

# CHINO BASIN WATERMASTER



## NOTICE OF MEETINGS

Thursday, July 28, 2005

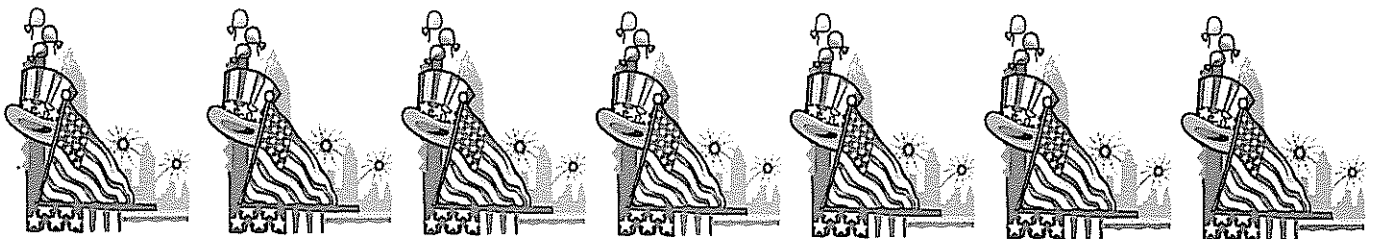
9:00 a.m. – Advisory Committee Meeting

11:00 a.m. – Watermaster Board Meeting

*(Lunch Will Be Served)*

*AT THE CHINO BASIN WATERMASTER OFFICES*

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





# CHINO BASIN WATERMASTER

July 28, 2005

9:00 a.m. – Advisory Committee Meeting

11:00 a.m. – Watermaster Board Meeting

*(Lunch Will Be Served)*

## AGENDA PACKAGE



**CHINO BASIN WATERMASTER  
ADVISORY COMMITTEE MEETING**

9:00 a.m. – July 28, 2005

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 Advisory Committee Meeting held June 23, 2005 *(Page 1)*

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of June 2005 *(Page 17)*
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2004 through May 30, 2005 *(Page 21)*
3. Treasurer's Report of Financial Affairs for the Period May 1, 2005 through May 31, 2005 *(Page 23)*
4. Profit & Loss Budget vs. Actual July 2004 through May 2005 *(Page 25)*

**C. WATER TRANSACTION**

1. Consider Approval for Transaction of Notice of Sale or Transfer – The City of Ontario Has Agreed to Purchase From the City of Chino a Portion of Chino's Water in Storage In the Amount of 5,350 acre-feet; Date of Application: April 20, 2005 *(Page 27)*
2. Consider Approval for Transaction of Notice of Sale or Transfer – Cucamonga Valley Water District Has Agreed to Purchase 500 acre-feet of West San Bernardino County Water District's Stored Chino Basin Groundwater; Date of Application: February 24, 2005 *(Page 39)*

**D. NOTICE OF CONRAD & ASSOCIATES, LLP TO PERFORM FISCAL YEAR 2004-05  
FINANCIAL STATEMENTS AUDIT**

The Conrad & Associates Fee Will Not Exceed \$6,850.00

**II. BUSINESS ITEMS**

**A. DRY YEAR YIELD CONTRACT**

Consider Approval of a One Year Waiver of the 25,000 AF Put Cap For 2006 *(Page 55)*

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

- 1. Attorney-Manager
- 2. Court Filings
- 3. North Gualala Amicus

**B. CEO/STAFF REPORT**

- 1. Wet Basin Rehabilitation Program Update
- 2. Progress on College Heights Test
- 3. Basin Recharge Report
- 4. Report Updates

**C. INLAND EMPIRE UTILITIES AGENCY**

- 1. MWD Status Report – Richard Atwater
- 2. Recycled Water Report – Tom Love
  - a) Phase 2 Title 22 Status
- 3. State Water Plan (B160) – Martha Davis
- 4. Water Resources Report (handout)
- 5. State/Federal Legislation Reports (*Page 59*)
- 6. Community Outreach/Public Relations Report (*Page 91*)

**D. OTHER METROPOLITAN MEMBER AGENCY REPORTS**

**IV. INFORMATION**

- 1. Newspaper Articles (*Page 93*)

**V. COMMITTEE MEMBER COMMENTS**

**VI. OTHER BUSINESS**

**VII. FUTURE MEETINGS**

July 28, 2005	9:00 a.m.	Advisory Committee Meeting
July 28, 2005	11:00 a.m.	Watermaster Board Meeting
August 11, 2005	9:00 a.m.	Joint Appropriative & Non Agricultural Pool Meeting
August 23, 2005	11:00 a.m.	Agricultural Pool Meeting @ IEUA
August 25, 2005	9:00 a.m.	Advisory Committee Meeting
August 25, 2005	11:00 a.m.	Watermaster Board Meeting

**Meeting Adjourn**

**CHINO BASIN WATERMASTER  
WATERMASTER BOARD MEETING**

11:00 a.m. – July 28, 2005  
At The Offices Of  
Chino Basin Watermaster  
9641 San Bernardino Road  
Rancho Cucamonga, CA 91730

**AGENDA**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**AGENDA - ADDITIONS/REORDER**

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1. Attorney-Manager
2. Court Filings
3. North Gualala Amicus

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1. Wet Basin Rehabilitation Program Update
2. Progress on College Heights Test
3. Basin Recharge Report
4. Report Updates

**IV. INFORMATION**

1. Newspaper Articles (*Page 93*)

**V. BOARD MEMBER COMMENTS**

**VI. OTHER BUSINESS**

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster Board meeting for the purpose of discussion and possible action regarding Personnel Matters and/or Potential Litigation.

**VIII. FUTURE MEETINGS**

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August 23, 2005	11:00 a.m.	Agricultural Pool Meeting @ IEUA
August 25, 2005	9:00 a.m.	Advisory Committee Meeting
August 25, 2005	11:00 a.m.	Watermaster Board Meeting

**Meeting Adjourn**



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Advisory Committee Meeting –  
June 23, 2005



***Draft Minutes***  
**CHINO BASIN WATERMASTER**  
**ADVISORY COMMITTEE MEETING**  
June 23, 2005

The Advisory Committee Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on June 23, 2005 at 9:00 a.m.

**ADVISORY COMMITTEE MEMBERS PRESENT**

**Appropriative Pool**

Ken Jeske, Chair	City of Ontario
Rita Kurth	Cucamonga Valley Water District
J. Arnold Rodriguez	Santa Ana River Water Company
Rich Atwater	Inland Empire Utilities Agency
Gerald J. Black	Fontana Union Water Company
Mike McGraw	Fontana Water Company
Raul Garibay	City of Pomona
Dave Crosley	City of Chino

**Agricultural Pool**

Glen Durrington	Crops
John Huitsing	Dairy

**Non-Agricultural Pool**

Bob Bowcock	Vulcan Materials Company (Calmat Division)
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**Watermaster Board Members Present**

John Anderson	Inland Empire Utilities Agency
Bob Kuhn	Three Valleys Municipal Water District
Robert Neufeld	Cucamonga Valley Water District

**Watermaster Staff Present**

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	Finance Manager
Gordon Treweek	Project Engineer
Sherri Lynne Molino	Recording Secretary

**Watermaster Consultants Present**

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

**Others Present**

Rick Hansen	Three Valleys Municipal Water District
David De Jesus	Three Valleys Municipal Water District
Steven Lee	Ag Pool Legal Representative
Tom Love	Inland Empire Utilities Agency
Martha Davis	Inland Empire Utilities Agency
Robert Harding	Metropolitan Water District
Jack Safely	Metropolitan Water District
Henry Pepper	City of Pomona

The Advisory Committee meeting was called to order by Chair Jeske at 9:05 a.m.



**AGENDA - ADDITIONS/REORDER**

There were no additions or reorders made to the agenda.

**I. CONSENT CALENDAR****A. MINUTES**

1. Minutes of the Advisory Committee Meeting held May 26, 2005

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of May 2005
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2004 through April 30, 2005
3. Treasurer's Report of Financial Affairs for the Period April 1, 2005 through April 30 2005
4. Profit & Loss Budget vs. Actual July 2004 through April 2005

**C. WATER TRANSACTION**

1. Consider Approval for Transaction of Notice of Sale or Transfer – Santa Ana River Water Company Leases and Assigned Jurupa Community Services District the Quantity of 1,600 acre-feet of Corresponding Safe Yield; Date of Application: January 18, 2005

**D. COST OF LIVING ADJUSTMENT (COLA)**

Authorize 3.8% COLA to be applied to the salary schedule as approved in the FY 2005-06 Budget, beginning July 1, 2005

**E. TWENTY-SEVENTH ANNUAL REPORT**

Chino Basin Watermaster Twenty-Seventh Annual Report – Fiscal Year 2003-04

*Motion by Crosley, second by McGraw, and by unanimous vote – Non-Agricultural Pool and Agricultural Pool concurred*

***Moved to approve Consent Calendar Items A through E, as presented***

**II. BUSINESS ITEMS****A. SAN ANTONIO CHANNEL UPLAND BASIN INTERCONNECT**

Mr. Manning reviewed the discussion which took place at a previous meeting regarding the College Heights facilities and expressed that Watermaster was going to withhold using those facilities until staff had an opportunity to perform additional tests. We always intended to take the diversion and move the water over into the pipe that connects into the Upland Basin. That pipe is currently serving the area north of the Upland Basin for drainage. All of the connecting pieces are there; it is now a matter of connecting the pipe, and contracting with the City of Upland to perform the work. The City of Upland currently has a bid for \$120,000 to install the pipe and the contractor is being contacted to see if that bid is still currently accurate. Staff is asking for the approval to make that connection happen which will allow Watermaster to divert water off the San Antonio Channel over into the Upland Basin without having to go through the College Heights facilities first. Staff feels this decision is in the best interest of the basin and should be easily accomplished within a few months. Chair Jeske reiterated this motion is to approve an agreement with the City of Upland to issue the change order. The question regarding if this was to move some piping or this was in addition to other pipes was presented. Mr. Manning stated this design was initially to connect from the rubber dam over into both College Heights West and East and to take a pipe over to the Upland Channel, all from the same location, giving staff the ability to go to all three of those locations; what this is now going to allow is staff to go to one location without having to go to the other two. Only a portion of the original design will be constructed. A discussion regarding the placement of the piping ensued. Mr. Bowcock expressed his hesitation for this project. Mr. Manning stated that there is a meeting scheduled later today to discuss testing on some of this water that will be coming down from San Antonio. In the meanwhile, this will allow Watermaster to use the Upland Basin. Mr. Manning stated that there is a lot of free water coming down from the San Antonio Channel

that is being diverted into the Montclair and Brooks Basins; while that is happening the Conservation District would like to use this time to dry out Montclair Basin #1 in order for Watermaster to be able to clean out some of the sludge that has settled in there, keeping it from percolating. The Conservation District can not do that presently due to Watermaster taking in free water from upstream snow melt. If this connection was in place the water could be diverted into the Upland Basin allowing the maintenance work to be done in Montclair Basin which would put that basin back into service; right now we do not have that option. Mr. Manning noted that by approving this connection Watermaster would have that option in the future. Mr. Bowcock questioned the relating to this project. Mr. Bowcock was invited to the afternoon meeting to gather further information on this project. Mr. Manning stated that staff felt this is a good investment and at a good price in terms of giving us a greater degree of latitude regarding our recharge options. A brief discussion ensued with regard to the exact location of the pipe and inquired if it would cross Arrow Highway. It was noted a motion in favor of this could be authorized, however, the cost is not to exceed \$150,000 dollars. A discussion ensued with regards to the Watermaster Board being able to change decisions made at the Advisory level and Counsel Fife noted that any change made at the Board meeting would have to be brought back through process.

*Motion by Bowcock, second by Garibay, and by unanimous vote – Non-Agricultural Pool and Agricultural Pool concurred*

***Moved to authorize construction of the San Antonio Channel-Upland Basin interconnect not to exceed \$150,000 dollars, as presented***

**B. RESOLUTION IN SUPPORT OF PROPOSITION 50 GRANT APPLICATION**

Mr. Manning stated this is a resolution to support San Gabriel Valley Municipal Water District on a Prop 50 planning grant for the creation of an Integrated Regional Water Management Plan. This is a partnership between Inland Empire Utilities Agency, Three Valleys Municipal Water District, Foothill Municipal Water District, and the Main San Gabriel Basin Watermaster. The advantages to the Chino Basin is that it does provide for water reliability in that it will have an emergency connection off the Azusa Pipeline that will be situated in the Chino Basin. Staff feels this connection will be very good for several water agencies and are supporting this activity by asking approval through the Watermaster process. A discussion ensued with regard to what else this proposition will support. Mr. Manning stated that this particular resolution is in support of the one planning grant that is being applied for by the San Gabriel Valley Municipal Water District. It was noted that once the Integrated Regional Water Management Plan is in place if a party wanted to apply for a grant and they asked the question, "Do you participate in any type of Regional Water Plan?" the party can site this plan.

*Motion by Kurth, second by Garibay, and by unanimous vote – Non-Agricultural Pool and Agricultural Pool concurred*

***Moved to authorize support for a cooperative proposition 50 grant application for the development of an Integrated Regional Water Management Plan, as presented***

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

**1. Attorney-Manager Process**

Counsel Fife stated that the individual meetings took place a few weeks ago; the outcome of those meetings was that in talking with the parties nobody expressed any reservations or reasons why this process could not be concluded by the end of August 2005; which is very good news. The end of August is the time frame that all parties are looking at for completion. There are still a few more individual meetings to accomplish. In addition to those few meetings, Dave Argo from Black and Veatch was asked to do some additional technical work concerning being more specific about what Western Municipal Water District can do by way of helping out with the desalters. Counsel wants that initial work

complete before the meetings are engaged again. Counsel Fife stated we are probably out several more weeks before the group is brought back together as a whole. Counsel does not feel at this point in time bringing a large group together would be a productive use of resources.

2. MZ1 Workshop Special Referee Report

Counsel Fife noted the special referee report was served on the parties by Watermaster earlier this week. Ms. Schneider was highly complimentary of Mr. Malone, who did an excellent job presenting information at the workshop. It was found while reviewing the original 2002 court order, that the order states the Long Term Plan needs to be complete by 2005; the referees report suggested that counsel go to court and revise the 2005 deadline to be more in accord with the actual date that is now anticipated for completion. Ms. Schneider also recommended Watermaster put out a summary of the technical data that has been compiled thus far; this will be a compilation of the data presented at the workshop. Both Ms. Schneider and Mr. Scalmanini recommended that Watermaster put together some sort of guidance criteria, which will be the first step toward developing an actual long term plan. The MZ1 technical committee will need to discuss the criteria further. This plan will be reviewed in detail within the next month by counsel, staff, and other committees.

**B. CEO/STAFF REPORT**

1. Assessment Package Workshop

Mr. Manning stated that the Assessment Package Workshop was held on June 15, 2005 and thanked Ms. Rojo on the tremendous job she did in putting together the workshop and proposed new format. The overall reactions for the proposed format were very positive; Watermaster is developing a computerized program that links both our budget and our assessment process with water activity. In an effort to complete that task Ms. Rojo has taken all the information from the last assessment package and plugged those numbers into the new program. Chair Jeske stated that he was unable to attend the meeting; however, in reviewing what his staff brought back to him it appeared that the new format was much easier to read and to follow through step by step.

2. Recharge Activity Update

Mr. Treweek stated that his report is in reference to the Storm Water Recharge Summary dated May 25, 2005 which is provided as a handout. There have been eleven storm events this past storm season which have provided approximately fifty inches of rainfall; 15,000+ acre feet was captured in our basins. The new yield will have to be calculated from that number by subtracting out historical storm water captured in the basins that had improvements made to them. It appears that the goal of 12,000 acre feet of captured storm water will be met for this year. This summer, Watermaster will be taking on two major objectives, the first will be to recharge as much MWD water as possible and the second will be to renovate the basins that were impacted by the storm flows this past winter. There are about \$1.2 million dollars in FEMA and IEUA money available for the renovations. By the end of June the work will be complete at Lower Day and Banana Basins, which will bring on two more basins that can accept MWD water. By the end of July, Turner and Ely Basins will be complete; Turner will take in MWD water and Ely will take in recycled water. We have a pretty aggressive summer schedule to accomplish some necessary renovation projects. Mr. Manning stated that this last rainy season has provided a lot of information about how the basins work. These renovations that are going to be done in the near future and in working with Flood Control, Watermaster is going to maximize some of our improvements to where the basins can acquire quite a bit more water even with a lower amount of rainfall this next year.

3. Ontario Clean Up & Abatement Orders

Mr. Manning noted that in the 2005-2006 budget which was passed last month there were some funds available in that budget for Watermaster to support the efforts of the Regional Board in the development and issuance of the clean up and abatement orders. In speaking with Mr. Thibeault the orders are expected to go out in July. A letter will accompany the orders to the potentially responsible parties (PRP) stating there will be a meeting scheduled in late August for Watermaster staff, including Wildermuth staff, and in working with the Regional staff to conduct a scoping meeting to discuss the issues and options for clean up with the PRP's.

4. Cooperative Meetings with County Flood Control

Mr. Manning stated that he feels this is an important item and wanted to mention that there are a number of meetings going on right now with the Flood Control. We are building relationships between the county, CBWM, IEUA, and the Conservation District so that we can make sure we coordinate activities. There have been a couple situations with the county in their planning that went on two and three years ago, projects that are now starting to come about that are requiring having additional work added to them like the recent sand bag structure that Mr. Theirl and crew had to construct in the San Sevaine Basin. Staff is trying to work with the county and they have agreed to meet with Watermaster. There are a couple different efforts taking place right now, one being a Rainwater Recovery Group (Orange County, Riverside, and San Bernardino agencies) working together on the Santa Ana River on a rainwater recovery program, this is being coordinated by SAWPA and the first meeting for that group met yesterday. There was a lot of good reaction during this meeting and there was pre-unanimous support for working together for trying to coordinate rainwater recovery. Additionally, there are meetings set up for Policy and Planning with Mr. Manning and staff from IEUA in meeting with staff at Flood Control. This Policy and Planning meeting is taking place quarterly to talk about planning issues. One of the issues that was discussed recently is a gravel pit on the west Fontana channel that Flood Control is interested in purchasing and that Watermaster would be very interested in using as a recharge facility over on the east end of our basin; this would be equivalent in size to the Upland Basin on the west side. This would give Watermaster two very large facilities to recharge. Flood Control feels they can channel a two hundred year storm into that basin and not have to worry about it over flowing. The meetings have increased between agencies with our GRCC meetings which are meeting monthly to every two weeks for the next six months to coordinate some of the activities that have to do with coordinating SCADA and some of the improvements prior to the next rainy season. There are a lot of cooperation efforts with Flood Control, CBWM, IEUA, and the Conservation District.

5. MWD System Overview

Mr. Harding from Metropolitan Water District thanked the Watermaster for allowing this presentation to be given at this meeting. The plan which in part that is being presented today is the Integrated Resource Plan (IRP) and the first step to the IRP is to determine Metropolitan's population growth and what supplies are necessary to meet the growing demands in the next planning period, which is typically the next 25 years. The System Overview Study Status was reviewed in detail and included these topics; 1) Completed preliminary analysis, 2) Briefed member agencies, 3) Received member agency comments, 4) Revised local supply data, and 5) Incorporating revisions in imported demand forecast. Policy issues such as points of delivery and conveyance capacity, obligation to construct treatment facilities, facility on line dates, service connections on MWD supply transmission pipelines, peak service criteria for assessing regional facility needs, and system reliability, multiple delivery points and system redundancy were examined. The schedule time line from July 2005 through November 2005 was discussed. Mr. Safely from Metropolitan Water District gave the second half of the MWD System Overview presentation. Mr. Safely discussed the projected total population demands and the projected total water use and how it relates to water treatment plants. Total estimated

demand on MWD, exclusive of replenishment, was reviewed in detail for the next 25 years. The change in demand on MWD from the year 2010 to 2025 was analyzed. The treatment capacity needs for 2025 was examined. The possibility that potential system improvements for the Central Pool Region could be a need and the possible new sites for water treatment plants was looked at in several locations. Lastly, Mr. Safely discussed the system overview study next steps which include; 1) Revise analysis based on member agency comments, 2) hold Board workshop in August, 3) Issue draft report in September and, 4) Final report in November. A question regarding excluding the replenishment water obligations was presented. Mr. Safely stated that the replenishment program is interruptible so the sizing of the facilities is being based on firm demand.

### C. INLAND EMPIRE UTILITIES AGENCY

#### 1. MWD Status Report – Richard Atwater

Mr. Atwater noted there was a meeting held last Friday with the cooperation of Foothill, Upper District, Pasadena, Three Valleys, and Inland Empire Utilities Agency all meeting with Metropolitan management. The meeting went very well and was about utilizing the Azusa pipeline and working together on the emergency connections. Not next winter, but the following winter, to put in the isolation or bulk heads on the Rialto pipeline. Within the next couple years there will be much better reliability off the Rialto pipeline.

