

CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, September 9, 2004

9:00 a.m. – Joint Appropriative & Non-Ag Pool Meeting

AT THE CHINO BASIN WATERMASTER OFFICES

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

Tuesday, September 21, 2004

9:00 a.m. – Agricultural Pool Meeting

AT THE INLAND EMPIRE UTILITIES AGENCY OFFICES

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

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

9:00 a.m. – September 9, 2004
At The Offices Of
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. MINUTES

1. Minutes of the Joint Appropriative & Non-Agricultural Pool Meeting held on August 12, 2004. *(page 1)*

B. FINANCIAL REPORTS

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

C. WATER TRANSACTION

1. Consider Approval for Transaction of Notice of Sale or Transfer from West Valley Water District to Monte Vista Water District in the amount of 650 acre-feet; Date of Application: July 26, 2004 *(page 23)*
2. Consider Approval for Transaction of Notice of Sale or Transfer – The Transfer of Monte Vista Irrigation Company's FY 2004-05 Annual Production Rights to the Monte Vista Water District. The Total Quantity of Water to be Transferred is Estimated at 1,100 acre-feet; Date of Application: July 26, 2004 *(page 33)*

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

II. BUSINESS ITEMS

A. CONSIDER FIRST AMENDMENT TO PEACE AGREEMENT AND WATERMASTER RESOLUTION 2004-__

Consider the First Amendment to the Peace Agreement Regarding Salt Credits and Allocation of Stormwater Recharge and Consider Associated Watermaster Resolution *(page 45)*

- B. DISCUSS ISSUES CONCERNING AGRICULTURAL POOL CREDIT AND TRANSFERS**
Consider Forming a Workgroup to Discuss the Facts and Issues Surrounding the Request from the Agricultural Pool for a Credit/Transfer Fee
- C. DISCUSS SECOND AMENDMENT TO PEACE AGREEMENT**
Discuss the Second Amendment to the Peace Agreement

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

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

B. STAFF REPORT

- 1. Update on Cleanup and Abatement Orders
- 2. Agricultural Pool is Requesting Feedback/Comments on "How to Support the Recycled Water Plan"
- 3. Update on Subsidence Monitoring Program
- 4. "Think Environment Week" Flyer (page 55)

IV. INFORMATION

- 1. August 2004 Shutdown Workgroup (page 57)

V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

September 9, 2004	9:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
September 13, 2004	9:00 a.m.	Attorney/Manager Meeting @ BB&K
September 21, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
* September 30, 2004	9:00 a.m.	Advisory Committee Meeting
* September 30, 2004	11:00 a.m.	Watermaster Board Meeting

* Meeting date changed

Meeting Adjourn

**CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING**

9:00 a.m. – September 21, 2004
At The Offices Of
Inland Empire Utilities Agency
6075 Kimball Avenue, Building A, Board Room
Chino, 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 on August 17, 2004 (*page 7*)

B. FINANCIAL REPORTS

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

C. WATER TRANSACTION

1. Consider Approval for Transaction of Notice of Sale or Transfer from West Valley Water District to Monte Vista Water District in the amount of 650 acre-feet; Date of Application: July 26, 2004 (*page 23*)
2. Consider Approval for Transaction of Notice of Sale or Transfer – The Transfer of Monte Vista Irrigation Company's FY 2004-05 Annual Production Rights to the Monte Vista Water District. The Total Quality of Water to be Transferred is Estimated at 1,100 acre-feet; Date of Application: July 26, 2004 (*page 33*)

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

II. BUSINESS ITEMS

A. CONSIDER FIRST AMENDMENT TO PEACE AGREEMENT AND WATERMASTER RESOLUTION 2004-__

Consider the First Amendment to the Peace Agreement Regarding Salt Credits and Allocation of Stormwater Recharge and Consider Associated Watermaster Resolution (*page 45*)

- B. DISCUSS ISSUES CONCERNING AGRICULTURAL POOL CREDIT AND TRANSFERS**
Consider Forming a Workgroup to Discuss the Facts and Issues Surrounding the Request from the Agricultural Pool for a Credit/Transfer Fee
- C. DISCUSS SECOND AMENDMENT TO PEACE AGREEMENT**
Discuss the Second Amendment to the Peace Agreement

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

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

B. STAFF REPORT

- 1. Update on Pilot Project at IEUA for Composting and Other Related Studies
- 2. Update on the Cleanup and Abatement Orders
- 3. Recycled Water Usage Update
- 4. Agricultural Pool is Requesting Feedback/Comments on "How to Support the Recycled Water Plan"
- 5. Update on Subsidence Monitoring Program
- 6. "Think Environment Week" Flyer (page 55)

IV. INFORMATION

- 1. August 2004 Shutdown Workgroup (page 57)

V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

September 9, 2004	9:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
September 13, 2004	9:00 a.m.	Attorney/Manager Meeting @ BB&K
September 21, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
* September 30, 2004	9:00 a.m.	Advisory Committee Meeting
* September 30, 2004	11:00 a.m.	Watermaster Board Meeting

* Meeting date changed

Meeting Adjourn



CHINO BASIN WATERMASTER

September 9, 2004

9:00 a.m. - Joint Appropriative & Non-Agricultural
Pool Committee Meeting

September 21, 2004

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

AGENDA PACKAGE





CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

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



Draft Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL
POOL MEETING
August 12, 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 August 12, 2004 at 9:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Dave Crosley, Chair	City of Chino
Ray Wellington	San Antonio Water Company
Raul Garibay	City of Pomona
Robert	Monte Vista Water District
Bill Stafford	Marygold Mutual Water Company
Gerald Black	Fontana Union Water Company
Rita Kurth	Cucamonga Valley Water District
Mike McGraw	Fontana Water Company
Mohamad El-Amamy	City of Ontario
Robert Tock	Monte Vista Water District

NON-AGRICULTURAL POOL MEMBERS PRESENT

Justin M. Scott-Coe	Vulcan Materials Company (Calmat Division)
---------------------	--

Watermaster Staff Present

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

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

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

Chair Crosley called the meeting to order at 9:09 a.m.

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Joint Appropriative and Non-Agricultural meeting held June 10, 2004
2. Minutes of the Joint Appropriative and Non-Agricultural meeting held July 8, 2004

B. FINANCIAL REPORTS

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

6. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through May 31, 2004
7. Treasurer's Report of Financial Affairs for the Period May 1 through May 31, 2004
8. Profit & Loss Budget vs. Actual July 2003 through May 2004

C. WATER TRANSACTION

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

D. STATUS REPORT #11

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

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

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

II. BUSINESS ITEMS

A. CONSIDER IEUA FUNDING REQUEST

Ms. Rojo noted that IEUA was requesting cooperative funding to research the "Potential and Pitfalls for Sustainable Underground storage of Recoverable water". Ms. Rojo asked Mr. Wildermuth, who had an opportunity to review the request, to present his views to the Committee members. Mr. Wildermuth commented that he helped write the staff report which is provided in the packet discussing this project in detail. We can contribute a lot to this project by bringing our experience and bringing work that we have done to the table for this joint investment. Mr. Wildermuth stated that technically we have a great deal that we will gain from this venture. The question of whether or not they would be specifically studying the Chino Basin was presented. Mr. Wildermuth commented that the Water and Science and Technology Board will be studying various basins. Portions of the Chino Basins quite possibly, could end up being models for the rest of the country based on this study. The question if this study was just a gathering of already published information being gathered for future reference was presented. Ms. Rojo stated the basis of this project is to put together a team of 15 volunteers and compile data and the contribution of funds is to help disseminate that data; the end data will help focus research needs and recommendations for future federal funding.

