) 987-2591

Facsimile: (909) 476-8032

Have any other transfers been approved by Watermaster between these parties covering the same fiscal year?

Yes []

No [X]

WATER QUALITY AND WATER LEVELS

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

Static water levels vary from 434' to 495'. Of the wells routinely pumped, nitrate levels vary from a low of 4.0 ppm to a high of 40 ppm.

MATERIAL PHYSICAL INJURY

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

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

Applicant

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION OR AMENDMENT TO APPLICATION
TO
RECAPTURE WATER IN STORAGE

APPLICANT

Cucamonga County Water District
Name of Party

December 19, 2003
Date Requested

Date Approved

10440 Ashford Street
Street Address

500 Acre-feet
Amount Requested

Acre-feet
Amount Approved

Rancho Cucamonga CA 91730
City State Zip Code

Varies
Projected Rate of
Recapture

July 1, 2003 – June 30, 2004
Projected Duration of
Recapture

Telephone: (909) 987-2591

Facsimile: (909) 476-8032

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

IDENTITY OF PERSON THAT STORED THE WATER: West San Bernardino County Water District

PURPOSE OF RECAPTURE

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

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

N/A

PLACE OF USE OF WATER TO BE RECAPTURED

Within Cucamonga County Water District's service area (see attached map) Management Zone 2

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

N/A

WATER QUALITY AND WATER LEVELS

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

Static water levels vary from 434' to 495'. Of the wells routinely pumped, nitrate levels vary from a
Low of 4.0 ppm to a high of 40 ppm.

MATERIAL PHYSICAL INJURY

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

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

Applicant

TO BE COMPLETED BY WATERMASTER

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION
TO
TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2003 - 2004

Commencing on July 1, 2003 and terminating on June 30, 2004, West San Bernardino County Water District ("Transferor") hereby transfers to Cucamonga County Water District ("Transferee") the quantity of 500 acre-feet of corresponding Annual Production Right (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.," RCV 51010 (formerly Case No. SCV 164327).

Said Transfer shall be conditioned upon:

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

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

WATER QUALITY AND WATER LEVELS

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

Static water levels vary from 434' to 495'. Of the wells routinely pumped, nitrate levels vary from a low of 4.0 ppm to a high of 40 ppm.

MATERIAL PHYSICAL INJURY

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

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

Transferor

Transferee

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

CHINO BASIN WATERMASTER

January 15, 2004

10:00 a.m. - Non-Agricultural Pool Annual Meeting

1:00 p.m. - Agricultural Pool Annual Meeting

3:00 p.m. - Appropriative Pool Annual Meeting

II. CONSENT CALENDAR

F. Notice of Intent Regarding the Determination of Operating Safe Yield

Annual Filing of Notice of Intent



CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, CA 91720
Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

JOHN V. ROSSI
Chief Executive Officer

STAFF REPORT

DATE: January 15, 2004
January 29, 2003

TO: Watermaster Committee Members
Watermaster Board Members

SUBJECT: Annual Filing of Notice of Intent Regarding the Determination of Operating Safe Yield

Summary

Issue – Record keeping remaining in compliance with the Chino Basin Watermaster Judgment.

Recommendation – Recommends the approval of the filing of Watermaster's "Notice of Intent to Change the Operating Safe Yield of the Chino Groundwater Basin" as part of its Twenty-Sixth Annual Report.

Fiscal Impact - None

Background

The Watermaster has closed its twenty-sixth year of operation under the Judgment (for accounting purposes, the Judgment became effective July 1, 1977). Pursuant to Exhibit I, Paragraph 2b of the Judgment, Quantitative Limits, "Operating Safe Yield shall not be changed upon less than (5) years' notice by Watermaster."

Discussion

In an effort to comply with the Judgment requirement that a five-year notice of change be provided should a re-determined of the safe yield of the Chino Basin be made, Watermaster has approved inclusion of its Notice of Intent in each annual report of Watermaster activities since 1982.

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Watermaster's "Notice of Intent" to Change the Operating Safe Yield of the Chino Groundwater Basin

PLEASE TAKE NOTICE that on this 29th day of January 2004, Chino Basin Watermaster hereby files this 'NOTICE OF INTENT' to change the operating safe yield of the Chino Groundwater Basin Pursuant to the Judgment entered in Chino Basin Municipal Water District v. City of Chino, et al., San Bernardino Superior Court, Case No. RCV 51010 (formerly Case No. 164327) (Exhibit I, Paragraph 2b, Page 80).

Approved by
**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE**

**CHINO BASIN WATERMASTER
BOARD OF DIRECTORS**

By: _____
Chair

By: _____
Chair

ATTEST:

By: _____
Secretary

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CHINO BASIN WATERMASTER

January 15, 2004

10:00 a.m. - Non-Agricultural Pool Annual Meeting

1:00 p.m. - Agricultural Pool Annual Meeting

3:00 p.m. - Appropriative Pool Annual Meeting

II. CONSENT CALENDAR

H. Status Report #9

Consider Authorization to File
Status Report 9



CHINO BASIN WATERMASTER

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

JOHN V. ROSSI
Chief Executive Officer

STAFF REPORT

DATE: January 15, 2004
January 29, 2004

TO: Watermaster Committee Members
Watermaster Board Members

SUBJECT: OBMP Implementation - Status Report No. 9

SUMMARY

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

Recommendation – Staff recommends:

- Approval of Status Report No. 9,
- Authorize its filing with the Court, and
- Authorize staff and legal counsel to make final edits as necessary.

Fiscal Impact – None

BACKGROUND

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

DISCUSSION

The reporting period for Status Report No. 9 is September, 2003 to November, 2003. It utilizes the same format previously filed as a baseline from which to update the Court. The attached draft report outlines the progress and status of Watermaster programs and projects.

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Chino Basin Watermaster Status Report No. 9

(Covering September 2003 through November 2003)



December 2003

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OPTIMUM BASIN MANAGEMENT PROGRAM

In its Order of September 28, 2000, extending the term of the nine-member Watermaster Board, the Court ordered Watermaster to provide semiannual reports regarding the progress of OBMP implementation. In Status Report Number 4, filed with the Court on September 30, 2002, Watermaster notified the Court that Watermaster intended to accelerate voluntarily the reporting schedule because of the rapid pace of OBMP implementation. By a subsequent Order of October 17, 2002, the Court added additional reporting items to the quarterly report.

This Status Report Number 9 is filed pursuant to this schedule and reports on the period from September 1, 2002 to November 30, 2003.

PROGRAM ELEMENT 1 – DEVELOP AND IMPLEMENT COMPREHENSIVE MONITORING PROGRAM

Groundwater-Level Monitoring

BACK-
GROUND

Watermaster had three active groundwater-level monitoring programs operating in the Chino Basin – a semiannual Basinwide program, a monthly program associated with the Chino-I and Chino-II desalter well fields, and an intensive groundwater-level monitoring program associated with land-surface subsidence (see Land-Surface Monitoring below) in Management Zone 1.

THIS
PERIOD

The final round of the semi-annual program began in October 2003 and was completed in November 2003, and consisted of measuring the water levels in approximately 490 active agricultural wells on a twice per year basis. In conjunction with the semi-annual program, Watermaster staff collected ground water level data at about 90 wells around the Chino I and Chino II Desalter well fields on a once per month basis. Similarly, Watermaster consultants collected groundwater level data at about 40 wells in the southern portion of Management Zone 1 (MZ1). Data were collected manually at MZ1 wells on a once per month basis, and automatically using pressure transducers on a once per 15 minutes basis.

THIS
PERIOD

Watermaster staff completed their analysis of hydrogeology, well construction, and existing groundwater level data to develop sampling frequencies for the active agriculture wells and for key wells used in support of the Hydraulic Control Monitoring Program (HCMP), the Chino I/II Desalter development, and the MZ1 land subsidence monitoring. As a result of this review, Watermaster has simplified its groundwater level monitoring program to consist of two elements:

- Manually recording groundwater levels in 340 active agricultural wells on a twice per year frequency
- Recording groundwater levels in 130 key wells used to support the HCMP, MZ1 Subsidence, and Chino I/II Desalter programs on a once per month frequency.



Virtually continuous monitoring can be obtained in those wells outfitted with automated pressure transducers.

Groundwater-Quality Monitoring

BACK-
GROUND

Prioritizing Wells to Serve Multiple Purposes. The wells chosen for the 2002-03 water quality monitoring program were located primarily between the Chino I Desalter well field and the Santa Ana River. Selected wells from the 2002-03 monitoring program are being preserved for development of a monitoring program to demonstrate hydraulic control in the southern portion of Chino Basin. (See the Cooperative Effort to Determine State of Hydraulic Control discussion in Program Elements 6 and 7.)

Extensive Range of Substances Being Tested

ON-
GOING

- All groundwater samples are analyzed for general mineral and general physical parameters.
- Wells not previously sampled and analyzed for constituents added to the evolving groundwater-quality monitoring program (e.g., hexavalent chromium, silica, barium, etc.) in 1999-2001 are now being sampled for those constituents.
- Wells within or near the two Volatile Organic Compound (VOC) plumes are being analyzed for VOCs, in addition to the usual parameters.
- All wells are being analyzed for perchlorate because of its widespread occurrence in the 1999-2001 sampling program.
- Analysis for 1, 2, 3-trichloropropane (1, 2, 3-TCP) has been added to the monitoring program for all wells. This chemical was detected in several wells above 50 parts per trillion (old detection limit). In the 2002-03 monitoring program, a new analytical methodology for 1, 2, 3-TCP was used to achieve a detection limit of 5 parts per trillion, which is its California Action Level.

THIS
PERIOD

Three-Year Sampling Program of all Accessible Private Wells. During this quarter, Watermaster completed the third year of a three year water quality sampling program in which all accessible private wells in the Southern Zone were sampled (about 200 wells each year). With the completion of this program, water quality sampling will be reduced to approximately 60 key wells per year, with the key wells selected to yield data on water quality anomalies. In addition, Watermaster participates in a cooperative monitoring program described in Implementation Plan. For example, Watermaster obtains data every six months from the Department of Health Services (DHS) for wells pumped by municipal water agencies and from the Department of Toxic Substance Control (DTSC) and the Regional Water Quality Control Board (RWQCB) for wells pumped in accordance with Cleanup and Abatement Orders (CAO).

TO
COME

Watermaster is in the process of transferring the water quality database from its consultants to in-house storage. This process will also entail obtaining water quality data directly from the Appropriator Pool members, thereby enhancing the quality and timelines of the Watermaster's database.



Groundwater-Production Monitoring

BACK-GROUND

Monitoring of Agricultural Production Wells. Initially production monitoring involved the installation of meters on wells operated by members of the Agricultural Pool. As of the end of the period, Watermaster counted about 511 active agricultural wells and equipped 395 of these wells with operating meters. The other 116 wells have or will become inactive within 18-24 months because of urban development in the south Chino area.

ON GOING

All Producing Wells Are Monitored Quarterly. Watermaster staff reads the newly installed and/or rehabilitated meters on the agricultural wells quarterly. An estimate method appropriate to the Chino Basin area is used to measure production at agricultural wells that do not have meters.

TO COME

Need For Water Use/Disposal Form To Be Reviewed. The OBMP Implementation Plan includes a provision that requires the agricultural producers to submit a water use/disposal form describing the sources of water used by each producer and how that water is disposed of after each use. Filling out the water use and disposal form and reporting the results have not been implemented, because much of the information is being collected already as elements of other monitoring activities and analyses. In the later half of fiscal 2003-2004, Watermaster anticipates discussions regarding the need for this form.

Surface-Water Monitoring

BACK-GROUND

Measure Water Quality and Water Levels In Recharge Basins. Watermaster conducts a surface-water monitoring program to measure the water quality of water in recharge basins and the water levels in some of these basins. The purpose of this program is to estimate the volume and quality of recharge. This information will be used in subsequent years to estimate the safe yield of the Basin and for other management purposes.