#### Added Comment:

Mr. Atwater stated there has been some discussions with the MET staff and he has scheduled a meeting with Watermaster, Three Valleys, Western Municipal Water District, and Inland Empire Utilities Agency to start exploring the opportunities to expand the Dry Year Yield Program including the funding for the Chino III Desalter, and also the overall Hydraulic Control Program. This summer meeting will take place to discuss potential deal points and how to structure that this will work for all our agencies.

#### 2. Recycled Water Report – Tom Love

Mr. Love gave his presentation titled, "Regional Recycled Water Program Short Term Implementation Plan dated June 2005". This report is actually an update to the full report which was given several months ago. The Regional Recycled Water Program Summary was reviewed in detail. The Ten Year Capitol Improvement Projects (TYCIP) which included twelve significant projects, serves 45,000 AFY, capital costs, grant funding, state loan funds, and local funds was discussed. There are twelve projects currently being worked on and the budgeted cost, state funding and/or federal funding, SRF loan, and the total funding for all twelve projects was reviewed. There will be approximately 300 new customers by 2007 – 30,000 AFY which will need coordination with water agencies, technical support and financing. Mr. Love evaluated the current marketing activities and noted that 30 significant customers were targeted in 2005 including recharge customers, agricultural customers, industrial customers, and a small amount of irrigation customers. The customer development action plans are being worked on very closely with other water agencies to develop local facility plans and budgets, cooperative customer development team, and resource sharing. A question regarding the CEQA process was presented. Mr. Love stated that IEUA did do a Wastewater Facilities Master Plan which included the Recycled Water Program and Organics Management Program and did a programmatic EIR which gave more specific information on the recycled water facilities. A question regarding an unnumbered project TITLED "Land" and inquired if that was for storage sites. Mr. Love stated that was set aside primarily for reservoirs and pumps stations. Mr. Love stated that IEUA is working very closely with Cucamonga Valley Water District (CVWD) for a reservoir site up near the airport and thanked CVWD for working with IEUA on the possibility of locating some of the storage sites.

3. UWMP 2005-2010 Water Conservation Strategy – Martha Davis

Ms. Davis stated that in the Water Resources Report it was indicated that IEUA has been working on the development of the Draft Regional Urban Water Management Plan (UWMP) and the draft will be sent out to the members of the Chino Basin today. Ms. Davis noted that she appreciated all the assistance that was provided in working through the numbers; comments will be appreciated after review of the plan. A workshop will be held in mid July to go through the draft in depth. A closer look at the Water Conservation Strategy will be accomplished also; particularly over the next five years recognizing this is going to be an important transition period. Ms. Davis handed out the 2005-2010 Regional Water Conservation Strategy Draft White Paper and is very interested in feedback on this handout. As IEUA is working at the conservation approach, what is being proposed in this draft is something that has been discussed over a long period of time and is now being formalized. There are four key elements to the 2005-2010 water conservation strategy within the Chino Basin, 1) Encourage all new development to be as water and energy efficient as possible, 2) Continue residential appliance retrofit programs that target the most wasteful water using appliances and applications, 3) Expand public education programs and place an emphasis on development of partnerships with school districts to promote wise water use and how this contributes to the quality life/economic sustainability of the region, and 4) Integrate conservation with other water management programs to maximize the overall water supply, water quality, flood control and environmental benefits to the region. The next steps in the development of the 2005-2010 conservation strategy is to complete conservation potential analysis and review of conservation programs, prepare draft conservation strategy, including recommendation for specific programs and funding and to meet with the Regional Conservation Partnership Workgroup to discuss draft conservation strategy, specific programs and funding needs.

Added Comment:

Ms. Davis stated that the California Water Plan has been released and the Department of Water Resources has been holding workshops around the state. IEUA will be working on draft comments on the California Water Plan, although, all seem very pleased with the plans recognition of the importance of investments regionally and locally on how it is going to help improve reliability of water supplies for the state. The comments on the California Water Plan are due July 22, 2005.

4. Water Resources Report

This item was covered in number 3, UWMP 2005-2010 Water Conservation Strategy.

5. State/Federal Legislation Reports

No comment was made regarding this item.

6. Community Outreach/Public Relations Report

No comment was made regarding this item.

**D. OTHER METROPOLITAN MEMBER AGENCY REPORTS**

Mr. Hansen stated that he has one item to report on which is actually an early heads up. Metropolitan Water District (MWD) is going to have an excess of 1.2 million acre-feet of surplus water. The Orange County Water District has a proposal into MWD regarding in lieu water deliveries. With the surplus water that is available, MET and member agencies will most likely endorse this concept.

**IV. INFORMATION**

1. Newspaper Articles

No comment was made regarding this item.

V. **BOARD MEMBER COMMENTS**

No comment was made regarding this item.

VI. **OTHER BUSINESS**

No comment was made regarding this item.

VII. **FUTURE MEETINGS**

June 23, 2005	9:00 a.m.	Advisory Committee Meeting
June 23, 2005	11:00 a.m.	Watermaster Board Meeting
July 14, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
July 18, 2005	1:00 p.m.	AGWA Meeting
July 19, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
July 28, 2005	9:00 a.m.	Advisory Committee Meeting
July 28, 2005	11:00 a.m.	Watermaster Board Meeting

The Advisory Committee Meeting Adjourned at 10:20 a.m.

Secretary: \_\_\_\_\_

Minutes Approved: \_\_\_\_\_



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Watermaster Board Meeting –  
June 23, 2005





***Draft Minutes***  
**CHINO BASIN WATERMASTER**  
**BOARD MEETING**  
*June 23, 2005*

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on June 23, 2005 at 11:00 a.m.

**WATERMASTER BOARD MEMBERS PRESENT**

Robert Neufeld, Chair	Fontana Union Water Company
John Anderson	Inland Empire Utilities Agency
Paul Hamrick	Jurupa Community Services District
Al Lopez	Western Municipal Water District
Bob Kuhn	Three Valleys Municipal Water District
Bob Bowcock	Vulcan Materials Company
Paul Hofer	Agricultural Pool, Crops
Bill Kruger	City of Chino Hills
Geoffrey Vanden Heuvel	Agricultural Pool, Dairy

**Watermaster Staff Present**

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	Finance Manager
Gordon Treweek	Project Engineer
Sherri Lynne Molino	Recording Secretary

**Watermaster Consultants Present**

Scott Slater	Hatch & Parent
Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

**Others Present**

Tom Love	Inland Empire Utilities Agency
Dave Crosley	City of Chino
Carole McGreevy	Jurupa Community Services District
Henry Pepper	City of Pomona
Josephine Johnson	Monte Vista Water Company
Mark Kinsey	Monte Vista Water Company
Ken Jeske	City of Ontario
Raul Garibay	City of Pomona
Robert Harding	Metropolitan Water District
Jack Safely	Metropolitan Water District

The Watermaster Board Meeting was called to order by Chair Neufeld at 11:10 a.m.

**PLEDGE OF ALLEGIANCE**

**AGENDA - ADDITIONS/REORDER**

There were no additions or reorders made to the agenda.

**I. CONSENT CALENDAR**

**A. MINUTES**

- 1. Minutes of the Watermaster Board Meeting held May 26, 2005

**B. FINANCIAL REPORTS**

- 1. Cash Disbursements for the month of May 2005
- 2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2004 through April 30, 2005
- 3. Treasurer's Report of Financial Affairs for the Period April 1, 2005 through April 30 2005
- 4. Profit & Loss Budget vs. Actual July 2004 through April 2005

**C. WATER TRANSACTION**

- 1. Consider Approval for Transaction of Notice of Sale or Transfer – Santa Ana River Water Company Leases and Assigned Jurupa Community Services District the Quantity of 1,600 acre-feet of Corresponding Safe Yield; Date of Application: January 18, 2005

**D. COST OF LIVING ADJUSTMENT (COLA)**

Authorize 3.8% COLA to be applied to the salary schedule as approved in the FY 2005-06 Budget, beginning July 1, 2005

**E. TWENTY-SEVENTH ANNUAL REPORT**

Chino Basin Watermaster Twenty-Seventh Annual Report – Fiscal Year 2003-04

*Motion by Kruger, second by Anderson, and by unanimous vote*

***Moved to approve Consent Calendar Items A through E, as presented***

**II. BUSINESS ITEMS**

**A. SAN ANTONIO CHANNEL UPLAND BASIN INTERCONNECT**

Mr. Manning reviewed the discussions which took place a few months ago regarding the College Heights Basins and the fact that Watermaster was not going to be using those basins until more was understood about the Upland Basin operations. This last winter a lot of information was received on how the Upland Basin was performing because of the amount of water that was channeled into that area. There is an opportunity for Watermaster to use the facilities that were designed for both College Heights and the diversion over into the Upland Basin. Staff is asking that conversations begin with the City of Upland in having them install the interconnect between the San Antonio Channel and the rubber dam facility over to the Flood Control pipe which was originally put in by the City of Upland. This interconnect will allow Watermaster to divert water from the San Antonio Channel over into the Upland Basin and bypass the College Heights basins. This does not mean there is not some future work going to be done at College Heights; there is a meeting scheduled for this afternoon to discuss the possibilities of performing some work in the College Heights Basins to investigate how they are presently working. Staff feels this interconnect is prudent to go ahead with to install this pipe over into the Upland channel. The City of Upland is checking to see if the bid for \$120,000 is still an accurate bid. Mr. Manning stated that when this item was presented to the Advisory Committee it was noted in their motion to not exceed \$150,000 in costs. This item comes with a unanimous recommendation by the Pools and the Advisory Committee with the dollar cap from the Advisory Committee.

*Motion by Vanden Heuvel, second by Kruger, and by unanimous vote*

***Moved to authorize construction of the San Antonio Channel-Upland Basin interconnect not to exceed \$150,000 dollars, as presented***

**B. RESOLUTION IN SUPPORT OF PROPOSITION 50 GRANT APPLICATION**

Mr. Manning stated this item is a resolution in support for a project that is being spearheaded by San Gabriel Water District and is a cooperative venture with the Inland Empire Utilities Agency, Three Valleys Municipal Water District, Foothill Municipal Water District, and Main San Gabriel Basin Watermaster (collectively known as the "participating agencies") to apply for a prop 50 planning grant for the creation of an Integrated Regional Management Plan. Watermaster is anxious to support this project because the project includes an emergency connection into the Chino Basin that would be good for the Chino Basin. The planning and creation of the integrated plan is advantageous as well and staff has been asked by our member agencies to support their project and have this resolution put before the Board. This was passed by the Advisory Committee and by all the Pools unanimously.

*Motion by Lopez, second by Hamrick, and by unanimous vote*

***Moved to authorize support for a cooperative proposition 50 grant application for the development of an Integrated Regional Water Management Plan, as presented***

**III. REPORTS/UPDATES****A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

Counsel Slater asked that he reverse the order of the items that he is presenting today.

**2. MZ1 Workshop Special Referee Report**

Counsel Slater stated that the report is very informative especially the last paragraph (the conclusion of the report). Counsel Slater noted that he wanted to take some extra time on this item to put this item in context because this effort is testimonial to the kind of success that this Board, Watermaster staff, and parties has had over the last five years in resolving conflicts amicably. Before the year 2000 and the Peace Agreement, counsel and parties were and going to the court house on a weekly basis; this workshop/effort is a reflection of an effort on the parties' part to allow the parties to consensually come to a management plan, on their own, without a court ordering it. This workshop/effort resulted in a dismissal of a contested law suit, the parties who were opposed to each other coming to a mutual understanding; several years later the study is underway and the court, in reviewing the activities, is quite pleased with the progress to date. A Long Term Plan is well on its way at this point for MZ1. Again this is a reflection of the Watermaster process, which is developing, and that is that we solve our problems consensually by agreement. Counsel Slater noted that again this report is a reflection of our success. The court/referee is now looking for three things; 1) An acknowledgement that there is a projection as to how long it will take to develop a plan (it was thought to be in 04-05) and is now acknowledged to be later than that; the new date for that plan is 2006, 2) The referee would like the technical data converted into a report as opposed to being carried forward in a transcript, and 3) The referee would like to hasten the parties towards the development of a Long Term Plan. Which means the development of guidance criteria; guidance criteria that would assist the parties who are planning their future affairs in Management Zone 1 in a way to ensure they do not cause harm to each other or to the basin. With that report counsel feels we are on task with what has been accomplished.

**1. Attorney-Manager Process**

Counsel Slater stressed that counsel has been very mindful of the Board's expressed concern and the parties' concern about over-reliance on attorneys and lengthy meetings. Counsel assured the members that the broader meetings have been reduced to a minimum and the involvement of lawyers; it is a Judgment that we are working with and we are an arm of the court which makes us different from a public agency because we are responsible for interacting with the court. Counsel wants to point out that staff has been very careful at reducing the global meetings, there has not been a global meeting in over a month, which means the invite is for individual meetings to discuss things. All parties have fully vetted their positions, individual working groups have been formed, and meetings

have taken place with them on an individual basis to explore with them with their needs, wishes, and desires over the last few weeks. All parties have been met with that are interested in taking meetings with the exception of two parties and those meetings are being scheduled this week for meetings to take place later next week. After those meetings conclude, Watermaster staff as the confidant of those parties is going to continue to work with smaller groups and individual producers to try to develop a consensus program. Dave Argo has been asked to gather some additional technical information which will place staff in a position to put a deal point agreement together by the end of the summer. To test that theory while meeting with the individual parties, two critical questions were presented. The first question was, "Do you have all the information you need, as a party, to engage in deal making on the issues that have been identified to complete a deal by the end of the summer?" The unanimous answer to the first question was, "yes that they felt they had all the information that they needed". The second question was with regard to their will and the question presented was "Is each party willing to enter into a formal binding deal point agreement by the end of this summer?" The unanimous answer to the second question was, "yes they are". The conclusion drawn by these answers is that the information is in place; wills are in place, that we have the basis to move forward provided the parties are willing to make the usual customary business compromises amongst themselves. Counsel Slater stated that meetings will continue to take place individually and collectively until counsel and staff feels there is enough to bring the larger group back together again and put together a deal. Staff and counsel are pleased with the progress to date.

## B. CEO/STAFF REPORT

### 1. Assessment Package Workshop

Mr. Manning stated that on June 15, a workshop took place with a number of producers in the basin to look over the new format for our assessment package. Mr. Manning thanked Ms. Rojo for an excellent job in putting together the workshop along with the new format of the package. There were several discussions prior to the workshop in an effort to try and create a package that is transparent, in that you can tell the difference between the budget, assessment, and the activity water reporting; those documents can be followed through the process simply and to understand how they all relate to each other. This workshop was an effort to try and see if staff was moving in the right direction. All who attended that workshop felt very positive about the results and could better understand the entire process when they looked at the new format. Last years assessment package numbers were put into the new format so that familiar numbers were being reviewed and comments were asked to be given if staff accomplished what it set out to with this new easier to read format. Formatting comments were received; however, for the most part the new format was acceptable to the parties present. This was a very positive workshop and staff feels that when the new assessment package comes out, parties will be just as pleased with the new format.

### 2. Recharge Activity Update

Mr. Treweek stated that his report is in reference to the Storm Water Recharge Summary dated May 25, 2005 which is provided as a handout. There have been eleven storm events this past storm season which have provided approximately fifty inches of rainfall; 15,000+ acre feet was captured in our basins. The new yield will have to be calculated from that number by subtracting out historical storm water captured in the basins that had improvements made to them. It appears that the goal of 12,000 acre feet of captured storm water will be met for this year. This summer, Watermaster will be taking on two major objectives, the first will be to recharge as much MWD water as possible and the second will be to renovate the basins that were impacted by the storm flows this past winter. There are about \$1.2 million dollars in FEMA and IEUA money available for the renovations. By the end of June the work will be complete at Lower Day and Banana Basins, which will bring on two more basins that can accept MWD water. By the end of

July, Turner and Ely Basins will be complete; Turner will take in MWD water and Ely will take in recycled water. We have a pretty aggressive summer schedule to accomplish some necessary renovation projects. Mr. Manning stated that this last rainy season has provided a lot of information about how the basins work. These renovations that are going to be done in the near future and in working with Flood Control, Watermaster is going to maximize some of our improvements to where the basins can acquire quite a bit more water even with a lower amount of rainfall this next year.

3. Ontario Clean Up & Abatement Orders

Mr. Manning noted that in the 2005-2006 budget which was passed last month there were some funds available in that budget for Watermaster to support the efforts of the Regional Board in the development and issuance of the clean up and abatement orders. In speaking with Mr. Thibeault the orders will go out in July. A letter will accompany the orders to the potentially responsible parties (PRP) stating there will be a meeting scheduled in late August for Watermaster staff, including Wildermuth staff, and in working with the Regional staff to conduct a scoping meeting to discuss the issues and options for clean up with the PRP's.

4. Cooperative Meetings with County Flood Control

Mr. Manning stated that he feels this is an important item to mention and that there are a number of meetings going on right now with the Flood Control, building relationships between the county, CBWM, IEUA, and the Conservation District so that we can make sure we coordinate activities. There have been a couple situations with the county in their planning that went on two and three years ago, projects that are now starting to come about that are requiring having additional work added to them like the recent sand bag structure that Mr. Theirl and crew had to construct in the San Sevaine Basin. Staff is trying to work with the county and they have agreed to meet with Watermaster. There are a couple different efforts taking place right now, one being a Rainwater Recovery Group (Orange County, Riverside, and San Bernardino agencies) working together on the Santa Ana River on a rainwater recovery program, this is being coordinated by SAWPA and the first meeting for that group met yesterday. There was a lot of good reaction during this meeting and there was pre-unanimous support for working together for trying to coordinate rainwater recovery. Additionally, there are meetings set up for Policy and Planning with Mr. Manning and staff from IEUA in meeting with staff at Flood Control. This Policy and Planning meeting is taking place quarterly to talk about planning issues. One of the issues that was discussed recently is a gravel pit on the west Fontana channel that Flood Control is interested in purchasing and that Watermaster would be very interested in using as a recharge facility over on the east end of our basin; this would be equivalent in size to the Upland Basin on the west side. This would give Watermaster two very large facilities to recharge. Flood Control feels they can channel a two hundred year storm into that basin and not have to worry about it over flowing. The meetings have increased between agencies with our GRCC meetings which are meeting monthly to every two weeks for the next six months to coordinate some of the activities that have to do with coordinating SCADA and some of the improvements prior to the next rainy season. There are a lot of cooperation efforts with Flood Control, CBWM, IEUA, and the Conservation District.

Chair Neufeld stated that he was fortunate enough to participate in the meeting with SAWPA and wanted to share with the Board some of the dialog that took place at that meeting and why it is important for us to be a participant in this process. In listening to representatives from Orange County Water District talk there is still a great level of mistrust between the Orange County people and those of us who are upstream. When the ability to divert peak flows off the San Ana River was discussed there was a sense on tension and misunderstanding in the air. Those kinds of feelings reiterate the fact that staff needs to have an open dialog with the decision makers the County of Orange County and with Orange County Water District. A discussion ensued with regard to the several Flood Control agencies that were present at the SAWPA meeting. Mr. Manning stated that it was

felt this meeting was a very good start to open doors for better communication and understanding.

5. MWD System Overview

Mr. Harding from Metropolitan Water District thanked the Watermaster for allowing this presentation to be given at this meeting. The plan that is being presented today is the Integrated Resource Plan (IRP) and the first step to the IRP is to determine Metropolitan's population growth and what supplies are necessary to meet the growing demands in the next planning period, which is typically the next 25 years. The System Overview Study Status was reviewed in detail and included these topics; 1) Completed preliminary analysis, 2) Briefed member agencies, 3) Received member agency comments, 4) Revised local supply data, and 5) Incorporating revisions in imported demand forecast. Policy issues such as points of delivery and conveyance capacity, obligation to construct treatment facilities, facility on line date, service connections on MWD supply transmission pipelines, peak service criteria for assessing regional facility needs, and system reliability, multiple delivery points and system redundancy were examined. The schedule time line from July 2005 through November 2005 was discussed.

Mr. Safely from Metropolitan Water District gave the second half of the MWD System Overview presentation. Mr. Safely discussed the projected total population demands and the projected total water use and how it relates to the several water treatment plants. Total demand on MWD, exclusive of replenishment, was reviewed in detail for the next 25 years. The change in demand on MWD from the year 2010 to 2025 was analyzed. The treatment capacity needs for 2025 was examined. The possibility that potential system improvements for the Central Pool Region could be a need and the possible new sites for water treatment plants was looked at in several locations. Lastly, Mr. Safely discussed the system overview study next steps which include; 1) Revise analysis based on member agency comments, 2) hold Board workshop in August, 3) Issue draft report in September and, 4) Final report in November. A question regarding excluding the replenishment water obligations was presented. Mr. Safely stated that the replenishment program is interruptible so the sizing of the facilities is being based on firm demand.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. BOARD MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

Chair Neufeld stated that there is a need to convene the Personnel Committee for the purpose of starting the CEO evaluation and review of the employment contract. Chair Neufeld stated that since Terry Catlin no longer serves as a Board member, it was asked of the other Board members and of Mr. Kruger if Mr. Kruger wants and can be placed on the Personnel Committee as a member. Mr. Kruger stated he would be pleased to be a part of the Personnel Committee and the other Board members acknowledged his placement on that committee. Mr. Bowcock commented that Mr. Crosley was a part of the CEO hiring process and should stay on as a part of the next Personnel meetings regarding the evaluation and review of the employment contract. It was asked that Ms. Molino gather some available dates and organize the next meeting towards the end of July.