Motion by El-Amamy, second by Wellington, and by unanimous vote

Moved to approve the IEUA funding request, as presented

B. CONSIDER AGREEMENT TO FORM A TASK FORCE

Ms. Rojo commented this item has been budgeted for and was looked at in detail while putting the current budget together. Ms. Rojo stated there is a large cooperative joint effort with several agencies, listed on page 75 of the packet, and this item does fall in with the next business item as well. The question was presented to staff on how this item differs from Item C was presented. Mr. Wildermuth stated it is Watermaster's obligation under the Maximum Benefit that every three years ambient water quality calculations be performed meaning we are going to have to go back and calculate what the TDS and Nitrogen quality of the basins in the management zones. Many people in the Basin are coming together to do this study again in three years. Mr. Wildermuth stated this is an obligation under the proposed maximum benefit which was adopted.

Motion by El-Amamy, second by Wellington, and by unanimous vote

Moved to approve the Agreement to form a task force, as presented

C. CONSIDER AGREEMENT TO CONDUCT A NITROGEN LOSS MONITORING PROGRAM

Mr. Wildermuth stated that part of the Maximum Benefit obligation was that anybody who discharges into the Santa Ana River must participate in a one-time only Nitrogen loss investigation, noting we are only anticipating this will be a one-time only program. Most of the

necessary monitoring has been accomplished; there are some cost issues that Inland Empire Utilities Agency (IEUA) will have to pay. Mr. Wildermuth noted there is not a real significant cost to Watermaster and the reason Watermaster is involved in this is due to the cooperative agreement for monitoring between Watermaster and IEUA. All the other parties that are funding nitrogen loss investigations have agreed to this program and what are being presented are SAWPA's invoice and the sending out of agreements. Mr. Wellington questioned whether this is something that we are already doing under our monitoring activities and whether we are sharing this data with the other parties. Mr. Wildermuth agreed that Mr. Wellington's summary was right on target. Mr. Wildermuth stated what we are presenting here for consideration is the nitrogen loss study which is anticipated to be a one-time only charge. Ms. Rojo commented by consolidating the efforts and scheduling the tests at the same time there is going to be a costs savings greater than what we are spending on this item because of the cost sharing. Mr. Wildermuth commented this should be a wash as far as cost goes. Mr. Wildermuth announced that Mr. LeClaire, who wrote the staff letter, was having a baby at this very moment and would have been able to give a better explanation than him. The Committee present wished Mr. LeClaire and his family well wishes.

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

Moved to approve the Agreement to conduct a nitrogen loss monitoring program, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney/Manager Meetings

Counsel Fife commented that the Attorney/Manager meetings are continuing and the next one scheduled for next Wednesday, August 18 at 2:00 p.m. and is being held here at the Chino Basin Watermaster office. Counsel Fife noted that there has been a request that attorneys not attend the meeting, although, Watermaster legal counsel will be present as a scribe to write down what is said.

2. Santa Ana River Application Process

Counsel Fife updated the Committee members about the recent Environmental Impact Report (EIR) that was put out by Orange County Water District (OCWD). Recently the State Water Resources Control Board (SWRCB) commented on that EIR and a copy of that comment letter is available on the back table. Counsel Fife reviewed some of the statements in that comment letter and stating in summary the SWRCB has concluded that none of the OCWD's current operations are authorized. Counsel Fife stated that this highlights the reason why this entire process is a perilous risk to undertake for everyone involved.

Added Item:

Counsel Fife added comments for the MZ1 process stating the hearing on the City of Chino's Paragraph 15 motion concerning subsidence was scheduled for this Thursday. Both Chino and Chino Hills have signed for the subsidence forbearance program for another year as a result yesterday Chino filed for a continuance of that motion and it has now been put off until September 1 of 2005.

The question regarding a presentation with the court's referee was presented. Counsel Fife commented the original presentation was scheduled for last fall, and at that time the amount of collected data was not sufficient and not a lot to do at the workshop, so that was put off. The MZ1 technical group has expressed in recent meetings that they feel there is enough data now to schedule this workshop with the referee in approximately the fall time frame. Counsel Fife noted that the MZ1 technical group will bring back a summary to the Committee, although, noted there are no concrete plans to date for this to take place.

B. STAFF REPORT1. Phase VII Bid Results

Ms. Rojo noted this was an informational item only and that the Bid process is moving forward and the recharge project is on schedule as well.

2. Groundwater Modeling Update/Interim Results

Mr. Wildermuth stated discussions were held at the Attorney/Manager meetings regarding recalibrating the Chino Basin Groundwater Model in the subsidence area of MZ1. WEI used recently collected data from the MZ1 monitoring efforts to developed improved estimates of vertical and horizontal hydraulic conductivity. The recalibration had taken place in early August and the model calibration in the subsidence area of MZ1 was substantially improved. Mr. Wildermuth recapped the last calibration stating there was difficulty in the subsidence area in MZ1. The MZ1 monitoring program consists of a large spatial array of digital water level sensors with integrated data loggers. Water level data is taken every 15 minutes and the sensors are synchronized. Mr. Wildermuth stated we now know when wells are turned on and turned off providing excellent control for interpreting the data – i.e., static, dynamic and recovering. Mr. Wildermuth stated that aquifer stress tests, done as part of the MZ1 monitoring program, have revealed a barrier to groundwater flow that was not previously known. This barrier is adjacent to and parallels the fissure zone. Modeling work in support of the Peace II process is currently being performed with the recalibrated model. Mr. Wildermuth stated, pending the availability of water supply plan data from the appropriators, staff will come back in September with a description and update of the model and the Chino Basin response to current water management alternatives. The modeling done in support of the Attorney/Manger process should be complete in September.

The question of whether or not Chino had performed testing with injections was presented. Mr. Crosley stated the City of Chino conducted a - small-scale, short-term injection exercise; it was done for the purposes of evaluating where or not one of the existing well facilities could be utilized for a conjunctive use program that was being discussed by Watermaster with MWD. Mr. Crosley commented it was discovered that using the existing head out of the treatment plant they were able to inject water in Chino's well number 10, which is a high nitrate well, getting a 3 for 1 yield . Mr. Crosley reiterated it was a short-term test and did not last even a month. A discussion ensued in this regard.

IV. INFORMATION1. Chino Basin Desalter Authority – Chino I Expansion and Chino II Desalter Project – Progress Report

Ms. Rojo noted Watermaster had received the Chino Basin Authority progress report which is for the Committee members review.

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

Ms. Rojo noted this item is regarding the recharge basins including their scheduled dates of construction completion and their capacities and is for the Committee members review for information only.

3. Dry Year Yield Operating Plan

Ms. Rojo commented this item was to be in the packet as an information item and noted that on page 125 of the packet the annual operating is the plan which is submitted to MET every year as part of the Dry Year Yield Operating Program. Ms. Rojo stated that staff took this report one step further by doing some forecasting regarding recharge opportunities as basins came online. Ms. Rojo gave a brief overview of the plan and noted staff will true up the previous months actual recharge and then on an ongoing basis estimate what we think we may be able to do and based on MET's estimation of water availability and as recharge basins come on line. Ms. Rojo stated we have capacity with a lot of turnouts but we do not have any water at the present time.

