



CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, March 11, 2004

3:00 p.m. – Joint Appropriative & Non-Agricultural Pool
Committee Meeting

AT THE CHINO BASIN WATERMASTER OFFICES

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

Tuesday, March 16, 2004

9:00 a.m. –Agricultural Pool Meeting

AT THE INLAND EMPIRE UTILITIES AGENCY OFFICES

*6075 Kimball Ave. Bldg. A Board Room
Chino Hills, CA 91710
(909) 993-1600*





CHINO BASIN WATERMASTER

March 11, 2004

3:00 p.m. - Joint Appropriative & Non-Agricultural
Pool Committee Meeting

March 16, 2004

9:00 a.m. - Agricultural Pool Committee Meeting

AGENDA PACKAGE

**CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL
POOL MEETING**

3:00 p.m. – March 11, 2004
**At The Offices Of
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730**

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. MINUTES

1. Minutes of the Joint Appropriative & Non-Agricultural Pool meeting held February 12, 2004
(Page 1)

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of February 2004 (Page 11)
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through January 31, 2004 (Page 15)
3. Treasurer's Report of Financial Affairs for the Period January 1 through January 31, 2004
(Page 17)
4. Profit & Loss Budget vs. Actual July 2003 through January 2004 (Page 19)

II. BUSINESS ITEMS

A. REQUEST FROM CITY OF CHINO CREDIT AGAINST OBMP ASSESMENTS (FORM 7)

Make Recommendation from Form 7 Policies (Page 21)

B. IEUA STORAGE AGREEMENT

Consider Approval of The Dry Year Yield Program's Storage Agreement with IEUA (Page 27)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Chino Land & Water Update
2. MZ1 Workshop with Special Referee
3. DYY Storage Agreement and Court Approval
4. Basin Plan Amendment Review
5. SWRCB Water Right Fee
6. Kaiser Information Request

B. CEO/STAFF REPORT

1. Mark Wildermuth Will Make a Presentation Regarding OBMP Progress through December 31, 2003
2. Update Regarding AWGA Strategic Planning Session
3. Update Regarding MWD Perchlorate Task Force

IV. INFORMATION

1. Response to Monte Vista Water District Letter Dated December 11, 2003 Regarding Assessment Package (Page 33)

V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

March 10, 2004	9:00 a.m.	MZ1 Technical Group Meeting
March 10, 2004	11:00 a.m.	Injection/Recharge Demonstration Project Proposal Meeting
March 11, 2004	3:00 p.m.	Joint Appropriative & Non-Ag Pool Meeting
March 16, 2004	9:00 a.m.	Agricultural Pool Meeting
March 23, 2004	2:00 p.m.	Water Quality Meeting
March 25, 2004	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

Meeting Adjourn

**CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING**

9:00 a.m. – March 16, 2004

At The Offices Of

Inland Empire Utilities Agency

6075 Kimball Ave., Bldg. A, Board Room

Chino Hills, CA 91710

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. MINUTES

1. Minutes of the Agricultural Pool meeting held February 17, 2004 *(Page 5)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of February 2004 *(Page 11)*
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through January 31, 2004 *(Page 15)*
3. Treasurer's Report of Financial Affairs for the Period January 1 through January 31, 2004 *(Page 17)*
4. Profit & Loss Budget vs. Actual July 2003 through January 2004 *(Page 19)*

II. BUSINESS ITEMS

- A. REQUEST FROM CITY OF CHINO CREDIT AGAINST OBMP ASSESMENTS (FORM 7)**
Consider Policy Issues for Form 7 Process *(Page 21)*

B. IEUA STORAGE AGREEMENT

Consider Approval of The Dry Year Yield Program's Storage Agreement with IEUA *(Page 27)*

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

Discuss and Consider Data Requested by Regional Water Quality Control Board *(Page 29)*

D. REQUEST FOR DATA CONCERNING TCE PLUME FROM CHINO AIRPORT

Discuss and Consider Data Request by Tetra Tech, Inc. *(Page 31)*

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Chino Land & Water Update
2. MZ1 Workshop with Special Referee
3. DYY Storage Agreement and Court Approval
4. Basin Plan Amendment Review

- 5. SWRCB Water Right Fee
- 6. Kaiser Information Request

B. CEO/STAFF REPORT

- 1. Mark Wildermuth Will Make a Presentation Regarding OBMP Progress through December 31, 2003
- 2. Update Regarding AGWA Strategic Planning Session
- 3. Update Regarding MWD Perchlorate Task Force

IV. INFORMATION

- 1. Response to Monte Vista Water District Letter Dated December 11, 2003 Regarding Assessment Package (*Page 33*)

V. POOL MEMBER COMMENTS

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VII. FUTURE MEETINGS

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March 10, 2004	11:00 a.m.	Injection/Recharge Demonstration Project Proposal Meeting
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March 23, 2004	2:00 p.m.	Water Quality Meeting
March 25, 2004	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

Meeting Adjourn



CHINO BASIN WATERMASTER

March 11, 2004

3:00 p.m. - Joint Appropriative & Non-Agricultural
Pool Committee Meeting

March 16, 2004

9:00 a.m. - Agricultural Pool Committee Meeting

I. CONSENT CALENDAR

A. MINUTES

1. Joint Appropriative & Non-Agricultural Pool – Feb 12, 2004

Draft Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL
POOL MEETING
February 12, 2004

The joint Appropriative and Non-Agricultural Pool Meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on February 12, 2004 at 3:00 p.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Dave Crosley, Vice-Chair	City of Chino
J. Arnold Rodriguez	Santa Ana River Water Company
Mohamed El-Amamy	City of Ontario
Rich Atwater	Inland Empire Utilities Agency
Raul Garibay	City of Pomona
Mark Kinsey	Monte Vista Water District
Rita Kurth	Cucamonga County Water District
Mike McGraw	Fontana Water Company
Carole McGreevy	Jurupa Community Services District
Ray Wellington	San Antonio Water Company
Bill Stafford	Marygold Mutual Water Company

NON-AGRICULTURAL POOL MEMBERS PRESENT

Justin M. Scott Coe	Vulcan Materials Company
Michael Thies	Space Center Mira Loma

Watermaster Staff Present

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

Watermaster Legal Counsel Present

Michael Fife	Hatch & Parent
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Others Present

Bob Thompson	Senator Nell Soto, Representative
Mark Gage	Geomatrix/GE
Gerald J. Thibeault	Regional Water Quality Control Board
Josephine Johnson	Monte Vista Water District

Vice-Chair Crosley called the meeting to order at 3:00 p.m.

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Non-Agricultural Pool meeting held January 15, 2004
2. Minutes of the Appropriative Pool meeting held January 15, 2004

B. FINANCIAL REPORTS

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

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

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

II. BUSINESS ITEMS

A. REQUEST FROM CITY OF CHINO CREDIT AGAINST OBMP ASSESMENTS (FORM 7)

Mr. Rossi commented that Mr. Wildermuth was requested to review the Peace Agreement and the Rules and Regulations regarding eligibility for credits against OBMP assessments. Mr. Rossi referenced page 33 of the packet regarding the Wildermuth Environmental, Inc. letter dated November 19, 2003 in an attempt to describe what type of projects, programs and activities could be eligible and the basis for this opinion. Mr. Rossi referred to page 34 regarding section 7.4 (c) (i) – (iii) of the Peace Agreement describing the process for funding of future desalters. Lastly, Mr. Rossi referred to page 36 for the Table 1 Initial List of Programs and Project for Form 7 Applications and briefly detailed both columns for comment. Discussion ensued and several questions and comments were received. Mr. Rossi stated that all comments were desired in order to move forward on this matter. Mr. Rossi asked that commentary and/or concerns are either faxed or emailed as rapidly as possible, furthermore he was looking forward to hearing feedback from Committee members. With that, it was determined that this item would be brought back for further discussion next month.

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

Mr. Rossi stated that at the Water Quality Committee a great deal of discussion took place regarding this issue. Mr. Rossi also noted that this topic and a presentation were being brought back to the Agricultural Pool as requested on Tuesday, February 17, 2004. Mr. Rossi reiterated the suggestions by the Advisory Committee and the Watermaster Board last month and mentioned the Advisory Committee and Watermaster Board approved a \$25,000 cap towards this request with the stipulation that Watermaster would be recommended for reimbursement. However, both parties required a presentation by the Regional Board to clarify their position and to answer questions.

