

CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, August 25, 2005

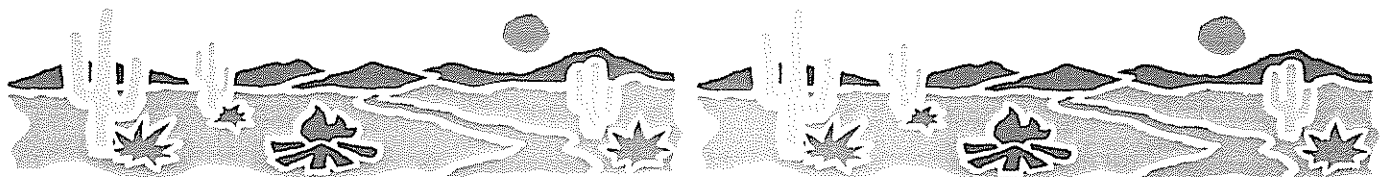
9:00 a.m. – Advisory Committee Meeting

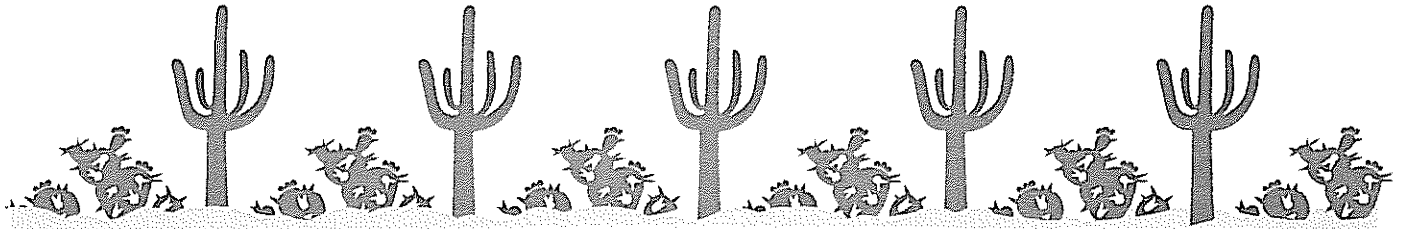
11:00 a.m. – Watermaster Board Meeting

(Lunch Will Be Served)

AT THE CHINO BASIN WATERMASTER OFFICES

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





CHINO BASIN WATERMASTER

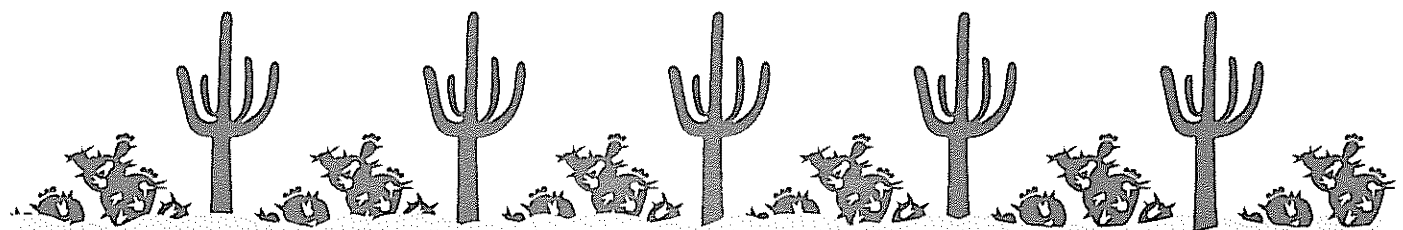
August 25, 2005

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. – August 25, 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 July 28, 2005 (*Page 1*)

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of July 2005 (*Page 19*)
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2004 through June 30, 2005 (*Page 23*)
3. Treasurer's Report of Financial Affairs for the Period June 1, 2005 through June 30, 2005 (*Page 25*)
4. Profit & Loss Budget vs. Actual July 2004 through June 2005 (*Page 27*)

C. WATER TRANSACTION

1. **Consider Approval for Transaction of Notice of Sale or Transfer** – Fontana Water Company has agreed to purchase from Cucamonga Valley Water District water in storage in the amount of 2,500 acre-feet; Date of Application: June 8, 2005 (*Page 29*)
2. **Consider Approval for Transaction of Notice of Sale or Transfer** – The Fontana Water Company has agreed to purchase from West Valley Water District water in storage in the amount of 1,000 acre-feet; Date of Application: June 8, 2005 (*Page 43*)
3. **Consider Approval for Transaction of Notice of Sale or Transfer** – Fontana Water Company has agreed to purchase from Nicholson Trust water in storage in the amount of 5.458 acre-feet; Date of Application: July 5, 2005 (*Page 57*)

D. STATUS REPORT NO. 15

Consider Authorization to File OBMP Status Report No. 15 with Court and Authorize Staff and Counsel to Make Minor Edits as Necessary (*Page 71*)

II. BUSINESS ITEMS

A. NORTH GUALALA AMICUS

Consider Approval of the Completed Amicus Brief for Filing (*Page 95*)

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

1. Attorney-Manager
2. Board Re-Appointment (*Page 107*)

B. CEO/STAFF REPORT

1. Rialto Pipeline Availability
2. Ontario Airport Clean Up & Abatement Update
3. Basin Maintenance Update
4. Water Activity Report Update

C. INLAND EMPIRE UTILITIES AGENCY

1. MWD Status Report – Richard Atwater
2. State Water Plan (B160) – Martha Davis
3. Planning and Water Resources Quarterly Report (*Page 115*)
4. State/Federal Legislation Reports (*Page 129*)
5. Community Outreach/Public Relations Report (*Page 155*)

D. OTHER METROPOLITAN MEMBER AGENCY REPORTS**IV. INFORMATION**

1. Quarterly Status Report No. 14 (*Page 157*)
2. Newspaper Articles (*Page 161*)

V. COMMITTEE MEMBER COMMENTS**VI. OTHER BUSINESS****VII. FUTURE MEETINGS**

August 22, 2005	1:00 p.m.	Water Quality Meeting
August 23, 2005	9:00 a.m.	GRCC Meeting
August 25, 2005	9:00 a.m.	Advisory Committee Meeting
August 25, 2005	11:00 a.m.	Watermaster Board Meeting
September 8, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
September 20, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
September 22, 2005	9:00 a.m.	Advisory Committee Meeting
September 22, 2005	11:00 a.m.	Watermaster Board Meeting

Meeting Adjourn

**CHINO BASIN WATERMASTER
BOARD MEETING**

11:00 a.m. – August 25, 2005

At The Offices Of

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

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II. BUSINESS ITEMS

A. NORTH GUALALA AMICUS

Consider Approval of the Completed Amicus Brief for Filing *(Page 107)*

B. ACWA – REGION 9 ELECTION FOR 2004-2005 TERM

Review Ballot and Cast Vote for Chair, Vice Chair, and Three to Five Members for the Board of Directors (Page 103)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

- 1. Attorney-Manager
- 2. Board Re-Appointment (Page 107)

B. CEO/STAFF REPORT

- 1. Rialto Pipeline Availability
- 2. Ontario Airport Clean Up & Abatement Update
- 3. Basin Maintenance Update
- 4. Water Activity Report Update

IV. INFORMATION

- 1. Quarterly Status Report No. 14 (Page 157)
- 2. Newspaper Articles (Page 161)

V. BOARD MEMBER COMMENTS

VI. OTHER BUSINESS

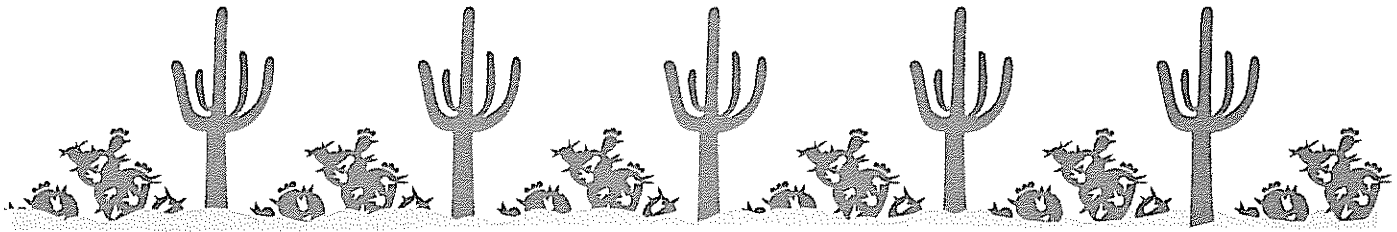
VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

- 1. Personnel Matters
- 2. C.E.O. Performance Review

VIII. FUTURE MEETINGS

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September 22, 2005	11:00 a.m.	Watermaster Board Meeting

Meeting Adjourn

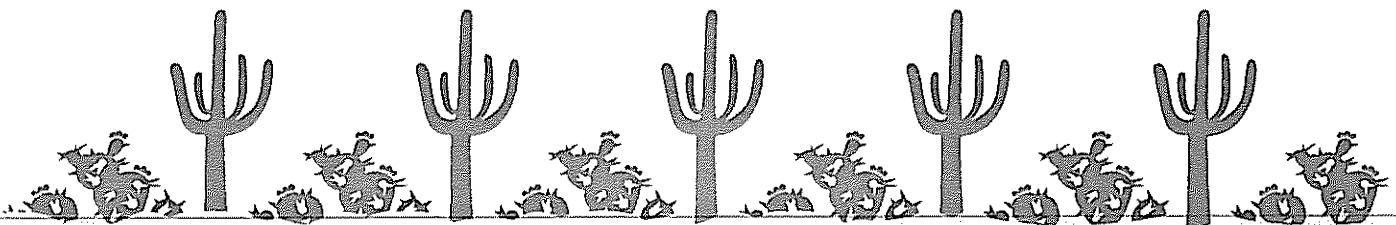


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Advisory Committee Meeting – July 28, 2005



Draft Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

July 28, 2005

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on July 28, 2005 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

Nathan deBoom, Chair

Rita Kurth

Rich Atwater

Gerald J. Black

Mike McGraw

Ray Wellington

Mike Maestas

Bill Stafford

Raul Garibay

Dave Crosley

Agricultural Pool

John Huitsing

Non-Agricultural Pool

Bob Bowcock

Milk Producers Counsel

Cucamonga Valley Water District

Inland Empire Utilities Agency

Fontana Union Water Company

Fontana Water Company

San Antonio Water Company

City of Chino Hills

Marygold Mutual Water Company

City of Pomona

City of Chino

Dairy

Vulcan Materials Company (Calmat Division)

Watermaster Board Members Present

John Anderson

Inland Empire Utilities Agency

Watermaster Staff Present

Kenneth R. Manning

Sheri Rojo

Gordon Treweek

Sheri Lynne Molino

Chief Executive Officer

Finance Manager

Project Engineer

Recording Secretary

Watermaster Consultants Present

Michael Fife

Mark Wildermuth

Hatch & Parent

Wildermuth Environmental Inc.

Others Present

Tom Love

Martha Davis

Teri Layton

Inland Empire Utilities Agency

Inland Empire Utilities Agency

San Antonio Water Company

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. It was noted that at the July 19, 2005 Agricultural Pool meeting there was not a quorum and Nathan deBoom would be voting by proxy at the Advisory Committee meeting for the Agricultural Pool votes.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting held June 23, 2005

B. FINANCIAL REPORTS

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

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
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

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

Motion by McGraw, second by Bowcock, and by unanimous vote – and the Agricultural Pool concurred

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

II. BUSINESS ITEMS**A. DRY YEAR YIELD CONTRACT**

Mr. Manning stated that the Dry Year Yield contract which has been incorporated into the Chino Basin has some limits attached to that agreement. There is a 100,000 acre-foot total limit, a 25,000 acre-foot limit to go into the ground within any one year, and a 33,000 acre-foot storage extraction within any one year, which are all built into the agreement. Due to this unusually wet year, Metropolitan has asked Watermaster to raise the cap on the 25,000 acre-foot, to allow Watermaster to be able to place more acre-feet into the ground. Metropolitan is not sure how much over the 25,000 acre-feet will be placed into the ground, only that it will be greater than 25,000 acre-feet. Metropolitan is asking the Board and the Watermaster process to approve the extension allowing the 25,000 acre-foot limit to be raised. Mr. Manning stated that in looking over the one year waiver there are no negatives for Watermaster and that Metropolitan has been told verbally that Watermaster is going to be exercising a 6% loss factor on water within the Storage Agreement. Mr. Manning noted when this item was presented to the Appropriative and Non-Agricultural Pool; the Appropriative Pool did not pass this request due to the interest in wanting Watermaster to speak with Metropolitan about obtaining a fee or payment for the water received above the 25,000 acre-feet. A discussion took place with Metropolitan, Rich Atwater, Deborah Mann, and Sheri Rojo, it was noted that Metropolitan is not interested in opening discussions regarding any type of compensation for the overage. The reasoning behind not wanting to discuss this option is that there are two districts interested in paying for additional storage and then the 6% loss factor which was recently presented to them. Staff is asking the Advisory Committee to make a motion to pass this item and then this item will be presented back to the Appropriative Pool offering the same information that was given at this meeting for their approval. A question regarding whether or not replenishment water would be being placed into the ground first prior to the 25,000 plus water, in order to meet the replenishment obligations was presented. Mr. Manning stated that Metropolitan will be able to meet our replenishment delivery obligation first. Mr. Atwater offered some insight into Metropolitan's rules regarding certification. A question regarding how high of a cap will be administered was presented. Mr. Atwater stated that there is no reason at this time to place an arbitrary cap on this water. Mr. Manning stated that staff is asking for a raise in the 25,000 acre-foot cap with no limit as long as there are no problems with replenishment. A lengthy discussion regarding the cap and replenishment ensued. A question regarding in lieu deliveries and the yearly Operations

Plans was presented. Mr. Atwater stated that the Annual Operating Plans are exactly that, a plan and/or estimate, and nobody will be held to that if more or less water is taken. A question regarding the 6% loss factor and if that applies after the fiscal year is completed was presented. Mr. Wildermuth noted that he has done those calculations theoretically in the past, as to how it would be applied, and it is assumed that it is occurring throughout the year. Mr. Atwater commented that all parties involved might want to meet and discuss this issue with the Orange County Water District to see how they are working with their loss calculations. A discussion ensued with regard to these calculations. Ms. Rojo stated that replenishment water has a higher priority than water to be delivered to a storage account, but appropriators just order their in lieu water like regular deliveries and do not certify that it was a delivery to the storage accounts until six months after the fact. In essence, participation in the Dry Year Yield Program has the opportunity to impact replenishment water deliveries. The question of how Watermaster is applying losses to Metropolitan's account was presented. Mr. Manning and Ms. Rojo stated that there is no loss factor right now; the contract states that the losses start getting applied this year. Counsel Fife restated what took place at the Appropriative Pool meeting and commented on the meeting which took place with MET regarding the 6% loss. Mr. Atwater reviewed the wording in the contract regarding the 6% loss factor. A question regarding Watermaster's drop dead date to obtaining a rule to facilitate the open-ended contract was presented. Counsel Fife stated that the Rules & Regulations state that Watermaster may begin assessing losses to all storage accounts in 2005. Counsel Fife stated that the lifting of the cap and the 6% loss are two completely different issues and the item which is being presented today is only the lifting of the 25,000 acre-foot put cap. A discussion ensued with regard to the Hydraulic Control Program and technical information affecting the 6% losses. With no other questions or comments chair deBoom asked for a motion.

Motion by Bowcock, second by Crosley, and by unanimous vote –and the Agricultural Pool concurred

Moved to approve the one year waiver of the 25,000 acre-foot put cap for 2006, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney-Manager

Counsel Fife stated a technical meeting was held last week, and noted the meeting went very well. At that technical meeting Dave Argo presented a schematic plan for the next increment of desalter capacity. That plan was given to Mark Wildermuth for review to see if that plan will meet the Hydraulic Control needs; staff is waiting to hear back from Wildermuth on that analysis. Counsel is looking for comments on the paper which was distributed called the "Consensus Proposal"; all comments need to be submitted as soon as possible.

2. Court Filings

Counsel Fife noted there are going to be several court filings to be filed with the court in the month of August. Once all the paperwork is complete the pleadings will be processed and copies will be distributed to the parties.

3. North Gualala Amicus

Counsel Fife stated that the North Gualala Water Company filed its opening applet brief and copies of that brief are available on the back table for review. Initial drafts of this brief were reviewed by counsel and counsel encouraged them to address some of the issues that are of a concern to Watermaster and Chino Basin. The issue which is causing this case to go on appeal is the trial court said in their case that if groundwater pumping impacts a surface stream, then it is State Board Jurisdictional. Counsel asked them to address that policy issue; it is only mentioned in a few words in the brief, they stayed focused on specific factual circumstances to their case. Counsel stated that the brief did not address the question,

"what happens if there is groundwater pumping of percolating groundwater that actually diminishes the flow of a surface stream" which is the important issue for the Chino Basin. Based on this information staff is recommending counsel file an amicus brief which would be brought through the pool process, hopefully as early as September, for approval to file.

B. CEO/STAFF REPORT

1. Wet Basin Rehabilitation Program Update

Mr. Manning stated information was previously brought to this committee regarding a Wet Basin Rehabilitation Program which was done in conjunction with Scuba Duba. Scuba Duba was introduced to Watermaster by Geoffrey Vanden Heuvel who had done some prior work with them. Scuba Duba felt they had technology that could be applied to our basins which could help clean the basins while they are wet. A five day test was done with Scuba Duba in the Turner 2 basin and revealed some success, enough success to start the thought process about what other opportunities might be available for this process. A sub-committee has been formed for this task which includes staff from Inland Empire Utilities Agency, Orange County and others. One of the things that is evident from the discussions is that whatever method is used it is going to take some financial investment. Mr. Manning noted that staff's plan is to bring back draft information through the Watermaster process in September on wet basin alternative programs that might be available, including some cost factors that will be attributed to those alternatives.

2. Progress on College Heights Test

Mr. Manning stated that a number of months ago a recommendation, which was brought through the Watermaster process, was made to halt using the College Basins until more was understood about the Upland Basin and how it was going to operate given the new storm drain connection that the City Upland installed. With this last rainy season a lot of information was gathered which provided enough information on how the basin was going to operate. It was originally thought it could possibly take a few years to gather this information but with this rainy season it was gathered more rapidly. Also with the additional water that was coming down the channel from San Antonio, staff decided to start a test in the College Heights Basin to get an idea of how the College Heights Basin would operate in conjunction with the Upland Basin. Mr. Treweek stated that during the winter, the monitoring well network was completed. With the network in place staff decided to run a simple test of bringing in 4 cfs off the San Antonio Channel and diverting it into the College Heights West; this has been taking place since July 1, 2005. The idea was to monitor what was occurring in the wells and observing whether the recharge water daylighted in the reconfigured Upland Basin. Mr. Treweek reviewed several charts on the overhead to review the migration of water into the basins and well findings. We are approximately four weeks into the program and so far staff has seen what has been expected. A question regarding possible treatment to the southern end of College Heights slide slopes was presented. Mr. Treweek stated observations have taken place to see if any water was daylighting. Mr. Wildermuth added comment that the question which was presented was to inquire if there have been any impermeable barriers placed around the slide slopes to stop seepage around the Upland Basin. Mr. Treweek noted that URS came in and helped with a study and the idea of putting in a barrier was discussed and considered. Mr. Manning noted that the connecting pipe which was approved last month is now under construction and should be completed within a week or two. This will connect the rubber dam structure over to the pipe that the City of Upland installed which will allow water to be directly recharged into the Upland Basin.

3. Basin Recharge Report

Mr. Manning commented this is a report which staff has been trying to provide each month to keep parties apprised of the basin recharge activities. Mr. Manning stated that the final calculations from the storm season have been finalized which also incorporates the numbers from the snow melt. Mr. Treweek noted there is a handout on the back table that

recaps all twelve storm events (no. 12 is the snow melt number) for review. An additional 2,000 acre-feet was added to this year's storm event numbers from snow melt. A total of 17,642 acre-feet of stormwater was captured this storm season and then with the historical average of 5,600 acre-feet subtracted out that left a new yield of 12,042 acre-feet. Mr. Manning stated that one of the things that were discovered during this last storm season is that it is felt that the same amount of water with a considerably less amount of rainfall can be captured due to the recent improvements to the basins.

4. Report Updates

Mr. Manning noted this item is a heads up section and/or informational section on some items that are now available or will be available soon. The State of the Basin Report is currently available on the Watermaster and Wildermuth web sites; substantial changes have been made to the draft that came out to address some of the comments that were made including storage and salt removal sections.

The Material Physical Injury Analysis for Recharge for Recycled Water in the draft form will be available in early August and will go through the Watermaster process for approval.

The Recharge Operations Procedures Manual, which is a very important document because the Flood Control District stated they would be much more flexible on how we operate our basins if they have two things in place, 1) the Operations Manual, and 2) the SCADA system up and working properly.

The Biannual Analysis of Recharge & Discharge Report will be completed shortly and will be placed on both Watermaster and Wildermuth web sites. Although the Forbearance Agreement for the MZ1 allows for production for any well from July 1 to September 30, the City of Chino Hills has voluntarily continued not to pump in the deep production wells in order for Watermaster staff to gather additional data.

Mr. Manning stated that activity on land conversion and voluntary assessments still need to be completed by several parties. This year Watermaster will be separating the water activity reporting from the assessment process and if those reports are going to be out on time, staff must have this information concluded by mid August.

Added Comment:

Mr. Manning commented on the three adorable babies whose pictures and stats are posted on the entry door to the board room and noted that Danni Maurizio gave birth to a baby boy a few months ago, Scott Slater's wife gave birth to a baby boy last week, Sherri Lynne's daughter gave birth to a baby girl this week, and Ken's daughter gave birth to a baby girl last week. Lots and lots of babies for the Watermaster staff and Mr. Manning congratulated all parents and grandparents.