ON GOING

Currently, Watermaster monitors the water quality in 21 distinct basins: Upland, DeClez, Etiwanda Spreading Grounds, Victoria, Hickory, Lower Day Upper, Lower Day Lower, Banana, Ely 1, Ely 3, Wineville, San Sevaine 1, San Sevaine 5, Turner 1, Princeton, Montclair 1, Montclair 2, Montclair 3, Montclair 4, Brooks, and Grove. Generally, the water quality samples are taken after storm events, i.e., during the period from November 1 through March 30; however, monitoring of nuisance flows also occurs. Each basin is sampled 3-5 times each year.

THIS PERIOD

Immediately following the first storm event of 2003/2004, which occurred on November 10-11, 2003, Watermaster sampled the recharge waters captured in 6 basins: Victoria, Grove, Ely 3, Wineville, Banana, and De Clez.

BACK-GROUND

Surface-Water Monitoring for Santa Ana River Began In June 2003. One of the goals of the OBMP is to maximize Chino Basin yield. A key component in maximizing yield is to minimize groundwater discharge into the Santa Ana River and, in some reaches of the River, to increase recharge from the Santa Ana River into the Chino Basin. Watermaster developed a surface-water monitoring program for the Santa Ana River that, in conjunction with Watermaster groundwater-monitoring programs, is used to characterize those reaches of the River that are gaining water from the Basin, and to determine if



significant discharge of Chino Basin groundwater to the Santa Ana River is occurring. A conceptual monitoring plan involving Inland Empire Utilities Agency, Orange County Water District, the Regional Water Quality Control Board, and Watermaster was finalized. These agencies determined that the conceptual monitoring plan was adequate and developed a detailed work plan to implement a surface-water and groundwater-monitoring program. The work plan was completed in June 2003, and year round water quality sampling and flow monitoring in the Santa Ana River has begun.

THIS
PERIOD

During the summer, Watermaster consultants worked with U.S. Geological Survey (USGS) staff to conduct stream gauge measurements at 4 stations on the Santa Ana River (SAR): Van Buren, Etiwanda, Hamner, and River Road, and at 8 tributary locations. Watermaster also obtained discharge data from permanent USGS and OCWD stream gauge locations on the SAR, and from privately owned treatment works (POTW's) which discharge into SAR. Flow and water quality data were recorded on a biweekly basis.

Watermaster proposes to continue the SAR flow and water quality measurements indefinitely as a key element of the HCMP.

Watermaster will collect water quality samples and measure flow at 4 Santa Ana River stations, plus another 8 locations on tributaries, on a bi-weekly basis from January through June 2004. In addition, Watermaster will obtain discharge data from permanent USGS and OCWD stream gauge locations on the Santa Ana River and its tributaries. Discharges from POTWs are also quantified.

Land-Surface Monitoring

BACK-
GROUND

Multifaceted Approach. Watermaster staff developed a multifaceted land-surface monitoring program to develop data for a long-term management plan for land subsidence in Management Zone 1 (MZ1). The monitoring program consists of three main elements:

1. An aquifer-system monitoring facility located in the southern portion of MZ1, an area that has experienced concentrated and differential land subsidence and ground fissuring. One major component of the aquifer system monitoring facility is a cluster of multiple-depth piezometers that measure water level and pressure changes at 11 different depths. Another major component is a dual borehole extensometer that measures deformation within the aquifer system at deep and shallow levels. Together, the two components correlate the hydraulic and mechanical responses of the aquifer system to different aquifer stresses, such as pumping at wells.
2. Synthetic aperture radar interferometry (InSAR) will measure land surface deformation across the entire Chino Basin.
3. Benchmark surveys along selected profiles of the Chino Basin. The benchmark surveys (1) establish a datum from which to measure future land surface deformation, (2) "ground-truth" the InSAR data, (3) allow determination of historical subsidence at any historical benchmarks that can be recovered, and (4) evaluate the effectiveness of the long-term management plan.



THIS
PERIOD

Depth-Specific Data. Permanent transducers and data logging equipment are recording depth-specific groundwater-level data at the Ayala Park piezometers. Transducers also are recording groundwater-level data at wells owned by the cities of Chino and Chino Hills, and are recording groundwater-level data and "on/off" pumping cycles at active production wells. The California Institution for Men (CIM) and Watermaster have signed an access agreement that allows groundwater level and production monitoring at CIM wells. On July 15, 2003, six monitoring wells on CIM property were instrumented with transducers and began collecting groundwater-level data. Six nearby production wells were inspected and transducers installed, thereby completing the transducer installation effort at wells surrounding Ayala Park.

Observations From Water Level Data. The following observations can be made from analysis of all water-level data from the piezometers and from the surrounding wells:

- The two shallowest piezometers (PA-10 and PA-11) have a separate and distinct water level response to nearby pumping, as compared to the deeper piezometers, confirming the existence of distinct shallow and deep aquifer systems.
- Pumping at surrounding wells, screened in both the shallow and deep aquifer-systems, has lowered water levels in all piezometers – particularly in piezometers PA-7 (438-448 ft-bgs) and PB-6 (502-522 ft-bgs). These two piezometers are exhibiting a typical response to pumping within a confined aquifer system.

THIS
PERIOD

Comprehensive Pumping Tests. During the October-November 2003 period, Watermaster Consultants, with the assistance of the cities of Chino Hills and Chino, conducted aquifer stress tests (pumping tests) while monitoring water levels and groundwater production at nearby monitoring wells, production wells, and the Ayala Park piezometers. In addition, during the pumping test, the dual extensometer measured elastic/inelastic compaction of the aquifer system. Data from these aquifer stress tests are currently being analyzed.

THIS
PERIOD

InSAR. Watermaster staff has initiated contact with Vexcel Corporation of Boulder, CO to conduct the Insar element of the Interim Monitoring Program. An initial meeting was held on September 4, 2003, with Vexcel to define the scope of work. Vexcel is generating a cost estimate and schedule for consideration for the MZ1 Technical Committee.

TO
COME

Benchmark Evaluation, Via GPS. During the next reporting period, the elevation (ft-msl) will be established at the starting benchmark at the extensometer from remote NGS (National Geodetic Survey) published NGVD-29 or NAVD-88 datum control monuments. AE will perform this work by occupying several (at least 3, preferably 4) NGS vertical control stations in stable locations with GPS receivers, as well as at the starting benchmark. The established elevation at the starting benchmark should be accurate to within 2 or 3 centimeters, which would then become the basis for future monitoring events. A side product from this GPS survey will be a very good horizontal position for the starting benchmark in NAD-83 LAT/LON or UTM coordinates. The established horizontal position at the starting benchmark would be the basis for future horizontal-displacement monitoring events across the fissure zone.



A key element of the MZ-1 benchmark network is the array of closely spaced benchmarks that have been established across the historic fissure zone in the immediate vicinity of the Ayala Park extensometers (Ayala Park array). At this array, located along Edison and Eucalyptus Avenues, the IMP work plan calls for the annual measuring of both vertical and horizontal displacements. These horizontal and vertical displacements are expected to define two-dimensional profiles of land-surface deformation that can be related to the vertical distribution of aquifer-system compaction and expansion that is being recorded continuously at the extensometers. For the reasons stated in the above paragraph, Watermaster proposes that these surveys be repeated semi-annually during the late spring and early fall periods of highest and lowest water levels, for at least two annual cycles.

Well Construction, Abandonment, and Destruction Monitoring

BACK-GROUND

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

Watermaster staff inspected 150 suspect wells during a 2002-03 field inspection and determined that 113 of these wells were properly abandoned and 37 wells would require some modification to meet the standard for a properly abandoned well. A well repair/abandonment program was prepared and approved by Watermaster. Watermaster is continuing to develop a wellhead protection program and will make recommendations on closure of abandoned wells.

ON-GOING

Field repair began in September 2003, with completion in six months. Riverside and San Bernardino Counties will be advised of the results. Ongoing land development will require continued well abandonment activity by Watermaster.

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

A centerpiece of the OBMP is enhancement of the Basin recharge capacity, so that high quality storm water and available recycled water can be retained in the Basin.

Recharge Facilities Improvement Project (Seven Bid Packages)

Bid Package No. 1—Reconfiguration of Banana, College Heights, Lower Day, RP3 and Turner Basins

ON-GOING

Bid Package No. 1, which includes improvements at Banana, College Heights, Lower Day, RP-3, and Turner Basins, was awarded to LTE Excavating on March 24, 2003. Work was scheduled for completion by November 15, 2003, but is currently delayed while awaiting delivery of sluice gates and their actuator assemblies.

The present schedule calls for delivery of these elements to LTE by December 15, 2003 and completion of their installation and other minor items by December 22, 2003.



Bid Package No. 2 – Basin Improvements (3 ea), Drop Inlets (4 ea), and Rubber Dams (4 ea)

BACK-GROUND

Bid Package No. 2 consists of construction of the drop inlet structures for Brooks Street Basin, Turner Basin; and Victoria Basin; rubber dams for College Heights/Upland Basins, Turner No. 1 Basin, Lower Day Basin, and RP-3 Basin; and various improvements at Declaz Basin, Ely Basin, and 8th Street Basin. This package was awarded to Banshee Construction with work beginning on July 16, 2003. The contract required that work in storm channels be completed by October 15, 2003 and that the rubber dams be operational by December 31, 2003. All work for this contract must be completed by March 15, 2004.

ON GOING

Work in the flood control channels has been completed in accordance with the schedule, and work is underway towards making the rubber dams operational. A delay occurred as a result of electrical charge orders, but that issue has been resolved. Work in the basins not impacted by the electrical charge order is proceeding in accordance with the construction schedule.

THIS PERIOD

Bid Package No. 3 – Jurupa Basin to RP3 Force Main

Bid Package No. 3 involves construction of approximately 11,000 linear feet of 36-inch CML&C force main between Jurupa Basin and RP-3 Basin. The force main will be used to convey storm water, imported water, and recycled water between the pump station at Jurupa Basin and the RP-3 Basin. This package was awarded to W. A. Rasic Construction Company with work beginning on August 6, 2003. The Contractor anticipates a construction period of 10 ½ months with completion of the pipeline in June 2004.

THIS PERIOD

Bid Package No. 4 – Jurupa Basin to RP3 Pump Station

Bid Package No. 4 consists of construction of the Jurupa Basin Pump Station. The Engineers' estimate was \$2.5 million. IEUA received eight bids, with a low bid of \$2.1 million by LT Engineering. After a review of bids, IEUA expects to award the winning bid in December 2003.

THIS PERIOD

Bid Package No. 5 – SCADA System

This bid package includes the SCADA system and electrical improvements at all the basins. The 100 percent design was submitted, reviewed, and sent out for bid this period. The bid opening is scheduled for December 30, 2003; and bid award for January 2004.

TO COME

Bid Package No. 6 – MWD Turnout Design

This bid package covers the construction of three MWD turnouts: 11TB and 15T on the Rialto Pipeline, and new turnout on the Etiwanda Pipeline near San Sevaine Channel. MWD has provided various drawings, specifications, and other information needed to



complete the three designs. The 100 percent design submittal is anticipated for December 2003, and the contract is expected to be awarded in February 2004..

TO
COME

Bid Package No. 7 – Priority, Funding and Scope of Misc. Projects

This bid package will complete miscellaneous projects not included in the previous bid packages. Among the projects being considered for this bid package are:

- Mitigation Area at RP-3
- Pre-Treatment Areas at Jurisdictional Basins
- Upland Basin Completion
- Completion of Victoria Basin Improvements
- Hickory Rubber Dam, Pump Station and Force Main
- Etiwanda Conservation Ponds
- Miscellaneous Projects

The various projects will be prioritized and those that offer the greatest benefits to groundwater recharge will be included in the bid package depending on available funding after construction of the other six bid packages. The scope of work is currently under development. Bid Package No. 7 is expected to be awarded by second quarter 2004.