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster Board meeting for the purpose of discussion and possible action regarding Personnel Matters and/or Potential Litigation.

No confidential session was called to order.

**VIII. FUTURE MEETINGS**

June 23, 2005	9:00 a.m.	Advisory Committee Meeting
June 23, 2005	11:00 a.m.	Watermaster Board Meeting
July 14, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
July 18, 2005	1:00 p.m.	AGWA Meeting
July 19, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
July 28, 2005	9:00 a.m.	Advisory Committee Meeting
July 28, 2005	11:00 a.m.	Watermaster Board Meeting

The Watermaster Board Meeting Adjourned at 12:02 p.m.

Secretary: \_\_\_\_\_

Minutes Approved: \_\_\_\_\_

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# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### B. FINANCIAL REPORTS

1. Cash Disbursements June 2005
2. Combining Schedule of Revenue, Expenses and changes in Working Capital for the Period July 1, 2004 through May 31, 2005
3. Treasurer's May 31, 2005
4. Profit & Loss Budget vs. Actual July 2004 through May 2005





# CHINO BASIN WATERMASTER

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

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**KENNETH R. MANNING**  
Chief Executive Officer

## STAFF REPORT

**DATE:** July 14, 2005  
July 19, 2005  
July 28, 2005

**TO:** Committee Members  
Watermaster Board Members

**SUBJECT:** Cash Disbursement Report – June 2005

### SUMMARY

**Issue** – Record of cash disbursements for the month of June 2005.

**Recommendation** – Staff recommends the Cash Disbursements for June 2005 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 June 2005 were \$1,010,961.90. The most significant expenditures during the month were Inland Empire Utilities Agency in the amount of \$530,136.71, Wildermuth Environmental Inc. in the amount of \$245,204.67, and Hatch and Parent in the amount of \$49,445.92.

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CHINO BASIN WATERMASTER  
Cash Disbursement Detail Report  
June 2005

Type	Date	Num	Name	Amount
Jun 05				
Bill Pmt -Check	6/1/2005	9614	ADEX MEDICAL INC	-65.50
Bill Pmt -Check	6/1/2005	9615	ANDERSON, JOHN	-125.00
Bill Pmt -Check	6/1/2005	9616	BOWCOCK, ROBERT	-125.00
Bill Pmt -Check	6/1/2005	9617	COMPUSA, INC.	-272.79
Bill Pmt -Check	6/1/2005	9618	CONRAD & ASSOCIATES, L.L.P.	-6,909.00
Bill Pmt -Check	6/1/2005	9619	DIRECTV	-74.98
Bill Pmt -Check	6/1/2005	9620	HAMRICK, PAUL	-125.00
Bill Pmt -Check	6/1/2005	9622	KRUGER, W. C. "BILL"	-125.00
Bill Pmt -Check	6/1/2005	9621	KUHN, BOB	-125.00
Bill Pmt -Check	6/1/2005	9623	LOS ANGELES TIMES	-42.00
Bill Pmt -Check	6/1/2005	9624	NEUFELD, ROBERT	-125.00
Bill Pmt -Check	6/1/2005	9625	NEXTEL COMMUNICATIONS	-558.11
Bill Pmt -Check	6/1/2005	9626	PARK PLACE COMPUTER SOLUTIONS, INC.	-3,300.00
Bill Pmt -Check	6/1/2005	9627	POWERS ELECTRIC PRODUCTS CO.	-407.55
Bill Pmt -Check	6/1/2005	9628	THREE VALLEYS MUNICIPAL WATER DIST	-15.00
Bill Pmt -Check	6/1/2005	9629	UNION 76	-593.85
Bill Pmt -Check	6/1/2005	9630	UNITEK TECHNOLOGY INC.	-19.40
Bill Pmt -Check	6/1/2005	9631	VANDEN HEUVEL, GEOFFREY	-125.00
Bill Pmt -Check	6/1/2005	9632	VELASQUEZ JANITORIAL	-1,200.00
Bill Pmt -Check	6/1/2005	9633	VERIZON	-38.63
Bill Pmt -Check	6/1/2005	9634	YUKON DISPOSAL SERVICE	-123.90
Bill Pmt -Check	6/1/2005	9635	CAFE CALATO	-146.27
Bill Pmt -Check	6/1/2005	9636	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-4,565.39
Bill Pmt -Check	6/1/2005	9637	CITISTREET	-4,600.00
Bill Pmt -Check	6/1/2005	9638	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-4,356.52
Bill Pmt -Check	6/7/2005	9639	MEDIA JIM	-900.00
Bill Pmt -Check	6/8/2005	9640	TOGO'S	-191.60
Bill Pmt -Check	6/10/2005	9641	VIP AUTO DETAILING	-329.50
General Journal	6/10/2005	05/06/4	PAYROLL	-5,056.80
General Journal	6/10/2005	05/06/4	PAYROLL	-17,288.91
Bill Pmt -Check	6/14/2005	9642	GRAINGER	-58.00
Bill Pmt -Check	6/14/2005	9643	ACWA SERVICES CORPORATION	-222.68
Bill Pmt -Check	6/14/2005	9644	AMERICAN WATER WORKS ASSOCIATION	-172.00
Bill Pmt -Check	6/14/2005	9645	APPLIED COMPUTER TECHNOLOGIES	-1,981.55
Bill Pmt -Check	6/14/2005	9646	BANK OF AMERICA	-1,681.15
Bill Pmt -Check	6/14/2005	9647	DCSE	-5,236.65
Bill Pmt -Check	6/14/2005	9648	EMPLOYER RESOURCE INSTITUTE	-197.00
Bill Pmt -Check	6/14/2005	9649	EXCEL LANDSCAPE	-2,562.36
Bill Pmt -Check	6/14/2005	9650	HATCH AND PARENT	-49,445.92
Bill Pmt -Check	6/14/2005	9651	HSBC BUSINESS SOLUTIONS	-381.37
Bill Pmt -Check	6/14/2005	9652	INLAND COUNTIES INSURANCE SERVICES, INC.	-243.30
Bill Pmt -Check	6/14/2005	9653	MARK IV COMMUNICATIONS, INC.	-142.50
Bill Pmt -Check	6/14/2005	9654	MCI	-900.15
Bill Pmt -Check	6/14/2005	9655	PAYCHEX	-172.38
Bill Pmt -Check	6/14/2005	9656	PORTA JOHN SYSTEMS, INC.	-65.70
Bill Pmt -Check	6/14/2005	9657	PUMP CHECK	-2,885.26
Bill Pmt -Check	6/14/2005	9658	PURCHASE POWER	-2,016.99
Bill Pmt -Check	6/14/2005	9659	RBM LOCK & KEY	-7.65
Bill Pmt -Check	6/14/2005	9660	REID & HELLYER	-12,112.89
Bill Pmt -Check	6/14/2005	9661	RICOH BUSINESS SYSTEMS-Lease	-3,591.31
Bill Pmt -Check	6/14/2005	9662	SOUTHERN CALIFORNIA WATER COMMITTEE	-75.00
Bill Pmt -Check	6/14/2005	9663	STATE COMPENSATION INSURANCE FUND	-81.83
Bill Pmt -Check	6/14/2005	9664	THE ASSOCIATES COURT REPORTERS	-892.50
Bill Pmt -Check	6/14/2005	9665	THE FURMAN GROUP, INC.	-5,160.50
Bill Pmt -Check	6/14/2005	9666	UNITED PARCEL SERVICE	-275.26
Bill Pmt -Check	6/14/2005	9667	UNITEK TECHNOLOGY INC.	-854.46
Bill Pmt -Check	6/14/2005	9668	VERIZON	-357.75
Bill Pmt -Check	6/14/2005	9669	STATE COMPENSATION INSURANCE FUND	-1,000.60
Bill Pmt -Check	6/14/2005	9670	INLAND COUNTIES INSURANCE SERVICES, INC.	-235.92
Bill Pmt -Check	6/14/2005	9671	P.C. CLUB	-786.54
Bill Pmt -Check	6/14/2005	9672	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	6/22/2005	9673	THAI SATAY BBQ	-163.51
Bill Pmt -Check	6/23/2005	9674	A & R TIRE	-14.31
Bill Pmt -Check	6/23/2005	9675	CALPERS	-2,431.68
Bill Pmt -Check	6/23/2005	9676	DELUXE BUSINESS FORMS & SUPPLIES	-261.20
Bill Pmt -Check	6/23/2005	9677	ELLISON, SCHNEIDER & HARRIS, LLP	-9,586.21
Bill Pmt -Check	6/23/2005	9678	GEOTECHNICAL SERVICES	-17,443.33
Bill Pmt -Check	6/23/2005	9679	INLAND COUNTIES INSURANCE SERVICES, INC.	-25,824.00

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CHINO BASIN WATERMASTER  
Cash Disbursement Detail Report  
June 2005

Type	Date	Num	Name	Amount
Bill Pmt -Check	6/23/2005	9680	INLAND EMPIRE UTILITIES AGENCY	-530,136.71
Bill Pmt -Check	6/23/2005	9681	MARINE BIOCHEMISTS	-2,860.00
Bill Pmt -Check	6/23/2005	9682	OFFICE DEPOT	-207.20
Bill Pmt -Check	6/23/2005	9683	RICOH BUSINESS SYSTEMS-Maintenance	-741.50
Bill Pmt -Check	6/23/2005	9684	SAVIN CORPORATION dba RICOH BUSINESS	-741.50
Bill Pmt -Check	6/23/2005	9685	STANDARD INSURANCE CO.	-539.35
Bill Pmt -Check	6/23/2005	9686	TETTEMER & ASSOCIATES	-4,367.50
Bill Pmt -Check	6/23/2005	9687	UNITEK TECHNOLOGY INC.	-8.00
Bill Pmt -Check	6/23/2005	9688	WILDERMUTH ENVIRONMENTAL INC	-245,204.67
General Journal	6/25/2005	05/06/6	PAYROLL	-5,282.00
General Journal	6/25/2005	05/06/6	PAYROLL	-18,111.36
Bill Pmt -Check	6/28/2005	9689	CALIFORNIA REGIONAL WATER QUALITY CONT...	-1,185.00
Jun 05				<u>-1,010,961.90</u>

CHINO BASIN WATERMASTER  
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL  
 FOR THE  
 PERIOD JULY 1, 2004 THROUGH MAY 31, 2005

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION AND SPECIAL PROJECTS APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER OPERATIONS GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2004-05
Administrative Revenues										
Administrative Assessments			4,807,004		74,241				4,881,245	\$3,984,888
Interest Revenue			127,984	9,751	4,339			27	142,101	78,330
Mutual Agency Project Revenue		161,556							161,556	0
Grant Income									-	0
Miscellaneous Income	-								-	0
<b>Total Revenues</b>	<b>-</b>	<b>161,556</b>	<b>4,934,988</b>	<b>9,751</b>	<b>78,580</b>	<b>-</b>	<b>-</b>	<b>27</b>	<b>5,184,902</b>	<b>4,063,218</b>
Administrative & Project Expenditures										
Watermaster Administration	629,991								629,991	621,784
Watermaster Board-Advisory Committee	43,489								43,489	37,018
Pool Administration			12,519	73,643	2,829				88,991	91,153
Optimum Basin Mgmt Administration		1,245,167							1,245,167	1,019,183
OBMP Project Costs		2,456,918							2,456,918	3,733,694
Education Funds Use								-	-	375
Mutual Agency Project Costs	45,046								45,046	80,004
<b>Total Administrative/OBMP Expenses</b>	<b>718,526</b>	<b>3,702,085</b>	<b>12,519</b>	<b>73,643</b>	<b>2,829</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,509,602</b>	<b>5,583,211</b>
Net Administrative/OBMP Income	(718,526)	(3,540,529)							-	0
Allocate Net Admin Income To Pools	718,526		540,987	166,012	11,527				-	0
Allocate Net OBMP Income To Pools		3,540,529	2,665,707	818,023	56,800				-	0
Agricultural Expense Transfer			1,050,728	(1,050,728)					-	0
<b>Total Expenses</b>	<b>4,269,940</b>		<b>4,269,940</b>	<b>6,950</b>	<b>71,156</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,509,602</b>	<b>5,583,211</b>
Net Administrative Income			665,048	2,801	7,424			27	675,300	(1,519,993)
Other Income/(Expense)										
Replenishment Water Purchases						8,088,874			8,088,874	0
MZ1 Supplemental Water Assessments						1,625,000			1,625,000	2,179,500
Water Purchases									-	0
MZ1 Imported Water Purchase									-	(2,278,500)
Groundwater Replenishment						(9,831,364)			(9,831,364)	0
Net Other Income						(117,490)			(117,490)	(99,000)
Net Transfers To/(From) Reserves			665,048	2,801	7,424	(117,490)		27	557,810	(1,618,993)
Working Capital, July 1, 2004			3,471,229	463,055	173,739	4,133,061	158,251	2,195	8,401,530	
Working Capital, End Of Period			4,136,277	465,856	181,163	4,015,571	158,251	2,222	8,959,340	
<b>03/04 Production</b>			136,795.139	41,978.182	2,914.774				181,688.095	
<b>03/04 Production Percentages</b>			75.291%	23.105%	1.604%				100.000%	

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**CHINO BASIN WATERMASTER  
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD  
MAY 1 THROUGH MAY 31, 2005**

**DEPOSITORIES:**

Cash on Hand - Petty Cash			\$	500
Bank of America				
Governmental Checking-Demand Deposits	\$	55,151		
Savings Deposits		9,648		
Zero Balance Account - Payroll		-		64,799
Vineyard Bank CD - Agricultural Pool				406,021
Local Agency Investment Fund - Sacramento				9,272,267
<b>TOTAL CASH IN BANKS AND ON HAND</b>				<b>\$ 9,743,587</b>
<b>TOTAL CASH IN BANKS AND ON HAND</b>				<b>10,692,565</b>
	5/31/2005			
	4/30/2005			
<b>PERIOD INCREASE (DECREASE)</b>				<b><u>\$ (948,978)</u></b>

**CHANGE IN CASH POSITION DUE TO:**

Decrease/(Increase) in Assets: Accounts Receivable			\$	-
Assessments Receivable				-
Prepaid Expenses, Deposits & Other Current Assets				2,055
(Decrease)/Increase in Liabilities: Accounts Payable				(1,219)
Accrued Payroll, Payroll Taxes & Other Current Liabilities				7,070
Transfer to/(from) Reserves				(956,884)
<b>PERIOD INCREASE (DECREASE)</b>				<b><u>\$ (948,978)</u></b>

**SUMMARY OF FINANCIAL TRANSACTIONS:**

		Petty Cash		Govt'l Checking Demand		Zero Balance Account Payroll		Savings		Vineyard Bank		Local Agency Investment Funds		Totals
Balances as of 4/30/2005	\$	500	\$	155,199	\$	-	\$	9,648	\$	404,951	\$	10,122,267	\$	10,692,565
Deposits		-		410		-		-		1,070				1,480
Transfers		-		802,710		47,290		-		-		(850,000)		-
Withdrawals/Checks		-		(903,168)		(47,290)		-		-		-		(950,458)
Balances as of 5/31/2005	\$	500	\$	55,151	\$	-	\$	9,648	\$	406,021	\$	9,272,267	\$	9,743,587
<b>PERIOD INCREASE OR (DECREASE)</b>	\$	-	\$	(100,048)	\$	-	\$	-	\$	1,070	\$	(850,000)	\$	(948,978)



**CHINO BASIN WATERMASTER  
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD  
MAY 1 THROUGH MAY 31, 2005**

**INVESTMENT TRANSACTIONS**

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
5/26/2005	Withdrawal	L.A.I.F.	\$ 850,000				
<b>TOTAL INVESTMENT TRANSACTIONS</b>			<b>\$ 850,000</b>	<b>-</b>			

\* The earnings rate for L.A.I.F. is a daily variable rate; 2.48% was the effective yield rate at the Quarter ended March 31, 2005.

**INVESTMENT STATUS  
May 31, 2005**

<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	\$ 9,272,267			
Time Certificates of Deposit	-			
<b>TOTAL INVESTMENTS</b>	<b>\$ 9,272,267</b>			

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

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

Respectfully submitted,



Sheri M. Rojo, CPA  
Finance Manager  
Chino Basin Watermaster

CHINO BASIN WATERMASTER  
Profit & Loss Budget vs. Actual  
July 2004 through May 2005

	<u>Jul '04 - May 05</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4010 · Local Agency Subsidies	161,556.04	132,000.00	29,556.04	122.39%
4110 · Admin Asmnts-Approp Pool	4,807,004.41	3,755,236.00	1,051,768.41	128.01%
4120 · Admin Asmnts-Non-Agri Pool	74,240.87	97,652.00	-23,411.13	76.03%
4700 · Non Operating Revenues	142,101.14	78,330.00	63,771.14	181.41%
<b>Total Income</b>	<u>5,184,902.46</u>	<u>4,063,218.00</u>	<u>1,121,684.46</u>	<u>127.61%</u>
<b>Gross Profit</b>	5,184,902.46	4,063,218.00	1,121,684.46	127.61%
<b>Expense</b>				
6010 · Salary Costs	374,815.66	401,704.00	-26,888.34	93.31%
6020 · Office Building Expense	96,501.68	100,800.00	-4,298.32	95.74%
6030 · Office Supplies & Equip.	35,856.02	45,500.00	-9,643.98	78.8%
6040 · Postage & Printing Costs	72,370.96	67,100.00	5,270.96	107.86%
6050 · Information Services	99,235.57	105,076.00	-5,840.43	94.44%
6060 · Contract Services	156,459.44	106,000.00	50,459.44	147.6%
6080 · Insurance	22,763.62	21,710.00	1,053.62	104.85%
6110 · Dues and Subscriptions	15,798.29	16,600.00	-801.71	95.17%
6140 · WM Admin Expenses	2,413.52	2,500.00	-86.48	96.54%
6150 · Field Supplies	2,831.35	4,250.00	-1,418.65	66.62%
6170 · Travel & Transportation	17,630.71	24,650.00	-7,019.29	71.52%
6190 · Conferences & Seminars	14,872.58	16,000.00	-1,127.42	92.95%
6200 · Advisory Comm - WM Board	11,240.38	13,459.00	-2,218.62	83.52%
6300 · Watermaster Board Expenses	32,248.26	23,559.00	8,689.26	136.88%
8300 · Appr PI-WM & Pool Admin	12,518.54	13,659.00	-1,140.46	91.65%
8400 · Agri Pool-WM & Pool Admin	16,488.70	16,417.00	71.70	100.44%
8467 · Agri-Pool Legal Services	50,204.43	45,000.00	5,204.43	111.57%
8470 · Ag Meeting Attend -Special	6,950.00	10,000.00	-3,050.00	69.5%
8500 · Non-Ag PI-WM & Pool Admin	2,828.82	6,077.00	-3,248.18	46.55%
6500 · Education Funds Use Expens	0.00	375.00	-375.00	0.0%
9500 · Allocated G&A Expenditures	<u>-281,558.18</u>	<u>-290,106.00</u>	<u>8,547.82</u>	<u>97.05%</u>
<b>Subtotal Administrative Expenditures</b>	762,470.35	750,330.00	12,140.35	101.62%
6900 · Optimum Basin Mgmt Plan	1,146,429.78	933,566.00	212,863.78	122.8%
6950 · Mutual Agency Projects	45,045.93	80,004.00	-34,958.07	56.31%
9501 · G&A Expenses Allocated-OBMP	<u>98,737.44</u>	<u>85,617.00</u>	<u>13,120.44</u>	<u>115.33%</u>
<b>Subtotal OBMP Expenditures</b>	1,290,213.15	1,099,187.00	191,026.15	117.38%
7101 · Production Monitoring	34,266.30	54,957.00	-20,690.70	62.35%
7102 · In-line Meter Installation	24,538.03	93,969.00	-69,430.97	26.11%
7103 · Grdwtr Quality Monitoring	112,280.04	148,792.00	-36,511.96	75.46%
7104 · Gdwtr Level Monitoring	85,548.42	135,072.00	-49,523.58	63.34%
7105 · Sur Wtr Qual Monitoring	293,674.58	282,220.00	11,454.58	104.06%
7106 · Wtr Level Sensors Install	0.00	19,114.00	-19,114.00	0.0%
7107 · Ground Level Monitoring	297,111.95	433,720.00	-136,608.05	68.5%
7108 · Hydraulic Control Monitoring	398,613.46	437,987.00	-39,373.54	91.01%
7200 · PE2- Comp Recharge Pgm	394,724.94	413,177.00	-18,452.06	95.53%
7300 · PE3&5-Water Supply/Desalte	225.95	20,885.00	-20,659.05	1.08%

CHINO BASIN WATERMASTER  
Profit & Loss Budget vs. Actual  
July 2004 through May 2005

	<u>Jul '04 - May 05</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7400 · PE4- Mgmt Plan	215,674.38	795,099.00	-579,424.62	27.13%
7500 · PE6&7-CoopEfforts/SaltMgmt	47,987.25	251,343.00	-203,355.75	19.09%
7600 · PE8&9-StorageMgmt/Conj Use	92,950.73	140,400.00	-47,449.27	66.2%
7690 · Recharge Improvement Debt Pymt	274,169.00	274,169.00	0.00	100.0%
7700 · Inactive Well Protection Prgm	2,332.51	28,302.00	-25,969.49	8.24%
9502 · G&A Expenses Allocated-Projects	182,820.73	204,488.00	-21,667.27	89.4%
<b>Subtotal Special Project Expenditures</b>	<b>2,456,918.27</b>	<b>3,733,694.00</b>	<b>-1,276,775.73</b>	<b>65.8%</b>
<b>Total Expense</b>	<b>4,509,601.77</b>	<b>5,583,211.00</b>	<b>-1,073,609.23</b>	<b>80.77%</b>
<b>Net Ordinary Income</b>	<b>675,300.69</b>	<b>-1,519,993.00</b>	<b>2,195,293.69</b>	<b>-44.43%</b>
<b>Other Income/Expense</b>				
<b>Other Income</b>				
4231 · MZ1 Assigned Water Sales	-8,232.56	600,000.00	-608,232.56	-1.37%
4210 · Approp Pool-Replenishment	8,094,622.16	0.00	8,094,622.16	100.0%
4220 · Non-Ag Pool-Replenishment	2,485.40	0.00	2,485.40	100.0%
4230 · MZ1 Sup Wtr Assessment	1,625,000.25	1,579,500.00	45,500.25	102.88%
<b>Total Other Income</b>	<b>9,713,875.25</b>	<b>2,179,500.00</b>	<b>7,534,375.25</b>	<b>445.69%</b>
<b>Other Expense</b>				
5010 · Groundwater Replenishment	9,831,363.80	2,278,500.00	7,552,863.80	431.48%
9999 · To/(From) Reserves	557,812.14	-1,618,993.00	2,176,805.14	-34.45%
<b>Total Other Expense</b>	<b>10,389,175.94</b>	<b>659,507.00</b>	<b>9,729,668.94</b>	<b>1,575.29%</b>
<b>Net Other Income</b>	<b>-675,300.69</b>	<b>1,519,993.00</b>	<b>-2,195,293.69</b>	<b>-44.43%</b>
<b>Net Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### C. WATER TRANSACTIONS

1. Notice of Sale or Transfer – The City of Ontario has agreed to purchase from the City of Chino a portion of Chino’s water in storage in the amount of 5,350 acre-feet
2. Notice of Sale or Transfer – Cucamonga Valley Water District has agreed to purchase 500 acre-feet of West San Bernardino County Water District’s stored Chino Basin groundwater



*CHINO BASIN WATERMASTER*

**NOTICE**

**OF**

**APPLICATION(S)**

**RECEIVED FOR**

**WATER TRANSACTIONS – ACTIVITIES**

Date of Notice:

May 9, 2005

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

**NOTICE OF APPLICATION(S) RECEIVED**

Date of Application: **April 20, 2005**

Date of this notice: **May 9, 2005**

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

- A. Notice of Sale or Transfer – The City of Ontario has agreed to purchase from the City of Chino a portion of Chino’s water in storage in the amount of 5,350 acre feet.