Mr. Thibeault of the Regional Board thanked the Appropriative and Non-Agricultural Pools for approving the consulting assistance to the Regional Board. Discussion ensued and Mr. Thibeault answered a few questions. Concerns noted from this discussion were 1) Is this kind of request going to be coming back to the Pools on a continuous basis? 2) Once the funds are approved to place a consultant with the Regional Board are more recommendations for money going to be presented to help in legal costs to persuade the PRP's to start clean up procedures? and 3) Will this request set precedence that the Pools will then fund other projects for the Regional Board?

Mr. Rossi stated that we are approaching this situation with caution and are in search of as much information as possible and are bringing this data back to the Committee and Board members to assist in making this decision.

C. BASIN PLAN AMENDMENT

Mr. Rossi reiterated what transpired at the January 22, 2004 RWQCB Public Hearing for consideration of the Basin Plan Amendment revised language. Legal council was tasked to review the revised language. Mr. Rossi commented that the revised language was believed to be written in a less constringent manner. The final document still needs to be prepared and once that has been completed the revised Basin Plan Amendment will be brought back to the next meeting for review.

Mr. Thibeault offered comment that he felt the Regional Board was very fair in its language revisions and that all parties should be pleased.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Update Regarding Proposed Dry Year Yield Storage Agreement with IUEA

Counsel Fife reported that the Dry Year Yield Storage Agreement with IEUA was progressing in a timely manner. Counsel met with the special referee on February 11, 2004 which was the finalization stage. Counsel anticipates bringing the final Agreement for approval to the Committee members in March.

B. CEO/STAFF REPORT

1. Mark Wildermuth Will Make a Presentation Regarding OBMP Progress through December 31, 2003

Mr. Rossi apologized for an absent Mr. Wildermuth who was not in attendance due to a family emergency. Mr. Rossi noted this item will be presented at both the Advisory meeting on February 26, and the Board meeting on March 1, for all interested parties.

2. Discuss MWD Rate Increase Proposal

Mr. Rossi stated that on February 9, 2004 at MWD's finance meeting Rich Atwater's comments were well received. Mr. Atwater commented that the basin manager worked with him on the impending rate increases. Noting there is no definitive decision at this time to comment on, however all parties will be kept apprised.

3. Update Regarding the Recharge Improvement Project

Mr. Rossi commented that one of the bid packages was rejected in order to save money. It will be going out for re-bids.

4. Update Regarding the Water Quality Committee Meeting of February 5, 2004

Mr. Rossi presented the topics that were discussed at the Water Quality Committee meeting and noted Dr. Rhodes Trussell gave a presentation on Regulation and Removal of Perchlorate. Mr. Treweek and Mr. LeClaire gave an update on the Water Quality Committee which included information on Kaiser Wells and current testing. Mr. Rossi noted that a second progress report would be coming out shortly.

5. Update Regarding Reimbursement of \$169,209 for Recharge Improvement Costs

Mr. Rossi informed the Committee about the reimbursement check received and felt that these funds needed to be placed in a reserve account until the 7th bid package was finalized.

Added: Mr. Rossi added that the MZ1 Technical committee had formed a workgroup to meet directly after the MZ1 meeting on Wednesday, March 10, 2004 for the Injection Well Demonstration Project (meeting will be held at City Hall in Chino).

6. Discuss Process of Establishing Future Desalter Ad Hoc Committee

Mr. Rossi stated he felt it might be necessary to form an Ad Hoc Committee to specifically deal with the future desalter implementation processes and asked the thoughts of the Committee members. It was noted there could be numerous negotiations

on this issue and feed back was welcome. Mr. Rossi informed the Committee that he had met with Scott Slater three months ago to discuss issues and brainstormed on objectives and realities for upcoming desalter needs. A reminder was made that the Court must have a written outline for future desalters filed by September 2005 and that it would take approximately 6 to 9 months for the planning.

IV. INFORMATION

1. Refund of \$188,114.90 From MWD for Fiscal Year 2002/2003

Mr. Rossi informed the Committee that the refund had been received and Watermaster's portion was \$188,114.90 from Metropolitan Water District. Watermaster is analyzing the various ways to divide up the refund and Mr. Rossi commented that it should be equitably distributed. Further update will follow at the March meetings.

V. POOL MEMBER COMMENTS

No comments were received.

VI. OTHER BUSINESS

No comments were received.

VII. FUTURE MEETINGS

February 12, 2004	3:00 p.m.	Joint Appropriative & Non-Ag Pool Meeting
February 17, 2004	9:00 a.m.	Agricultural Pool Meeting
February 26, 2004	10:00 a.m.	Advisory Committee Meeting
March 1, 2004	1:00 p.m.	Watermaster Board Meeting
March 11, 2004	1:00 p.m.	Agricultural Pool Meeting
	3:00 p.m.	Joint Appropriative & Non-Ag Pool Meeting
March 25, 2004	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

The Joint Appropriative and Non-Agricultural Meeting Adjourned at 3:45 p.m.

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

March 11, 2004

3:00 p.m. - Joint Appropriative & Non-Agricultural
Pool Committee Meeting

March 16, 2004

9:00 a.m. - Agricultural Pool Committee Meeting

I. CONSENT CALENDAR

A. MINUTES

1. Agricultural Pool – Feb 17, 2004

Draft Minutes
**CHINO BASIN WATERMASTER
ANNUAL MEETING
AGRICULTURAL POOL**
February 17, 2004

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Ave, Chino Hills, CA, on February 17, 2004 at 9:00 a.m.

Agricultural Pool Members Present

Nathan deBoom, Chair	Milk Producers Council
Robert Feenstra	Milk Producers Council
Glen Durrington	Crops
Jeff Pierson	Crops
John Huitsing	Dairy
Gene Koopman	Dairy
Peter Hettinga	Dairy
Pete Hall	State of California, California Institute for Men
Wayne Davison	State of California Institute for Women

Watermaster Board Members Present

Geoffrey Vanden Heuvel	Agricultural Pool, Dairy
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Watermaster Staff Present

John Rossi	Chief Executive Officer
Gordon Treweek	Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

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

Others Present

Rick Rees	Geomatrix for CIM
Peter Von Haam	State Attorney General's Office
Gerald J. Thibeault	Regional Water Quality Control Board
Steve Lee	Space Center Mira Loma
Rich Atwater	Inland Empire Utilities Agency
Frank Brommenschenkel	Special Agricultural Consultant

Chair deBoom called the Agricultural Pool meeting to order at 9:04 a.m.

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool meeting held January 15, 2004

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of January 2004
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through December 31, 2003

3. Treasurer's Report of Financial Affairs for the Period December 1, 2003 through December 31, 2003
4. Profit & Loss Budget vs. Actual July 2003 through December 2003

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

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

II. **BUSINESS ITEMS**

A. **REQUEST FROM CITY OF CHINO CREDIT AGAINST OBMP ASSESMENTS (FORM 7)**

Mr. Rossi confirmed the recommendation by the Pools to seek review by Mark Wildermuth of various language contained in the Peace Agreement and Rules and Regulations with respect to the issue of requested credit against OBMP Assessments. Mr. Rossi referred to page 34 on the meeting packing regarding of the November 19, 2003 Wildermuth letter and read the Peace Agreement section 7.4 (c)(i) – (iii) describing the process for the funding of future desalters. He then referred to page 36 titled Table 1 Initial List of Programs and Project for Form 7 Applications. The left column presented Program Element and Activity while the right column presented Potential Action by a Party that Could be Eligible for Credit Against OBMP Assessment or for Reimbursement. A short discussion ensued and Mr. Rossi offered the comments from the February 12, Appropriative Pool meeting. Mr. Atwater commented on ION exchange and briefly described the dynamics of how it might relate to credits along with dissecting the elements of blended water. Mr. Rossi asked the Committee members to review the Wildermuth data presented and to return to him via email or fax comments in this regard with the purpose of forming a list of comments to bring to the next meeting for discussion.