C. INLAND EMPIRE UTILITIES AGENCY

1. MWD Status Report – Richard Atwater

Mr. Atwater stated this fall there will be a lot of discussions between the member agencies regarding the rate structure and an update will be given as soon as there is information to release. Rick Hansen, John Rossi, and Rich Atwater sent a letter to Metropolitan and are starting dialog on how to get the Chino Desalters additional funding. As part of those discussions, Inland Empire Utilities Agency (IEUA) has initiated discussions about the potential for expanding their agreement for 100,000 dollars; other parties have expressed interest in this. It was thought that, as in the past, Metropolitan might put more financial backing into the financing of the engineering studies which Wildermuth Environmental will then need to perform additional analysis if IEUA increases their storage account. The agreement that was drafted in 2001 stated that Metropolitan would put up the money and as

long as the CEQA compliance documentation was completed, we would not be subject to any reimbursement. Staff is working on trying to put together the same type of agreement this year. Mr. Atwater stated that he and his staff are actively meeting with Metropolitan every week on replenishment deliveries. As a part of the meetings and discussions with Metropolitan, Jurupa Community Services and Western Municipal Water District are inquiring about a potential new connection that would serve the Chino Basin (that would be from the Mills Plant) be installed. Mr. Atwater noted that inquiries have been voiced to re-energize the baseline feeder project; meetings have been scheduled to open discussions on this topic.

2. Recycled Water Report – Tom Love

Phase II Title 22 Status

Mr. Love reviewed the Phase II Chino Basin Recycled Water Recharge; Title 22 Engineering Report dated August 2005. In December 2003, a public hearing was held for the Phase I Recharge permit for putting recycled water into the groundwater basin through the recharge facilities and on April 15, 2005 the hearing documents went to the Regional Board for approval. Now that staff is moving forward with the Phase II Report, that report has been made available on the IEUA web site and additional disks of that report have been brought to this meeting today for review. The Phase II Report process is a much more aggressive process than the Phase I was. Mr. Love reviewed the Phase I Basins which were permitted on April 15, 2005 and reviewed the Phase II Basins. The permit schedule should follow as outlined, 1) Draft Title 22 Report – July 2005, 2) DHS Public Hearing – October 2005, 3) DHS Findings – November 2005, and 4) Regional Water Quality Control Board Permit – January 2006. Staff feels this schedule can be met so that recycled water can be put into the basins as the facilities are built. A discussion ensued with regard to the Title 22 report.

3. State Water Plan (B160) – Martha Davis

Ms. Davis noted that in late spring the California Resources released its updated California Water Plan. Ms. Davis was able to sit on the Advisory Committee which helped to prepare this plan along with attending the public workshops regarding this plan. Since the plan and workshops were very long, the executive briefing, which has an extremely condensed version of this plan, is what is being presented at today's meeting. The Key changes that the Department of Water Resources made in coming up with this plan is to have an open and transparent public process, to seek collaborative recommendations, and to prepare a strategic plan. Newly configured charts such as water portfolios were modified using actual data which is much more useful data than before. The new feature "Multiple Future Scenarios" which uses plausible yet different base conditions to plan for uncertainties and risks was added. Tools for water managers and resource planners to reduce water demand, improve operational efficiency and transfers, increase water supply, improve water quality, and practice resource stewardship was added as a new feature titled "25 Resource Management Strategies". Ms. Davis reviewed the Framework for Action – Sustainable & Reliable Water in 2030 chart. Ms. Davis noted that when reviewing the scenarios, demand changes by region for California, when you play with population; you play with some of the levels of economic development. The Range of Water Supply Benefits chart was reviewed in detail. The Core Recommendation in this plan include, a) Provide effective State leadership, oversight & assistance, b) Clarify State, federal and local roles & responsibilities, c) Develop funding strategies & clarify role of public investments, d) Increase tribal participation and access to funding, e) Ensure Environmental Justice across all communities, f) Adapt for global climate change impacts, g) Invest in new water technology, g) Improve water data management and analysis, and h) Increase scientific understanding. Key comments which were given on this plan were examined. It was recommended that the next revision incorporate information from the 2005 Urban Water Management Plans. Praise for the new approach and structure of the plan was given.

4. Water Resources Report (handout)

No comment was made regarding this item.

- 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
No comment was made regarding this item.

IV. INFORMATION

- 1. Newspaper Articles
No comment was made regarding this item.

V. COMMITTEE MEMBER COMMENTS
No comment was made regarding this item.

VI. OTHER BUSINESS
No comment was made regarding this item.

VII. FUTURE MEETINGS

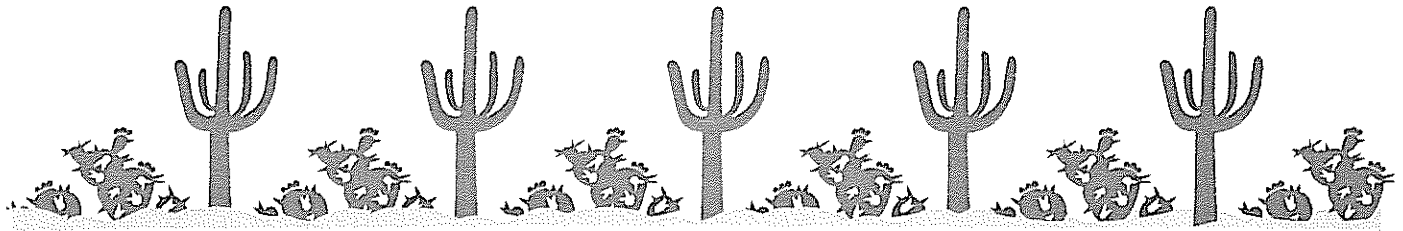
July 28, 2005	9:00 a.m.	Advisory Committee Meeting
July 28, 2005	11:00 a.m.	Watermaster Board Meeting
August 11, 2005	9:00 a.m.	Joint Appropriative & Non Agricultural Pool Meeting
August 16, 2005	11:00 a.m.	Agricultural Pool Meeting @ IEUA
August 25, 2005	9:00 a.m.	Advisory Committee Meeting
August 25, 2005	11:00 a.m.	Watermaster Board Meeting

The Advisory Committee Meeting Adjourned at 10:22 a.m.

Secretary: _____

Minutes Approved: _____

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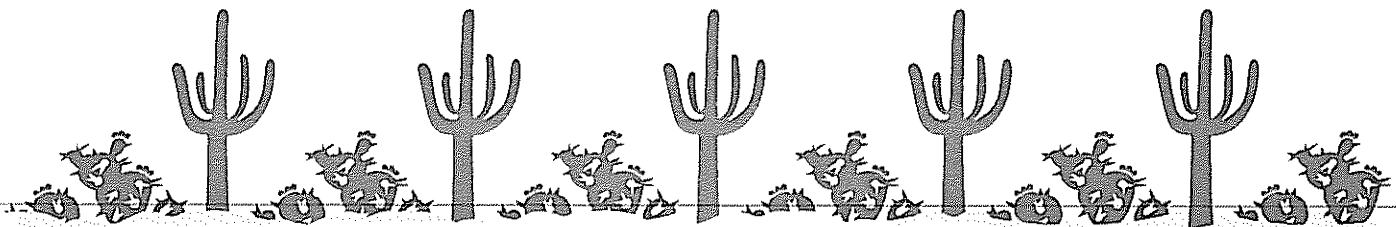


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Watermaster Board Meeting –
July 28, 2005



Draft Minutes
CHINO BASIN WATERMASTER
BOARD MEETING
July 28, 2005

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on July 28, 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

Mohamad El-Amamy	City of Ontario
Dave Crosley	City of Chino
Raul Garibay	City of Pomona
Terry Catlin	Inland Empire Utilities Agency
David DeJesus	Three Valleys Municipal Water District
Mark Kinsey	Monte Vista Water District
Mike Maestas	City of Chino Hills

The Watermaster Board Meeting was called to order by Chair Neufeld at 11:15 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 June 23, 2005

B. FINANCIAL REPORTS

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

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
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

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

Motion by Hamrick, second by Kuhn, and by unanimous vote

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

II. BUSINESS ITEMS**A. DRY YEAR YIELD CONTRACT**

Mr. Manning reported that the Watermaster has a Dry Year Yield Program with the Metropolitan Water District (MET), and noted that contract for the DYY Program has three basic limits built into it. The first limit is the 100,000 acre-foot limit, there is a 33,000 acre-foot withdrawal maximum per year built into the contract on the take side, and on the put side there is a 25,000 acre-foot limit per year. What MET has asked Watermaster to do is to consider eliminating the 25,000 one year put requirement because of the wet year we have had; MET believes they can put substantially more water into the basin this year. This item has gone before the Pools and Advisory Committee; however, at the Appropriator meeting that committee asked that Watermaster approach Metropolitan Water District as to whether or not they would be inclined to pay Watermaster money for the waiver of the 25,000 acre-foot limit. MET was approached with this concept and MET was not inclined to entertain that kind of an action. MET did not want to discuss this further for two other reasons; 1) the fact that MET has conversations going on currently with Orange County and Kern County whereby both of those agencies are going to be paying for the same kind of water that we will be putting into storage, and 2) at the same meeting in which we approached them about loss rate, where the 6% loss factor on the agreement was specified. The Agricultural Pool and the Advisory Committee approved this item, as presented, and staff is asking the Board members to allow Watermaster to administratively deal with the input of the Dry Year Yield water and the raise the 25,000 put cap with no limits attached. There is a great deal of flexibility in how the water is handled because there is a six month lag between the time the water is actually taken and when the water has to be certified. If there is a situation where Watermaster has to pay for the water and put it into replenishment in order to keep ourselves in good standing with the replenishment obligations, Watermaster has six months to accomplish that. This item will be taken back to the Appropriative Pool and will be offered the same information that was presented at this meeting; staff will be asking for their concurrence in August. The question if this was a one year waiver or a permanent waiver was presented. Mr. Manning stated it was for one year only. Chair Neufeld inquired to the mechanics of going back to the Appropriative Pool after the motion to approve this item was made at the Advisory Committee and the Watermaster Board meeting. Mr. Manning noted that the person who was particularly asking for this to occur at the Appropriative Pool level was Mr. DeLoach. A meeting to discuss this situation was scheduled between Mr. DeLoach and Mr. Atwater, Mr. Manning's schedule did not allow him to attend this

meeting, and Mr. DeLoach has now concurred with the decision and is supportive of this program. A discussion ensued with regard to bringing this item back to the Appropriative Pool. The question was presented if legal counsel has reviewed the mechanics of sending this item back to the Appropriative Pool and Counsel Slater stated there is no requirement to send this item back to them.

Motion by Kuhn, second by Hamrick, and by unanimous vote

Moved to approve the one year waiver of the 25,000 acre-foot put cap for 2006, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney-Manager

Counsel Slater stated this item deals with the ongoing Attorney-Manager discussions among the stakeholders regarding the various issues that are up for reconsideration in 2005 and subsequent years. This process has been taking place for over a year now and at the last meeting it was felt that all the basic technical information is in place. Counsel has met with all the stakeholders at least on one occasion separately and noted that each stakeholder had committed to completing a negotiated process by the end of summer in the form of a term sheet. That term sheet would then be recommended back to their individual boards, counsels, and constituents for final execution and completion at the end of this calendar year. Since that report, staff has again met with all but one of the interested stakeholders that one party will be met with after the meeting today. Watermaster staff and counsel presented to the parties, for their private consideration, a draft proposal which would bring together all the various elements that have been discussed among the parties. The proposal is an effort to try and serve as a consensus draft; copies were left for each one of the stakeholders for their consideration and they have been deliberating over that draft for a couple weeks now. It is the unanimous view on the part of staff that we are on track to complete a term sheet by the end of this summer and it is reasonable to conclude this will take place. Some additional technical work has been done by Dave Argo of Black & Veatch to support some of the work. The full group meetings have not been held for over two months and it is expected that we will again meet with individuals in the month of August with anticipation to pull together the full group sometime in August. Chair Neufeld inquired to the time frame that all of these issues need to be filed with the court. There is a parallel issue that the Board is aware of, that has its own calendar, and that is the fate of the nine member board. Counsel will have to make a filing to request a rollover, there has been at least one party that has shown an interest in having some input on that, and that has been linked in some people's minds to the proper resolution of everything else that is being worked on. Counsel Slater noted that the Watermaster Board directed staff and counsel not to seek to negotiate the issue of the fate of the board in any setting. There is nothing that is required of the Board members or of counsel by September 28, 2005 related to all of the substantive elements that are being worked on; that would be the end of this year. There are 2005 requirements that are being addressed in the substantive discussions; there is the question regarding the rollover of the board and counsel will be obliged to start preparing paperwork on that issue in the August time frame. Counsel Slater stated that counsel is open to any direction the board wants to provide in this matter. Chair Neufeld stated that this item needs to be on the agenda for discussion as that date comes forward. Mr. Bowcock noted that this item needs to be completed by next month so discussion needs to take place prior to August. Counsel Slater noted that the filing could be in the September time frame so input and direction would be provided at the August Board meeting. Counsel Slater stated that Director Vanden Heuvel is not currently present and that he has suggested at one point that this board might want to set up a workshop for purposes of taking input on this subject. This issue has not been addressed specifically, although, as the August time frame comes up quickly the committee members need to get broader input and feel the necessity to schedule a workshop, now is the time to begin that

thought process. Chair Neufeld inquired to Mr. Bowcock if he felt a desire to see this item addressed. Mr. Bowcock noted that a brief is due to the judge in September and a discussion needs to take place prior to the August Board meeting. A discussion ensued with regard to the board fate. Counsel Slater stated that the board has yet to provide direction on how it wished to pursue that filing and so counsel has not entertained any perspectives or positions yet. The committee members will have to develop a position and instruct counsel to prepare something; once the documents are prepared, the normal Watermaster process would come into play, and at the August Board meeting the members will direct counsel with the pleading they want to file. Some direction is going to be needed at the August Board meeting as to what counsel should prepare. Chair Neufeld stated that it appeared that timing may be of the essence and that since a discussion has already started on this issue, Chair Neufeld inquired to counsel if notice has to be posted for this item to be added to the agenda. Counsel Slater stated that this is not an item within the Attorney-Manager report other than to say that it is not being discussed there. The calendaring issue is what was being addressed on this item, which is when must we address that issue, so for the purposes of calendar, either this board will set that issue for the next regularly scheduled Board meeting or as a matter of calendar the committee members can direct staff to put together an informal workshop or direct the Pools for input on the subject. Mr. Bowcock stated there is a section on the agenda where this item should be discussed and where dialogue should begin which is under the Closed Session section. Counsel Slater stated that there is presently no anticipated litigation between you and your producers; we do not go into closed session with business of Watermaster because this board is an arm of the court and to the extent that we are engaged in filing briefs that is the kind of action that is carried out in the open. However, if there is a contest between Watermaster and a party (there is no present contest) we can revisit that issue. Counsel would be prepared based on earlier direction and the obligations in the Peace Agreement to make a filing which would request the rollover of this board unless directed otherwise. Chair Neufeld stated that in understanding that the board is an arm of the court and while the board members attempt to follow the rules that apply to most public agencies, we are under no obligation to agendize an item that needs to be discussed. Counsel Slater stated that if the Chair wishes to add this item to the agenda today, and to do it by vote, the Chair can entertain a motion and add it to the agenda. Chair Neufeld noted that this is an item that needs discussion at this point in time and in looking at the time sensitive schedule. Mr. Bowcock stated that this issue needs to be discussed openly so that the parties who are not attending or participating in the Attorney-Manger meetings understand what has been proposed. Mr. Bowcock affirmed that there has been a recommendation put forth to consolidate the board seats in an exchange process which would modify the current make up this board and that is what needs to be discussed. Counsel Slater acknowledged that counsel is bound first by confidentiality to respect the things that are being said at those meetings, and secondly the board needs to know that Watermaster staff and/or counsel has not participated "at all" in any discussion regarding the fate of the nine member board. Mr. Bowcock made reference to a document that has been circulated publicly. Counsel Slater noted that a public document has been distributed broadly and the reply to that document was also distributed; those documents are not confidential. Counsel Slater stated that the item on the calendar is that a filing related to the nine member board must be filed at the end of September unless counsel is instructed to seek a continuance. Mr. Bowcock stated that there is another judge being appointed to this Watermaster. Counsel Slater stated that he had no personal knowledge of this information and inquired if Counsel Fife had personal knowledge of this statement. Counsel Fife noted that he has knowledge of a rumor that Judge Gunn is being transferred to an all criminal docket, however, that has happened in the past and Judge Gunn kept this case with him. After making some inquires, as far as counsel is aware, Judge Gunn is still the judge for this Watermaster. Mr. Lopez stated that he felt it necessary to either schedule another meeting or that all information be presented at the next meeting so that all members were apprised of the same information. Chair Neufeld recapped where this committee is at on the board agenda for Mr. Vanden Heuvel who arrived at the meeting delayed due to another engagement. Mr. Bowcock made a

motion that the nine member board issue be added to today's agenda for discussion. Chair Neufeld acknowledged Mr. Bowcock's motion and asked for a second.

Motion by Bowcock, with a second by Hamrick

Motion to add this item to the Watermaster Board agenda

Counsel Slater noted that according to the Watermaster Rules & Regulations it is required to show some urgency to have an item added to the agenda and inquired to the finding/indication as to what the urgency element is. Mr. Bowcock added to his motion by stating, due to legal counsel's advisory there is an obligation to prepare a motion for the court as to what the board's recommendation may or may not be by the end of September. If the discussions are not opened up until the August Board meeting, it might be too late or there may not enough time for proper discussion at that time. Mr. Bowcock stated that he is not asking for any action at the present time, only that dialog be opened up.

Motion by Bowcock, second by Hamrick and by majority vote – Mr. Kuhn and Mr. Vanden Heuvel were negative votes

Motion to add this item to the Watermaster Board agenda for the purposes of discussion only

An inquiry was made stating, "If there is no further discussion at this meeting and this item is discussed at other meetings, will a summary of that discussion be brought back to this board as to keep the committee members apprised?" Mr. Manning stated that in terms of protocol, if this board wanted to limit the discussions to options that would be available for a forum for that discussion, which might be appropriate at this time. Mr. Manning noted that in terms of opening up the discussion, staff is uncomfortable that there is going to have to be some items discussed that are still in the Attorney-Manager process and that at this moment in time are fairly delicate and having the discussions over those items right here might jeopardize our ability to bring a full program to this board in August in a timely manner. Chair Neufeld inquired if this item is being discussed at the Attorney-Manager meetings. Mr. Manning stated that this is not a topic of discussion; however, there are discussions within the Attorney-Manager process that will influence the potential of having that item evaluated. Counsel Slater reiterated that the board's direction has been clear – counsel or staff has not engaged in any form whatsoever regarding discussions on the make up or fate of this board. Counsel Slater noted that Mr. Manning is reporting that parties' evaluation of the issue is influenced by context and the continued success of our efforts is a reflection of the success of the board. Chair Neufeld stated there is a motion on the floor to discuss this item and the motion stands approved to enter into discussions today and add it to the agenda; this item will be added to the section of Other Business.

2. Court Filings

Counsel Slater reported that the Management Zone 1 referee report (this is related to the management of subsidence and water levels within MZ1) directed staff to begin the preparation of some guidance criteria. Counsel for Watermaster is making a motion with the concurrence of the Special Referee to extend the period of time for the preparation of a Long Term Plan. The present OBMP contemplated a plan being filed in 2005; that plan will not be completed this year. A motion to extend the time frame for the Long Term Plan is for up to three years. Watermaster staff and Wildermuth Environmental are working on a summary for guidance criteria and a summary of the workshop.

The filing of the State of the Basin Report, which is on both Wildermuth and Watermaster's web sites, will be filed in the month of August.

A set of continuing filings in relation to the OBMP and Status Reports No's 12 & 13, will be filed in the month of August.

Counsel is in constant contact with the Special Referee and the referee's assistant and all of these Watermaster fillings will soon be complete.

3. North Gualala Amicus

Counsel Slater stated this is an item that counsel has been watching very closely. This is a decision in Northern California rising out of Mendocino in which the trial court in revealing a State Board decision came to the conclusion that an impacts test decided jurisdiction over whether the State Board had jurisdiction over groundwater. This is relevant because if you pump groundwater and it influences a surface stream, and the State Board jurisdiction which extends from surface streams to groundwater meaning that all of a sudden a large portion of the Chino Basin becomes subject to jurisdiction by the State Water Resources Control Board. This issue has been raised in a number of contexts previously and in every instance the State Board has reframed or its jurisdiction has been pruned back not to be contiguous with an impacts test. This trial court decision is now on appeal; a brief has been filed and staff will be bringing this item back through the Watermaster process with a request counsel files an amicus brief. This brief will state that the State Board jurisdiction is not dependent upon an impacts test; that groundwater has some influence on surface water. There is no action required at this time on this item.

Added Comment:

Chair Neufeld asked that counsel keep this board apprised of any new information concerning Judge Gunn in regards to his continuation on the Watermaster case.

B. CEO/STAFF REPORT

1. Wet Basin Rehabilitation Program Update

Mr. Manning stated information was previously brought to this committee regarding a Wet Basin Rehabilitation Program which was done in conjunction with Scuba Duba. Scuba Duba was introduced to Watermaster by Geoffrey Vanden Heuvel who had done some prior work with them. Scuba Duba felt they had technology that could be applied to our basins which could help clean the basins while they are wet. A five day test was done with Scuba Duba in the Turner 2 basin and revealed some success, enough success to start the thought process about what other opportunities might be available for this process. A sub-committee has been formed for this task which includes staff from Inland Empire Utilities Agency, Orange County and others. One of the things that is evident from the discussions is that whatever method is used it is going to take some financial investment. Mr. Manning noted that staff's plan is to bring back draft information through the Watermaster process in September on wet basin alternative programs that might be available, including some cost factors that will be attributed to those alternatives.

