

CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, April 8, 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, April 20, 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

A decorative border of small, stylized Easter eggs with various patterns, arranged in a rectangular frame around the text.

CHINO BASIN WATERMASTER

April 8, 2004

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

April 20, 2004

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

AGENDA PACKAGE

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

3:00 p.m. – April 8, 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 Agricultural Pool meeting held March 11, 2004 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2004 *(Page 11)*
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through February 29, 2004 *(Page 15)*
3. Treasurer's Report of Financial Affairs for the Period January 1 through February 29, 2004 *(Page 17)*
4. Profit & Loss Budget vs. Actual July 2003 through February 2004 *(Page 19)*

C. WATER TRANSACTION

1. Consider Approval for Transaction of Notice of Sale or Transfer from Southern California Water Company to Fontana Water Company the Amount of 2000 acre-feet *(Page 21)*
2. Consider Approval for Transaction of Notice of Sale or Transfer from West Valley Water District to Monte Vista Water District the Amount of 650 acre-feet *(Page 35)*
3. Consider Approval for Transaction of Notice of Sale or Transfer from City of Pomona to Fontana Water Company the Amount of 500 acre-feet *(Page 47)*

II. BUSINESS ITEMS

A. POLICY DISCUSSIONS REGARDING CREDITS AGAINST OBMP ASSESSMENTS (FORM 7)

Consider Policy Issues for Form 7 Process *(Page 63)*

B. 2004/2005 WATERMASTER BUDGET

Staff Will Present Highlights of the Fiscal 2004/2005 Budget *(Page 67)*

C. CONSIDER AGREEMENT WITH CITY OF UPLAND AND IEUA FOR RECHARGE PROJECT
Consider Agreement for Funding Assistance and Maintenance and Operation of Upland Recharge Basin (Page 69)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

- 1. Attorney/Manager Meeting – April 7, 2004

B. CEO/STAFF REPORT

- 1. Mark Wildermuth Will Make a Presentation Regarding OBMP Progress through December 31, 2003
- 2. Update Regarding Water Quality Committee Meeting April 6, 2004
- 3. Update Regarding MZ1 Technical Group Meeting April 7, 2004

IV. POOL MEMBER COMMENTS

V. OTHER BUSINESS

VI. FUTURE MEETINGS

April 6, 2004	2:00 p.m.	Water Quality Meeting
April 7, 2004	9:00 a.m.	MZ1 Technical Group Meeting
April 7, 2004	1:30 p.m.	Attorney/Manager Meeting
April 8, 2004	3:00 p.m.	Joint Appropriative & Non-Agricultural Pool Meeting
April 12, 2004	8:00 a.m.	GRCC Meeting
April 20, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
April 22, 2004	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting
April 29, 2004	2:00 p.m.	Storage & Recovery Meeting

Meeting Adjourn

**CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING**

9:00 a.m. – April 20, 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 March 16, 2004 *(Page 5)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2004 *(Page 11)*
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through February 29, 2004 *(Page 15)*
3. Treasurer's Report of Financial Affairs for the Period January 1 through February 29, 2004 *(Page 17)*
4. Profit & Loss Budget vs. Actual July 2003 through February 2004 *(Page 19)*

II. BUSINESS ITEMS

**A. POLICY DISCUSSIONS REGARDING CREDITS AGAINST OBMP ASSESSMENTS
(FORM 7)**

Consider Policy Issues for Form 7 Process *(Page 63)*

B. 2004/2005 WATERMASTER BUDGET

Staff Will Present Highlights of the Fiscal 2004/2005 Budget *(Page 67)*

C. CONSIDER AGREEMENT WITH CITY OF UPLAND AND IEUA FOR RECHARGE PROJECT

Consider Agreement for Funding Assistance and Maintenance and Operation of Upland Recharge Basin *(Page 69)*

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney/Manager Meeting – April 7, 2004

B. CEO/STAFF REPORT

1. Mark Wildermuth Will Make a Presentation Regarding OBMP Progress through December 31, 2003
2. Update Regarding Water Quality Committee Meeting April 6, 2004



CHINO BASIN WATERMASTER

April 8, 2004

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

April 20, 2004

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

I. CONSENT CALENDAR

A. MINUTES

1. Joint Appropriative & Non-Agricultural Pool – Mar 11, 2004

Draft Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL
POOL MEETING
March 11, 2004

The Joint Appropriative and Non-Agricultural Pool Meeting were held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on March 11, 2004 at 3:00 p.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Mike Maestas, Chair	City of Chino Hills
Dave Crosley, Vice-Chair	City of Chino
Robert DeLoach	Cucamonga Valley Water District
Gerald Black	Fontana Union Water Company
Raul Garibay	City of Pomona
Mark Kinsey	Monte Vista Water District
Mike McGraw	Fontana Water Company
Ray Wellington	San Antonio Water Company

NON-AGRICULTURAL POOL MEMBERS PRESENT

Justin M. Scott Coe	Vulcan Materials Company
---------------------	--------------------------

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
Andy Malone	Wildermuth Environmental Inc.
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Josephine Johnson	Monte Vista Water District
-------------------	----------------------------

Chair Maestas called the meeting to order at 3:00 p.m.

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

A. MINUTES

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

B. FINANCIAL REPORTS

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

Motion by Wellington, second by Crosley, 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 discussions started in the October/November time frame regarding the credit the City of Chino was requesting for facilities they are building. Mr. Rossi offered that there was a Draft Form 7 Application from the City of Ontario on the back table for information purposes and is looking for input on that as well as the Form 7 Application from the City of Chino. Mr. Rossi stated starting on page 22 were comments gathered from Committee and Board member meetings. He continued with a brief analysis of page 25 of the packet on Projects, Programs and Activities that could be eligible for credit. A short discussion on the Theoretical Impacts chart concerning reallocating assessments came about. A concern was raised regarding the staff report suggesting that a more substantial material physical injury analysis may be required. Discussion ensued with regard to this comment. Counsel Fife was asked if he had reviewed the criteria. Counsel stated that Watermaster's direction under the Peace Agreement was to develop reasonable criteria for analyzing Form 7 requests for credits and that the criteria that have been circulated are an attempt to do that. Mr. Rossi acknowledged that he was still in the process of gathering written comments and this item will be brought back for review and a policy would be written from these collective comments.

No action was taken.

B. IEUA STORAGE AGREEMENT

Counsel Fife explained that he had been preparing the Storage Agreement for the Dry Year Yield Project under the Storage and Recovery Program. Counsel Fife briefly summarized the Agreement and was seeking approval of the Groundwater Storage Agreement at this time from the Committee.

Fontana Water Company noted that it is currently considering an Agreement with Inland Empire Utilities Agency also, and wanted to ensure that by voting for approval of the Agreement that it would not prejudice its consideration whether to participate in the project.

Motion by Jeske, second by Kinsey, and by majority vote, Cucamonga Valley Water District abstained

Moved to approve the presented Storage and Recovery Program Storage Agreement between the Chino Basin Watermaster and Inland Empire Utilities Agency and to authorize staff and counsel to make minor edits, as needed

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Chino Land & Water Update

Counsel Fife reported on the oral argument in the appeal of this case which took place on March 3, 2004 at the Riverside Courthouse and commented the outcome was identical to the prior hearings: Chino Land & Water lost their case.

2. MZ1 Workshop with Special Referee

No comments were made regarding this item.

3. DYY Storage Agreement and Court Approval

No comments were made regarding this item.

4. Basin Plan Amendment Review

No comments were made regarding this item.

5. SWRCB Water Right Fee

No comments were made regarding this item.

6. Kaiser Information Request
No comments were made regarding this item.

B. CEO/STAFF REPORT

1. Mark Wildermuth Will Make a Presentation Regarding OBMP Progress through December 31, 2003
On behalf of Mark Wildermuth Andy Malone presented an MZ-1 Interim Monitoring Program Update which started with the Objectives of MZ-1 Interim Plan (from OBMP). Three objectives were described, 1) Minimize subsidence and fissuring in the short term, 2) Collect information necessary to understand the extent, rate, and mechanisms of subsidence and fissuring, and 3) Formulate a long-term management plan. Mr. Malone commented that the Interim Monitoring Program consisted of Ground-Level Surveys, InSAR Mapping, and Aquifer-System Monitoring and noted that he would be going into more detail later in the presentation regarding the Aquifer-System monitoring. He examined mappings of Class-A, Class-B, and proposed Class-B Monuments. Mr. Malone explained in detail the Aquifer-System Monitoring which was followed by maps and pictures of Extensometers. Key findings were discussed concerning several charts on the subject of pumping tests. Lastly, a review of upcoming tasks for 2004/2005 was presented and discussed. The question of whether or not Wildermuth Environmental's acquired data from these tests would provide enough data for a Long Term Plan was presented and discussed.
2. Update Regarding AGWA Strategic Planning Session
Mr. Rossi reported that the Association of Groundwater Agencies has embarked on a strategic planning effort. He detailed a meeting recently held to work through various issues in an attempt to redefine the Agency. It was decided that four sub-committees would be formed out of the main group and each sub-committee would have largely one main focal point; such as Regulatory Issues, Legislative Issues, Metropolitan Water District Issues, and Communications. It was decided, as a group, there was value to continue with the AGWA Committee.
3. Update Regarding MWD Perchlorate Task Force
Mr. Rossi with the assistance of Mr. Rich Atwater, Inland Empire Utilities Agency encouraged Metropolitan Water District to allow John Rossi, Robert DeLoach, and Mark Wildermuth to join the Perchlorate Task. No date has been set for the next meeting.