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

Mr. Thibeault of the Regional Water Quality Control Board detailed how the Regional Board is dealing with the water quality anomaly south of the Ontario Airport. He reviewed how much evidence there really is and the costs to offer consulting assistance. Mr. Thibeault reassured the Committee that every effort to reimburse Watermaster would be investigated although he could not guarantee this would occur. He stated that there were literally hundreds of VOC plumes in the Santa Ana River basin and the focus of the Regional Board was to address the ones that directly effected drinking water wells. A question arose concerning once the Regional Board started working on this anomaly would it be started and completed without interruption. Mr. Thibeault responded, "There is no guarantee that a more important plume that would endanger the public drinking water supply would come up and the focus would then be taken off this project". The question of, "why doesn't the Regional Board have funds for situations like this available"? Mr. Thibeault responded, "The Regional Board unfortunately has very little funds for groundwater clean up and the funds that are available are being diverted towards Perchlorate clean up". The question of, "If the Regional Board does not have available funds for clean up then how will they afford legal and court costs to pursue PRP's"? Mr. Thibeault responded with, "Court costs come from a different fund source than general funds do". He commented that the important issue now was taking as much evidence as possible to the PRP's and see the direction that takes. It was noted that once this plume reaches the desalter additional costs and impacts could be realized. A comment was noted of the importance of educating State legislation as to the situation and regrettably Mr. Thibeault felt they were already aware but that this plume was low on the priority list at present. Discussion ensued with regard to businesses that were already out of business, what the time frame of assistance would be and overall concerns by the Committee members. Mr. Thibeault stated that this endeavor would take approximately 3-4 months of consulting assistance and would cost approximately \$20-25,000.

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

Moved to approve a \$25,000 cap for placing consulting assistance with the Regional Board and that a report on progress will be brought back in three months

C. BASIN PLAN AMENDMENT

Mr. Rossi reiterated what transpired at the January 22, 2004 RWQCB Public Hearing for consideration of the Basin Plan Amendment revised language. Legal council was tasked to review the revised language. The final document still needs to be prepared and once that has been completed the revised Basin Plan Amendment will be brought back to the next meeting for review.

Mr. Thibeault offered comment that he felt the Board was very fair in its language revisions and that all parties should be pleased. He also noted that the Basin Plan Amendment was paid by an outside source which is a good example of how outside help could actually benefit the basin. Also, it was noted that there is no other document like this in the State. A brief discussion took place regarding salt credits, OBMP costs and options with Storage and Recovery.

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

Mr. Rossi referred to the handout provided by Wildermuth Environmental on the Draft Dairy Area Wells in the Chino Basin, in particular the 86 listed Station Names on the Quality Data 1971-2003 section, at which time he reviewed the details listed. Mr. Thibeault stated that the Regional Board needed enough water quality data to get the Basin Plan Amendment completed. Additionally, that the Regional Board needed to identify ambient water quality and they were not looking at individual salt content at each dairy and that the law required we reach an agreement so that the Regional Board can get enough data to do their jobs. Discussion ensued about well site specific data, appropriate samples and information given by the dairies. Mr. Rossi offered options to get data to the Regional Board. It was suggested that the map on the front of this handout be blown up to one quarter mile per inch and be brought back to the meeting next month for review. Counsel Fife asked if the Committee wanted a more specific map, and the Committee members responded that they did.

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. Update Regarding Proposed Dry Year Yield Storage Agreement with IUEA**

Counsel Fife reported that the Dry Year Yield Storage Agreement with IEUA was progressing in a timely manner. Counsel met with the special referee on February 11, 2004 which was the finalization stage. Counsel anticipates bringing the final Agreement for approval to the Committee members in March.

Added: Counsel Fife requested that an item be added to the section III Reports/Updates under the Watermaster General Legal Counsel Report section.

2. Update Regarding Chino Land & Water Case

Counsel Fife reported last month that Chino Land & Water had 12 days to file an oral argument with the court which they have done. Court will hear the oral argument in Riverside on March 3, 2004 at 8:30 a.m. and that all interested parties are welcome to attend. Counsel will again work with Lewis Home's legal department in this regard and counsel will keep the Committee apprised of their efforts to over turn this case.

B. CEO/STAFF REPORT**1. Mark Wildermuth Will Make a Presentation Regarding OBMP Progress through December 31, 2003**

Mr. Rossi introduced the second section of Mr. Wildermuth's presentation regarding OBMP progress relating to Desalters and commented that last months presentation was on Hydraulic Control. Mr. Wildermuth will be giving a presentations on the following topics a) Chino Basin Facilities Improvement, b) Storage and Recovery, c) Hydraulic Control 3, 5, 6, 8 & 9, d) Maximum Benefit, e) Groundwater Monitoring, f) Water Quality Committee, g) MZ1 Management Plan, and h) Analysis of Balance of Recharge and Discharge.

2. Discuss MWD Rate Increase Proposal
Mr. Rossi stated that on February 9, 2004 at MWD's finance meeting Rich Atwater's comments were well received. Mr. Atwater commented that the basin manager worked with him on the impending rate increases. Noting there were no definitive decision at this time to comment on, however all parties will be kept apprised.
3. Update Regarding the Recharge Improvement Project
Mr. Rossi commented that one of the bid packages was rejected to save money and would be going out for re-bids. He also noted that the SCADA Project was moving forward and mentioned there was no new information on the damage from the San Sevaine incident to report on.
4. Update Regarding the Water Quality Committee Meeting of February 5, 2004
Mr. Rossi presented what topics were discussed at the Water Quality Committee meeting and noted Dr. Rhodes Trussell gave a presentation on Regulation and Removal of Perchlorate. Mr. Rossi noted that the first set of data from the Chino Airport TCE had come out; although he had not yet seen it. There was a discussion on this topic at the meeting. A discussion ensued with regard to the settlement negotiations with Kaiser. Counsel Fife was asked to review the agreement once it was completed. Mr. Wildermuth added commentary on the Kaiser issue.
5. Update Regarding Reimbursement of \$169,209 for Recharge Improvement Costs
Mr. Rossi informed the Committee about the reimbursement check received and felt that these funds needed to be placed in a reserve account until the 7th bid package was finalized.
6. Discuss Process of Establishing Future Desalter Ad Hoc Committee
Mr. Rossi stated he felt it could be necessary to form an Ad Hoc Committee to specifically deal with the future desalter implementation processes and asked the thoughts of the Committee members. It was noted there could be numerous negotiations on this issue and feed back was welcome. Mr. Rossi informed the Committee that he had met with Scott Slater three months ago to discuss issues and brainstormed on objectives and realities for upcoming desalter discussions. A reminder was made that the Court must have a written report for future desalters filed by September 2005 and that it would take approximately 6 to 9 months for the planning.

IV. INFORMATION

1. Refund of \$188,114.90 From MWD for Fiscal Year 2002/2003
Mr. Rossi informed the Committee that the refund had been received and Watermaster's portion was \$188,114.90 from Metropolitan Water District. Watermaster is analyzing the various ways to divide up the refund and Mr. Rossi commented that it should be equitably distributed. Further update will follow at the March meetings.

V. POOL MEMBER COMMENTS

Mr. Rossi inquired to Chair deBoom if meeting at the Inland Empire Utilities Agency offices would work better for the Agricultural Pool. Chair deBoom commented that the meetings would have to take place on the third Tuesday of the month due to a prior board meeting he and others were obligated to attend. Mr. Atwater offered the Board room for this time frame and welcomed the Agricultural Pool members to hold their meetings at IEUA. Chair deBoom concurred that this would indeed work better for the Committee members and the next meeting was scheduled for March 16, 2004 at 9:00 a.m.

VI. OTHER BUSINESS

No comments were received.