A question was presented to Mr. Wildermuth whether or not he had reviewed the exact locations presented on this form for quantities and balances which were just discussed about maybe shifting to zone 1 recharge or is this prior to what was discussed. Ms. Rojo commented this is an internal form only and has more to do with the capacity of the turnouts and basins once we get availability of water. A question was presented regarding the 6500 acre-foot obligation for MZ1 and if it was put into the ground this year. Ms. Rojo stated that it was not and that we carried the replenishment obligation from the prior year as well. Ms. Rojo stated MET raises their rates January 1, 2005 and that is something that has been discussed; we want to try and get in as much wet water as we can in the ground before we pull it from cyclic but we will be pulling it from that account before the end of the year, when the rates go up. A brief discussion ensued regarding MET water availability.

Added Item:

Counsel Fife addressed Chair Crosley to add a comment for the Information Section. Chair Crosley acknowledged Counsel and asked him to proceed with his addition. Counsel Fife mentioned last month there was discussion regarding a letter from Senator Soto concerning Perchlorate and that staff was directed to draft a response letter; we have drafted one and a copy of that letter is available on the back table. Counsel Fife asked the Committee members to take a look at the letter and if there are any comments or concerns please address them to him and the letter will be revised. Counsel Fife was asked if there was a deadline on the presented letter and Counsel Fife explained there was not a deadline to submit this letter.

V. POOL MEMBER COMMENTS

The question regarding Chino Basin Watermaster's new CEO was presented to staff. Counsel Fife commented we are finalizing paperwork with the chosen person and the formal announcement will be at the upcoming Watermaster Board meeting on August 26, 2004.

VI. OTHER BUSINESS

No comment was made regarding this item.

VIII. FUTURE MEETINGS

August 9, 2004	9:00 a.m.	CBFIP/GRCC Meeting
August 12, 2004	9:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
August 17, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
August 18, 2004	2:00 p.m.	Attorney/Manager Meeting
August 25, 2004	9:00 a.m.	MZ1 Technical Committee Meeting
August 26, 2004	9:00 a.m.	Advisory Committee Meeting
August 26, 2004	11:00 a.m.	Watermaster Board Meeting

The Joint Appropriative & Non-Agricultural Pool Meeting Adjourned at 9:45

Secretary: _____

Minutes Approved: _____

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Agricultural Pool – August 17,
2004



Draft Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
August 17, 2004

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

Agricultural Pool Members Present

Nathan deBoom, Chair	Milk Producers Council
Gene Koopman	Milk Producers Council
Bob Feenstra	Milk Producers Council
Glen Durrington	Crops
John Huitsing	Dairy
Pete Hettinga	Dairy
Pete Hall	State of California, California Institute for Men

Watermaster Staff Present

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

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Andy Malone	Wildermuth Environmental Inc.

Others Present

Steve Lee	Space Center Mira Loma
Rick Rees	Geomatrix for CIM
Cindy Miller	RBF Consulting
Allison Burns	SYCR

Chair deBoom called the Agricultural Pool meeting to order at 9:06 a.m.

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Joint Appropriative and Non-Agricultural meeting held July 20, 2004

B. FINANCIAL REPORTS

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

C. STATUS REPORT #11

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

*Motion by Durrington, second by Feenstra, and by unanimous vote
Moved to approve Consent Calendar Item C, as presented*

II. BUSINESS ITEMS**A. CONSIDER IEUA FUNDING REQUEST**

Ms. Rojo noted that IEUA was requesting money to contribute to a research to look into Potential and Pitfalls for Sustainable Underground Storage of Recoverable Water. Ms. Rojo stated the basis of this project is to put together a team of 15 volunteers and compile data and the contribution is to help disseminate that data; the end data will help focus research needs and recommendations for federal funding. Mr. Malone commented that by contributing to this party's research we could quite possibly gain a seat on the committee. The question was presented if the seat would be for sure and Mr. Malone answered that while someone from Watermaster being appointed to the team would be of great benefit there is no guarantee of a seat with or without a contribution. Mr. Malone noted it has been suggested that Mark Wildermuth volunteer for a position on the team and that he thought that would be a good choice. A brief discussion ensued with regards to the work that would be performed by the volunteers and with the contributed funds.

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

Moved to approve the IEUA funding request and strongly encourage Watermaster to name Mark Wildermuth to represent the Chino Basin on the committee task force, as presented

B. CONSIDER AGREEMENT TO FORM A TASK FORCE

Ms. Rojo commented this item has been budgeted for and was looked at in detail while putting the current budget together. Ms. Rojo stated there is a large cooperative effort with several agencies and those who are participating are listed on page 75 of the packet. The question was presented to staff on how this item differs from Item C was presented. Ms. Rojo noted this item is to form the task force and to contribute the \$18,500 that was to help form the task force; the next item is to actually perform the monitoring program. Ms. Rojo stated several people in the Basin are coming together to do this study this year and it has to be done this year and it will be done again in another three years. The question of whether there will be an accounting of the monies spent was presented. Mr. Malone commented that SAWPA is in control of the funds and that an account of spent funds will be available. Mr. Malone stated that Wildermuth will be the consultant doing the work.

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

Moved to approve the Agreement to form a task force, as presented

C. CONSIDER AGREEMENT TO CONDUCT A NITROGEN LOSS MONITORING PROGRAM

Mr. Malone stated that part of the Maximum Benefit obligation was that anybody who discharges into the Santa Ana River must participate in a one-time only Nitrogen loss investigation noting we are only anticipating this to be a one-time only program. Most of the necessary monitoring has been accomplished. Mr. Malone noted there is not a real significant cost to Watermaster and the reason Watermaster is involved in this is due to the cooperative agreement for monitoring between Watermaster and Inland Empire Utilities Agency. All the other parties that are funding nitrogen loss investigations have agreed to this program and what is being presented is SAWPA's invoice and the sending out of agreements. A question regarding nitrogen and nitrate loss was presented to staff. A brief discussion ensued regarding the conversion from nitrogen from the surface to groundwater. The question if this study would have an impact on the Chino Basin was presented. Mr. Malone acknowledged that this study will have an impact on regulations for dischargers. Mr. Malone states what we are presenting here for consideration is an every three year obligation that was agreed to do under the Maximum Benefit while the second item is the nitrogen loss which is anticipated to be a one-time only charge. Ms. Rojo commented that on the second page of the staff report under discussion item number three is testing that is a requirement for us to perform under the

Hydraulic Control Monitoring Program and by consolidating the efforts and scheduling the tests at the same time there is going to be a costs savings greater than what we are spending on this item because of the cost sharing.

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

Moved to approve the Agreement to conduct a nitrogen loss monitoring program, as presented

D. DATA REQUEST FOR OWNER, LOCATION, AND PRODUCTION INFORMATION FOR PRIVATE WELLS

Mr. Love stated that IEUA has entered into a contract with MWH Americas, Inc. to update the Regional Recycled Water Implementation Plan. This plan includes a hydraulic model, which will predict the operation of the recycled water system in the near-term and future. To establish these conditions, the Agency has coordinated with all member agencies to establish potential recycled water commercial and industrial customers. Since irrigation is one of the primary uses of recycled water, IEUA and member agencies have identified agricultural users on wells as potential recycled water customers. Therefore, this information will be used to project potential recycled water demands to size regional facilities (i.e. pump stations, pipelines and reservoirs). A discussion ensued with regard to the number of dairies that have left the Inland Empire along with the forecast for more dairies leaving in the near future. The question of how the release of information would pass on to the owners and Counsel Fife stated that in the past the postcard method was utilized. The question if a "general release" would suffice in this situation was presented and Counsel Fife commented that the postcard method was used because that was the direction of the Pool, although, any method the Committee members see fit to use would be fine. A discussion regarding water quality versus water usage took place. It was decided the general release method would work best for this information release. Committee members inquired what can the Ag Pool do to assist in this endeavor and Mr. Atwater commented that writing letters of support regarding recycled water to the senate would be most appreciated. Mr. Atwater gave a brief recap of things that IEUA is doing to assist with the use of recycled water. It was asked that Mr. Atwater be available for the Ag Pool meetings to give a brief update to the committee members on how this project is proceeding and Mr. Atwater commented that he would provide the committee with monthly updates.