IV. INFORMATION

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

Mr. Rossi mentioned that this was for information only and a copy of the letter was in the packet on page 33 and made no further comment.

V. POOL MEMBER COMMENTS

Comment addressed to the Committee; the situation where a new development would be required to build a detention basin and noting that detention basin might have a secondary benefit by providing limited amount of water recharge into the basin, and how the Watermaster would actually handle that in an accounting perspective. The statement regarding trying to monitor such percolation in such basins was addressed and secondly, if any percolation did take place, would it be beneficial to attempt to monitor the amount of recharged water into the ground and account for it. It was noted that the City of Fontana has performed this type of project with new developments for years. Conversation ensued regarding these comments and it was felt that this item could be added to the Agenda in April for discussion.

Mr. Rossi wanted to add an update on the current negotiation with the City of Upland regarding the Upland Basin. We had an opportunity to combine our efforts for the improvement of the College Heights Basins and the Upland Basin. We are currently in the process of discussing if we would consider utilizing funding to provide improvements in their basin in exchange for a conversion pool,

whereby we could do supplemental water recharge. We are currently in the process of discussing this and will be bringing subject back for consideration. Mr. Rossi commented that one of the concepts he wanted to present was; we have been holding the line that any water we recharge in that basin would be credited to the Watermaster per their Recharge Master Plan Allocation Concept, which means it would come back in the form of increase in the Safe Yield rather than to an individual agency like Upland. Noting this would be part of the whole policy discussion the Committee may perhaps have regarding this venture.

VI. OTHER BUSINESS

No comments were made regarding this item.

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.

The Joint Appropriative and Non-Agricultural Meeting Adjourned at 4:12 p.m.

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

April 8, 2004

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

April 20, 2004

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

I. CONSENT CALENDAR

A. MINUTES

1. Agricultural Pool – Mar 16, 2004

Draft Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
March 16, 2004

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Ave, Chino Hills, CA, on March 16, 2004 at 9:00 a.m.

Agricultural Pool Members Present

Nathan deBoom, Chair	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 Member Present

Paul Hofer	Crops
------------	-------

Watermaster Staff Present

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

Watermaster Consultants Present

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

Others Present

Rick Rees	Geomatrix for CIM
Steve Lee	Space Center Mira Loma
Mark Kinsey	Monte Vista Water District
Josephine Johnson	Monte Vista Water District

Chair deBoom called the Agricultural Pool meeting to order at 9:10 a.m.

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool meeting held February 17, 2004

B. FINANCIAL REPORTS

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

Motion by Koopman, second by Pierson, 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 discussions started in the October/November time frame regarding the credit the City of Chino was requesting for facilities they are building. Mr. Rossi referred to the comments gathered from Committee and Board member meetings starting on page 22 of the packet. He continued summarizing Projects, Programs and Activities that Could be Eligible for Credit. A comment was made regarding ION exchange not really being a salt credit and it was noted that changing salt is a debate item and can be discussed at a future meeting. The Theoretical Impacts table was reviewed and discussed. Questions were raised about how the Appropriative Pool reacted to this table and their concern regarding the smaller appropriators and how it might affect them. Mr. Rossi stated that he was continuing the process of gathering written comments and indicated this item will be brought back for review.

No action was taken.

B. **IEUA STORAGE AGREEMENT**

Mr. Rossi confirmed this item was mentioned last month as part of our final approval with the court for Metropolitan Water District (MWD), Inland Empire Utilities Agency (IEUA), Three Valleys Municipal Water District (TVMWD), and some of the Appropriators for our Dry Year Yield program. Commenting that a Storage Agreement between IEUA and the Watermaster is necessary in order to implement that Project. Counsel Fife stated that approval of the Agreement and submission to the Court for approval is the final step in the approval process of the Dry Year Yield program which started over a year ago. The Funding Agreement was taken to the court and that portion was approved with the caveat that we clarify the actual Physical Storage component of the program. The second part of the process started with the Article 10 application that was submitted by IEUA which received review and comment and was discussed thoroughly. There was a lengthy analysis of the physical impacts of this program and ultimately that application was approved through the Watermaster process which then authorized Watermaster to complete the Storage Agreement with IEUA and TVMWD. This agreement will lock in the requirements of how this program will be operated in terms of the Peace Agreement and Judgment. The Agreement was summarized by counsel.

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

Moved to approve bringing this recommendation for the Storage Agreement to the Advisory Committee, Watermaster Board, and onto the court for final approval and to authorize staff and counsel to make minor edits, as needed

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

Mr. Rossi reminded the Committee that Mr. Thibeault from the Regional Board presented his request for information to the Committee and was bringing back revised data for release of information. A discussion ensued with regard to the Regional Board being satisfied with this revised data. Mr. Wildermuth felt this map should suffice the needs of Mr. Thibeault. Mr. Rossi recommended that the Committee proceed with the presented map and data table. It was decided that Mr. Thibeault could keep the map and data table only if it sufficed and if not, he was not permitted to retain those items.

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

Moved to approve to submit to Mr. Thibeault of the Regional Board the proposed map and identification of the wells in a PDF file for approval prior to the release of any specific information as identified by the numbers on the wells and if it is approved, at that time, he will be given a hard copy of the data

D. REQUEST FOR DATA CONCERNING TCE PLUME FROM CHINO AIRPORT

Mr. Rossi informed the Agricultural Pool that a request was submitted approximately two weeks ago from Tetra Tech, which is an engineering firm working for the County at the Chino Airport on the TCE plume and is requesting water quality data from the Watermaster. A reference to the clean up and abatement order that was issued several years prior which has little to no activity regarding pursuing this issue was noted. Mr. Rossi felt the Regional Board has been re-energized with regard to this issue and that Tetra Tech was in the process of monitoring the first set of their samples. This review led Tetra Tech to the possible conclusion that the TCE did not come from the Chino Airport. Watermaster became involved to try and demonstrate to them that they were not looking at the whole picture and furthermore felt Tetra Tech needed to run additional tests and review more well samples. Mr. Rossi noted that based on our comments, and the items that are available from Watermaster's data base, Tetra Tech has asked to review our data and felt we possibly could have more conclusive and current data than they possessed. Mr. Rossi stated that with this information request, we wanted to present to the Committee a recommendation to provide them data. This data could have all references to locations simplified to a point on the map with a numeric sequence.

Discussion ensued with regard to the initial cease and desist order on the airport which was issued over 10 years ago and to the data which was collected at that time, which must have showed where the TCE was originating from. Mr. Wildermuth thinks Tetra Tech received an improper perspective and is reviewing a limited area with well data and they do not have the quality of data that Watermaster can provide on all the wells which show where TCE is at present. Consensus was that we need to release generalized information as to benefit the clean up efforts. Mr. Rossi offered his thoughts for release of generalized information and offered the need to be more proactive in releasing data that will give solutions to problems or possibly show responsibility, stating the goal is to find ways to work with other agencies. Discussion of privacy for the individual well owners was addressed and it was stated that in prior instances it was thought by the Committee that the owners should be personally contacted and asked to give approval for dispersing this information. As a Committee it was stated that the Committee did not want to approve or give up somebody else's private well information and the Watermaster needed to contact those private well owners and get their permission to divulge the VOC. Mr. Rossi offered to the Committee a letter be written to those individual well owners stating the situation and recommending the release of this data. This letter would be signed not only by Watermaster but by the Chairman of the Agricultural Pool. It was felt this would assist in getting a response for release of information. Discussion ensued regarding the length this process might take, the Regional Board's financial responsibility to follow through with this, and lastly some assurance they will hold the responsible party liable.

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

Moved to approve to identify which private wells can benefit the VOC identification and that the Watermaster staff along with the Chairman of the Agricultural Pool compose and sign a letter directed to those private property owners of the wells requesting their assistance and release of very specific information on the VOCs

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. Chino Land & Water Update**

Counsel Fife updated the Committee on the March 3, 2004 appeal by Chino Land & Water. The court, once again, denied that there is any merit whatsoever to Chino Land & Water's claims. Counsel summarized the court hearing and a brief discussion ensued with regard to recouping costs because of unfair business practices.

2. MZ1 Workshop with Special Referee

Counsel Fife stated that this was the Subsidence Interim Plan and that a workshop was to take place in October which was moved because the extensometer and peizometer's had

just begun to collect data when it was time for the workshop. We still need to schedule this and you will be seeing an announcement around May for this workshop.

3. DYY Storage Agreement and Court Approval

This item was previously covered under Business Items B.

4. Basin Plan Amendment Review

Counsel Fife reminded the Committee that the Watermaster Board had asked legal counsel to do a review of some of the specific language concerning desalter requirements. Counsel Fife stated that he gave a presentation at the Advisory Committee and Board levels and due the presentation being a very lengthy; he would just give oral comment. Since the presentation only concerns the specific language in the Basin Plan Amendment building the next desalters. This is an item that under the Peace Agreement the Agricultural Pool was taken out of that process and the Agricultural Pool does not have any commitments with regard to the next set of the desalters. The Appropriators however were concerned about the language in the Basin Plan Amendment in whether that added to their requirement for a desalter which is why legal counsel was tasked to review this item. The analysis was looking at two specific parts of the Basin Plan Amendment; one is a requirement of a desalter in the event with certain things happening with IEUA's waste discharges and the other concerns a schedule that the Regional Board wants to see for the next desalter. The outcome was the recommendation was that the Appropriators and Watermaster begin some kind of process to discuss the schedule which needs to be submitted to the Regional Board in 2005 and that entails a discussion about the next set of desalters, costs, and how are we going to allocate the costs and benefits. We recommended that we establish a process to discuss cost benefit allocation issues.