VII. FUTURE MEETINGS

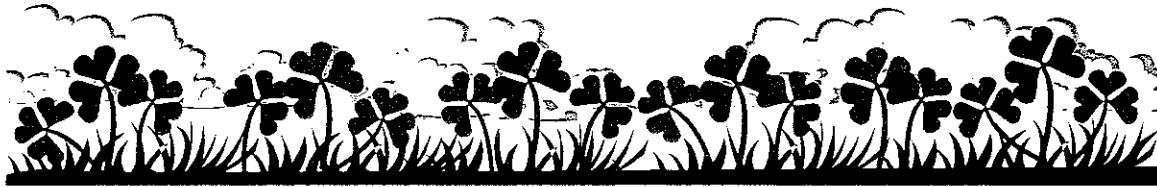
February 12, 2004	3:00 p.m.	Joint Appropriative & Non-Ag Pool Meeting
February 17, 2004	9:00 a.m.	Agricultural Pool Meeting
February 26, 2004	10:00 a.m.	Advisory Committee Meeting
March 1, 2004	1:00 p.m.	Watermaster Board Meeting
March 11, 2004	1:00 p.m.	Agricultural Pool Meeting
	3:00 p.m.	Joint Appropriative & Non-Ag Pool Meeting
March 25, 2004	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

The Agricultural Meeting Adjourned at 11:52 a.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER

March 11, 2004

3:00 p.m. - Joint Appropriative & Non-Agricultural
Pool Committee Meeting

March 16, 2004

9:00 a.m. - Agricultural Pool Committee Meeting

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

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



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: March 11, 2004
March 16, 2004
March 25, 2004

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – February 2004

SUMMARY

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

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

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

BACKGROUND

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

DISCUSSION

Total cash disbursements during the month of February 2004 were \$629,541.60. The most significant expenditures during the month were Wildermuth Environmental Inc. in the amount of \$108,123.41 and Black & Veatch Corporation in the amount of \$24,587.50

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
February 2004

Type	Date	Num	Name	Amount
Feb 04				
General Journal	2/4/2004	04/02/4	PAYROLL	-4,125.97
General Journal	2/4/2004	04/02/4	PAYROLL	-14,471.98
Bill Pmt -Check	2/12/2004	8394	VERIZON	-37.73
Bill Pmt -Check	2/12/2004	8395	A & R TIRE	-1,165.83
Bill Pmt -Check	2/12/2004	8396	ACWA SERVICES CORPORATION	-58.44
Bill Pmt -Check	2/12/2004	8397	APPLIED COMPUTER TECHNOLOGIES	-1,786.40
Bill Pmt -Check	2/12/2004	8398	ARROWHEAD MOUNTAIN SPRING WATER	-23.09
Bill Pmt -Check	2/12/2004	8399	BARRION, VICTOR A	-125.00
Bill Pmt -Check	2/12/2004	8400	BLACK & VEATCH CORPORATION	-3,211.25
Bill Pmt -Check	2/12/2004	8401	BOWCOCK, ROBERT	-125.00
Bill Pmt -Check	2/12/2004	8402	CALIFORNIA WATER AWARENESS CAMPAIGN	-375.00
Bill Pmt -Check	2/12/2004	8403	CATLIN, TERRY	-125.00
Bill Pmt -Check	2/12/2004	8404	CHEVRON	-403.96
Bill Pmt -Check	2/12/2004	8405	INLAND COUNTIES INSURANCE SERVICES, INC.	-342.22
Bill Pmt -Check	2/12/2004	8406	KRUGER, W. C. "BILL"	-125.00
Bill Pmt -Check	2/12/2004	8407	KUHN, BOB	-125.00
Bill Pmt -Check	2/12/2004	8408	MATSON, JANET	-1,785.00
Bill Pmt -Check	2/12/2004	8409	MWH LABORATORIES	-2,270.00
Bill Pmt -Check	2/12/2004	8410	MWH MONTGOMERY WATSON HARZA	-1,823.00
Bill Pmt -Check	2/12/2004	8411	NEUFELD, ROBERT	-125.00
Bill Pmt -Check	2/12/2004	8412	OFFICE DEPOT	-461.75
Bill Pmt -Check	2/12/2004	8413	PAYCHEX	-222.70
Bill Pmt -Check	2/12/2004	8414	PUMP CHECK	-1,419.50
Bill Pmt -Check	2/12/2004	8415	PURCHASE POWER	-1.09
Bill Pmt -Check	2/12/2004	8416	RAUCH COMMUNICATION CONSULTANTS, LLC	-2,605.68
Bill Pmt -Check	2/12/2004	8417	RBM LOCK & KEY	-39.49
Bill Pmt -Check	2/12/2004	8418	RETAIL SERVICES	-331.57
Bill Pmt -Check	2/12/2004	8419	RICKLY HYDROLOGICAL CO.	-5.00
Bill Pmt -Check	2/12/2004	8420	RICOH BUSINESS SYSTEMS-Maintenance	-655.66
Bill Pmt -Check	2/12/2004	8421	RODRIGUEZ, DAN	-125.00
Bill Pmt -Check	2/12/2004	8422	SOLOLIST CANADA LTD.	-40.06
Bill Pmt -Check	2/12/2004	8423	TLC STAFFING	-1,714.02
Bill Pmt -Check	2/12/2004	8424	USA-FACT INC	-183.20
Bill Pmt -Check	2/12/2004	8425	USPS/PITNEY BOWES	-2,000.00
Bill Pmt -Check	2/12/2004	8426	VANDEN HEUVEL, GEOFFREY	-125.00
Bill Pmt -Check	2/12/2004	8427	VELASQUEZ JANITORIAL	-900.00
Bill Pmt -Check	2/12/2004	8428	VERIZON	-514.55
Bill Pmt -Check	2/12/2004	8429	WILLIAM DEWEY	-30.00
Bill Pmt -Check	2/12/2004	8430	YATES, DENNIS	-125.00
Bill Pmt -Check	2/12/2004	8392	PUMP CHECK	-1,120.00
Bill Pmt -Check	2/12/2004	8393	STATE COMPENSATION INSURANCE FUND	-805.86
Bill Pmt -Check	2/12/2004	8431	BANK OF AMERICA	-347.11
Bill Pmt -Check	2/12/2004	8432	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	2/12/2004	8433	INLAND EMPIRE UTILITIES AGENCY	-6,666.67
Bill Pmt -Check	2/12/2004	8434	MEDIA JIM	-750.00
Bill Pmt -Check	2/12/2004	8435	MYRON L COMPANY	-45.97
Bill Pmt -Check	2/20/2004	8436	STATE WATER RESOURCES CONTROL BD	-495.00
Bill Pmt -Check	2/20/2004	8437	BLACK & VEATCH CORPORATION	-24,587.50
Bill Pmt -Check	2/20/2004	8438	COSTCO WHOLESALE MEMBERSHIP	-80.00
Bill Pmt -Check	2/20/2004	8439	CUCAMONGA COUNTY WATER DISTRICT	-4,900.00
Bill Pmt -Check	2/20/2004	8440	ELLISON, SCHNEIDER & HARRIS, LLP	-10,880.84
Bill Pmt -Check	2/20/2004	8441	HATCH AND PARENT	-23,881.60
Bill Pmt -Check	2/20/2004	8442	INLAND EMPIRE UTILITIES AGENCY	-120.75
Bill Pmt -Check	2/20/2004	8443	MCI	-900.15
Bill Pmt -Check	2/20/2004	8444	MWH LABORATORIES	-1,180.00
Bill Pmt -Check	2/20/2004	8445	PUMP CHECK	-1,574.48
Bill Pmt -Check	2/20/2004	8446	RICOH BUSINESS SYSTEMS-Lease	-387.24
Bill Pmt -Check	2/20/2004	8447	STATE WATER RESOURCES CONTROL BD	-891.00
Bill Pmt -Check	2/20/2004	8448	TLC STAFFING	-1,780.80
Bill Pmt -Check	2/20/2004	8449	UNITED PARCEL SERVICE	-411.74
Bill Pmt -Check	2/20/2004	8450	UNITEK TECHNOLOGY INC.	-408.37
Bill Pmt -Check	2/20/2004	8451	WHEELER METER MAINTENANCE	-3,343.39
Bill Pmt -Check	2/20/2004	8452	WILDERMUTH ENVIRONMENTAL INC	-108,123.41
Bill Pmt -Check	2/20/2004	8453	PETTY CASH	-381.88
Bill Pmt -Check	2/20/2004	8454	PUMP CHECK	-1,540.00
General Journal	2/20/2004	04/02/7	PAYROLL	-3,876.86
General Journal	2/20/2004	04/02/7	PAYROLL	-14,471.98
Bill Pmt -Check	2/23/2004	8455	WILDERMUTH ENVIRONMENTAL INC	-3,504.75