2. Progress on College Heights Test

Mr. Manning stated that a number of months ago a recommendation, which was brought through the Watermaster process, was made to halt using the College Basins until more was understood about the Upland Basin and how it was going to operate given the new storm drain connection that the City Upland installed. With this last rainy season a lot of information was gathered which provided enough information on how the basin was going to operate. It was originally thought it could possibly take a few years to gather this information but with this rainy season it was gathered more rapidly. Also with the additional water that was coming down the channel from San Antonio, staff decided to start a test in the College Heights Basin to get an idea of how the College Heights Basin would operate in conjunction with the Upland Basin. Mr. Treweek stated that during the winter, the monitoring well network was completed. With the network in place staff decided to run a simple test of bringing in 4 cfs off the San Antonio Channel and diverting it into the College Heights West; this has been taking place since July 1, 2005. The idea was to monitor what was occurring in the wells and observing whether the recharge water daylighted in the

reconfigured Upland Basin. Mr. Treweek reviewed several charts on the overhead to review the migration of water into the basins and well findings. A brief discussion ensued with regard to the information that was presented regarding College Heights basin.

3. Basin Recharge Report

Mr. Manning commented this is a report which staff has been trying to provide each month to keep parties apprised of the basin recharge activities. Mr. Manning stated that the final calculations from the storm season have been finalized which also incorporates the numbers from the snow melt. Mr. Treweek noted there is a handout on the back table that recaps all twelve storm events (no. 12 is the snow melt number) for review. An additional 2,000 acre-feet was added to this year's storm event numbers from snow melt. A total of 17,642 acre-feet of stormwater was captured this storm season and then with the historical average of 5,600 acre-feet subtracted out that left a new yield of 12,042 acre-feet. Mr. Manning stated that one of the things that were discovered during this last storm season is that it is felt that the same amount of water with a considerably less amount of rainfall can be captured due to the recent improvements to the basins. A brief discussion regarding snow melt ensued.

4. Report Updates

Mr. Manning noted this item is a heads up section and/or informational section on some items that are now available or will be available soon. The State of the Basin Report is currently available on the Watermaster and Wildermuth web sites; substantial changes have been made to the draft that came out to address some of the comments that were made including storage and salt removal sections.

The Material Physical Injury Analysis for Recharge for Recycled Water in the draft form will be available in early August and will go through the Watermaster process for approval.

The Recharge Operations Procedures Manual, which is a very important document because the Flood Control District stated they would be much more flexible on how we operate our basins if they have two things in place, 1) the Operations Manual, and 2) the SCADA system up and working properly.

The Biannual Analysis of Recharge & Discharge Report will be completed shortly and will be placed on both Watermaster and Wildermuth web sites. Although, the Forbearance Agreement for the MZ1 allows for production for any well from July 1 to September 30, the City of Chino Hills has voluntarily continued not to pump in the deep production wells in order for Watermaster staff to gather additional data.

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

Mr. Manning stated that counsel would like to comment first to open discussions on the nine member board issue. Counsel Slater reiterated what was felt to be the prior direction from the board members, first an order was received from the court in August 2000 appointing this board for a five year term – counsel has understood through our continuing representation of the board that counsel would be making an innocuous filing around the September 2005 time frame requesting a rollover of this board and a continuing reappointment. At this time, counsel would begin to prepare the draft

paperwork which would come back to this board at the August board meeting for review and direction. Counsel would then file that paperwork before September 28, 2005; there would then be a scheduling of a hearing and the parties to the judgment would have an opportunity to provide input before the court. That is the process that staff and counsel would expect to follow unless otherwise directed by this board. There are options such as obtaining a continuance from the time warranted until another time certain when this issue could be addressed. There has been a suggestion that this board would want to hold a meeting to take input on the issue. There has been a discussion about a separate public workshop being an appropriate measure to take input. Counsel Slater stated the options at this point in time are, 1) if this board does nothing, counsel will continue to prepare a pleading and bring it back on the next agenda for input and direction, 2) this board could provide express direction to do that (reconfirm what general counsel understands to be the process, 3) this board could request a continuance, 4) this board could refer this item back to the Pools and Advisory Committee for comment and direction, and 5) this board could hold a public workshop or a special meeting for input. There is some question as to what information is confidential and what is public; the only information that Watermaster staff and general counsel is privy to on this subject are those things which have been published generally in the form of letters. Counsel is only aware of two letters, one letter came from Three Valleys Municipal Water District and the other was from Cucamonga Valley Water District – those letters can be made available for distribution. There have been no other discussions or negotiations that Watermaster staff or general counsel has been involved in with regarding this issue. Mr. Bowcock stated that before this discussion takes place, there is one question that he wants to pose to counsel so that it goes on the record, "would the motion that counsel would be filing for the continuance, should that option be chosen, is that for an additional five year term or an indefinite term?". Mr. Bowcock stated that the court has established five year terms for the board that is subject to re-evaluation and the question would be are we requesting an additional five year term. Counsel Slater noted that statement is correct and that counsel would be asking for an additional five year term. Mr. Bowcock stated that he specifically wanted to go on record stating that of this configuration, it is a very delicate balance; noting that it has worked well and his recommendation is that he is in full support of the five year extension. The process that has been set up is extremely valuable and works very well for all involved. Mr. Vanden Heuvel stated that he is also in support of the rollover and of the entire Watermaster process. Mr. Bowcock stated that for the purpose of discussion, his motion would be to take official action to make the recommendation to rollover the present make up of the board. Chair Neufeld inquired if that would be allowed at this point in time. Counsel Slater noted that action would be in relation to his option number two and his understanding of what the prior direction was and what counsel was preparing to do and to reconfirm that direction. The understanding is that this board is recommending counsel to prepare draft paperwork to present to the Pools and Advisory Committee for a rollover of the board for five years. Mr. Bowcock stated that is what he wants the motion to read as and noted the importance of making this motion at this time; it is giving notice to the Pools and Advisory Committee members to recognize that this board has taken this action and not arbitrarily is six weeks.

Motion by Bowcock, second by Hamrick, and by majority vote – Mr. Neufeld was a negative vote

Motion to direct counsel to prepare a pleading to request to rollover the nine member board for another five year term and to present this pleading to the Pools and Advisory Committee for discussions.

Mr. Vanden Heuvel stated that he felt he made his position regarding this matter clear several months ago noting that he felt the nine member board has been successful in accomplishing the mission that it set out to and those who wished to change that needed to make a compelling case as to why to make a change. Mr. Vanden Heuvel stated that in the absence of a compelling reason by the reflection of a negative vote it is questioned as to why during this open forum a basis was not offered. Chair Neufeld stated that for the record he is not saying by his negative vote that the nine member board has not done its job; the concern is there were some legitimate issues raised regarding the structure of the nine member board that needed to be addressed. The motion and action taken today will preclude any discussions that will allow for those ideas to be brought forward.

A discussion ensued with regard to the lack of discussion prior to the motion being passed. Chair Neufeld stated that he is not opposed to the status quo; the only opposition is to limiting the discussion regarding the issues that have been brought forward. The question was raised to counsel if there will be an opportunity to discuss this matter further, whether it be at the Attorney-Manager meetings or elsewhere. Counsel Slater stated that it is general counsels understanding that the direction given here which was to instruct counsel to prepare a pleading which would carry out the intention of rolling over for an additional five year period. That pleading as a matter of course and practice would go to the Pools and Advisory Committee for their opportunity to comment and then with those comments accumulated it would then be presented to the board at the August Board meeting. This item could in fact be carried into the September Board meeting for further comment before final action is taken. Mr. Hamrick noted that he did second both motions in hope that when the item is brought back for discussion all parties would be open for conversation and to lay problems or concerns out on the table at that time before a final vote is taken. Mr. Vanden Heuvel stated that he anticipates this item is still not open for discussion at the Attorney-Manager meetings and noted that the only appropriate place for dialogue to start is at the Pool level in an open and fully participatory place. Mr. Vanden Heuvel reiterated that the motion that was approved today was, as the Watermaster Board, to request legal counsel to prepare the necessary documents to be responsive to the five year term that is coming to a close. Chair Neufeld stated that how he interpreted the motion was that counsel was directed to file the motion for a rollover to the court, not allowing for further discussion. If there is assurance that there will be further discussion at the Pool and Advisory meetings, Chair Neufeld is in full support that those comments will be heard at the Board and is support of that process.

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

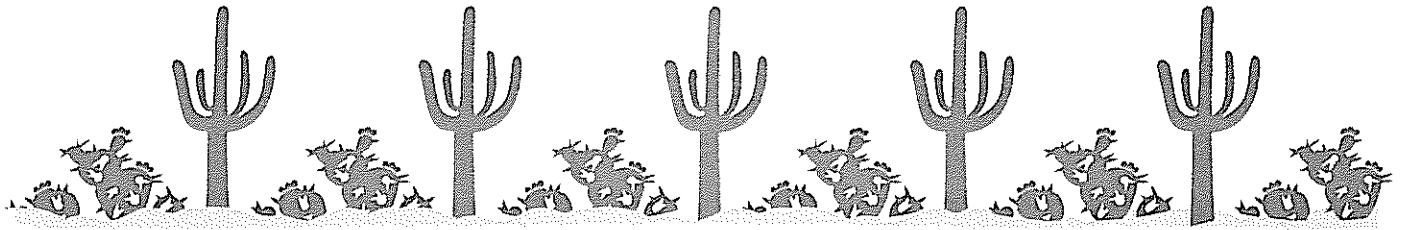
July 28, 2005	9:00 a.m.	Advisory Committee Meeting
July 28, 2005	11:00 a.m.	Watermaster Board Meeting
August 11, 2005	9:00 a.m.	Joint Appropriative & Non Agricultural Pool Meeting
August 16, 2005	11:00 a.m.	Agricultural Pool Meeting @ IEUA
August 25, 2005	9:00 a.m.	Advisory Committee Meeting
August 25, 2005	11:00 a.m.	Watermaster Board Meeting

The Watermaster Board Meeting Adjourned at 12:29 p.m.

Secretary: _____

Minutes Approved: _____

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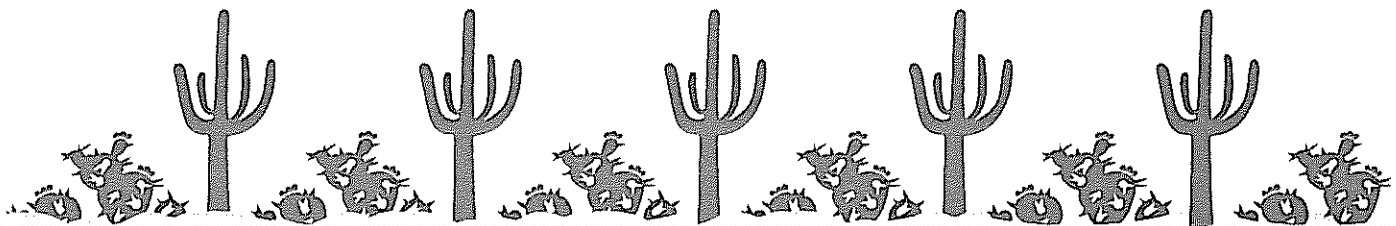


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements July 2005
2. Combining Schedule of Revenue, Expenses and changes in Working Capital for the Period July 1, 2004 through June 30, 2005
3. Treasurer's June 30, 2005
4. Profit & Loss Budget vs. Actual July 2004 through June 2005





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: August 11, 2005
August 18, 2005
August 25, 2005

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – July 2005

SUMMARY

Issue – Record of cash disbursements for the month of July 2005.

Recommendation – Staff recommends the Cash Disbursements for July 2005 be received and filed as presented.

Fiscal Impact – All funds disbursed were included in the FY 2005-06 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 July 2005 were \$1,006,655.46. The most significant expenditures during the month were Inland Empire Utilities Agency in the amount of \$443,511.91, Wildermuth Environmental Inc. in the amount of \$279,503.54, and Hatch & Parent in the amount of \$49,157.43.

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
July 2005

Type	Date	Num	Name	Amount
Jul 05				
Bill Pmt -Check	7/5/2005	9690	A & R TIRE	-47 57
Bill Pmt -Check	7/5/2005	9691	A&R BRIDGESTONE FIRESTONE AUTO CARE	-389 23
Bill Pmt -Check	7/5/2005	9692	ANDERSON, JOHN	-125 00
Bill Pmt -Check	7/5/2005	9693	APPLIED COMPUTER TECHNOLOGIES	-1,530 30
Bill Pmt -Check	7/5/2005	9694	ARROWHEAD MOUNTAIN SPRING WATER	-60 55
Bill Pmt -Check	7/5/2005	9695	BOWCOCK, ROBERT	-125 00
Bill Pmt -Check	7/5/2005	9696	CUCAMONGA VALLEY WATER DISTRICT	-4,900 00
Bill Pmt -Check	7/5/2005	9697	DE BOOM, NATHAN	-500 00
Bill Pmt -Check	7/5/2005	9698	DIRECTV	-74 98
Bill Pmt -Check	7/5/2005	9699	DURRINGTON, GLEN	-625 00
Bill Pmt -Check	7/5/2005	9700	FEENSTRA, BOB	-250 00
Bill Pmt -Check	7/5/2005	9701	HAMRICK, PAUL	-125 00
Bill Pmt -Check	7/5/2005	9702	Hettinga, Peter	-500 00
Bill Pmt -Check	7/5/2005	9703	HUITSING, JOHN	-625 00
Bill Pmt -Check	7/5/2005	9704	INLAND EMPIRE UTILITIES AGENCY	-10,000 00
Bill Pmt -Check	7/5/2005	9705	KOOPMAN, GENE	-250 00
Bill Pmt -Check	7/5/2005	9706	KRUGER, W. C "BILL"	-125 00
Bill Pmt -Check	7/5/2005	9707	KUHN, BOB	-125 00
Bill Pmt -Check	7/5/2005	9708	MARK IV COMMUNICATIONS, INC	-95 00
Bill Pmt -Check	7/5/2005	9709	NEUFELD, ROBERT	-625 00
Bill Pmt -Check	7/5/2005	9710	NEXTEL COMMUNICATIONS	-607 71
Bill Pmt -Check	7/5/2005	9711	OFFICE DEPOT	-819 85
Bill Pmt -Check	7/5/2005	9712	PIERSON, JEFFREY	-250 00
Bill Pmt -Check	7/5/2005	9713	PRE-PAID LEGAL SERVICES. INC	-129 50
Bill Pmt -Check	7/5/2005	9714	PUMP CHECK	-4,270 10
Bill Pmt -Check	7/5/2005	9715	PURCHASE POWER	-68 61
Bill Pmt -Check	7/5/2005	9716	RAUCH COMMUNICATION CONSULTANTS, LLC	0 00
Bill Pmt -Check	7/5/2005	9717	RBM LOCK & KEY	-84.31
Bill Pmt -Check	7/5/2005	9718	STATE COMPENSATION INSURANCE FUND	-1,000.60
Bill Pmt -Check	7/5/2005	9719	STAULA, MARY L	-136 61
Bill Pmt -Check	7/5/2005	9720	UNION 76	-473 86
Bill Pmt -Check	7/5/2005	9721	VANDEN HEUVEL, GEOFFREY	-125 00
Bill Pmt -Check	7/5/2005	9722	VELASQUEZ JANITORIAL	-1,200 00
Bill Pmt -Check	7/5/2005	9723	VERIZON	-365 66
Bill Pmt -Check	7/5/2005	9724	YUKON DISPOSAL SERVICE	-123 90
Bill Pmt -Check	7/5/2005	9725	PARK PLACE COMPUTER SOLUTIONS, INC.	-3,520 00
Bill Pmt -Check	7/8/2005	9726	MEDIA JIM	-795 00
Bill Pmt -Check	7/8/2005	9727	VIP AUTO DETAILING	-504 15
General Journal	7/10/2005	05/07/4	PAYROLL	-4,850 78
General Journal	7/10/2005	05/07/4	PAYROLL	-17,093 30
Check	7/18/2005	9762	ARROWHEAD MOUNTAIN SPRING WATER CO.	-1,148 33
Bill Pmt -Check	7/18/2005	9728	TOGO'S	-173 80
Bill Pmt -Check	7/18/2005	9729	A & R TIRE	-552 37
Bill Pmt -Check	7/18/2005	9730	ACWA SERVICES CORPORATION	-222 68
Bill Pmt -Check	7/18/2005	9731	BANK OF AMERICA	-828 21
Bill Pmt -Check	7/18/2005	9732	BLACK & VEATCH CORPORATION	-7,170 00
Bill Pmt -Check	7/18/2005	9733	BOWCOCK, ROBERT	-125 00
Bill Pmt -Check	7/18/2005	9734	CHEVRON	-174 20
Bill Pmt -Check	7/18/2005	9735	ELLISON, SCHNEIDER & HARRIS, LLP	-18,388 44
Bill Pmt -Check	7/18/2005	9736	GLOBAL PRESENTER.COM	-2,575 87
Bill Pmt -Check	7/18/2005	9737	HATCH AND PARENT	-49,157 43
Bill Pmt -Check	7/18/2005	9738	HOSTETLER, DAN	-250 00
Bill Pmt -Check	7/18/2005	9739	HSBC BUSINESS SOLUTIONS	-278 97
Bill Pmt -Check	7/18/2005	9740	KUHN, BOB	-125 00
Bill Pmt -Check	7/18/2005	9741	MCI	-880 19
Bill Pmt -Check	7/18/2005	9742	PAYCHEX	-172 38
Bill Pmt -Check	7/18/2005	9743	PETTY CASH	-456 80
Bill Pmt -Check	7/18/2005	9744	PIERSON, JEFFREY	-125 00
Bill Pmt -Check	7/18/2005	9745	QUILL	-150 16
Bill Pmt -Check	7/18/2005	9746	RAUCH COMMUNICATION CONSULTANTS, LLC	-11,708 75
Bill Pmt -Check	7/18/2005	9747	REID & HELLYER	-6,951 58
Bill Pmt -Check	7/18/2005	9748	RICOH BUSINESS SYSTEMS-Lease	-3,591 31
Bill Pmt -Check	7/18/2005	9749	RICOH BUSINESS SYSTEMS-Maintenance	-705 50
Bill Pmt -Check	7/18/2005	9750	SANTA ANA RIVER WATER COMPANY	-2,345 05
Bill Pmt -Check	7/18/2005	9751	TETTEMER & ASSOCIATES	-2,496 97
Bill Pmt -Check	7/18/2005	9752	THE FURMAN GROUP, INC.	-2,585 00
Bill Pmt -Check	7/18/2005	9753	UNITED PARCEL SERVICE	-344 67
Bill Pmt -Check	7/18/2005	9754	UNITEK TECHNOLOGY INC.	-1,346 88

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
July 2005

Type	Date	Num	Name	Amount
Bill Pmt -Check	7/18/2005	9755	WHEELER METER MAINTENANCE	-1,050.00
Bill Pmt -Check	7/18/2005	9756	WHITEHEAD, MICHAEL	-250.00
Bill Pmt -Check	7/18/2005	9757	WILDERMUTH ENVIRONMENTAL INC	-279,503.54
Bill Pmt -Check	7/18/2005	9758	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-4,423.43
Bill Pmt -Check	7/18/2005	9759	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-4,316.25
Bill Pmt -Check	7/18/2005	9760	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-4,057.04
Bill Pmt -Check	7/18/2005	9761	CITISTREET	-8,246.86
Bill Pmt -Check	7/18/2005	9763	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	7/18/2005	9764	STAULA, MARY L	-136.61
Bill Pmt -Check	7/18/2005	9765	WHEELER METER MAINTENANCE	-900.00
Bill Pmt -Check	7/19/2005	9766	CITRUS FORD	-34,610.14
Bill Pmt -Check	7/20/2005	9767	EL TORITO	-206.75
Bill Pmt -Check	7/20/2005	9768	INLAND EMPIRE UTILITIES AGENCY	-443,511.91
Bill Pmt -Check	7/28/2005	9769	A & R TIRE	-119.11
Bill Pmt -Check	7/28/2005	9770	AGWA	-1,000.00
Bill Pmt -Check	7/28/2005	9771	ARROWHEAD MOUNTAIN SPRING WATER	-45.98
Bill Pmt -Check	7/28/2005	9772	BLACK & VEATCH CORPORATION	-11,530.00
Bill Pmt -Check	7/28/2005	9773	CALPERS	-2,431.68
Bill Pmt -Check	7/28/2005	9774	CITIZENS CONFERENCING	-16.38
Bill Pmt -Check	7/28/2005	9775	CUCAMONGA VALLEY WATER DISTRICT	-4,900.00
Bill Pmt -Check	7/28/2005	9776	DICK LARSEN - TREASURER/TAX COLLECTOR	-2,393.34
Bill Pmt -Check	7/28/2005	9777	DIRECTV	-74.98
Bill Pmt -Check	7/28/2005	9778	INLAND COUNTIES INSURANCE SERVICES. INC.	-243.87
Bill Pmt -Check	7/28/2005	9779	MARK IV COMMUNICATIONS, INC	-101.47
Bill Pmt -Check	7/28/2005	9780	NEXTEL COMMUNICATIONS	-557.46
Bill Pmt -Check	7/28/2005	9781	OFFICE DEPOT	-559.95
Bill Pmt -Check	7/28/2005	9782	PETTY CASH	-460.77
Bill Pmt -Check	7/28/2005	9783	PITNEY BOWES CREDIT CORPORATION	-468.72
Bill Pmt -Check	7/28/2005	9784	POWERS ELECTRIC PRODUCTS CO.	-555.89
Bill Pmt -Check	7/28/2005	9785	PRE-PAID LEGAL SERVICES, INC	-129.50
Bill Pmt -Check	7/28/2005	9786	R&D PEST SERVICES	-85.00
Bill Pmt -Check	7/28/2005	9787	RANCHO GLASS & MIRRORS	-68.72
Bill Pmt -Check	7/28/2005	9788	SAVIN CORPORATION dba RICOH BUSINESS	-36.00
Bill Pmt -Check	7/28/2005	9789	UNION 76	-348.44
Bill Pmt -Check	7/28/2005	9790	VIP AUTO DETAILING	-249.50
Bill Pmt -Check	7/28/2005	9791	WHEELER METER MAINTENANCE	-2,100.00
Bill Pmt -Check	7/28/2005	9792	BOWCOCK, ROBERT	-250.00
General Journal	7/29/2005	05/07/6	PAYROLL	-5,394.72
General Journal	7/29/2005	05/07/6	PAYROLL	-18,649.34
				-1,006,655.46