THIS
PERIOD

Groundwater Recharge Coordinating Committee

The GRCC met bi-weekly to monitor and coordinate the Recharge Facilities Improvement Project, focusing on defining additional operational and maintenance costs. Watermaster's 2003-2004 budget provides \$440,000 for the operation and maintenance activities.

In addition to design review, the GRCC has initiated work on individual operations and maintenance plans for all the recharge basins, as well as obtaining regulatory agency approvals and permits.

BACK-
GROUND

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

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

ON
GOING

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



The U.S. Forest Service, California Fish and Wildlife Service (FWS), Eastern Valley Water District (EVWD), and the Cucamonga County Water District (CCWD) have protested Watermaster's Application. As previously reported, the Forest Service has informally agreed to withdraw its protest. FWS has general concerns about the impacts of various diversion schemes on the fish and wildlife in the Santa Ana River. EVWD has questioned whether there is water available in the Santa Ana River for appropriation, while CCWD requests recognition of its pre-1914 water rights.

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

**PROGRAM ELEMENT 5 –
DEVELOP AND IMPLEMENT REGIONAL SUPPLEMENTAL WATER PROGRAM**

These program elements focus on the shift of production in the southern end of the Basin away from agricultural uses and toward urban uses. Without the OBMP, this land use conversion would result in a decrease in production in the southern end of the Basin, ultimately leading to rising water levels. If groundwater levels in the southern end of the Basin rise too high, then water may "spill" out of the Basin into the Santa Ana River. Such uncontrolled spillage could reduce the overall Safe Yield of the Basin. The Basin can be managed to avoid this possibility.

Directly tied to the threat of rising water levels in the southern area is the diminished desire of producers in the southern end of the Basin to pump water because of impaired water quality. The ability to compensate for the loss of agricultural production with increased appropriative production is inhibited because of these water quality concerns. Appropriative production in this area therefore requires water treatment, an issue addressed through the construction of desalter facilities.

The Chino I Desalter Expansion Project.

BACK-
GROUND

Chino I Expansion Underway. The Chino I Desalter was originally constructed by SAWPA to provide a total of 9,200 acre-feet per year of product water deliveries. This expansion of the Chino I Desalter includes construction of an additional 4.9 million gallons per day (mgd) of expanded treatment capacity (nitrate removal via ion exchange) in parallel with the existing treatment facilities, as well as associated raw water and product water delivery facilities. The product water will have TDS and nitrate concentrations less than 350 mg/L and 25 mg/L, respectively.

ON
GOING

Revised Bids For Ion Exchange Under Review. May Redesign. CDA received bids for the Ion Exchange Treatment System for both Chino I and Chino II Desalters in April 2003. Because of discrepancies in the low bid, all bids were rejected and the projects were rebid. The rebids were received on August 19, 2003 and are currently under review. The design of additional onsite facilities was completed in July 2003 and advertised for bidding.



in August 2003. However, CDA staff is currently considering redesign of onsite facilities to cut the cost of delivering treated water to its member agencies.

The Chino II Desalter Project.

ON
GOING

This project includes 10 mgd of reverse osmosis/ion exchange treatment capacity, as well as raw water and product water delivery facilities. All these facilities are in their design phase, as summarized in the following table.

Summary of Design/Construction Progress on Chino I/II Desalters

Project/Item	Chino I Desalter Expansion Design	Chino II Desalter Design
Well Drilling	Constructed	75%
Well Equipping	99%	65%
Raw Water Pipeline	99%	50%
By Pass Piping/VOC Treatment	99%	---
IX Treatment	99%	99%
Ontario Pump Station	5%	80%
Chino Hills Pump Station	Construction Contract Awarded	---
Product Water Pipeline	---	80%

Site Acquisition For Chino II Wells Underway. The sites for nine Chino II raw water supply wells have been identified and CDA staff is negotiating their acquisition with property owners. CDA staff is coordinating with the City of Ontario for two of the sites, which are located in a proposed development.

ON
GOING

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

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

The MZ1 Technical Committee Meeting –September 24, 2003. Committee representatives were informed of the status of the various efforts to implement the monitoring program (see Land-Surface Monitoring section of Program Element 1), and were briefed on the anticipated results of the aquifer stress test began on October 1, 2003. The next meeting is tentatively scheduled for January 14, 2004, and will focus on the GPS survey of the extensometer location, the Associated Engineers (AE) semi-annual survey of the Ayala Park benchmarks, the Vexcel cost estimate and schedule for the InSAR studies, and the extensometer results from the Comprehensive Pumping Test.

THIS
PERIOD

Voluntary Forbearance. The City of Chino and the City of Chino Hills submitted certifications documenting their respective voluntary participation in forbearance of groundwater production. Through the end of November 2003, neither city has submitted



documentation of pumping reductions toward their forbearance goal of 1,500 acre-feet for 2003/2004. Their totals through November are detailed below:

Agency	Forbearance through November 2003	Forbearance Goal 2003/2004
City Of Chino	0 acre-feet	1,500 acre-feet
City Of Chino Hills	0 acre-feet	1,500 acre-feet

TO
COME

Pending Legal Actions Regarding Subsidence. In its October 17, 2002 Order, the Court ordered Watermaster to keep the Court apprised of any legal actions that could question the Court's jurisdiction over subsidence. Watermaster is not aware at this time of any such actions.

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

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

The "water quality committee" as envisioned in the OBMP Implementation Plan has been formally constituted. Since the development of the OBMP, Watermaster has worked closely with the Regional Water Quality Control Board, the Department of Toxic Substances Control, and others to define water quality challenges and to refine the water quality management criteria in the Chino Basin. Watermaster continues to review water quality conditions in the Basin and to consider future water quality management activities beyond the Chino Basin desalting program.

BACK-
GROUND

Water Quality Management. In response to the results of RWQCB and Watermaster's groundwater-quality monitoring programs (Program Element 1) Watermaster has refined its water-quality monitoring to focus on the following key areas:

- Watermaster is identifying and characterizing water-quality anomalies, such as the VOC anomaly north of the Chino I Desalter well field. Status Reports on each of the anomalies are being developed by Watermaster and are presented to the Water Quality Committee for their review.
- Watermaster staff continues to participate in the process of developing TMDLs for Reach 3 of the Santa Ana River and other water bodies in the lower Chino Basin. No progress has been made during the last quarter because of the State budget crisis and the staffing issues at the RWQCB.
- Watermaster staff is coordinating with the RWQCB with regard to surface water quality and the DTSC with regard to developing a monitoring program to track perchlorate in groundwater in the Fontana area.



Water Quality Committee Meeting September 24, 2003.

Watermaster consultants focused attention on three identified water quality anomalies and one basin-wide problem contaminant-perchlorate. With respect to the three anomalies.

- The Kaiser TDS/TOC/VOC plume has not been monitored in a decade, so recommendations were made to rehabilitate former monitoring wells to monitor the plume movement.
- A large body of evidence exists on potential responsible parties (PRPs) for the VOC plume south of Ontario Airport, however the RWQCB lacks the resources to prepare investigative orders to the PRPs. Watermaster will develop recommendations for the WQC on alternatives for proceeding against PRPs.
- The VOC plume south of the Chino Airport is currently being sampled by consultants to the San Bernardino County Department of Architecture and Engineering (SBCDAE). The sampling was required by a CAO issued in 1990 by the RWQCB.

With respect to the perchlorate contamination, Watermaster was tasked to determine the extent Colorado-River Aqueduct (CRA) water was recharged historically into groundwater recharge basins, thereby contributing perchlorate to the Chino Basin.

Water Quality Committee Meeting November 12, 2003.

Watermaster revisited the issues raised in the September 24, 2003 meeting and provided a status report on two GE plumes located in Ontario, CA. (See WQC Quarterly Progress Report, Third Quarter 2003).

- Two particularly valuable monitoring wells for the Kaiser plume: MP2 and KOFS have been located and will be rehabilitated for incorporation in a work plan for monitoring the Kaiser plume.
- The SBCDAE consultant completed the first round of quarterly sampling, and concluded that the VOCs present in wells in the southwestern portion of the airport were caused by off-site sources. This controversial conclusion is being challenged by Watermaster staff.
- Watermaster requested that MWD utilize available funds to investigate whether CRA water applied as artificial recharge and/or irrigation water could be a source of perchlorate contamination. Thus far, MWD has declined to fund these investigations. Watermaster has contracted with Environmental Records Search to do a query of state and federal databases of known users and dischargers of potentially hazardous chemicals into the groundwater basin.
- Watermaster will work with the RWQCB to determine a sequence of events, and level of commitment, needed to document a CAO for PRPs at the Ontario Airport. This work effort will be reviewed with the WQC.



- The GE Flat Iron remedial action plan will be restarted this quarter with the following actions: pump and treat of the contamination plume, soil vapor extraction (SVE) of the residual VOCs and proper abandonment of the City of Ontario well #33.
- The GE Test Cell remedial action plan is scheduled to restart this quarter with the following actions: deep SVE for on-site VOC removal, design of treatment and disposal facilities for contaminated groundwater.

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

THIS
PERIOD

Watermaster staff has been working with the Total Dissolved Solids/ Nitrogen Task Force to revise the subbasin boundaries, and the TDS and N objectives for the Chino Basin to promote maximum beneficial use of waters in the Basin (as opposed to the Regional Board's current, more rigid antidegradation-based objectives). The maximum beneficial use approach will increase water supplies and lower costs over time while meeting water quality requirements. In December 2002, Watermaster proposed specific subbasin boundaries, and N and TDS objectives for the Chino Basin to the RWQCB at a workshop regarding the Basin Plan update. The TDS/N Task Force and the RWQCB have reacted favorably to the Watermaster proposal and have incorporated Watermaster recommendations in the TDS/Nitrogen Basin Plan Amendment dated November 21, 2003. Watermaster believes that the modified Watermaster proposal will be included in the Basin Plan update that will occur later in fiscal year 2003-2004.

Cooperative Effort to Determine State of Hydraulic Control. One outstanding issue regarding the Basin Plan changes is to develop a monitoring plan to evaluate the state of hydraulic control in the southern end of the Basin. Hydraulic control is one tool that can be used to maximize the safe yield of the Basin. Watermaster staff developed a monitoring program for OBMP purposes and described this effort in the Initial State of the Basin report (October 2002). The execution of this monitoring program is included in Program Element 1. Watermaster is collaborating with OCWD and IEUA in an investigation to select existing wells and to site new multi-piezometer wells that will be used to monitor and assess the state of hydraulic control

Hydraulic control will become a commitment of Watermaster if the proposed subbasin boundaries, and N and TDS objectives for the Chino Basin, are adopted. Watermaster, OCWD, and RWQCB staffs are working to develop a monitoring program to assess the state of hydraulic control and to provide information to Watermaster to manage future production and recharge. The initial phase of the monitoring program began in June 2003. This program will change over time as new information is developed and will last for several years. The coordination and review of the hydraulic control monitoring data and the development of management programs to maintain hydraulic control have been added to Program Elements 6 and 7.

Watermaster and IEUA have committed to the construction of a total of 9 new multi-piezometer wells during fiscal years 2003-04 and 2004-05. Watermaster filed an application for \$250,000 from the Local Groundwater Assistance Fund, sponsored by the



California Department of Water Resources (DWR). Watermaster received notice during this period that the DWR will award the full \$250,000 to Watermaster. This funding will support construction of two piezometric monitoring wells that, in addition to some existing wells, would be used for monitoring and assessing the state of hydraulic control. In addition to the DWR funding, IEUA and Watermaster have secured \$270,000 from the U.S. Bureau of Reclamation for two new monitoring wells for the hydraulic control monitoring program.

Watermaster staff prepared a detailed draft work plan for hydraulic control monitoring and assessment during this period. The OCWD and RWQCB are reviewing the draft work plan.