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

Moved to approve a general release form for the release of information for location and production information for private wells

E. DISCUSS ISSUES CONCERNING AGRICULTURAL POOL CREDIT AND TRANSFERS

Mr. Brommenschenkel commented that he had Mr. Malone prepare a map for users of recycled water and to be able to look at where the opportunities are for the use of recycled water in the future. Mr. Brommenschenkel stated a lot of work is being done to implement the use of recycled water in the dairy industry and is gaining interest daily. The demand for recycled water could be great and would require a separate rate and this special rate will have to be investigated. Mr. Brommenschenkel passed out a special handout titled "Recycled Water Plan – Ag Pool Proposal" which gave background information, a proposal for deal points, and potential new uses and amounts of recycled water in the Ag Pool and noted this item and handout was added to the revised agenda. Chair deBoom noted there were three main areas that would be focused on for this special transfer fee to take place. It was noted that this would allow for water to be less expensive and to generate money for the Agricultural pool. A discussion ensued on how the special transfer fee will be applied. Mr. Atwater commented that it would be appropriate that a special meeting take place to review all the facts and to make sure all parties are on the same page. A discussion ensued with regard to "new water". Mr. Feenstra affirmed how can this committee promote the use of recycled water when we have no monies available other than coming up with some innovative idea and the idea of a special transfer fee is an innovative way; it will be putting money received to good use.

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

Moved to approve to go forward on the process of applying 10% transfer fee

The question of whether or not the Ag Pool needs to go through the Pool, Advisory, and Board process was presented. Counsel Fife discussed the processes and commented he was not clear on the motion and since the proposal was distributed for the first time at the meeting, he had not considered appropriate process for it. Mr. Koopman stated this was an Ag Pool issue only and that the 10% transfer fee was to be put into a fund to do good things that otherwise they would not have the available funds. Counsel Fife asked for confirmation that the Pool was not instructing staff to place the proposal on the other Pool agendas for approval, and that the motion by the Agricultural Pool was not to recommend approval of the proposal to the Advisory Committee and Board. Mr. Atwater stated that it was a proposal and that there was dialog regarding this at the recent attorney/manager meetings and felt a workgroup to discuss this in more detail should take place. Ms. Rojo inquired if the motion should be modified. It was decided that this item should be presented for discussion purposes only to the Advisory Committee and the Watermaster Board in September and the motion should be modified to state it is to adopt a proposal to implement a special transfer fee.

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

Moved to approve the proposal to implement a special transfer fee and to bring this item to the Advisory Committee and the Watermaster Board in September for discussion

Representatives from CIM abstained because the proposal was not on the agenda.

Due to time constraints Tom O'Neil from Jurupa Community Services was asked to give the update regarding the draft Chino I and Chino II Desalter Projects Groundwater Monitoring and Mitigation Plan.

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

Mr. O'Neil gave a brief update and noted that the CDA was waiting for other studies to be completed and there were no significant changes from his last report a few months ago. Mr. O'Neil was anticipating the actual Mitigation Plan to be on the agenda in the September/October time frame when all tests and paperwork were completed. A discussion ensued with regard to well pumping and if there was a timeline for the work. Mr. O'Neil commented the target date was December, however, that Watermaster had to have a plan submitted and approved by that time. Mr. O'Neil stated he had met with Mr. Wildermuth to work on some of the details. Mr. Atwater commented that IEUA was in the process of coming up with over production numbers and felt there was a lot of opportunity and was working on the details.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney/Manager Meetings

Counsel Fife commented that the Attorney/Manager meetings are continuing and the next one scheduled for next Wednesday, August 18 at 2:00 p.m. is being held at the Chino Basin Watermaster office. Counsel Fife noted that there has been a request that attorneys not attend the meeting, although, Watermaster legal counsel will be present as a scribe to write down what is said.

2. Santa Ana River Application Process

Counsel Fife reminded the Committee members about the recent EIR that was put out by Orange County Water District (OCWD). Recently the State Water Resources Control Board (SWRCB) commented on that EIR and a copy of that comment letter is available on

the back table. Counsel Fife reviewed some of the statements in that comment letter and stating in summary the SWRCB has concluded that none of the OCWD's operations are authorized which means if they do not come out of this process with a solid permit in hand they have to stop everything – no more diversions from the Santa Ana River.

Added Item:

Counsel Fife added comments for the MZ1 process stating the hearing on the Chino's Paragraph 15 motion concerning subsidence was scheduled for this Thursday. The parties both Chino and Chino Hills have signed for the subsidence forbearance program for another year so yesterday Chino filed for a continuance of that motion and it has now been put on until September 1 of 2005.

The question regarding a presentation with the courts referee was presented. Counsel Fife commented the original presentation was scheduled for last fall, and at that time the amount of collected data was not sufficient and not a lot to do at the workshop, so that was put off. The MZ1 technical group has expressed in recent meetings that they feel there is enough data now to schedule this workshop with the referee in approximately the fall time frame. Counsel Fife noted that the MZ1 technical group will bring back a summary to the Committee, although, noted there are no concrete plans to date for this to take place.

B. STAFF REPORT

1. Phase VII Bid Results

Ms. Rojo noted this was an informational item only and that the bid process is moving forward and the recharge project is going forward as well.

2. Groundwater Modeling Update/Interim Results

No comment was made regarding this item.

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

This item was taken out of order due to time constraints and was heard prior to the General Legal Counsel Report section.

IV. INFORMATION

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

Ms. Rojo noted Watermaster had received the Chino Basin Authority progress report which is included for the Committee members to review.

V. POOL MEMBER COMMENTS

The question of whether or not staff or legal counsel and an update to brief the committee members on regarding the cease and desist order was presented. Counsel Fife commented there was no update at this time.

Counsel Fife added comment regarding the handout which was a draft letter written to Senator Nell Soto with regards to Perchlorate contamination and the need for the maintenance of communication with the local parties.

VI. OTHER BUSINESS

No comment was made regarding this item.

VIII. FUTURE MEETINGS

August 9, 2004	9:00 a.m.	CBFIP/GRCC Meeting
August 12, 2004	9:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
August 17, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
August 25, 2004	9:00 a.m.	MZ1 Technical Committee Meeting
August 26, 2004	9:00 a.m.	Advisory Committee Meeting
August 26, 2004	11:00 a.m.	Watermaster Board Meeting

The Agricultural Meeting Adjourned at 9:50 a.m.

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

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





CHINO BASIN WATERMASTER

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

STAFF REPORT

DATE: September 9, 2004
September 21, 2004
September 30, 2004

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – August 2004

SUMMARY

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

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

Fiscal Impact – All funds disbursed were included in the FY 2004-05 Watermaster Budget.