Jul 05

CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2004 THROUGH JUNE 30, 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			193,951	11,148	6,453			43	211,595	78,330
Mutual Agency Project Revenue		887,678							887,678	0
Grant Income									-	0
Miscellaneous Income	3,865								3,865	0
Total Revenues	3,865	887,678	5,000,955	11,148	80,694	-	-	43	5,984,383	4,063,218
Administrative & Project Expenditures										
Watermaster Administration	707,107								707,107	621,784
Watermaster Board-Advisory Committee	47,159								47,159	37,018
Pool Administration			13,459	87,794	3,065				104,318	91,153
Optimum Basin Mgmt Administration		1,265,673							1,265,673	1,019,183
OBMP Project Costs		2,890,899							2,890,899	3,733,694
Education Funds Use								-	-	375
Mutual Agency Project Costs	57,631								57,631	80,004
Total Administrative/OBMP Expenses	811,897	4,156,572	13,459	87,794	3,065	-	-	-	5,072,787	5,583,211
Net Administrative/OBMP Income	(808,032)	(3,268,894)								
Allocate Net Admin Income To Pools	808,032		608,377	186,692	12,963				-	0
Allocate Net OBMP Income To Pools		3,268,894	2,461,189	755,263	52,442				-	0
Agricultural Expense Transfer			1,020,199	(1,020,199)					-	0
Total Expenses	4,103,224	9,550	4,103,224	9,550	68,470	-	-	-	5,072,787	5,583,211
Net Administrative Income	897,731	1,598	897,731	1,598	12,224	-	-	43	911,596	(1,519,993)
Other Income/(Expense)										
Replenishment Water Purchases						8,097,107			8,097,107	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						(10,274,669)			(10,274,669)	0
Net Other Income	-	-	-	-	-	(552,562)	-	-	(552,562)	(99,000)
Net Transfers To/(From) Reserves	-	-	897,731	1,598	12,224	(552,562)	-	43	359,034	(1,618,993)
Working Capital, July 1, 2004	3,471,229	463,055	3,471,229	463,055	173,739	4,133,061	158,251	2,195	8,401,530	
Working Capital, End Of Period	4,368,960	464,653	4,368,960	464,653	185,963	3,580,499	158,251	2,238	8,760,564	
03/04 Production			136,795.139	41,978.182	2,914.774				181,688.095	
03/04 Production Percentages			75.291%	23.105%	1.604%				100.000%	

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**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
JUNE 1 THROUGH JUNE 30, 2005**

DEPOSITORIES:

Cash on Hand - Petty Cash		\$ 500
Bank of America		
Governmental Checking-Demand Deposits	\$ 105,819	
Savings Deposits	9,660	
Zero Balance Account - Payroll	-	115,479
Vineyard Bank CD - Agricultural Pool		407,075
Local Agency Investment Fund - Sacramento		8,272,267
TOTAL CASH IN BANKS AND ON HAND	6/30/2005	\$ 8,795,321
TOTAL CASH IN BANKS AND ON HAND	5/31/2005	9,743,587
PERIOD INCREASE (DECREASE)		\$ (948,266)

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:	Accounts Receivable	\$ (720,551)
	Assessments Receivable	(65,266)
	Prepaid Expenses, Deposits & Other Current Assets	(19,271)
(Decrease)/Increase in Liabilities	Accounts Payable	4,410
	Accrued Payroll, Payroll Taxes & Other Current Liabilities	25,030
	Transfer to/(from) Reserves	(172,618)
PERIOD INCREASE (DECREASE)		\$ (948,266)

SUMMARY OF FINANCIAL TRANSACTIONS:

	Petty Cash	Gov'tl Checking Demand	Zero Balance Account Payroll	Savings	Vineyard Bank	Local Agency Investment Funds	Totals
Balances as of 5/31/2005	\$ 500	\$ 55,151	\$ -	\$ 9,648	\$ 406,021	\$ 9,272,267	\$ 9,743,587
Deposits	-	61,630	-	12	1,054		62,696
Transfers	-	954,261	45,739	-	-	(1,000,000)	-
Withdrawals/Checks	-	(965,223)	(45,739)	-	-	-	(1,010,962)
Balances as of 6/30/2005	\$ 500	\$ 105,819	\$ -	\$ 9,660	\$ 407,075	\$ 8,272,267	\$ 8,795,321
PERIOD INCREASE OR (DECREASE)	\$ -	\$ 50,668	\$ -	\$ 12	\$ 1,054	\$ (1,000,000)	\$ (948,266)

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
JUNE 1 THROUGH JUNE 30, 2005**

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
6/15/2005	Withdrawal	L.A.I.F.	\$ 700,000				
6/23/2005	Withdrawal	L.A.I.F.	300,000				
TOTAL INVESTMENT TRANSACTIONS			\$ 1,000,000	-			

* The earnings rate for L.A.I.F. is a daily variable rate; 2.85% was the effective yield rate at the Quarter ended June 30, 2005

**INVESTMENT STATUS
June 30, 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	\$ 8,272,267			
Time Certificates of Deposit	-			
TOTAL INVESTMENTS	\$ 8,272,267			

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,

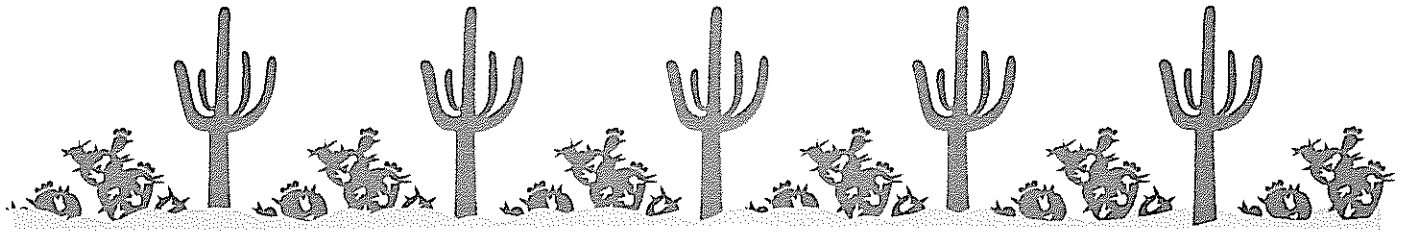

 Sheri M. Rojo, CPA
 Finance Manager
 Chino Basin Watermaster

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

	<u>Jul '04 - Jun 05</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 · Local Agency Subsidies	887,678	132,000	755,678	672.48%
4110 · Admin Asmnts-Approp Pool	4,807,004	3,755,236	1,051,768	128.01%
4120 · Admin Asmnts-Non-Agri Pool	74,241	97,652	-23,411	76.03%
4700 · Non Operating Revenues	211,595	78,330	133,265	270.13%
4900 · Miscellaneous Income	3,865			
Total Income	<u>5,984,383</u>	<u>4,063,218</u>	<u>1,921,165</u>	<u>147.28%</u>
Gross Profit	5,984,383	4,063,218	1,921,165	147.28%
Expense				
6010 · Salary Costs	427,735	401,704	26,031	106.48%
6020 · Office Building Expense	108,615	100,800	7,815	107.75%
6030 · Office Supplies & Equip.	36,173	45,500	-9,327	79.5%
6040 · Postage & Printing Costs	83,058	67,100	15,958	123.78%
6050 · Information Services	108,857	105,076	3,781	103.6%
6060 · Contract Services	168,168	106,000	62,168	158.65%
6080 · Insurance	25,875	21,710	4,165	119.19%
6110 · Dues and Subscriptions	14,232	16,600	-2,368	85.74%
6140 · WM Admin Expenses	2,476	2,500	-24	99.04%
6150 · Field Supplies	2,831	4,250	-1,419	66.62%
6170 · Travel & Transportation	20,291	24,650	-4,359	82.32%
6190 · Conferences & Seminars	16,022	16,000	22	100.14%
6200 · Advisory Comm - WM Board	12,215	13,459	-1,244	90.76%
6300 · Watermaster Board Expenses	34,943	23,559	11,384	148.32%
8300 · Appr PI-WM & Pool Admin	13,459	13,659	-200	98.54%
8400 · Agri Pool-WM & Pool Admin	17,968	16,417	1,551	109.45%
8467 · Agri-Pool Legal Services	60,276	45,000	15,276	133.95%
8470 · Ag Meeting Attend -Special	9,550	10,000	-450	95.5%
8500 · Non-Ag PI-WM & Pool Admin	3,065	6,077	-3,012	50.43%
6500 · Education Funds Use Expens	0	375	-375	0.0%
9500 · Allocated G&A Expenditures	<u>-307,227</u>	<u>-290,106</u>	<u>-17,121</u>	<u>105.9%</u>
	858,583	750,330	108,253	114.43%
6900 · Optimum Basin Mgmt Plan	1,162,810	933,566	229,244	124.56%
6950 · Mutual Agency Projects	57,631	80,004	-22,373	72.04%
9501 · G&A Expenses Allocated-OBMP	<u>102,863</u>	<u>85,617</u>	<u>17,246</u>	<u>120.14%</u>
	1,323,304	1,099,187	224,117	120.39%
7101 · Production Monitoring	38,998	54,957	-15,959	70.96%
7102 · In-line Meter Installation	26,093	93,969	-67,876	27.77%
7103 · Grdwtr Quality Monitoring	126,327	148,792	-22,465	84.9%
7104 · Gdwtr Level Monitoring	93,148	135,072	-41,924	68.96%
7105 · Sur Wtr Qual Monitoring	399,130	282,220	116,910	141.43%
7106 · Wtr Level Sensors Install	0	19,114	-19,114	0.0%
7107 · Ground Level Monitoring	342,946	433,720	-90,774	79.07%
7108 · Hydraulic Control Monitoring	531,404	437,987	93,417	121.33%
7200 · PE2- Comp Recharge Pgm	474,966	413,177	61,789	114.96%
7300 · PE3&5-Water Supply/Desalite	1,414	20,885	-19,471	6.77%
7400 · PE4- Mgmt Plan	229,155	795,099	-565,944	28.82%

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

	<u>Jul '04 - Jun 05</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7500 - PE6&7-CoopEfforts/SaltMgmt	49,744	251,343	-201,599	19.79%
7600 - PE8&9-StorageMgmt/Conj Use	93,662	140,400	-46,738	66.71%
7690 - Recharge Improvement Debt Pymt	274,169	274,169	0	100.0%
7700 - Inactive Well Protection Prgm	5,380	28,302	-22,922	19.01%
9502 - G&A Expenses Allocated-Projects	204,364	204,488	-124	99.94%
	<u>2,890,900</u>	<u>3,733,694</u>	<u>-842,794</u>	<u>77.43%</u>
Total Expense	<u><u>5,072,787</u></u>	<u><u>5,583,211</u></u>	<u><u>-510,424</u></u>	<u><u>90.86%</u></u>
Net Ordinary Income	911,596	-1,519,993	2,431,589	-59.97%
Other Income/Expense				
Other Income				
4231 - MZ1 Assigned Water Sales	0	600,000	-600,000	0.0%
4210 - Approp Pool-Replenishment	8,094,622	0	8,094,622	100.0%
4220 - Non-Ag Pool-Replenishment	2,485	0	2,485	100.0%
4230 - MZ1 Sup Wtr Assessment	1,625,000	1,579,500	45,500	102.88%
Total Other Income	<u>9,722,108</u>	<u>2,179,500</u>	<u>7,542,608</u>	<u>446.07%</u>
Other Expense				
5010 - Groundwater Replenishment	10,274,669	2,278,500	7,996,169	450.94%
9999 - To/(From) Reserves	359,034	-1,618,993	1,978,027	-22.18%
Total Other Expense	<u>10,633,703</u>	<u>659,507</u>	<u>9,974,196</u>	<u>1,612.37%</u>
Net Other Income	<u>-911,596</u>	<u>1,519,993</u>	<u>-2,431,589</u>	<u>-59.97%</u>
Net Income	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0.0%</u></u>

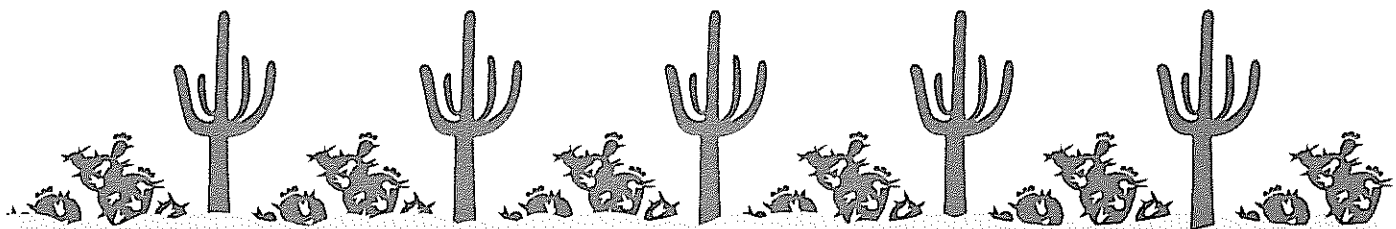


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. WATER TRANSACTIONS

1. Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from Cucamonga Valley Water District water in storage in the amount of 2,500 acre-feet.
2. Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from West Valley Water District water in storage in the amount of 1,000 acre-feet
3. Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from Nicholson Trust water in storage in the amount of 5.458 acre-feet



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

June 8, 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: **May 27, 2005**

Date of this notice: **June 8, 2005**

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

- A. Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from Cucamonga Valley Water District water in storage in the amount of 2500 acre-feet.

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

Appropriative Pool: July 14, 2005

Non-Agricultural Pool: July 14, 2005

Agricultural Pool: July 19, 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: June 8, 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: June 8, 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 – Fontana Water Company has agreed to purchase from Cucamonga Valley Water District water in storage in the amount of 2500 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).

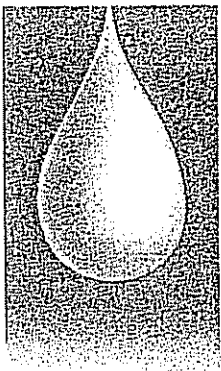
The following application for water transaction is attached with the notice of application.

- Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from Cucamonga Valley Water District water in storage in the amount of 2500 acre-feet.

Notice of the water transaction identified above was mailed on June 8, 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.

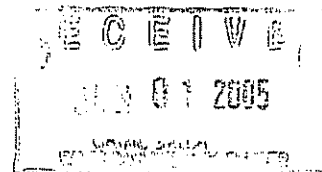


FONTANA WATER COMPANY

A DIVISION OF SAN GABRIEL VALLEY WATER COMPANY

8440 NUEVO AVENUE • P O BOX 987, FONTANA, CALIFORNIA 92334 • (909) 622-2201

May 27, 2005



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

Subject: Purchase of Water in Storage
Chino Basin-Fiscal Year 2004/2005

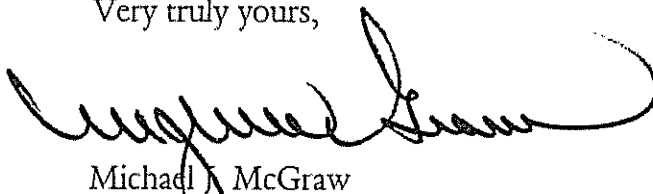
Dear Mr. Manning:

Please take notice that Fontana Water Company ("Company") has agreed to purchase from Cucamonga Valley Water District water in storage in the amount of 2,500 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2004/2005.

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

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

Very truly yours,



Michael J. McGraw
General Manager

MJM:bf
Enclosures

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

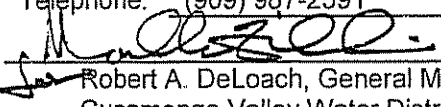
TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

Cucamonga Valley Water District May 17, 2005 _____
 Name of Party Date Requested Date Approved

10440 Ashford Street 2,500
 Street Address Amount Requested Acre-feet Amount Approved Acre-feet

Rancho Cucamonga CA 91729
 City State Zip Code

Telephone: (909) 987-2591 Facsimile: (909) 476-8032


 Robert A. DeLoach, General Manager
 Cucamonga Valley Water District

TRANSFER TO:

Fontana Water Company **Attach Recapture Form 4**
 Name of Party

8440 Nuevo Avenue
 Street Address

Fontana CA 92334
 City State Zip Code

Telephone: (909) 822-2201 Facsimile: (909) 823-5046

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

WATER QUALITY AND WATER LEVELS

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


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

MATERIAL PHYSICAL INJURY

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

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

N/A

ADDITIONAL INFORMATION ATTACHED

Michael J. McGraw, General Manager
Fontana Water Company

Yes [] No [X]

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 # _____

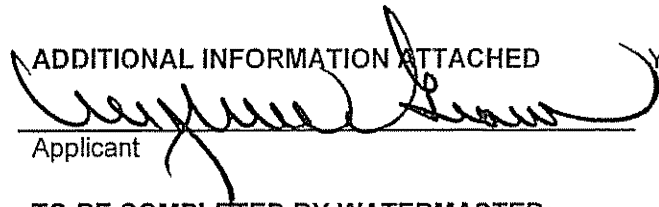
MATERIAL PHYSICAL INJURY

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

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

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]



Applicant

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

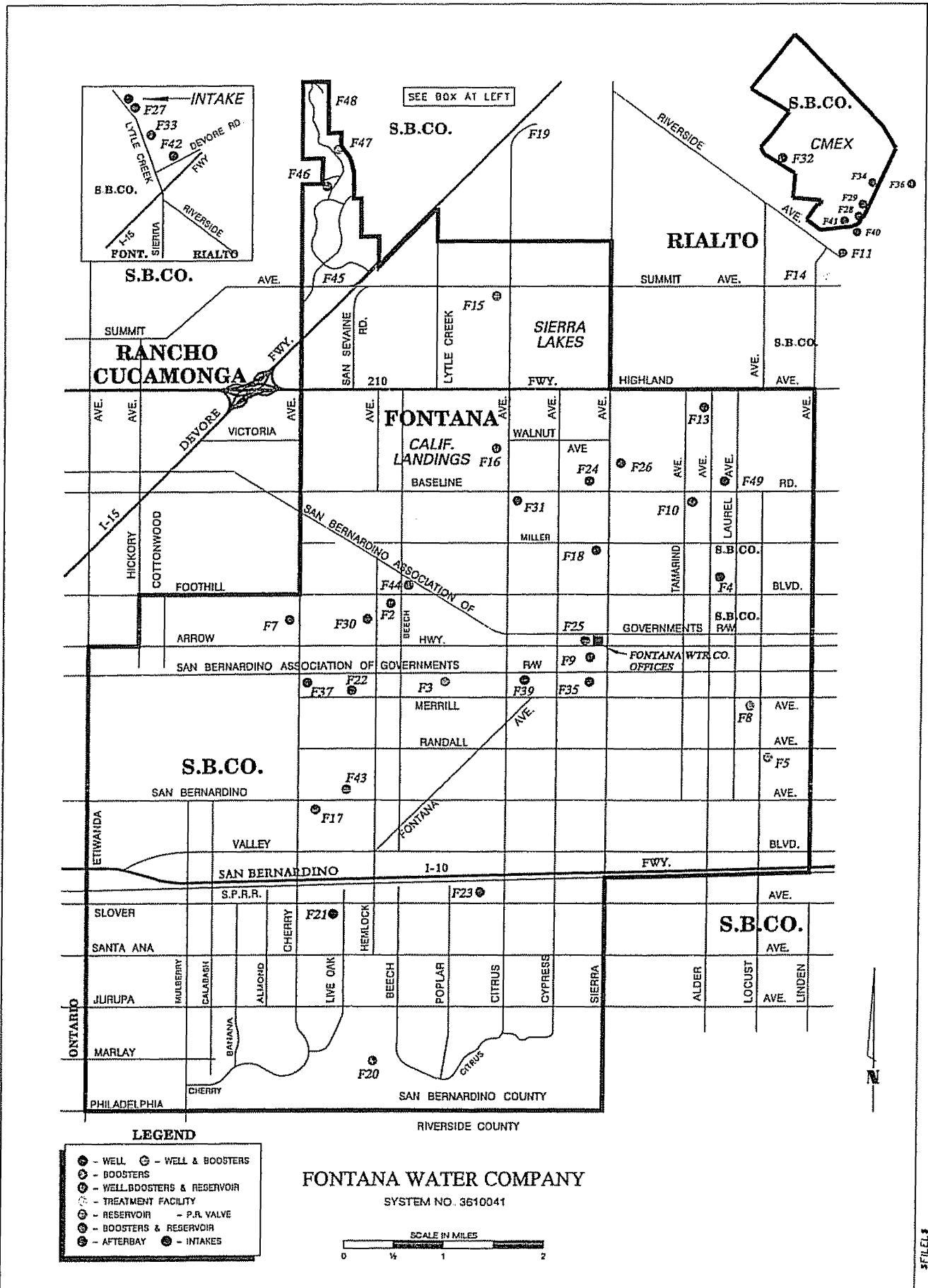
DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

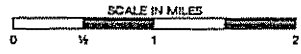
DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____



- LEGEND**
- ⊙ - WELL ⊕ - WELL & BOOSTERS
 - ⊕ - BOOSTERS
 - ⊕ - WELL, BOOSTERS & RESERVOIR
 - ⊕ - TREATMENT FACILITY
 - ⊕ - RESERVOIR - P.R. VALVE
 - ⊕ - BOOSTERS & RESERVOIR
 - ⊕ - AFTERBAY ⊕ - INTAKES

FONTANA WATER BOOSTERS COMPANY
 SYSTEM NO. 3610041



FILE 13

FONTANA WATER COMPANY
Recapture Plan

The subject water is a transfer of stored groundwater from Cucamonga Valley Water District to Fontana Water Company (FWC) of 2,500 acre-feet to satisfy a portion of FWC's replenishment obligation for FY 2004/2005. Recapture of the stored water is accomplished by the production of any or all of the 15 wells owned and operated by FWC within Management Zone 3 of the Chino Groundwater Basin. The approximate daily production capacity of these wells is as follows:

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

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

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

June 8, 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: **May 27, 2005**

Date of this notice: **June 8, 2005**

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

- A. Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from West Valley Water District water in storage in the amount of 1000 acre-feet.