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

Appropriative Pool:	June 9, 2005
Non-Agricultural Pool:	June 9, 2005
Agricultural Pool:	June 21, 2005

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: May 9, 2005

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).

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## CHINO BASIN WATERMASTER

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

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**KENNETH R. MANNING**  
**CHIEF EXECUTIVE OFFICER**

**DATE:** May 9, 2005  
**TO:** Watermaster Interested Parties  
**SUBJECT:** Summary and Analysis of Application for Water Transaction

**Summary -**

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

**Issue -**

- Notice of Sale or Transfer – The City of Ontario has agreed to purchase from the City of Chino a portion of Chino's water in storage in the amount of 5,350 acre feet.

**Recommendation –**

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

**Fiscal Impact –**

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

**Background**

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

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

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

- Notice of Sale or Transfer – The City of Ontario has agreed to purchase from the City of Chino a portion of Chino's water in storage in the amount of 5,350 acre feet

Notice of the water transaction identified above was mailed on May 9, 2005 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.



PUBLIC WORKS AND  
COMMUNITY SERVICES AGENCY

ONTARIO MUNICIPAL SERVICES CENTER

ALAN D. WAPNER  
MAYOR PRO TEM

GERALD A. DuBOIS  
PAUL S. LEON  
JASON ANDERSON  
COUNCIL MEMBERS

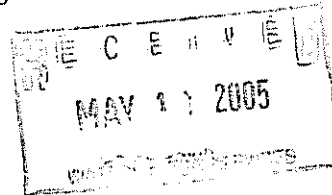
GREGORY C. DEVEREAUX  
CITY MANAGER

KENNETH L. JESKE  
PUBLIC WORKS & COMMUNITY  
SERVICES DIRECTOR

MARY E. WIRTES, MMC  
CITY CLERK

JAMES R. MILHISER  
TREASURER

April 20, 2005



Mr. Kenneth R. Manning, CEO  
Chino Basin Watermaster  
9641 San Bernardino Road  
Rancho Cucamonga, California 91730

Subject: PURCHASE OF WATER IN STORAGE  
CHINO BASIN – FY 2004-2005

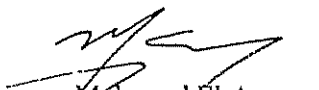
Dear Mr. Manning:

Please take notice that the City of Ontario (Ontario) has agreed to purchase from the City of Chino (Chino) a portion of Chino's water in storage in the amount of 5,350 acre feet to satisfy a portion of the Ontario's anticipated Chino Basin replenishment obligation for FY 2004-2005.

Enclosed is executed application for sale or transfer of right to produce water from storage and a recapture plan for consideration by Watermaster. Please agendaize the proposed purchase for the May meetings.

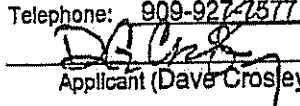
If you have any questions or require additional information concerning this matter, please call me at 395-2681. Thank you.

Sincerely,

  
Mohamed El-Amamy  
Utilities Director

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # \_\_\_\_\_

City of Chino 5/3/2005 \_\_\_\_\_  
 Name of Party Date Requested Date Approved  
13220 Central Avenue 5,350 Acre-feet \_\_\_\_\_ Acre-feet  
 Street Address Amount Requested Amount Approved  
Chino CA 91710  
 City State Zip Code  
 Telephone: 909-927-1377 Facsimile: 909-591-6829  
  
 Applicant (Dave Crosley, Water & Environmental Manager)

TRANSFER TO:

City of Ontario Attach Recapture Form 4  
 Name of Party  
1425 S. Bon View  
 Street Address  
Ontario CA 91761  
 City State Zip Code  
 Telephone: 909-395-2681 Facsimile: 909-395-2601

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

WATER QUALITY AND WATER LEVELS

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

MATERIAL PHYSICAL INJURY

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

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

**APPLICANT**

<u>City Of Ontario</u> Name of Party	<u>April 20, 2005</u> Date Requested	<u>                    </u> Date Approved
<u>1425 S. Bon View Avenue</u> Street Address	<u>5,350</u> Acre-feet Amount Requested	<u>                    </u> Acre-feet Amount Approved
<u>Ontario</u> <u>CA</u> <u>91761</u> City                                  State                      Zip Code	<u>Varies</u> Projected Rate of Recapture	<u>July 1, 2004 – June 30, 2005</u> Projected Duration of Recapture
Telephone: <u>909-395-2600</u>	Facsimile: <u>909-395-2601</u>	

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

IDENTITY OF PERSON THAT STORED THE WATER: \_\_\_\_\_

**PURPOSE OF RECAPTURE**

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

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

N/A

**PLACE OF USE OF WATER TO BE RECAPTURED**

Management zones 1, 2 and 3

N/A

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

**WATER QUALITY AND WATER LEVELS**

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

Recapture by Ontario will be accomplished by pumping 22 wells. Static level varies from 272 feet to 524 feet. Of the wells routinely pumped, nitrate levels vary from less than 5 to 40 mg/L.

**MATERIAL PHYSICAL INJURY**

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

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

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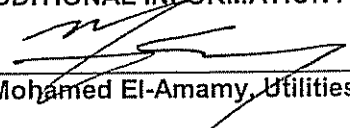
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**ADDITIONAL INFORMATION ATTACHED**

Yes [X] No [ ]

  
\_\_\_\_\_  
Mohamed El-Amamy, Utilities Director

**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: \_\_\_\_\_

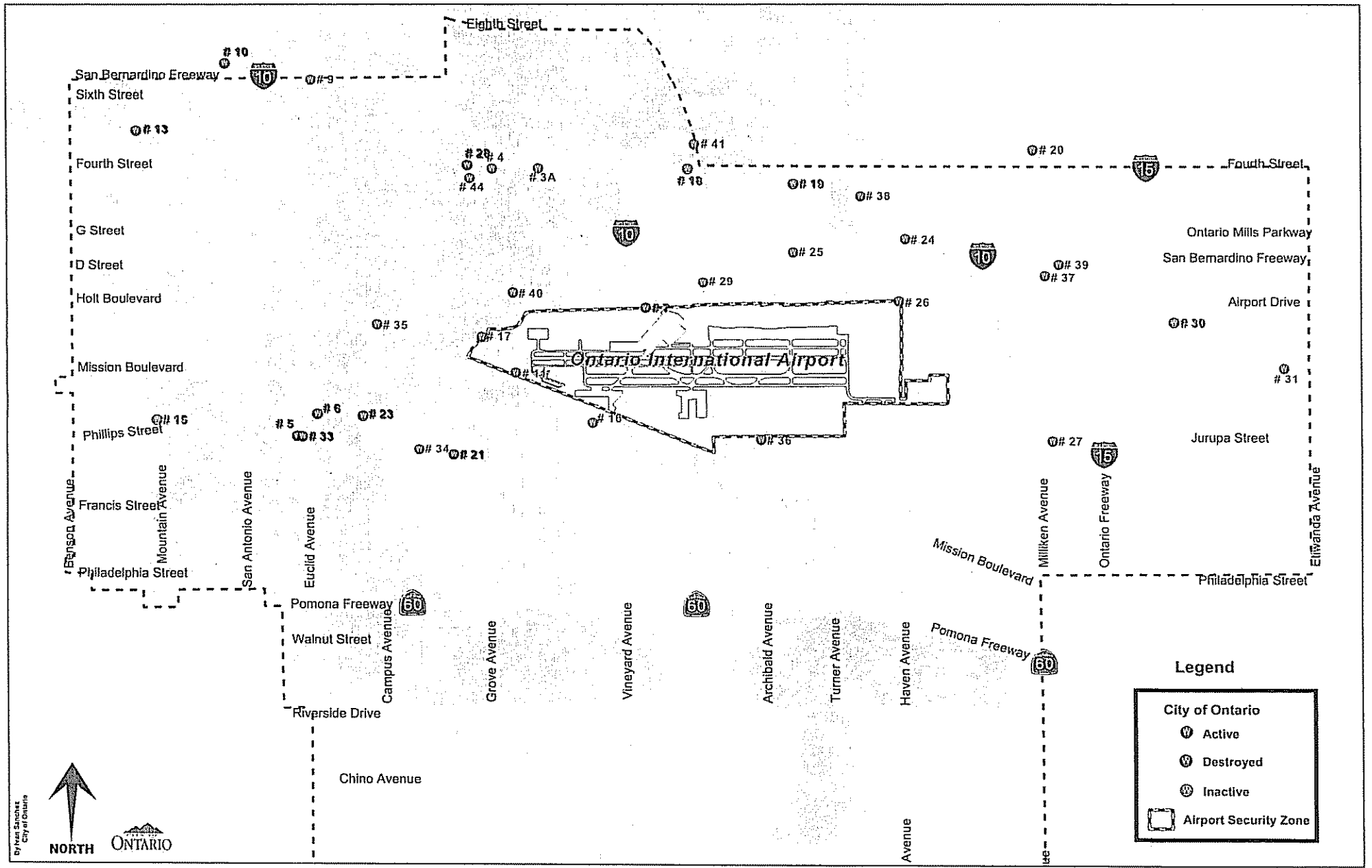
DATE OF BOARD APPROVAL: \_\_\_\_\_ Agreement # \_\_\_\_\_

## CITY OF ONTARIO Recapture Plan

The subject water is a transfer of stored groundwater from the City of Chino located within Management Zones 2 to the City of Ontario in the amount of 5,350 acre-feet to satisfy a portion of the City's replenishment obligation for FY 2004-2005. Recapture of the stored water is accomplished by the production of any or all of the 22 wells owned and operated by the City with Management Zones 2 or 3 of the Chino Groundwater Basin. The approximate daily production capacity of these wells is as follows.

Well No.	Capacity acre-feet/day
9	7.8
11	5.7
16	3.2
17	7.2
18	5.3
19	2.5
20	3.4
24	8.4
25	6.2
26	5.7
27	4.9
29	11.2
30	14.1
31	13.1
35	8.6
36	8.3
37	13.4
38	11.4
39	8.6
40	13.4
41	11.0
<hr/>	
173.5	

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



**Legend**

- City of Ontario
- Active
- ⊗ Destroyed
- ⊖ Inactive
- ⬡ Airport Security Zone



*CHINO BASIN WATERMASTER*

**NOTICE**

**OF**

**APPLICATION(S)**

**RECEIVED FOR**

**WATER TRANSACTIONS – ACTIVITIES**

Date of Notice:

May 12, 2005

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

**NOTICE OF APPLICATION(S) RECEIVED**

Date of Application: **February 24, 2005**      Date of this notice: **May 12, 2005**

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

- A. Notice of Sale or Transfer – Cucamonga Valley Water District has agreed to purchase 500 acre feet of West San Bernardino County Water District's stored Chino Basin groundwater.

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

Appropriative Pool:	June 9, 2005
Non-Agricultural Pool:	June 9, 2005
Agricultural Pool:	June 21, 2005

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: May 12, 2005

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).

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# 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:** May 12, 2005  
**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 – Cucamonga Valley Water District has agreed to purchase 500 acre feet of West San Bernardino County Water District's stored Chino Basin groundwater.

**Recommendation –**

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

**Fiscal Impact –**

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

**Background**

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

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

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

- Notice of Sale or Transfer – Cucamonga Valley Water District has agreed to purchase 500 acre feet of West San Bernardino County Water District's stored Chino Basin groundwater.

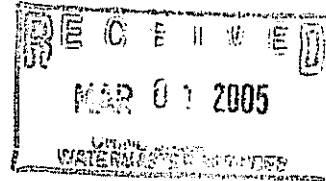
Notice of the water transaction identified above was mailed on May 12, 2005 along with the materials submitted by the requestors.

**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.

**Robert A. DeLoach**  
General Manager  
Chief Executive Officer

February 24, 2005



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

Dear Mr. Manning 

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

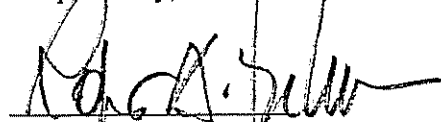
Enclosed please find:

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

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

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

Respectfully,



Robert A. DeLoach  
General Manager/GEO

Enclosures

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

RECEIVED

MAY 02 2005

TRANSFER FROM LOCAL STORAGE AGREEMENT # \_\_\_\_\_

W.V.W.D.

West San Bernardino County Water District

February 24, 2005

Name of Party

Date Requested

Date Approved

855 W. Baseline Road

500 Acre-feet

\_\_\_\_\_ Acre-feet

Street Address

Amount Requested

Amount Approved

Rialto

CA

92376

City

State

Zip Code

Telephone: (909) 875-1804

Facsimile: (909) 875-7284

Anthony W. Araiza

Applicant

**TRANSFER TO:**

Cucamonga Valley Water District

Attach Recapture Form 4

Name of Party

10440 Ashford Street

Street Address

Rancho Cucamonga

CA

91730

City

State

Zip Code

Telephone: (909) 987-2591

Facsimile: (909) 476-8032

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

Yes [ ]

No [ X ]

**WATER QUALITY AND WATER LEVELS**

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

Static water levels vary from 510' to 620'. Of the wells routinely pumped, nitrate levels vary from a low of 4 ppm to a high of 39 ppm.

**MATERIAL PHYSICAL INJURY**

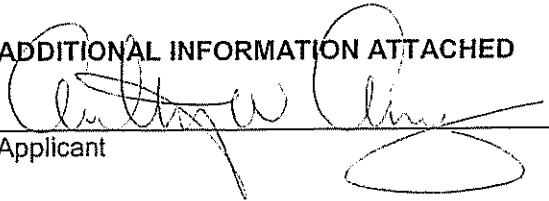
Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application? Yes [ ] No [ X ]

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [ ] No [X ]

  
Applicant

**TO BE COMPLETED BY WATERMASTER:**

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM APPROPRIATIVE POOL: \_\_\_\_\_

HEARING DATE, IF ANY: \_\_\_\_\_

DATE OF ADVISORY COMMITTEE APPROVAL: \_\_\_\_\_

DATE OF BOARD APPROVAL: \_\_\_\_\_ Agreement # \_\_\_\_\_

APPLICATION OR AMENDMENT TO APPLICATION  
TO  
RECAPTURE WATER IN STORAGE

APPLICANT

Cucamonga Valley Water District  
Name of Party

February 24, 2005  
Date Requested

\_\_\_\_\_  
Date Approved

10440 Ashford Street  
Street Address

500 Acre-feet  
Amount Requested

\_\_\_\_\_  
Acre-feet  
Amount Approved

Rancho Cucamonga      CA      91730  
City                      State                      Zip Code

Varies  
Projected Rate of  
Recapture

July 1, 2004 – June 30, 2005  
Projected Duration of  
Recapture

Telephone: (909) 987-2591

Facsimile: (909) 476-8032

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

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

PURPOSE OF RECAPTURE

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

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

\_\_\_\_\_  
N/A

PLACE OF USE OF WATER TO BE RECAPTURED

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

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

\_\_\_\_\_  
N/A

WATER QUALITY AND WATER LEVELS

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

Static water levels vary from 434' to 495'. Of the wells routinely pumped, nitrate levels vary from a  
Low of 4 ppm to a high of 39 ppm.

**MATERIAL PHYSICAL INJURY**

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

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

N/A

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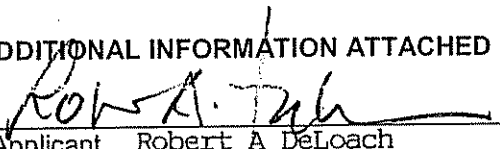
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**ADDITIONAL INFORMATION ATTACHED**

Yes [ ] No [ X ]

  
Applicant Robert A DeLoach

General Manager/CEO; Cucamonga Valley Water District

**TO BE COMPLETED BY WATERMASTER**

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM APPROPRIATIVE POOL: \_\_\_\_\_

HEARING DATE, IF ANY: \_\_\_\_\_

DATE OF ADVISORY COMMITTEE APPROVAL: \_\_\_\_\_

DATE OF BOARD APPROVAL: \_\_\_\_\_ Agreement # \_\_\_\_\_

APPLICATION  
TO  
TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2004 - 2005

Commencing on July 1, 2004 and terminating on June 30, 2005, West San Bernardino County Water District ("Transferor") hereby transfers to Cucamonga Valley Water District ("Transferee") the quantity of 500 acre-feet of corresponding Annual Production Right (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.," RCV 51010 (formerly Case No. SCV 164327).

Said Transfer shall be conditioned upon:

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

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

**WATER QUALITY AND WATER LEVELS**

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

Static water levels vary from 510' to 620'. Of the wells routinely pumped, nitrate levels vary from a low of 4 ppm to a high of 39 ppm.