5. SWRCB Water Right Fee

Counsel Fife commented that this item is a general information item. The SWRCB Board has imposed a fee on water rights which does not affect groundwater rights; it only affects surface water rights, which the Board has jurisdiction over. However Watermaster does hold some water rights to this surface stream and noted Watermaster had received a fairly minimal bill because the surface water in the Chino Basin is fairly minimal, it comes to approximately \$1,200. A brief discussion ensued and the question regarding a new bill was introduced. Counsel Fife commented he had not heard about this new bill and would have to look into it get back with the Committee.

6. Kaiser Information Request

Counsel Fife commented on Kaiser submitting a Public Record Act Request of Watermaster requesting everything we have concerning Kaiser. Noting they have been in a process with Ontario about the movement of their plume and recently concluded a settlement agreement with Ontario because Ontario has lost a couple wells. Their concern is that Watermaster's analyses of their plume might show it doing something different than previous analysis did. We are presently engaged discussing with them the kind of information they might need. Counsel Fife remarked he will be having discussions with Kaiser and it is not clear where those discussions will lead at this point in time although will keep the Committee apprised of the outcome.

Added Item #7

7. Monte Vista Water District vs. Chino Basin Watermaster

Counsel Fife referenced the hand out on the back table for the submitted motion regarding salt credits by Monte Vista. Monte Vista is requesting that the court order a process to be initiated to discuss allocation of costs and benefits of water quality mitigation measures. Counsel Fife commented since he had only just received this motion, and not had sufficient opportunity to review in detail, therefore does not have a lot to report on at this time. At the Advisory Committee and Board meetings Counsel will have reviewed the case in detail and have a specific recommendation at that time to present.

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

Mr. Rossi introduced the upcoming presentation by commenting about the past presentations regarding updating the parties on what progress has been made on the OBMP since 1999. And stated that Hydraulic Control, Desalters, and Maximum Benefit were the three topics covered at prior meetings and today's topic would be on the MZ-1 Interim Plan for Subsidence.

Mr. Wildermuth gave his presentation on MZ-1 Interim Monitoring Program Update which started with the Objectives of MZ-1 Interim Plan (from OBMP). He noted three objectives, 1) Minimize subsidence and fissuring in the short term, 2) Collect information necessary to understand the extent, rate, and mechanisms of subsidence and fissuring, and 3) Formulate a long-term management plan. Mr. Wildermuth commented that the Interim Monitoring Program consisted of Ground-Level Surveys, InSAR Mapping, and Aquifer-System Monitoring and noted that he would be going into more detail later in the presentation regarding the Aquifer-System monitoring. He examined mappings of Class-A, Class-B, and proposed Class-B Monuments. Mr. Wildermuth explained in detail the Aquifer-System Monitoring which was followed by maps and pictures of Extensometers. Key findings were discussed concerning several charts on the subject of pumping tests. Lastly, a review of upcoming tasks for 2004/2005 was presented and discussed.

2. Update Regarding AGWA Strategic Planning Session

Mr. Rossi reported that the Association of Groundwater Agencies has embarked on a strategic planning effort. He detailed a meeting recently held to work through various issues in an attempt to redefine the Agency. It was decided that four sub-committees would be formed out of the main group and each sub-committee would have largely one main focal point; such as Regulatory Issues, Legislative Issues, Metropolitan Water District Issues, and Communications. It was decided, as a group, there was value to continue with the AGWA Committee.

3. Update Regarding MWD Perchlorate Task Force

Mr. Rossi with the assistance of Mr. Rich Atwater, Inland Empire Utilities Agency encouraged Metropolitan Water District to allow John Rossi, Robert DeLoach, and Mark Wildermuth to join the Perchlorate Task. No date has been set for the next meeting. Mr. Rossi will keep Committee members apprised of its progress.

IV. INFORMATION**1. Response to Monte Vista Water District Letter Dated December 11, 2003 Regarding Assessment Package**

Mr. Rossi referred to page 33 of the packet regarding the response letter written to Monte Vista Water District and pointed out the three key points of the letter 1) Reallocation of Agricultural Pool Safe Yield, 2) Desalter Replenishment, and 3) New Yield Allocation. Mr. Rossi noted this item was for information only and made no further comment.

V. POOL MEMBER COMMENTS

No comment was made on this item.

VI. OTHER BUSINESS

No comment was made on this item.

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

The Agricultural Meeting Adjourned at 11:03 a.m.

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

April 8, 2004

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

April 20, 2004

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

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements March 2004
2. Combining Schedule of Revenue, Expenses and changes in Working Capital for the Periods July 1, 2003 through February 29, 2004
3. Treasurer's Report of Financial Affairs for January 1 through February 29, 2004
4. Profit & Loss Budget vs. Actual July 2003 through February 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: April 8, 2004
April 20, 2004
April 22, 2004

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – March 2004

SUMMARY

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

Recommendation – Staff recommends the Cash Disbursements for March 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 March 2004 were \$447,295.15. The most significant expenditures during the month were Inland Empire Utilities Agency in the amount of \$101,822.55 and Hatch and Parent in the amount of \$43,274.49.

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

3:13 PM
04/01/04
Accrual Basis

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
March 2004

Type	Date	Num	Name	Amount
Mar 04				
General Journal	3/1/2004	04/03/4	PAYROLL	-3,754.37
General Journal	3/1/2004	04/03/4	PAYROLL	-14,471.98
Bill Pmt -Check	3/4/2004	8456	MEDIA JIM	-1,500.00
Bill Pmt -Check	3/4/2004	8457	PARK PLACE COMPUTER SOLUTIONS, INC.	-4,510.00
Bill Pmt -Check	3/5/2004	8458	PETTY CASH	-381.88
Bill Pmt -Check	3/9/2004	8459	CITISTREET	-3,850.00
Bill Pmt -Check	3/9/2004	8460	CITISTREET	-3,850.00
Bill Pmt -Check	3/9/2004	8461	CITISTREET	-3,850.00
Bill Pmt -Check	3/9/2004	8462	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-4,368.46
Bill Pmt -Check	3/9/2004	8463	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-4,368.46
Bill Pmt -Check	3/9/2004	8464	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-4,368.46
Bill Pmt -Check	3/9/2004	8465	ACWA SERVICES CORPORATION	-86.88
Bill Pmt -Check	3/9/2004	8466	APPLIED COMPUTER TECHNOLOGIES	-1,425.15
Bill Pmt -Check	3/9/2004	8467	ARROWHEAD MOUNTAIN SPRING WATER	-41.21
Bill Pmt -Check	3/9/2004	8468	BOWCOCK, ROBERT	-125.00
Bill Pmt -Check	3/9/2004	8469	CALPERS	-2,085.79
Bill Pmt -Check	3/9/2004	8470	CITIZENS CONFERENCING	-171.60
Bill Pmt -Check	3/9/2004	8471	DAN VASILE	-140.00
Bill Pmt -Check	3/9/2004	8472	DIRECTV	-71.98
Bill Pmt -Check	3/9/2004	8473	ICO INVESTMENT GROUP, INC.	-1,549.80
Bill Pmt -Check	3/9/2004	8474	INLAND COUNTIES INSURANCE SERVICES, INC.	-342.22
Bill Pmt -Check	3/9/2004	8475	INLAND EMPIRE UTILITIES AGENCY	-13,333.34
Bill Pmt -Check	3/9/2004	8476	KUHN, BOB	-125.00
Bill Pmt -Check	3/9/2004	8477	MATSON, JANET	-1,995.00
Bill Pmt -Check	3/9/2004	8478	MWH LABORATORIES	-2,523.00
Bill Pmt -Check	3/9/2004	8479	NEUFELD, ROBERT	-125.00
Bill Pmt -Check	3/9/2004	8480	NEXTEL COMMUNICATIONS	-598.31
Bill Pmt -Check	3/9/2004	8481	OFFICE DEPOT	-401.33
Bill Pmt -Check	3/9/2004	8482	PAYCHEX	-222.70
Bill Pmt -Check	3/9/2004	8483	PURCHASE POWER	-130.28
Bill Pmt -Check	3/9/2004	8484	RAUCH COMMUNICATION CONSULTANTS, LLC	-2,135.80
Bill Pmt -Check	3/9/2004	8485	REID & HELLYER	-1,294.50
Bill Pmt -Check	3/9/2004	8486	RETAIL SERVICES	-813.23
Bill Pmt -Check	3/9/2004	8487	RICOH BUSINESS SYSTEMS-Lease	-3,204.07
Bill Pmt -Check	3/9/2004	8488	SOUTHERN CALIFORNIA EDISON	-84.54
Bill Pmt -Check	3/9/2004	8489	STANDARD INSURANCE CO.	-439.62
Bill Pmt -Check	3/9/2004	8490	STATE COMPENSATION INSURANCE FUND	-840.51
Bill Pmt -Check	3/9/2004	8491	THEIRL, JIM	-210.40
Bill Pmt -Check	3/9/2004	8492	TLC STAFFING	-1,736.28
Bill Pmt -Check	3/9/2004	8493	TREWEEK, GORDON	-541.08
Bill Pmt -Check	3/9/2004	8494	UNITEK TECHNOLOGY INC.	-433.16
Bill Pmt -Check	3/9/2004	8495	VANDEN HEUVEL, GEOFFREY	-125.00
Bill Pmt -Check	3/9/2004	8496	VELASQUEZ JANITORIAL	-900.00
Bill Pmt -Check	3/9/2004	8497	VERIZON	-419.59
Bill Pmt -Check	3/9/2004	8498	WILDERMUTH ENVIRONMENTAL INC	-4,019.58
Bill Pmt -Check	3/9/2004	8499	YUKON DISPOSAL SERVICE	-123.90
Bill Pmt -Check	3/16/2004	8500	MWH LABORATORIES	-1,411.00
Bill Pmt -Check	3/16/2004	8501	BANK OF AMERICA	-1,013.49
Bill Pmt -Check	3/16/2004	8502	CHEVRON	-267.46
Bill Pmt -Check	3/16/2004	8503	ELLISON, SCHNEIDER & HARRIS, LLP	-18,257.92
Bill Pmt -Check	3/16/2004	8504	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	3/16/2004	8505	HATCH AND PARENT	-43,274.49
Bill Pmt -Check	3/16/2004	8506	IDEAL GRAPHICS	-371.74
Bill Pmt -Check	3/16/2004	8507	LOS ANGELES TIMES	-42.00
Bill Pmt -Check	3/16/2004	8508	MARK IV COMMUNICATIONS, INC.	-379.19
Bill Pmt -Check	3/16/2004	8509	MCI	-900.15
Bill Pmt -Check	3/16/2004	8510	MEDIA JIM	-1,500.00
Bill Pmt -Check	3/16/2004	8511	PUMP CHECK	-3,640.00
Bill Pmt -Check	3/16/2004	8512	REID & HELLYER	-3,936.65
Bill Pmt -Check	3/16/2004	8513	RICKLY HYDROLOGICAL CO.	-106.00
Bill Pmt -Check	3/16/2004	8514	RICOH BUSINESS SYSTEMS-Lease	-387.24
Bill Pmt -Check	3/16/2004	8515	TLC STAFFING	-890.40
Bill Pmt -Check	3/16/2004	8516	UNITED PARCEL SERVICE	-210.29
Bill Pmt -Check	3/16/2004	8517	UNITED STATES PLASTIC CORP	-82.17
Bill Pmt -Check	3/16/2004	8518	VERIZON	-37.85
Bill Pmt -Check	3/16/2004	8519	WHEELER METER MAINTENANCE	-3,900.00
Bill Pmt -Check	3/18/2004	8520	PETTY CASH	-419.90
Bill Pmt -Check	3/24/2004	8521	ARROWHEAD MOUNTAIN SPRING WATER	-24.66