Feb 04

-261,711.49

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

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION AND SPECIAL PROJECTS APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER OPERATIONS GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2003-04
Administrative Revenues										
Administrative Assessments			4,614,056		122,460				4,736,516	\$3,940,516
Interest Revenue			18,862	3,756	1,141			22	23,781	112,025
Mutual Agency Project Revenue		169,209							169,209	0
Grant Income									-	0
Miscellaneous Income	471								471	0
Total Revenues	471	169,209	4,632,918	3,756	123,601	-	-	22	4,929,977	4,052,541
Administrative & Project Expenditures										
Watermaster Administration	512,398								512,398	617,732
Watermaster Board-Advisory Committee	22,418								22,418	43,442
Pool Administration			8,076	186,110	2,037				196,223	255,148
Optimum Basin Mgmt Administration		473,019							473,019	1,034,064
OBMP Project Costs		1,367,061							1,367,061	3,365,079
Education Funds Use									-	375
Mutual Agency Project Costs	41,416								41,416	85,004
Total Administrative/OBMP Expenses	576,232	1,840,080	8,076	186,110	2,037	-	-	-	2,612,535	5,400,844
Net Administrative/OBMP Income	(575,761)	(1,670,871)								
Allocate Net Admin Income To Pools	575,761		427,126	131,585	17,049				-	0
Allocate Net OBMP Income To Pools		1,670,871	1,239,530	381,864	49,477				-	0
Agricultural Expense Transfer			695,409	(695,409)					-	0
Total Expenses	2,370,142		4,150	4,150	68,563	-	-	-	2,612,535	5,400,844
Net Administrative Income			2,262,776	(394)	55,038			22	2,317,442	(1,348,303)
Other Income/(Expense)										
Replenishment Water Purchases						4,155,749			4,155,749	0
MZ1 Supplemental Water Assessments						1,585,854			1,585,854	2,189,500
Water Purchases									-	0
MZ1 Imported Water Purchase									-	(2,273,500)
Groundwater Replenishment						(356,600)			(356,600)	0
Net Other Income						5,385,003			5,385,003	(84,000)
Net Transfers To/(From) Reserves			2,262,776	(394)	55,038	5,385,003	-	22	7,702,445	(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			5,076,723	465,675	243,348	5,651,506	158,251	2,554	11,598,056	
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
JANUARY 1 THROUGH JANUARY 31, 2004**

SUMMARY at 1/31/2004

DEPOSITORIES:

Cash on Hand - Petty Cash		\$	500
Bank of America			
Governmental Checking-Demand Deposits	\$	57,594	
Savings Deposits		9,617	
Zero Balance Account - Payroll		-	67,211
Local Agency Investment Fund - Sacramento			<u>11,593,854</u>
TOTAL CASH IN BANKS AND ON HAND	1/31/2004		\$ 11,661,565
TOTAL CASH IN BANKS AND ON HAND	12/31/2003		1,791,074
PERIOD INCREASE (DECREASE)			<u>\$ 9,870,491</u>

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:	Accounts Receivable	\$ 176,835
	Assessments Receivable	10,165,474
	Prepaid Expenses, Deposits & Other Current Assets	157,455
(Decrease)/Increase in Liabilities	Accounts Payable	(333,923)
	Accrued Payroll, Payroll Taxes & Other Current Liabilities	15,055
	Transfer to/(from) Reserves	<u>(310,405)</u>
PERIOD INCREASE (DECREASE)		<u>\$ 9,870,491</u>

SUMMARY OF FINANCIAL TRANSACTIONS:

	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Savings	Local Agency Investment Funds	Totals
Balances as of 12/31/2003	\$ 500	\$ 95,745	\$ -	\$ 9,617	\$ 1,685,212	\$ 1,791,074
Deposits		10,491,390	-	-	8,642	10,500,032
Transfers		(9,936,771)	36,771	-	9,900,000	-
Withdrawals/Checks		(592,770)	(36,771)	-	-	(629,541)
Balances as of 1/31/2004	<u>\$ 500</u>	<u>\$ 57,594</u>	<u>\$ -</u>	<u>\$ 9,617</u>	<u>\$ 11,593,854</u>	<u>\$ 11,661,565</u>
PERIOD INCREASE OR (DECREASE)	\$ -	\$ (38,151)	\$ -	\$ -	\$ 9,908,642	\$ 9,870,491

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

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
1/31/2004	Interest	L.A.I.F.	\$ 8,642.00				
1/20/2004	Deposit	L.A.I.F.	5,900,000				
1/30/2004	Deposit	L.A.I.F.	\$ 4,000,000				
TOTAL INVESTMENT TRANSACTIONS			\$ 9,908,642	-			

* 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
January 31, 2004**

<u>Financial Institution</u>	<u>Principal Amount</u>	<u>Number of Days</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Local Agency Investment Fund	\$ 11,593,854			
Time Certificates of Deposit	-			
TOTAL INVESTMENTS	\$ 11,593,854			

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

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

Respectfully submitted,



Sheri M. Rojo, CPA
Finance Manager
Chino Basin Watermaster

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

	<u>Jul '03 - Jan 04</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 · Local Agency Subsidies	169,208.96	0.00	169,208.96	100.00%
4110 · Admin Asmnts-Approp Pool	4,614,055.82	3,931,695.00	682,360.82	117.36%
4120 · Admin Asmnts-Non-Agri Pool	122,460.43	88,201.00	34,259.43	138.84%
4700 · Non Operating Revenues	24,251.33	112,025.00	-87,773.67	21.65%
Total Income	<u>4,929,976.54</u>	<u>4,131,921.00</u>	<u>798,055.54</u>	<u>119.31%</u>
Gross Profit	4,929,976.54	4,131,921.00	798,055.54	119.31%
Expense				
6010 · Salary Costs	281,858.69	385,900.00	-104,041.31	73.04%
6020 · Office Building Expense	133,605.74	108,995.00	24,610.74	122.58%
6030 · Office Supplies & Equip.	38,822.98	41,000.00	-2,177.02	94.69%
6040 · Postage & Printing Costs	40,732.78	66,400.00	-25,667.22	61.35%
6050 · Information Services	67,512.19	105,750.00	-38,237.81	63.84%
6061 · Other Consultants	7,534.91	29,000.00	-21,465.09	25.98%
6062 · Audit Services	3,839.00	5,000.00	-1,161.00	76.78%
6063 · Public Relations Consultan	0.00	12,000.00	-12,000.00	0.00%
6067.1 · General Counsel	17,861.86	75,000.00	-57,138.14	23.82%
6080 · Insurance	12,261.20	16,710.00	-4,448.80	73.38%
6110 · Dues and Subscriptions	8,413.10	14,500.00	-6,086.90	58.02%
6140 · Other WM Admin Expenses	1,230.61	0.00	1,230.61	100.00%
6150 · Field Supplies	535.35	4,250.00	-3,714.65	12.60%
6170 · Travel & Transportation	35,236.57	46,300.00	-11,063.43	76.11%
6190 · Conferences & Seminars	11,965.47	16,000.00	-4,034.53	74.78%
6200 · Advisory Comm - WM Board	8,258.98	15,071.00	-6,812.02	54.80%
6300 · Watermaster Board Expenses	14,159.44	28,371.00	-14,211.56	49.91%
8300 · Appr PI-WM & Pool Admin	8,076.00	14,471.00	-6,395.00	55.81%
8400 · Agri Pool-WM & Pool Admin	158,011.52	166,979.00	-8,967.48	94.63%
8467 · Agri-Pool Legal Services	23,948.08	51,000.00	-27,051.92	46.96%
8470 · Ag Meeting Attend -Special	4,150.00	16,000.00	-11,850.00	25.94%
8500 · Non-Ag PI-WM & Pool Admin	2,036.78	6,698.00	-4,661.22	30.41%
6500 · Education Funds Use Expens	0.00	375.00	-375.00	0.00%
9500 · Allocated G&A Expenditures	-149,012.84	-309,073.00	160,060.16	48.21%
Subtotal G&A Expenditures	<u>731,038.41</u>	<u>916,697.00</u>	<u>-185,658.59</u>	<u>79.75%</u>
6900 · Optimum Basin Mgmt Plan	436,752.90	942,065.00	-505,312.10	46.36%
6950 · Mutual Agency Projects	41,416.37	85,004.00	-43,587.63	48.72%
9501 · G&A Expenses Allocated-OBMP	36,265.65	91,999.00	-55,733.35	39.42%
Subtotal OBMP Expenditures	<u>514,434.92</u>	<u>1,119,068.00</u>	<u>-604,633.08</u>	<u>45.97%</u>
7101 · Production Monitoring	41,747.41	79,283.00	-37,535.59	52.66%
7102 · In-line Meter Installation	27,600.74	131,380.00	-103,779.26	21.01%
7103 · Grdwtr Quality Monitoring	189,276.06	274,613.00	-85,336.94	68.93%
7104 · Gdwtr Level Monitoring	67,250.62	157,852.00	-90,601.38	42.60%
7105 · Sur Wtr Qual Monitoring	28,496.84	133,595.00	-105,098.16	21.33%
7106 · Wtr Level Sensors Install	0.00	26,835.00	-26,835.00	0.00%
7107 · Ground Level Monitoring	83,330.52	202,283.00	-118,952.48	41.20%