**MATERIAL PHYSICAL INJURY**

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

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

N/A

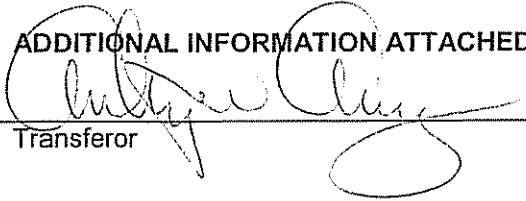
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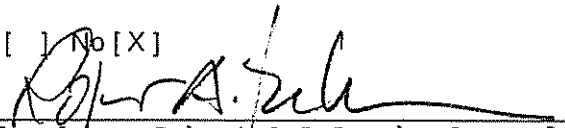
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ADDITIONAL INFORMATION ATTACHED

  
Transferor

Yes [ ] No [X]

  
Transferee Robert A DeLoach, General Manager/CEC  
Cucamonga Valley Water District

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: \_\_\_\_\_

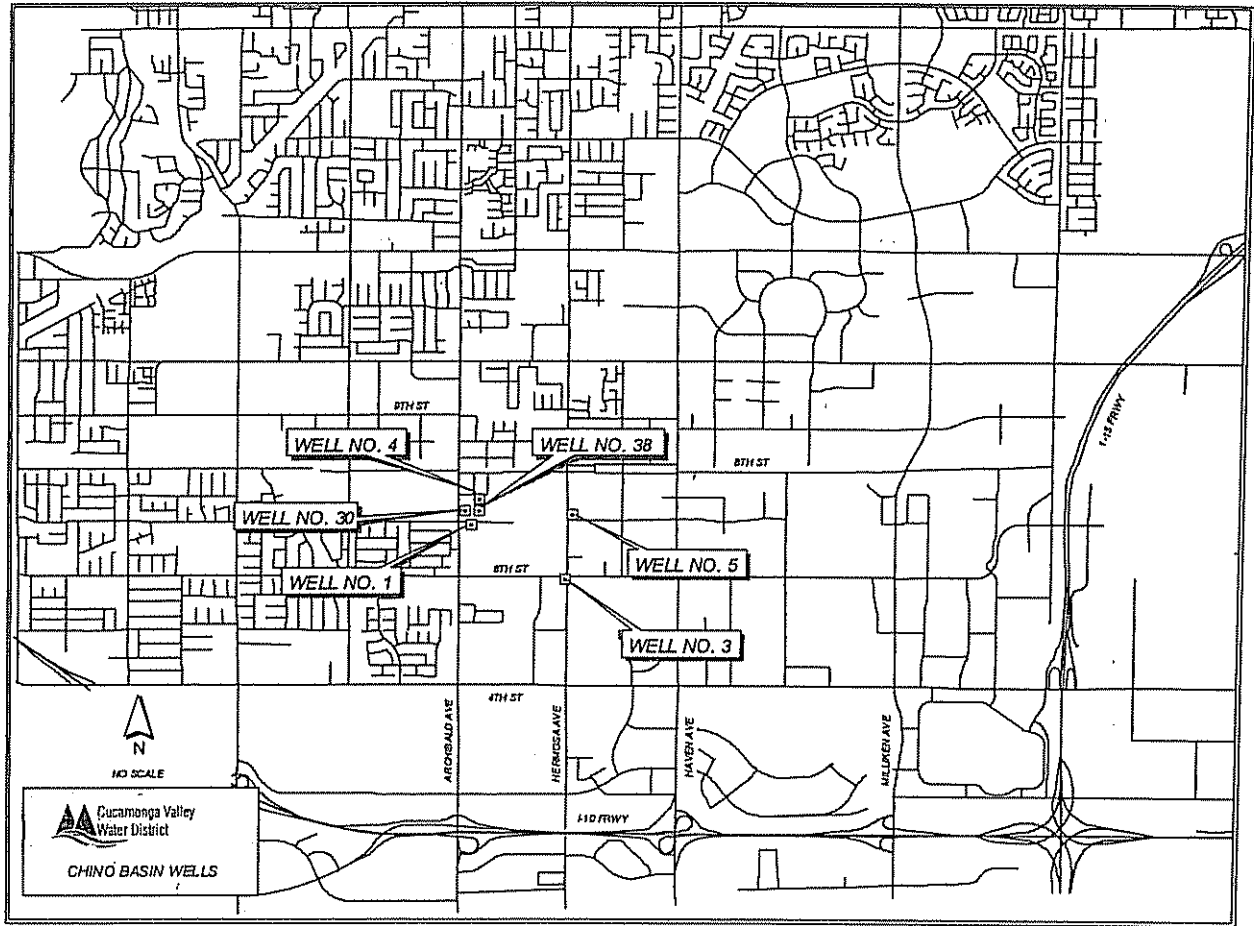
DATE OF APPROVAL FROM AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM APPROPRIATIVE POOL: \_\_\_\_\_

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DATE OF BOARD APPROVAL: \_\_\_\_\_ Agreement # \_\_\_\_\_



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# CHINO BASIN WATERMASTER

## II. BUSINESS ITEMS

### A. DRY YEAR YIELD CONTRACT





# 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:** July 14, 2005  
July 19, 2005  
July 28, 2005

**TO:** Committee Members  
Watermaster Board Members

**SUBJECT:** Dry Year Yield 25K Cap Waiver

### Summary

**Recommendation** – Staff recommends approval of a one year waiver of the 25,000 AF put cap for 2006.

**Fiscal Impact** – None

### Background

Under the Dry Year Yield Program Agreement ("Agreement") between Watermaster, Inland Empire Utilities Agency ("IEUA"), and Metropolitan Water District ("MWD"), MWD has a right to utilize 100,000 AF of storage in the Chino Basin within the limitation that it may place no more than 25,000 AF in to storage in one year, and may withdraw no more than 33,000 AF from storage in one year.

Under the terms of the Agreement, Watermaster may approve deviations from these put and take caps. See Agreement section VII.A.1 (page 18).

The DYY Operating Committee composed of Watermaster, IEUA, and MWD have met in order to formulate the Annual Operating Plan for the DYY Program operations and MWD has indicated that because of the wet nature of 2005, it anticipates the possibility that it will have the ability to place more than 25,000 AF into storage in FY 2005-2006. MWD has asked whether Watermaster will be willing to allow a one year deviation from the DYY Agreement put cap.

Consent to a one year waiver of the 25,000 AF put cap will not alter the size of MWD's DYY storage account – MWD will still be limited to no more than 100,000 AF of storage capacity.

MWD has indicated that even if it puts more than 25,000 AF into storage, it will still be able to fully satisfy the Chino Basin's replenishment water delivery requests.

Given the availability of water due to last year's wet season, and given MWD's ability to fully satisfy the Chino Basin's replenishment needs, staff recommends approval of a one year waiver of the 25,000 put cap for FY 2005-2006.



# CHINO BASIN WATERMASTER

## III. REPORTS/UPDATES

### C. INLAND EMPIRE UTILITIES AGENCY WATER MANAGERS REPORT

5. State/Federal Legislation Reports
6. Public Relations Report



**CHINO BASIN WATERMASTER  
ADVISORY COMMITTEE  
July 28, 2005**

**AGENDA**

**INTER-AGENCY WATER MANAGERS' REP ORT**

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

**20 – 30 Minutes**

---

**Discussion Items:**

- MWD Status Report – Richard Atwater
- Recycled Water Report – Tom Love
  - Phase 2 Title 22 Status
- State Water Plan (B160) – Martha Davis

**Written Monthly Updates:**

- Water Resources Report (handout)
- State/Federal Legislation Reports
- Community Outreach/Public Relations Report

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Inland Empire  
UTILITIES AGENCY

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Date: July 20, 2005  
To: Honorable Board of Directors  
Through: Public, Legislative Affairs & Water Resources Committee  
(7/13/05)  
From: Richard W. Atwater  
Chief Executive Officer/General Manager  
Submitted by: Martha Davis  
Executive Manager of Policy Development  
Subject: June Legislative Report from Agricultural Resources

---

#### **RECOMMENDATION**

This is an informational item for the Board of Directors to receive and file.

#### **BACKGROUND**

Dave Weiman provides a monthly report on his federal activities on behalf of IEUA.

#### **PRIOR BOARD ACTION**

None.

#### **IMPACT ON BUDGET**

None.

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# *Agricultural Resources*

635 Maryland Avenue, N.E.  
Washington, D.C. 20002-5811  
(202) 546-5115  
(202) 546-4472-fax  
[agresources@erols.com](mailto:agresources@erols.com)

June 29, 2005

## Legislative Report

---

**TO:** Richard W. Atwater  
General Manager, Inland Empire Utility Agency

**FR:** David M. Weiman  
Agricultural Resources  
LEGISLATIVE REPRESENTATIVE, IEUA

**SU:** Legislative Report, June 2005

**Highlights:**

- Senate Energy Committee Reviewing Title XVI Program
- Energy and Water Appropriations – IEUA Funding to Be Conferenced
- Gary Miller Bill – Authorization for Desalters, Pending House Action
- Administration Nominations Pending
- Feinstein, Baca Demand Explanations on Baseline Perchlorate Studies
- GAO Critical of DOD in New Report
- Feinstein Perchlorate Bill Slated for Early June Introduction
- House Water and Power – Desal Bill May Move (Unclear)
- Other – Energy Bill and Water Legislation Linkage/MTBE/New Faces
- IEUA Working Partners

*Senate Energy Committee Review of Title XVI.* Domenici's staff on the Senate Energy Committee convened a bi-partisan working group to evaluate the Title XVI program. This includes staff from the House and Senate, and by Ds and Rs. For starters, they have collectively asked the Library of Congress' Congressional Research Service (CRS) to conduct a review of the program. A report is due in June/July.

***Senate Energy and Water Development Appropriations – IEUA Funding To Be Conferenced.*** The Senate appropriators, in the CALFED account, did not earmark funds for IEUA recycling program. The House provided \$1 million. This will have to be conferenced – likely during July.

***House Water and Power Subcommittee Ready to Move Gary Miller Bill, H.R. 177.*** IEUA is actively seeking two recycling program bills – one by David Dreier, which provides authority for the IEUA water recycling program. The other, H.R. 177, was introduced by Rep. Gary Miller, and cosponsored by Reps. Calvert, Dreier, Cox, Rohrabacher, and Royce. It provides authority for Prado Treatment Natural Wetlands, Brine lines, Chino Basin Desalters, a brackish water desal program, new funding authority for OCWD's recycling program and a small R&D program involving membrane technologies. This bill, in a similar, form, was reported by the Resources Committee and passed the full House last Congress. The Water and Power Subcommittee has held a series of meetings on the bill this past month. Pending one or two relatively minor matters, it is expected that this bill will be ready for consideration by the full House in July.

***Administration Nominations for DOI Pending.*** As previously reported, Mark Limbaugh, the Deputy Commissioner, Bureau of Reclamation, was tapped to be the new Assistant Secretary of the Interior for Water and Science and Lynn Scarlett was nominated to be Deputy Secretary. Both are awaiting Senate action.

***Perchlorate Controversies – Feinstein and Baca Demand Explanations.*** News accounts revealed that key health effects data in studies relied upon by the National Academy may have been distorted. Feinstein send an immediate letter to EPA. Baca did the same, except that his letter was sent to the National Academy of Sciences.

***Perchlorate – GAO Critical of DOD.*** This month, GAO published a new study on perchlorate. GAO concluded that DOD refused to conduct tests where warranted. DOD vigorously objected. EPA and DOD are in conflict over this as well. This has received considerable media attention.

***Pending Bills – Feinstein Perchlorate Cleanup Bill.*** Senator Feinstein has gone back and forth – a state bill or a national bill. It is anticipated that a bill will be introduced soon.

***House Water and Power Desal Hearings.*** The Subcommittee on Water and Power has indicated that it will markup the desal bill. Significant amendments are pending.

***Other Issues. Energy Bill.*** Senate passed, at long last, an energy bill. They will now proceed to conference the bill with the House. As long as the energy bill dominates the Senate Energy Committee's agenda, water bills are pushed down the agenda. With an energy bill moving, this means they're closer to moving water legislation priorities to the "top" of the committee list. **New faces.** John Lawrence is becoming Chief of Staff for Minority Leader Pelosi. John, well-

known to the water world, worked for Rep. George Miller for the past 30 years. John has been a major supporter of water recycling. **MTBE**. The Senate did not include an MTBE exemption. That issue will be conferenced. Meanwhile, House leaders are now trying to put the provision on the Highway bill, and keep it off the Energy Bill. A huge scramble is underway over this controversial provision.

***IEUA Continues to Work With Various Partners.*** On an on-going basis in Washington, IEUA continues to work with:

- a. Metropolitan Water District of Southern California (MWD)
- b. Milk Producer's Council (MPC)
- c. Santa Ana Watershed Project Authority (SAWPA)
- d. Water Environment Federation (WEF)
- e. Association of California Water Agencies (ACWA)
- f. WaterReuse Association
- g. CALStart
- h. Orange County Water District (OCWD)
- i. Cucamonga Valley Water District (CVWD)
- j. Western Municipal Water District
- k. Chino Basin Watermaster

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Inland Empire  
UTILITIES AGENCY

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Date: July 20, 2005

To: Honorable Board of Directors

Through: Public, Legislative Affairs & Water Resources Committee  
(7/13/05)

From: Richard W. Atwater  
Chief Executive Officer/General Manager

Submitted by: Martha Davis  
Executive Manager of Policy Development

Subject: June Legislative Report from Geyer and Associates

---

### **RECOMMENDATION**

This is an informational item for the Board of Directors to receive and file.

### **BACKGROUND**

Bill Geyer and Jennifer West provide a monthly report on their state activities on behalf of IEUA.

### **PRIOR BOARD ACTION**

None.

### **IMPACT ON BUDGET**

None.

RWA:MD:jbs  
G:\board-rec\2005\05217 June Leg Report from Geyer

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BILL GEYER  
JENNIFER WEST



CONSULTING AND ADVOCACY IN CALIFORNIA GOVERNMENT 1029 K ST., SUITE 33. SACRAMENTO, CA 95814, (916) 444-9346 FAX: (916) 444-7464. EMAIL: geyerw@pacbell.net

## MEMORANDUM

TO: Rich Atwater and Martha Davis  
FROM: Jennifer West  
DATE: June 30, 2005  
RE: June Legislative Report

---

### Legislature Misses Budget Deadline

Today the constitutional deadline for a new state budget will likely come and go without the adoption of a state spending plan. While the Democratic leadership and the Governor have only a relatively small difference between their two spending plans (\$1 billion), the deadlock between the two parties could deepen because the Governor now wants to include, as part of the budget agreement, the power to make midyear cuts when the budget falls out of balance. This is a key provision in his spending-limit initiative, "Live Within Our Means", which will be on the November 8 ballot. The Democratic leadership has repeatedly opposed giving the Governor this mid-year budgeting authority.

### Resources Bond Measure To Include IRWM Funds

It is unclear at this point whether the Governor will be willing to approve a resources bond for the ballot. One vehicle for such a bond is SB 153 (Chesbro), which is a \$3.95 billion resources bond intended for the June 2006 ballot. We have been working with the environmental community, Chesbro and other Legislators to build political momentum for the inclusion of Integrated Regional Water Management (IRWM) funding (Chapter 8, Prop. 50) into SB 153. Today we learned that SB 153 will be amended in Assembly Natural Resources Committee next week to include \$200 million for the IRWM program. We would like the IRWM funding amount to greatly increase, but it will probably take critical Republican support to make this happen. We will also be working with the Administration and the Governor's staff to win their support for a resources bond.

### Legislative Highlights

- AB 728 (Negrete-McLeod, Net Metering) IEUA sponsored, passed Senate Energy Committee over objections from the Sierra Club.
- SB 187 (Soto, Perchlorate) was amended to require OEHHA to review other state's PHG's if they are lower than California's 6 ppb current standard.
- SB 820 (Kuehl, Water) Passed out of Assembly Water Parks and Wildlife Committee after the author agreed to take significant amendments.

**Inland Empire Utilities Agency  
Position List  
June 29, 2005**

Bill	Summary	Position	Status
<p>AB 371 (Goldberg) Recycled Water</p>	<p>Sponsored by WaterReuse. All the known controversial provisions have been removed. Now the bill does the following:</p> <p>Requires the SWRCB to adjust waste discharge permit fees imposed on POTWs to provide incentives for water recycling.</p> <p>Allows a fire commander to use recycled water to fight a catastrophic fire without having to file an engineering report beforehand, but allows a regional water board to require notification after the use of the recycled water to fight the fire.</p> <p>Requires a recycled water producer to notify Caltrans and the Department of General Services if the producer is going to propose recycled water for use for state landscape irrigation within 10 years and requires the producer to identify the infrastructure needed to deliver recycled water for that purpose.</p> <p>Requires, after notice is provided, that all pipe installed by Caltrans or the DGS for landscape irrigation within the area identified by the producer to be the type designed to carry recycled water.</p> <p>Requires DWR, by July 1, 2006, to submit to the California Building Standards Commission specifications to provide design standards to safely plumb buildings with both potable and recycled water systems.</p> <p>Requires the state plumbing code to remove the skull and crossbones symbol for recycled water.</p>	<p>Support</p>	<p>Senate Approps.</p>
<p>AB 728 (Negrete- McLeod) Net metering</p>	<p>Sponsored by IEUA. Removes the 2006 sunset for the net metering program. Raises the facility cap on net metering from 1 megawatt to 10 megawatts. Caps the statewide net metering program at 50 megawatts. The bill passed out of its Assembly policy committee without</p>	<p>Support</p>	<p>Senate Approps.</p>



	any "no" votes. Sierra Club and the Clean Power Campaign are opposed to the bill and testified against the bill in the Senate Energy Committee. The Committee approved the bill, but not until the author committed to work with the Sierra Club to see that their concerns could be worked out.		
AB 1168 (Saldana) Desalination	Requires DHS, when reviewing an operating permit for a ground or ocean water desalination project, to identify potential contaminants and sources of contaminants and ensure the safety and effectiveness of treatment processes. Existing law requires DHS to issue a water system operating permit for projects providing public drinking water. This bill appears to set a higher regulatory standard for desalinated water than is applied to other sources of drinking water. IEUA should review for possible impact to the agency.	Review for possible opposition	Senate Approps.
SB 153 (Chesbro) Resource Bond	\$3.95 billion bond for resources. Senator Chesbro has agreed to include \$200 million in his bond for the Integrated Water Management program (Chap.8 Prop.50). While we would like to see this funding greatly increased, IEUA should consider supporting the bond because the agency has traditionally championed watershed management programs.	Recommend Support	Assembly Natural Resources 7/5
SB 187 (Soto) Perchlorate PHG	As recently amended, the bill would require that whenever another state adopted a lower PHG than California, OEHHA would have to review it. Senator Soto failed to get the bill out of Assembly Toxics in this form. The Committee did not want to kill the bill, so it directed Senator Soto to work with staff to come up with something acceptable to the Committee.  The bill does not appear to be needed. Currently, OEHHA has the ability to review any new information that might change a PHG. The sponsors, Environment California, believe that OEHHA needs to be forced to review the perchlorate PHG because of new scientific discoveries in this area. However, the sponsors are only interested in having the review take place if the PHG is lower than California's standard.	Recommend Oppose	Assembly Toxics
SB 376 (Soto and Margett) Three Valleys	Clarifies the ability of Three Valleys MWD to implement its lawfully adopted standby charge pursuant to a schedule of adjustments that was approved prior to the enactment of Proposition 218. City of Claremont is	Support	Assembly Local Gov.

	opposed.		
SB 820 (Kuehl) Water	<p>Proposed major changes in the numerous water code statutes.</p> <ul style="list-style-type: none"> <li>• Requires that DWR produce a biennial SWP reliability report. The statute parallels the language used in the Monterey Agreement settlement.</li> <li>• Extends the current groundwater reporting requirements in place in Southern California to the rest of the state.</li> <li>• In preparing the UWMP, requires public agencies to coordinate the preparation of the plan with public utilities that provide electric or gas service. Requires that the UWMP quantify the amount of energy both produced by and required by existing and planned water sources. Also requires a public agency preparing the plan to hold an additional scoping meeting before the UWMP is prepared.</li> <li>• Requires every agricultural water supplier to prepare and adopt an "agricultural water management plan", as defined, by 2010.</li> </ul> <p>MWD, Southern California Water Committee and numerous environmental groups are supporting the bill.</p>	Support	Assembly Approps.
SB 926 (Florez) Sewage Sludge	<p>Senator Florez is no longer pursuing his bill. Instead he has said he will put a local initiative on the ballot that will ban the land application of sewage sludge.</p> <p>Originally, the bill banned the export of sewage sludge into another county. Due to massive opposition, the bill was significantly scaled back. In its current form, it only applies to Kern County.</p>	Oppose	Assembly Local Gov.
SB 1087 (Florez) Water/Sewer Connections: Low income	<p>Requires agencies that provide residential water service or connections to establish a written policy with "specific objective standards" for allocation of water services to affordable housing, when its water services or connections are "in any way limited." Creates a private right of action to enforce this affordable housing priority for water service, and requires that remedies include injunctive relief and damages. <u>Current law requires water and sewer providers to give priority to low income housing.</u> ACWA and CBIA believe that the current law is unconstitutional. Therefore they have stopped attempting to amend the bill because they believe it is</p>	Recommend Oppose	Assembly Housing 7/6

	flawed in concept.		
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**Two Year Bills**

AB 342 (Baca) Perchlorate fee: Water Master Reviewing

AB 1354 (Baca) Perchlorate: Water Master Reviewing

AB 1259 (Daucher): Oppose

SB 393 (Ortiz) Special Districts: Oppose

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**Inland Empire Utilities Agency  
Watch List  
June 29, 2005**