BACKGROUND

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

DISCUSSION

Total cash disbursements during the month of August 2004 were \$529,989.19. The most significant expenditures during the month were DCSE in the amount of \$49,908.50, Hatch and Parent in the amount of \$67,222.86, Wildermuth Environmental in the amount of \$127,547.38, and Inland Empire Utilities Agency in the amount of \$145,393.78.

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

CHINO BASIN WATERMASTER
 Cash Disbursement Detail Report
 August 2004

Type	Date	Num	Name	Amount
Aug 04				
Bill Pmt -Check	8/4/2004	8885	LIVING SPACES	-204.73
General Journal	8/4/2004	04/08/4	PAYROLL	-3,407.17
General Journal	8/4/2004	04/08/4	PAYROLL	-13,515.81
Bill Pmt -Check	8/5/2004	8886	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-5,439.21
Bill Pmt -Check	8/5/2004	8887	AUTOMOBILE CLUB OF SOUTHERN CALIFORNIA	-44.00
Bill Pmt -Check	8/5/2004	8888	AWWA	-172.00
Bill Pmt -Check	8/5/2004	8889	BOWCOCK, ROBERT	-375.00
Bill Pmt -Check	8/5/2004	8890	CATLIN, TERRY	-750.00
Bill Pmt -Check	8/5/2004	8891	CHINO BASIN WATER CONSERVATION DISTRICT	-1,013.26
Bill Pmt -Check	8/5/2004	8892	CITISTREET	-700.00
Bill Pmt -Check	8/5/2004	8893	DAN VASILE	-140.00
Bill Pmt -Check	8/5/2004	8894	DCSE	-49,908.50
Bill Pmt -Check	8/5/2004	8895	DELUXE BUSINESS FORMS & SUPPLIES	-47.82
Bill Pmt -Check	8/5/2004	8896	IDEAL GRAPHICS	-1,198.18
Bill Pmt -Check	8/5/2004	8897	INLAND COUNTIES INSURANCE SERVICES, INC.	-216.77
Bill Pmt -Check	8/5/2004	8898	KRUGER, W. C. "BILL"	-250.00
Bill Pmt -Check	8/5/2004	8899	KUHN, BOB	-875.00
Bill Pmt -Check	8/5/2004	8900	MWH LABORATORIES	-5,285.00
Bill Pmt -Check	8/5/2004	8901	NEUFELD, ROBERT	-375.00
Bill Pmt -Check	8/5/2004	8902	P.C. CLUB	-850.15
Bill Pmt -Check	8/5/2004	8903	PAYCHEX	-155.45
Bill Pmt -Check	8/5/2004	8904	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-3,433.26
Bill Pmt -Check	8/5/2004	8905	RAUCH COMMUNICATION CONSULTANTS, LLC	-5,034.17
Bill Pmt -Check	8/5/2004	8906	REID & HELLYER	-9,328.85
Bill Pmt -Check	8/5/2004	8907	RETAIL SERVICES	-1,244.52
Bill Pmt -Check	8/5/2004	8908	SANTA ANA WATERSHED PROJECT AUTHORITY	-18,500.00
Bill Pmt -Check	8/5/2004	8909	STATE COMPENSATION INSURANCE FUND	-981.51
Bill Pmt -Check	8/5/2004	8910	E.H. WACHS COMPANY	-462.76
Bill Pmt -Check	8/5/2004	8911	USA-FACT INC	-101.20
Bill Pmt -Check	8/5/2004	8912	VANDEN HEUVEL, GEOFFREY	-250.00
Bill Pmt -Check	8/5/2004	8913	VELASQUEZ JANITORIAL	-900.00
Bill Pmt -Check	8/5/2004	8914	VERIZON	-454.02
Bill Pmt -Check	8/5/2004	8915	WATER EDUCATION FOUNDATION	-45.00
Bill Pmt -Check	8/5/2004	8916	WHITEHEAD, MICHAEL	-125.00
Bill Pmt -Check	8/5/2004	8917	WILDERMUTH ENVIRONMENTAL INC	-1,077.50
Bill Pmt -Check	8/5/2004	8918	YUKON DISPOSAL SERVICE	-123.90
Bill Pmt -Check	8/11/2004	8919	JAMES JOHNSTON	-450.00
Bill Pmt -Check	8/11/2004	8920	CAFE CALATO	-68.42
Bill Pmt -Check	8/17/2004	8921	ACWA SERVICES CORPORATION	-357.11
Bill Pmt -Check	8/17/2004	8922	APPLIED COMPUTER TECHNOLOGIES	-595.70
Bill Pmt -Check	8/17/2004	8923	BANK OF AMERICA	-4,927.57
Bill Pmt -Check	8/17/2004	8924	BEN MEADOWS COMPANY	-704.75
Bill Pmt -Check	8/17/2004	8925	BEST BEST & KRIEGER LLP-RIVERSIDE OFFICE	-1,154.59
Bill Pmt -Check	8/17/2004	8926	CALPERS	-2,175.09
Bill Pmt -Check	8/17/2004	8927	CHEVRON	-123.16
Bill Pmt -Check	8/17/2004	8928	CITICORP VENDOR FINANCE, INC.	-168.43
Bill Pmt -Check	8/17/2004	8929	CITISTREET	-350.00
Bill Pmt -Check	8/17/2004	8930	CITIZENS CONFERCING	-145.86
Bill Pmt -Check	8/17/2004	8931	CNA SURETY	-208.80
Bill Pmt -Check	8/17/2004	8932	DELUXE BUSINESS FORMS & SUPPLIES	-160.40
Bill Pmt -Check	8/17/2004	8933	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	8/17/2004	8934	HATCH AND PARENT	-67,222.86
Bill Pmt -Check	8/17/2004	8935	IMAGE APPAREL	-1,716.34
Bill Pmt -Check	8/17/2004	8936	INLAND EMPIRE UTILITIES AGENCY	-145,393.78
Bill Pmt -Check	8/17/2004	8937	MCI	-900.15
Bill Pmt -Check	8/17/2004	8938	MODERN OFFICE	-2,048.00
Bill Pmt -Check	8/17/2004	8939	OFFICE DEPOT	-909.08
Bill Pmt -Check	8/17/2004	8940	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-3,484.02
Bill Pmt -Check	8/17/2004	8941	RICOH BUSINESS SYSTEMS-Lease	-3,591.31
Bill Pmt -Check	8/17/2004	8942	SAVIN CORPORATION dba RICOH BUSINESS	-639.50
Bill Pmt -Check	8/17/2004	8943	STAULA, MARY L	-136.61
Bill Pmt -Check	8/17/2004	8944	TELECOM SERVICES	-315.79
Bill Pmt -Check	8/17/2004	8945	UNITED PARCEL SERVICE	-276.00
Bill Pmt -Check	8/17/2004	8946	WILDERMUTH ENVIRONMENTAL INC	-127,547.38
Bill Pmt -Check	8/17/2004	8947	SAVIN CORPORATION dba RICOH BUSINESS	-32.95
General Journal	8/20/2004	04/08/7	PAYROLL	-3,423.08
General Journal	8/20/2004	04/08/7	PAYROLL	-13,393.93
Bill Pmt -Check	8/26/2004	8948	ARROWHEAD MOUNTAIN SPRING WATER	-33.16
Bill Pmt -Check	8/26/2004	8949	CUCAMONGA VALLEY WATER DISTRICT	-4,900.00
Bill Pmt -Check	8/26/2004	8950	DIRECTV	-71.96
Bill Pmt -Check	8/26/2004	8951	ELLISON, SCHNEIDER & HARRIS, LLP	-598.01
Bill Pmt -Check	8/26/2004	8952	IDEAL GRAPHICS	-49.57