Salt Budget Tool Was Used To Establish TDS Objectives

BACK-
GROUND

Watermaster has developed a salt budget tool to estimate the current and future salt loads to the Basin and the salt benefits of the OBMP. This tool was used to establish TDS objectives for the northern part of the Basin based on maximum beneficial use of water available to the region. These projections were based on the water supply plan in the Implementation Plan and include alternative recycled water and State Project water recharge scenarios.

TO
COME

Watermaster consultants are currently preparing a letter report describing the salt budget. Originally, this letter was to be submitted to Watermaster in December 2003 but has been deferred pending discussions with the RWQCB regarding methods and the ongoing Basin Plan update. A report to Watermaster will likely be made in the next quarter.

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

PROGRAM ELEMENT 9 – DEVELOP AND IMPLEMENT STORAGE AND RECOVERY PROGRAM

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

BACK-
GROUND

Completed Preliminary Design Report. The first draft of the DYY Preliminary Design Report was completed in July 2003 and submitted to Watermaster. It is currently under review by all of the participating agencies. The DYY Program documentation is organized into four volumes: Volumes I and II, prepared by Black & Veatch, comprise the Preliminary Design Report (PDR). Volume I describes the background information and design objectives of the Program, while Volume II describes the facilities to be designed to help the agencies meet their shift obligation. Volume III presents the groundwater



modeling report developed by Wildermuth Environmental, Inc., and Volume IV contains the CEQA Findings of Consistency environmental documentation prepared by Tom Dodson and Associates.

ON
GOING

DYY Shift Obligation. Participants in the DYY Program will be required to reduce (shift) their imported water usage by a predetermined amount during a dry year. Each participating agency will have a specific shift obligation that, when added together, will provide Metropolitan with 33,000 acre-feet of dry-year yield. The shift obligations were determined through meetings and correspondence among IEUA, Watermaster, Black & Veatch, and representatives from each participating agency.

The nine participating agencies are as follows:

• City of Chino	• Monte Vista Water District (MVWD)
• City of Chino Hills	• City of Ontario
• Cucamonga County Water District (CCWD)	• City of Pomona
• Fontana Water Company (FWC)	• City of Upland
• Jurupa Community Services District (JCSD)	

Facility Requirements and Site Selection. A preliminary screening of potential sites identified the most feasible locations for the DYY Program facilities. The information was presented to the agencies and a final selection was made. The Program facilities consist of five new ion exchange (IX) facilities, expansion of two existing IX facilities, construction of seven new non-water quality impaired wells, and two new perchlorate wellhead treatment facilities. The new wellhead IX facilities would contribute approximately 18,000 acre-feet of dry-year yield, while the new well facilities would contribute approximately 15,000 acre-feet of additional yield. The total capital cost for the facilities is estimated to be \$38 million. MWDSC will contribute approximately \$27.0 million. The Groundwater Storage Program Funding Agreement between MWDSC, IEUA, Three Valleys Municipal Water District (TVMWD), and Watermaster was signed in July 2003.

ON
GOING

Final Design of PDR Facilities. The designs for the facilities outlined in the PDR are either under way, completed, or will commence shortly. All design documents are scheduled to be completed by September 2004.

BACK-
GROUND

Groundwater Modeling. The new Chino Basin groundwater model was completed and the modeling report was submitted to Watermaster in July 2003. In addition to evaluating the effects of the DYY program on the Basin, the model was used to:

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



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

BACK-
GROUND

Engineering Review and Determination of the Operational Storage Requirement and Safe Storage. The Operational Storage Requirement was defined in the Peace Agreement as part of the storage in the Chino Basin "necessary to maintain the safe yield" of the Basin (Peace Agreement, Exhibit B – Implementation Plan, page 37). Safe storage is the maximum storage in the Basin that can occur without significant water quality and high groundwater related problems. The draft results of this work were presented to the Pool Committees, Advisory Committee, and the Watermaster Board in August 2003.

ON-
GOING

Other Uses of the Groundwater Model in the OBMP Implementation. The groundwater model is also being used to assess the balance between recharge and discharge throughout the Basin, operational storage requirements and safe storage, and the cumulative physical impacts of transfers. Draft results from this work were submitted to Pool Committees, Advisory Committee, and the Watermaster Board, starting in April 2003.

ADMINISTRATIVE UPDATE

THIS
PERIOD

New Office Location. Regarding physical facilities, Watermaster relocated to the former Cucamonga County Water District facilities at 9641 San Bernardino Road in Rancho Cucamonga on September 12, 2003.

CONCLUSION

THIS
PERIOD

This has been an active reporting period for Watermaster, with major activities on a number of issues:

- The Ayala Park Extensometer became operational and began recording data on ground subsidence during a planned pumping test.
- Construction on Bid Packages 1 and 2 of the Recharge Facilities Improvement Project progressed in accordance with the construction schedule.
- The GW level and quality monitoring programs have been reorganized to better support new initiatives, such as MZ1, HCMP, and Desalter Expansion.
- Updated status reports were developed for Chino Basin plumes at Kaiser, GE Flat Iron, GE Test Cell, Ontario Airport and Chino Airport.

CHINO BASIN WATERMASTER

January 15, 2004

10:00 a.m. - Non-Agricultural Pool Annual Meeting

1:00 p.m. - Agricultural Pool Annual Meeting

3:00 p.m. - Appropriative Pool Annual Meeting

III. BUSINESS ITEMS

A. Application to DWR – MZ3 Investigation

Consider Authorization to Prepare and
File Grant Application to DWR



CHINO BASIN WATERMASTER

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

JOHN V. ROSSI
Chief Executive Officer

STAFF REPORT

DATE: January 15, 2004
January 29, 2004

TO: Watermaster Committee Members
Watermaster Board Members

SUBJECT: File Application to DWR – MZ3 Investigation

Summary

Issue - File Application to Obtain Grant of up to \$250,000

Recommendation – Authorize Staff to file Grant Application to DWR to Characterize Groundwater Conditions in MZ1

Fiscal Impact – Grant Preparation Costs are Estimated at \$8,000 and are contained in fiscal 2003-2004 Budgeted Funds.

Background

The Optimum Basin Management Plan states that MZ3 is hydrological out of balance and that new storm water and supplemental water recharge will be required to keep MZ3 in balance. The blend of storm water, imported water, and recycled water used in the future to balance the zone must be of a quality to protect beneficial uses and comply with the proposed Title 22 regulations for planned recharge projects that use recycled water.

The water quality tributary to JCSD wells in MZ3 has not been adequately characterized; however, there are indications that the water quality tributary to JCSD wells is poor. Historically, water quality in the area between RP3 and down gradient municipal supply wells was good. Over time, this better quality water has been pumped from the basin and TDS and nitrate concentrations at JCSD wells have increased.

Because of the need to recharge recycled water in MZ3 in fulfillment of the goals and objectives of the OBMP, this project is important to all stakeholders in the Chino Basin. For this reason, staff recommends that the Watermaster file the grant application with the Department of Water Resources for an AB303 grant not-to-exceed \$250,000 to characterize the water quality in this area. Staff will pass out a related draft Resolution at the meetings to accompany the application.

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Wildermuth Environmental, Inc.
23692 Birtcher Drive
Lake Forest, California 92630
Tel. 949.420.3030
Fax. 949.420.4040
Email jleclaire@wildh2o.com

January 7, 2004

Chino Basin Watermaster
Attention: John Rossi
9641 San Bernardino Road
Rancho Cucamonga, CA 91730-4665

Subject: Scope and Estimated Cost for AB303 Grant for MZ3 Investigation

John,

At a meeting at the offices of Jurupa Community Services District (JCSD) on December 19, 2003, you requested that we estimate the scope and cost of preparing an AB303 grant application to characterize groundwater conditions in the Management Zone 3 (MZ3) area. This investigation would characterize groundwater quality in a part of the Chino Basin where groundwater is tributary to wells owned by JCSD and includes areas that underlie all or part of the Fontana Water Company, Marygold Mutual Water Company, Cucamonga County Water District, and the City of Ontario (hereafter the *study area*). The Regional Water Quality Control Board (Regional Board) sent a letter to Inland Empire Utilities Agency (IEUA) dated July 13, 2000, that describes their concern that the historical recharge of recycled water at IEUA's Regional Plant No. 3 (RP3) may have caused groundwater contamination at wells downgradient of RP3. In their letter, the RWQCB states that the recently increasing total dissolved solids (TDS) measured in a monitoring well at the Southridge Middle School (SRMS) may have been caused by recycled water recharge at RP3. Other potential sources in the area include Kaiser Steel Mill, Alumax, other industries and historical agricultural activities, including citrus groves and hog feed lots.

The Optimum Basin Management Program (OBMP) Implementation Plan (July 2000) states that MZ3 is hydrologically out of balance and that new storm water and supplemental water recharge will be required to keep MZ3 in balance. Some of the future recharge will be recycled water from RP1 and RP4. The blend of storm water, imported water and recycled water used in the future to hydrologically balance MZ3 must be of a quality to protect beneficial uses and comply with the proposed Title 22 regulations for planned recharge projects that use recycled water.

The water quality tributary to JCSD wells in MZ3 has not been adequately characterized; however, there are indications that the water quality tributary to JCSD wells is poor. Historically, water quality in the area between RP3 and downgradient municipal supply wells was good. Over the last 20 years, this good quality water has been mined from the basin and TDS and nitrate concentrations at JCSD wells have increased. Nitrate concentrations at some JCSD wells have exceeded the maximum contaminant level and are either not used, used for emergency purposes, or blended with other lower nitrate wells. The nitrate concentrations in JCSD's lower nitrate wells are increasing.

Because of the need to recharge recycled water in MZ3 in fulfillment of the goals and objectives of the OBMP, this project is critically important to all stakeholders in Chino Basin and not just the agencies that overly MZ3. For this reason, it is appropriate that Watermaster take the lead in this characterization study, with the support of other affected agencies and the Regional Board.

WEI will prepare an AB303 grant application, with a draft completed by January 16, 2004. We will address comments from Watermaster, IEUA, and JCSD. Our understanding is that the grant application is due to the state on January 28, 2004. Because of this tight timeframe, comments will need to be made expeditiously. The estimated cost for this effort is \$8000.

Please let us know at your earliest convenience whether Watermaster would like us to prepare the AB303 grant application.

Sincerely,



Mark J. Wildermuth, PE
President/Principal Engineer



Joseph P LeClaire, PhD
Vice President/Principal Scientist

CHINO BASIN WATERMASTER

January 15, 2004

10:00 a.m. - Non-Agricultural Pool Annual Meeting

1:00 p.m. - Agricultural Pool Annual Meeting

3:00 p.m. - Appropriative Pool Annual Meeting

III. BUSINESS ITEMS

B. Regional Water Quality Control Board on Water Quality Anomaly South of Ontario Airport

Provide Direction to Staff on RWQCB's Offer to Provide Assistance



CHINO BASIN WATERMASTER

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

JOHN V. ROSSI
Chief Executive Officer

STAFF REPORT

DATE: January 15, 2004
January 29, 2004

TO: Watermaster Committee Members
Watermaster Board Members

SUBJECT: RWQCB Need for Assistance to Issue Clean Up and Abatement Orders

Summary

Issue - Evidence Exists to Issue Clean Up and Abatement Orders to Certain PRP's for Groundwater Contamination related to the Ontario Airport

Recommendation – Staff has no recommendation at this time.

Fiscal Impact – Staff anticipates the cost to provide assistance to RWQCB from \$20,000 to \$25,000 to prepare the Orders. Staff is not able to prepare an estimate of the potential costs to support the RWQCB once the Orders are Issued.

Background

The attached draft memorandum outlines the history of the contamination related to the Ontario Airport, the potential responsible parties (PRP's), the types of samples and evidence collected to date, and the types of compounds of concern found in the area. This memorandum was prepared from the studies and reports outlined on the attached list of references and by examination of files located at the offices of the Regional Water Quality Control Board.