3:13 PM
04/01/04
Accrual Basis

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
March 2004

Type	Date	Num	Name	Amount
Bill Pmt -Check	3/24/2004	8522	CALPERS	-4,823.20
Bill Pmt -Check	3/24/2004	8523	CITIZENS CONFERENCING	-125.06
Bill Pmt -Check	3/24/2004	8524	CUCAMONGA VALLEY WATER DISTRICT	-4,900.00
Bill Pmt -Check	3/24/2004	8525	DIRECTV	-71.98
Bill Pmt -Check	3/24/2004	8526	INLAND EMPIRE UTILITIES AGENCY	-101,822.55
Bill Pmt -Check	3/24/2004	8527	LAYNE CHRISTENSEN COMPANY	-19,740.18
Bill Pmt -Check	3/24/2004	8528	MEDIA JIM	-1,500.00
Bill Pmt -Check	3/24/2004	8529	MWH LABORATORIES	-15,935.00
Bill Pmt -Check	3/24/2004	8530	MWH MONTGOMERY WATSON HARZA	-3,638.28
Bill Pmt -Check	3/24/2004	8531	PUMP CHECK	-980.00
Bill Pmt -Check	3/24/2004	8532	RICKLY HYDROLOGICAL CO.	-12.40
Bill Pmt -Check	3/24/2004	8533	RICOH BUSINESS SYSTEMS-Lease	-3,204.07
Bill Pmt -Check	3/24/2004	8534	STANDARD INSURANCE CO.	-475.59
Bill Pmt -Check	3/24/2004	8535	STAULA, MARY L	-393.36
Bill Pmt -Check	3/24/2004	8536	UNITEK TECHNOLOGY INC.	-516.12
Bill Pmt -Check	3/24/2004	8537	WILDERMUTH ENVIRONMENTAL INC	-96,126.34
General Journal	3/30/2004	040306	PAYROLL	-1,119.35
General Journal	3/30/2004	40307	PAYROLL	-4,134.30
General Journal	3/30/2004	40307	PAYROLL	-14,511.31
Mar 04				<u>-447,295.15</u>

CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2003 THROUGH FEBRUARY 29, 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	571,750								571,750	617,732
Watermaster Board-Advisory Committee	24,815								24,815	43,442
Pool Administration			9,544	192,382	2,158				204,084	255,148
Optimum Basin Mgmt Administration		548,102							548,102	1,034,064
OBMP Project Costs		1,549,717							1,549,717	3,365,079
Education Funds Use								375	375	375
Mutual Agency Project Costs	41,416								41,416	85,004
Total Administrative/OBMP Expenses	637,981	2,097,819	9,544	192,382	2,158	-	-	375	2,940,259	5,400,844
Net Administrative/OBMP Income	(637,510)	(1,928,610)								
Allocate Net Admin Income To Pools	637,510		472,935	145,698	18,878				-	0
Allocate Net OBMP Income To Pools		1,928,610	1,430,733	440,768	57,109				-	0
Agricultural Expense Transfer			774,698	(774,698)					-	0
Total Expenses	-	-	2,687,909	4,150	78,145	-	-	375	2,940,259	5,400,844
Net Administrative Income	-	-	1,945,009	(394)	45,456	-	-	(353)	1,989,718	(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						(458,423)			(458,423)	0
Net Other Income	-	-	-	-	-	5,283,180	-	-	5,283,180	(84,000)
Net Transfers To/(From) Reserves	-	-	1,945,009	(394)	45,456	5,283,180	-	(353)	7,272,898	(1,432,303)
Working Capital, July 1, 2003	-	-	2,813,947	466,069	188,310	266,503	158,251	2,532	3,895,611	-
Working Capital, End Of Period	-	-	4,758,956	465,675	233,766	5,549,683	158,251	2,179	11,168,509	-
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%	

Q:\Financial Statements\03-04\04 02\Combining Schedule Feb 04.xls\Sheet1

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
FEBRUARY 1 THROUGH FEBRUARY 29, 2004**

SUMMARY at 1/31/2004

DEPOSITORIES:			
Cash on Hand - Petty Cash			\$ 500
Bank of America			
Governmental Checking-Demand Deposits	\$ 72,426		
Savings Deposits	9,617		
Zero Balance Account - Payroll	-		82,043
Local Agency Investment Fund - Sacramento			<u>11,443,854</u>
TOTAL CASH IN BANKS AND ON HAND		2/29/2004	\$ 11,526,397
TOTAL CASH IN BANKS AND ON HAND		1/31/2004	11,661,565
PERIOD INCREASE (DECREASE)			<u>\$ (135,168)</u>

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:	Accounts Receivable	\$ 1,574
	Assessments Receivable	280,614
	Prepaid Expenses, Deposits & Other Current Assets	(153,975)
(Decrease)/Increase in Liabilities	Accounts Payable	167,681
	Accrued Payroll, Payroll Taxes & Other Current Liabilities	(1,514)
	Transfer to/(from) Reserves	<u>(429,548)</u>
PERIOD INCREASE (DECREASE)		<u>\$ (135,168)</u>

	Petty Cash	Gov't'l Checking Demand	Zero Balance		Local Agency Investment Funds	Totals
			Account Payroll	Savings		
SUMMARY OF FINANCIAL TRANSACTIONS:						
Balances as of 1/31/2004	\$ 500	\$ 57,594	\$ -	\$ 9,617	\$ 11,593,854	\$ 11,661,565
Deposits		126,163	-	-	-	126,163
Transfers		113,052	36,948	-	(150,000)	-
Withdrawals/Checks		(224,383)	(36,948)	-	-	(261,331)
Balances as of 2/29/2004	\$ 500	\$ 72,426	\$ -	\$ 9,617	\$ 11,443,854	\$ 11,526,397
PERIOD INCREASE OR (DECREASE)	\$ -	\$ 14,832	\$ -	\$ -	\$ (150,000)	\$ (135,168)

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
FEBRUARY 1 THROUGH FEBRUARY 29, 2004**

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
2/24/2004	Withdrawal	L.A.I.F.	\$ (150,000)				
TOTAL INVESTMENT TRANSACTIONS			\$ (150,000)	-			

* The earnings rate for L.A.I.F. is a daily variable rate; 1.56% was the effective yield rate at the Quarter ended December 31, 2003.