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

	<u>Jul '03 - Jan 04</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7108 · Hydraulic Control Monitoring	119,346.56	718,227.00	-598,880.44	16.62%
7200 · PE2- Comp Recharge Pgm	96,304.56	531,434.00	-435,129.44	18.12%
7300 · PE3&5-Water Supply/Desaltes	1,620.01	47,499.00	-45,878.99	3.41%
7400 · PE4-MZ1 Mgmt Plan	139,310.05	187,308.00	-47,997.95	74.38%
7500 · PE6&7-CoopEfforts/SaltMgmt	23,761.37	51,820.00	-28,058.63	45.85%
7600 · PE8&9-StorageMgmt/Conj Use	60,037.15	146,179.00	-86,141.85	41.07%
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	112,747.18	217,074.00	-104,326.82	51.94%
Subtotal Special Project Expenditures	<u>1,367,060.52</u>	<u>3,365,079.00</u>	<u>-1,998,018.48</u>	<u>40.63%</u>
Total Expense	<u>2,612,533.85</u>	<u>5,400,844.00</u>	<u>-2,788,310.15</u>	<u>48.37%</u>
Net Ordinary Income	2,317,442.69	-1,268,923.00	3,586,365.69	-182.63%
Other Income/Expense				
Other Income				
4231 · MZ1 Assigned Water Sales	0.00	615,000.00	-615,000.00	0.00%
4210 · Approp Pool-Replenishment	4,144,461.10	0.00	4,144,461.10	100.00%
4220 · Non-Ag Pool-Replenishment	11,288.32	0.00	11,288.32	100.00%
4230 · MZ1 Sup Wtr Assessment	1,585,853.60	1,574,500.00	11,353.60	100.72%
Total Other Income	<u>5,741,603.02</u>	<u>2,189,500.00</u>	<u>3,552,103.02</u>	<u>262.23%</u>
Other Expense				
5010 · Groundwater Replenishment	356,600.70	2,273,500.00	-1,916,899.30	15.69%
9999 · To/(From) Reserves	7,702,445.01	-1,352,923.00	9,055,368.01	-569.32%
Total Other Expense	<u>8,059,045.71</u>	<u>920,577.00</u>	<u>7,138,468.71</u>	<u>875.43%</u>
Net Other Income	<u>-2,317,442.69</u>	<u>1,268,923.00</u>	<u>-3,586,365.69</u>	<u>-182.63%</u>
Net Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0%</u>



CHINO BASIN WATERMASTER

March 11, 2004

3:00 p.m. - Joint Appropriative & Non-Agricultural
Pool Committee Meeting

March 16, 2004

9:00 a.m. - Agricultural Pool Committee Meeting

II. BUSINESS ITEMS

- A. Request from City of Chino
Credit Against OBMP
Assessments (Form 7)**
Consider Policy Issues for Form 7
Process



CHINO BASIN WATERMASTER

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

JOHN V. ROSSI
Chief Executive Officer

STAFF REPORT

DATE: March 11, 2004
March 16, 2004
March 25, 2004

TO: Committee Members
Watermaster Board Members

SUBJECT: City of Chino Form 7 Application for Credit Against OBMP Assessments

SUMMARY

Issue – Policy Development for Form 7 Credit Against OBMP Assessments

Recommendation – Staff requests input in order to develop a policy for review for Form 7 credit application.

Fiscal Impact – No fiscal impact on the Watermaster budget.

BACKGROUND

On September 18, 2003 the City of Chino submitted an Application for Reimbursement or Credits Against OBMP Assessment with a completed Form 7.

Pursuant to the Watermaster Rules and Regulations Section 10.9, any producer may make Application to Watermaster to obtain a credit against OBMP Assessments or for reimbursement by filing an Application that identifies the party seeking the credit, describes the specific purposes of the OBMP satisfied by the proposed project, identifies the time at which the project is proposed to be implemented and a schedule for completion, identifies the projected cumulative project costs, and that identifies the specific capital or operations and maintenance expenses to be incurred in the implementation of the project.

Under the Peace Agreement Section 5.4(d) Watermaster shall exercise reasonable discretion in making its determination, considering the importance of the project to the successful completion of the OBMP, the available alternative funding sources, and the professional engineering and design standards as may be applicable under the circumstances. However, Watermaster shall not approve such a request for a credit against future OBMP Assessments where the party was otherwise legally compelled to make the improvement.

SUMMARY AND ANALYSIS

The City of Chino's Benson Avenue Ion Exchange Facility will be located on property owned by the City on Benson Avenue, Southerly of Francis Avenue in the City of Chino. According to the Application, source water for the Facility is to be pumped from the existing wells No. 5 and No. 9. These wells have capacities of 1,350 gpm and 2,500 gpm, respectively. It is unclear from the Application whether these wells are currently in operation, or will be made operational by the construction of the Facility. The Facility will have the capacity to treat up to approximately 5,000 gpm of groundwater supplied by these wells.

According to the Application, the Facility will use ion exchange equipment to remove perchlorate and nitrate from the raw water produced by the groundwater wells.

According to the Application, the project will contribute to the success of Program Elements 3 and 7. The Application states that Program Element 3 (Develop and Implement a Water Supply Plan for the Impaired Areas of the Basin) will be met because the Facility will remediate poor water quality and preserve existing well capacity within the Basin. The Application states that Program Element 7 (Salt Management) will be enhanced with removal of nitrate and perchlorate.

Construction of the Facility is scheduled to begin in early 2004 and plant testing is anticipated to occur in late 2004. The Facility is scheduled to be fully constructed and operational in late 2004.

The City of Chino requests a credit in the amount of \$4,694,373 to be distributed over the remaining term of the Peace Agreement for an approximate yearly credit of \$173,865. However, according to the Application, the credit may be limited to the City's total OBMP assessment attributable to the production from the Facility.

Watermaster's analysis of Material Physical Injury with reference to this Application is limited to the request for a credit, and not to the construction or operation of the facility. Based upon the limited scope of this analysis, Watermaster does not believe that any Material Physical Injury would result to any party or to the Basin from the granting of the credit.

Staff discussed the form submitted by the City of Chino with the Pools on October 9. Staff received direction on beginning an analysis for further Watermaster consideration.

POLICY CONSIDERATIONS

Mark Wildermuth was tasked to review the various language contained in the Peace Agreement and Rules and Regulations, with respect to the issue of requested credit against OBMP Assessments. Further, he looked at the rationale of how projects implemented by the parties could be eligible for credit consideration. The attached letter report describes his findings and recommendations.

During the February meetings, the following comments were made:

Joint Appropriative & Non-Agricultural Pool Meeting:

Dave Crosley: Was or is the Pomona facility that is described in detail in the Peace Agreement considered an OBMP project?

Mark Kinsey: If you did a material physical injury study of this request, how could you logically limit it to the credit request versus actual operations of the facility?

Mark Kinsey: I agree that the real underlying issue here goes back to the Pomona facility and then when you go through the Peace Agreement there is a big effort made to essentially link the reason for credit to the benefits it provides when implementing the OBMP.