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
August 2004

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

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

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

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

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

DEPOSITORIES:

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

CHANGE IN CASH POSITION DUE TO:

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

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

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

INVESTMENT TRANSACTIONS

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

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

**INVESTMENT STATUS
July 31, 2004**

<u>Financial Institution</u>	<u>Principal Amount</u>	<u>Number of Days</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Local Agency Investment Fund	\$ 7,736,454			
Time Certificates of Deposit	-			
TOTAL INVESTMENTS	\$ 7,736,454			

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

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

Respectfully submitted,



Sheri M. Rojo, CPA
Finance Manager
Chino Basin Watermaster

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

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

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

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

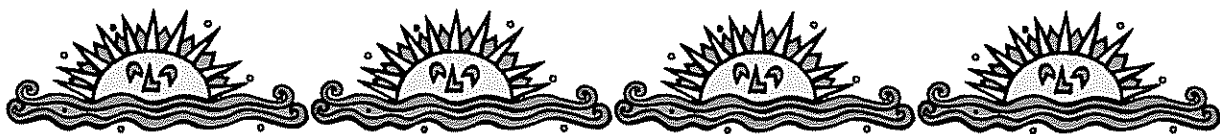


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. WATER TRANSACTIONS

1. Transaction of Notice of Sale or Transfer from West Valley Water District to Monte Vista Water District in the Amount of 450 acre-feet
2. Transaction of Notice of Sale or Transfer from Monte Vista Irrigation Company's FY 2004-05 Annual Production Rights to the Monte Vista Water District



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

August 16, 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: **July 26, 2004**

Date of this notice: **August 16, 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 West Valley Water District 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:	September 9, 2004
Non-Agricultural Pool:	September 9, 2004
Agricultural Pool:	September 21, 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

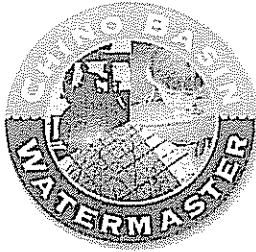
CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: August 16, 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

DATE: August 16, 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 West Valley Water District 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.

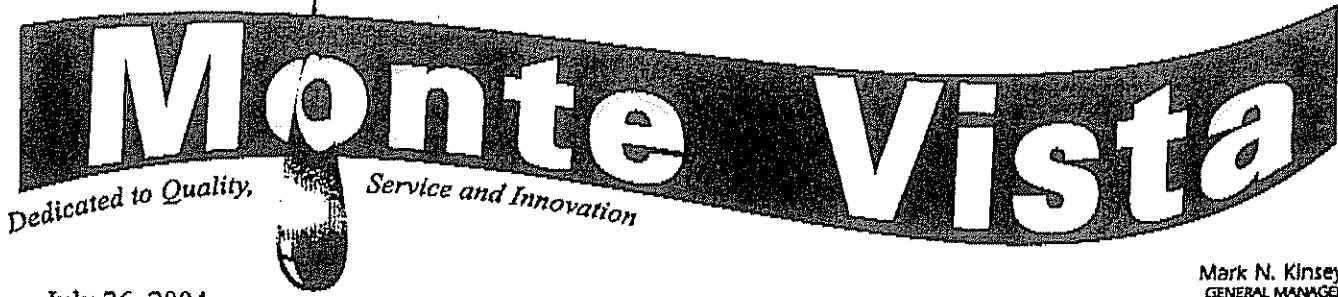
- Notice of Sale or Transfer – Monte Vista Water District has agreed to purchase from West Valley Water District water in storage in the amount of 650 acre-feet.

Notice of the water transaction identified above was mailed on August 16, 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.



July 26, 2004

Mark N. Kinsey
GENERAL MANAGER

Ms. Sheri Rojo, Interim Chief of Watermaster Services
CHINO BASIN WATERMASTER
9641 San Bernardino Road
Rancho Cucamonga, California 91730

Purchase of Water in Storage: Fiscal Year 2004-05

Dear Ms. Rojo:

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.

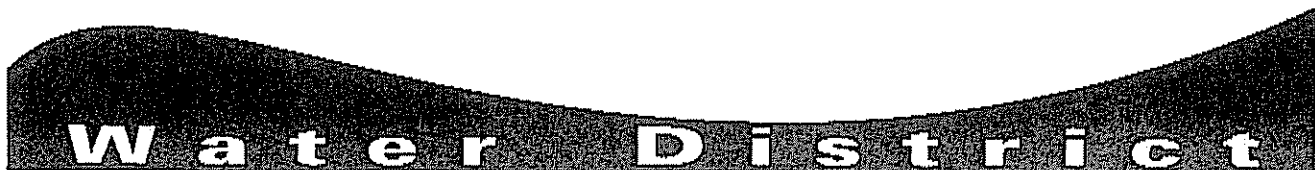
Sincerely,

Monte Vista Water District

Mark N. Kinsey
General Manager

Attachments

cc: Anthony Araiza, West Valley Water District



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

Robb D. Quincey
PRESIDENT

Sandra S. Rose
VICE PRESIDENT

Josephine M. Johnson
DIRECTOR

Maynard B. Lenhert
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: July 26, 2004

Transferring Party: West Valley Water District

Date Approved:


Address: 835 West Base Line
Rialto, California 92377-0920

Amount Requested (AF): 690

Telephone: (909) 875-1804

Amount Approved (AF):

Fax: (909) 875-7284


Applicant: Anthony W. Ariza, General Manager

Attach Recepture Form 4

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

Mark N. Kinsley 1/27/04

Applicant: Mark N. Kinsley, 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:

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

August 16, 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: July 26, 2004

Date of this notice: August 16, 2004

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

- A. Notice of Sale or Transfer – The transfer of Monte Vista Irrigation Company’s FY 2004-05 Annual Production Rights to the Monte Vista Water District. The total quantity of water to be transferred is estimated at 1,100 acre-feet.

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

Appropriative Pool: September 9, 2004

Non-Agricultural Pool: September 9, 2004

Agricultural Pool: September 21, 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

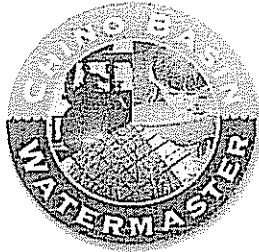
CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: August 16, 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

DATE: August 16, 2004
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary -

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

Issue -

- Notice of Sale or Transfer – The transfer of Monte Vista Irrigation Company Fiscal Year 2004-05 annual production rights to Monte Vista Water District in the amount of 1,100 acre-feet.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Notice of Sale or Transfer – The transfer of Monte Vista Irrigation Company Fiscal Year 2004-05 annual production rights to Monte Vista Water District in the amount of 1,100 acre-feet.

Notice of the water transaction identified above was mailed on August 16, 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.

Monte Vista

Dedicated to Quality, Service and Innovation

July 26, 2004

Mark N. Kinsey
GENERAL MANAGER

Ms. Sheri Rojo, Interim Chief of Watermaster Services
 CHINO BASIN WATERMASTER
 9641 San Bernardino Road
 Rancho Cucamonga, California 91730

MVWD/MVIC Water Transactions

Dear Ms. Rojo:

Attached are the necessary forms to complete the transfer of Monte Vista Irrigation Company Fiscal Year 2004-05 annual production rights in the Chino Basin to the Monte Vista Water District. The total quantity of water to be transferred is estimated at 1,100 acre-feet.