**INVESTMENT STATUS
February 29, 2004**

<u>Financial Institution</u>	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 11,443,854			
Time Certificates of Deposit		-		
TOTAL INVESTMENTS	\$ 11,443,854			

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 February 2004

	<u>Jul '03 - Feb 04</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 · Local Agency Subsidies	169,208.96	0.00	169,208.96	100.0%
4110 · Admin Asmnts-Approp Pool	4,614,055.82	3,931,695.00	682,360.82	117.36%
4120 · Admin Asmnts-Non-Agri Pool	122,460.43	88,201.00	34,259.43	138.84%
4700 · Non Operating Revenues	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	309,771.74	385,900.00	-76,128.26	80.27%
6020 · Office Building Expense	142,933.61	108,995.00	33,938.61	131.14%
6030 · Office Supplies & Equip.	42,559.89	41,000.00	1,559.89	103.81%
6040 · Postage & Printing Costs	45,110.03	66,400.00	-21,289.97	67.94%
6050 · Information Services	74,965.90	105,750.00	-30,784.10	70.89%
6060 · Contract Services	55,449.33	121,000.00	-65,550.67	45.83%
6080 · Insurance	14,012.80	16,710.00	-2,697.20	83.86%
6110 · Dues and Subscriptions	8,493.10	14,500.00	-6,006.90	58.57%
6140 · Other WM Admin Expenses	1,230.61	0.00	1,230.61	100.0%
6150 · Field Supplies	535.35	4,250.00	-3,714.65	12.6%
6170 · Travel & Transportation	36,333.39	46,300.00	-9,966.61	78.47%
6190 · Conferences & Seminars	13,283.92	16,000.00	-2,716.08	83.03%
6200 · Advisory Comm - WM Board	9,782.98	15,071.00	-5,288.02	64.91%
6300 · Watermaster Board Expenses	15,032.39	28,371.00	-13,338.61	52.99%
8300 · Appr PI-WM & Pool Admin	9,544.05	14,471.00	-4,926.95	65.95%
8400 · Agri Pool-WM & Pool Admin	159,052.48	166,979.00	-7,926.52	95.25%
8467 · Agri-Pool Legal Services	29,179.23	51,000.00	-21,820.77	57.21%
8470 · Ag Meeting Attend -Special	4,150.00	16,000.00	-11,850.00	25.94%
8500 · Non-Ag PI-WM & Pool Admin	2,157.52	6,698.00	-4,540.48	32.21%
6500 · Education Funds Use Expens	375.00	375.00	0.00	100.0%
9500 · Allocated G&A Expenditures	<u>-172,930.17</u>	<u>-309,073.00</u>	<u>136,142.83</u>	<u>55.95%</u>
Subtotal G&A Expenditures	801,023.15	916,697.00	-115,673.85	87.38%
6900 · Optimum Basin Mgmt Plan	506,394.62	942,065.00	-435,670.38	53.75%
6950 · Mutual Agency Projects	41,416.37	85,004.00	-43,587.63	48.72%
9501 · G&A Expenses Allocated-OBMP	<u>41,707.56</u>	<u>91,999.00</u>	<u>-50,291.44</u>	<u>45.34%</u>
Subtotal OBMP Expenditures	589,518.55	1,119,068.00	-529,549.45	52.68%
7101 · Production Monitoring	42,990.16	79,283.00	-36,292.84	54.22%
7102 · In-line Meter Installation	39,406.44	131,380.00	-91,973.56	29.99%
7103 · Grdwtr Quality Monitoring	216,685.56	274,613.00	-57,927.44	78.91%
7104 · Gdwtr Level Monitoring	74,653.02	157,852.00	-83,198.98	47.29%
7105 · Sur Wtr Qual Monitoring	47,230.89	133,595.00	-86,364.11	35.35%
7106 · Wtr Level Sensors Install	0.00	26,835.00	-26,835.00	0.0%
7107 · Ground Level Monitoring	85,242.45	202,283.00	-117,040.55	42.14%
7108 · Hydraulic Control Monitoring	149,339.96	718,227.00	-568,887.04	20.79%
7200 · PE2- Comp Recharge Pgm	107,520.16	531,434.00	-423,913.84	20.23%
7300 · PE3&5-Water Supply/Desalte	1,681.69	47,499.00	-45,817.31	3.54%

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

	<u>Jul '03 - Feb 04</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7400 · PE4- Mgmt Plan	149,912.84	187,308.00	-37,395.16	80.04%
7500 · PE6&7-CoopEfforts/SaltMgmt	53,181.32	51,820.00	1,361.32	102.63%
7600 · PE8&9-StorageMgmt/Conj Use	74,419.02	146,179.00	-71,759.98	50.91%
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	131,222.58	217,074.00	-85,851.42	60.45%
Subtotal Special Project Expenditures	<u>1,549,717.54</u>	<u>3,365,079.00</u>	<u>-1,815,361.46</u>	<u>46.05%</u>
Total Expense	<u>2,940,259.24</u>	<u>5,400,844.00</u>	<u>-2,460,584.76</u>	<u>54.44%</u>
Net Ordinary Income	1,989,717.30	-1,268,923.00	3,258,640.30	-156.8%
Other Income/Expense				
Other Income				
4231 · MZ1 Assigned Water Sales	0.00	615,000.00	-615,000.00	0.0%
4210 · Approp Pool-Replenishment	4,144,461.10	0.00	4,144,461.10	100.0%
4220 · Non-Ag Pool-Replenishment	11,288.32	0.00	11,288.32	100.0%
4230 · MZ1 Sup Wtr Assessment	1,585,853.60	1,574,500.00	11,353.60	100.72%
Total Other Income	<u>5,741,603.02</u>	<u>2,189,500.00</u>	<u>3,552,103.02</u>	<u>262.23%</u>
Other Expense				
5010 · Groundwater Replenishment	458,423.25	2,273,500.00	-1,815,076.75	20.16%
9999 · To/(From) Reserves	7,272,897.07	-1,352,923.00	8,625,820.07	-537.57%
Total Other Expense	<u>7,731,320.32</u>	<u>920,577.00</u>	<u>6,810,743.32</u>	<u>839.83%</u>
Net Other Income	<u>-1,989,717.30</u>	<u>1,268,923.00</u>	<u>-3,258,640.30</u>	<u>-156.8%</u>
Net Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0%</u>



CHINO BASIN WATERMASTER

April 8, 2004

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

April 20, 2004

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

I. CONSENT CALENDAR

C. WATER TRANSACTIONS

1. From So. Calif. Water Co. to Fontana Water Company – 2000 Acre Feet
2. From West Valley Water District to Monte Vista Water District – 650 Acre Feet
3. From City of Pomona to Fontana Water Company – 500 Acre Feet

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

March 31, 2004

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **March 17, 2004**

Date of this notice: **March 31, 2004**

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

- A. Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from the Southern California Water Company water in storage in the amount of 2000 acre-feet.

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

Appropriative Pool: April 8, 2004

Non-Agricultural Pool: April 8, 2004

Agricultural Pool: April 20, 2004

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

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

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

Watermaster address:

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

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

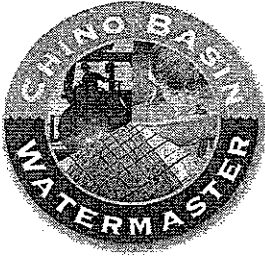
CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: March 31, 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).

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION



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: March 31, 2004
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary -

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

Issue -

- Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from Southern California Water Company water in storage in the amount of 2000 acre-feet.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

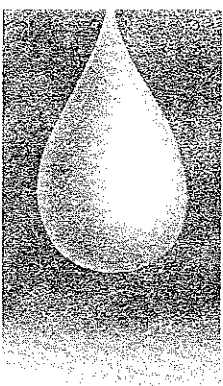
The following application for water transaction is attached with the notice of application.

- Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from Southern California Water Company water in storage in the amount of 2000 acre-feet.

Notice of the water transaction identified above was mailed on March 31, 2004 along with the materials submitted by the requestors.

DISCUSSION

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

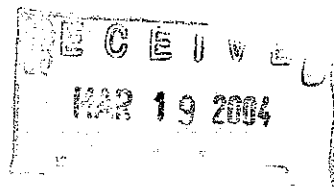


FONTANA WATER COMPANY

A DIVISION OF SAN GABRIEL VALLEY WATER COMPANY

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

March 17, 2004



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

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

Dear John:

Please take notice that Fontana Water Company ("Company") has agreed to purchase from Southern California Water Company water in storage in the amount of 2000 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2003/2004.

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

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

Very truly yours,

Michael J. McGraw
General Manager

MJM:bf
Enclosures

FONTANA WATER COMPANY
Recapture Plan

The subject water is a transfer of stored groundwater from Southern California Water Company to Fontana Water Company (FWC) of 2,000 acre-feet to satisfy a portion of FWC's replenishment obligation for FY 2003/2004. Recapture of the stored water is accomplished by the production of any or all of the 15 wells owned and operated by FWC within Management Zone 3 of the Chino Groundwater Basin. The approximate daily production capacity of these wells is as follows:

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

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

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

Southern California Water Company

March 3, 2004

Name of Party

Date Requested

Date Approved

401 S. San Dimas Canyon Road

2,000 Acre-feet

Acre-feet

Street Address

Amount Requested

Amount Approved

San Dimas CA 91773

City State Zip Code

Telephone: (909) 592-4271

Facsimile: (909) 592-6690

Signature of Jim Gallagher, Vice President-Customer Service, Southern California Water Company

TRANSFER TO:

Fontana Water Company

Attach Recapture Form 4

Name of Party

8440 Nuevo Avenue

Street Address

Fontana CA 92335

City State Zip Code

Telephone: (909) 822-2201

Facsimile: (909) 823-5046

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

WATER QUALITY AND WATER LEVELS

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

Recapture by Fontana Water Company is accomplished by pumping of 15 wells-static water levels vary from 375' to 684'.