Bill	Summary	Status
<b>Special District Governance</b>		
AB 1234 (Salinas) Local agency governance	Applies to special districts, cities and counties. Allows compensation to members of a "legislative body" for attendance at a meeting of a legislative body, a meeting of an advisory body and a conference. There is no specified rate of compensation. Requires all local agencies to adopt a written policy regarding reimbursements. Requires board members to receive ethics training. ACWA in support. Preferred "alternative" to SB 393 (Ortiz) see positions list.	Senate Approps.
SB 274 (Romero) Local Offices	Provides that service on a local appointed or elected governmental board, commission, committee or other body is inconsistent, incompatible, and in conflict with services on another local elected body if either of the bodies may audit, overrule, remove members of, dismiss employees of, or exercise supervisory powers over the other in any circumstances.  ACWA amendments were taken that make it clear that a local elected official can also serve on a water district board without a conflict.	Assembly Local Gov.
<b>Cal-Fed/Delta/ Flood Protection</b>		
AB 1245 (Wolk) EWA	Establishes the Environmental Water Account (EWA) in the state treasury. Requires the Secretary of Resources to administer the EWA. Monies in the account would be expended to protect delta fishery resources and improve water supply. Supported by MWD.	Senate Natural Resources and Water
AB 1200 (Laird) Delta Levees	Requires the DWR to evaluate the potential impacts on water supply derived from the Delta resulting from subsidence, earthquakes, floods and climate change. Requires DWR and DFG to evaluate options and present them to the Legislature by 2005. It is an urgency bill.	Senate Approps.
AB 1665 (Laird) Flooding	DWR Sponsored. Intended to address state liability for future Paterno-like cases. This one case, involving levee failure in Northern California, is requiring the state to pay approximately \$500 million from the General Fund.  Proposed amendments limit the primary impact of the bill to the Central Valley. The proposed amendments set forth a number of factors a court must take into consideration in an inverse condemnation case involving flooding.	Senate Natural Resources and Water

ACA 13 (Harman)	DWR sponsored. Exempts flood control activities from the Prop. 218 2/3 vote requirement. They are considering including storm water control activities in the bill.	Assembly Local Gov.
SB 113 (Machado) Cal- Fed User Fee	Requires the Bay-Delta Authority to include a "beneficiary pay principle" when approving and making recommendations on programs and long-term expenditure plans. Defines "public benefits", "shared benefits" and "private benefits". MWD is in opposition. Machado is holding negotiations on the bill.	Assembly (Two year Bill)
<b>Energy/ "Green" Buildings</b>		
AB 32 (Pavley) Greenhouse Gas Emissions	Commits the state to coordinate greenhouse gas emissions programs with other states and regions until a national program is established to limit global warming gases. Requires the state to adopt procedures and protocols for monitoring and estimating greenhouse gas emissions for a variety of activities including municipal solid waste disposal.	Senate
<b>Special District Finances</b>		
ACA 7 (Nation) Taxation	Changes the 2/3 voter-approved requirement to authorize a city, county or special district to impose a special tax with only 55% of the voters. Held in the	Assembly Approps.
SB 568 (Kehoe) Hospital exemption	Exempts hospital districts, as defined, that contain no hospitals, from the property tax shift enacted last year. Most hospitals districts were exempted from the legislation last year, but apparently not the districts that do not contain hospitals. Recent amendments specify that the reductions shall not increase the ERAF shift for special districts for the 05/06 fiscal year.	Assembly Local Gov.
<b>Water Conservation/UWMP</b>		
SB 409 (Kehoe) General Plans	Sponsored by the Attorney General's office. Requires that the portion of the conservation element that includes waters be "correlated" with the land use element. Term is undefined in code. The bill failed passage in Water Parks and Wildlife.	Two year bill
<b>Contaminates/Water Quality</b>		
AB 492 (Baca) Perchlorate reports	Requires a "business concern" that handles or otherwise uses perchlorate in the course of its operations, to submit a report to DTSC by 2007 and annually thereafter, detailing the manner in which the perchlorate waste is disposed.	Senate Approps.
AB 495 (Montanez) WDR	Technical change to the definition of "effluent limitations."	Senate Approps.
AB 672 (Klehs) Water reservoirs	Requires a public agency owning reservoirs larger than 2,500 AF to prepare and adopt watershed or recreation master plans that balance recreation and watershed protection.	Senate Approps.
SB 646 (Kuehl)	Requires the state or regional water boards to make an	Assembly

WDR Waivers	affirmative finding that issuing a waiver of waste discharge is consistent with any applicable state or regional water quality control plan and is in the public interest. Would also require that waiver holder pay an annual fee and that all the waiver fees pay for the entire waiver program at the SWRCB and regional boards.	Approps.
SB 1070 (Kehoe) Waivers	Requires the SWRCB to post on its website information on permits requirements, WDRs, waivers, reports and enforcement actions. Requires CALEPA and the Resources Agency to enter into an MOU to establish the California Water Quality Monitoring Council to be administered by the SWRCB.	Assembly Approps.
SB 1067 (Kehoe) Arsenic	Requires OEHHA to develop a PHG for trihalomethanes (THMs) and Total Haloacetic Acids (HAA5) that takes into account the spikes and acute health effects on pregnant women and infants. Requires a public water system that has one or more detections of THMs or HAA5 at a peak, rather than an average level above the MCL, to include specific notice of the risk of certain health effects in its consumer confidence report. MWD and ACWA are opposed.	Assembly Approps.
<b>MWD/SWRCB/Misc.</b>		
AB 1128 (Blakeslee) RWQCB	Sponsored by the California Farm Bureau. Specifies which actions RWQCB members can participate in. Currently, agricultural RWQCB members are disqualified from acting on regional permits or issues in which they own land. This bill would allow them to participate in regional decisions, but not on decisions that affect their own land.	Senate Eviro. Quality

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Inland Empire  
UTILITIES AGENCY

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Date: July 20, 2005

To: Honorable Board of Directors

Through: Public, Legislative Affairs & Water Resources Committee  
(7/13/05)

From: Richard W. Atwater  
Chief Executive Officer/General Manager

Submitted by: Martha Davis  
Executive Manager of Policy Development

Subject: June Legislative Report from Copeland and Associates

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#### **RECOMMENDATION**

This is an informational item for the Board of Directors to receive and file.

#### **BACKGROUND**

Letitia White provides a monthly report on their federal activities on behalf of IEUA.

#### **PRIOR BOARD ACTION**

None.

#### **IMPACT ON BUDGET**

None.

RWA:MDjbs  
G:\board-rec\2005\05215 June Leg Report from Copeland and Associates

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# Copeland Lowery Jacquez Denton & White LLC

Specializing in Government Relations

-MEMORANDUM

TO: Martha Davis  
Inland Empire Utilities Agency (IEUA)

FROM: Letitia White, Alyssa Le Sage

RE: Monthly Appropriations Legislative Report

DATE: June 2005

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During the month of June, on behalf of IEUA, our ongoing work with the offices of Congressman David Dreier (R-Glendora), Jerry Lewis (R-Redlands), Joe Baca (D-San Bernardino), Gary Miller (R-Brea), Grace Napolitano (D-Santa Fe Springs), Ken Calvert (R-Riverside) along with Senators Feinstein and Boxer has continued to advance IEUA's legislative agenda.

The House and Senate have returned from a weeklong Memorial Day Congressional District work period. The House is continuing its ambitious appropriations schedule, following Appropriations Full Committee Chairman Jerry Lewis' intention to have all spending bills passed off the floor by the Fourth of July Congressional recess. The Senate is following the House's lead but has pushed back its schedule to get their bills out of committee and off the Senate floor by the August recess.

#### Fiscal Year 2006 Appropriations

The full House has now passed seven appropriations bills including: Homeland Security, Defense, Interior and Environment, Energy and Water, Military Quality of Life and Veterans Affairs, Agriculture and the Science, Space Justice and Commerce Appropriations bill.

The Senate began to mark up their appropriation bills this month. The Senate Interior and Environment Appropriations Subcommittee marked up its FY06 bill on Tuesday, June 7, which went to full committee mark up on Thursday, June 9. Homeland Security and Energy and Water Appropriations subcommittees both held sub committee mark up the on June 13, and full committee on June 16. That day, Senator Dianne Feinstein announced that more than \$625 million to improve California water resources, including \$73 million for CALFED-related projects, was included in a \$31.245 billion energy and water appropriations bill. Following the House of Representatives the Senate did no new starts unless the project was in the President's Budget. The Senate held full committee mark for Commerce, Justice, Science on June 23, and full committee mark on June 24 for Legislative branch.

#### Inland Empire Regional Recycling Project

H.R. 802, which amends the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the Inland Empire regional recycling project and in the Cucamonga Valley Water District recycling project, has been referred to the House Resources Subcommittee on Water & Power. Rep. George Radanovich (R-Fresno) who represents the Central Valley, chairs the Subcommittee. The lead Democrat with the subcommittee is Grace Napolitano (D-Santa Fe Springs) and co-sponsor of the legislation.

Senator Dianne Feinstein introduced the bill's Senate counterpart, S.746 on April 11th, where it was referred to the Senate Committee on Energy and Natural Resources. Senator Feinstein is a member of the Committee.

We continue to contact and meet with professional staff members of the Senate Appropriations Subcommittee in an effort to raise visibility on Inland Empire regional recycling project.

We contacted IEUA officials to discuss the outcome of the Inland Empire regional recycling project in the Energy and Water Senate bill.

We began working with both professional and personal staff of both the House and the Senate, to ensure the best conference outcome for Inland Empire regional recycling project.

We provided Diane Feinstein and her staff with the recent Water Awareness Bulletin, which includes an article about her support for the Inland Empire regional recycling project.

#### National and State Associations Oppose MTBE Waiver In Energy Bill

Ten major national and state associations wrote to Republican and Democrat leaders in the Senate on May 17, 2005 opposing the liability waiver for MTBE producers contained in the House passed Energy Policy Act (H.R. 6). The letter was signed by representatives of the U.S. Conference of Mayors, National League of Cities, National Association of Counties, National Association of Towns and Townships, American Water Works Association, Association of Metropolitan Water Agencies, National Water Resources Association, Association of California Water Agencies, Western Coalition of Arid States, and the American Public Works Association.

The letter states that: "As a matter of public policy, the Congress should not circumvent or diminish the rights of states, counties, cities, towns, school districts and public water suppliers to seek relief as a result of the contamination of their drinking water." The organizations argue that inclusion of the provision in the Energy bill "would constitute one of the largest unfunded federal mandates since the Congress overwhelmingly passed the Unfunded Federal Mandates Reform Act of 1995." The letter also argues that creation of an "MTBE cleanup fund" would not be enough to make them give up their recourse to the courts. Noting that the current estimate of the cost of MTBE contamination is \$29 billion, the representatives express skepticism that sufficient money would be put in a cleanup fund, especially if funded by the petrochemical industry.

#### Water Resources Development Act of 2005

The House Transportation and Infrastructure Committee approved the Water Resources Development Act (WRDA) last Wednesday, June 22 reauthorizing \$10 billion for water projects. If enacted, it would be the first such measure in five years.

The bill (HR 2864) was almost unchanged from the version approved by the Water Resources and Environment Subcommittee on June 16. The WRDA bill is scheduled to be on the House floor for consideration tomorrow (Thursday), but, due to work on appropriations bills, consideration will be delayed until after the July 4th Congressional recess. Citing the "backlog of needs" that has built up in the five years since a WRDA bill was last passed, there is considerable momentum to get this bill completed and sent to the president for his signature before the August Congressional recess.

The WRDA bill provides additional authority for the U.S. Army Corps of Engineers to carry out its missions of navigation improvements at harbors and waterways, flood damage reduction in communities, and environmental restoration within our nation's lakes, rivers and wetlands.

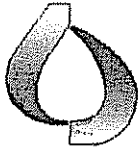
The Senate Environment and Public Works Committee approved its own version of WRDA on April 13; that measure still awaits consideration by the full Senate.

While the two WRDA bills include many of the same project proposals, a Transportation Committee staff member noted that they deal somewhat differently with key policy issues. The staffer cited policy language relating to proposed outside peer review of project studies undertaken by the Corps of Engineers, efforts to mitigate the environmental damage resulting from project construction, and directions to the Corps with respect to planning procedures.

Failure to resolve disagreements over Corps reform issues played a major role in thwarting approval of any broad water project legislation in the 107th Congress, and the full Senate never took up a WRDA bill approved by the Environment and Public Works Committee in the 108th.

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Inland Empire  
UTILITIES AGENCY

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Date: July 20, 2005

To: Honorable Board of Directors

Through: Public, Legislative Affairs & Water Resources Committee  
(7/13/05)

From: Richard W. Atwater  
Chief Executive Officer/General Manager

Submitted by: Martha Davis  
Executive Manager of Policy Development

Subject: June Legislative Report from Dolphin Group

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**RECOMMENDATION**

This is an informational item for the Board of Directors to receive and file.

**BACKGROUND**

Michael Boccodoro provides a monthly report on his activities on behalf of the Chino Basin/Optimum Basin Management Program Coalition.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

None.

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# Chino Basin / OBMP Coalition

## Status Report – June 2005

### ENERGY/REGULATORY

#### *Water District Self-Generation (Implementation of SB 1755)*

The Administrative Law Judge in this proceeding, after a 15-month delay, surprisingly issued a proposed decision (PD) in the proceeding on May 24<sup>th</sup>. The ALJ had previously indicated that she would issue a ruling soliciting additional information from parties at the prehearing conference held in January, 2004.

The PD essentially adopts the position advocated by the Chino Basin Coalition. For municipal and county water agencies that install self-generation, the cost responsibility surcharges (“exit fees”) that apply will be identical to other customer generation departing load, as previously determined by the Commission. That decision affords a variety of exemptions from exit fees for specific types of self-generation, including a complete exemption from all exit fees for biogas digesters.

In comments on the PD, CBC offered some suggested revisions to the decision related to biogas digesters. The PD defers to the previous CPUC decision related to exit fee exemptions, which specifically referenced biogas digesters eligible under AB 2228 (2001). However, the biogas net metering program established by AB 2228 is due to sunset at the end of 2005. CBC requested that the PD be amended to specifically reference the PUC code section pertaining to this program; to ensure that these exemptions will remain in place should subsequent legislation be approved. In reply comments, PG&E did not oppose the amendments suggested by CBC, however SCE believed such amendments were premature due to the fact that AB 728 is not yet law.

The PD has been placed on the consent agenda for the Commission’s June 30<sup>th</sup> meeting, indicating that there is no opposition at this time by any of the Commissioners. It is common practice for the CPUC to amend proposed decisions shortly before the scheduled meeting, often the very morning of the meeting.

DGI will monitor the status of the proposed decision, and will update CBC on any amendments, as suggested by CBC, that may be adopted by the Commission prior to approval.

### *Biogas Net Metering*

Assembly Bill 728 (McLeod) is currently scheduled for consideration by the Senate Energy, Utilities and Communications Committee on June 30<sup>th</sup>. As currently pending, AB 728 extends the program for an additional 4 years and expands the current 1 MW limit per project to 10 MWs. The entire program, under AB 728, could expand from 15 MWs to 50 MWs statewide.

Discussions continue between the Working Group and the utilities with respect to potential further amendments to enhance the program. PG&E is opposing any changes to the aggregation provisions at this time.

### *SCE General Rate Case*

Southern California Edison has proposed new rates for all customers as part of Phase II of its 2006 General Rate Case. Specifically, SCE has proposed that all agricultural and water pumping rates increase by 9.31%. In fact, Edison has proposed that most rate schedules, including large industrial and residential customers, increase by 9.31%.

Within its filing, Edison claims that the true cost of serving agricultural and water pumping customers is actually 22.5% higher than current rates. However, they are proposing to "cap" all rate increases at a maximum of 9.31%. The following table illustrates SCE's proposed rates, slated to take effect in late 2006:

<b>Customer Class</b>	<b>Current Average Rate (c/kWh)</b>	<b>Proposed Average Rate (c/kWh)</b>	<b>Percent Change</b>
<b>Residential</b>	13.045	14.259	9.31%
<b>Commercial</b>	13.791	13.703	-0.64%
GS-1	15.031	15.212	1.21%
TC-1	10.963	11.971	9.19%
GS-2	13.668	13.705	0.27%
TOU-GS-2	9.722	12.621	29.81%
<b>Industrial</b>	9.958	10.234	3.67%
TOU-8 (Sec)	11.166	11.480	2.81%
TOU-8 (Pri)	10.428	10.622	1.86%
TOU-8 (Sub)	7.117	7.779	9.31%
<b>Agricultural</b>	<b>9.079</b>	<b>9.924</b>	<b>9.31%</b>
PA-1	14.883	16.269	9.31%
PA-2	10.777	11.781	9.31%
TOU-PA	8.120	8.876	9.31%
TOU-PA-5	7.443	8.136	9.31%
<b>Total System</b>	12.485	13.023	4.31%

The proposal by Edison is based on the premise that the CPUC will grant their request for a general 4.31% increase in total revenues that the utility is allowed to collect. This issue is currently being litigated in Phase I of the General Rate Case. When the CPUC rules on the final revenue requirement, Edison will revise its Phase II proposal, potentially reducing the proposed increases to various customer classes. Additionally, the proposal assumes a variety of regulatory decisions that have yet to be resolved by the CPUC.

SCE has also proposed to dramatically increase fixed costs, and reduce the volumetric energy charge for all rates. As a result, monthly customer charges and demand charges for all rates may increase under the Edison plan. However, the “ratcheted” demand charge will not be reintroduced, having been eliminated for all rates in April 2005.

## LEGISLATIVE

June 3<sup>rd</sup> was the deadline for all legislation to be passed by the House of origin. Policy committees have now begun to consider measures from the other house.

- **AB 380 (Nuñez D-Los Angeles) – Resource Adequacy Standards**

This measure would require the CPUC, in consultation with the CAL-ISO, to establish resource adequacy requirements for all load-serving entities (LSE), and that the costs of procuring that capacity would become nonbypassable from the time the commitment is made. This resource adequacy requirement would not directly apply to public utilities, but the measure would require POU's to report to the California Energy Commission on their resource adequacy planning. The bill will be considered by the Senate Energy, Utilities and Communications Committee on June 30<sup>th</sup>.

- **AB 1362 (Levine D-Van Nuys) – Renewable Portfolio Standard**

This measure mandates that utilities procure at least 20% of their energy from renewable sources by 2010. Current law mandates compliance by 2017. This measure was approved by the Assembly on a 50-29 vote, and will be considered by the Senate E,U&C Committee on June 30<sup>th</sup>.

- **SB 1 (Murray D-Los Angeles) – “Million Solar Homes” Initiative**

This bill is also sponsored by Governor Schwarzenegger and authored by Senators Kevin Murray (D-Los Angeles) and John Campbell (R-Irvine). The measure would create the “Million Solar Homes” initiative to invest over \$2 billion in rooftop residential solar generation. The goal of the legislation is to produce 3,000 MW of generation by 2018. Additionally, the measure would require local public utilities to adopt a similar initiative, and report progress to the California Energy Commission.

The measure was approved by the Senate on a 30-5 vote, and will be heard by the Assembly Utilities & Commerce Committee in early July.

## SPECIAL ELECTION

Governor Schwarzenegger has approved a special election to take place November 8, 2005 to consider seven initiatives. One of the initiatives, sponsored by The Utility Reform Network (TURN), would forbid the expansion of direct access, but would allow existing deals to stay on the books, and allow existing direct-access customers to negotiate new contracts when theirs expire.

The measure stems from last years failed AB 2006 (Nuñez D-Los Angeles), which was vetoed by Governor Schwarzenegger.

TURN has been joined by a variety of nurse, firefighter and public employee unions in support of the initiative. Several business groups, such as the California Manufacturing and Technology Association, oppose the measure. Governor Schwarzenegger and California's Investor-Owned Utilities (IOUs) have yet to take a position on the measure.

## 2005-2006 STATE BUDGET/ERAF

While once again a state budget has not been approved by the June 15<sup>th</sup> deadline, a more conciliatory tone between Democratic lawmakers and the Governor has arisen in recent discussions. There is currently only a \$600 million difference between the Governor's budget and the Democratic version. However, the long term structural imbalances differ greatly, with the Democratic version increasing the structural imbalance to \$6.4 billion in 2006-07, almost \$3 billion more than the Governor's proposal.

Both sides continue to express optimism that a compromise can soon be reached. Discussions should be stepped up as the new (July 1) fiscal year approaches.

### *Local Government Financing*

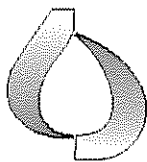
The Governor's Budget proposes to repay cities and counties for \$593.4 million (about half) of the VLF that was not received in 2003-04. This repayment of the VLF gap loan comes a year earlier than necessary in hopes of relieving state budget pressure by spreading the additional revenues to local governments over two fiscal years. The current Democratic version rejects this early repayment in favor of a \$25 million prepayment for local agencies experiencing fiscal hardship.

### *Energy*

The May Revise proposes an augmentation of \$12.5 million for the Carl Moyer Program, which brings the Governor's Budget proposal total for available Carl Moyer grants in 2005-06 to \$98.5 million of state funding.

Additionally, regarding energy, the Governor proposes to increase California's participation in the Frontier Transmission Line Project by \$2.5 million more for the Energy Resources Programs Account. This Project is expected to eventually provide additional power to Northern and Southern California for its future needs.

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Date: July 20, 2005

To: The Honorable Board of Directors

Through: Public and Legislative Affairs and Water Resources  
Committee (07-13-05)

From: Richard W. Atwater  
Chief Executive Officer/General Manager

Submitted by: Sondra Elrod  
Public Information Officer

Subject: Public Outreach and Communications

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### **RECOMMENDATION**

This is an informational item regarding a status update on public outreach and communications.