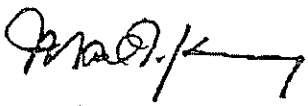
This transfer will be utilized by the District to offset a portion of its projected Fiscal Year 2004-05 replenishment obligation within the Chino Basin and to provide in-lieu deliveries to Metropolitan's Dry-Year Yield Storage Account. The recapture plan for production of the transferred water rights by the District and a map showing the location of District production wells are attached for consideration by Watermaster.

The actual location of, and rate of capture, could change due to unplanned production system problems or from abnormally wet or dry weather conditions.

Thank you for your assistance in this matter. Should you have any questions, please contact the District at your convenience.

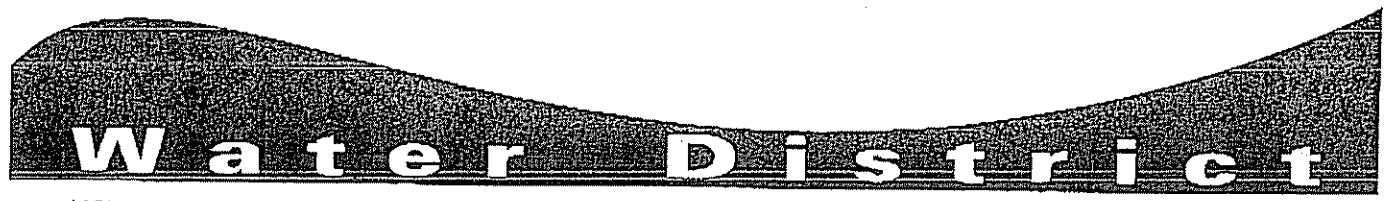
Sincerely,

Monte Vista Water District



Mark N. Kinsey
 General Manager

Attachments



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

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

APPLICATION TO TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2004-05

Commencing on July 1, 2004 and terminating on June 30, 2005, Monte Vista Irrigation Company ("Transferor") hereby transfers to Monte Vista Water District ("Transferee") the quantity of 1,100 acre-feet of corresponding Annual Production Right (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.," RCV 51010 (formerly Case No. SCV 164327).

Said Transfer shall be conditioned upon:

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

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

WATER QUALITY AND WATER LEVELS

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

Dynamic water levels at District wells range from 538' to 596' below ground level with average drawdown of 40'. Static water levels range from 504' to 533' below ground level. Nitrate concentrations for District wells range between 19-70 ppm.

MATERIAL PHYSICAL INJURY

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

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

No mitigation is required.

ADDITIONAL INFORMATION ATTACHED Yes [X] No []

Mark N. Kinsey
Monte Vista Irrigation Company
Transferor

Mark N. Kinsey
Monte Vista Water District
Transferee

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

MONTE VISTA WATER DISTRICT

Recapture Plan

This recapture plan pertains to the transfer of an estimated 1,100 acre-feet of Fiscal Year 2004-05 Monte Vista Irrigation Company annual production rights to the Monte Vista Water District. Location of where the recaptured water will be extracted by the District is within Management Zone 1 of the Chino Basin and will be accomplished by any or all of the 10 wells owned and operated by the District. The approximate daily production capacity of these wells is noted below.

<u>Well</u>	<u>Production Acre-Feet/Day</u>
4	4.2
5	6.1
6	5.2
10	5.2
11	2.7
19	9.0
20	5.8
26	9.0
27	9.0
28	9.0
<hr/>	
Daily Total	65.2

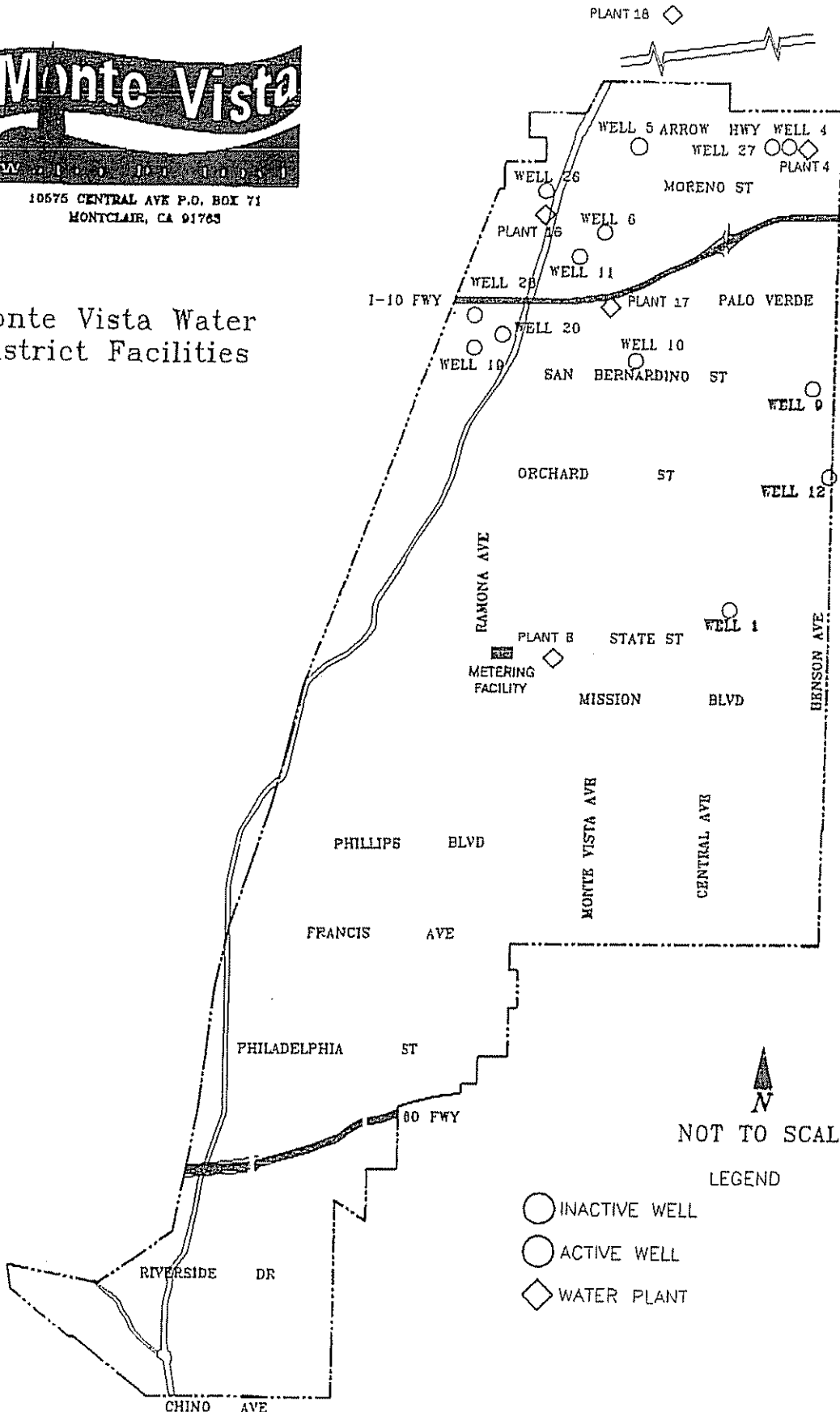
A map showing the location of these wells is attached. The rate of extraction can vary significantly, depending upon system demand and seasonal changes.