Of the wells routinely pumped, nitrate levels vary from a low of 8 mg/l to a high of 33 mg/l.

MATERIAL PHYSICAL INJURY

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

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]


Michael J. McGraw, General Manager
Fontana Water Company

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

**APPLICATION OR AMENDMENT TO APPLICATION
TO
RECAPTURE WATER IN STORAGE**

APPLICANT

<u>Fontana Water Company</u>			<u>March 3, 2004</u>	
Name of Party			Date Requested	Date Approved
<u>8440 Nuevo Avenue</u>			<u>2,000</u> Acre-feet	<u> </u> Acre-feet
Street Address			Amount Requested	Amount Approved
<u>Fontana</u>	<u>CA</u>	<u>92335</u>	<u>Varies</u>	<u>July 1, 2003-June 30, 2004</u>
City	State	Zip Code	Projected Rate of Recapture	Projected Duration of Recapture
Telephone: <u>(909) 822-2201</u>			Facsimile: <u>(909) 823-5046</u>	

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

IDENTITY OF PERSON THAT STORED THE WATER: Southern California Water Company

PURPOSE OF RECAPTURE

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

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

N/A

PLACE OF USE OF WATER TO BE RECAPTURED

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

Management Zone 3

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

N/A

WATER QUALITY AND WATER LEVELS

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

Recapture by Fontana Water Company is accomplished by pumping of 15 wells-static water levels vary from 375' to 684'.

Of the wells routinely pumped, nitrate levels vary from a low of 8 mg/l to a high of 33 mg/l.

MATERIAL PHYSICAL INJURY

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

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]



Michael J. McGraw, General Manager
Fontana Water Company

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

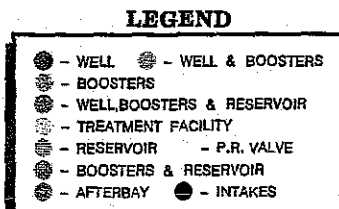
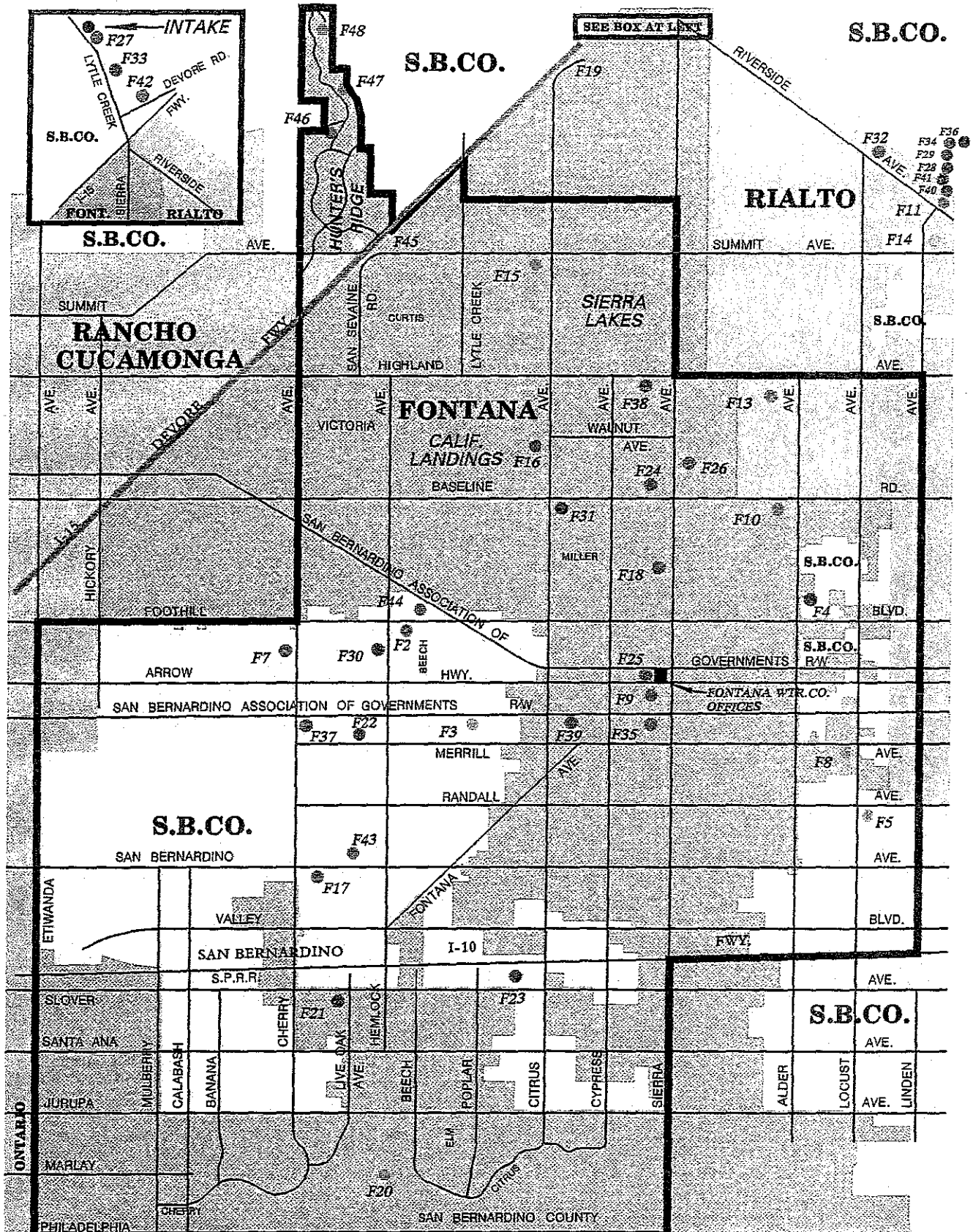
DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

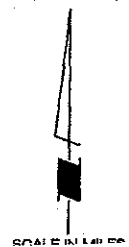
DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____



FONTANA WATER COMPANY

SYSTEM NO. 3610041



THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

March 31, 2004

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **February 27, 2004** Date of this notice: **March 31, 2004**

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

- A. Notice of Sale or Transfer – Monte Vista Water District has agreed to purchase from the West Valley Water District a portion of the District's water in storage in the amount of 650 acre-feet.

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

Appropriative Pool:	April 8, 2004
Non-Agricultural Pool:	April 8, 2004
Agricultural Pool:	April 20, 2004

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

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

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

Watermaster address:

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

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

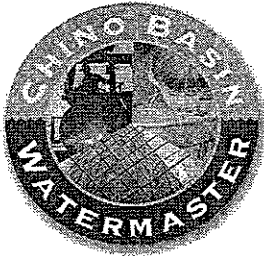
CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: March 31, 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).

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION



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: March 31, 2004
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary -

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

Issue -

- Notice of Sale or Transfer – Monte Vista Water District has agreed to purchase from the West Valley Water District a portion of the District's water in storage in the amount of 650 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 with a contingency that the water may not be utilized until Watermaster approves a recapture plan. If Monte Vista Water District later wishes to recapture the water from storage, it will be required to submit a Form 4, Application or Amendment to Application to Recapture Water in Storage, at which time Material Physical Injury will be evaluated.

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 – Monte Vista Water District has agreed to purchase from the West Valley Water District a portion of the District's water in storage in the amount of 650 acre-feet.

Notice of the water transaction identified above was mailed on March 31, 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.

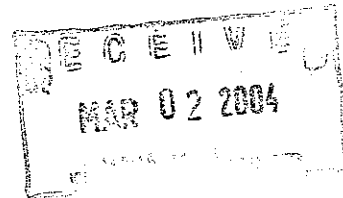
Because Monte Vista Water District did not submit a Form 4, Application or amendment to Application to Recapture Water in Storage, it is assumed that it does not have any current plans to recapture the water. If Monte Vista Water District later decides it wishes to recapture the water from storage, it will need to submit a Form 4. If and when the Form 4 is submitted, Watermaster will evaluate for potential Material Physical Injury.

Monte Vista

Dedicated to *Quality,*

Service and Innovation

February 27, 2004



Mark N. Kinsey
GENERAL MANAGER

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

Purchase of Water in Storage: Fiscal Year 2003-04

Dear Mr. Rossi:

Please take notice that the Monte Vista Water District has agreed to purchase from the West Valley Water District a portion of the District's water in storage in the amount of 650 acre-feet. Water purchased through this transaction is to be placed in Monte Vista Water District's Local Storage Account with Watermaster.

This water will be held in storage by the District for possible future production, participation in the storage and recovery program, or for potential resale/exchange with other Basin producers.

Attached is an executed application for sale or transfer of right to produce water from storage for consideration by Watermaster. Please agendize the proposed purchase at the earliest possible opportunity.

If you have any questions or require additional information concerning this matter, please call me at 624-0035, extension 170. Thank you.