The staff of the RWQCB has indicated that due to state budget constraints, they need the assistance of the Watermaster by way of consulting time to be used to write Clean Up and Abatement Orders. Otherwise, they have estimated that it may be years before any Orders are issued. Staff estimates that the cost to provide staff (to work at the Board's discretion) to write up the Orders would be between \$20,000 and \$25,000.

At the November meetings, staff was asked to provide an estimate of the potential costs to support the Board once the PRP's begin responding to the Orders. As it is not possible to estimate the level of cooperation, or lack thereof, by the PRP's, staff can not estimate these costs at this time.

Recommendation

Staff recommends that the Watermaster consider providing the funding for consulting time, to get the orders issued, and then make a subsequent determination on whether or not to proceed further. Action to move forward with the issuance of orders would not obligate Watermaster for further funding. Watermaster would have full discretion to decide on continuing to support future work or not. Staff believes that this assistance is in the best interest of the parties as the recent water quality monitoring indicates that the potential plume from the airport will impact the Desalter operations in the near future. Staff believes it is prudent to consider accelerating the time frames associated with clean up of this problem

DRAFT
MEMORANDUM

DATE: December 10, 2003

TO: Robert L. Holub, Chief
Groundwater Investigation Section
Regional Water Quality Control Board

John V. Rossi, CEO
Chino Basin Watermaster

FROM: Traci Stewart

SUBJECT: **Groundwater Contamination Originating from Historical Activities at the Ontario International Airport**

SUMMARY

The purpose of this memorandum is to describe the recent review and assessment of information available regarding potentially responsible parties (PRPs) at the Ontario International Airport (OIA) so that the Regional Water Quality Control Board (Regional Board) staff can determine whether further investigation is necessary or cleanup and abatement orders can be issued. During this review, the work focused on PRPs previously identified for the Regional Board, specifically those having a high probability of being responsible for the volatile organic chemical (VOC) contamination tributary to the Chino Desalter 1.

The criteria for the Regional Board to issue clean-up and abatement or investigative orders under Section 13267 of the California Water Code was clarified in a February 11, 2002 internal memorandum by the State Water Resources Control Board's (SWRCB) Chief Counsel, Craig M. Wilson, regarding recent amendments to the Porter-Cologne Water Quality Control Act, resulting from Assembly Bill No. 1664 (2001). According to Mr. Wilson's memorandum, the Regional Board can issue a Cleanup and Abatement Order provided that:

- a. there is a basis for suspicion;
- b. the suspected dischargers are provided with a written explanation as to why the requirement is being made; and
- c. the evidence on file is identified.

From the Porter-Cologne Water Quality Control Act (2003):

Investigative Order (Section 13267). In conducting an investigation specified in subdivision (a), the regional board may require that any person who has discharged, discharges, or is suspected of having discharged or discharging, or who proposes to discharge waste within its region, or any citizen or domiciliary, or political agency or entity of this state who has discharged, discharges, or is suspected of having discharged or discharging, or who proposes to discharge, waste outside of its region that could affect the quality of waters within its region shall furnish, under penalty of perjury, technical or monitoring program reports which the regional board requires. The burden, including costs, of these reports shall bear a reasonable relationship to the need for the report and the benefits to be obtained from the reports. In requiring those reports, the regional board shall provide the person with a written explanation with regard to the need for the reports, and shall identify the evidence that supports requiring that person to provide the reports.

Cleanup and Abatement Order (Section 13304). Any person who has discharged or discharges waste into the waters of this state in violation of any waste discharge requirement or other order or prohibition issued by a regional board or the state board, or who has caused or permitted, causes or permits, or threatens to cause or

permit any waste to be discharged or deposited where it is, or probably will be, discharged into the waters of the state and creates, or threatens to create, a condition of pollution or nuisance, shall upon order of the regional board, clean up the waste or abate the effects of the waste, or, in the case of threatened pollution or nuisance, take other necessary remedial action, including, but not limited to, overseeing cleanup and abatement efforts.

Because contamination of groundwater downgradient of OIA is well documented and prior investigations already identified the potentially responsible parties and their operations, further investigative orders are probably not necessary and cleanup and abatement orders can be written.

From the investigations and information searches, the Regional Board could at a minimum issue cleanup and abatement orders to the responsible parties listed in Table 1 (year in parentheses is the estimated first year of operations at OIA):

- Aerojet General Corporation (1958)
- California Air National Guard at Ontario (1952)
- Department of Airports (1957)
- Lockheed Martin Corporation (1952)
- McDonnell Douglas Aircraft Company (1952)
- Northrop Aviation Corporation (1950)
- Otto's Instrument Service (1953)

Collectively, these investigations identified between 20 and 42 potentially responsible parties (inclusive of those listed in Table 1). Parties were considered to have a high probability of being responsible for – at least a portion – of the groundwater VOC contamination and were included in Table 1 only if they met the following three criteria:

- They were a confirmed (suspected based on operations, if not confirmed) VOC user;
- They were confirmed dischargers (surface drainage, septic/leach fields, spills, leaks) and
- There are site-specific analytical results from sampling that would lend evidentiary support that they may have caused the VOC contamination in groundwater.

The CDM (1988b) UTAHS report identified 20 PRPs, while the M/B& A (1992) report listed 42 PRPs. If the third criteria for listing in Table 1 - site-specific analytical results – is eliminated and one were to use only the guidance provided in Assembly Bill No. 1664, then cleanup and abatement orders could theoretically be issued to many more of the 42 PRPs. However, the short list of PRPs provided in Table 1 is based on a substantial amount of supporting evidence.

Regional Board has at least two options available when considering cleanup and abatement orders. One option would be to immediately issue cleanup and abatement orders to the parties listed in Table 1.

Another option would be for the Regional Board to meet with representatives of two or three PRPs (say Aerojet and Lockheed). At the meeting, Regional Board staff could brief them on the current status of the contamination, the Chino Basin Watermaster's Optimum Basin Management Program (OBMP), and the background information and supporting evidence that could lead to issuance of cleanup and abatement orders. It might be suggested to the PRPs that an alternative solution for them would be to form a working group of responsible parties (like a lower-profile Pyrite Canyon Group for the Stringfellow Acid Pits) to contribute to and/or build additional treatment facilities in that portion of Chino Basin, e.g., the Chino 1

or Chino 2 Desalters. The PRPs could also be asked to install and maintain a comprehensive groundwater monitoring network south of the 60 Freeway.

BACKGROUND

Information was initially reviewed for two primary purposes:

- Identify PRPs who were confirmed solvent users, or suspected users because their operations typically would have used solvents. Identify PRPs who had confirmed discharges, spills, or leaks that could have contributed to the contamination.
- Determine the actual extent and magnitude of the contamination tributary to the Chino 1 Desalter.

The Regional Board files contain primary information confirming whether a PRP had discharges, leaks or spills from operations known to have used VOCs in the past. Primary information regarding the current extent and magnitude of groundwater contamination tributary to the Chino Desalter 1 well field is contained in several databases, the most comprehensive being the groundwater water quality database maintained by the Chino Basin Watermaster.

ONTARIO INTERNATIONAL AIRPORT OVERVIEW

The references section of this memorandum contains a list of primary references utilized for the review and assessment of the available information. Briefly, OIA's history can be divided into the following timeline (CDM, 1988b; M/B&A, 1992):

1929 to 1940

Ontario International Airport was formally established in 1929 when the City of Ontario purchased 30 acres of land at the west end of the existing airfield. This effort was spearheaded by members of the American Legion Post 112 and the Ontario Aircraft Corporation. It was known as the Ontario Municipal Airport. During the 1930s it was operated at a low level of activity with funds received from lessees.

1940 to 1947

OIA was managed by the federal government thru World War II. Activities at the airport included pilot training for the US Army Air Corps and serving as a base of operations for P-59 aircraft in addition to continued domestic freight services. The airport was returned to the City of Ontario for management on Armistice Day 1947.

1947 to 1959

OIA began its change to a modern airport in the post-war industrial boom of the 1950s. New tenants included Northrop Aircraft Company (1950), Lockheed Aircraft Service (1952), Douglas Aircraft Company (1952), Southern California Aircraft Corporation, Wells Aviation, California Air National Guard (1952), General Electric Aviation (1955) and Aerojet General Corporation (1958).

1960 to 1970

During this time period, numerous airlines established passenger service routes to and from OIA and Lockheed Air Terminal assumed fueling operations from Les Farrar Aviation. Also, the City of Ontario entered into a Joint Powers Agreement with the City of Los Angeles in 1967 giving the City of Los Angeles control of the airport in exchange for assumption of its airport related debt.

1971 to 1985

Many additional passenger and freight carriers used OIA during this time period. Between 1979 and 1981, the San Bernardino County Flood Control District lined the previously unlined portion of the main channel of Cucamonga Creek in three phases. The West Branch of Cucamonga Creek only received minor work under this project and no work was performed within the boundaries of OIA on the West branch as part of this project. The West Branch empties into the three percolation basins along Philadelphia Street known as the Ely Basins. In 1985, complete ownership and operation of OIA was transferred to the City of Los Angeles.

CONFIRMED PRPs

In 1985, many municipal drinking water wells were sampled pursuant to Assembly Bill 1803. In 1986, the Metropolitan Water District of Southern California sampled 149 private water supply wells in the basin as part of the environmental investigation conducted as part of the planning phase of a conjunctive use program. Since that time, Regional Board staff also sampled a limited number of private water supply wells (28) located south of the OIA. Concentrations of TCE ranging from 0.6 ppb to 156 ppb were found in these wells.

In 1986, Regional Board staff initiated investigations to identify the source of the VOCs in the wells by attempting to identify former and existing facilities in the area which may have used solvents. Subsequently, it was determined that OIA was the likely source of the VOCs, and over twenty facilities inspections were conducted at OIA in 1987. In 1988, Regional Board staff requested that the Los Angeles Department of Airports (DOA) conduct a study to identify potential sources of TCE and PCE at OIA. The first phase of this study involved current and past tenants of OIA. The second phase focused on facilities that were in operation more than 20 years and that were known or suspected to have used solvents.

Partially as a result of this request, CDM (1988a and 1988b) conducted several studies/investigations for DOA. CDM's assistance was provided as part of DOA's comprehensive Underground Tanks and Hazardous Substances (UTAHS) program. The program was designed to bring airport facilities into compliance with federal, state and local regulations dealing with past, present, and future hazardous materials handling. A table entitled, "*Chronological History of Ontario International Airport*" from CDM (1988a) is included in Appendix A. Several tables identifying tenants interviewed and summarizing various confirmed tenant activities from the CDM UTAHS report are included in Appendix B.

The specific findings for five of the six main compliance areas of the CDM (1988b) UTAHS investigation regarding OIA were:

- 20 tenants performed activities involving the audited compliance areas of the program (see Appendix B).

Underground Storage Tanks (USTs)

- OIA had 71 active or inactive USTs.
- Many of the inactive tanks were believed to contain residual fuels or other liquids and did not appear to be properly abandoned.
- All active OIA tanks appeared to meet the less stringent requirements imposed by San Bernardino County.
- A total of 18 USTs at OIA have reportedly failed past pressure tests indicating the possibility for leakage. Some of these tanks were repaired or taken out of service.

- 14 USTs had been removed at OIA at the time of investigation.

Hazardous Waste

- A total of 16 tenants were identified during the audit as hazardous waste generators, 2 of which were categorized as large quantity generators (> 1000 kg/month).
- Five of the 16 tenants identified as generating hazardous waste could not produce the required permits.

Spill Control

- A total of 20 tenants at OIA had amounts of hazardous material (generally 55 gallons at any one time) which necessitated a Business Plan preparation by California Law.
- At the time of the study, four of these tenants had filed the requisite Business Plans with the local enforcement agency.
- Three tenants were identified during the audit who store petroleum products in USTs or aboveground storage tanks (AST) in quantities (>42,000 gallons in USTs, >1,320 gallons in ASTs, or >660 gallons in any one AST) necessitating Spill Prevention Control and Countermeasure (SPCC) plan preparation.
- Two of the tenants who required SPCC plans had prepared plans which were available for review during the audit.