General Comment: Should consider whether or not a project will reduce the cost of implementing the OBMP.

Mike Maestas: Is the Chino Basin Watermaster's staff looking to focus on nitrates and perchlorate or should we include also VOC treatment, water quality, water treatments in general, ION exchange, etc.?

Agricultural Pool Meeting:

Gene Koopman: Basically what we are looking for was salt removal in the OBMP. Does ion exchange accomplish the goals intended for salt removal?

Geoffrey Vanden Heuvel: When we negotiated the OBMP, we did not know the level of nitrates versus salt, or that they could go even higher than we thought? If we knew then, what we know now about nitrate levels, would we have included ion exchange in the OBMP program elements?

From the Advisory Committee Meeting:

Dave Crosley: If you are trying to compare or present a picture for what would happen if certain projects did receive a credit, why wouldn't you also be including for comparison sake, the effect of the existing projects that are already receiving credit like the Pomona project, Chino I and Chino II?

Dave Crosley: I think it is important to recognize that the Chino project proposes to apply an ION exchange technology, which is the same technology represented by the Chino I expansion. It is the same technology that is being designed for a good portion of the Chino II desalter capacity and, at this point, I have great difficulty distinguishing a difference between why a desalter is considered a part of an OBMP element that would be eligible for some sort of credit and the Chino project would not?

From the Watermaster Board Meeting:

Geoffrey Vanden Heuvel: This is really an appropriator issue and if you set up a credit program it is going to be a race for everybody trying to apply for credit. I do not know this creates the best environment for good public policy. Should we create a situation where everyone has an incentive to just throw everything into an application? In looking at the big picture, I think we need to be cautious in terms of how criteria is set and that standards are set high enough, that they are clearly defined, and that they are actually implementing a piece of the OBMP. I think your guidelines here are right on track.

Bill Kruger: I would be very careful going forward in terms of selectiveness because you could wind up with many agencies varying a disproportionate amount of assessments, and due to alternating Board members at the time applications are submitted, it can be favorable or unfavorable to any particular one at that point in time. I think we should be very careful in looking at what we think would qualify for credit and how far we go to limit it to what assessments are credited in any given year.

Bob Nuefeld: The issue that I see that comes to the forefront is the possibility that somebody could basically zero off their assessments and then what happens if every agency gets to that point along the way by bringing enough projects forward and then who is going to end up paying for this and I know that it was certainly never the intent of the OBMP or the Peace Agreement to allow for that to happen.

CONCLUSION

At the time the staff report was written for the Pool meeting packet, staff had not finished analyzing the comments received during the month of February and at the March 1st Board meeting. Further, the City of Chino has indicated that they are sending written comments on the issue to the Watermaster, but that they would not be sent before this writing. No other comments have been received other than those made at the meetings outlined above.

Staff has attached an estimate of the theoretical effects of multiple Form 7 credits against OBMP assessments as requested. Staff recommends that the Watermaster parties, Committees, and Board continue the

discussion of this issue during the month of March and defer action until the month of April, or as the discussion leads.

FORM 7 - Theoretical Impacts

Appropriative Pool Party	Fiscal 2003/2004			Year 1		Year 2		Diff. In Year 2 To Base Yr.	Percent Change
	Ag Pool Assessments	Approp Assessments	Total Assessments	From 7 Credits	Adjusted Assessment	From 7 Credits	Adjusted Assessment		
Arrowhead Mountain Spring Water	\$ -	\$ 2,657.95	\$ 2,657.95		\$ 2,895.90		\$ 3,497.83	\$ 839.88	32%
Chino, City of	193,812.69	142,088.86	335,901.55	(173,865.00)	192,107.94		232,038.59	(103,862.96)	-31%
Chino Hills, City of	71,587.43	72,231.58	143,819.01		156,694.32	(100,000.00)	89,264.07	(54,554.94)	-38%
Cucamonga County Water District	85,392.53	273,825.94	359,218.47		391,377.30	(200,000.00)	272,727.13	(86,491.34)	-24%
Desalter Authority	-	5.00	5.00		5.45		6.58	1.58	32%
Fontana Union Water Company	114,757.51	5.00	114,762.51		125,036.56		151,026.07	36,263.56	32%
Fontana Water Company	28,465.60	445,360.11	473,825.71		516,244.68		623,548.86	149,723.15	32%
Inland Empire Utilities Agency	-	100.61	100.61		109.62		132.40	31.79	32%
Jurupa Community Services District	359,471.93	290,885.32	650,357.25		708,580.11	(200,000.00)	655,862.22	5,504.97	1%
Los Serranos Country Club	-	5.00	5.00		5.45		6.58	1.58	32%
Marygold Mutual Water Company	11,764.19	13.56	11,777.75		12,832.15		15,499.38	3,721.63	32%
Metropolitan Water Dist of So Calif	-	28.93	28.93		31.52		38.07	9.14	32%
Monte Vista Irrigation Company	12,148.13	5.00	12,153.13		13,241.13		15,993.37	3,840.24	32%
Monte Vista Water District	88,480.69	295,169.93	383,650.62		417,996.72	(200,000.00)	304,879.54	(78,771.08)	-21%
Niagara Bottling Company, LLC	-	2,484.19	2,484.19		2,706.59		3,269.16	784.97	32%
Nicholson Trust	68.91	5.00	73.91		80.53		97.26	23.35	32%
Norco, City of	3,622.78	12,329.10	15,951.88		17,379.96		20,992.48	5,040.60	32%
Ontario, City of	238,020.22	762,196.10	1,000,216.32	(213,770.00)	875,990.11		1,058,069.27	57,852.95	6%
Pomona, City of	201,359.72	402,230.77	603,590.49		657,626.58	(200,000.00)	594,317.73	(9,272.76)	-2%
Santa Ana River Water Company	23,361.03	10,438.99	33,800.02		36,825.95		44,480.41	10,680.39	32%
San Antonio Water Company	27,052.73	24,282.66	51,335.39		55,931.16		67,556.75	16,221.36	32%
San Bernardino Co. (Shooting Park)	-	284.76	284.76		310.25		374.74	89.98	32%
Southern California Water Company	7,383.38	5,946.66	13,330.04		14,523.40		17,542.17	4,212.13	32%
Upland, City of	51,211.17	40,805.52	92,016.69		100,254.43		121,092.84	29,076.15	32%
West End Consolidated Water Co.	17,011.32	5.00	17,016.32		18,539.70		22,393.27	5,376.95	32%
West S. B. County Water Distr.	11,567.31	5.00	11,572.31		12,608.31		15,229.02	3,656.71	32%
TOTALS	\$ 1,546,539.27	\$ 2,783,396.54	\$ 4,329,935.81	\$(387,635.00)	\$ 4,329,935.81	\$(900,000.00)	\$ 4,329,935.81	\$ (0.00)	

NOTE: Estimates for Form 7 Credits in Years 1 & 2 are fictional for calculating theoretical impacts.

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CHINO BASIN WATERMASTER

March 11, 2004

3:00 p.m. - Joint Appropriative & Non-Agricultural
Pool Committee Meeting

March 16, 2004

9:00 a.m. - Agricultural Pool Committee Meeting

II. BUSINESS ITEMS

- B. IEUA Storage Agreement**
Consider Approval of The Dry Year
Yield Program's Storage Agreement
with The IEUA



CHINO BASIN WATERMASTER

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

JOHN V. ROSSI
Chief Executive Officer

STAFF REPORT

DATE: March 11, 2004
March 16, 2004
March 25, 2004

TO: Committee Members
Watermaster Board Members

SUBJECT: MWD/IEUA GROUNDWATER STORAGE ACCOUNT

SUMMARY

Issue – Approval of Storage Agreement for IEUA/MWD Groundwater Storage Program

Recommendations – Staff recommends that the Pools, Advisory Committee and Watermaster Board approve the MWD/IEUA groundwater storage agreement.

Fiscal Impact – Approval of this item has no financial impact. Financial impacts were analyzed as part of the Master Agreement approval process.