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

Appropriative Pool:	July 14, 2005
Non-Agricultural Pool:	July 14, 2005
Agricultural Pool:	July 19, 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: June 8, 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: June 8, 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 – Fontana Water Company has agreed to purchase from West Valley Water District water in storage in the amount of 1000 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.

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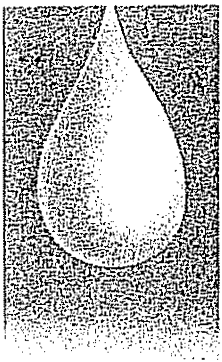
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- Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from West Valley Water District water in storage in the amount of 1000 acre-feet.

Notice of the water transaction identified above was mailed on June 8, 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.

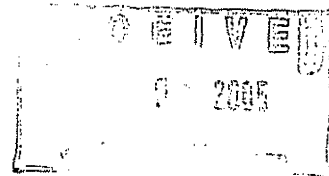


FONTANA WATER COMPANY

A DIVISION OF SAN GABRIEL VALLEY WATER COMPANY

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

May 27, 2005



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

Subject: Purchase of Water in Storage
Chino Basin-Fiscal Year 2004/2005

Dear Mr. Manning:

Please take notice that Fontana Water Company ("Company") has agreed to purchase from West Valley Water District water in storage in the amount of 1000 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2004/2005.

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

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Michael J. McGraw".

Michael J. McGraw
General Manager

MJM:bf
Enclosures

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

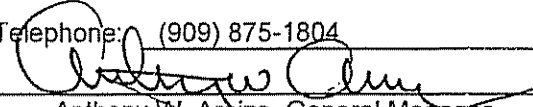
TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

West Valley Water District May 23, 2005 _____
Name of Party Date Requested Date Approved

855 West Baseline Avenue 1000 Acre-feet 1000 Acre-feet
Street Address Amount Requested Amount Approved

Rialto CA 92377
City State Zip Code

Telephone: (909) 875-1804 Facsimile: (909) 875-7284


Anthony W. Araiza, General Manager
West Valley Water District

TRANSFER TO:

Fontana Water Company
Name of Party

Attach Recapture Form 4

8440 Nuevo Avenue
Street Address

Fontana CA 92334
City State Zip Code

Telephone: (909) 822-2201 Facsimile: (909) 823-5046

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

WATER QUALITY AND WATER LEVELS

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

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

MATERIAL PHYSICAL INJURY

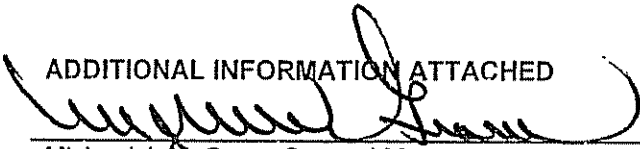
Is the Applicant aware of any Material Physical Injury to a party to the judgment or the Basin that
may be caused by the action covered by the application? Yes [] No [X]

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]



Michael J. McGraw, General Manager
Fontana Water Company

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____


DATE OF BOARD APPROVAL: _____ Agreement # _____

MATERIAL PHYSICAL INJURY

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

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

ADDITIONAL INFORMATION ATTACHED Yes [] No [X]


Applicant

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

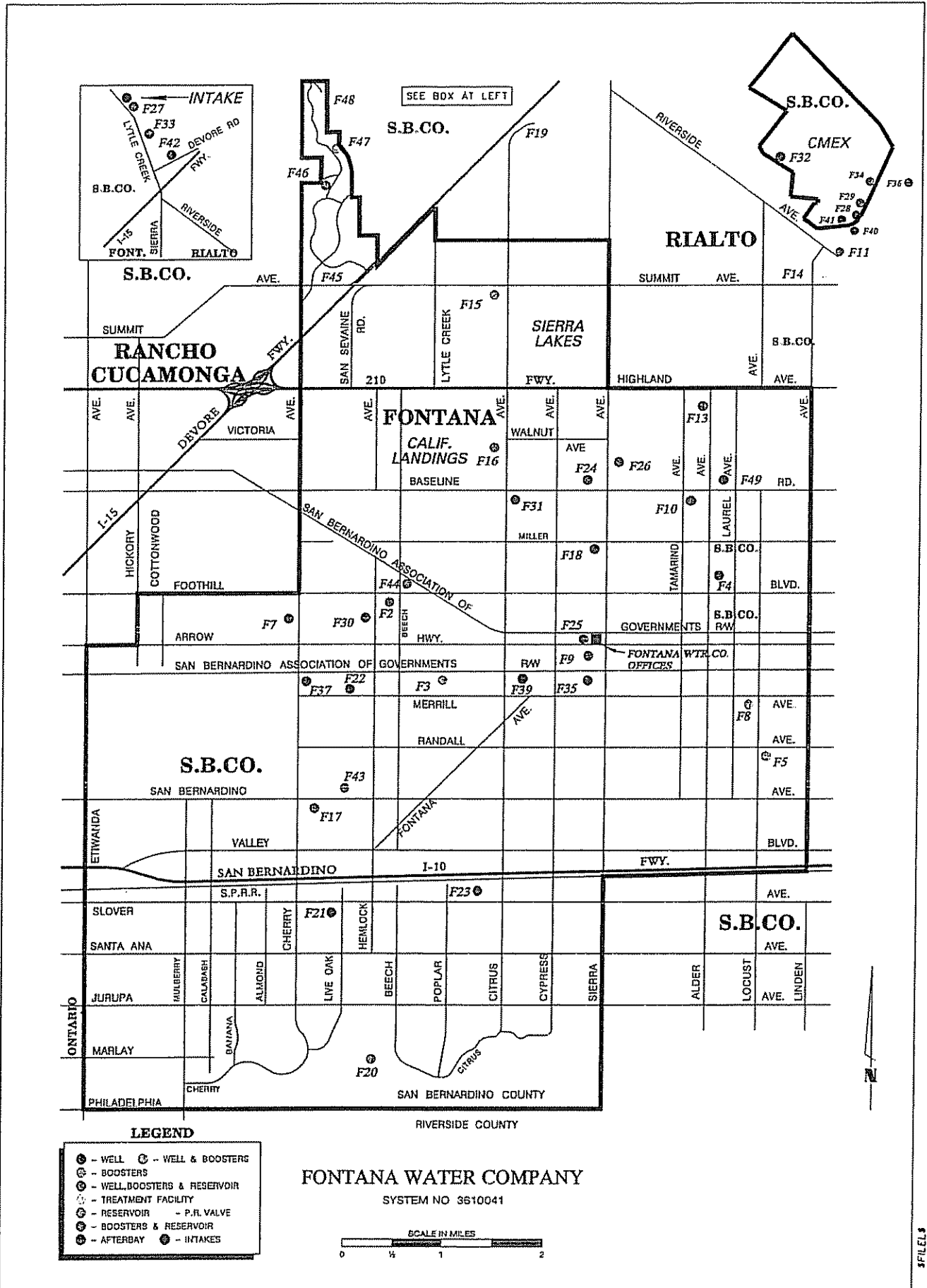
DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____



- LEGEND**
- ⊙ - WELL
 - ⊕ - WELL & BOOSTERS
 - ⊗ - BOOSTERS
 - ⊖ - WELL, BOOSTERS & RESERVOIR
 - ⊘ - TREATMENT FACILITY
 - ⊙ - RESERVOIR - P.R. VALVE
 - ⊖ - BOOSTERS & RESERVOIR
 - ⊙ - AFTERBAY
 - ⊕ - INTAKES

FONTANA WATER COMPANY
SYSTEM NO 3610041



FONTANA WATER COMPANY
Recapture Plan

The subject water is a transfer of stored groundwater from West Valley Water District to Fontana Water Company (FWC) of 1000 acre-feet to satisfy a portion of FWC's replenishment obligation for FY 2004/2005. Recapture of the stored water is accomplished by the production of any or all of the 15 wells owned and operated by FWC within Management Zone 3 of the Chino Groundwater Basin. The approximate daily production capacity of these wells is as follows:

<u>Well</u>	<u>Production</u> <u>Acre-Feet/Day</u>
F23A	-
F21A	-
F37A	-
F7A	-
F22A	-
F24A	-
F26A	-
F31A	-
F2A	-
F30A	-
F44A	-
F44B	-
F44C	-
F17B	-
F17C	-
Daily Total	126.2

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

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

July 5, 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: **June 9, 2005**

Date of this notice: **July 5, 2005**

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

- A. Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from Nicholson Trust water in storage in the amount of 5.458 acre-feet.

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

Appropriative Pool: July 14, 2005

Non-Agricultural Pool: July 14, 2005

Agricultural Pool: July 19, 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: July 5, 2005

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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: July 5, 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 – Fontana Water Company has agreed to purchase from Nicholson Trust water in storage in the amount of 5.458 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.

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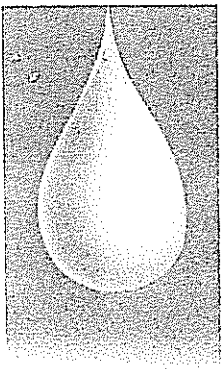
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- Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from Nicholson Trust water in storage in the amount of 5.458 acre-feet.

Notice of the water transaction identified above was mailed on July 5, 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.



FONTANA WATER COMPANY

A DIVISION OF SAN GABRIEL VALLEY WATER COMPANY

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

June 9, 2005

JUN 13 2005

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

Subject: Purchase of Water in Storage
Chino Basin-Fiscal Year 2004/2005

Dear Mr. Manning:

Please take notice that Fontana Water Company ("Company") has agreed to purchase from The Nicholson Trust water in storage in the amount of 5.458 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2004/2005.

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

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

Very truly yours,

A handwritten signature in black ink, which appears to read "Michael N. McGraw", is written over the typed name and title.

Michael N. McGraw
General Manager

MJM:bf
Enclosures

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

The Nicholson Trust _____ June 6, 2004 _____
Name of Party Date Requested Date Approved

11142 Garvey Avenue _____ 1.458 Acre-feet _____ Acre-feet
Street Address Amount Requested Amount Approved

El Monte _____ CA _____ 91737 _____
City State Zip Code

Telephone: (626) 448-6183 _____ Facsimile: (626) 448-5530 _____

Robert H. Nicholson, Jr., Trustee
The Nicholson Trust
Robert H. Nicholson, Jr., Trustee

TRANSFER TO:

Fontana Water Company _____
Name of Party

Attach Recapture Form 4

8440 Nuevo Avenue _____
Street Address

Fontana _____ CA _____ 92335 _____
City State Zip Code

Telephone: (909) 822-2201 _____ Facsimile: (909) 823-5046 _____

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

WATER QUALITY AND WATER LEVELS

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

MATERIAL PHYSICAL INJURY

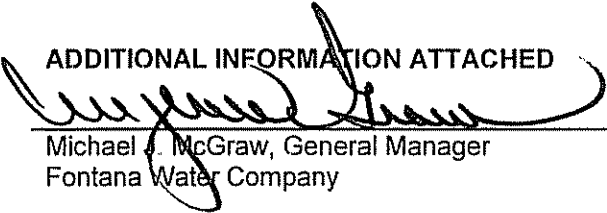
Is the Applicant aware of any Material Physical Injury to a party to the judgment or the Basin that may be caused by the action covered by the application? Yes [] No [X]

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]



Michael J. McGraw, General Manager
Fontana Water Company

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION
TO
TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2004 - 2005

Commencing on July 1, 2004 and terminating on June 30, 2005, The Nicholson Trust ("Transferor") hereby transfers to Fontana Water Company ("Transferee") the quantity of 4.0 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 production in any year shall be that produced pursuant to carry-over rights defined in the Judgment. After production of its carry-over rights, if any, the next (or first if no carry-over rights) water produced by Transferee from the Chino Basin shall be that produced hereunder.
- (2) Transferee shall put all waters utilized pursuant to said Transfer to reasonable beneficial use
- (3) Transferee shall pay all Watermaster assessments on account of the water production hereby Transferred.
- (4) Any Transferee not already a party must intervene and become a party to the Judgment.

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

WATER QUALITY AND WATER LEVELS

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

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

MATERIAL PHYSICAL INJURY?

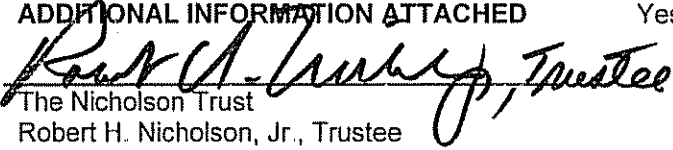
Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the applicant? Yes [] No [X]

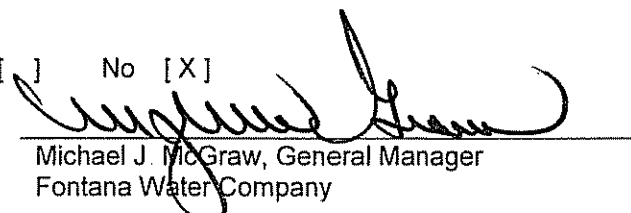
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]


The Nicholson Trust
Robert H. Nicholson, Jr., Trustee


Michael J. McGraw, General Manager
Fontana Water Company

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

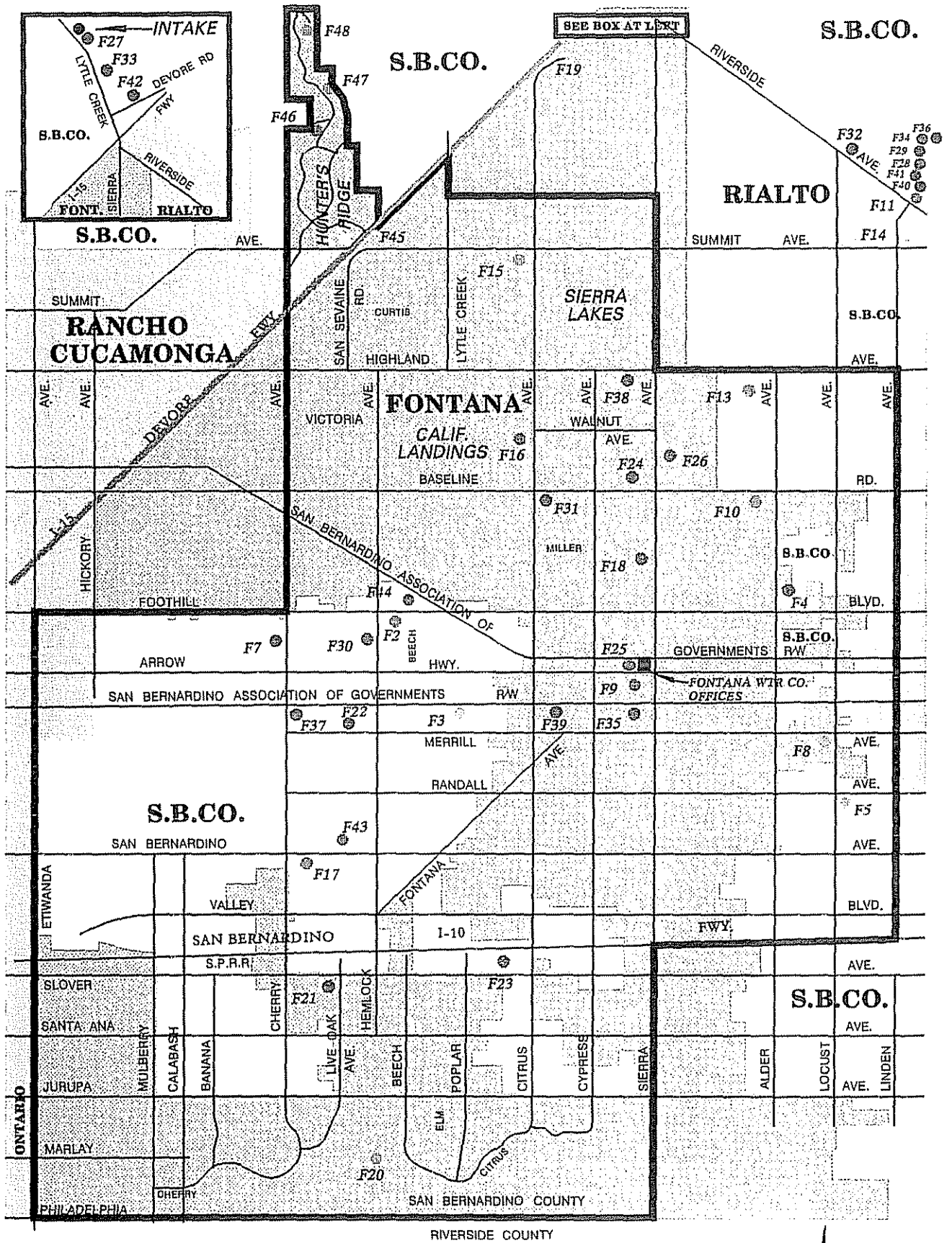
DATE OF BOARD APPROVAL: _____ Agreement # _____

FONTANA WATER COMPANY
Recapture Plan

The subject water is a transfer of stored groundwater from The Nicholson Trust to Fontana Water Company (FWC) of 5.458 acre-feet to satisfy a portion of FWC's replenishment obligation for FY 2004/2005. Recapture of the stored water is accomplished by the production of any or all of the 15 wells owned and operated by FWC within Management Zone 3 of the Chino Groundwater Basin. The approximate daily production capacity of these wells is as follows:

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

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



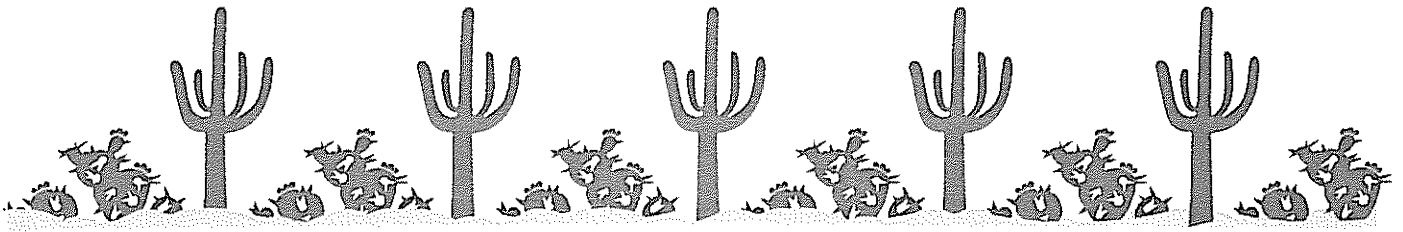
LEGEND

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

FONTANA WATER COMPANY

SYSTEM NO 3610041

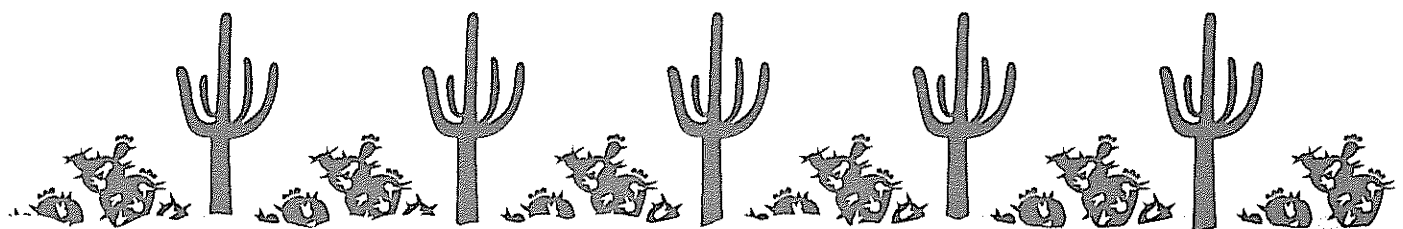
SCALE IN MILES



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

D. STATUS REPORT NO. 15





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: August 11, 2005
August 18, 2005
August 25, 2005

TO: Committee Members
Watermaster Board Members

SUBJECT: OBMP Implementation - Status Report No. 15

SUMMARY

Issue – Compliance with Court Order requiring OBMP implementation progress reports.

RECOMMENDATION – STAFF RECOMMENDS:

- APPROVAL OF STATUS REPORT NO. 15,
- AUTHORIZE ITS FILING WITH THE COURT, AND
- AUTHORIZE STAFF AND LEGAL COUNSEL TO MAKE FINAL EDITS AS NECESSARY.

Fiscal Impact – None

BACKGROUND

In accordance with the September 28, 2000 Order, progress reports are due to the Court on the last day of March and September of each year. Watermaster had indicated to the Court its intention to accelerate the reporting schedule from semi-annual to quarterly due to the rapid pace of OBMP implementation. In a subsequent Order on October 17, 2002, the Court requested Watermaster provide periodic reports concerning various issues relating to the Interim Plan by the last day of June and December of each year. These reporting items are included within Watermaster's regular quarterly reports. With approval of the court, Watermaster will revert to reporting semi-annually with summary updates done quarterly, effective January, 2005.

DISCUSSION

The reporting period for Status Report No. 15 is April 1, 2005 to June 30, 2004. It utilizes the same format previously filed as a baseline from which to update the Court. The attached draft report outlines the progress and status of Watermaster programs and projects.