Wastewater

- A total of 11 tenants were identified as industrial waste dischargers during the audit.
- Two of the tenants discharging industrial wastewaters to the sanitary sewer system were regulated by the local sewerage agency possessing industrial discharge permits.
- Four tenants were believed to be discharging wastewaters to surface waters, although no approval for such discharge in the form of NPDES permits could be identified at the time of the audit.

In 1992, the Regional Board was provided with another comprehensive information search prepared by Meredith/Boli & Associates at the request of General Electric. Copies of summary tables found in the report are included in Appendix C. This report included copies of aerial photographs evaluated as part of the information search.

In addition to the general investigations or studies discussed above, several specific investigations were conducted at the request of the Regional Board during this same time period. Specific investigations were conducted by Aerojet General, California Air National Guard (CANG), and Lockheed Aircraft Service Corporation.

These specific investigations conducted included soil-gas and soil analyses at several agreed upon locations at OIA and groundwater sampling and analyses at selected wells immediately downgradient of OIA. For Aerojet, the Phase 1 investigation found concentrations of TCA and PCE ranging between 1.0 ppb and 9.0 ppb in 5 of the 26 Aerojet soil-gas samples. For Lockheed, TCE, PCE, DCE, and TCA were detected in low concentrations ranging between 2.0 ppb and 44.0 ppb in 14 of the 23 soil-gas samples. The CANG investigations resulted in a Decision Document to Support No Further Response Action Planned for Installation Restoration Program Sites and Areas of Suspected Contamination Ontario Air National Guard Station Ontario, California being approved in 2000. It is unclear whether there is still a

responsibility for any contaminants that may have reached the groundwater as a result of CANG historical operations.

Table 1 below summarizes the results of the review and assessment of the information on file at the Regional Water Quality Control Board – Santa Ana Region for parties that were confirmed or suspected solvent users who also had confirmed discharges, leaks, septic tanks/leach fields, and detectable analytical laboratory results for on-site soil, soil gas or sludge.

Among the information searches and investigations conducted, as many as 42 potentially responsible parties were identified by 1992.

EXTENT OF CONTAMINATION

Table D-1 in Appendix D summarizes a query Chino Basin Watermaster's relational database of groundwater quality. Data stored in this database include sampling conducted by Watermaster as part of its comprehensive groundwater quality monitoring program, as well as results from public sources (individual agencies and companies and the State of California Department of Health Services (DHS) database. The geographic area covered by the query is the entire area south of the OIA from its western most to eastern most point, to the Chino Desalter 1 well field (see Figure 1). Table D-1 summarizes the sampling results for all constituents in this data subset that exceeded federal or state maximum contaminant or action levels, not just VOCs. Table 2 summarizes Table D-1 for VOCs in the area south of the OIA. TCE is now found in approximately 23 percent of the wells sampled in this area from 2000 to the present with some samples have concentrations in excess of 200 times the MCL.

Table 1
PRPs at Ontario International Airport with Direct Evidence of Solvent Use, Discharge, and Site-Specific Investigations

PRP	Estimated First Year of Operation	Confirmed Activity/Suspected Solvent Use	Confirmed or Suspected Discharge ¹	Site-Specific Investigations/Analytical Results ²	Source(s) ³
Aerojet General	1958	Solvent User. TCE, PCE and chlorinated solvent wash. (M/B&A).	Discharged wastes to the Cucamonga Creek near current US Post Office location – vacated premises several years ago – Also has septic tank & leach field (CDM 1988b); Discharged wastewater to Cucamonga Creek via a drain line. Building Department listed several cesspool and septic tanks installed from 1958 to 1978. (M/B&A). A leach field was reported by CDM (1988).	Soil-Gas Analyses: TCA, PCE Range = 1.0 to 9.0 ppb Detected in 5 of 26 samples (Regional Board Status Report).	CDM 1988b; M/B&A; Regional Board Status Report
California Air National Guard, Ontario	1952	Solvent User. Paint Solvent, waste oil, solvents, MEK, naphtha, mineral spirits, "paint stripping" and PD 680 cleaning solvent (M/B &A).	Two septic tanks were identified (installation date unknown). A Building Department permit for a sanitary sewer connection was dated 1972. A clarifier hooked up to the vehicle wash area drained to Cucamonga Creek (per a SBDEHS Inspection Report, dated 2 April 1986) (M/B&A). During a 1989 Hazardous Waster Generator inspection, solidified paint was illegally discharged to the ground. "Leaking" waste oil drums were noted at CANG (according to a 1986 Fire Department Inspection Report). Hazardous materials (including solvents) were discharged/spilled onto the ground behind the vehicle maintenance shop (M/B&A).	Decision Document	CDM 1988b; M/B&A; Decision Document
Department of Airports	1957	Solvent User. Safety-Kleen solvent, mineral spirits, paint thinner, "clean floor super power heavy duty emulsion," and xylene/kerosene mix part cleaner (M/B&A)	A SBDEHS inspection noted discharge of effluent from wash racks and "moth oil" from the storage area, to a man-made dirt channel. Noted on an Engineering As-Built Construction drawing (June 1956), a catch basin from the "Airport Maintenance Yard" leading to a drainage ditch was depicted (M/B&A).	Sludge from the tank (UGT) was analyzed for TRPH, semi-volatile organics, and volatile organics. Results indicated DCE (0.2 mg/kg), TCA (2 mg/kg), carbon tetrachloride (1 mg/kg), TCE (2 mg/kg) and PCE (0.2 mg/kg). Soil samples were non-detect. (M/B&A)	CDM 1988b; M/B&A
Lockheed Martin Corporation	1952	Solvent User. TCE, TCA, methyl ethyl ketone (MEK), mineral spirits, paint thinner, Shell 40 Solvent, methylene chloride, toluene, 2-Propanal, Safety-Kleen, Aliphatic hydrocarbon mixture, and lacquer thinner (M/B&A).	Greatest amount of documentation – see Section 4.1, M/B & A. Documented back to 1953 DWR report, CDM 1988b & M/B&A. Also McLaren/Hart reports.	Soil-Gas Analyses TCE, PCE, DCE, TCA Range 2.0 to 44.0 ppb 14 of 23 samples (Regional Board Status Report).	DWR; CDM 1988b; Regional Board Status Report
McDonnell Douglas Corporation	1952	Suspected Solvent User	Douglas reportedly discharged industrial wastewater (from aircraft cleaning) to unlined sumps where ponding occurred. The minimum discharge per month 7,640 cubic feet, maximum 13,820 cubic feet (103,374 gallons) (M/B&A).	Phenol, chromium, fluorine > Pollution Control Board phenol limit of 5 ppm at 9.5 ppm (M/B&A).	DWR; CDM 1988b; M/B&A
Northrop Aircraft Company	1950 - 1955	Suspected Solvent User	The minimum waste discharge per month from Northrop was 9,800 cubic feet; the maximum was 22,800 cubic feet (or 169,176 gallons). Effluent samples were taken [by DWR, 1953] from a poorly defined ditch emptying into a field & from a small unlined sump (M/B&A).	Phenol, chromium, fluorine > Pollution Control Bd phenol limit of 5 ppm at 12.6 ppm (M/B&A).	DWR; CDM 1988b; M/B&A
Otto's Instrument Service	1953	Solvent User. TCE, "Stoddard TCE," lacquer thinner, kerosene, and isopropyl alcohol (IPA) (M/B&A).	Dumped waste radium from aircraft instruments onto ground for years (CDM 1988b). Information retrieved from the Building Department included a 1953 application to install a 14-foot deep cesspool and a septic tank; a 1955 application to install a "new" 25-foot deep cesspool and a line bypassing the old cesspool. In 1969, an application was made for a sewer installation.	Radium - EPA Order to excavate contaminated soil (CDM 1988b).	CDM 1988b; M/B&A

¹ Discharges are confirmed discharges to unlined channels, ditches or sumps.

² Soil gas analyses listed if results detected VOCs.

³ May be reported in other sources as well.

**Table D-1
Chemicals or Water Quality Parameters Exceeding Federal or State Maximum Contaminant Levels or Action Levels**

Chemical	Period	Units	Status	Primary	Secondary	Primary	Secondary	CA AL	Maximum	# of Wells Sampled	# of Wells w/ Detects	# of Wells w/ Exceedances
				EPA MCL	EPA MCL	CA MCL	CA MCL					
1,1-DICHLOROETHANE	2000-Present	UG/L				5			13	139	9	4
1,1-DICHLOROETHANE	All Time Periods	UG/L				5			13	217	9	4
1,1-DICHLOROETHYLENE	2000-Present	UG/L	3	7		6			130	139	12	9
1,1-DICHLOROETHYLENE	All Time Periods	UG/L	3	7		6			130	217	12	9
1,2,3-TRICHLOROPROPANE	2000-Present	UG/L						0.005	0.200000	118	10	10
1,2,3-TRICHLOROPROPANE	All Time Periods	UG/L						0.005	0.200000	196	10	10
1,2-DICHLOROETHANE	2000-Present	UG/L	3	5		0.5			1.600000	139	10	9
1,2-DICHLOROETHANE	All Time Periods	UG/L	3	5		0.5			1.600000	217	10	9
ALUMINUM	1980-1989	UG/L	3	50		1000	200		200	3	1	1
ALUMINUM	1990-1999	UG/L	3	50		1000	200		870	82	3	2
ALUMINUM	2000-Present	UG/L	3	50		1000	200		80	118	3	1
ALUMINUM	All Time Periods	UG/L	3	50		1000	200		870	196	4	2

Note: If a constituent does not exceed any water quality criteria in a given time period, the constituent is not shown for that time period.

- Status**
- 1 Proposed MCLs/MCLGs have been formally proposed by the US EPA, but not promulgated.
 - 2 Final MCLs/MCLGs have been promulgated, but are not yet effective.
 - 3 Current MCLs/MCLGs are promulgated and in effect.

"All suppliers of domestic water to the public are subject to regulations adopted by the U.S. Environmental Protection Agency (EPA) under the Safe Drinking Water Act (42 U.S.C. 300f seq.) as well as by the California Department of Health Services (Department) under the California Safe Drinking Act (Sections 4040.1 and 116300-116750, Health and Safety Code [HS Code]). California has been granted 'primacy' for the enforcement of the Federal Act. In order to receive and maintain primacy, states must promulgate regulations that are no less stringent than the federal regulations. (<http://www.dhs.calwernet.gov/ps/ddwem/publications/Regulations/R-16-01-PublicNotice.pdf>)

- Primary EPA MCL** Primary EPA MCLs are federally enforceable limits for chemicals in drinking water and are set as close as feasible to the corresponding EPA MCLG.
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- Primary CA MCL** Primary CA MCLs are analogous to Primary EPA MCLs and are enforceable at the state level. If the California DHS has adopted a more stringent primary MCL than the EPA MCL, the primary CA MCL would be enforceable.
- Secondary CA MCL** Secondary CA MCLs are analogous to Secondary EPA MCLs and are applicable at the state level. If the California DHS has adopted a more stringent secondary MCL than the EPA MCL, the secondary CA MCL would be applied.
- CA AL** California Action Levels are health-based criteria similar to US EPA Health Advisories. CA ALs are not enforceable, but are levels at which the California Department of Health Services strongly urges water purveyors to take corrective actions.