BACKGROUND

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

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

The Master Funding Agreement was approved in 2003. The storage account was approved by Watermaster in October 2003. As part of the final approval for the Dry Year Yield Program by the court, Watermaster and the Inland Empire Utilities Agency need to execute a storage agreement pursuant to Watermaster rules and regulations. Staff and IEUA are finalizing a draft agreement. The final draft will be sent out via email prior to the Pool meetings.

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CHINO BASIN WATERMASTER

March 11, 2004

3:00 p.m. - Joint Appropriative & Non-Agricultural
Pool Committee Meeting

March 16, 2004

9:00 a.m. - Agricultural Pool Committee Meeting

II. BUSINESS ITEMS

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

Discuss and Consider Data Requested by
Regional Water Quality Control Board



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: March 16, 2004

TO: Agricultural Pool Committee 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.

At the February Agricultural Pool meeting, the Committee gave direction to staff and the Watermaster's engineering consultant to prepare a map, with more detail, for inclusion with the data table for their review at the March meeting.

Recommendation

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

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CHINO BASIN WATERMASTER

March 11, 2004

3:00 p.m. - Joint Appropriative & Non-Agricultural
Pool Committee Meeting

March 16, 2004

9:00 a.m. - Agricultural Pool Committee Meeting

II. BUSINESS ITEMS

D. REQUEST FOR DATA CONCERNING TCE PLUME FROM CHINO AIRPORT

Discuss and Consider Data Request by
Tetra Tech, Inc.



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: March 16, 2004

TO: Agricultural Pool Committee Members

SUBJECT: Private Well Water Quality Data Release – Chino Airport VOC Plume

Summary

Issue - Tetra Tech Inc. has requested certain data including water quality while working on the TCE Plume at the Chino Airport

Recommendation – Staff seeks direction from the Ag Pool in order to release certain data to Tetra Tech, Inc.

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

Background

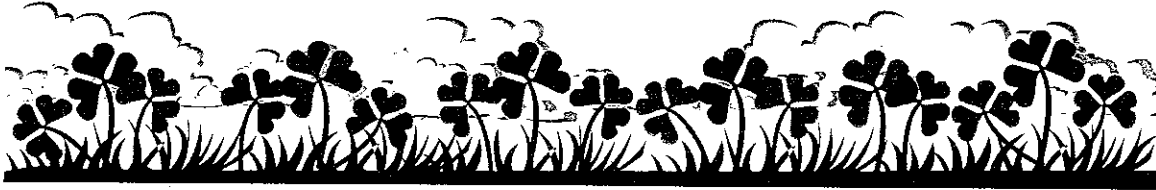
In October 2003, Tetra Tech produced their "Draft Groundwater Assessment Report for the Chino Airport," which summarized their analytical results from the first quarterly groundwater monitoring of the VOC plume immediately southwest of the airport property. In the report, Tetra Tech attributed the observed VOC levels to an offsite source to the west of the airport, possibly the California Institute for Men (CIM). Their data interpretation was biased by the lack of historical water level and water quality data, which would have greatly helped in interpreting the data. At a meeting with Tetra Tech and the SBC Department of Airports in January 2004, the Watermaster agreed to work on providing historical water level data, historical groundwater flow data, and groundwater quality data to the extent their release would not violate current policy.

In subsequent Agricultural Pool and Water Quality Committee meetings, the Watermaster has attempted to develop a sanitized version of the water quality data that will protect the confidentiality of the private well owners, while at the same time, making this data useful to investigators such as Tetra Tech. Watermaster staff is currently proposing that well identification numbers be replaced with a sequential listing (1,2,3,etc) that in turn, will be plotted on a map scale suitable for providing regional

guidance as to contaminant plumes, but imprecise enough for identification with a particular property owner. The sequential numbers will be associated with their respective well construction data, water quality data, and water elevation data.

Recommendation

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



CHINO BASIN WATERMASTER

March 11, 2004

3:00 p.m. - Joint Appropriative & Non-Agricultural
Pool Committee Meeting

March 16, 2004

9:00 a.m. - Agricultural Pool Committee Meeting

IV. INFORMATION

1. Response to Monte Vista
Correspondence dated December
11, 2004 – Assessment Package



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

February 24, 2004

Mr. Mark Kinsey
General Manager
Monte Vista Water District
10575 Central
Montclair, Ca 91763

Subject: Response to Correspondence dated December 11, 2003 – Assessment Package

Dear Mark:

Please accept this letter as the Watermaster's response to your inquiry regarding certain aspects pertaining to the 2003/2004 Assessment Package. I have formatted my response to align with the three issues you addressed in your letter.

1. Reallocation of Agricultural Pool Safe Yield

Monte Vista Water District has asked Watermaster to provide clarification concerning its method of allocating the 32,800 acre-feet of water made available to the Appropriative Pool pursuant to the "Early Transfer" provision of the Peace Agreement.

The current Assessment Package follows the practice that has been used by Watermaster over the past several years. Watermaster determines the total actual production by the Agricultural Pool and subtracts this from the amount allocated to the Agricultural Pool per the Judgment. This difference is available to satisfy land use conversion claims made under the Judgment and the Early Transfer of 32,800 acre-feet. This year, as in the past several years, not enough water remained to satisfy the Early Transfer amount as well as all the land use conversion claims. Therefore, Watermaster allocated the difference back from the appropriators in a pro-rata manner.

Section 5.3(g) of the Peace Agreement describes the "Early Transfer" of unused Agricultural Pool water for use by Appropriative Pool members. The section says that:

The quantity of water subject to Early Transfer under this paragraph 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 the Fiscal Year that is remaining after all the land use conversions are satisfied pursuant to 5.3(i) [sic – should read 5.3(h)] below].

The process for accounting for Land Use Conversion water is described in the Judgment Exhibit H, paragraph 10. Paragraph 10(a) describes the general re-allocation of unused Agricultural Pool water and established a hierarchy of priorities. The first priority is to supplement the Operating Safe Yield due to any reductions in Safe Yield by reason of a recalculation of Safe Yield after the first 10 years of operation of the Judgment. The second priority is to satisfy land use conversion claims. The Peace Agreement did not address the manner in which the Early Transfer provision meshes with these priorities.

There appear to be three possible methods of approaching the Early Transfer and land use conversion claims when there is not enough unused Agricultural Pool water to satisfy both:

- (1) Recognize an equal priority for both and reduce both in a pro-rata manner.
- (2) Recognize a priority for Early Transfer water and allocate at least 32,800 AF in every year and take the entire shortfall from land use conversions.
- (3) Recognize a priority for land use conversions and take the full amount of any shortfall out of the 32,800 Early Transfer.

Watermaster has followed past practice and currently utilizes the first method.

2. Desalter Replenishment

The Peace Agreement section 7.5 describes the various sources from which replenishment water for the Desalters shall be obtained. The source first in priority is the Kaiser account created by the "Salt Offset Agreement." The second priority source is New Yield to the Basin.

The Peace Agreement includes within the definition of New Yield, "... capture of rising water, capture of available storm flow, operation of the Desalters (including the Chino I Desalter), induced recharge, and other management activities implemented and operational after June 1, 2000." (Peace Agreement section 1.1(aa).)

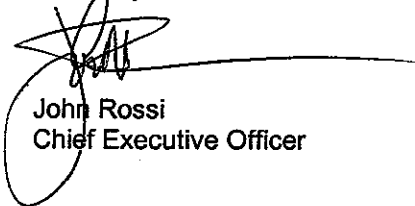
Mark Wildermuth has provided an estimate to Watermaster that as a result of Desalter production, induced recharge occurs at a rate of 50% of the Desalter production. This is a defined component of New Yield (See Peace Agreement section 1.1(aa).) Therefore, Watermaster records half of the Desalter production as new yield, leaving 50% to be replenished. Since the Desalter operation began, these amounts have been replenished from the Kaiser account pursuant to section 7.5 of the Peace Agreement.

3. New Yield Allocation

I anticipate that Watermaster will add each agency's pro-rata share of the Recharge Facility Improvement Program's 12,000 acre-feet of new yield for storm water in the upcoming Assessment Package this fall. The upcoming Assessment Package will account for Fiscal Year 2003/2004 production and related activities, while billing assessments for the Fiscal Year 2004/2005 budget.

I hope I have answered your questions. Please call me if I can clarify my response.

Sincerely,



John Rossi
Chief Executive Officer