Sincerely,

Monte Vista Water District

Mark N. Kinsey
General Manager

Attachments

cc: Anthony Araiza, West Valley Water District

Water District

10575 Central Avenue, Post Office Box 71 • Montclair, California 91763 • (909) 624-0035 • FAX (909) 624-4725

41

Robb D. Quincey
PRESIDENT

Sandra S. Rose
VICE PRESIDENT

Josephine M. Johnson
DIRECTOR

Maynard B. Lenhart
DIRECTOR

Tony Lopez
DIRECTOR

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

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

Transfer from Local Storage Agreement: **25**

Date Requested: **February 26, 2004**

Transferring Party: **West Valley Water District**

Date Approved:

Address: **855 West Base Line
Post Office Box 920
Rialto, California 92377-0920**

Amount Requested (AF): **650**

Telephone: **(909) 875-1804**

Amount Approved (AF):

Fax: **(909) 875-7284**

Applicant: **Anthony W. Araiza, General Manager**

Receiving Party: **Monte Vista Water District**

Address: **10575 Central Avenue
Montclair, California 91763**

Telephone: **(909) 624-0035**

Fax: **(909) 624-0037**

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

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?

N/A

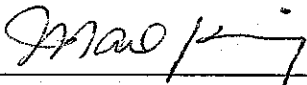
Material Physical Injury:

Is the applicant aware of any potential material physical injury to a part to the Judgment or the Basin that may be caused by the action covered by the application? Yes No

If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in material physical injury to a part to the Judgment or the Basin?

N/A

Additional information attached? Yes No



Applicant: Mark Kinsey, General Manager

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 Number:



West Valley Water District

855 West Base Line, P.O. Box 920
Rialto, California 92377-0920
Phone (909) 875-1804

Board of Directors

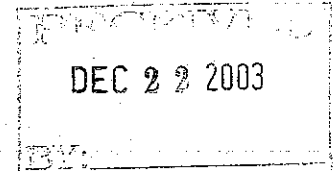
Alan G. Dyer
President
Earl Tillman, Jr.
Vice President
Betty J. Gosney
Donald D. Olinger
Dwight A. Young

Administrative Staff

Anthony W. Araiza
General Manager-Secretary
Leon Long
Assistant General Manager
Patricia A. Lundin
Treasurer-Office Manager
Betty L. Getz
Administrative Secretary

Fax (909) 875-7284 Administration
Fax (909) 875-1361 Engineering

December 19, 2003



Mr. Mark Kinsey, General Manager
Monte Vista Water District
P. O. Box 71
Montclair, CA 92763

Dear Mark:

This letter is to inform you that on December 18, 2003, the Board of Directors of the West Valley Water District met and took under consideration your request for 650 acre-feet annually over the next two years of stored Chino Basin water.

After some discussion, my Board of Directors approved your request and if you will make the arrangements with the Chino Basin Watermaster, I will be happy to see your check in the mail.

Have a nice holiday and I will talk to you right after the first of the year.

Yours truly,

WEST VALLEY WATER DISTRICT

Anthony W. Araiza
General Manager

AWA:blg

Monte Vista

Dedicated to Quality, Service and Innovation

Mark N. Kinsey
GENERAL MANAGER

December 11, 2003

Butch Araiza, General Manager-Secretary
West Valley Water District
Post Office Box 920
Rialto, California 92377

Subject: Purchase of Stored Water in the Chino Basin

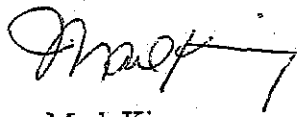
Dear Butch:

The purpose of this letter is to confirm our recent discussion regarding Monte Vista's interest in purchasing water from the West Valley Water District. As we discussed, the District would like to purchase 650 acre-feet annually from your agency, for a two year period beginning with the current 2003/04 fiscal year at rate of \$210 per acre-foot.

Water purchased by the District would be placed in our local storage account in the Chino Basin and held for future possible use. Payment by the District will be made within 30 days after receipt of an invoice and Wastermaster approval of the transfer. If you have any questions, please feel free to call me at (909) 624-3812. Thank you.

Respectfully,

Monte Vista Water District



Mark Kinsey
General Manager

cc: Board of Directors, MVWD
Curtis Yakimow, MVWD

Water District

10575 Central Avenue, Post Office Box 71 • Montclair, California, 91763 • (909) 624-0035 • FAX (909) 624-4725

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

March 31, 2004

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **March 16, 2004**

Date of this notice: **March 31, 2004**

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

- A. Notice of Sale or Transfer -- Fontana Water Company has agreed to purchase from the City of Pomona water in storage and/or annual production right in the amount of 500 acre-feet.

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

Appropriative Pool: April 8, 2004

Non-Agricultural Pool: April 8, 2004

Agricultural Pool: April 20, 2004

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: March 31, 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).

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION



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: March 31, 2004
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary -

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

Issue -

- Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from the City of Pomona water in storage and/or annual production right 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 transactions as presented.

Fiscal Impact –

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

Background

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

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

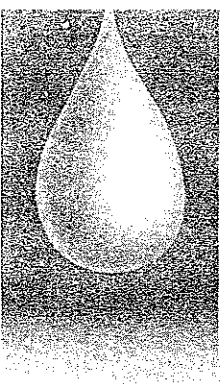
The following application for water transaction is attached with the notice of application.

- Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from the City of Pomona water in storage and/or annual production right in the amount of 500 acre-feet.

Notice of the water transaction identified above was mailed on March 31, 2004 along with the materials submitted by the requestors.

DISCUSSION

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

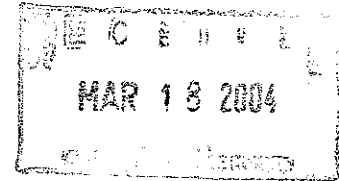


FONTANA WATER COMPANY

A DIVISION OF SAN GABRIEL VALLEY WATER COMPANY

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

March 16, 2004



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

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

Dear John:



Please take notice that Fontana Water Company ("Company") has agreed to purchase from the City of Pomona water in storage and/or annual production right in the amount of 500 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2003/2004.

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

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

Very truly yours,

Michael J. McGraw
General Manager

MJM:bf
Enclosures



FONTANA WATER COMPANY
Recapture Plan

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

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

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

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

City of Pomona
Name of Party

March 11, 2004
Date Requested

Date Approved

505 So. Garvey Avenue
Street Address

500 Acre-feet
Amount Requested

Acre-feet
Amount Approved

Pomona CA 91769
City State Zip Code

Telephone: (909) 620-2283

Facsimile: (909) 620-2030

Henry Pepper, Utility Services Director
City of Pomona

TRANSFER TO:

Fontana Water Company
Name of Party

Attach Recapture Form 4

8440 Nuevo Avenue
Street Address

Fontana CA 92335
City State Zip Code

Telephone: (909) 822-2201

Facsimile: (909) 823-5046

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

WATER QUALITY AND WATER LEVELS

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

Recapture by Fontana Water Company is accomplished by pumping of 15 wells-static water levels vary from 375' to 684'.

Of the wells routinely pumped, nitrate levels vary from a low of 8 mg/l to a high of 33 mg/l.

MATERIAL PHYSICAL INJURY

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

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

N/A

Form 3 (cont.)

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]


Michael J. McGraw, General Manager
Fontana Water Company

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

**APPLICATION OR AMENDMENT TO APPLICATION
TO
RECAPTURE WATER IN STORAGE**

APPLICANT

<u>Fontana Water Company</u>	<u>March 11, 2004</u>	<u></u>
Name of Party	Date Requested	Date Approved
<u>8440 Nuevo Avenue</u>	<u>500</u> Acre-feet	<u></u> Acre-feet
Street Address	Amount Requested	Amount Approved
<u>Fontana</u> <u>CA</u> <u>92335</u>	<u>Varies</u>	<u>July 1, 2003 - June 30, 2004</u>
City State Zip Code	Projected Rate of Recapture	Projected Duration of Recapture
Telephone: <u>(909) 822-2201</u>	Facsimile: <u>(909) 823-5046</u>	

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

IDENTITY OF PERSON THAT STORED THE WATER: City of Pomona

PURPOSE OF RECAPTURE

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

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

N/A

PLACE OF USE OF WATER TO BE RECAPTURED

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

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

N/A

WATER QUALITY AND WATER LEVELS

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

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

MATERIAL PHYSICAL INJURY

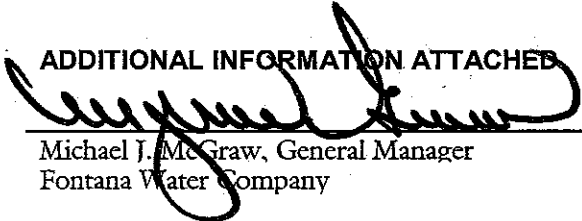
Is the Applicant aware of any Material Physical Injury to a party to the judgment or the Basin that may be caused by the action covered by the application? Yes [] No [X]

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]


Michael J. McGraw, General Manager
Fontana Water Company

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION TO TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 20 03 - 20 04

Commencing on July 1, 2003 and terminating on June 30, 2004, City of Pomona ("Transferor") hereby transfers to Fontana Water Company ("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 184327).

Said Transfer shall be conditioned upon:

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

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

WATER QUALITY AND WATER LEVELS

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

Recapture by Fontana Water Company is accomplished by pumping of 15 wells-static water levels vary from 375' to 684'

Of the wells routinely pumped, nitrate levels vary from a low of 8 mg/l to a high of 33 mg/l.

MATERIAL PHYSICAL INJURY?

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

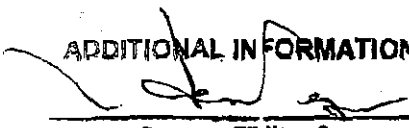
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

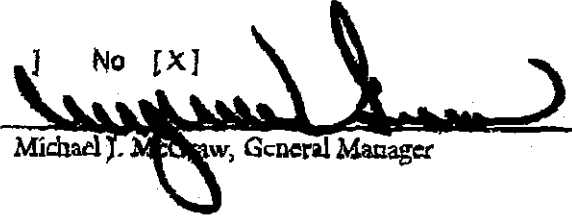
Four horizontal lines for providing mitigation measures.

Form 5 (cont.)

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]


Henry Pepper, Utility Services Director


Michael J. McCraw, General Manager

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

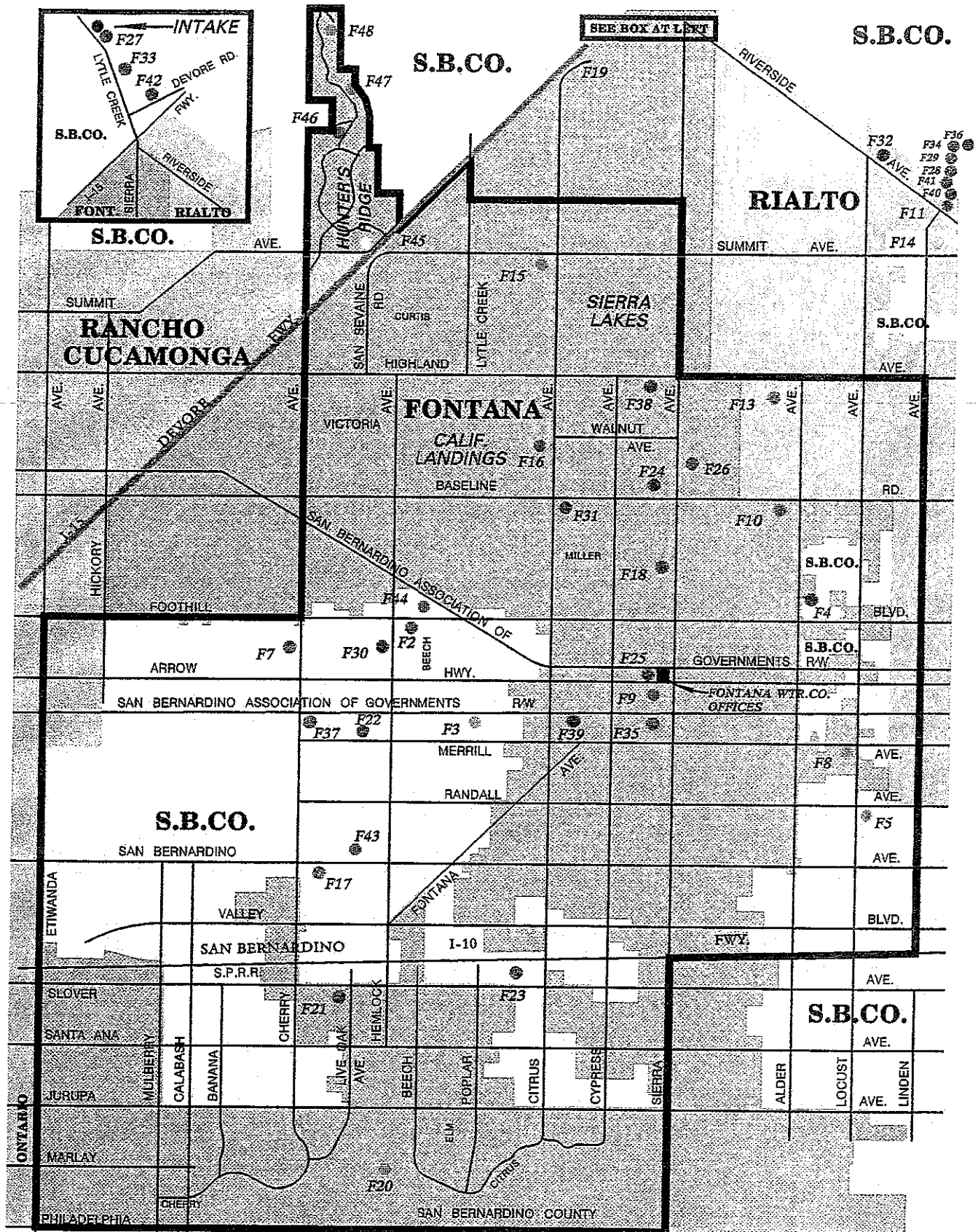
DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____



LEGEND

- - WELL ● - WELL & BOOSTERS
- - BOOSTERS
- - WELL, BOOSTERS & RESERVOIR
- - TREATMENT FACILITY
- - RESERVOIR - P.R. VALVE
- - BOOSTERS & RESERVOIR
- - AFTERBAY ● - INTAKES

FONTANA WATER COMPANY

SYSTEM NO. 3610041

SCALE IN MILES

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION



CHINO BASIN WATERMASTER

April 8, 2004

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

April 20, 2004

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

II. BUSINESS ITEMS

A. Policy Discussions Regarding Credits 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: April 8, 2004
April 20, 2004
April 22, 2004

TO: Committee Members
Watermaster Board Members

SUBJECT: Policies for Form 7 Application Reviews 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 recently provided 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 April staff will provide an analysis of the comments received prior to the pool meetings.

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION



CHINO BASIN WATERMASTER

April 8, 2004

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

April 20, 2004

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

II. BUSINESS ITEMS

- B. 2004/2005 Watermaster Budget**
Staff Will Present Highlights of the
Fiscal 2004/2005 Budget



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: April 8, 2004
April 20, 2004
April 22, 2004

TO: Committee Members
Watermaster Board Members

SUBJECT: PROPOSED FISCALYEAR 2003/04 BUDGET

SUMMARY

Issue – Annual Budget for Watermaster Administration and Operations during FY 2004-05

Recommendations – Staff has no recommendation at this time.

Fiscal Impact – Staff will provide an estimate of the fiscal impacts at the meeting requesting budget approval.

DISCUSSION

Staff has compiled a draft budget for continuing implementation of the basin's Optimum Basin Management Program. Staff anticipates the continuation of areas of focus to include:

- Monitoring activities – Water level and quality, production, surface water quality and hydraulic control
- Implementation of the recharge improvement and dry year yield projects
- Further development of the storage and recovery program
- Processing through the approval of the Regional Water Quality Control Board's basin plan amendment including the Chino Basin's Maximum Benefit Demonstration
- Management of subsidence related monitoring and analysis
- Computerization of monitoring and office automation processes, and
- Optimization of Watermaster and IEUA ground & surface water informational databases
- Hydraulic Control Monitoring Program
- Inactive Well Protection Program
- Water Quality Committee

Staff will present highlights of the significant projects and programs at the April meetings. Staff anticipates continuing the discussions through May for final approval consideration for the fiscal 2004/2005 budget in June.

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION



CHINO BASIN WATERMASTER

April 8, 2004

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

April 20, 2004

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

II. BUSINESS ITEMS

**C. Consider Agreement With City
of Upland and IEUA For
Recharge Project**

Consider Agreement for Funding
Assistance and Maintenance and
Operation of Upland Recharge Basin



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: April 8, 2004
April 20, 2004
April 22, 2004

TO: Committee Members
Watermaster Board Members

SUBJECT: Recharge Master Plan Funding Agreement for Upland Recharge Basin

SUMMARY:

- Issue –** Approval of agreement between Watermaster, IEUA and City of Upland regarding inclusion of Upland Recharge Basin in facilities improved pursuant to the Recharge Master Plan.
- Recommendation –** Approve proposed agreement to include Upland Recharge Basin within facilities improved through Recharge Master Plan.
- Fiscal Impact –** No fiscal impact. Funding for improvements comes through Proposition 13 grant funds and matching funds. Budget for implementation of Recharge Master Plan anticipated inclusion of this project.

BACKGROUND

Watermaster is currently implementing the Recharge Master Plan through the construction of recharge related improvements to various facilities throughout the Chino Basin. Funding for the project is through Proposition 13 grant funds and matching funds issued through IEUA.

Most of the facilities being used for the project are owned by either the Chino Basin Water Conservation District, the San Bernardino County Flood Control District or IEUA. However, the City of Upland is also currently implementing an expansion of the Upland Recharge Basin. While the primary purpose of Upland's project is to enhance the flood control capacity of the Upland Recharge Basin, the project can also be put to dual use and serve to further enhance the available recharge capacity through the Recharge Master Plan.

Watermaster, IEUA and Upland have negotiated an agreement whereby funding will be provided to Upland to assist in the completion of its project, and in return a portion of the project will be dedicated to recharge purposes.

SUMMARY OF AGREEMENT

Under the terms of the Agreement, \$750,000 of the funds for use in implementing the Recharge Master Plan will be dedicated to work at the Upland Recharge Basin. In exchange, 200 acre-feet of the capacity of the basin will be dedicated exclusively for recharge purposes. While the rest of the capacity of the basin will be dedicated to flood control purposes, this capacity can be used for recharge purposes while not being used for flood control purposes. This arrangement is substantially the same as the arrangement made at the other recharge basins in the Recharge Master Plan which are owned and/or operated by the Flood Control District. All water that is recharged to the Chino Basin from the facility, whether due to recharge activities or flood control activities, will be accounted by Watermaster as water recharged pursuant to the Recharge Master Plan.

RECOMMENDATION

Staff recommends approval of the agreement. The amount of money dedicated to this project was previously budgeted to be a part of the work accomplished under the Recharge Master Plan. Recharge potential at the site is good and will add to the overall quantity of water that can be recharged to the Chino Basin through the Recharge Master Plan.