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Chino Basin Watermaster Status Report No. 15

(Covering April 2005 through June 2005)



July 2005

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OPTIMUM BASIN MANAGEMENT PROGRAM

In its Order of September 28, 2000, extending the term of the nine-member Watermaster Board, the Court ordered Watermaster to provide semiannual reports regarding the progress of OBMP implementation. In Status Report Number 4, filed with the Court on September 30, 2002, Watermaster notified the Court that Watermaster intended to provide quarterly status reports because of the rapid pace of OBMP implementation. By a subsequent Order of October 17, 2002, the Court added additional reporting items to the quarterly status report. Each odd-numbered Status Report is complete, and includes background information, while even numbered reports only provide information on that quarter's activities.

This Status Report Number 15 is filed pursuant to this revised schedule and reports on the period from April 1, 2005 to June 30, 2005.

PROGRAM ELEMENT 1 – DEVELOP AND IMPLEMENT COMPREHENSIVE MONITORING PROGRAM

Groundwater-Level Monitoring

BACK-
GROUND

Watermaster has three active groundwater-level monitoring programs operating in the Chino Basin – a semiannual basin-wide program; a key well monitoring program associated with the Chino I / II Desalter well fields and the Hydraulic Control Monitoring Program (HCMP); and a piezometric monitoring program associated with land subsidence and ground fissuring (see Land Surface Monitoring below) in Management Zone 1 (MZ1).

THIS
PERIOD

For the semiannual program, Watermaster staff manually measures water levels in approximately 480 agricultural wells twice per year. In conjunction with the semiannual program, Watermaster staff manually measures water levels at about 107 key wells in the southern portion of the Basin and around the Chino I / II Desalter well fields once per month. Pressure transducers/data loggers are installed in 19 of these key wells to automatically record water levels once every 15 minutes. For the MZ-1 program, Watermaster consultants collect groundwater level data at 35 wells in the southern portion of MZ1. Data are collected manually at MZ1 wells once every two months, and automatically once every 15 minutes using a pressure transducer/data logger installed at each well.

These Watermaster programs also rely on municipal producers, other government agencies, and private entities to supply their groundwater level measurements on a cooperative basis. Watermaster digitizes all these measurements and combines them into a relational database maintained at Watermaster's office.

TO
COME

During fiscal year 2005/06, Watermaster staff will expand the use of pressure transducers/data loggers. Watermaster staff will purchase and install about 15-18 additional pressure transducers/data loggers at HCMP wells that are currently being completed. In addition, Watermaster staff will purchase and install about 20 additional pressure transducers/data



loggers at key wells and at selected wells in the northern portions of Chino Basin where highly-detailed groundwater level data are scarce.

Groundwater-Quality Monitoring

Prioritizing Wells to Serve Multiple Purposes. The private wells chosen for the 2004-05 water quality monitoring program are located primarily between Interstate 60 and the Santa Ana River (SAR).

BACK-
GROUND

Water Quality Analyses

- All groundwater samples are analyzed for general mineral and general physical parameters.
- Wells within or near the two volatile organic compound (VOC) plumes south of the Ontario and Chino Airports are being analyzed for VOCs, in addition to the general mineral and general physical parameters.
- All private wells in the key well program are being analyzed for perchlorate because of its widespread occurrence in the 1999-2001 sampling program, and the concerns expressed by appropriators faced with expensive ion exchange treatment costs for perchlorate-contaminated wells.

Sampling Program of Selected Private Wells. Watermaster developed its streamlined, key-well water quality monitoring program in which approximately 114 private "key wells" are sampled bi-annually (i.e. once every two years) in the southern portion of Chino Basin. Therefore, approximately 57 wells will be sampled on an annual basis. The steps taken in determining the key wells were:

- The basin was divided into a grid, with each grid cell being 2000 square meters (m^2).
- For each grid cell, the average TDS and NO_3 values were calculated (using the last five years of available data).
- The water quality data of each individual well were examined. Wells most closely matching the average constituent concentrations were chosen as representative. One to two wells in each grid square were retained (the wells not chosen in the key well program, but still matching these criteria, are the alternate wells for each grid cell). Preference was given to wells with the following characteristics:
 - Known construction;
 - Choice as a groundwater level key well;
 - Likelihood of surviving regional land development.
- Basin-wide TDS and NO_3 arithmetic averages were recalculated using just the key wells and compared to the total basin arithmetic averages. New maps were made representing the water quality conditions of the key wells and qualitatively compared to the original basin maps.



Watermaster continues a comprehensive water quality program whereby water quality data from other sources are routinely collected, quality-control checked and loaded into Watermaster's database. Data sources included:

- Appropriators
- Department of Health Services (DHS) – these data are currently downloaded from DHS annually
- Department of Toxic Substance Control (DTSC) for the Stringfellow Acid Pits
- Regional Water Quality Control Board (RWQCB) for water quality data associated with sites under Cleanup and Abatement Orders (CAO).

THIS PERIOD

Watermaster is working closely with the Appropriative Pool members and their state-certified contract laboratories in order to obtain water quality data as an electronic data deliverable (EDD). These data are transmitted either directly from the laboratory or from the Appropriators, after their QA/QC check of the laboratory data. The EDDs will enhance the quality and timeliness of the Watermaster's database.

With respect to the recharge of recycled water, Watermaster and IEUA are constructing a number of monitoring wells at recharge basins (Hickory, RP-3, DeClez, Turner, and Ely) to monitor the influence of recharge on groundwater levels in general, and to monitor the water quality resulting from the recharge of supplemental and storm waters. At least one monitoring well will be installed downgradient of each recharge facility that receives recycled water. Construction should be completed in FY 2005/06.

Groundwater-Production Monitoring

BACK-GROUND

Monitoring of Agricultural Production Wells. Initially production monitoring involved the installation of meters on wells operated by members of the Agricultural Pool. As of the end December 2004, Watermaster counted about 482 active agricultural wells and equipped 349 of these wells with operating meters. The other 133 wells either will become inactive within 18-24 months because of urban development in the south Chino area or have inoperable meters.

ON GOING

All Producing Wells Are Monitored Quarterly. Watermaster staff reads the newly installed and/or rehabilitated meters on the agricultural wells quarterly. A "water duty" method is used to estimate production at agricultural wells that do not have meters.

TO COME

Need For Water Use/Disposal Form To Be Reviewed. The OBMP Implementation Plan includes a provision that requires the agricultural producers to submit a water use/disposal form describing the sources of water used by each producer and how that water is disposed of after each use. Filling out the water use and disposal form and reporting the results have not been implemented. Watermaster will initiate discussions of the need for this form with the Water Quality Committee.

Surface-Water Monitoring

BACK-GROUND

Measure Water Quality and Water Levels In Recharge Basins. Watermaster conducts a surface water monitoring program to characterize the water quality of water in recharge basins and the water levels in some of these basins. The purpose of this program is to estimate the volume and quality of recharge. This information will be used in subsequent years to estimate the safe yield of the Basin and for other management purposes.



ON
GOING

Currently, Watermaster monitors the water quality in 20 basins: Upland, Declez, Etiwanda Spreading Grounds, Victoria, Hickory, Lower Day, Banana, Ely 1, Ely 3, Wineville, San Sevaine 1, San Sevaine 5, Turner 1, Princeton, Montclair 1, Montclair 2, Montclair 3, Montclair 4, Brooks, and Grove. Generally, the water quality samples are taken after storm events, i.e., during the period from November 1 through March 30; however, monitoring of nuisance flows also occurs. Each basin is usually sampled three to five times each year. In fiscal year 2005-06 the sampling rate will increase substantially for basins that are scheduled to receive recycled water.

THIS
PERIOD

Watermaster staff sampled the storm water captured on the following date in the named basin:

- 6/22/05 – Grove Basin

BACK-
GROUND

Surface Water Monitoring for Santa Ana River Began In June 2003. One of the goals of the OBMP is to maximize Chino Basin yield. A key component in maximizing yield is to minimize groundwater discharge into the SAR. Watermaster developed a surface water monitoring program for the SAR that, in conjunction with Watermaster groundwater monitoring programs, is used to characterize those reaches of the SAR that are gaining water from the Basin, and to determine if significant discharge of Chino Basin groundwater to the SAR is occurring. A conceptual monitoring plan involving IEUA, OCWD, the RWQCB, and Watermaster was finalized. These agencies developed a detailed work plan to implement a surface water and groundwater monitoring program in June 2003, and year-round water quality sampling and flow monitoring in the SAR began.

ON
GOING

Watermaster now measures the SAR flow and selected water quality parameters as key elements of the HCMP. Watermaster collects water quality samples and measures flow at four Santa Ana River stations (Van Buren, Etiwanda, Hamner, and River Road) plus another eight locations on tributaries, year round on a bi-weekly basis. In addition, Watermaster obtains discharge data from permanent USGS and OCWD stream gauge locations on the SAR and its tributaries. Discharge and water quality data from publicly owned treatment works (POTWs) that discharge to the SAR in this reach are obtained from the POTWs.

Land-Surface Monitoring

BACK-
GROUND

Multifaceted Approach. Watermaster staff developed a multifaceted land surface monitoring program to develop data for a long-term management plan for land subsidence in Management Zone 1 (MZ1). The monitoring program consists of three main elements:

1. An aquifer system monitoring facility is located in the southern portion of MZ1, an area that has experienced concentrated and differential land subsidence and ground fissuring. A major component of the aquifer system monitoring facility is a cluster of multiple depth piezometers that measure water level and pressure changes at 11 different depths. Another major component is a dual borehole extensometer that measures deformation within the aquifer system at deep and shallow levels. Together, the two components correlate the hydraulic and mechanical responses of the aquifer system to different aquifer stresses, such as pumping at wells.
2. Synthetic aperture radar interferometry (InSAR) measures land surface deformation across the entire Chino Basin using remote sensing techniques.



3. Benchmark surveys along selected profiles of the Chino Basin. The benchmark surveys (1) establish a datum from which to measure future land surface deformation, (2) "ground-truth" the InSAR data, (3) allow determination of historical subsidence at any historical benchmarks that can be recovered, and (4) evaluate the effectiveness of the long-term management plan.

Depth Specific Data. Permanent transducers and data logging equipment are recording depth specific groundwater level data at the Ayala Park piezometers. Transducers also are recording groundwater level data at wells owned by the cities of Chino and Chino Hills and the California Institution for Men (CIM). These transducers record groundwater levels at all wells once every 15 minutes, and also record "on/off" pumping cycles at the active production wells.

ON
GOING

Deep Aquifer-System Stress Test.

Controlled aquifer-system stress (pumping) tests in October 2003 and April 2004 provided piezometric response data that revealed a potential groundwater barrier within the sediments below about 300 ft-bgs, as evidenced by a lack of water level response in CH-18 (east of the fissure zone) due to pumping at CH-19 (west of fissure zone). Image-well analysis of pumping-test responses indicates that this barrier approximately coincides with the location of the historic zone of ground fissuring. This spatial coincidence suggests a cause-and-effect relationship between the barrier, the steep gradient of subsidence across the barrier as indicated by InSAR, ground level surveys and the ground fissuring.

BACK-
GROUND

Starting on September 1, 2004, Watermaster began a controlled deep aquifer-system stress test. In summary, the test provided constant discharge from two wells owned by the City of Chino Hills (CH-15B and CH-19); while most other wells in the area remain off. These wells have similar perforated intervals from about 300-1,100 ft-bgs and primarily influence water levels in the deep portions of the aquifer system – deeper than about 300 ft-bgs. The pumping test ended on October 6, 2004 {Note: CH-1B was also planned to pump during the test, but high pH levels at this well precluded pumping}.

The primary objective of this test was to transition the deformation of aquifer-system sediments from elastic compression to inelastic compaction. It provided "threshold" piezometric heads at the extensometer location that should not be approached in the future if permanent (inelastic) compaction within the aquifer-system is to be avoided. It defined a key parameter required for estimating the maximum elastic storage capacity of the confined aquifer system. When inelastic compaction was clearly identified, through analysis of stress-strain diagrams (see discussion below), the pumping test ceased.

Other objectives of the stress test were to (1) estimate key aquifer-system parameters that could be used in later modeling efforts, (2) confirm and elucidate the existence of a groundwater barrier within the sediments below about 300 ft-bgs, and (3) provide data for a proposed injection test at CH-1B.

With regard to CH-15B, groundwater pumped from this well has relatively high concentrations of arsenic that do not permit pumping this well directly into Chino Hills' distribution system. Yet it was imperative that this well participate in the stress test in an attempt to transition the aquifer-system deformation to inelastic compaction. Watermaster and Chino Hills jointly funded the



connection of CH-15B to the storm drain system through a "flush line" discharge pipe, which allowed the pumping of CH-15B during the test.

BACK-
GROUND

InSAR. The objective of this task is to characterize ground surface deformation in Chino Basin using Synthetic Aperture Radar Interferometry (InSAR). This analysis was performed for a historical period (1992-2003) and on will be updated periodically. The advantage of InSAR is that it provides a continuous representation of land surface deformation. These data are used to: (1) characterize the time history of land surface deformation in greater spatial and temporal detail than can be accomplished from the available historical ground level survey data, (2) calibrate computer simulation models of subsidence and groundwater flow, and (3) assist in the evaluation of the effectiveness of the long term management plan.

Vexcel Corporation of Boulder, Colorado – a company that specializes in remote sensing and radar technologies conducted a "proof of concept" study of historical synthetic aperture radar data that was acquired over the MZ-1 area. The objective of this study was to generate cumulative displacement maps over relatively short time steps (April to November 1993). The MZ-1 Technical Group deemed the study successful, and approved follow-up study by Vexcel to perform a comprehensive analysis of all historical synthetic aperture radar data (1992-2003) to characterize in detail the time history of subsidence in MZ-1. A contract was executed between Watermaster and Vexcel to complete the work by the first quarter of calendar 2005. Part of the contract included the presentation of the analysis results by Vexcel staff to the MZ-1 Technical Committee in March 2005.

BACK-
GROUND

Benchmark Surveys. The Interim Monitoring Program (IMP) work plan called for the deep extensometer, which is anchored in sedimentary bedrock at about 1,400 ft bgs, to be used as the "starting benchmark" for all survey loops. To accomplish this, a Class-A benchmark was constructed outside the extensometer building to serve as the practical (*i.e.* actual) starting benchmark. To link this benchmark to the deep extensometer pipe, each survey event is begun by referencing the benchmark to a marked spot on one of the piers that supports the extensometer instrument platform. These piers and the instrument platform represent a stable ground surface datum that is used to measure relative vertical displacement between the ground surface and the deep extensometer pipe (recorded every 15 minutes). The vertical displacement recorded at the deep extensometer between survey events, in addition to any vertical displacement measured between the starting benchmark and the pier, is then used to calculate the elevation at the starting benchmark outside the extensometer building. Then, relative vertical displacement between benchmarks is measured across the entire work to obtain current elevations. These comprehensive surveys are planned to be repeated annually during spring season of highest regional water levels.

A key element of the MZ-1 benchmark network is the array of closely spaced benchmarks that have been established across the historic fissure zone in the immediate vicinity of the Ayala Park extensometers (Ayala Park array). At this array, located along Edison and Eucalyptus Avenues, the IMP work plan calls for the semiannual measuring of both vertical and horizontal displacements. These horizontal and vertical displacements are expected to define two-dimensional profiles of land surface deformation that can be related to the vertical distribution of aquifer system compaction and expansion that is being recorded continuously at the extensometers. These surveys are repeated semi-annually during the late spring and early fall-periods of highest and lowest water levels – in an attempt to monitor fissure movement that may be associated with elastic and/or inelastic aquifer deformation.



In late April 2005, AE performed the annual survey event across the entire network of benchmark monuments, including the measurements of horizontal displacements at the Ayala Park Array of monuments. The results of the ground level surveys to date were presented to the MZ-1 Technical Committee at its meeting. Also at this meeting, the project manager from AE made a presentation to describe survey methodologies, accuracy, results, and challenges, as well as answered questions.

The vertical displacement at monuments that occurred from April 2004 to April 2005 was presented. Comparing monument elevations over the April to April time period should reveal the inelastic component of compaction, if any, that may be occurring in the region. The assumption here is that in April 2005 water levels in the region have recovered to the April 2004 levels, thus the measured vertical displacement does not include the elastic component of the aquifer system deformation. Water levels measured as part of the IMP (in the vicinity of Ayala Park) support this assumption. The monuments near Ayala Park showed little to no subsidence over this time period. However, the monuments located in the northern portions of the surveyed area consistently showed subsidence of the land surface (on average about 0.04 feet). Maximum subsidence of about 0.08 feet was recorded at monuments located along Philadelphia Street between Pipeline and Ramona Avenues. Water level data have not yet been collected or analyzed as part of the IMP in these northern portions of the survey area that seemingly are experiencing inelastic subsidence.

The subsidence that occurred in the area over the October 1993 to December 1995 period was measured by InSAR. The subsidence indicated by InSAR data has been interpreted as primarily permanent subsidence caused by inelastic aquifer system compaction. If so, the survey data are indicating that the distribution of inelastic compaction in 2003-04 is significantly different compared to that of the early 1990's. In particular, maximum subsidence of about 1 foot in 1993-95 was measured in the vicinity of Ayala Park by InSAR, whereas in 2003-04 the survey data are indicating minimal subsidence, if any, in this same area.

The horizontal displacements at monuments of the Ayala Park Array that occurred from April 2004 to November 2004 and November 2004 to April 2005, respectively were determined through distance measurements between adjacent monuments, and are based on the assumption that the southeastern monument was stable over the period of measurement. The measurements indicate the elastic nature of the land surface displacement over the course of the pumping and recovery seasons, as well as the apparent presence of a groundwater barrier within the deep aquifer system.

Groundwater production and water level data show that pumping of wells perforated within the deep aquifer system (>300 ft-bgs) causes water level drawdowns in the deep aquifer system on the order of 150 feet. However, these large drawdowns do not propagate east of the fissure zone. During the pumping season of 2004 (April to November) vertical displacement of the land surface (*i.e.* subsidence) was generally greater on the west side of the fissure zone where water level drawdown was greatest. During the recovery season of 2004-05 (November to April) vertical displacement of the land surface (*i.e.* rebound) was again greater on the west side of the fissure zone where water level recovery was greatest.

In other words, the groundwater barrier in the deep aquifer system aligned with the fissure zone causes greater water level fluctuations on the west side of the barrier where the pumping is concentrated. These greater water level fluctuations on the west of the barrier, in turn cause



greater deformation of the aquifer-system matrix which, in turn, causes greater vertical land surface deformation on the west side of the barrier. The InSAR data corroborate the existence of the groundwater barrier by showing maximum subsidence west of the barrier (0.2ft) and virtually no subsidence east of the barrier during the course of one pumping season (April-1993 to September 1993).

In addition, the pattern of horizontal displacement of benchmarks over the pumping and recovery seasons, likely reflects, in part, the differential compaction of the aquifer system across the fissure zone. The horizontal movements of benchmarks in the vicinity of the fissure zone merit further monitoring using the same surveying methods for at least one additional year. The next survey of the Ayala Park array of monuments is planned for April 2006.

Aquifer-System Modeling. The objectives of aquifer-system modeling in MZ-1 are:

- To evaluate fluid withdrawal as the mechanism of historical land subsidence (forensic tool)
- To predict the effects of potential basin management practices on groundwater levels and land subsidence (forecasting tool)

BACK-
GROUND

In other words, if a model can be constructed that simulates past drawdown and associated land subsidence, then the model represents an additional line of evidence that fluid withdrawal was the mechanism of historical and land subsidence. In addition, the model can be used to predict future drawdown and associated land subsidence that would result from potential basin management practices.

Three distinct modeling efforts will take place in sequence:

1. Inverse analytical modeling. This type of modeling will use groundwater level and production data collected as part of the aquifer-system stress testing (pumping tests) that were conducted in 2003 and 2004. The objectives are to determine the hydraulic and mechanical parameters of the aquifer-system and reveal XY-anisotropy. The results will be used in subsequent numerical modeling efforts.
2. One-dimensional compaction modeling. This type of modeling will use groundwater level and aquifer-system deformation data collected at the Ayala Park Extensometer facility. The objective is to determine the aquitard properties in the vicinity of Ayala Park. Areal extrapolation of aquitard properties will be based on geology and InSAR data, and the results will be used in the three-dimensional numerical modeling efforts (below).
3. Three-dimensional groundwater flow and subsidence modeling. This type of modeling will use groundwater level and production data at all wells in the area, and historical land subsidence data from ground level surveys and InSAR. Again, this model will serve as a forensic and forecasting tool for MZ-1.

TO
COME



Development of Long-Term Management Plan. The objective of the long-term management plan is to minimize or abate permanent land subsidence and ground fissuring in MZ-1. The modeling efforts described above will be key to the development and evaluation of this plan.

The OBMP implementation plan called for the development of the long-term management plan for MZ-1 by June 2005. Because the modeling efforts were just begun this quarter, the Special Referee was notified, and has indicated that the IMP progress and current activities are sufficient to warrant a delay in the development of the long-term management plan for MZ-1. A workshop was held May 25, 2005 to update the Special Referee on IMP progress.

Well Construction, Abandonment, and Destruction Monitoring

BACK-GROUND

Watermaster staff monitors the condition of wells on a regular basis. Wells that may be improperly abandoned/destroyed are reported to Riverside and San Bernardino Counties as they are discovered.

Watermaster staff inspected 150 suspect wells during a 2002-03 field inspection and determined that 113 of these wells were properly abandoned and 37 wells will require some modification to meet the standard for a properly abandoned well. A well repair/abandonment program was prepared and approved by Watermaster. Watermaster continues to develop a wellhead protection program and makes recommendations on closure of abandoned wells. Ongoing land development will require continued well abandonment activity by Watermaster.

**PROGRAM ELEMENT 2 –
DEVELOP AND IMPLEMENT COMPREHENSIVE RECHARGE PROGRAM**

A centerpiece of the OBMP is enhancement of the Basin recharge capacity, so that high quality storm water and available recycled water can be retained in the Basin.

Recharge Facilities Improvement Project (Seven Bid Packages)

Bid Package No. 1—Reconfiguration of Banana, College Heights, Lower Day, RP3 and Turner Basins

COMPLETED

Bid Package No. 1, which included major earthwork at Banana, College Heights, Lower Day, RP-3, and Turner Basins, was awarded to LTE Excavating on March 24, 2003. Work was scheduled for completion by November 15, 2003, but was delayed while awaiting delivery of sluice gates and their actuator assemblies. These items were received and installed, and the bid package was accepted on May 12, 2004

Bid Package No. 2 – Basin Improvements (3 ea), Drop Inlets (3 ea), and Rubber Dams (4 ea)

COMPLETED

Bid Package No. 2 consisted of construction of the drop inlet structures for Brooks Street Basin, Turner Basin; and Victoria Basin; rubber dams for College Heights/Upland Basins, Turner No.1 Basin, Lower Day Basin, and RP-3 Basin; and various improvements at Declez Basin, Ely Basins, and 8th Street Basins. This package was awarded to Banshee Construction with work beginning on July 16, 2003. Work on this contract was scheduled to be completed by March 15,



2004; however, rain delays slowed completion of excavation and soil cement berms. All the work on this bid package was accepted on August 18, 2004.

Bid Package No. 3 – Jurupa Basin to RP-3 Force Main

COMPLETED Bid Package No. 3 involved construction of approximately 11,000 linear feet of 36-inch CML&C force main between Jurupa Basin and RP-3 Basin. The force main will be used to convey storm water, imported water, and recycled water between the pump station at Jurupa Basin and the RP-3 Basins. This package was awarded to W. A. Rasic Construction Company with work beginning on August 6, 2003. The contractor completed the work, and the bid package was accepted on January 12, 2005.

Bid Package No. 4 – Jurupa Basin to RP-3 Pump Station

COMPLETED Bid Package No. 4 consisted of construction of the Jurupa Pump Station, 100 feet of 48-inch pipeline, and 400 feet of 36 inch, CML&C steel force main. The package was awarded to LT Engineering with work beginning on February 19, 2004. The contractor has completed the work, and the bid package was accepted on March 15, 2005.

Bid Package No. 5 – SCADA System

THIS PERIOD This bid package includes the SCADA system and electrical improvements at all the basins. The 100 % design was submitted, reviewed, and sent out for bid in January 2004. The package was awarded to Denboer Engineering with construction beginning in March 2004. The contractor is now 95% complete, with substantial completion in July 2005.

Bid Package No. 6 – MWD Turnouts

COMPLETED This bid package covered the construction of three new MWD turnouts: CB-11TB and CB-15T on the Rialto Pipeline, and CB-18T on the Etiwanda Intertie near San Sevaine Channel. This package was awarded to Griffith Construction with work beginning on February 4, 2004. The contractor has completed the work, and the bid package was accepted on March 15, 2005.

Bid Package No. 7 – Priority, Funding and Scope of Misc. Projects

COMPLETED This bid package comprised miscellaneous projects not included in the previous bid packages. Among the projects included in this bid package were:

- Habitat Mitigation Area at RP-3
- Upland Basin Improvements
- Victoria Basin Improvements
- Hickory Rubber Dam, Pump Station and Force Main
- Grove Basin SCADA Improvements



This package was bid and awarded to Brutoco Engineering & Construction on July 21, 2004. The construction was estimated to take five months, but rain delays extended the project 60 days. The contractor has completed the work, and the bid package was accepted on March 15, 2005.

Groundwater Recharge Coordinating Committee (GRCC)

THIS PERIOD

The GRCC meets biweekly to focus on facility operations and maintenance, redesign of facility shortcomings, and planning new facilities. The third Draft Recharge Facilities Operation Procedures was completed, and 12,000 AF of "New Yield" storm water were captured during the FY 2004-05 storm season.

Because of the heavy silt load in this years storms, the basins are being removed from service according to a maintenance schedule major reconditioning. This involves drying the basins, scraping from 4" to 12" of silt from the bottom, and hauling the silt off site. In addition, the basins are being landscaped to remove overgrowth and trash. Funds for this recondition were obtained from DWR and FEMA grants.

TO COME

During the first quarter 2005-06, recycled water will be introduced into the reconditioned Banana Hickory, and Turner Basins; and by the second quarter 2005-06 into the reconditioned Ely Basins. With the completion of the summer maintenance program, Chino Basin will have the capacity to recharge over 7,000 AF/mo of supplemental (regard and imported) water.

**PROGRAM ELEMENT 3 –
DEVELOP AND IMPLEMENT WATER SUPPLY PLAN FOR THE IMPAIRED AREAS OF THE
BASIN; AND**

**PROGRAM ELEMENT 5 –
DEVELOP AND IMPLEMENT REGIONAL SUPPLEMENTAL WATER PROGRAM**

These program elements focus on the shift of production in the southern end of the Basin away from agricultural uses and toward urban uses. Without the OBMP, this land use conversion would result in a decrease in production in the southern end of the Basin, ultimately leading to rising water levels. If groundwater levels in the southern end of the Basin rise too high, then water may "spill" out of the Basin into the Santa Ana River. Such uncontrolled spillage caps the overall Safe Yield of the Basin. The Basin can be managed to avoid this possibility.

Directly tied to the threat of rising water levels in the southern area is the diminished desire of appropriators to pump water because of impaired water quality. The ability to balance the loss of agricultural production with increased appropriative production is inhibited because of these water quality concerns. Greater appropriative production in this area therefore requires water treatment, an issue addressed through the construction of desalter facilities.



The Chino I/II Desalters

BACK-GROUND

The Chino I Desalter was originally constructed by SAWPA to provide 8.1 million gallons per day (MGD) of product water using reverse osmosis treatment. The project also included extraction wells, raw water pipeline, and product water pipelines and pump stations

BACK-GROUND

Chino I Expansion/Chino II Desalter. This expansion includes the construction of an additional 4.9 MGD of parallel treatment capacity (nitrate removal via ion exchange) at Chino I and 10 MGD of similar ion exchange at the Chino II Desalter. Construction contracts were signed and construction is underway with completion scheduled for February 2006. Watermaster staff reviewed the proposed well construction for the new wells for Desalter II and determined that the location and construction were consistent with the OBMP Implementation Plan

ON GOING

Chino I Desalter Other Improvements. Facilities under construction include three new extraction wells (construction completed), a raw water pipeline (construction completed), a Chino Hills pump station and product water pipeline (construction 98% completed), and an ion exchange (construction 90% completed) .

ON GOING

Chino II Desalter Other Improvements. Facilities under construction include eight new extraction wells (construction completed), three raw water pipeline packages (one in early construction, two 90% completed), two product water pipelines (one completed construction, one early construction), and site improvements (construction 88% completed)

All the projects underway to expand the Chino I/II Desalters should be completed by February 2006. Application has been made for Prop. 50 funds (\$1,600,000) to add 8 mgd of ion exchange capacity to the Chino II Desalter.

PROGRAM ELEMENT 4 – DEVELOP AND IMPLEMENT COMPREHENSIVE GROUNDWATER MANAGEMENT PLAN FOR MANAGEMENT ZONE 1

Program Element 4 details the steps undertaken by Watermaster to reduce or abate subsidence and fissuring in Management Zone 1.

THIS PERIOD

The MZ1 Technical Committee Meeting – April 20, 2005. Committee representatives were informed of the status of the various efforts to implement the monitoring program (see Land Surface Monitoring of Program Element 1). The meeting focused on the pumping test results, the Associated Engineers (AE) semi annual survey of the Ayala Park Array of benchmarks, the progress on the Vexcel InSAR studies, and the analysis of piezometric and extensometer data.

Voluntary Forbearance. The City of Chino and the City of Chino Hills submitted certifications documenting their respective voluntary participation in forbearance of groundwater production. Through the end of June 2005, the City of Chino submitted documentation of pumping reductions of 1892.19 acre-feet toward its forbearance goal of 1,500 acre-feet for 2004/2005. The City of Chino Hills submitted documentation of forbearance of 1,500 acre-feet through June 2005.



Agency	Forbearance through December 2004	Forbearance Goal 2004/2005
City Of Chino	1,892.2 acre-feet	1,500 acre-feet
City Of Chino Hills	1,500 acre-feet	1,500 acre-feet

TO
COME

Pending Legal Actions Regarding Subsidence. In its October 17, 2002 Order, the Court ordered Watermaster to keep the Court apprised of any legal actions that could question the Court's jurisdiction over subsidence. Watermaster is not aware at this time of any such actions. The hearing regarding the City of Chino's Paragraph 15 Motion concerning subsidence was continued by the court until September, 2005.

**PROGRAM ELEMENT 6 –
DEVELOP AND IMPLEMENT COOPERATIVE PROGRAMS WITH THE REGIONAL WATER
QUALITY CONTROL BOARD, SANTA ANA REGION (REGIONAL BOARD) AND OTHER
AGENCIES TO IMPROVE BASIN MANAGEMENT; AND**

**PROGRAM ELEMENT 7 –
DEVELOP AND IMPLEMENT SALT MANAGEMENT PROGRAM**

The "water quality committee" as envisioned in the OBMP Implementation Plan has been formally constituted. Since the development of the OBMP, Watermaster has worked closely with the Regional Water Quality Control Board, the Department of Toxic Substances Control, and others to define water quality challenges and to refine the water quality management criteria in the Chino Basin. Watermaster continues to review water quality conditions in the Basin and to consider future water quality management activities beyond the Chino Basin desalting program.

BACK-
GROUND

Water Quality Management. In response to the results of RWQCB and Watermaster's groundwater quality monitoring programs (Program Element 1) Watermaster has refined its water quality monitoring to focus on the following key areas:

- Watermaster is identifying and characterizing water quality anomalies, such as the VOC anomaly south of the Ontario International Airport (OIA). Status Reports on each of the anomalies were developed by Watermaster and were presented to the Water Quality Committee for their review.
- Watermaster staff receives and reviews all reports that are produced by dischargers that are conducting investigations under order by the RWQCB and the Department of Toxic Substances Control (DTSC).
- Watermaster staff assisted the RWQCB with research, monitoring, and the crafting of investigative, and cleanup and abatement orders for potential dischargers involved with the OIA.
- Watermaster staff continues to participate in the process of developing TMDLs for Reach 3 of the Santa Ana River and other water bodies in the lower Chino



Basin. No progress has been made during the last quarter because of the State budget crisis and staffing issues at the RWQCB.

Water Quality Committee

BACK-
GROUND

Watermaster staff and consultants continue to update our understanding of the contaminants of concern in the various plumes, and the extent of their migration and remediation. In addition, Wildermuth Environmental continued their analysis of the environmental records search performed by EDR. This consisted of a query of state and federal databases of known users and dischargers of potentially hazardous chemicals. Watermaster is analyzing the relationship of potential sources of perchlorate with down gradient impacted production wells. On March 30, 2004, Black & Veatch delivered their "Draft Technical Memorandum –Treatment Technology Review" which analyses current and emerging treatment technologies for specific contaminants of concern in the Chino Basin; including nitrates, perchlorate, arsenic, and specific VOCs.

With respect to the VOC plume at OIA, Wildermuth Environmental completed their data gathering effort at the RWQCB and prepared five draft Letters of Notification/Cleanup and Abatement Orders for review by the RWQCB prior to their mailing to identified potential dischargers. Watermaster's water level and water quality monitoring programs over the last several years have resulted in a robust database that is being used by Watermaster and other stakeholders in the basin to help pursue PRPs.

THIS
PERIOD

At the Chino Airport VOC plume, Watermaster obtained permission from private well owners to release VOC water quality data to the RWQCB. Tetra Tech, a consulting engineering firm performing quarterly groundwater monitoring of the VOC plume immediately southwest of the airport property, in turn obtained these data from the RWQCB to assist in their efforts to model plume movement. Tetra Tech is under contract to the County of San Bernardino, Department of Architecture and Engineering, the owner and operator of Chino Airport, and is attempting to determine the sources of the VOC plume. This quarter Tetra Tech installed four additional groundwater monitoring wells, and performed additional soil gas surveys, in order to locate the VOC sources. Tetra Tech completed the quarterly sampling program at the initial four monitoring wells installed, and found elevated levels of TCE and its degradation products. The additional wells and soil gas survey were intended to help define the plume source within the airport complex. Tetra Tech will prepare a soil gas survey report, and continue the quarterly sampling of all eight monitoring wells.

With respect to perchlorate in MZ-3, a number of wells in the Fontana area of Chino Basin have been impacted and shut down because of relatively low levels of perchlorate (but above the State Action Level of 6 µg/l). Some parties in the basin believe that significant perchlorate sources near the Mid-Valley Landfill (Goodrich, Aerojet, Quickset, Emhart Industries, Denova Environmental, Pyro Spectacular, Rialto Ammunition Storage Point, et al.) in the Rialto-Colton basin may also be sources of perchlorate in Chino Basin. The proposed transport pathway is leakage across the Rialto-Colton Fault. Members of the WQC proposed that Watermaster perform a hydrogeologic investigation of that area to better understand cross basin transport. The investigation may be prohibitively expensive, given the complexity of the fault system and aquifer heterogeneity.

In a related study, the RWQCB has done an extensive historical perchlorate usage literature review and has produced a sizable volume of circumstantial evidence that large quantities of Chilean fertilizer may have been used for citrus in the Fontana area.



THIS
PERIOD

At the Water Quality Committee Meeting on May 24, 2005, two major items were discussed. First, the initial sampling of wells in MZ-1 was completed (including the renovated wells MPZ and KOFS), and based on the analytical results, tentative locations were identified for two new monitoring wells. The purpose of this investigation is to identify the current location of the Kaiser Plume, and its direction of movement. The concern is that the plume, last monitorial in 1993, could be approaching either Ontario or Jurupa wells. Second, the draft Cleanup and Abatement Orders (CAOs) for the Ontario Airport VOC plume were completed, and provided to the RWQCB for their final review and mailing. Wildermuth Environmental prepared several scenarios for remediation of this plume, and developed approximate costs for implementing the remediation.

TO
COME

Neil Sturchio, Professor and Head of the Earth and Environmental Sciences at the University of Illinois at Chicago, has developed a technique for using stable isotope ratios of oxygen and chloride to distinguish the origin of perchlorate (man-made or Chilean fertilizer). Natural perchlorate carries a unique ¹⁸O and ³⁷Cl signature – very robust parameters that can be used to distinguish between man-made and natural sources of perchlorate. Professor Sturchio has tested several samples of leachate from fertilizer nitrogen (from the Atacama Desert in Chile) and rocket fuel sources. One of the innovations that Professor Sturchio has developed is the use of a flow-through column with an bifunctional anion-exchange resin. This is required to concentrate the typically low levels of perchlorate in groundwater so that the perchlorate can be analyzed isotopically.

Watermaster intends to utilize this isotopic perchlorate analysis to determine if source of the perchlorate in groundwater MZ-3 is anthropogenic or from Chilean fertilizer.

Watermaster and Regional Board Propose TDS and Nitrogen Objectives to Promote Maximum Benefit of Waters Available to the Chino Basin

BACK-
GROUND

Watermaster staff worked with the Total Dissolved Solids (TDS)/ Nitrogen (N) Task Force to revise the sub-basin boundaries, and the TDS and N objectives for the Chino Basin to promote maximum beneficial use of waters in the Basin (as opposed to the Regional Board's current, more rigid anti-degradation based objectives). The maximum beneficial use approach will increase water supplies and lower costs over time while meeting water quality requirements. In December 2002, Watermaster proposed specific water-quality management zone boundaries, and N and TDS objectives for the Chino Basin to the RWQCB. The TDS/N Task Force and the RWQCB incorporated Watermaster recommendations in the TDS/N Basin Plan Amendment dated November 21, 2003.

The Basin Plan Amendment incorporating the sub-basin boundaries and maximum beneficial use concept was adopted by the RWQCB on January 24, 2004 (RWQCB Basin Plan Amendment, and Attachment to Resolution No. R8-2004-001). Watermaster staff immediately developed and submitted surface water and groundwater monitoring programs to the RWQCB on February 21, 2004. These monitoring programs measure the progress of CBWM and IEUA in achieving the "maximum benefit" goal for TDS/N in the Chino and Cucamonga Basins. The Basin Plan amendment was reviewed and approved by the State Water Resources Control Board (SWRCB) on September 8, 2004, and by the Office of Administrative Law (OAL) and U.S. Environmental Protection Agency (USEPA).



BACK-
GROUND

Cooperative Effort to Determine State of Hydraulic Control. One remaining issue regarding the Basin Plan changes was to develop a monitoring plan to evaluate the state of hydraulic control in the southern end of the Basin. Hydraulic control is one tool that can be used to maximize the safe yield of the Basin. Watermaster staff developed a monitoring program for OBMP purposes and described this effort in the Initial State of the Basin Report (October 2002). The execution of this monitoring program is included in Program Element 1. Watermaster and IEUA have collaborated with OCWD and the RWQCB to select existing wells and to site nine new multi-piezometer wells that will be used to monitor and assess the state of hydraulic control.

In addition to being a core element of the OBMP, hydraulic control is a requirement of the Basin Plan Amendment. Watermaster, OCWD, and RWQCB staffs developed a conceptual monitoring program in June 2003 to assess the state of hydraulic control and to provide information to Watermaster to manage future production and recharge. The final work plan for the Hydraulic Control Monitoring Program was completed in May 2004, and implementation is now occurring. This program will change over time as new information is developed and will last for several years. The coordination and review of the hydraulic control monitoring data and the development of management programs to maintain hydraulic control have been added to Program Elements 6 and 7.

Watermaster, IEUA, OCWD, and the Regional Board have agreed to construct nine new monitoring wells as part of the piezometric monitoring element of the HCMP. These monitoring wells are necessary because existing well locations and well construction are not sufficient to measure the extent of hydraulic control in the vicinity of the Desalter well fields and because of the loss of monitoring use of agricultural wells as these wells are destroyed in the land conversion from agricultural to urban uses. These new wells will document the creation of a regional depression in the piezometric surface, for both the shallow and deep aquifer systems, as a result of Desalter pumping. These wells are being installed during fiscal year 2004/05.

THIS
PERIOD

The following tasks were performed during April-June 2005 for the nine HCMP wells:

- Completed drilling, installation, and development on MW1 through MW9
- Completed well heads
- Equip the wells with dedicated sampling pumps and water level transducers

TO
COME

The following tasks are projected to be performed during July-September 2005 for the 9 HCMP wells:

- Initial sampling of MW1 through MW9
- Quarterly sampling thereafter



Salt Budget Tool To Establish TDS Objectives

COMPLETED Watermaster has developed a salt budget tool to estimate the current and future salt loads to the Basin and the salt benefits of the OBMP. This tool was used to establish TDS objectives for the northern part of the Basin based on maximum beneficial use of water available to the region. These projections were based on the water supply plan in the Implementation Plan and include alternative recycled water and State Project water recharge scenarios. Watermaster consultants prepared a letter report (February 20, 2004) describing the salt budget and the Chino Basin Maximum Benefit Commitment. The commitments require Watermaster and IEUA to take specific actions triggered by ambient water quality and other time-certain conditions. An implementation schedule is specified, with the RWQCB responsible for overseeing compliance.

PROGRAM ELEMENT 8 – DEVELOP AND IMPLEMENT GROUNDWATER STORAGE MANAGEMENT PROGRAM; AND

PROGRAM ELEMENT 9 – DEVELOP AND IMPLEMENT STORAGE AND RECOVERY PROGRAM

This section summarizes the work accomplished to date and the work planned over the next few months for the Chino Basin Dry Year Yield (DYY) and Storage and Recovery Programs. The DYY Program is a conjunctive use program between the Metropolitan Water District of Southern California (MWDSC) and several Basin appropriators, which would develop a maximum of 100,000 acre-feet of storage. These Programs also explore the potential for using up to 500,000 acre-feet of storage capacity.

BACK-GROUND **Completed Preliminary Design Report.** The first draft of the DYY Preliminary Design Report was completed in July 2003 and submitted to Watermaster. The DYY Program documentation is organized into four volumes: Volumes I and II, prepared by Black & Veatch, comprise the Preliminary Design Report (PDR). Volume I describes the background information and design objectives of the Program, while Volume II describes the facilities to be designed to help the agencies meet their shift obligation. Volume III presents the groundwater modeling report developed by Wildermuth Environmental, Inc., and Volume IV contains the CEQA Findings of Consistency environmental documentation prepared by Tom Dodson and Associates.

ON GOING **DYY Shift Obligation.** Participants in the DYY Program will be required to reduce (shift) their imported water usage by a predetermined amount during a dry year. Each participating agency will have a specific shift obligation that, when added together, will provide MWDSC with 33,000 acre-feet of dry year yield. The shift obligations were determined through meetings and correspondence among IEUA, Watermaster, Black & Veatch, and representatives from each participating agency.



The eight participating agencies are as follows:

• City of Chino	• Monte Vista Water District (MVWD)
• City of Chino Hills	• City of Ontario
• Cucamonga Valley Water District (CVWD)	• City of Pomona
• Jurupa Community Services District (JCSD)	• City of Upland

Facility Requirements and Site Selection. A preliminary screening of potential sites identified the most feasible locations for the DYY Program facilities. The information was presented to the agencies and a final selection was made. The Program facilities consist of five new ion exchange (IX) facilities, expansion of two existing IX facilities, construction of seven new non-water quality impaired wells, and two new perchlorate wellhead treatment facilities. The new wellhead IX facilities would contribute approximately 18,000 acre-feet of dry year yield, while the new well facilities would contribute approximately 15,000 acre-feet of additional yield. The total capital cost for the facilities is estimated to be \$38 million. MWDSC will contribute approximately \$27 million. The Groundwater Storage Program Funding Agreement between MWDSC, IEUA, Three Valleys Municipal Water District (TVMWD), and Watermaster was signed in July 2003.