C:\Draw\Facilities\Facilities.dwg



10575 CENTRAL AVE P.O. BOX 71
MONTCLAIR, CA 91763

Monte Vista Water District Facilities



NOT TO SCALE

LEGEND

- INACTIVE WELL
- ACTIVE WELL
- ◇ WATER PLANT



CHINO BASIN WATERMASTER

II. BUSINESS ITEM

C. CONSIDER FIRST AMENDMENT TO PEACE AGREEMENT AND WATERMASTER RESOLUTION 2004-___

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





CHINO BASIN WATERMASTER

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

STAFF REPORT

DATE: September 9, 2004
September 21, 2004
September 30, 2004

TO: Committee Members
Watermaster Board Members

SUBJECT: First Amendment to the Peace Agreement

SUMMARY

Issue - First Amendment to the Peace Agreement

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

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

Background

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

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

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

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

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

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

Included with this staff report are two documents:

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

Two motions are therefore recommended:

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

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

FIRST AMENDMENT TO PEACE AGREEMENT CHINO BASIN

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

RECITALS

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

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

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

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

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

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

AGREEMENT

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

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

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

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

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

DATED: STATE OF CALIFORNIA

BY: _____

DATED: CITY OF ONTARIO

BY: _____

[Signatures continued on following pages]

DATED: **CITY OF UPLAND**

BY: _____

DATED: **CITY OF POMONA**

BY: _____

DATED: **CITY OF CHINO**

BY: _____

DATED: **CUCAMONGA COUNTY WATER DISTRICT**

BY: _____

DATED: **MONTE VISTA WATER
DISTRICT**

BY: _____

[Signatures continued on following pages]

DATED: **FONTANA UNION WATER
COMPANY**

BY: _____

DATED: **CITY OF CHINO HILLS**

BY: _____

DATED: **JURUPA COMMUNITY
SERVICES DISTRICT**

BY: _____

DATED: **AGRICULTURAL POOL**

BY: _____

DATED: **APPROPRIATIVE POOL**

BY: _____

[Signatures continued on following pages]

DATED: **NON-AGRICULTURAL POOL**

BY: _____

DATED: **INLAND EMPIRE UTILITY
AGENCY**

BY: _____

DATED: **THREE VALLEYS MUNICIPAL
WATER DISTRICT**

BY: _____

DATED: **KAISER VENTURES, INC.**

BY: _____

DATED: **WESTERN MUNICIPAL
WATER DISTRICT**

BY: _____

[Signatures continued on following pages]

DATED: **SAN ANTONIO WATER
COMPANY**

BY: _____

DATED: **CHINO BASIN WATER
CONSERVATION DISTRICT**

BY: _____

WATERMASTER RESOLUTION
NO. 2004-__

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

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

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

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

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

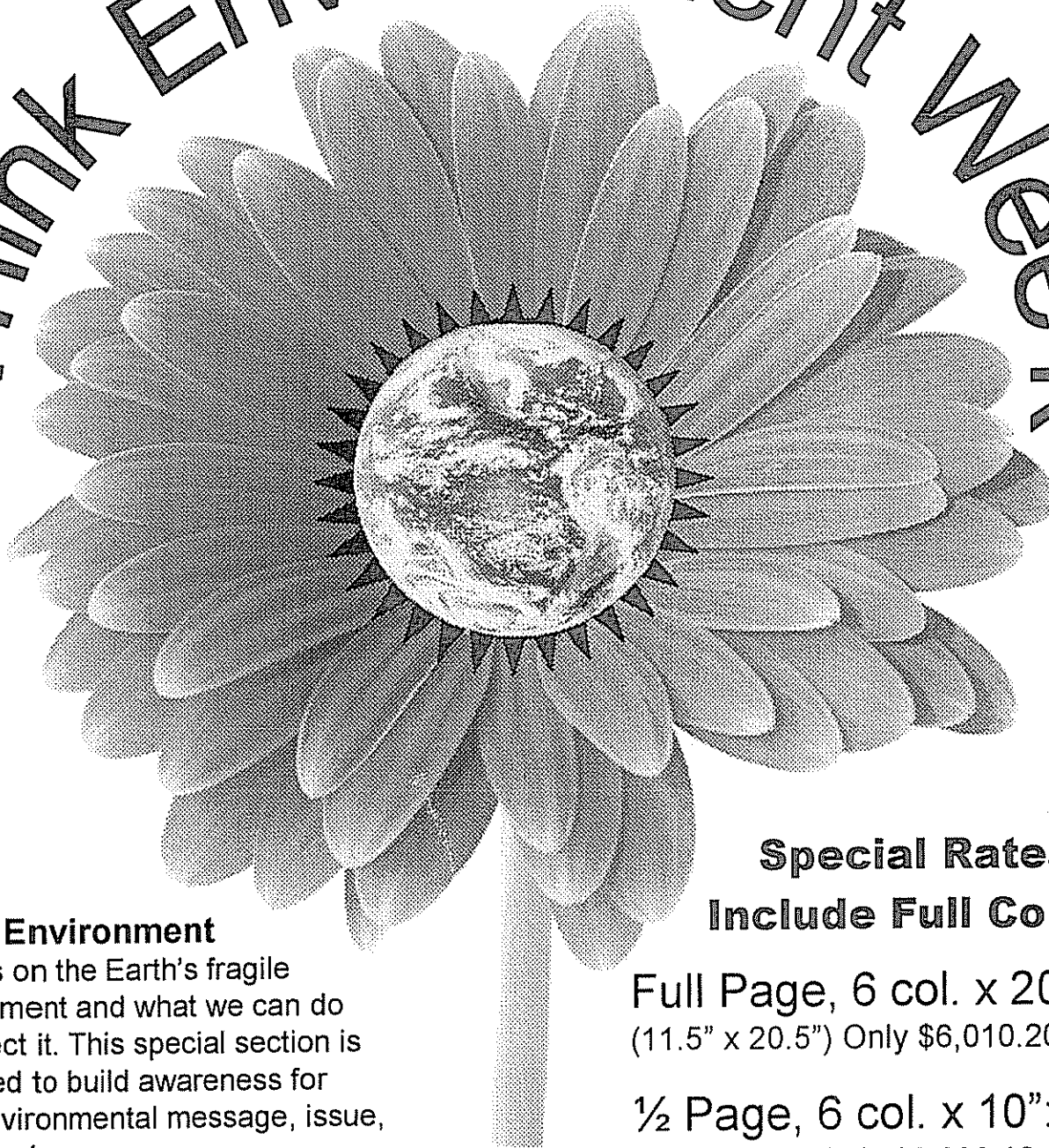
WHEREAS, the Court Ordered Watermaster to proceed with implementation of the OBMP in accordance with the Peace Agreement in its Order dated July 13, 2000; and

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

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

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

Think Environment Week



Think Environment

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

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


Special Rates Include Full Color!

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

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

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

 **Space & Copy Deadline:**
Wednesday, September 15th

 **Publish Date:**
Thursday, September 30th

INLAND VALLEY

Daily Bulletin

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

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION



CHINO BASIN WATERMASTER

IV. INFORMATION

1. August 2004 Shutdown Workgroup



**THE ADMINISTRATIVE CODE OF
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
(Showing additions and deletions)
DIVISION 1V
WATER SERVICE POLICIES**

§ 4503. Suspension of Deliveries.

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

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

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

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

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION