

CHINO BASIN WATERMASTER

October 14, 2004

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

October 19, 2004

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

AGENDA PACKAGE

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

9:00 a.m. – October 14, 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 September 9, 2004 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of September 2004 *(Page 15)*
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2004 through August 31, 2004 *(Page 19)*
3. Treasurer's Report of Financial Affairs for the Period August 1 through August 31, 2004 *(Page 21)*
4. Profit & Loss Budget vs. Actual July through August 2004 *(Page 23)*

C. WATER TRANSACTION

1. Consider Approval for Transaction of Notice of Sale or Transfer from City of Pomona to Monte Vista Water District in the amount of 2,500 acre-feet; Date of Application: September 1, 2004 *(Page 25)*

II. BUSINESS ITEMS

A. URS PROPOSAL REGARDING COLLEGE HEIGHTS

Consider Approval for Additional Scope of Work for Monitoring *(Page 37)*

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. First Amendment to Peace Agreement
2. Attorney/Manager Meetings
3. Basin Plan Amendment Approval

- 4. Litigation updates
 - a. South El Monté Operable Unit CERCLA litigation
 - b. Castaic UWMP decision

B. STAFF REPORT

- 1. Replenishment/Cyclic Account (*Page 47*)
 - a. Summary of Replenishment Deliveries
- 2. November/December Meeting Schedules

IV. INFORMATION

- 1. Inland Empire Landmark Water Supply Program Named "Outstanding Project of the Year" (*Page 49*)
- 2. Newspaper Articles (*Page 51*)
- 3. American Groundwater Trust Conference -- November 5, 2004 (*Page 57*)
- 4. Notice of Attendance of Special Referee's Technical Assistant at MZ1 Meeting (*Page 59*)

V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

October 14, 2004	9:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
October 18, 2004	1:30 p.m.	AGWA Meeting
October 19, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
October 27-29, 2004	All Day	Water Quality Conference - Ontario
October 28, 2004	9:00 a.m.	Advisory Committee Meeting
October 28, 2004	11:00 a.m.	Watermaster Board Meeting

Meeting Adjourn

**CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING**

9:00 a.m. – October 19, 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 September 21, 2004 (Page 9)

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of September 2004 (Page 15)
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2004 through August 31, 2004 (Page 19)
3. Treasurer's Report of Financial Affairs for the Period August 1 through August 31, 2004 (Page 21)
4. Profit & Loss Budget vs. Actual July through August 2004 (Page 23)

C. WATER TRANSACTION

1. Consider Approval for Transaction of Notice of Sale or Transfer from City of Pomona to Monte Vista Water District in the amount of 2,500 acre-feet; Date of Application: September 1, 2004 (Page 25)

II. BUSINESS ITEMS

A. URS PROPOSAL REGARDING COLLEGE HEIGHTS

Consider Approval for Additional Scope of Work for Monitoring (Page 37)

B. AG POOL FUNDS BANKING TRANSFER PRESENTATION

Consider Transfer of Ag Pool Funds (Page 43)

C. FUNDING REQUEST FOR PILOT PROJECT FOR COMPOSTING AND OTHER RELATED STUDIES

Discuss Funding Options for Composting and Other Related Studies (Page 45)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. First Amendment to Peace Agreement
2. Attorney/Manager Meetings

- 3. Basin Plan Amendment Approval
- 4. Litigation updates
 - a. South El Monte Operable Unit CERCLA litigation
 - b. Castaic UWMP decision

B. STAFF REPORT

- 1. Replenishment/Cyclic Account (*Page 47*)
 - a. Summary of Replenishment Deliveries
- 2. November/December Meeting Schedules
- 3. Status on Cal-Trans Transfer

IV. INFORMATION

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- 3. American Groundwater Trust Conference -- November 5, 2004 (*Page 57*)
- 4. Notice of Attendance of Special Referee's Technical Assistant at MZ1 Meeting (*Page 59*)

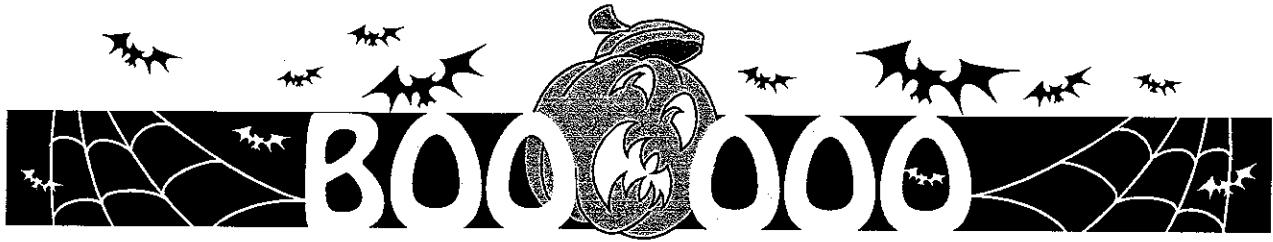
V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

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October 28, 2004	9:00 a.m.	Advisory Committee Meeting
October 28, 2004	11:00 a.m.	Watermaster Board Meeting

Meeting Adjourn



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Joint Appropriative & Non-Agricultural Pool – September 9, 2004

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

APPROPRIATIVE POOL MEMBERS PRESENT

Dave Crosley, Vice-Chair	City of Chino
Ray Wellington	San Antonio Water Company
Raul Garibay	City of Pomona
Ken Jeske	City of Ontario
Mike Maestas	City of Chino Hills
Bill Stafford	Marygold Mutual Water Company
Rita Kurth	Cucamonga Valley Water District
James Bryson	Fontana Water Company
Mark Kinsey	Monte Vista Water District
J. Arnold Rodriguez	Santa Ana River Water Company

NON-AGRICULTURAL POOL MEMBERS PRESENT

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

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	Finance Manager
Danielle Maurizio	Senior Engineer
Sheri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Andy Malone	Wildermuth Environmental Inc.

Others Present

Josephine Johnson	Monte Vista Water District
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Vice-Chair Crosley called the meeting to order at 9:10 a.m.

AGENDA - ADDITIONS/REORDER

No additions or reorders were made to the Agenda and it was noted there was a revised Agenda sent out and available on the back table and is the Agenda being utilized at this meeting. Ms. Rojo stated the revised Agenda removed item II Business Item C from the original Agenda.

I. CONSENT CALENDAR

A. MINUTES

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

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of 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 the Period July 1 through July 31, 2004
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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
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

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

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

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

II. BUSINESS ITEMS

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

Counsel Fife noted this item has been distributed and out for approximately two weeks and that the committee members should be familiar with its context. The motion to clarify what we are seeking is in two parts. First, the Pool itself, since the Pool was a signatory to the Peace Agreement the Pool needs to authorize its Vice-Chair to sign the first Amendment. Second, the Watermaster is not a signatory to the Peace Agreement; however, Watermaster did adopt a resolution committing it to proceed in accordance with the Peace Agreement. The Watermaster Board will need to adopt the Resolution which is included in the packet at the Board meeting at the end of this month.

Motion by Jeske, second by Kinsey, and by unanimous vote

Moved to open this item for discussion

The question regarding the method of calculation for safe yield along with an inquiry regarding the signature block was presented. Mr. Jeske broadened his question regarding the signature block by inquiring about Kaiser Venture. It was noted that Kaiser Venture is still a party to the Judgment. A discussion ensued and Counsel Fife gave comment. A question regarding the verbiage of either "storm recharge" or "storm water" was presented. Counsel Fife stated there is not a formal name, however, that it does need to be consistent. Mr. Jeske commented since it is not a defined term, according to Counsel, and since one or more agencies have already acted on this Amendment it was Mr. Jeske's recommendation to leave the verbiage as is. The question of what happens if all the signatories have not approved this First Amendment prior to the set court date was presented. Counsel Fife commented there is not a defined target date and that all parties are hoping it will go through the processes in a timely manner. Counsel Fife stated the next court date is set for October 14, 2004; however, the court has been notified that when we go to court on October, 14, we might be short a few signatures.

Motion by Jeske, second by Kinsey, and by unanimous vote

Moved for approval for the authorized Vice-Chairman to sign the first amendment to the Peace Agreement and to authorize Watermaster to adopt as a Resolution, as presented

B. DISCUSS ISSUES CONCERNING AGRICULTURAL POOL CREDIT AND TRANSFERS

Counsel Fife commented that at the last Agricultural Pool meeting in August; the handout which has been distributed, and is now available on the back table, was circulated at that Ag Pool meeting and was discussed at length. During the Ag Pool meeting staff was asked to place this item on the Agendas for the other Pools for discussion purposes; there is no action being requested at this time. This is a proposal coming out of the Agricultural Pool and they are seeking comments. Mr. Kinsey noted as he has read through this handout, it appears the procedures in process are already in place through assignment of Agricultural production rights to accomplish this very same proposal. Mr. Kinsey stated Monte Vista needs better understanding for deal point number one and read the item verbatim. Mr. Kinsey said he does not know how it effects the provisions of the Peace Agreement which talks about the early transfers and unpumped Agricultural rights. Mr. Kinsey inquired if this item is to be handled through the Attorney/Manager process which is currently in progress or is this a separate issue that needs to be addressed. Counsel Fife commented the need to see where the appropriate place to discuss this issue is; we would appreciate Pool feedback on this. Counsel Fife affirmed, it was stated at the Agricultural Pool meeting that this is new to staff as well as Counsel and staff would not be prepared to explain the proposal in detail and an Agricultural Pool representative needed to be present if it was to be presented in full. A discussion ensued and Mr. Jeske noted an assignment process is already in place and that several parties are familiar with it. Mr. Jeske reiterated the question of what is the proper format for discussing it; the first level of discussion needs to be through the Attorney/Managers process and it was noted this item was brought up at one of the meetings. Mr. Jeske noted the other option would be to form a work group which implies a separate core work group from the Attorney/Manager work group and would be held separately. We need to be careful to coordinate any resolution from the work group with any resolution coming out on those same or similar topics from the Attorney/Manager's group; then it can go through the regular Pool process. It was decided this item will be discussed at the upcoming Attorney/Manger meeting and if the outcome is to go through the Pool process, it can be added to next months Agenda. No motion is needed to add this item to the discussion work group at the next Attorney/Manager meeting. Mr. Jeske noted a designated process has been discussed and is to be reflected in the minutes as to the Agricultural Pools awareness this item has been addressed.

Counsel Fife asked Vice-Chair Crosley if we could return to Business item A due to the Non-Agricultural Pool representation needing an explicit acknowledgement as well as the Appropriative Pool members because the Non-Ag Pool is a signatory to the Peace Agreement.

The Non-Agricultural Pool representative, Justin M. Scott-Coe, acknowledged his approval of the motion which was made regarding the two part motion for Business item A (the First Amendment to the Peace Agreement).

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. September 2, 2004 Hearing**

Counsel Fife stated there was a hearing last week on Monte Vista's motion and the outcome of that hearing was that we did continue the motion until October 14, 2004. We have notified the court that hearing will most likely take the form of a Status Report to the court since all parties may not have signed the First Amendment. The Watermaster Board will not be able to act on that until its meeting on the 30th; at best we will have the signatures and prepared the transmittal pleading, we may have filed it but will not be ready for an actual hearing for the court to approve it at that time. Counsel Fife noted we would have liked to have met with the court at the end of October on this issue; however, the court will be on vacation for a few weeks right after October 14, 2004. The hearing for this item should be in mid to late November.

2. Castaic Lake Water Agency Meetings

Counsel Fife stated this Pool directed counsel to contact Castaic Lake in response to their letter offering to buy a portion of water in storage; they were contacted and discussions

have started by way of meetings. Counsel Fife noted last week Watermaster staff and counsel made an appearance and gave a presentation at their Water Resources Sub-Committee meeting on the resources we have here in the Chino Basin which was very favorably received. There will be more detail and deal points addressed at the upcoming Attorney/Manager meeting.

3. Attorney/Manager Meetings

Counsel Fife stated the next Attorney/Manager meeting will be this coming Monday which will start promptly at 9:00 a.m. we had anticipated more technical information, however, that information will not be available by Monday so the more non-technical issues will be addressed.

Counsel Fife added comment in regards to item 2 and that we have also been contacted by San Diego about storage space and we have responded to those inquires. Counsel Fife noted that staff along with counsel will be meeting with representatives from San Diego to begin similar discussions resembling Castaic Lake's.

Added Item

4. Counsel Fife added an item regarding the Basin Plan Amendment and commented there was a workshop at the State Water Resources Control Board (SWRCB) yesterday. The agenda and materials which were presented are available as a handout on the back table. The Basin Plan Amendment was very favorably received by the State Board. Counsel Fife understood that the Basin Plan Amendment has been put on SWRCB's consent calendar for their meeting at the end of this month, after that, it must be approved by the California Office of Administrative Law. Counsel Fife stated once that has happened it will be fully approved and operative.

B. STAFF REPORT

1. Update on Cleanup and Abatement Orders

Ms. Rojo noted Watermaster had received a request for follow up on the cleanup and abatement orders which Mark Wildermuth was tasked to check into. Mr. Wildermuth stated Watermaster approved for Wildermuth Environmental to help the Regional Board develop draft cleanup and abatement orders against Potential Responsible Parties (PRPs) in the area of the Ontario International Airport. Five draft orders were prepared and have circulated back and forth between our firm and the Regional Board; three of those five have reached a final stage and the remaining two are still under consideration by the Board staff. Mr. Wildermuth is anticipating all five to be finalized and issued sometime in the October time frame. The time delay has been primarily due to the review time. Mr. Wildermuth named the five parties which will be receiving the cleanup and abatement orders.

2. Agricultural Pool is Requesting Feedback/Comments on "How to Support the Recycled Water Plan"

Ms. Rojo commented that during the Ag Pool meeting in August Mr. Atwater discussed recycled water efforts that IEUA has been undertaking and that Mr. Koopman requested if any of the appropriators could provide feedback on what the agricultural users could do to support the recycled water plan. That feedback would be taken in by Watermaster and brought back to the next Agricultural Pool meeting in October. The question was presented to staff if this item was in conjunction with the Ag Pool Proposal. Ms. Rojo noted that when these subjects were raised at the Ag Pool meeting they were two very different points of interest and it seemed that the first item was more from a thought process of credits or transfer fees, yet this item under this staff report which is requesting feedback, is more a matter of the Ag Pool users expressing an interest in further participating in the recycled water efforts for those who are not partaking or further enhance the recycled water usage for those who are already participating. Mr. Jeske

noted for the committee's information, and for the record, Inland Empire Utilities Agency (IEUA) has a consultant, Montgomery Watson, doing a complete Recycled Water System Master Plan and is also doing any necessary environmental work for a phased approach to a large regional system amongst the agencies that participate through the IEUA Regional Sewer Program. As a subset out of the various agencies, along with IEUA water quality people have already been in the field making contacts with numerous prospective users; part of the study was to identify prospective users of recycled water, their locations, and assisting master planning out where the regional distribution lines would be. There is a lot of work in progress and many agencies have been in the field with IEUA's water quality people directly discussing marketing both to industrial and irrigation users which would include Agricultural users. This is not a program that will require a lot of additional incentive; it is a program that is already occurring. Ms. Rojo commented that Watermaster staff has been participating in the Recycled Water Steering Committee meetings at IEUA which leaves us very aware of this program and it was felt that the Ag Pool just wanted to further express their interest in this program.

3. Update on Subsidence Monitoring Program

Ms. Rojo wished Andy Malone a very happy birthday and thanked him for being able to come out and give an update on the Subsidence Monitoring Program. Ms. Rojo commented there are some real interesting things happening with pump tests that are taking place and some extensometer results. Mr. Malone noted that some of the parties present are in management zone 1 and most understand what we are doing out there in our investigations in management zone 1. Mr. Malone stated that they have been measuring subsidence and observed ground fissuring that occurred in the early 1990's and what we are doing is an investigation to figure out the mechanisms behind that subsidence and fissuring; while trying to figure out a long term operating plan concurrently. Mr. Malone reviewed the PA7 vs Deep Extensometer data graph and discussed this graph in detail. Mr. Wildermuth added comment regarding the small amount of inelastic compaction which appeared to occur between last summer and now; it is separate and distinct from the inelastic compaction that we are trying to cause by design and Mr. Wildermuth asked Mr. Malone to explain the difference in more detail. Mr. Malone referred to the stress strain diagram and gave a detailed explanation. Mr. Malone stated there was a workshop with the special referee that has been postponed once or twice and as the MZ1 Committee reviews data, and as a committee, we are recommending we reschedule that workshop to sometime in January 2005. Choosing this later date will allow for the completion of the pumping test, analysis of that data, time to plan for the next year, and one more MZ1 meeting prior to that workshop. Mr. Malone noted that he has been making some presentations on the work that has been taking place, one was to the Inland Geological Society a few weeks ago, and the next will take place at the upcoming Groundwater Resources Association at the end of September, and the last one for this year is scheduled for the American Water Resources Association (AWRA) Annual Conference at the beginning of November. Mr. Kinsey stated that at the MZ1 Technical meetings there had been discussions about a demonstration injection program and commented on Monte Vista providing the water for that demonstration and inquired if there was a schedule to implement that program. It was stated that we do have budget in this fiscal year to implement that pumping test which does not include the cost of the water; it is up to the city to implement the program and to date there is no schedule. Mr. Kinsey stated that Monte Vista has offered to deliver the water at no cost to Watermaster. Mr. Malone commented this topic will be added to the next MZ1 Technical Committee's agenda for discussion.

Added Comment:

Ms. Rojo added comment regarding the OC-59 and noted that it has been on for the last nine days and that we are getting a lot of water. Montclair has been undergoing repairs on their Basins 3 and 4 so we are taking water in at Basin 1 and 2 for Montclair, and so that we could be taking the maximum out of OC-59, water has also been going into the Brooks Basin.

Ms. Rojo noted this is all going really well and we are getting about 100 acre-feet a day. The question of whether or not this was meeting our replenishment overdraft or is this part of the 6,500 acre-feet for this year was presented. Ms. Rojo stated that was a good question, which opens the arena for when the committee members want to see it on the agenda. We do need to look at our net replenishment from the prior year as well as the 6,500 acre-feet obligation for this year and figure out how we want to get that obligation met. We are trying to get as much wet water as we can especially towards the 6,500 acre-feet, however, MET's rates will be increasing January 1, 2005 so if we want to take the unmet obligation from our cyclic account before the end of the year we will have to discuss that. Staff has been speaking with Mr. Atwater who has been discussing with MET the possibility of MET reducing their replenishment rate by ten dollars instead of increasing it five. The question of whether or not we should be looking into this issue prior to the assessment package for this fall was presented. Ms. Rojo stated this issue will possibly be brought forth on the October agenda; to let you start thinking about that now. We are going to continue to take as much wet water as we can, especially into MZ1. The question regarding the work being done at Montclair 3 and 4 Basins and if that work will be completed shortly to allow water to be put in there this year was presented. We are putting water into Basins 1 and 2, and then, because it is being taken in at 50 c.f.s. which is more than Montclair can take in we have been putting the remainder into Brooks Basin which is giving us a good opportunity to look at Brook's perk rate. Vice-Chair Crosley asked staff if Watermaster was planning on agendizing this replenishment subject matter in October and possibly the availability of a draft assessments package in November. Ms. Rojo noted taking the water out of the cyclic account would be a water accounting issue; water has already been billed for and will not have any effect on the assessment package. Ms. Rojo commented what we would be looking for would be at what point do we want to buy it out of cyclic. Vice-Chair Crosley asked staff if with that answer we would be looking at getting the draft assessment packages in October and Ms. Rojo stated no. Ms. Rojo commented that Watermaster is still trying to tie out production for June 30 and we are still waiting on some people's production. Ms. Rojo reiterated it is a matter of finishing production and then starting to prepare the assessment package. If we get a rough draft done in the next month it will more than likely that we would see something in the November package. Ms. Rojo stated that Mr. Manning and she were discussing a possible work group or work shop when the time comes.

4. "Think Environment Week" Flyer

Ms. Rojo noted that Mr. Kuhn brought forth this opportunity at the last Watermaster Board meeting to increase water awareness through the Daily Bulletin; a special insert is done for the newspaper and a lot of the individual agencies were participating. Mr. Kuhn felt it would be a good idea for Watermaster to try and put something together, however, the deadline was too short for this particular issue date. A brief discussion ensued and it was noted Watermaster will look into this next year in enough time to pursue this item.

IV. INFORMATION

1. August 2004 Shutdown Workgroup

This item was forwarded from Rich Atwater at IEUA and was for informational purposes only.

V. POOL MEMBER COMMENTS

Vice-Chair Crosley welcomed Mr. Manning to the Chino Basin Watermaster and to his first Appropriative and Non-Agricultural Pool meeting. Mr. Manning stated he appreciated the welcome and that so far working with the Watermaster staff had been a pleasure and he looks forward to getting to know each committee member better but wanted to say a special thanks to Sheri Rojo who has been carrying the meeting and to counsel for all their assistance thus far.

VI. OTHER BUSINESS

No comment was made regarding this item.

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

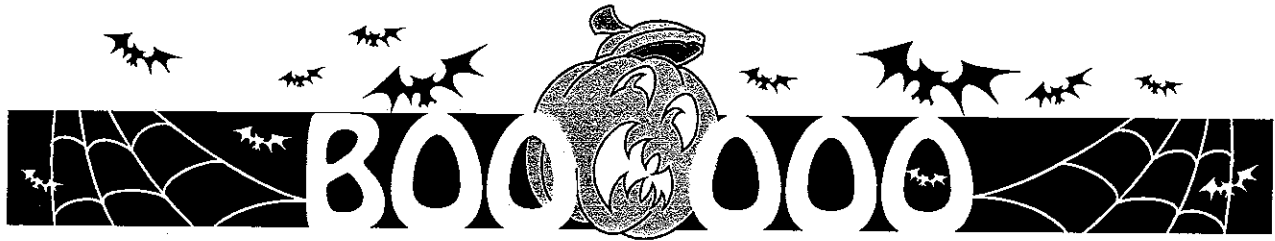
* Meeting date changed

The Joint Appropriative & Non-Agricultural Pool Meeting Adjourned at 10:05 a.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Agricultural Pool – September 21, 2004

Draft Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

September 21, 2004

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on September 21 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
Jeff Pierson	Crops
Glen Durrington	Crops
John Huitsing	Dairy
Pete Hall	State of California, California Institute for Men

Watermaster Board Member Present

Paul Hofer	Crops
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Watermaster Staff Present

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	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
Josephine Johnson	Monte Vista Water District

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

AGENDA - ADDITIONS/REORDER

Chair deBoom gave a brief introduction for Mr. Ken Manning, Watermaster's new Chief Executive Officer. Chair deBoom noted he had the pleasure of meeting Mr. Manning through the hiring process and welcomed him to the Agricultural Pool meeting. Mr. Feenstra gave Mr. Manning a special welcome and thanked him for recently attending the Ken Calvert reception to meet various key people. Mr. Feenstra gave Ms. Rojo a special thank you for stepping up in the interim as in as Chief of Watermaster and noted she had done an excellent job. Mr. Manning expressed his appreciation for the welcome and stated his desire to get to know each of the committee members. Each committee member introduced themselves and noted who they were representing.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held on August 17, 2004

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of August 2004

2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2004 through July 31, 2004
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C. WATER TRANSACTION

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

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

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

II. BUSINESS ITEMS

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

Counsel Fife noted that Watermaster was seeking two motions today concerning the First Amendment to the Peace Agreement. This is an amendment to the Peace Agreement and the Peace Agreement had a number of signatories to it, one of which was the Agricultural Pool. Watermaster itself did not sign the Peace Agreement instead it adopted a Resolution that committed Watermaster to proceed in accordance with the Peace Agreement. In amending the Peace Agreement two actions are needed from each of the pools; the first is for the Pool itself to consent to the Amendment, that will authorize the Chair to actually sign the Amendment, the second will be recommend to Watermaster that it adopt a Resolution committing Watermaster to proceed with the Peace Agreement as amended. Counsel Fife explained what the amendment is; this is an outcome of the salt credit issue. This has come up because of the Basin Plan Amendment which is in the process of being adopted by the State Board presently. Previous to the Basin Plan Amendment the whole process for salt removal in the Basin through the Regional Board was that we would perform some activities primarily constructed Desalters which would remove salt from the southern end of the basin. In exchange we would be permitted to do salt loading activities, primarily recycled water recharge which adds salt to the basin. The way the Regional Board was going to work out this transaction was through salt credits, when the Desalters would take out an increment of salt, we would get a credit and we could use that to put recycled water into the basin. With the new Basin Plan Amendment we do not need that process. Then the whole concept of salt credits goes off the table; however, there is a whole section in the Peace Agreement concerning salt credits and certain parties felt they bargained away certain items of value to themselves in exchange for the value they anticipated to get out of salt credits. Primarily they felt that they gave up their portion of the storm water yield which we are getting through our recharge improvement project. Counsel Fife stated this problem was solved with the First Amendment which is a very simple amendment; it eliminates the whole section of salt credits from the Peace Agreement and then in return it gives all the parties back their portion of the storm water yield from the recharge improvement projects. Counsel Fife noted that instead of devoting that yield to Desalter replenishment we are simply allocating it back to the parties. The question regarding losses from the 25,000 acre-foot of Kaiser water was presented. Counsel Fife commented we are not charging losses against water in storage right now, but will begin in 2005. Mr. Koopman inquired about Recitals D and its referring to safe yield. Counsel Fife gave a detail explanation regarding safe yield as set in the Judgment. Counsel Fife commented that we are not changing

the safe yield right now so it is being called new yield. The Peace Agreement then separately commits that we will not revisit the safe yield in the Basin any earlier than the 2010/2011 fiscal year; after that we could go through a process and that would involve all of Watermaster including the Ag Pool for re-determining the safe yield. Counsel Fife affirmed what Recitals D says even if after 2010/2011 if we add in that component into the safe yield we are not then going to turn around and independently use that component of safe yield for the Desalters. Counsel Fife referred to Recitals E for further comment to Mr. Koopman's inquiry. A lengthy discussion ensued regarding salt credits, safe yield, and the First Amendment. Mr. Koopman inquired from Ag Pool Counsel if it was his thought that this First Amendment was appropriate. Counsel Lee stated it was a good First Amendment and Resolution. A discussion ensued regarding new yield. Ms. Rojo stated this new yield only applies to the appropriators and that the additional acre-feet from the storm water recapture from the Recharge Improvement Project is going just to the appropriators who were paying for the project versus the Desalter Replenishment which will be hit by everybody including the non-agricultural users. The question regarding an approval of the amendment time frame was presented. Counsel Fife stated it needs to go to the Advisory Committee and the Watermaster Board on September 30, the individual entities that are signatories to the Peace Agreement are all taking this to their Boards, once we have all signatures together we will submit those to the court, schedule a hearing sometime in November for final approval. Mr. Koopman presented staff with the question with regards to non-agricultural and new water. Counsel Fife gave a brief description on new yield and an explanation on safe yield in regards to Mr. Koopman's inquiry.

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

Moved for approval for the authorized chairman to sign the First Amendment to the Peace Agreement and to authorize Watermaster to adopt as a Resolution, as presented

Separate and noted approval by the State's representative Pete Hall

Moved for approval for the authorized chairman to sign the First Amendment to the Peace Agreement and to authorize Watermaster to adopt as a Resolution, as presented

Ms. Rojo addressed Chair deBoom with a suggestion to move up the presentation being given by Andy Malone under item B, no. 5 regarding an update on the Subsidence Monitoring Program and then a brief update on item B, no. 2 the clean up and abatement orders noting that Mr. Malone needs to leave shortly for another appointment. Chair deBoom recognized this request and asked that Mr. Malone's presentation and update be moved up for the next item.

2. Update on the Cleanup and Abatement Orders

Mr. Malone stated Watermaster approved for Wildermuth Environmental to help the Regional Board develop draft cleanup and abatement orders against Potential Responsible Parties in the area of the Ontario International Airport. Five draft orders were prepared and have circulated back and forth between the Regional Board; three of those five have reached a final stage and the remaining two are still under consideration by the Board staff. Mr. Malone is anticipating all five to be finalized and issued sometime in the October time frame.

5. Update on Subsidence Monitoring Program

Ms. Rojo commented there are some real interesting things happening with pump tests that are going to be taking place shortly and some extensometer results. Mr. Malone stated that they have been measuring subsidence and observing ground fissuring that occurred in the early 1990's and what we are doing is an investigation to figure out the

mechanisms behind that subsidence and fissuring; while trying to figure out a long term operating plan concurrently. Mr. Malone stated there will be a workshop with the special referee that we are scheduling sometime in January 2005. Choosing this later date will allow for the completion of the post pumping test, analysis of that data, time to plan for the next year, and one more MZ1 meeting prior to that workshop. Mr. Malone noted that Mr. Wildermuth has been making some presentations on the work that has been taking place, one was to the Inland Geological Society a few weeks ago, and the next will take place at the upcoming Groundwater Resources Association at the end of September, and the last one for this year is scheduled for the American Water Resources Association (AWRA) Annual Conference at the beginning of November. Chair deBoom inquired about the Technical Committee; do transfers in and out of the MZ1 ever go in front of the Technical Committee. Mr. Malone commented yes that does happen, and stated the Technical Committee in general is concerned with maintaining water levels in the MZ1 area so transfers that would allow more pumping without recharge into the MZ1 is something the Technical Committee would look at skeptically. Mr. Feenstra added comment regarding losing about 60 pumpers in this basin mainly in agricultural areas and inquired if there would be a change in the water levels due to this. Mr. Malone stated we would not see that occur. Mr. Malone gave a brief description on the subsurface barrier which would support his statement. The question regarding subsidence in the 90's was presented. Mr. Malone gave a detailed explanation of what occurred in the late 80's/early 90's regarding deep wells being drilled and the compaction that took place at that time that will not take place again.

B. DISCUSS ISSUES CONCERNING AGRICULTURAL POOL CREDIT AND TRANSFERS

Counsel Lee commented on what had taken place at the last Attorney/Manager meeting with regard to this request and at that meeting it appeared there was a decision that there was no reason to have Pool, Advisory Committee, or Watermaster Board approval for this credit and transfer fee. It was noted at that meeting that the Agricultural Pool needed to contact the appropriators directly. Counsel Lee felt the Agricultural Pool can arrange a meeting with each city that has an interest and jointly work out the details. Mr. Koopman presented the question of whether Ag Pool transfers would then come through the Ag Pool like the other transfers we see on the consent calendar. Counsel Lee confirmed that a work group with IEUA, Ken Jeske, and Dave Crosley would be beneficial to decide on processes. Mr. Koopman brought up the Cal Trans water transfer, which was to have gone through Watermaster and due to no historical production, was turned down, for discussion. Counsel Fife returned comment and noted Mr. Koopman's statements needed some looking into. A discussion ensued regarding historical production. It was noted that if a party is an Ag member we can not say some can do this transfer and some can not. Counsel Fife commented that separate issues were being brought forth and might need to be addressed at a separate time. The question regarding Cal Trans was presented again and Counsel Fife noted he has not seen this transfer. Ms. Rojo stated she spoke with Traci and did not get a clear answer, nevertheless will look into this question further. A lengthy discussion ensued regarding credits and pumping.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. September 2, 2004 Hearing

Counsel Fife stated there was a hearing recently on Monte Vista's motion and the outcome of that hearing was that we did continue the motion until October 14, 2004. We have notified the court that hearing will most likely take the form of a Status Report to the court since all parties may not have signed the First Amendment. The Watermaster Board will not be able to act on that until its meeting on the 30th; at best we will have the signatures and prepared the transmittal pleading, we may have filed it but will not be ready for an actual hearing for the court to approve it at that time. Counsel Fife noted we would have liked to have met with the court at the end of October on this issue; however, the

court will be on vacation for a few weeks right after October 14, 2004. The hearing for this item should be in mid to late November.

2. Castaic Lake Water Agency Meetings

Counsel Fife stated this Pool directed counsel to contact Castaic Lake in response to their letter offering to buy a portion of water in storage; they were contacted and discussions have started by way of meetings. Counsel Fife noted that the Non-Agricultural Pool has expressed interest in transferring their stored water to somebody and Castaic looks like a likely buyer for that water; meaning they would buy water already in storage. We are looking at getting some kind of initial deal by the end of the year.

3. Attorney/Manager Meetings

Counsel Fife stated the Attorney/Manager process is still continuing. A meeting was held on September 13, and we are waiting for some technical work concerning the hydraulic control concept; once we get that technical data we will be having another series of meetings.

B. STAFF REPORT

1. Update on Pilot Project at IEUA for Composting and Other Related Studies

Ms. Rojo noted Rich Atwater was to give comment on this item and Chair deBoom stated that Mr. Feenstra would be able to offer an update regarding this item. Mr. Feenstra commented that he has entered into a series of meetings for projects to do composting waste within this basin in conjunction with Inland Empire Utilities Agency (IEUA), Los Angeles County, Orange County, Eastern, Western, and others that will come to the table as well as the regulators at the Regional Water Quality Control Board, South Coast Air Quality Management District and so on. The purpose of this pilot project is to protect air, to test the scientific responses to using different technologies to put these different wastes into a composting process using technologies like the "Ag Bag" that is being used extensively in Dixon California by the city of San Francisco. The other methods would be containers that you see going on ships where there would be in container type composting going on and other technologies that we are going to utilize in this whole two to three year process. The pilot project will utilize these wastes for farming, to save water, and to conserve water. This is very exciting, however, we need to get as many players to the table as possible and IEUA was thanked for being the first to do so. Mr. Feenstra noted parties are asking for scientific studies that will be done at various college facilities over the three year period. Mr. Feenstra noted water districts and agencies will also be asked to take part financially. Mr. Feenstra offered more details on this new pilot project. During a presentation yesterday we started by asking each party present, "how many bags do you want to buy" in trying to get money coming in for this project right away. Mr. Feenstra made a personal plea to the Committee members to participate financially to this endeavor and Chair deBoom asked Mr. Feenstra how much money was he looking at receiving from the Agricultural Pool and Mr. Feenstra answered they are requesting \$10,000 at this time. Mr. Koopman inquired as to who had contributed thus far and who the other parties were that would be involved in this endeavor. A lengthy discussion ensued with this regard. It was requested of Mr. Feenstra to put together a plan/proposal and to get together with Mr. Manning and others who are interested in this new program and discuss its possibilities and financial needs.

2. Update on the Cleanup and Abatement Orders

This item was taken out of order by Chair deBoom.

3. Recycled Water Usage Update

No comment was made regarding this item.

- 4. Agricultural Pool is Requesting Feedback/Comments on "How to Support the Recycled Water Plan"
No comment was made regarding this item.
- 5. Update on Subsidence Monitoring Program
This item was taken out of order by Chair deBoom.
- 6. "Think Environment Week" Flyer"
Mr. Manning noted that Mr. Kuhn brought forth this opportunity at the last Watermaster Board meeting to increase water awareness through the Daily Bulletin; a special insert is done for the newspaper and a lot of the individual agencies were participating. Mr. Kuhn felt it would be a good idea for Watermaster to try and put something together, however, the deadline was too short for this particular issue date. A brief discussion ensued and it was noted Watermaster will look into this next year in enough time to pursue this item.

IV. INFORMATION

- 1. August 2004 Shutdown Workgroup
No comment was made regarding this item.

V. POOL MEMBER COMMENTS

No comment was received.

VI. OTHER BUSINESS

No comment was received.

VII. FUTURE MEETINGS

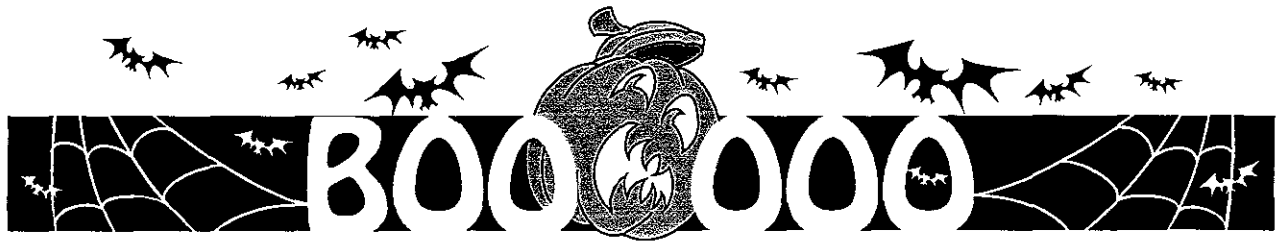
September 9, 2004	9:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
September 13, 2004	9:00 a.m.	Attorney/Manager Meeting @ BB&K
September 21, 2004	9:00 a.m.	Agricultural Pool Meeting @ IEUA
* September 30, 2004	9:00 a.m.	Advisory Committee Meeting
* September 30, 2004	11:00 a.m.	Watermaster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

* Meeting date changed

The Agricultural Pool Meeting Adjourned at 11:05 a.m.

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

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



CHINO BASIN WATERMASTER

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Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: October 14, 2004
October 19, 2004
October 28, 2004

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – September 2004

SUMMARY

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

Recommendation – Staff recommends the Cash Disbursements for September 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 September 2004 were \$483,470.05. The most significant expenditures during the month were Inland Empire Utilities Agency in the amount of \$155,237.91, Wildermuth Environmental Inc. in the amount of \$103,958.94, and Hatch and Parent in the amount of \$59,065.42.

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
September 2004

Type	Date	Num	Name	Amount
Sep 04				
Bill Pmt -Check	9/1/2004	8964	BOWCOCK, ROBERT	-125.00
Bill Pmt -Check	9/1/2004	8965	HUITSING, JOHN	-250.00
Bill Pmt -Check	9/1/2004	8966	KRUGER, W. C. "BILL"	-125.00
Bill Pmt -Check	9/1/2004	8967	KUHN, BOB	-250.00
Bill Pmt -Check	9/1/2004	8968	MWH LABORATORIES	-2,075.00
Bill Pmt -Check	9/1/2004	8969	NATIONAL ACADEMY OF SCIENCES	-25,000.00
Bill Pmt -Check	9/1/2004	8970	NEUFELD, ROBERT	-875.00
Bill Pmt -Check	9/1/2004	8971	NEXTEL COMMUNICATIONS	-697.44
Bill Pmt -Check	9/1/2004	8972	PAYCHEX	-154.95
Bill Pmt -Check	9/1/2004	8973	RAUCH COMMUNICATION CONSULTANTS, LLC	-663.33
Bill Pmt -Check	9/1/2004	8974	ROUTE 66 SUBS	-69.61
Bill Pmt -Check	9/1/2004	8975	SAVIN CORPORATION dba RICOH BUSINESS	-148.84
Bill Pmt -Check	9/1/2004	8976	UNION 76	-249.53
Bill Pmt -Check	9/1/2004	8977	VELASQUEZ JANITORIAL	-1,200.00
Bill Pmt -Check	9/1/2004	8978	VERIZON	-38.67
Bill Pmt -Check	9/1/2004	8979	YUKON DISPOSAL SERVICE	-123.90
Check	9/1/2004	8963	PETTY CASH	0.00
General Journal	9/1/2004	04/08/10	PAYROLL	-5.59
General Journal	9/4/2004	04/09/4	PAYROLL	-3,449.93
General Journal	9/4/2004	04/09/4	PAYROLL	-13,503.34
Bill Pmt -Check	9/8/2004	8980	JUAN POLLO	-75.41
Bill Pmt -Check	9/16/2004	8981	SAVIN CORPORATION dba RICOH BUSINESS	-32.95
Bill Pmt -Check	9/16/2004	8982	SAVIN CORPORATION dba RICOH BUSINESS	-785.45
Bill Pmt -Check	9/16/2004	8983	RICOH BUSINESS SYSTEMS-Lease	-3,591.31
Bill Pmt -Check	9/16/2004	8984	INLAND EMPIRE UTILITIES AGENCY	-6,666.67
Bill Pmt -Check	9/16/2004	8985	APPLIED COMPUTER TECHNOLOGIES	-2,528.35
Bill Pmt -Check	9/16/2004	8986	CHEVRON	-30.50
Bill Pmt -Check	9/16/2004	8987	CITIZENS CONFERENCING	-34.06
Bill Pmt -Check	9/16/2004	8988	COSTCO BUSINESS DELIVERY	-55.00
Bill Pmt -Check	9/16/2004	8989	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	9/16/2004	8990	INLAND COUNTIES INSURANCE SERVICES, INC.	-216.77
Bill Pmt -Check	9/16/2004	8991	INLAND EMPIRE UTILITIES AGENCY	-40.00
Bill Pmt -Check	9/16/2004	8992	MCI	-900.15
Bill Pmt -Check	9/16/2004	8993	MWH LABORATORIES	-11,595.00
Bill Pmt -Check	9/16/2004	8994	OFFICE DEPOT	-395.14
Bill Pmt -Check	9/16/2004	8995	PATRAL CUSTOM CABINETS	-1,328.92
Bill Pmt -Check	9/16/2004	8996	RBM LOCK & KEY	-129.82
Bill Pmt -Check	9/16/2004	8997	REID & HELLYER	-6,101.41
Bill Pmt -Check	9/16/2004	8999	RICOH BUSINESS SYSTEMS-Lease	-1,364.64
Bill Pmt -Check	9/16/2004	9000	STANDARD INSURANCE CO.	-335.24
Bill Pmt -Check	9/16/2004	9001	STATE COMPENSATION INSURANCE FUND	-811.24
Bill Pmt -Check	9/16/2004	9002	STAULA, MARY L	-136.61
Bill Pmt -Check	9/16/2004	9003	TELECOM SERVICES	-70.00
Bill Pmt -Check	9/16/2004	9004	TREWEEK, GORDON	-182.93
Bill Pmt -Check	9/16/2004	9005	UNITED PARCEL SERVICE	-410.50
Bill Pmt -Check	9/16/2004	9006	UNITEK TECHNOLOGY INC.	-3,659.19
Bill Pmt -Check	9/16/2004	9007	VERIZON	-379.99
General Journal	9/18/2004	04/09/5	PAYROLL	-3,737.81
Bill Pmt -Check	9/23/2004	8998	PETTY CASH	-477.23
Bill Pmt -Check	9/28/2004	9014	2004 SPECIAL DISTRICT PUBLIC EDUCATION	-250.00
Bill Pmt -Check	9/28/2004	9015	ARROWHEAD MOUNTAIN SPRING WATER	-67.16
Bill Pmt -Check	9/28/2004	9016	AWWA	-100.00
Bill Pmt -Check	9/28/2004	9017	BANK OF AMERICA	-1,725.26
Bill Pmt -Check	9/28/2004	9018	BLACK & VEATCH CORPORATION	-7,512.50
Bill Pmt -Check	9/28/2004	9019	CALPERS	-2,173.49
Bill Pmt -Check	9/28/2004	9020	DOTY BROS. EQUIPMENT CO.	-6,759.94
Bill Pmt -Check	9/28/2004	9021	ELLISON, SCHNEIDER & HARRIS, LLP	-8,106.00
Bill Pmt -Check	9/28/2004	9022	HATCH AND PARENT	-59,065.42
Bill Pmt -Check	9/28/2004	9023	INLAND EMPIRE UTILITIES AGENCY	-155,237.91
Bill Pmt -Check	9/28/2004	9024	INLAND SIGNS INC.	-1,400.00
Bill Pmt -Check	9/28/2004	9025	MWH LABORATORIES	-1,715.00
Bill Pmt -Check	9/28/2004	9026	NEXTEL COMMUNICATIONS	-698.96
Bill Pmt -Check	9/28/2004	9027	PITNEY BOWES CREDIT CORPORATION	-61.51
Bill Pmt -Check	9/28/2004	9028	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-2,931.08
Bill Pmt -Check	9/28/2004	9029	STANDARD INSURANCE CO.	-341.86
Bill Pmt -Check	9/28/2004	9030	UNION 76	-320.59
Bill Pmt -Check	9/28/2004	9031	UNITEK TECHNOLOGY INC.	-934.19
Bill Pmt -Check	9/28/2004	9032	WILDERMUTH ENVIRONMENTAL INC	-103,958.94
Bill Pmt -Check	9/28/2004	9033	CUCAMONGA VALLEY WATER DISTRICT	-4,900.00
Bill Pmt -Check	9/28/2004	9034	JAMES JOHNSTON	-750.00
Bill Pmt -Check	9/28/2004	9035	POWERS ELECTRIC PRODUCTS CO.	-611.33
Bill Pmt -Check	9/28/2004	9009	AARON BROTHERS #64	-161.23
Bill Pmt -Check	9/28/2004	9010	BLACK & VEATCH CORPORATION	-2,972.50
Bill Pmt -Check	9/28/2004	9011	DIRECTV	-71.98

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
September 2004

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
Bill Pmt -Check	9/28/2004	9012	SAVIN CORPORATION dba RICOH BUSINESS	-28.34
Bill Pmt -Check	9/28/2004	9013	UNITEK TECHNOLOGY INC.	-1,619.48
Bill Pmt -Check	9/28/2004	9008	IDEAL GRAPHICS	-84.05
General Journal	9/28/2004	04/09/7	PAYROLL	-5,564.44
General Journal	9/28/2004	04/09/7	PAYROLL	-18,045.34
Bill Pmt -Check	9/29/2004	9036	CAFE CALATO	-99.13
Sep 04				<u><u>-483,470.05</u></u>

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

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION APPROPRIATIVE POOL	SPECIAL PROJECTS 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	152,620								152,620	621,784
Watermaster Board-Advisory Committee	8,768								8,768	37,018
Pool Administration			1,898	8,249	457				10,604	91,153
Optimum Basin Mgmt Administration		234,953							234,953	1,019,183
OBMP Project Costs		709,163							709,163	3,733,694
Education Funds Use									-	375
Mutual Agency Project Costs	6,667								6,667	80,004
Total Administrative/OBMP Expenses	168,055	944,116	1,898	8,249	457				1,122,775	5,583,211
Net Administrative/OBMP Income	(168,055)	(944,116)								
Allocate Net Admin Income To Pools	168,055		124,671	38,408	4,976				-	0
Allocate Net OBMP Income To Pools		944,116	700,389	215,770	27,957				-	0
Agricultural Expense Transfer			262,427	(262,427)					-	0
Total Expenses	1,089,385		1,089,385	-	33,390				1,122,775	5,583,211
Net Administrative Income			(1,089,385)	-	(33,390)				(1,122,775)	(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						(293,552)			(293,552)	0
Net Other Income						(293,552)			(293,552)	(99,000)
Net Transfers To/(From) Reserves			(1,089,385)	-	(33,390)	(293,552)	-	-	(1,416,327)	(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			2,366,017	463,055	139,712	3,839,509	158,251	2,195	6,968,739	
02/03 Production			121,586,420	37,457,315	4,853,247				163,896,982	
02/03 Production Percentages			74.185%	22.854%	2.961%				100.000%	

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

DEPOSITORIES:

Cash on Hand - Petty Cash			\$	500
Bank of America				
Governmental Checking-Demand Deposits	\$	343,919		
Savings Deposits		9,629		
Zero Balance Account - Payroll		-		353,548
Local Agency Investment Fund - Sacramento				6,936,454
TOTAL CASH IN BANKS AND ON HAND				\$ 7,290,502
TOTAL CASH IN BANKS AND ON HAND	8/31/2004			7,820,491
	7/31/2004			7,820,491
PERIOD INCREASE (DECREASE)				\$ (529,989)

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable			\$	-
Assessments Receivable				-
Prepaid Expenses, Deposits & Other Current Assets				2,069
(Decrease)/Increase in Liabilities: Accounts Payable				(69,618)
Accrued Payroll, Payroll Taxes & Other Current Liabilities				(993)
Transfer to/(from) Reserves				(461,447)
PERIOD INCREASE (DECREASE)				\$ (529,989)

SUMMARY OF FINANCIAL TRANSACTIONS:

	Petty Cash	Gov't'l Checking Demand	Zero Balance Account Payroll	Savings	Local Agency Investment Funds	Totals
Balances as of 7/31/2004	\$ 500	\$ 73,908	\$ -	\$ 9,629	\$ 7,736,454	\$ 7,820,491
Deposits		-	-	-	-	-
Transfers		800,000	33,740	-	(800,000)	33,740
Withdrawals/Checks		(529,989)	(33,740)	-	-	(563,729)
Balances as of 8/31/2004	\$ 500	\$ 343,919	\$ -	\$ 9,629	\$ 6,936,454	\$ 7,290,502
PERIOD INCREASE OR (DECREASE)	\$ -	\$ 270,011	\$ -	\$ -	\$ (800,000)	\$ (529,989)

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

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
8/1/2004	Withdrawal	L.A.I.F.	\$ (600,000)				
8/2/2004	Withdrawal	L.A.I.F.	(200,000)				
TOTAL INVESTMENT TRANSACTIONS			\$ (800,000)	-			

* 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
August 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	\$ 6,936,454			
Time Certificates of Deposit		-		
TOTAL INVESTMENTS	\$ 6,936,454			

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,



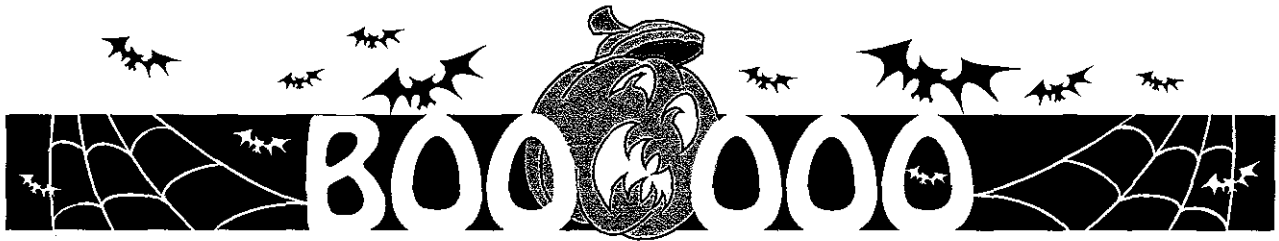
Sheri M. Rojo, CPA
Finance Manager
Chino Basin Watermaster

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

	<u>Jul - Aug 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	60,000.91	401,704.00	-341,703.09	14.94%
6020 · Office Building Expense	19,799.92	100,800.00	-81,000.08	19.64%
6030 · Office Supplies & Equip.	8,125.11	45,500.00	-37,374.89	17.86%
6040 · Postage & Printing Costs	15,333.53	67,100.00	-51,766.47	22.85%
6050 · Information Services	21,041.41	105,076.00	-84,034.59	20.03%
6060 · Contract Services	67,157.18	106,000.00	-38,842.82	63.36%
6080 · Insurance	4,138.84	21,710.00	-17,571.16	19.06%
6110 · Dues and Subscriptions	1,304.00	16,600.00	-15,296.00	7.86%
6140 · Other WM Admin Expenses	590.43	2,500.00	-1,909.57	23.62%
6150 · Field Supplies	0.00	4,250.00	-4,250.00	0.0%
6170 · Travel & Transportation	2,275.24	24,650.00	-22,374.76	9.23%
6190 · Conferences & Seminars	0.00	16,000.00	-16,000.00	0.0%
6200 · Advisory Comm - WM Board	2,134.58	13,459.00	-11,324.42	15.86%
6300 · Watermaster Board Expenses	6,633.35	23,559.00	-16,925.65	28.16%
8300 · Appr PI-WM & Pool Admin	1,898.07	13,659.00	-11,760.93	13.9%
8400 · Agri Pool-WM & Pool Admin	2,147.38	16,417.00	-14,269.62	13.08%
8467 · Agri-Pool Legal Services	6,101.41	45,000.00	-38,898.59	13.56%
8470 · Ag Meeting Attend -Special	0.00	10,000.00	-10,000.00	0.0%
8500 · Non-Ag PI-WM & Pool Admin	457.34	6,077.00	-5,619.66	7.53%
6500 · Education Funds Use Expens	0.00	375.00	-375.00	0.0%
9500 · Allocated G&A Expenditures	<u>-47,146.64</u>	<u>-290,106.00</u>	<u>242,959.36</u>	<u>16.25%</u>
	171,992.06	750,330.00	-578,337.94	22.92%
6900 · Optimum Basin Mgmt Plan	212,519.27	933,566.00	-721,046.73	22.76%
6950 · Mutual Agency Projects	6,666.67	80,004.00	-73,337.33	8.33%
9501 · G&A Expenses Allocated-OBMP	<u>22,433.42</u>	<u>85,617.00</u>	<u>-63,183.58</u>	<u>26.2%</u>
Subtotal Administrative Expenditures	241,619.36	1,099,187.00	-857,567.64	21.98%
7101 · Production Monitoring	6,208.93	54,957.00	-48,748.07	11.3%
7102 · In-line Meter Installation	1,481.03	93,969.00	-92,487.97	1.58%
7103 · Grdwtr Quality Monitoring	35,727.55	148,792.00	-113,064.45	24.01%
7104 · Gdwtr Level Monitoring	13,776.60	135,072.00	-121,295.40	10.2%
7105 · Sur Wtr Qual Monitoring	12,579.90	282,220.00	-269,640.10	4.46%
7106 · Wtr Level Sensors Install	0.00	19,114.00	-19,114.00	0.0%
7107 · Ground Level Monitoring	41,211.85	433,720.00	-392,508.15	9.5%
7108 · Hydraulic Control Monitoring	55,100.22	437,987.00	-382,886.78	12.58%
7200 · PE2- Comp Recharge Pgm	204,922.96	413,177.00	-208,254.04	49.6%
7300 · PE3&5-Water Supply/Desalte	0.00	20,885.00	-20,885.00	0.0%

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

	<u>Jul - Aug 04</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7400 · PE4- Mgmt Plan	27,934.36	795,099.00	-767,164.64	3.51%
7500 · PE6&7-CoopEfforts/SaltMgmt	3,225.00	251,343.00	-248,118.00	1.28%
7600 · PE8&9-StorageMgmt/Conj Use	8,112.50	140,400.00	-132,287.50	5.78%
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	24,713.21	204,488.00	-179,774.79	12.09%
	<u>709,163.11</u>	<u>3,733,694.00</u>	<u>-3,024,530.89</u>	<u>18.99%</u>
Total Expense	<u>1,122,774.53</u>	<u>5,583,211.00</u>	<u>-4,460,436.47</u>	<u>20.11%</u>
Net Ordinary Income	<u>-1,122,774.53</u>	<u>-1,519,993.00</u>	<u>397,218.47</u>	<u>73.87%</u>
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	<u>0.00</u>	<u>1,579,500.00</u>	<u>-1,579,500.00</u>	<u>0.0%</u>
Total Other Income	<u>0.00</u>	<u>2,179,500.00</u>	<u>-2,179,500.00</u>	<u>0.0%</u>
Other Expense				
5010 · Groundwater Replenishment	293,552.40	2,278,500.00	-1,984,947.60	12.88%
9999 · To/(From) Reserves	<u>-1,416,326.93</u>	<u>-1,618,993.00</u>	<u>202,666.07</u>	<u>87.48%</u>
Total Other Expense	<u>-1,122,774.53</u>	<u>659,507.00</u>	<u>-1,782,281.53</u>	<u>-170.25%</u>
Net Other Income	<u>1,122,774.53</u>	<u>1,519,993.00</u>	<u>-397,218.47</u>	<u>73.87%</u>
Net Income	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.0%</u></u>



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. WATER TRANSACTIONS

1. Transaction of Notice of Sale or Transfer from City of Pomona to Monte Vista Water District in the Amount of 2,500 acre-feet

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

October 1, 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.

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NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **September 1, 2004** Date of this notice: **October 1, 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 City of Pomona water in storage in the amount of 2,500 acre-feet.

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

Appropriative Pool: October 14, 2004

Non-Agricultural Pool: October 14, 2004

Agricultural Pool: October 19, 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

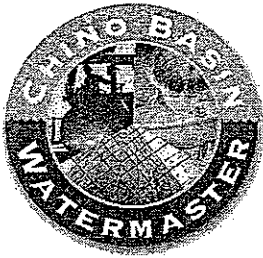
Tel: (909) 484-3888
Fax: (909) 484-3890

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: October 1, 2004

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



CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: October 1, 2004
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary -

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

Issue -

- Notice of Sale or Transfer – Monte Vista Water District has agreed to purchase from the City of Pomona water in storage in the amount of 2,500 acre-feet.

Recommendation –

1. Continue monitoring as planned in the Optimum Basin Management Program.
2. Use all new or revised information when analyzing the hydrologic balance and report to Watermaster if a potential for material physical injury is discovered, and
3. Approve the transaction with a contingency that the water may not be utilized until Watermaster approves a recapture plan. If Monte Vista Water District later wishes to recapture the water from storage, it will be required to submit a Form 4, Application or Amendment to Application to Recapture Water in Storage, at which time Material Physical injury will be evaluated.

Fiscal Impact –

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

Background

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

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

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

- Notice of Sale or Transfer – Monte Vista Water District has agreed to purchase from the City of Pomona water in storage in the amount of 2,500 acre-feet.

Notice of the water transaction identified above was mailed on October 1, 2004 along with the materials submitted by the requestors.

DISCUSSION

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

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

Monte Vista

Dedicated to Quality,

Service and Innovation

September 1, 2004

SEP 03 2004

WATERMASTER SERVICES

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 City of Pomona a portion of the City's water in storage in the amount of 2,500 acre-feet. Water purchased through this transaction is to be placed in Monte Vista Water District's Local Storage Account with Watermaster.

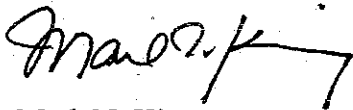
This water will be held in storage by the District for possible future production, participation in the storage and recovery program, or for potential resale/exchange with other Basin producers.

Attached is an executed application for sale or transfer of right to produce water from storage for consideration by Watermaster. Please agendaize 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: Henry Pepper, City of Pomona

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. Lenhart
DIRECTOR

Tony Lopez
DIRECTOR

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

Transfer from Local Storage Agreement: **15, 15.1, 15.2
15.3, 15.4**

Date Requested: **September 1, 2004**

Transferring Party: **City of Pomona**

Date Approved:

Address: **505 South Garey Avenue
Box 660
Pomona, California 91769**

Amount Requested (AF): **2,500**

Telephone: **(909) 620-2283**

Amount Approved (AF):

Fax: **(909) 620-2030**


Applicant: **Henry Pepper, Utilities Services Director**

Attach Recapture 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

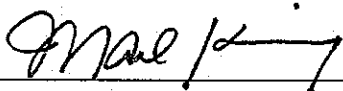
Material Physical Injury:

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



Applicant: Mark N. Kinsey, General Manager

To be completed by Watermaster:

Date of approval from Non-Agricultural Pool:

Date of approval from Agricultural Pool:

Date of approval from Appropriative Pool:

Hearing date, if any:

Date of Advisory Committee approval:

Date of Board approval:

Agreement Number: _____

MONTE VISTA WATER DISTRICT

Recapture Plan

This recapture plan pertains to the transfer of an estimated 2,500 acre-feet of Fiscal Year 2004-05 City of Pomona 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.

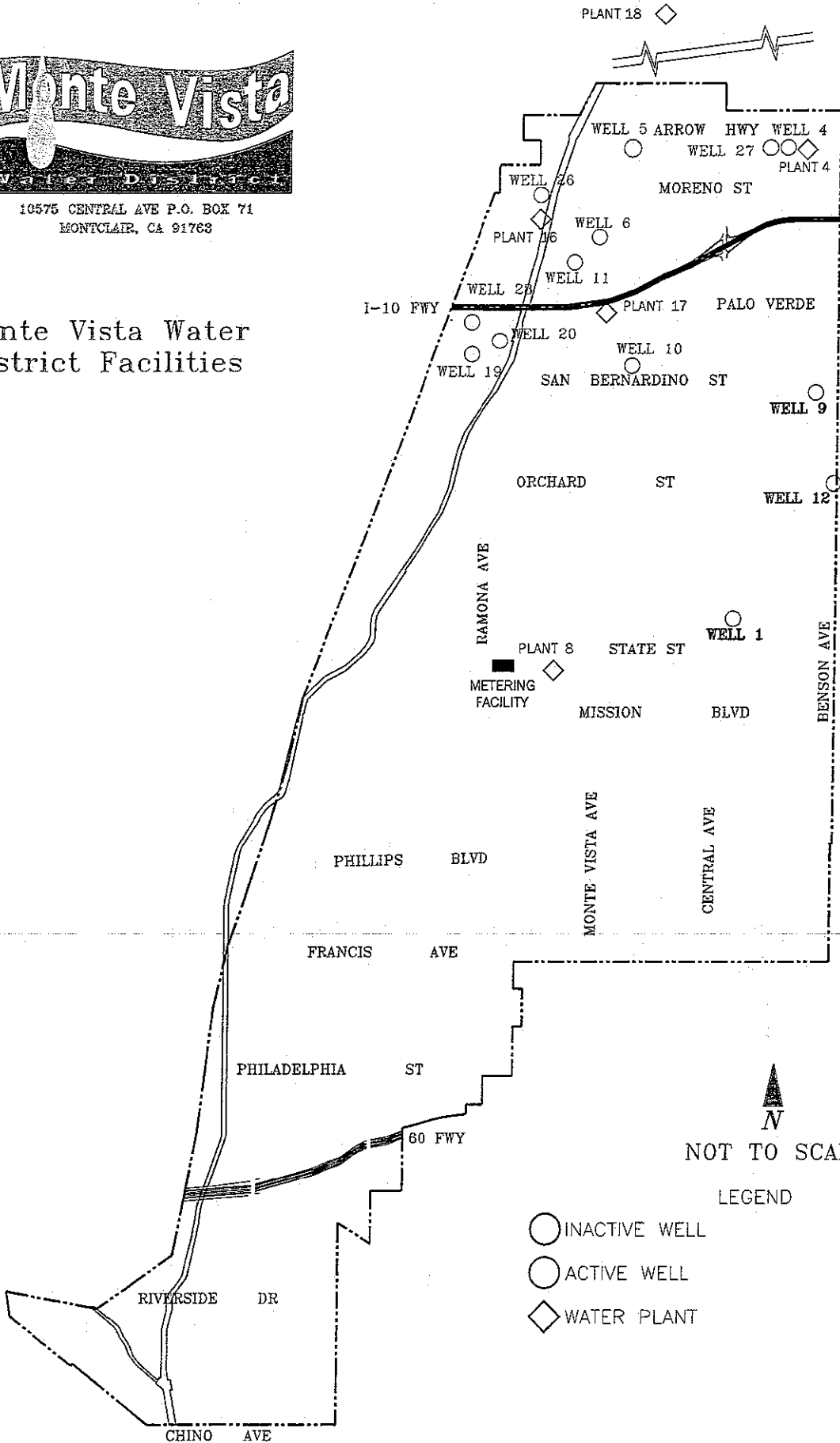
<u>Well</u>	<u>Production Acre-Feet/Day</u>
4	4.2
5	6.1
6	5.2
10	5.2
11	2.7
19	9.0
20	5.8
26	9.0
27	9.0
28	9.0
<hr/>	
Daily Total	65.2

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



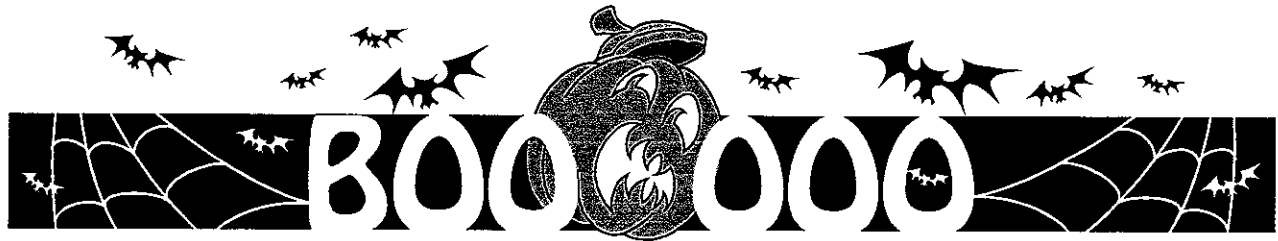
10575 CENTRAL AVE P.O. BOX 71
MONTCLAIR, CA 91763

Monte Vista Water District Facilities



N
NOT TO SCALE

- LEGEND
- INACTIVE WELL
 - ACTIVE WELL
 - ◇ WATER PLANT



CHINO BASIN WATERMASTER

II. BUSINESS ITEM

A. URS PROPOSAL REGARDING COLLEGE HEIGHTS

Consider Approval for Additional Scope
of Work for Monitoring



CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: October 14, 2004
October 19, 2004
October 28, 2004

TO: Committee Members
Watermaster Board Members

SUBJECT: College Heights Basins Infiltration Evaluation

SUMMARY

Issue - Authorization of Phase 2 Investigation by URS Corp of College Heights Basins Infiltration Capacity

Recommendation - Approve the additional geotechnical services proposed by URS in their Revised Cost Proposal dated September 28, 2004. The proposal includes the drilling of three additional borings downgradient of the College Heights Basins; installing monitoring wells of 100 and 140 ft (nested) in the two deeper borings, and a single monitoring well in the shallow 50 ft boring; and installing pressure transducers and data loggers, provided by Watermaster, in 11 new and existing monitoring wells.

Fiscal Impact - The cost estimate for URS services is \$70,403; and an additional cost of \$14,000 for the Watermaster provided pressure transducers and data loggers.

BACKGROUND

The Phase 1 studied conducted by URS consisted of the installation of four new monitoring wells to supplement the two existing wells located immediately downgradient of the College Heights East Basin. The new monitoring wells were located immediately downgradient of the College Heights West Basin and the Upland Basin, and were located to monitor the rise in groundwater level in the wells when water was allowed to infiltrate from the College Heights basins. The duration of the infiltration testing was limited to 2 days, with a total of 100 acre-feet recharged in the College Heights West Basin, because of a lack of available imported water from MWDSC. In spite of the limited test program, URS reported the following:

As observed previously, water infiltrating in the College Heights basins moves relatively quickly in a southern direction under Arrow Route toward Upland Basin.

These results were reported to the Groundwater Recharge Coordinating Committee on July 12, 2004; and in a follow-up meeting at the Chino Basin Watermaster's office on July 14, 2004. The project team, consisting of IEUA, CBWM, CBWCD, City of Upland, and URS, concluded that additional subsurface geotechnical and hydro geological information in the area encompassing College Heights and Upland basins and other properties at the intersection of Arrow Route and Monte Vista Avenue was required. The project team in an August 12, 2004 meeting with URS at Watermaster also considered developing a 3-dimensional groundwater flow model, and performing additional infiltration tests with well monitoring to calibrate the model. The calibrated model would then be used to develop alternative operating scenarios for the College Heights and Upland basins.

URS subsequently developed a detailed statement of work and cost proposal for the Phase 2 Geotechnical Services, and submitted the proposal to the project team in their letter proposal of September 7, 2004. The project team evaluated the new proposal and in a telephone conference on September 23, 2004 decided to scale back the effort to the installation of the new monitoring wells and transducers. The project team concluded that with the new monitoring well system, and the use of the Upland Basin by the City of Upland to recharge stormwater, the team could acquire valuable data on the recharge capabilities of the basins, without incurring the potential liabilities associated with recharging imported water into the College Heights Basins. Furthermore the proven recharge capacities of the downstream Montclair and Brooks Basins should enable IEUA/Watermaster to meet their recharge commitments. A groundwater flow model may be developed at a later date using the data gathered during the stormwater recharge of the Upland Basin.

Staff recommends that the URS Revised Cost Proposal for Additional Geotechnical Services dated September 28, 2004, be approved, less \$29,500 for Minitrols (transducers) which will be provided by Watermaster.



September 28, 2004

Mr. Tom Love
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, California 91710

**Subject: Revised Cost Proposal for Additional Geotechnical Services
College Heights Basins Infiltration Evaluation
San Bernardino County, California**

Dear Mr. Love:

In our proposal dated September 7, 2004, URS Corporation scoped a relatively extensive study for additional evaluation of infiltration from the Inland Empire Utilities Agency's (IEUA) College Heights Basins. That proposal included the following elements:

- Obtain additional subsurface geotechnical and hydrogeological information in the area encompassing College Heights and Upland basins and other properties at the intersection of Arrow Route and Monte Vista Avenue by drilling several boreholes and installing nested monitoring wells;
- Develop a 3-dimensional groundwater flow model (saturated and unsaturated conditions) for the area of interest to this study;
- Perform additional infiltration tests with well monitoring to calibrate the model; and
- Use the calibrated model to develop alternative infiltration operations scenarios for College Heights and Upland basins.
- Evaluate structural measures that may be required to avoid jeopardizing the stability of the slopes in Upland Basin (including the Arrow Route embankment) or increasing the geologic hazards (e.g., earthquake-induced liquefaction) to any of the nearby existing and planned developments during infiltration operations.

On the basis of our telephone conference on September 23, 2004, we understand that the operational capacity of the College Heights Basins is not required for the IEUA's overall recharge program until year 2009 (more or less). Hence, it is understood that the IEUA is interested in proceeding only with the installation of additional monitoring wells at this time. It is further understood that the IEUA may or may not authorize the other proposed tasks at a later time.

This proposal presents URS' scope and proposed fees to drill and log three boreholes, and install five monitoring wells, in the area downgradient from College Heights Basins.

URS Corporation
2020 East First Street, Suite 400
Santa Ana, California 92705
Tel: 714.835.6886
Fax: 714.973.4062
www.urscorp.com

PROPOSED SCOPE: *Monitoring Well Installation and Subsurface Characterization*

There are six existing monitoring wells installed to monitor downgradient groundwater movement (i.e., toward the south) from the College Heights basins. Four of the borings for the well installations were sampled, logged, and tested for geotechnical and hydrogeologic properties, but two were not.

URS proposes to drill three more borings downgradient from the College Heights basins, and install monitoring wells in each boring, as follows:

- Two borings to 200 ft. deep and 1 boring to 50 ft. deep, using sonic drilling techniques
- Borings located: (1) adjacent to the west side of Upland Basin; and (2, 3) near the Monte Vista Ave. grade separation south of Upland Basin
- Monitoring wells installed at 140 and 100 feet (nested) in the two deeper borings, and a third monitoring well at 50 ft at the grade separation
- Minitroll pressure transducers and dataloggers installed in all new and existing monitoring wells for water level data acquisition (total of 11)

Samples of soils recovered from the boring program will be tested for grain size distribution (all soils) and plasticity (clayey soils). We will develop geologic/hydrogeologic cross sections based on the previous boring logs and the logs of the proposed borings, which will be available to provide a basis for potential future numeric groundwater model and the geotechnical evaluations.

The Minitroll installations will be "permanent," and are adaptable for future integration into a SCADA system for remote data retrieval. However, URS' scope includes set-up for on-site data retrieval (*not* remote).

Report

At the conclusion of our proposed work effort, URS will develop a relatively comprehensive report integrating the findings of our previous subsurface investigation efforts and these proposed studies. Specifically, our report will present the boring logs and a summary of the laboratory test results as well as geologic/hydrogeologic cross-sections representing our interpretation of the subsurface data.

It is envisioned that URS will submit up to two draft versions of the report for IEUA's and the Chino Basin Watermaster's (CBWM) review and comment, and one final report.

ESTIMATED SCHEDULE AND BUDGET, and PROPOSED STAFFING

We have developed the following estimated schedule and budget for completion of the proposed scope of services:



Description	Schedule Information	Est. Budget (\$)		
		Labor	Other	Total
Monitoring Well Installation and Laboratory Testing	Drilling scheduled to begin Oct. 11, 2004, and proceed until at least October 18, 2004 (6 working days). Lab testing completed within 5 working days following completion of drilling	\$13,730	\$73,600	\$87,330
Subsurface Characterization	Two- to four-week effort			
Report (initial draft; including meetings)	November 19, 2004	\$12,360	\$220	\$12,580
TOTALS:		\$26,090	\$73,820	\$99,910

The report submittal budget includes an allowance for attendance at three (3) meetings with the IEUA and CBWM project personnel to discuss and clarify the project findings. A more complete breakdown of the estimated costs is provided in Table 1, attached.

We propose to perform our services on a time and materials basis in accordance with our current agreement with the IEUA, dated May 19, 2004. However, although this agreement is in place, please note that we require written authorization to proceed with the work.

The overall project manager and geotechnical lead for these additional studies will be Ms. Jean Hill, P.E. Drilling and well installation will be by Prosonic Corporation under subcontract agreement with URS. Laboratory testing and Minitroll installations will be completed by URS staff personnel working under the direction of Jean Hill and Andy Campbell, respectively.

We look forward to continuing working with you on this important project. If you have any questions, please do not hesitate to call Jean Hill at 714-648-2756.

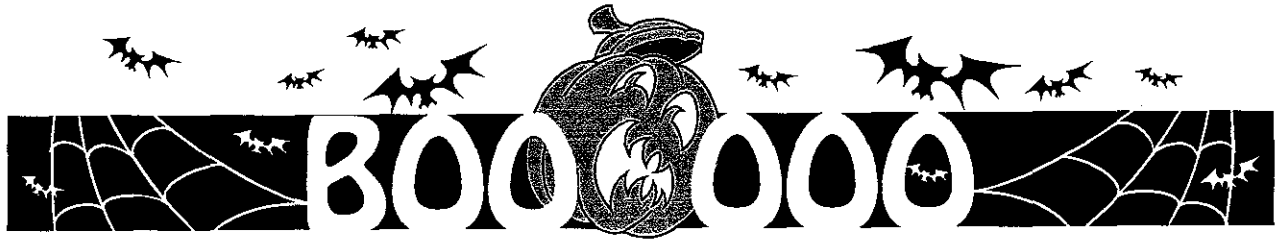
Sincerely,
URS Corporation

Jean Suter Hill
Principal

Brian Wynne
Vice President

cc: Mr. Gordon Treweek, CBWM

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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

- B. AG POOL FUNDS BANKING
TRANSFER PRESENTATION**
Consider Transfer of Ag Pool Funds



CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: October 14, 2004

TO: Committee Members

SUBJECT: Ag Pool Funds Banking Transfer Presentation

SUMMARY

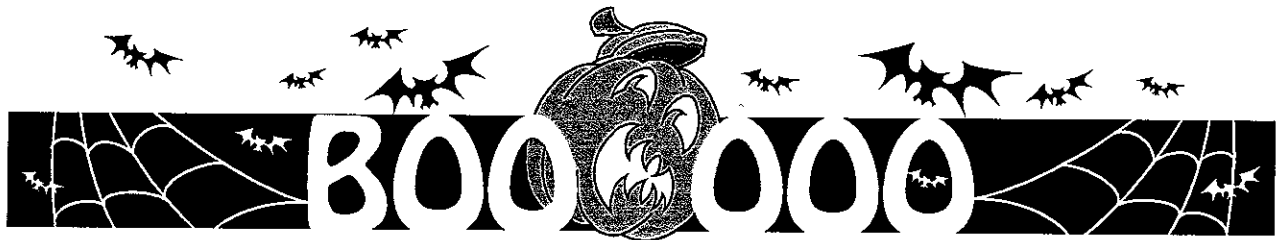
ISSUE – The interest rate of 1.4% on the Ag Pool capital is not competitive.

Recommendation – Authorize staff to transfer the Ag Pool's capital to Vineyard National Bank for a rate of 2.0%.

BACKGROUND

Several months ago, it was brought to the Ag Pool's attention that the current interest rate on the Ag Pool's capital was 1.4%. At that time, the Ag Pool directed Chairman Nathan deBoom and Board Member John Huitsing to work with Sheri Rojo of Watermaster to find a possible better rate. Mrs. Rojo reported back to Mr. deBoom and Mr. Huitsing that Vineyard National Bank had a 2.0% interest rate; a difference of about \$2500 a year in interest income.

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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

C. FUNDING REQUEST FOR COMPOSTING AND OTHER RELATED STUDIES

Discuss Funding Options for
Composting and Other Related Studies



CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: October 14, 2004

TO: Ag Pool Committee Members

SUBJECT: Environmentally-Friendly Composting Technology Pilot Demonstration Project

SUMMARY

ISSUE – Milk Producers Council, in conjunction with Inland Empire Utilities Agency and South Coast Air Quality Management District is demonstrating that alternative, cost efficient composting technologies that will achieve the needed regulatory requirements.

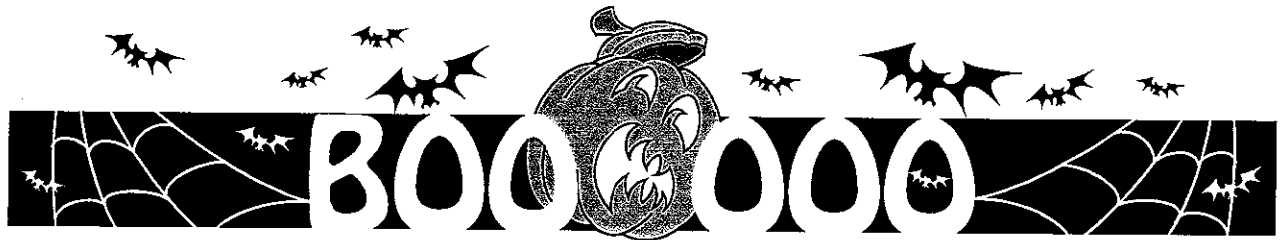
Recommendation – Milk Producers Council, on behalf of the project, requests \$10,000 from the Agricultural Pool for the pilot demonstration project.

BACKGROUND

More than 250,000 dairy cows located in the Chino Basin produce up to one million tons of manure each year. Pathogens, salts and nutrients from this manure are leaching into the groundwater. In addition, rapid urbanization has significantly increased the storm water runoff that impacts the dairies, reducing their ability to prevent the transport of the waste material into the Santa Ana River. Dust, odor, ammonia, and volatile organic emissions from the dairy manure also contribute to air pollution. These impacts are well documented by the Regional Water Quality Control Board and Air Quality Management District studies. In fact, regulatory restrictions from the Santa Ana Regional Water Quality Control Board and South Coast Air Quality Management District (SCAQMD) will soon eliminate manure recycling on croplands throughout much of Southern California. Therefore, alternative economically feasible and regulatory compliant manure processing methods need to be evaluated. With proper testing and effective partnering with various interested agencies and stakeholders, this project will determine if presently available composting technologies will be economically feasible and meet the regulatory criteria within the Chino dairy area. Currently, different forms of composting appear suited to meet the regulatory requirements set forth by SCAQMD but have not been proven under rigorous conditions with dairy cow manure as a primary compost ingredient. These composting procedures include different types of

processing, such as: open negatively aerated static pile with exhaust vented to a biofilter, and enclosed aerated static pile. There are a handful of companies that promote both these types of composting systems, however, in this pilot research project, the technologies of three reputable vendors will be evaluated. These vendors are Ag Bag International Ltd., Gore Cover, and Nature Tech Composting Systems. In addition, one commonly used, public domain technology will be evaluated.

Benefits: Charged with regulating emissions within the Southern California area, the SCAQMD is on the forefront of air quality regulations across the nation. In August, 2004, the SCAQMD implemented Rule 1127 in conjunction with Rule 1133, which requires ammonia and VOC emissions reductions from compost operations. Firms or operators that fail to meet these requirements will face legal consequences (e.g., large fines, cease and desist orders). Therefore, if the objectives are achieved within the proposed project, waste generators (dairy, municipalities, cities etc.) within Southern California and throughout the state will have approved alternative ways to process their waste without major impacts to air quality.



CHINO BASIN WATERMASTER

III. STAFF REPORT

1. REPLENISHMENT/CYCLIC ACCOUNT
 - a. Summary of Replenishment Deliveries



CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: October 14, 2004
October 19, 2004
October 28, 2004

TO: Committee Members
Watermaster Board Members

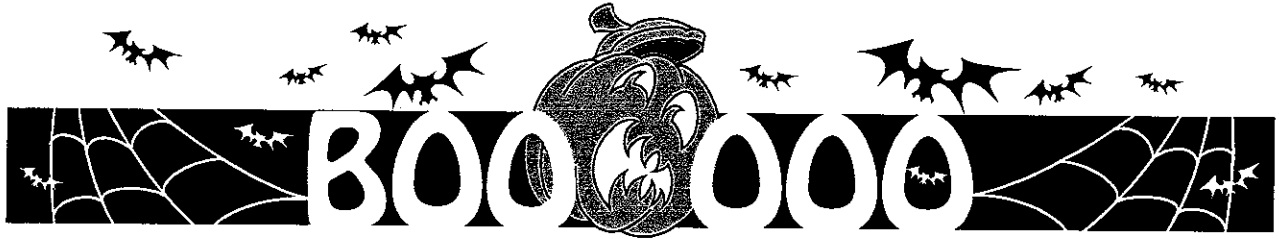
SUBJECT: Replenishment Deliveries

SUMMARY

Issue – There is an unmet replenishment obligation for the 2002/2003 fiscal year.

Production from the 2002/2003 fiscal year resulted in a replenishment obligation in the amount of 17,029af. During the 2003/2004 fiscal year, replenishment deliveries were 4,024af, leaving a carryover replenishment obligation in the amount of 13,005af. Through September, 2004, replenishment deliveries were 1,734af leaving an unmet replenishment obligation of 11,271af to be purchased from the cyclic account prior to December 31, 2004, when Metropolitan Water Districts Replenishment Water Rates are expected to increase \$5 per acre foot. This balance in the cyclic account after the purchase will be just above 20,000af.

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CHINO BASIN WATERMASTER

IV. INFORMATION

1. Inland Empire Landmark Water Supply Program Named "Outstanding Project of the Year"

**For Immediate Release:
October 1, 2004**

**Contact: Sondra Elrod
(909) 993-1747**

**Inland Empire Landmark Water Supply Program
Named "Outstanding Project of the Year"
By the American Society of Civil Engineers, Los Angeles Section**

Inland Empire – On Saturday, October 2nd, the landmark Chino Basin Groundwater Recharge Project will receive the American Society of Civil Engineers (ASCE)'s top honor of "2004 Outstanding Government Civil Engineering Project of the Year" from its Los Angeles Section. This prestigious honor will be shared by the Inland Empire Utilities Agency, Chino Basin Watermaster, San Bernardino County Flood Control District, and the Chino Basin Water Conservation District.

"The Chino Basin Groundwater Recharge Project is truly a major event in the history of the Chino Basin," said IEUA Board Director Wyatt Troxel. "This landmark water supply program will enhance the region's ability to recharge our groundwater basin with over 100,000 acre-feet of new water supplies annually. This enough water to supply the needs of over 60,000 families," Troxel said.

"We are honored to be recognized for our partnership's success in developing innovative, cost effective projects that will significantly increase our region's ability to meet future drought needs for the growing population of the Basin," continued Terry Catlin, IEUA's Board Vice-President who also serves as a Chino Basin Watermaster board member. "We share this honor with the Chino Basin Watermaster, the San Bernardino County Flood Control District, and the Water Conservation District that are our partners in developing this important project," Catlin said.

The purpose of the \$40 million Chino Basin Groundwater Recharge Project is to expand and improve existing facilities within the Chino Basin in order to enhance their ability to recharge water into the groundwater basin. Sixteen recharge basins will be refurbished and three new facilities will be constructed under the program.

“This is a complex and challenging project,” stated IEUA’s General Manager Richard Atwater. “The overwhelming cooperation and partnership of all the agencies involved to implement a total of 19 groundwater recharge projects in less than five years is something that we are all very proud of.”

The Chino Basin Groundwater Project was designed by Tettemer and Associates, a Division of the Keith Companies. Black and Veatch Consulting Engineers are assisting with the construction management for the recharge basins. The integrated project is on schedule to be fully operational by March 30, 2005.

Funding for the project is being provided through a state-local partnership. IEUA received a \$19 million grant in California’s Proposition 13 Water Bonds through the Santa Ana Watershed Project Authority (SAWPA). The remaining costs of the project are being financed through local revenue bonds.

“Expanding the capacity of the Chino Basin to recharge water is a major component of the Chino Basin Optimum Basin Management Plan (OBMP) and is vital to the implementation of the historic 2000 Chino Basin Peace Agreement,” said Ken Manning, Chief Executive Officer for the Chino Basin Watermaster. “The Chino Basin Groundwater Recharge Project will have the capacity to recharge storm water, imported water from Northern California and high quality recycled water into the Chino Basin groundwater aquifer,” Manning continued. “The project will provide significant water quality benefits in addition to improving the reliability of local water supplies.”

The Chino Basin is the largest groundwater basin within Southern California, holding more than 5 million acre-feet of water. For the 700,000 people served within IEUA’s service area, water from the groundwater basin supplies about 70% of the water needs.

The Inland Empire Utilities Agency serves the cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland and the Cucamonga Valley Water District and Monte Vista Water District.

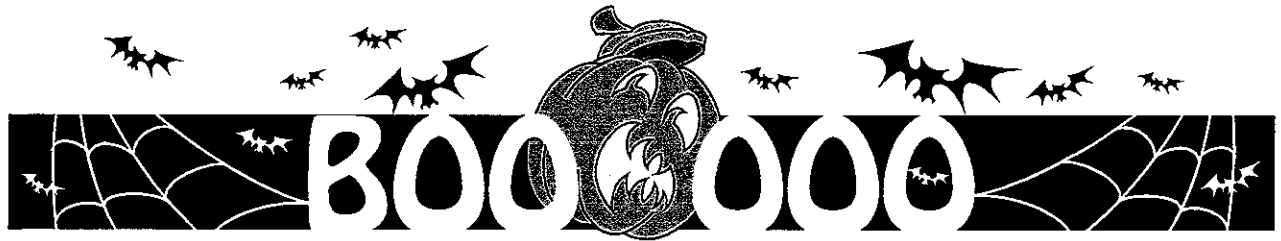
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******Press Alert******

*The dedication of the award-winning
Chino Basin Groundwater Recharge Project
will be held on October 15th at 10:00 a.m.*

*This event will be held at the Turner Recharge Basin
located on the corner of 4th Street and Archibald in Ontario.*

For more information, please contact Sondra Elrod at 909-993-1747.



CHINO BASIN WATERMASTER

IV. INFORMATION

2. Newspaper Articles

Three water board seats up for grabs

By BEN SCHNAYERSON
STAFF WRITER

Water is the lifeblood of growth, and growth is one of the hottest topics for two local water boards that have elections in November.

The Inland Empire Utilities Agency board of directors, which handles water and sanitation, has two seats on the ballot, and the Beaumont-Cherry Valley Water District board has one seat up for grabs.

Water board races don't typically draw much attention, especially during a presidential election year. But there are important issues for the boards. Both are trying to bring water to areas facing intense growth.

"The demand for water over the next seven years will double" in the West Valley, said Wyatt Troxel, a director for the utilities agency and a candidate for re-election.

Troxel is also a consultant for wastewater projects, but not within the agency's coverage area, he said.

The agency provides imported and recycled water for Chino, Chino Hills, Fontana, Montclair, Ontario, Upland and Rancho Cucamonga. It often acts as a middleman between the Metropolitan Water District and local water districts. It also handles much of the area's sewage.

Troxel, who has represented Rancho Cucamonga for almost 12 years, said the agency has been coming up with various ways to deal with growth.

Officials want residents to use water-efficient showerheads, low flush toilets and

The agency also is working with the county's Flood Control District to catch storm runoff and put it back into the aquifers — also a reaction to growth.

With all the urbanization, what normally had gone into the ground in the past, now flows into flood control channels and then the ocean, said Terry Catlin, 48, another agency director and candidate for re-election.

Catlin has represented Upland and parts of Montclair for almost eight years. He recently started working as a plant manager for the Water Facilities Authority in Upland.

Beaumont faces serious growth, planning 12,000 homes to be built in the coming decades, all within the local water district.

"I want to make sure there is plenty of good quality water for everybody," said David Pensak, 46, a candidate for the Beaumont-Cherry Valley Water District Board.

"I think it is being addressed fairly well, but we have so much development on the books, I want to make sure it stays that way," said Pensak, a groundskeeper for the Beaumont Unified School District.

He also owns a small farm with about 200 fruit trees and a pumpkin patch.

Pensak's opponent, incumbent Albert Chatigny, did not return repeated phone calls.

The growth demands are exacerbated by the present drought.

Troxel said the Colorado River is very low, and that starts a domino effect in which districts scramble for water.

Our presumption is that we will be looking at restrictions in the coming years," Troxel said.

Troxel's opponent, Oscar Gonzalez, said he can't really say the agency is having a problem dealing with growth or drought. Instead, he claims Troxel has not been in touch with his community and has missed too many meetings.

Of the 15 regular board meetings since January, Troxel has missed five, according to board minutes.

"It shows blatant underrepresentation," said Gonzalez, 40, an engineer for Santa Barbara-based Integrated Water Resources.

Troxel said he has been busy recently with a water project near Stockton, but makes sure he attends all important meetings and gives written comments when he can't attend.

That is not neglect, Troxel said. "Really the issue is what is the effectiveness of the agency."

Catlin's opponent, George D. Voigt, could not be reached for comment.

The Securities and Exchange Commission filed a lawsuit against Voigt in 1997 for insider trading. The commission said Voigt got a tip from Ted Dutton, father of Assemblyman Bob Dutton, R-Rancho Cucamonga, in 1992, and Voigt subsequently purchased stock in Century MedCorp.

The company was bought a few days later and the stock rose, giving Voigt an estimated \$80,000, the commission said.

But Voigt and Dutton were both found not guilty by a jury in 1998, according to reports.

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County-provided water on tap for Rialto

By **SCOTT VANHORNE**
STAFF WRITER

LOMA LINDA — The regional water board ordered San Bernardino County on Friday to provide water to Rialto if a pollution plume emanating from landfill expansion property reaches an important city-owned well.

The Santa Ana Regional Water Quality Control Board also agreed to discuss complaints from other water providers, who also say the county should give them water, at its next meeting Nov. 5.

The county plans to pump water and remove perchlorate contamination by April. It will provide the cleansed water to Rialto.

Perchlorate is an ingredient in rocket fuel, fireworks and flares. It impairs thyroid functioning at certain levels. Some fear the chemical compromises brain development in young children and fetuses. Others contend minute concentrations in water are not harmful.

If the compound reaches a city well just north of Base Line Road before April, the county will buy perchlorate-free water from other providers for the city.

The well threatened by the perchlorate plume accounts for about 15 percent of the city's water needs.

The county will likely have to provide water for decades as long as perchlorate remains. Interim Public Works Director Pat Mead said drilling the wells and installing the treatment system will cost about \$4 million.

Fontana Water Co. and West Valley Water Co., which also pump from the Rialto-Colton basin, want the board to order the county to give them water as well.

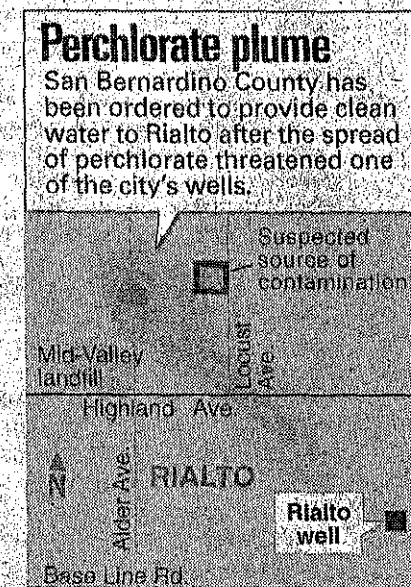
"They are more than just a polluter, they are a public agency," said Steven Elie, an attorney for the two water companies.

The county has taken responsibility for a pollution plume inching south from under the property it bought in 1995 to expand the landfill, but its consultants contend widespread perchlorate pollution in the basin comes from other sources, including a 160-acre site north of the landfill where rockets were made.

Elie said the county's two-plume theory is based on inexact science.

"It's not like reading the roads on a map," he said. "It's complex, hydrogeology."

A water board in central California ordered a perchlorate polluter to provide water to all of the affected water com-



STAFF GRAPHIC

panies, and the local water quality board should do the same, the attorney said.

But water board staffers said it's not that simple.

"We can only require (replacement water) when there is evidence to sug-

gest a particular party has either wholly or in part caused the problem," said Kurt Berchtold, the water board's assistant executive officer.

In Rialto, there are about 22 pollution suspects including the county, the Department of Defense and Goodrich Corp. Perchlorate has contaminated about 20 wells in the basin so far, including several that are miles away from the suspected source.

The county never used perchlorate at the landfill expansion site, but it bought the problem along with the land, which was used for rocket and chemical storage for decades.

The county provoked the spread of the contamination by digging up bunkers used to store rockets and fireworks, and by allowing a concrete company to dig settling ponds on the property.

Those ponds have since been closed and covered.

The county is accepting public comments about its plan to protect the Rialto well.

For more information about the comment period, call the county's Solid Waste Management Division at (909) 386-8701 or call the regional water quality control board at (951) 782-4130.

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County plans action to protect water supply

Wells expected to intercept and treat contaminated water

By SCOTT VANHORNE
STAFF WRITER

RIALTO — The county is moving forward with a plan to stop a pollution plume before it reaches one of the city's wells, even though the public comment period on several alternatives is weeks from ending.

"If we don't start today, this option will not be online in a timely fashion," interim Public Works Director Pat Mead said during a presentation to the San Bernardino County Board of Supervisors this week.

The Santa Ana Regional Water Quality Control Board has ordered the county to provide Rialto with replacement water by April 1 or sooner if a perchlorate pollution plume moving south from county property hits a city well just north of Base Line Road before then.

The county plans to dig six wells in the plume's path, pump and treat the water, and then return it to the city's water supply system.

Supervisors agreed Tuesday to pay consultant GeoLogic Associates \$447,268 to design the well treatment system, but the public comment period on the plan, which the county initiated on its own, does not end until Oct. 18.

The county is proposing several methods to comply with the water board's order, including pumping and cleaning the water and then putting it back into the ground, a

solution some see as impractical, or feeding microorganisms in the ground that will break down perchlorate naturally.

Officials have received little public input on the proposals, and they don't expect to hear much from water users since they will get clean water either way.

Fontana Water Co. and West Valley Water District, which pump water from the same basin as Rialto, will likely chime in during the comment period. They want the board to require the county to give them replacement water and are less interested in how the cleanup takes place.

However, Steven Elie, an attorney for the two water sellers,

said the companies will monitor the county's pumping operation to make sure it does not extract more water than Rialto is allotted.

The county's preferred treatment method will likely cost millions and will continue to drain coffers for years or even decades as perchlorate in the soil seeps into the groundwater.

But it's also the most scientifically tested method for stopping a pollution plume, said Robert Morrison, vice president of DPRA, an environmental consultant firm.

"Some of these other techniques are kind of academic and unproven," he said.

Perchlorate is an additive in rocket fuel and fireworks. It affects

thyroid function at certain levels. Some suspect minute amounts affect fetal and newborn's brain development; others dispute that assertion.

Public comment on the county's plan will be taken in the Rialto City Council Chambers at 7 p.m. Oct. 7 and again at 6 p.m. Oct. 13. Officials will also explain the options during the meetings.

Interested parties can also mail comments to the Santa Ana Regional Water Quality Control Board, 3737 Main St., Suite 500, Riverside, CA 92501-3348. Address letters to the attention of Kurt Berchtold.

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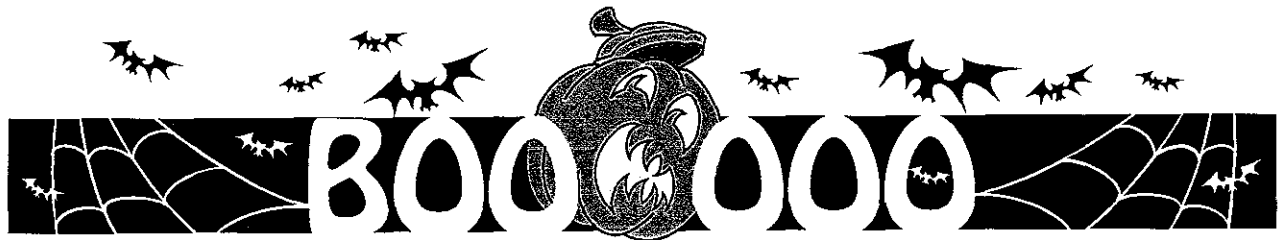
Big Brothers Big Sisters
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CHINO BASIN WATERMASTER

IV. INFORMATION

3. American Groundwater Trust Conference -
November 5, 2004

**Legal Issues and Groundwater in California:
Update on Recent Developments**



an educational conference sponsored by
AMERICAN GROUND WATER TRUST
Independent Authority on Ground Water

Friday, November 5, 2004

co-sponsored by
**Natural Resources Subsection of the Real Property Law Section
of the State Bar of California**

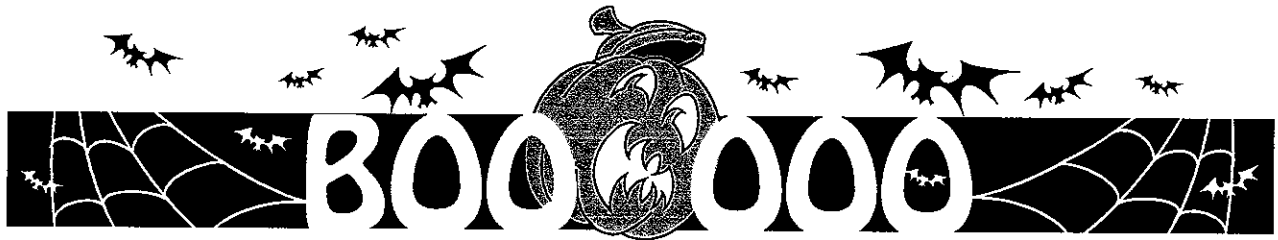
in cooperation with
Groundwater Resources Association of California

**Anaheim Marriott Hotel
700 West Convention Way, Anaheim, CA 92802
Register online at www.agwt.org**

***Top specialists will share their expertise and experience on some
of the most significant groundwater issues in California***

The American Ground Water Trust has organized several ground water and legal issues conferences in California: (Anaheim 2000, and 2001; Santa Monica, 2002; Newport Beach 2002, Santa Barbara, 2003 and a 2004 workshop - Ground Water Models in the Courtroom, in Los Angeles). This November 5, 2004 Anaheim Conference will follow a similar presentation format with top specialists sharing their expertise and experience on some of the most significant and emerging ground water issues in California.

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CHINO BASIN WATERMASTER

IV. INFORMATION

4. Notice of Attendance of Special Referee's
Technical Assistant at MZ1 Meeting



CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

NOTICE

Please take notice that the Special Referee's Technical Assistant, Mr. Joe Scalmanini, will attend the next MZ1 Technical Committee Meeting. The meeting will be held on **November 17, 2004 at 9:00 a.m.** and will take place at Watermaster. If time permits following the meeting, Mr. Scalmanini may go on a tour of various Basin facilities.

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