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				EPA MCL	EPA MCL	CA MCL	CA MCL					
BENZENE	2000-Present	UG/L	3	5		1			1.4	139	3	1
BENZENE	All Time Periods	UG/L	3	5		1			1.4	217	3	1
CHLORIDE	1990-1999	MG/L	3		250		250		390	100	100	5
CHLORIDE	2000-Present	MG/L	3		250		250		300	168	168	3
CHLORIDE	All Time Periods	MG/L	3		250		250		390	285	285	6
CHROMIUM (TOTAL)	2000-Present	UG/L	3	100		50			70	118	113	2
CHROMIUM (TOTAL)	All Time Periods	UG/L	3	100		50			70	196	187	2
CIS-1,2-DICHLOROETHYLENE	2000-Present	UG/L	3	70		6			390	139	16	6
CIS-1,2-DICHLOROETHYLENE	All Time Periods	UG/L	3	70		6			390	217	17	6
COLOR	1990-1999	UNITS			15				20	82	20	1
COLOR	2000-Present	UNITS			15				20	168	89	1
COLOR	All Time Periods	UNITS			15				20	196	99	2

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				EPA MCL	EPA MCL	CA MCL	CA MCL					
FLUORIDE (TEMPERATURE DEPENDENT)	Before 1970	MG/L	1	2					9	79	79	1
FLUORIDE (TEMPERATURE DEPENDENT)	1990-1999	MG/L	1	2					9	100	99	1
FLUORIDE (TEMPERATURE DEPENDENT)	All Time Periods	MG/L	1	2					9	281	281	2
FLUORIDE (TEMPERATURE DEPENDENT)	Before 1970	MG/L	3	4		1.4			9	79	79	1
FLUORIDE (TEMPERATURE DEPENDENT)	1990-1999	MG/L	3	4		1.4			9	100	99	1
FLUORIDE (TEMPERATURE DEPENDENT)	All Time Periods	MG/L	3	4		1.4			9	281	281	2
GROSS ALPHA	1990-1999	PC/L	3	15		15			44.3	82	82	33
GROSS ALPHA	2000-Present	PC/L	3	15		15			38.20000	118	112	25
GROSS ALPHA	All Time Periods	PC/L	3	15		15			44.3	196	191	58
IRON, TOTAL, ICAP	1990-1999	MG/L	3		0.3		0.3		1.1	82	8	1
IRON, TOTAL, ICAP	2000-Present	MG/L	3		0.3		0.3		2.400000	118	12	6
IRON, TOTAL, ICAP	All Time Periods	MG/L	3		0.3		0.3		2.400000	197	20	7
MANGANESE, TOTAL, ICAP	1990-1999	MG/L	3		0.05		0.05		0.24	82	7	2
MANGANESE, TOTAL, ICAP	All Time Periods	MG/L	3		0.05		0.05		0.24	196	12	2

Note: If a constituent does not exceed any water quality criteria in a given time period, the constituent is not shown for that time period.

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				EPA MCL	EPA MCL	CA MCL	CA MCL					
NITRATE NITROGEN (NO3-N)	Before 1970	MG/L	3	10		10			46.9526	82	82	36
NITRATE NITROGEN (NO3-N)	1970-1979	MG/L	3	10		10			31.60271	32	32	18
NITRATE NITROGEN (NO3-N)	1980-1989	MG/L	3	10		10			11.73815	6	6	1
NITRATE NITROGEN (NO3-N)	1990-1999	MG/L	3	10		10			150	102	102	77
NITRATE NITROGEN (NO3-N)	2000-Present	MG/L	3	10		10			140	170	170	140
NITRATE NITROGEN (NO3-N)	All Time Periods	MG/L	3	10		10			150	287	287	209
ODOR THRESHOLD @ 60 C	2000-Present	TON			3				17	168	165	3
ODOR THRESHOLD @ 60 C	All Time Periods	TON			3				17	196	192	3
PERCHLORATE	1990-1999	UG/L						4	4.1	78	1	1
PERCHLORATE	2000-Present	UG/L						4	11	120	9	9
PERCHLORATE	All Time Periods	UG/L						4	11	197	10	10

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				EPA MCL	EPA MCL	CA MCL	CA MCL					
PH (LABORATORY)	Before 1970				<6.5 OR >8.5				8.9	164	164	6
PH (LABORATORY)	1970-1979				<6.5 OR >8.5				8.4	64	64	2
PH (LABORATORY)	1980-1989				<6.5 OR >8.5				8.25	12	12	1
PH (LABORATORY)	2000-Present				<6.5 OR >8.5				8.25	346	346	1
PH (LABORATORY)	All Time Periods				<6.5 OR >8.5				8.9	578	578	9
TETRACHLOROETHYLENE	2000-Present	UG/L	3	5					29	139	20	7
TETRACHLOROETHYLENE	All Time Periods	UG/L	3	5					29	217	20	7
TOTAL DISSOLVED SOLIDS	Before 1970	MG/L			500				1252	59	59	31
TOTAL DISSOLVED SOLIDS	1970-1979	MG/L			500				1231	32	32	14
TOTAL DISSOLVED SOLIDS	1990-1999	MG/L			500				4634	102	102	81
TOTAL DISSOLVED SOLIDS	2000-Present	MG/L			500				1980	170	170	124
TOTAL DISSOLVED SOLIDS	All Time Periods	MG/L			500				4634	267	267	188
TOTAL RADON 222	2000-Present	PC/L	1	300					430	30	30	8
TOTAL RADON 222	All Time Periods	PC/L	1	300					430	40	40	8

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				EPA MCL	EPA MCL	CA MCL	CA MCL					
TRICHLOROETHYLENE	2000-Present	UG/L	3	5					1100	138	77	32
TRICHLOROETHYLENE	All Time Periods	UG/L	3	5					1100	216	107	32

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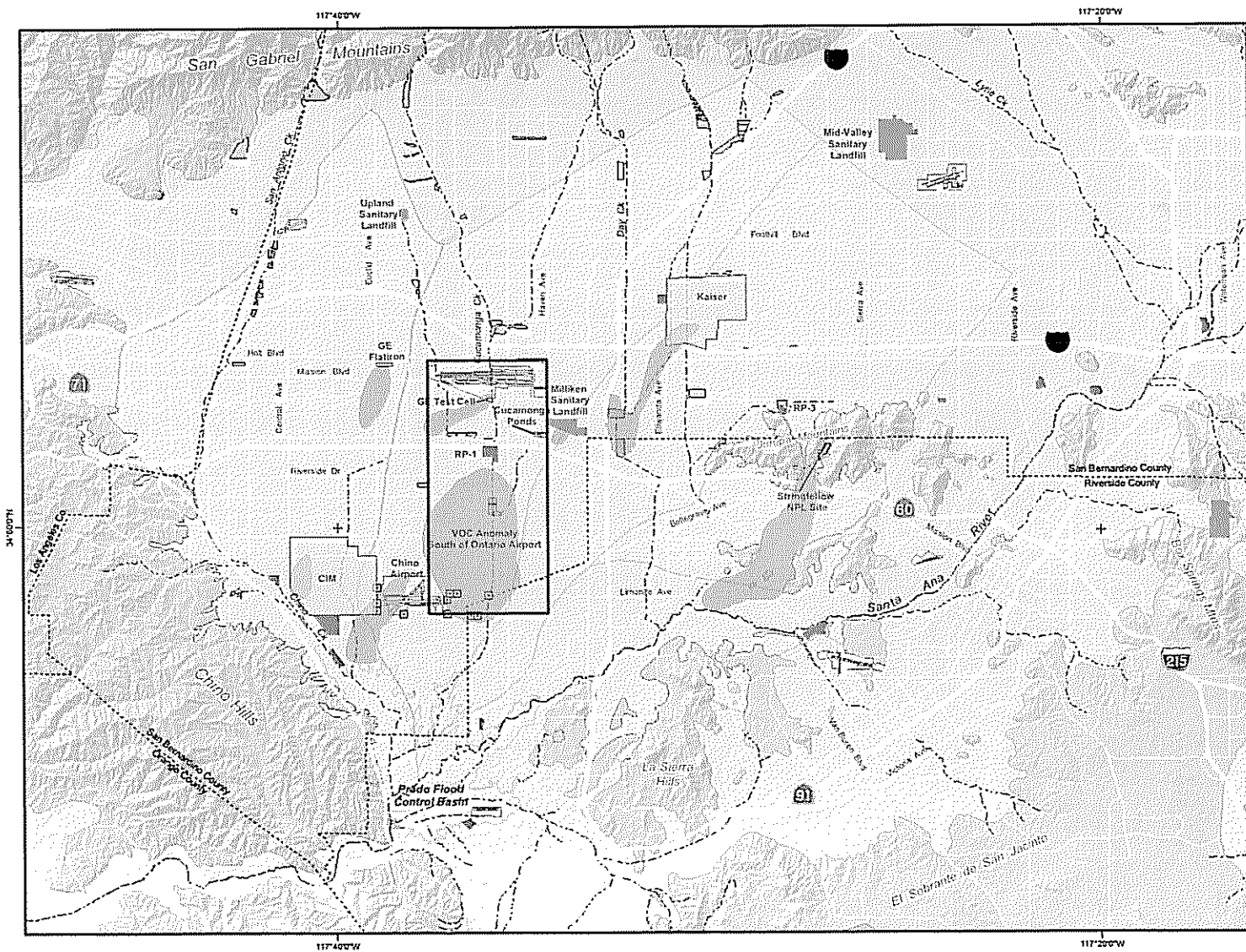
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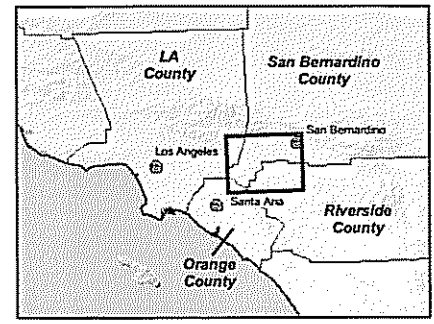
Table 2
 Summary of VOCs in Groundwater Downgradient of the Ontario International Airport

Constituent	Number of Wells		MCL (µg/L)	Maximum (µg/L)
	Sampled*	Exceeding MCL		
1,1-DCA (1,1-dichloroethane)	139/217	4	5	13
1,1-DCE (1,1-dichloroethene)	118/196	9	6	130
1,2,3-TCP (1,2,3-trichloropropane)	139/217	10	0.005	1.20
1,2-DCA (1,2-dichloroethane)	139/217	9	0.5	1.6
cis-1,2-DCE (cis-1,2-dichloroethylene)	139/217	6	6	390
PCE (tetrachloroethene)	139/217	7	5	29
TCE (trichloroethene)	138/216	32	5	1100

* # sampled from 2000-present/All time periods

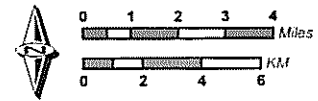


- Point Source Plumes of Concern
- Desalter Wells
- Location of Known Contamination Sources
- Municipal Wastewater Treatment Plants
- Landfills
- Flood Control and Conservation Basins
- Chino Basin
- Unconsolidated Sediments
- Consolidated Bedrock
- South of OIA Area



Produced by:
WE WILDERMUTH ENVIRONMENTAL, INC.
 27692 Birchler Drive
 LMA Forest, CA 92630
 949-420-3030
 www.wed-environment.com

Author: AEM/CKM
 Date: 7/03/107
 File: h2o_quality_anomalies.mxd



Location of Known Contamination Sources and Related Water Quality Anomalies

Figure 1

REFERENCES

- California Regional Water Quality Control Board, Santa Ana Region. 1992. ITEM 14, Status Report on Investigations Regarding Chlorinated Volatile Organic Compounds in the Chino Basin. October 23, 1992. [pp. 8-12].
- Camp Dresser & McKee, Inc. 1988a. Underground Tanks & Hazardous Substances Program Work Plan (CDM Work Plan). Prepared for the City of Los Angeles Department of Airports by Camp Dresser & McKee Inc, Irvine, California. March 1988. [Attachment A, Ontario International Airport Fact Sheet, Historical Background and Chronological History, 15 pp.]
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- CKY Incorporated. 2000. Draft Decision Document to Support No Further Response Action Planned at Installation Restoration Program Sites and Areas of Suspected Contamination Ontario Air National Guard Station Ontario, California. Headquarters AFCEE Contract Number F41624-94-D-8059, Delivery Order No. 0007. Prepared for 148th Combat Communications Squadron Ontario Air National Guard Station Ontario, California. 1 May 2000.
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- McLaren/Hart. 1992. Results of Additional Soil Gas Investigation for Lockheed Aircraft Services Company, Ontario, California. Prepared in response to a request by the Regional Water Quality Control Board. November, 1992.
- Meredith/Boli & Associates, Inc. 1992. Information Search, (Solvent Use and Potential Releases), Ontario International Airport, San Bernardino County, California. Prepared for the RWQCB by Meredith/Boli & Associates, Inc (M/B & A) at the request of General Electric, June, 1992.
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- State Water Resources Control Board. 2002. “Recent Amendments to Porter-Cologne Water Quality Control Act Resulting From Assembly Bill No. 1664 (2001).” Prepared by Craig M. Wilson, Chief Counsel, Office of Chief Counsel. February 11, 2002.
- Wildermuth Environmental, Inc. 2003. Optimum Basin Management Program, Chino Basin Dry-Year Yield Program Preliminary Draft Modeling Report. Prepared for the Chino Basin Watermaster & Inland Empire Utilities Agency. July 2003. [Section 3: Groundwater Quality].

CHINO BASIN WATERMASTER

January 15, 2004

10:00 a.m. - Non-Agricultural Pool Annual Meeting

1:00 p.m. - Agricultural Pool Annual Meeting

3:00 p.m. - Appropriative Pool Annual Meeting

III. BUSINESS ITEMS

C. Regional Water Quality Control Board Request for Certain Water Quality AG Well Data

Seek Direction from the Committee on the Next Step in the Process



CHINO BASIN WATERMASTER

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

JOHN V. ROSSI
Chief Executive Officer

STAFF REPORT

DATE: January 15, 2004
January 29, 2004

TO: Watermaster Committee Members
Watermaster Board Members

SUBJECT: RWQCB Request for Certain Water Quality AG Well Data

Summary

Issue - RWQCB has Requested Data on Certain Private AG Wells as Part of NPDES Permit

Recommendation – Staff has no recommendation at this time.

Fiscal Impact – Staff does not anticipate any direct fiscal impact at this time.

Background

The Santa Ana Regional Water Quality Control Board has requested certain data relating to AG wells associated with the dairy NPDES discharge permit. Staff will pass out, for the committee's review and consideration, data associated with the wells that were previously designated for the permit.

At the November AG Pool meeting, committee members commented that it was their understanding that data was to be provided to the RWQCB in-lieu of the RWQCB requiring the monitoring of and data submission for wells at certain dairies.

Staff seeks direction from the Committee on the next step in the process.

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CHINO BASIN WATERMASTER

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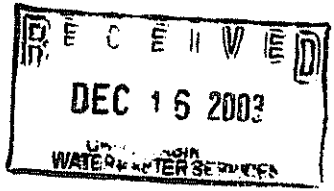
V. INFORMATION

- A. **Monte Vista Water District**
Letter Concerning 2003/2004
Assessment Package

Monte Vista

Dedicated to Quality, Service and Innovation

Mark N. Kinsey
GENERAL MANAGER



December 11, 2003

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

Subject: Chino Basin Watermaster Fiscal Year 2003/04 Assessment Package

Dear John:

The Monte Vista Water District has reviewed the draft Chino Basin Watermaster Fiscal Year 2003/04 Assessment Package, dated November 13, 2003. We are appreciative of your efforts to streamline the presentation of the information contained in this package, and feel that it is an improvement over previous versions. After this review, and as discussed in more detail below, the District has number of questions regarding some of the approaches undertaken in the Assessment Package.

1. Reallocation of Agricultural Pool Safe Yield. Under the early transfer provisions of Section 5.3(g) of the Peace Agreement, the quantity of water subject to these provisions "shall be the greater of (i) 32,800 acre-feet or (ii) 32,800 acre-feet plus the actual quantity of water not produced by the Agricultural Pool for that Fiscal Year that is remaining after all the land use conversions are satisfied." The current practice in the Assessment Package does not appear to follow the criteria established in Section 5.3(g) of the Peace Agreement and effectively reduced the early transfer quantity for Fiscal Year 2002/03 to 28,868 acre-feet.
2. Desalter Authority Production. Total Fiscal Year 2002/03 production by the Desalter Authority was 10,438.5 acre-feet. After accounting for the capture or production of rising water, net groundwater production from the Chino Basin was approximately 5,219 acre-feet. In review of the Assessment Package, it appears that the Watermaster production assessment is not levied against this production. Please identify the provisions of the Peace Agreement or other mechanism that established this exemption.

3. New Yield Allocation. The Watermaster recently approved the allocation of increased Basin yield ("New Yield") associated with the Optimum Basin Management Program groundwater recharge facility master plan improvements. It is our understanding that this allocation would begin in Fiscal Year 2003/04 at an initial amount of 12,000 acre-feet per year. The District is currently trying to determine its combined Fiscal Year 2003/04 productions rights and would like confirmation that Watermaster intends to allocate the 12,000 acre-feet of New Yield this fiscal year.

If you have any questions regarding this request or if any additional clarification is necessary, please contact the District at your convenience. Thank you.

Respectfully,

Monte Vista Water District



Mark N. Kinsey
General Manager

cc: Board of Directors, MVWD

CHINO BASIN WATERMASTER

January 15, 2004

10:00 a.m. - Non-Agricultural Pool Annual Meeting

1:00 p.m. - Agricultural Pool Annual Meeting

3:00 p.m. - Appropriative Pool Annual Meeting

V. INFORMATION

B. Metropolitan Water District of So. California

Update of Availability of Replenishment Deliveries for the Winter



MWD
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Date: December 11, 2003
To: Member Agency Managers
From: Ronald R. Gastelum, Chief Executive Officer
Subject: Update on Availability of Replenishment Deliveries

This is an update on the Metropolitan Water District of Southern California's (Metropolitan) availability of replenishment deliveries. This update is part of Metropolitan's continuing effort to keep you informed on the status of supply and delivery conditions.

Metropolitan's State Water Project (SWP) allocation since May 2003 has been 90%, which is approximately 1.8 MAF. The high allocation has allowed Metropolitan to make replenishment deliveries of SWP water since that time, subject to operational constraints. Metropolitan has worked with its member agencies to maximize deliveries of SWP water into the service area. It is estimated that a record of approximately 1.6 MAF of SWP water will be delivered into Metropolitan's service area in 2003. Additional SWP water was stored in accounts in California's Central Valley and as carryover storage into 2004 in SWP facilities.

Conversely, Metropolitan's Colorado River water (CRW) supply had been dramatically reduced from 1.25 MAF to about 0.6 MAF. In spite of this, Metropolitan maintained reliable deliveries to meet all firm demands. However, interruptible replenishment deliveries of CRW have been limited throughout most of 2003 because of this shortage.

This month, the Bureau of Reclamation will be making additional CRW available due to underuse by California agricultural agencies. It is estimated that an additional 70,000 AF of CRW will be available to Metropolitan through the end of 2003. As a result, replenishment of SWP water, CRW, or blends of the two, will be made available through the end of CY 2003, subject to operational constraints and replenishment program requirements.

Metropolitan is closely monitoring developments that affect the allocation of SWP and CRW supply. However, it is likely that CRW replenishment will not be available in early 2004, due to continued dry conditions and low storage levels on the Colorado River system. We will continue to evaluate the availability of replenishment service and provide you with updates as supply and operating conditions change.

Again, thank you for your cooperation and assistance in this challenging year. If you have any questions, please contact Brent Yamasaki at (213) 217-7146 or Mike Morel at (626) 844-5601.


Ronald R. Gastelum

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CHINO BASIN WATERMASTER

January 15, 2004

10:00 a.m. - Non-Agricultural Pool Annual Meeting

1:00 p.m. - Agricultural Pool Annual Meeting

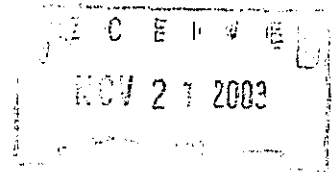
3:00 p.m. - Appropriative Pool Annual Meeting

V. INFORMATION

C. Jurupa Community Services District

Letter Regarding Kaiser Plume

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



November 19, 2003

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

RE: KAISER PLUME

Dear Mr. Rossi:

Jurupa Community Services District (JCSD) has reviewed Wildermuth Environmental's September 18, 2003 correspondence to Watermaster regarding groundwater quality investigation activities and related proposed OBMP scope of work. Of particular concern is the Kaiser plume and its potential impact on JCSD's existing and future wells, and Chino Desalters' wells.

As noted in Mr. Wildermuth's referenced letter, Kaiser Cleanup and Abatement Order #87-121 was rescinded in 1993 and there has been no formal monitoring of the plume since that time. We concur with Mr. Wildermuth's recommendations with respect to rehabilitating the two former offsite Kaiser monitoring wells, MP-2 and KOFS-I, for sentry purposes in connection with both JCSD's and Chino Desalters' wells. We also agree these wells should be annually tested to determine quality changes associated with the Kaiser plume.

JCSD is concerned about water quality impacts on its existing wells, and its ability, in the future, to construct new wells in the area of its existing well-field. Given, however, Mr. Wildermuth's projection that JCSD's wells could be impacted by the Kaiser plume in 10-15 years, it will first be necessary to conduct a study to determine the relationship of existing and future groundwater production and its potential influence on, and relationship to, the plume. We have employed the services of Geoscience to review the situation and provide recommendations and findings, and have also met with the Regional Water Quality Control Board.

As noted above, the Regional Water Quality Control Board rescinded its Kaiser Cleanup and Abatement Order, however, the question now is whether the magnitude and type of water quality impacts (TDS/TOC/VOC) are consistent with the information and projections at the time the Order was rescinded and whether and to what extent impacts to well(s) in existence in 1993 are required to be mitigated.

MR. JOHN ROSSI
CHIEF EXECUTIVE OFFICER
CHINO BASIN WATERMASTER
RE: KAISER PLUME
NOVEMBER 19, 2003
PAGE 2

It is suggested Watermaster and its Water Quality Committee confer with the Regional Board to determine the Regional Board's role in this matter. We understand such determination may be subject to proceedings involving the City of Ontario and Kaiser presently before the Regional Board, which are currently postponed pending a potential agreement between Ontario and Kaiser. Any agreement, however, may be *inter se* to Ontario and Kaiser and thus may not address impacts to JCSD and the desalters' wells.

The above suggestions are consistent with OBMP Program Element #6, with respect to identifying and mapping water quality anomalies through Watermaster's groundwater quality monitoring program (Program Element #1), revising the maps at least annually and submitting them along with supporting data to the Regional Board. As identified in Program Element #6, Watermaster's role is to augment the Regional Board's limited resources by identifying water quality anomalies, assisting the Regional Board in determining the anomaly sources and establishing priorities for clean-up jointly with the Regional Board. We suggest the Watermaster Water Quality Committee work accordingly with the Regional Board concerning the Kaiser plume.

Finally, we suggest the cost of reviewing and developing a comprehensive monitoring and mitigation program in connection with the Kaiser plume, as necessary, be considered part of the OBMP for the reasons discussed above concerning Program Element Nos. 1 and 6. Discussion concerning the role of Geoscience and its investigation concerning JCSD's existing and future wells is appropriate with respect to both cost responsibility and coordination with Watermaster's OBMP activities. Perhaps this work can be integrated with regard to the potential impact on the Chino Desalters' wells.

Please contact me for discussion following your review and consideration of the foregoing. We appreciate Watermaster's continuing cooperation and assistance.

Sincerely,



Carole A. McGreevy
General Manager
Jurupa Community Services District

Copy: John Schatz
Sam Gershon, AAWA
Tom O'Neill
Board of Directors
7020.admin.ltr.jrossi.re.kaiserplume/dw