### **BACKGROUND**

#### **Outreach/Tours**

- June 1, 2005, IEUA/CVWD hosted a tour for Congressman David Dreier of the Regional Recycled Water Project
- June 2, 2005, IEUA hosted tour for Senator Dianne Feinstein's staff
- June 17, 2005, SAWPA hosted a helicopter tour of the watershed for local state assembly members
- June 23, 2005, MWD hosted Palo Verde Valley Community Improvement Fund Board of IEUA's HQ

#### **Calendar of Upcoming Events**

- September 23, 2005, Chino Hills Day at the LA County Fair
- September 30, 2005, IEUA Employee Picnic
- October 7, 8, 9, 2005, Rancho Cucamonga Chamber Grape Harvest Festival

### **OUTREACH/EDUCATIONAL INLAND VALLEY DAILY BULLETIN NEWSPAPER CAMPAIGN**

- July – Two-page Safety Awareness Month
- September – Two-page Think Environment Week
- September – One-page LA County Fair

- October – Two-page Literacy/Education Month
- December – One-page Health Beat Magazine

**PRIOR BOARD ACTION**

None

**IMPACT ON BUDGET**

None





# CHINO BASIN WATERMASTER

## IV. INFORMATION

### 1. Newspaper Articles



# Kruger keeps on giving

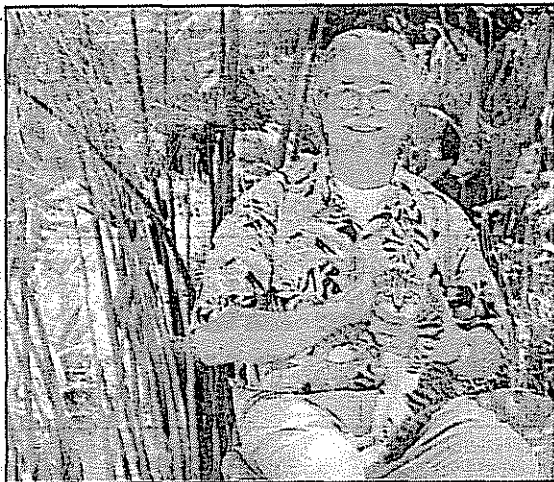
Ongoing involvement earns him 'Outstanding Citizen' award

By Marianne Napoles

Bill Kruger may be the mayor of Chino Hills, but it's his service to the community that singled him out as the Chino Valley Outstanding Citizen of the Year for 2005.

The 59-year-old retired engineer, who spends almost every day volunteering, will be honored during the city's Fourth of July festivities at Big League Dreams, beginning at 11 a.m.

See KRUGER, Page A-2



Champion photo by Marianne Napoles

Bill Kruger, mayor of Chino Hills and the Outstanding Citizen of the Year for 2005, enjoys the backyard he designed and built, which includes a koi pond, bridge, gazebo and pathways.

Chino Champion Sat 6/25/05

## Kruger

(Continued from Page A-1)

Mr. Kruger has been a volunteer since he and his wife, Janet, moved to Chino Hills from a San Diego suburb 10 years ago.

He was appointed to the Chino Hills Planning Commission a year later, in 1996, and began serving on city committees. An unexpected opening on the city council after the death of Mayor Mike Wickman in 2000 prompted Mr. Kruger to run for office.

"I never dreamed I would be a councilman," said Mr. Kruger. He was re-elected in 2002. Since then, the list of committees, boards and service groups has ballooned to well over a dozen. As commander of the Chino Hills Citizen's Patrol, he's just as comfortable directing traffic in his white shirt and badge as he is wearing a chef's hat when cooking for the Chino Hills Kiwanis Club, of which he's been president for three terms. He also served one term as Kiwanis lieutenant governor, and distributed thousands of car seats in a giveaway program called "Operation Safety Angels," which he co-chaired with former county supervisor Fred Aguiar.

He was just elected auditor of the Los Serranos Elementary School PTA for 2005-06. He received the PTA's continuing service award two

weeks ago. Mr. Kruger has attended almost every school assembly for the past several years. But he doesn't just stand there, according to school parent Sheri Denzin, a friend of Mr. Kruger's, and the 1993 Outstanding Citizen of the Year. "He helps set up chairs and puts them away," she said.

She said Mr. Kruger "adopted" the school and is known on the campus for speaking in the classrooms, taking digital photos, putting on PowerPoint presentations for DARE, donating pumpkins to the kindergartners, turkeys to needy students and their families, and bringing candy canes and cookies for students at Christmas.

The former Marine, who served during the Vietnam era, loves to talk about the Chino Valley Young Marines, but refuses to talk about the Vietnam War.

Mr. Kruger helped found the Young Marines and serves as the commanding officer. He recently purchased a 9-foot-high, two-ton troop transport vehicle for the unit. He transports the youth to weekend campouts and ceremonial functions.

Mr. Kruger recently learned that the Carbon Canyon Safety Survey he orchestrated won the 2005 National Association of Counties Achievement Award. With the support of numerous volunteers and safety agencies, he led a door-to-door survey in Carbon

## A list of past 'Outstanding Citizen' recipients appears on Page B-4

Canyon to collect data for use in an emergency.

So what does Mr. Kruger do with all his "free time?" As often as he can, he retreats into his backyard oasis with his wife to enjoy their pond filled with koi fish, lotus, water lilies and hyacinths.

Bright orange dragonflies land on the water plants, and lush cocoa and queen palms provide shade. A bridge leads to a gazebo, both built by Mr. Kruger. He also built the flagstone walkways.

He points to a plant on a patio table that complements the garden. He calls it his "lucky plant." It was given to him by Irma Wickman, wife of the late Mayor Wickman, on Mr. Kruger's first night as a newly elected councilman in 2000. It has flourished over the years, and holds special meaning for him.

As an engineer, Mr. Kruger admits to being a bit backward when it comes to the social scene. "Engineers do things logically," he said. He has a soft spot for cats, though, and a taste for music. He speaks in gentle tones to family cats "Toby" and "Pansy," and he

has numerous reel-to-reel tapes with World War I songs and other music, and collects records that he plays on a turntable.

The engineer in him loves to build things. He creates model trains — from scratch. He goes to rail yards to take pictures, and builds trains to scale using things like lathes and milling machines.

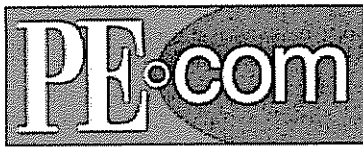
He uses computers and scanners to compile and preserve historical photographs for the community. He assisted the Chino Rotary Club in the production of the reissued historical book "Chino Valley: Where Everything Grows."

Mr. Kruger feels there's not enough in Chino Hills for seniors and youth. So he assists the Filipino senior group and provides computers to needy students as a board member of the Wickman Educational Foundation. He's also a board member of the Citizens for Kids Foundation for the school district, and just accepted a board position on the YMCA. He picks up litter too — by adopting two roads and a trail.

Mr. Kruger said volunteering makes him content at this stage of life. "I'm very positive about life because everything I do is what I want to do," he said. He compares it to the time when he put in 10-hour work days and had stress and headaches.

He looks at his watch. It's time to go. He has to get ice for the snow cones — he's working concerts in the park for Citizen's Patrol.

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## Universities get water grants

**RAIN: The money will be used to study the conservation of the natural resource.**

11:58 PM PDT on Monday, June 13, 2005

By JENNIFER BOWLES / The Press-Enterprise

Inland university students will look to the sky and the ground to see if they can stretch the region's water supply.

UC Riverside students will outfit some campus rooftops with pipes to help capture rainwater that will irrigate the lawns and landscaping around the buildings.

The project is funded with a \$10,000 grant it won from Metropolitan Water District to help reduce water use and increase supply. The University of Redlands and Cal Poly Pomona also won grants, in addition to five other campuses across Southern California. Metropolitan, which supplies water to 18 million residents, will host a ceremony honoring the grant recipients at its Los Angeles headquarters Saturday. Reports on the projects are due at the end of January.

"Our hope is that we'll have some projects that folks will be interested in taking a look at. Some may even end up with patents," said Russ Donnelly, Metropolitan's education programs manager.

Mark Matsumoto, UCR's interim dean of the College of Engineering, said Monday that the rooftop proposal was submitted to the water district last year by a handful of undergraduate students for their senior project. It will be carried out by mostly other students this summer and fall, he said.

"In Southern California, unfortunately, the majority of rainfall will not necessarily meet all your irrigation needs," Matsumoto said. "The idea is that you can save quite a bit of water."

Outdoor watering can account for the majority of water use at a home or building. If successful, the rooftop idea could be applied to shopping malls, warehouses and other buildings with large roofs, Matsumoto said. Another team from UCR won a \$10,000 grant to find ways to treat algae in ponds of the water that runs off of agricultural fields. The project is designed to increase the quality of the runoff, potentially allowing the water to be used again, Donnelly said.

The University of Redlands, meanwhile, received a \$10,000 grant to develop design and maintenance guidelines and irrigation techniques for native landscapes, which require less water.

Cal Poly Pomona received \$8,500 to find other innovative ways to irrigate native landscaping.

Students will look at capturing water from air-conditioning systems and rainwater by placing clay pots beside the plants, said Ramesh Kumar, professor of landscape irrigation sciences.

*Reach Jennifer Bowles at 951-368-9548 or [jbowles@pe.com](mailto:jbowles@pe.com)*

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# GAO report slams Pentagon on perchlorate

**DISPUTE: Inspectors say test requests have been refused. The military hotly denies it.**

11:27 PM PDT on Tuesday, June 21, 2005

By ERICA WERNER / The Associated Press

WASHINGTON - The Pentagon at times refused to conduct tests for a toxic chemical when environmental regulators said such tests were needed, congressional investigators said in a report Tuesday.

The report drew a stinging Pentagon response criticizing it as "factually incorrect and fundamentally flawed."

The General Accountability Office study of contamination from perchlorate -- an ingredient in rocket fuel and other defense manufacturing that has been found to interfere with thyroid function -- said it was found in at least 395 sites in 35 states.

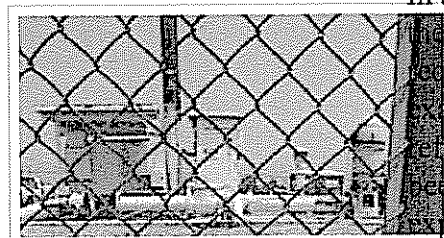
At least 10 Inland cities, including Riverside, Chino, Colton and Redlands, and numerous water districts are dealing with perchlorate in drinking-water supplies. Some of the contamination is linked to military contractors that used the chemical.

Related

[GAO report: Perchlorate](#)

The lower Colorado River, a source for water suppliers throughout Southern California, carries contamination from a now-closed plant south of Las Vegas that manufactured perchlorate for the military. A cleanup is under way.

The study said Defense Department activities are a leading cause of the contamination. It also said Pentagon policies require testing for the chemical only under limited circumstances, such as when there is a reasonable likelihood of human exposure.



In a number of cases, the GAO says, Pentagon refused state or federal requests to conduct sampling. For example, Utah state officials reported that the Defense Department had refused its request to sample at an Army base where perchlorate had been used for 20 years, saying there wasn't a clear potential for human exposure.

## SAFE LEVELS

Different agencies have recommended these advisory levels for perchlorate in parts per billion:

California:

6

U.S. EPA 2006:

24.5

U.S. EPA 2002:

1

Massachusetts:

1

Canada:

6

SOURCES: STATE AND NATIONAL GOVERNMENTS



"The report mischaracterizes DOD's response to perchlorate, a chemical which is unregulated by the federal government and for which no state has promulgated standards," said Philip W. Grone, a Defense Department assistant deputy undersecretary for environmental issues.

Grone said the Pentagon has tested at 800 sites and spent more than \$40 million to develop cleanup techniques.

The GAO also said a formal system to monitor perchlorate detections and cleanup nationwide was needed because there is no standardized approach for reporting contamination.

Rodrigo Peña / The Press-Enterprise

As a result, the pollution may be even more widespread than is now known, the report said.

Rialto well No. 2 is closed due to high perchlorate count. Nearly 30 sites in Riverside and San Bernardino counties are among 106 in California listed by the General Accountability Office.

The federal Environmental Protection Agency and the Pentagon said a formal system was unnecessary.

"The benefits of a new, large and complex system are unclear," Barry N. Breen, EPA principal deputy assistant administrator, wrote in a response letter included in the GAO report.

"EPA already has significant information and data on perchlorate concentrations."

The Pentagon is facing lawsuits and potential litigation from communities nationwide that are fighting to rid their water supplies of perchlorate, though there is disagreement about what levels are dangerous.

The GAO report offered perhaps the most comprehensive accounting to date of contamination from the chemical, which was little-known before 1997 when tests were developed that could detect it at low levels.

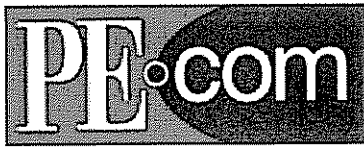
Of the 395 sites GAO identified, California and Texas accounted for more than half. California had 106 sites on the list, nearly 30 of them in Riverside and San Bernardino counties.

Cleanup is planned or under way at just 51 of the sites, the report said. It attributed the low number mainly to the fact that there is no federal requirement to limit perchlorate in water supplies.

EPA is considering whether to issue such a regulation.

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Online at: [http://www.pe.com/breakingnews/local/stories/PE\\_News\\_Local\\_D\\_perch22.2b0784.html](http://www.pe.com/breakingnews/local/stories/PE_News_Local_D_perch22.2b0784.html)



## Water agency budget includes new wells

11:24 PM PDT on Friday, June 24, 2005

By SANDRA STOKLEY / Press-Enterprise

MIRA LOMA - The Jurupa Community Services District board on Monday will consider a 2005-06 budget that includes nine new employees, drilling for two new water wells and a multimillion-dollar expansion of a water-treatment plant.

The district expects to receive \$20,194,875 in operating revenue for the 2005-06 fiscal year that begins July 1, compared with \$19,053,316 in 2004-05. It projects \$17,711,662 in operating expenses for the coming year versus \$14,116,659 for the current year.

"This is a budget that is keeping pace with the growth we are experiencing as a district," said chief financial officer Ken Waring.

Monthly rates will not rise for the district's estimated 21,000 water customers but the second of three \$1.20 sewer rate increases passed last year will go into effect on July 1, with the third scheduled for January 1, 2006.

The district's estimated 19,000 sewer customers now pay \$18.20 per month but will begin paying \$19.40 per month starting July 1, Waring said.

The sewer-rate increases reflect the loss about \$1.7 million in income -- 100 percent of the district's annual property tax revenue -- to help California deal with its budget crisis.

Because property-tax revenue is used to pay off bonds for sewer projects, rates had to increase to make up the loss, Waring said.

The Jurupa district provides water and sewer service to the unincorporated Riverside County communities of Glen Avon, Pedley, Sunnyslope and much of Mira Loma.

Over the past five years, the water and sewer agency has added between 2,000 and 2,500 customers per year. Most of the growth has occurred in the former dairy enclave of Eastvale.

In 2000, the district had an estimated 10,000 water customers and 8,000 sewer customers. The district will end the current fiscal year with an estimated 21,000 water customers and 19,000 sewer customers.

*Reach Sandra Stokley at (951) 368-9647 or [sstokley@pe.com](mailto:sstokley@pe.com)*

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Online at: [http://www.pe.com/localnews/riverside/stories/PE\\_News\\_Local\\_R\\_rjcsd25.19c387.html](http://www.pe.com/localnews/riverside/stories/PE_News_Local_R_rjcsd25.19c387.html)



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Article Published: Tuesday, June 28, 2005 - 8:02:41 PM PST

Error brings income to districts

By L.C. Greene, Staff Writer

RIVERSIDE - Jurupa Valley parks and sewer districts can expect small one-time bumps in their property tax revenues based on action taken by Riverside County Supervisors on Tuesday.

The board ordered \$73.8 million in property tax income, mistakenly withheld over the last 11 years, paid out to hundreds of cities, schools, and water and sewer districts in the county as soon as a formula for distribution is determined.

The local agencies also can expect to receive interest on the money they're owed.

"So we can restore some of the trust that has been undermined," Supervisor Bob Buster said.

The revenues from supplemental property tax payments had been misidentified and building up in the wrong account since the early 1990s, according to a county Executive Office report.

The Jurupa Community Services District could receive a one-time check of anywhere from \$80,000 to \$100,000, district financial manager Ken Waring said.

The question is when.

The roughly \$74 million must be divided between more than 1,100 agencies based on each area's tax revenues over the period in question.

County Auditor-Controller Robert Byrd, whose office is responsible for divvying up the funds, said he will work with the state Controller's office and the various local agencies in an effort to come up with an acceptable distribution formula.

"We want every single nickel accounted for," Lake Elsinore City Treasurer Peter Weber told the board.

Neither Byrd nor the board placed a timetable on when the distribution might take place.

The accounting foul-up involved the so-called Teeter Plan, a program where the county guarantees timely tax revenue distribution to agencies participating in the plan.

Under the arrangement, cities and districts receive the property tax money they're due even before it's all collected.

The county, meanwhile, sells bonds to cover delinquent tax receipts, then collects and keeps the recovered taxes, penalties and interest.

The accounting error involved supplemental property taxes where homebuyers made one-time payments or a limited number of installments reflecting jumps in assessed property values.

Some of the payments came due in the fiscal years after the properties were sold and were incorrectly labeled as delinquent. The county mistakenly kept the funds.

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**Food**

The supplemental taxes went unnoticed during the early 1990s when real estate appreciation was sluggish.

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However, over the past three to four years, home prices jumped along with the supplemental taxes.

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The county became aware of the growing account last year. The Executive Office began investigating the discrepancy in December and corrective action was initiated.

Pay/Renew

Vacation Holds

Delivery Problems

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Meanwhile, the Board of Supervisors ordered a full-scale audit last week with an eye toward updating the county's 30-year-old accounting system.

**Info**

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## Wastewater will sell, city says

**SAN BERNARDINO: As demand grows, the cleansed effluent will look like a bargain.**

12:42 AM PDT on Sunday, June 26, 2005

By **CHRIS RICHARD / The Press-Enterprise**

Scientists say there's no new water under the sun.

Humans today use the same recycled water once consumed by dinosaurs.

Building on that theory, San Bernardino wants to sell its treated wastewater for up to \$1.4 million.

But by setting a value on the water that flows from its treatment plant, San Bernardino also is tiptoeing in the eddies of that public relations whirlpool, the phrase "toilet to tap."

The venture also could transform the search for drinking water as Southern California's population grows.

"The San Bernardino case could be a blueprint for all water-scarce areas in California," said City Councilwoman Susan Lien Longville, who also is associate director of the Water Resources Institute at Cal State San Bernardino. "We're saying, 'Listen, we have a valuable resource here. It's clean. If we can sell it, should we not be able to do that?'"

Under a plan approved by the city water department board recently, up to 18,000 acre-feet of treated wastewater could be sold per year. An acre-foot is 325,851 gallons, a two-year supply for a family of four.

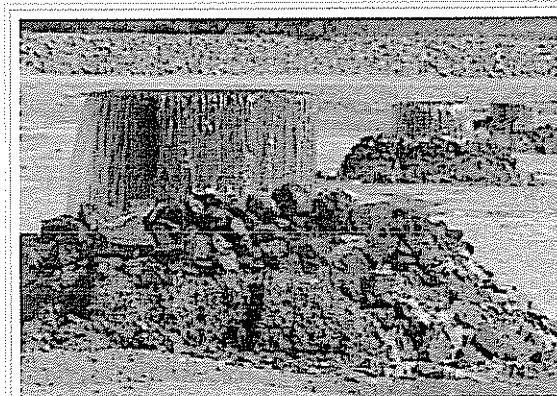
The sales plan goes beyond the common usage of so-called "gray water" to cool industrial machinery or irrigate roadway medians. Cities are glad to get rid of that water, and users pay little or nothing.

While San Bernardino has no purchasers for the treated wastewater, "We're just waiting for the commitments from potential buyers," said Stacey Aldstadt, the water department's deputy general manager.

### Well Situated

Officials say the city is well situated to create a paying market. Its 78-acre Rapid Infiltration and Extraction plant sits just south of Interstate 10, uphill from most neighboring water districts. That means the city can use gravity to get water to its customers and avoid pumping costs.

The cleaning process at the plant, which is jointly operated by San Bernardino and Colton, also could help sales. The plant drives wastewater through layers of sand in the ground, and then sucks it up again with pumps.



Greg Vojtko / The Press-Enterprise

A series of outlet structures adds treated water to the basin at the Colton/San Bernardino Advanced Water Reclamation Facility in Colton.

Next, the water is disinfected using ultraviolet light. City officials chose this technology a decade ago because it's cheaper than conventional chemical treatment. It also gets the water cleaner, Aldstadt said.

The plant pours some 40 million gallons of water a day into the Santa Ana River. San Bernardino plans to sell part of its 80 percent share to agencies that want a high-quality source for replenishing underground aquifers.

To meet state standards, agencies use the best quality water possible in their spreading basins, where stored water percolates underground. Usually that is Sacramento River Delta water brought in through the California Aqueduct, which costs as much as \$500 per acre-foot.

San Bernardino's wastewater will sell for about \$75 per acre-foot, Aldstadt said.

Such sales would make waves throughout the state, said Randy Van Gelder, assistant general manager of the San Bernardino Valley Municipal Water District, which oversees groundwater storage in a 325-square-mile region stretching from Bloomington to Yucaipa.

"If the city of San Bernardino is successful in this, why is Colton not going to want to sell off their portion?" he said. "Why is Rialto not going to want to sell theirs, and why wouldn't Riverside look at the same thing? All the sudden, everybody would be doing it."

That could upset financial calculations throughout the state, because treated wastewater traditionally has been free, said Robert Reiter, the district's general manager.

### **No Sure Thing**

But the product may be a tough sell.

The last time any consumer saw it, this water was gurgling down the plumbing. A single skeptical phrase from opponents -- such as "toilet to tap" -- could be a deal-killer.

Those words did in the Los Angeles Department of Water and Power's East Valley Water Recycling Project four years ago. East Valley would have sent 3.2 billion gallons of water to Los Angeles' spreading grounds.

Opponents stressed that the water came from sewers. Politicians balked, and Mayor James Hahn killed the project in 2001.

The Orange County Water District learned from that debacle before it launched its own recycling program in 2004. Officials wooed the public with seminars and purification plant tours, and the district started construction on a \$487 million recycling project in October.

Both projects relied on free water, waste that upstream agencies had discarded.

Recycled-water advocates correctly point out that their technologies merely speed up nature's own recycling processes -- but they can't brush aside perceptions, Longville said.

"If I could get Oprah to do for recycled water what she did for mad cow disease, to somehow turn the public mind, I would," she said. "Because that's the single most difficult problem, the yuck factor."

Undaunted, Aldstadt sticks to her own market facts.

She says agencies have to consider several factors in choosing water to use in recharging: cleanliness, availability and price. By all three, San Bernardino's purified wastewater is the best bargain, she said.

### **Water War**

It could be valuable enough to trigger a new sort of water war.

According to a 1969 court decision known as the Orange County Judgment, agencies below Prado Dam have rights to 42,000 acre-feet of upstream water annually.

But Orange County faces a projected population increase of 700,000 people in the next 15 years. Under an application now before the State Water Board, the Orange County Water District is seeking to expand its rights to include all of the water that reaches Prado Dam on the Santa Ana River near Corona. During dry periods, it's almost all treated waste.

That, Altstadt said, gives San Bernardino an added incentive: to maintain its property rights to the potentially valuable wastewater.

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Online at: [http://www.pe.com/localnews/sanbernardino/stories/PE\\_News\\_Local\\_B\\_bwater26.21f548.html](http://www.pe.com/localnews/sanbernardino/stories/PE_News_Local_B_bwater26.21f548.html)

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will involve severe restrictions on riparian use and development, and has the potential to cause problems for the local residents. But unlike other river systems with large percentages of private ownership, most of

the watershed is Forest Service land, meaning that the relatively small impact on private uses would be something the combined state-federal partnership could address. (MVZ/JJL)

## SANTA ANA REGIONAL WATER QUALITY CONTROL BOARD AUTHORIZES RECYCLED WATER RECHARGE FOR CHINO GROUNDWATER BASIN

On April 15, 2005, the Santa Ana Regional Water Quality Control Board (RWQCB) adopted Order No. R8-2005-0033 authorizing the use of recycled water as a source of recharge water for the Chino Groundwater Basin. This approval is considered to be a landmark event, as water recycling is a critical component of the water resources management strategy for the Chino Basin.

### The Recycled Water Groundwater Project

The Inland Empire Utilities Agency's (IEUA) is upgrading 20 recharge basins as part of the recharge project, which will initially recharge 8,000 acre-feet of recycled water into the Chino Basin beginning as early as June of 2005. This phase of the project consists of three major components: wastewater treatment and water recycling facilities; recharge basins; and a conveyance system to deliver the various water supplies from their sources to the recharge basins. It is estimated that about 22,000 acre-feet of recycled water will eventually be used to recharge the groundwater basin annually.

The RWQCB's authorization to use recycled water to recharge the Chino Basin is part of a broader regional program known as the Chino Basin Recycled Water Groundwater Project. The project is a component of a comprehensive water supply enhancement program, jointly sponsored by the IEUA, the Chino Basin Watermaster, the Chino Basin Water Conservation District, and the San Bernardino County Flood Control District to improve the quality of local drinking water wells, enhance water supply reliability, and lower the cost of water to residents served by the Chino Basin.

### The Regional Board's Basin Plan

The Chino Basin is an adjudicated groundwater basin and one of the largest sources of groundwater

in Southern California, encompassing approximately 235 square miles of the upper Santa Ana River watershed in San Bernardino, Riverside and Los Angeles counties. Chino Basin provides the primary waater supply for about 750,000 people. Approximately 65 percent of the area's water supply comes from groundwater, 25 percent is imported from Northern California, 7 percent is generated from local surface water resources, and the remaining 3 percent comes from recycled water.

Section 60320 of Title 22, California Code of Regulations, requires that "reclaimed water used for groundwater recharge of domestic water supply aquifers by surface spreading shall be at all times of a quality that fully protects public health." The California Department of Health Services determined that using recycled groundwater to recharge the Chino Basin complies with § 60320, and will not degrade the receiving aquifer as a source of domestic water supply, so long as the conditions in the RWQCB's order are met.

Additionally, § 13523 of the California Water Code requires the regional boards to prescribe requirements for recycled water use, if in the judgment of the Board, it is necessary to protect the public health, safety, or welfare. The RWQCB's order complies with § 13523 and sets forth requirements for IEUA and the Chino Basin Watermaster to follow in using recycled water to replenish the Chino Basin, including requirements to implement the Water Quality Control Plan for the Santa Ana River Basin (Basin Plan) that governs water quality objectives and beneficial uses for the groundwater and surface waters of the Santa Ana Region, as well as an implementation plan that includes water quality management strategies for nitrogen and Total Dissolved Solids. The order also specifies effluent limitations and other requirements to achieve both the maximum



benefit and anti-degradation management objectives of the Basin Plan.

### Conclusion and Implications

The cost of groundwater supplies replenished by natural recharge and recycled water is about half that

of water imported from Northern California. The Regional Board's decision attempts to strike a balance between allowing a cost-effective and reliable new source of water supply to serve the area's growing water demands, while maintaining the long-term water quality of the Chino Basin. (MAS/KMC)

## LAHONTAN REGIONAL WATER QUALITY CONTROL BOARD DIRECTS NITRATE CLEANUP

During its April meeting, the California Regional Water Quality Control Board, Lahontan Region (RWQCB), addressed five alternatives designed to cleanup nitrates in groundwater resulting from discharges of water by the Los Angeles County Sanitation District No. 20 (district) and the City of Los Angeles World Airports (LAWA) (collectively, dischargers). The RWQCB directed the district to take action to begin cleanup measures, while at the same time recognizing the need for better long term cleanup standards and options that will not cause overdraft conditions.

### Background

In November 2003, the RWQCB adopted a Cleanup and Abatement Order requiring the district and LAWA to delineate the nitrate plume to background nitrate levels and to propose and implement a containment and remediation project. The nitrate groundwater pollution originated from the improper management of recycled wastewater discharged from the Palmdale Water Reclamation Plant. Data demonstrates that nitrate levels in the groundwater beneath the effluent disposal areas and wastewater ponds exceed the primary drinking water standard, and that the volume of groundwater affected by the nitrate plume to be 190,000 acre-feet.

In response, the dischargers submitted a containment and remediation plan to contain and cleanup the groundwater nitrate plume. In addition to the first alternative consisting of the "no action" or base line alternative, four other alternatives were presented. The second alternative, or "hot spot" alternative, would use five extraction wells pumping six months per year and would provide for the discharge of extracted water in wastewater ponds. Water from the

ponds would be delivered to the effluent management site to irrigate crops during the growing season. The third alternative, identified as a "limited containment-limited hot spot" alternative, would use fifteen extraction wells also pumping six months per year. Similar to alternative 2, water would be applied to crops at agronomic rates, but an additional temporary storage pond would need to be constructed and additional land would be required to dispose of the discharged water and to meet crop demand. The fourth alternative presented was an aggressive remediation strategy using twenty-five extraction wells pumping year round and a reverse osmosis system which would be used to treat the water and reduce nitrate levels. The final alternative was a "focused hot-spot alternative using components of alternatives 2 and 3, or eight extraction wells spaced more closely together. Of the five alternatives presented, the second alternative was the preferred alternative of the dischargers.

Of the alternatives, alternative four would remove the highest volume of groundwater and nitrate mass and would cause the least amount of groundwater elevation decline by returning almost eighty percent of the treated water to the aquifer. On the other hand, it was the most expensive alternative presented. The other alternatives provided combined benefits of restoring the beneficial uses of the groundwater and providing the district with more acres in production for agronomic application of effluent generated from its wastewater treatment facility. This would minimize the amount of wastewater that the District would need to dispose of above agronomic rates or land spread, activities that contributed to the groundwater pollution problem in the first instance. Alternatives 2, 3, and 5 were also the most cost effective as compared to the reverse osmosis plan contemplated in alternative 4. On the other hand, alternatives 2,



## Planning pays off when water treatment plant malfunctions

**FRENCH VALLEY:** The water facility is offline for 12 hours, but is rapidly back at work.

11:45 PM PDT on Wednesday, June 22, 2005

By TIM O'LEARY / The Press-Enterprise

FRENCH VALLEY - A malfunction at a water-treatment plant that serves much of southwest Riverside and San Diego counties cut the facility's output by half Wednesday, and prompted officials to consider whether conservation measures would be needed.

Such conservation steps were not deemed necessary, however, because it was determined the malfunction at the Robert A. Skinner plant would return to full operations about 12 hours after the problem occurred, said Denis Wolcott, a spokesman for the Metropolitan Water District of Southern California.

The malfunction, which was reported at 9:15 a.m., caused some flooding around the plant and briefly forced the closure of nearby Borel Road. Wolcott said plant officials know how the malfunction occurred, but not why.

He said a gate became stuck in a treated-water reservoir, causing surplus water to flow into nearby Tocalota Creek. The water was flowing at a rate of about 420 cubic feet per second for approximately an hour until the spill could be stopped. A cubic foot of water is about the size of a basketball.

About 33 acre-feet of water were lost, he said. An acre-foot of water is about 326,000 gallons.

While the malfunction cut the plant's output, it was helpful because the district, which sells wholesale water throughout Southern California, briefly put in place a program that calls for temporarily reducing supplies and ranking delivery priorities in the event of outages or severe drought conditions.

"Some of that planning paid off today," he said.

The treatment plant has periodically exceeded its capacity during hot summer months. In 2002, one of the driest summers on record, there were 10 to 12 such instances, typically lasting a few hours or more.

There are two treatment units at the Lake Skinner plant, which together produce about 240 million gallons of water a day. Construction of a third unit is under way.

That unit, which is expected to be completed in January 2007, will cost about \$91 million to build and treat about 110 million gallons a day.

*Reach Tim O'Leary at (951) 375-3733 or [toleary@pe.com](mailto:toleary@pe.com)*

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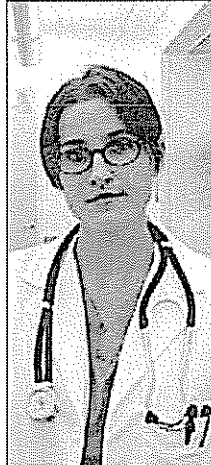


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New addition, renovations to Prado Dam moving forward

Officials tour site, open visitor's center

By Mason Stockstill, Staff Writer

CORONA - A new conduit that can triple the amount of water released from the Prado Dam will be dug out next year as part of the dam's renovation, officials with the Army Corps of Engineers said Tuesday.

The massive project to raise the dam's top level is intended to reduce the likelihood of flooding along the Santa Ana River by increasing both the dam's capacity and the amount of water that can be discharged to relieve pressure.

With the modifications, more water will be available for use downstream in Orange County, said Herb Nakasone, director of the county's public works department.

"Those of us in Orange County are fortunate that the dam provides not only safety, but water for our homes and businesses," Nakasone said.

Nakasone and other officials gathered for a ribbon-cutting ceremony Tuesday at the newly opened Prado Dam Visitors Center.

The event also included a tour of the dam's construction site, where steelworkers labored on the new intake tower that will regulate the flow of water from the dam.

Currently, the top of the dam stands 566 feet above sea level and the existing conduit for releasing floodwaters can handle up to 10,000 cubic feet of water per second.

That's about how much was released at the height of this year's winter storms, said Col. Alex Dornstauder of the Army Corps, who had recently been assigned to the dam after returning from Iraq.

"Probably 60 days on the job, my staff cooked up the second-largest rainfall in history just to see if I could take it," Dornstauder joked.

When the \$435 million project is completed, the dam will be 28.4 feet higher and the discharge capability will reach 30,000 cubic feet of water per second.

Doug Chitwood of the Army Corps said the new discharge conduit will be built in what officials call the "thin section" of the dam the eastern embankment where, in January, water seeped through loose gravel, prompting Corona officials to evacuate nearby homes.

"Water goes through that real easy," Chitwood said. "It was never really a safety issue."

Construction workers will be ready next year to cut through the natural material on the east side of the embankment and reinforce the new conduit with steel and concrete,

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Chitwood said. The old conduit, near the 71 Freeway on the west, will be buried.


The dam was originally built in 1941 after a devastating flood in 1938 swept through Orange County, causing hundreds of millions of dollars in damage.

The project to upgrade the dam which holds back what the Army Corps considers the greatest flood threat west of the Mississippi was authorized by Congress in 1996. Orange County is bearing about half of the project's cost.

Orange County officials are involved in a dispute with landowners on the north side of the dam, whose property must be purchased to be added to the expanded flood basin. Many of the landowners say the county is not offering enough money for their property.

Mason Stockstill can be reached by e-mail [mason.stockstill@dailybulletin.com](mailto:mason.stockstill@dailybulletin.com) or by phone at (909) 483-4643.

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# Land deal may settle suit

## County, Colonies conflict could end with deal

By Edward Barrera  
Staff Writer

**RANCHO CUCAMONGA** — Flood-control land in the northern part of the city could be part of a settlement deal between the county and Colonies Partners, the Daily Bulletin has learned.

According to sources familiar with the negotiations, the undeveloped land north of the 210 Freeway in Rancho Cucamonga near the border with Upland is being discussed as payment, in lieu of cash, in any settlement of a lawsuit between the San Bernardino County Board of Supervisors and the developers of the Colonies project in Upland.

It's unclear if the exchange would cover all or only a portion of any settlement amount. The county and developers have been embroiled in a three-year legal battle about who has financial responsibility for a flood-control basin in the middle of the Colonies' 434-acre property.

The county wouldn't confirm the information, citing pending litigation, and a Colonies spokesperson could not be reached for comment. Rancho Cucamonga Mayor Bill Alexander said he has heard the rumor but hasn't been officially notified about any proposed land deal. While he dubbed the information "hearsay," Alexander said he would have reservations about further development in that part of his city.

"We have enough challenges on our hands to keep up with the services that are needed right now within our borders," he said. Robert DeLoach, executive director of the Cucamonga Valley Water District, which has water rights under the land, said as long as the property was developed properly and its water recharge protected, the land could be developed.

The property — bounded by Banyan Street to the south, Deer Creek Channel to the west and Day Creek Channel to the east — is owned by the county's flood-control district.

Early this month, the county See DEAL / page A8

be reimbursed, and the county should pay market value of the "taken" land, the developers argue. The county has stated it has no financial responsibility, and that the cost should be paid by other agencies and the Colonies.

In a confidential county memo dated April 4, Colonies officials pegged market value for the "taken" land at \$1.5 million per acre and \$55 million total, which county lawyers dismissed as highly inflated. The lawyers said that since the land was designated open space, all 37 acres were only worth a total of about \$1 million.

But Upland officials said the land was zoned for flood-control purposes. If the land had been available for another use, the city would have been amenable to a zone change, said Mayor John Pomierski.

"If 37 more acres had been available, it would have meant more residential or commercial development and meant more property or sales taxes coming into our coffers," he said. "We would have worked with the developers to create more development."

A state appellate hearing is scheduled for July 6 in connection with the litigation.

*Edward Barrera can be reached by e-mail at [edward.barrera@dailybulletin.com](mailto:edward.barrera@dailybulletin.com) or by phone at (909) 483-9356.*

## Deal

continued from page A1

hired an appraiser, Waldron & Associates, to assess the value of approximately 1,137 acres of district-owned land in the western part of the county. Since the construction of the two channels, the district no longer needs the land, according to the county.

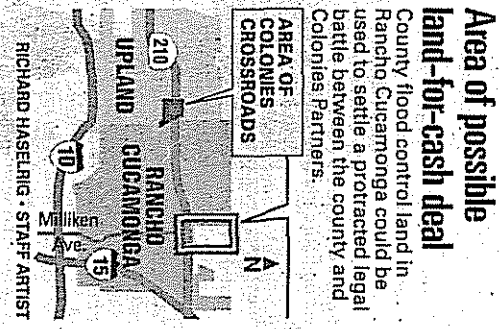
The Colonies would receive only part of that parcel if it is included in a settlement deal, sources said.

According to Steve Johnson, director of the Southern California office of Metrostudy, a Dallas-based real estate consulting firm, undeveloped land in Rancho Cucamonga is worth between \$600,000 and \$1 million per acre, depending on location. An acre is 43,650 square feet.

Johnson also said that a house on a typical 10,000 square-foot lot could sell for between \$900,000 and \$1.5 million.

Colonies has been battling with the county over 67 acres required for flood-control purposes on the northeast Upland project.

Outside of millions spent by the Colonies on refurbishing the basin, more land — 37 acres — was required after construction of the 210 Freeway. The expense should



### Area of possible land-for-cash deal

County flood control land in Rancho Cucamonga could be used to settle a protracted legal battle between the county and Colonies Partners.

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# Inland Valley Daily Bulletin

## **Farmers unable to sue over water shortage**

**By Juliana Barbassa**

**Associated Press**

**Thursday, June 23, 2005** - FRESNO - Individual farmers may not sue the federal government to enforce water contracts entered into by their irrigation districts, a unanimous Supreme Court said Thursday in a ruling that limits landowners' ability to seek compensation for reduced flows.

Two dozen farmers from California's Central Valley wanted the federal government to pay them about \$32 million as compensation for water they were supposed to get under a federal contract. The U.S. Bureau of Reclamation diverted the water to comply with Endangered Species Act requirements to protect two threatened fish.

But the federal government argued its contract with the Westlands Water District only allowed lawsuits by the district itself not by individual landowners who are its members.

The state of California and the water district agreed, contending that letting farmers sue the government directly could result in a rash of cases and undermine water districts' ability to do business with the Bureau of Reclamation, the federal agency that manages water in the West.

Justices concluded that the 1982 Reclamation Reform Act "does not permit a plaintiff to sue the United States alone," Justice Clarence Thomas wrote for the court.

At issue was a 1963 water service contract between the Bureau of Reclamation and Westlands, the nation's largest water district, which encompasses 600,000 acres of cotton, tomatoes, onions and other farmland in western Fresno and Kings counties.

In 1993 the Bureau of Reclamation cut Westlands' water allocation by half because of federal requirements to protect the threatened winter-run chinook salmon and delta smelt. Westlands and some farmers in the water district sued.

Westlands dropped its suit two years later as part of negotiations to establish the California Federal Bay-Delta water project. But about two dozen individual property owners and farming partnerships, led by an aging farmer named Francis Orff, pressed the litigation.

The farmers contended they needed a way to get compensation for their losses.

Attorney Stuart Somach, of Sacramento, who represented Westlands, could not be immediately reached for comment.

But the Los Angeles-based lawyer representing the farmers, William Smiland, said his clients might still try to remedy what they consider a breach of contract by taking their case to the United States Court of Federal Claims.



He said there are still details to be worked out before his clients make that decision, but he emphasized this was a very serious matter for the plaintiffs, and other farmers in the region.

"When you buy water from the federal government and apply it to the land you acquire a property right a right to be able to buy the water in the future, perpetually," Smiland said.

Taking the water hurts the farmers, who invested in their land and crops believing they could count on the amount of water written into the irrigation district's contract, he added.

In this case, the attorney said, the district's contract promised 900,000 acre-feet of water every year, but got only about 450,000 a disparity that caused them serious economic loss.

If the Supreme Court had agreed, hundreds of individual farmers could have tried to take on the Bureau of Reclamation, leading to chaotic litigation, according to government attorneys.

A win for the farmers could also have made it too expensive for the government to divert water from agriculture to meet its environmental obligations under the Endangered Species and the Clean Water acts, environmental advocates said.

"If they'd been permitted to sue, they would have held the government hostage, and required the taxpayers to shell out every time the federal agencies wanted to use that water to protect the environment," said Lloyd Carter, director of Revive the San Joaquin, an environmental organization set on restoring the river.

Enormous pumps in the San Joaquin-Sacramento River Delta near San Francisco Bay send water to Westlands and other irrigation districts in the arid western half of the Central Valley. Delta water is also sent as far south as Los Angeles.

"This is a huge win for the environment of the western United States," Barry Nelson, a senior policy analyst at the Natural Resources Defense Council, said in a statement. "The court said unanimously that agribusinesses cannot use their subsidized federal water contracts to block laws that protect the public and the environment."

Associated Press Writer Erica Werner contributed to this report.