ON GOING **Design of PDR Facilities.** While some of the designs for the facilities outlined in the PDR are completed (Upland IX design, MVWD ASR well design well, Pomona JCSD Teagarden IX expansion design, CVWD North Central IX, and Pomona West IX); others such as the well designs for MVWD and, Ontario, are still underway. These later designs should be completed in 2006.

BACK-GROUND **Final Approval of DYY Storage Account.** Pursuant to Article X of Watermaster's Rules and Regulations, IEUA submitted an Application to enter into a Storage and Recovery Program Storage Agreement. This Application was approved unanimously by all Pools and received unanimous approval from the Advisory Committee and Board on October 23, 2003. Watermaster and IEUA developed a storage agreement pursuant to the Application and processed that agreement through the Watermaster approval process in March 2004. The agreement was submitted to the Court for approval. Prior to Court approval, MWDSC is utilizing its existing Trust Storage Account with the intention of transferring its water stored in the Trust Account into the DYY account upon approval of the Storage Agreement.

BACK-GROUND **Groundwater Modeling.** The Chino Basin groundwater model was completed and the draft modeling report was submitted to Watermaster in July 2003. In addition to evaluating the effects of the DYY program on the Basin, the model was used to:

- Develop draft future replenishment and wet water recharge criteria based on requirements described in the Section 7.1b of the Watermaster Rules and Regulations regarding the balance of recharge and discharge. (See Wildermuth, Analysis of Supplemental Water Recharge Pursuant to the Peace Agreement. To be filed with the Court.)
- Evaluate the cumulative effects of transfers among the Parties as described in Section 9.3 of the Watermaster Rules and Regulations. (See Wildermuth, Evaluation of the



Cumulative Effects of Transfers Pursuant to the Peace Agreement. To be filed with the Court.)

- Describe pumping patterns in Management Zone 1 that will not reduce piezometric levels below current conditions.

These management criteria were incorporated into the DYY program. The results of this work were presented to the Pool Committees, Advisory Committee, and the Watermaster Board in June and August 2003, and the final report was submitted in September 2003.

BACK-GROUND

Engineering Review and Determination of the Operational Storage Requirement and Safe Storage. The Operational Storage Requirement was defined in the Peace Agreement as part of the storage in the Chino Basin "necessary to maintain the safe yield" of the Basin (Peace Agreement, Exhibit B – Implementation Plan, page 37). Safe storage is the maximum storage in the Basin that can occur without significant water quality and high groundwater related problems. The draft results of this work were presented to the Pool Committees, Advisory Committee, and the Watermaster Board in August 2003.

ON-GOING

Other Uses of the Groundwater Model in the OBMP Implementation. The groundwater model is currently being used to investigate alternative management strategies including reduced storage in the eastern part of the basin, expanded storage and recovery programs, and assessing hydraulic control with various appropriator proposed pumping alternatives in the southern Chino Basin. A draft report documenting the modeling effort and related investigations will be submitted to Watermaster during the next reporting period.

CONCLUSION

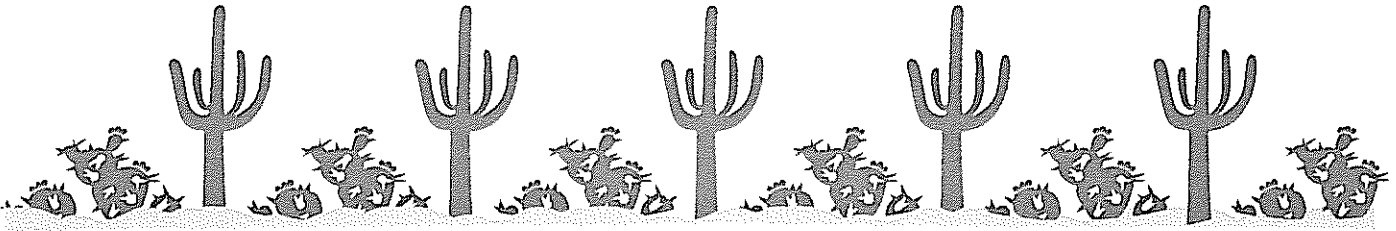
THIS PERIOD

This has been an active reporting period for Watermaster, with major activities on a number of issues:

- Construction on 6 Bid Packages is complete, but completion of Bid Package 5 is delayed approximately 60 days by technical difficulties. Bid Package 5, the SCADA system should be operational by October 1, 2005.
- The groundwater level and quality monitoring programs have been reorganized to better support new initiatives, such as MZ1, HCMP, Nitrogen Loss, and Desalter Expansion. Selected wells are being equipped with automatic measuring and recording devices to continually collect water level data at wells at frequent intervals. Field sampling and laboratory analyses used in FY 2003/04 have transitioned to the new monitoring program for FY 2004/2005.
- Construction of nine new HCMP monitoring wells is complete, with the first sampling to be done in July 2005
- Data from the Ayala Park Extensometer indicated that deformation within the aquifer system sediments has been primarily elastic compression and expansion during the 2004 pumping season. A pumping test in October 2004 was evaluated to determine the limits of pumping the deep aquifer to provide elastic compression and expansion.



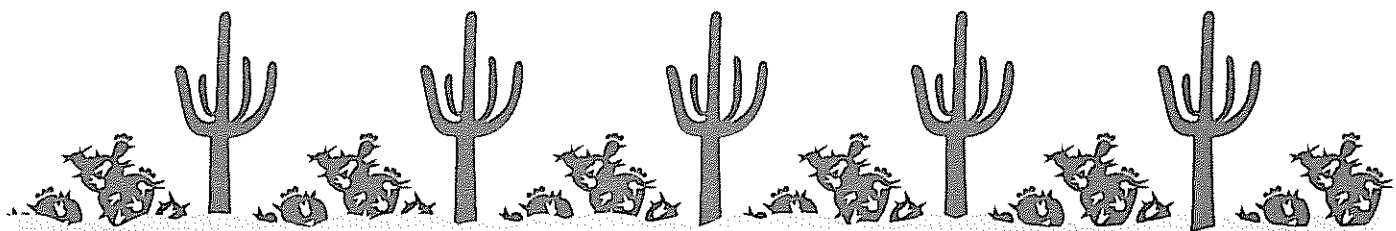
- Cleanup and Abatement Order (CAO) were prepared for five industrial firms which discharged volatile organic compounds from their activities at Ontario Airport. These orders are being completed by the RWQCB.



CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

A. NORTH GUALALA AMICUS





CHINO BASIN WATERMASTER

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KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: August 25, 2005
TO: Committee Members
Watermaster Board Members
SUBJECT: North Gualala Amicus

Summary

Recommendation – Recommend that general counsel complete and file an amicus brief consistent with the draft presented.

Fiscal Impact – None

Background

On December 14, 2004 the Mendocino Superior Court issued a decision in the case *North Gualala Water Company v. State Water Resources Control Board*, which interpreted the State Water Resources Control Board's ("SWRCB") jurisdiction of groundwater pumping in relation to a surface water body. This decision can be interpreted to have applied an "impacts" test instead of the statutory "known and defined channel" test for SWRCB jurisdiction. A complete copy of this trial court decision was included in a prior meeting package.

The issue of the SWRCB's jurisdiction over groundwater pumping is of concern to the Chino Basin parties. It was the basis for Watermaster's extensive commentary on the 2001 SWRCB Report drafted by Professor Joseph Sax ("the Sax Report"). Under an expansive "impacts" test, groundwater pumping in the Chino Basin, and throughout the Santa Ana Watershed, may fall within the SWRCB's permitting jurisdiction.

The North Gualala Water Company has appealed the case and filed its opening brief on July 26, 2005. Copies of this opening brief were distributed at the July 28, 2005 Advisory Committee and Board meetings. The SWRCB will file its response brief at the end of September.

Watermaster counsel has reviewed the opening brief by North Gualala Water Company and notes that in the 50 page brief; only three pages (pages 41 to 43) are devoted to a discussion of the trial court's use of an "impact"

test. Because of this, counsel recommends that Watermaster file an amicus brief in order to ensure that the question of the extent of the SWRCB's jurisdiction is fully addressed in a manner that is fully responsive to the needs and perspective of the Chino Basin.

Counsel has prepared a draft of a proposed amicus brief. Counsel recommends that the Advisory Committee and Board recommend general counsel complete this amicus brief according to the submitted draft and file the completed brief. In order to increase the potential for acceptance of the brief by the Appellate Court, counsel would like to be able to file the amicus brief as soon as possible after the SWRCB files its responsive brief sometime at the end of September. Authorization to file the amicus brief from the Watermaster Board in August would enable counsel to meet the filing goal should the need arise prior to the next Board meeting.

Counsel will distribute an updated copy of the draft at the meetings on the 25th. Prior to filing, counsel will distribute a copy of the completed draft for all parties in order to provide opportunity for additional comments.

Outline

Chino Basin Watermaster Amicus Brief
North Gualala Water Company Litigation

- I. CBWM manages groundwater and groundwater pumping in the Chino Basin.
- II. The conclusion of the trial Court decision appears to apply an "impact" standard in the determination of State Water Resources Control Board jurisdiction over groundwater pumping.
- III. Actual or potential impact of groundwater pumping on a surface water body is not the standard for State Board jurisdiction.
- IV. In 2002, the State Water Resources Control Board commissioned Professor Joseph Sax of Boalt Law School to investigate and report on the SWRCB's jurisdiction over groundwater. This resulting report contained an exhaustive analysis of the legislative history of the "known and defined channel" standard and concluded that this standard means what it says and can be distinguished from an "impact" standard. The report concluded that if the desire of the State Board is to utilize an impact standard, that this would require a legislative change. To date, there has been no legislative action based on this recommendation and the State Board has taken no action based on Professor Sax's Report.
- V. The Sax Report also identified Southern California's adjudicated basins as the most successfully managed basins in California. This highlights the principal danger of the trial court's use of the "impact" standard, and the most important nexus with Professor Sax's Report.
- VI. There are many groundwater basins in California where percolating groundwater is produced under a management regime created by way of a groundwater adjudication. These adjudicated basins are managed under complex legal regimes that have been created over the years in response to the issues facing those particular areas.

While these basins are composed of percolating groundwater, they often have some kind of impact on a surface water body. For example, all water in the Santa Ana Watershed eventually finds its way in to the Santa Ana River and becomes a surface expression at an area known as Prado Dam. If the test for SWRCB jurisdiction were whether groundwater pumping has an "impact" on a surface water body, then conceivably *all* pumping in the Santa Ana Watershed would become jurisdictional. This would create an upheaval of established water management institutions which have been recognized to be effective and successful.
- VII. If it is the desire of California to change the standard under which the SWRCB exercises its jurisdiction, this change should come from the legislature. This is true on legal grounds, but it is also a matter of good policy. A judicial change in the standard would apply in a cookie-cutter manner across California's groundwater basins. A legislative change, on the other hand, would be a more textured response that could recognize the role of adjudicated basins and the Watermasters that govern them, and could provide a solution based on this recognition.

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**COURT OF APPEAL OF THE STATE OF CALIFORNIA
FIRST APPELLATE DISTRICT, DIVISION ONE**

NORTH GUALALA WATER COMPANY,)	No. A109438
)	
Plaintiff and Appellant,)	
)	
v.)	
)	
STATE WATER RESOURCES CONTROL)	
BOARD,)	
)	
Defendant and Respondent.)	
)	

Appeal from the Judgment of the Superior Court of the State of California, County of Mendocino (Case Nos. SCUk CVG 01-86209 and SCUk CVPT 03-90347)

The Honorable Richard Freeborn and the Honorable Leonard LaCasse, Judges

AMICUS BRIEF

**HATCH & PARENT, A LAW CORPORATION
SCOTT S. SLATER, STATE BAR NO. 117317
MICHAEL T. FIFE, STATE BAR NO. 203025
21 EAST CARRILLO STREET
SANTA BARBARA, CALIFORNIA 93101
(805) 963-7000; FAX (805) 965-4333**

**ATTORNEYS FOR AMICUS
CHINO BASIN WATERMASTER**

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B. This Issue Was Thoroughly Analyzed in the 2002 “Sax Report.”

C. The Sax Report Concluded that the Standard is Known and Defined Channel and Any Change to This Must be Through Legislative Action. The California Legislature Has Never Taken Such Action and None is Proposed.

POLICY CONSIDERATIONS SUPPORT EXPLICIT REJECTION OF THE TRIAL COURT’S USE OF THE IMPACT STANDARD

INTRODUCTION

The Chino Basin Watermaster (“Watermaster”) manages groundwater and groundwater pumping in the Chino Basin.

The conclusion of the trial Court decision appears to apply an “impact” standard in the determination of State Water Resources Control Board jurisdiction over groundwater pumping.

ARGUMENT

A. “Known and Definite Channel” is the Test for SWRCB Jurisdiction. “Actual or Potential Impact” is Not the Test for SWRCB Jurisdiction.

The California Water Code is clear that the jurisdiction of the State Water Resources Control Board (“SWRCB”) extends only to, “. . . surface water, and to subterranean streams flowing through known and definite channels.” (Water Code § 1200.) All other groundwater is considered percolating groundwater and is outside the jurisdictional control of the SWRCB. Conflicts regarding percolating groundwater are resolved through the courts.

B. This Issue Was Thoroughly Analyzed in the 2002 “Sax Report.”

In 2002, the State Water Resources Control Board commissioned Professor Joseph Sax of Boalt Law School to investigate and report on the SWRCB’s jurisdiction over groundwater. This resulting report contained an exhaustive analysis of the legislative history of the “known and defined channel” standard and concluded that this standard means what it says and can be distinguished from an “impact” standard.

C. The Sax Report Concluded that the Standard is Known and Definite Channel and Any Change to This Must be Through Legislative Action. The California Legislature Has Never Taken Such Action and None is Proposed.

The report concluded that if the desire of the State Board is to utilize an impact standard, that this would require a legislative change. To date, there has been no legislative action based on this recommendation and the State Board has taken no action based on Professor Sax's Report.

POLICY CONSIDERATIONS SUPPORT EXPLICIT REJECTION OF THE TRIAL COURT'S USE OF THE IMPACT STANDARD

The Sax Report also identified Southern California's adjudicated basins as the most successfully managed basins in California. This highlights the principal danger of the trial court's use of the "impact" standard, and the most important nexus with Professor Sax's Report.

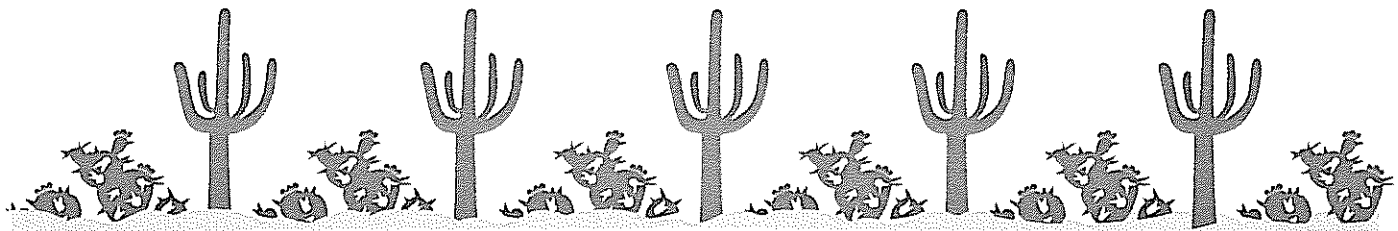
There are many groundwater basins in California where percolating groundwater is produced under a management regime created by way of a groundwater adjudication. These adjudicated basins are managed under complex legal regimes that have been created over the years in response to the issues facing those particular areas.

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If it is the desire of California to change the standard under which the SWRCB exercises its jurisdiction, this change should come from the legislature. This is true on legal grounds, but it is also a matter of good policy. A judicial change in the standard would apply in a cookie-cutter manner across California’s groundwater basins. A legislative change, on the other hand, would be a more textured response that could recognize the role of adjudicated basins and the Watermasters that govern them, and could provide a solution based on this recognition.

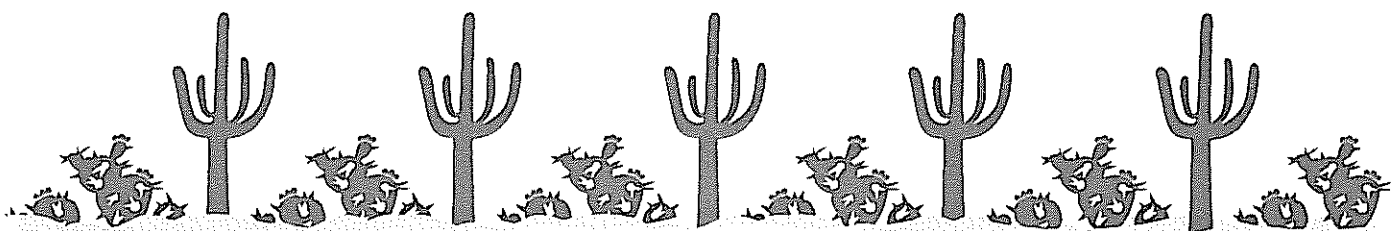
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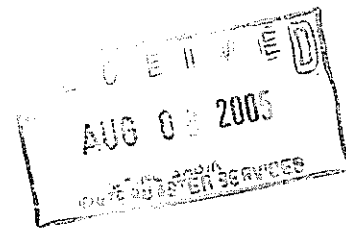


CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

B. ACWA - REGION 9 ELECTION FOR 2004-2005 TERM





MEMORANDUM

August 5, 2005

**TO: ACWA REGION 9 MEMBER AGENCY BOARD PRESIDENTS
AND GENERAL MANAGERS**

FROM: SARA STEPHENS, ACWA FIELD REPRESENTATIVE

**SUBJECT: REGION 9 ELECTION FOR 2004-2005 TERM
MAIL BALLOTS DUE BY SEPTEMBER 30, 2005**

It is time to elect the 2006-2007 ACWA Region 9 Officers and Board Members who will represent and serve the members of Region 9. Enclosed you will find the official ballot which includes the individuals recommended by the Region 9 Nominating Committee and qualified write-in candidates. ACWA Region 9 will conduct an in-person election at the upcoming region meeting on September 19, 2005 in Santa Barbara, please see the attached meeting notice and registration form.

Your agency is entitled to cast only one vote for each of the Region 9 positions. Please review the enclosed ballot and cast your agency's vote for a chair, vice chair and three to five members for the board of directors. THEN:

- Have the appropriate voting delegate for your agency complete the ballot,**
- Obtain your Board President's signature indicating approval of the ballot,**
- Cast the ballot at the Region 9 meeting on September 15, 2005 from 8 a.m.-3:00 p.m. at the Laguna Cliffs Marriott Resort at Dana Point (for reservations call 1-800-228-9290) and complete the enclosed registration form,**
- Or MAIL by September 30, 2005 to:
ACWA, Attention Sheri Van Wert
910 K Street, Suite 100
Sacramento, CA 95814**

REMEMBER: YOUR VOTE IS IMPORTANT. The Region 9 Chair and Vice Chair will serve on ACWA's board of directors for the next two year term of office January 1, 2006 to December 31, 2007. The newly elected Chair and Vice Chair will make the Region 9 committee appointment recommendations to the ACWA President for the 2006-2007 term. They will also

serve on the ACWA Finance Committee. The Region 9 Board Members are elected to represent the issues, concerns and needs of your region.

If you have any questions about the ballot or voting process, please contact your field representative at (916) 441-4545 or by e-mail at saras@acwa.com. Thank you for your careful consideration and participation in the Region 9 election process.

Enclosures:

ACWA Region 9 Ballot

ACWA Region 9 Meeting Notice

ACWA Region 9 Registration Form



ACWA REGION 9 OFFICIAL BALLOT
2006-2007 Term

REGION 9 MEMBER AGENCY NAME: _____

AUTHORIZED VOTING DELEGATE: _____
(Please print name/title)

BOARD PRESIDENT APPROVAL: _____
(Signature/date)

PLEASE COMPLETE AND RETURN THIS BALLOT TO ACWA BY SEPTEMBER 30, 2005

FAX to: ACWA, Sheri Van Wert (916) 325-2316
MAIL TO: ACWA Sheri VanWert
910 K Street, Suite 100
SACRAMENTO, CA
95814

PLEASE INDICATE YOUR SELECTIONS BY MARKING THE APPROPRIATE BOXES:

- I concur with the Region 9 Nominating Committee's complete slate as recommended.
I will select my agency's individual candidates for the Region 9, 2006-2007 Board.

NOMINATING COMMITTEE RECOMMENDATIONS:

(In accordance with Region 9 rules and regulations, Region 9 shall elect a chair, vice chair and 3-5 board members to serve the members of the region for the 2006-2007 term of office)

Nominee for Chair:

- Joe Kuebler, Eastern Municipal Water District

Nominee for Vice Chair:

- Steve Robbins, Coachella Valley Water District

Nominees for Board Representatives:

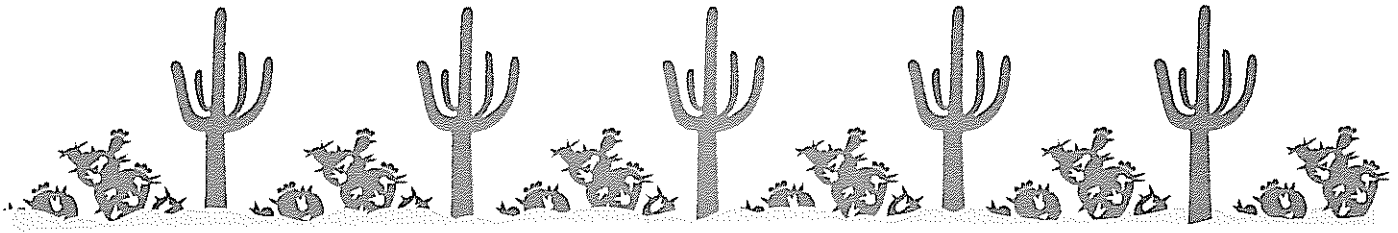
- Brad Luckey, Imperial Irrigation District
Ben Wicke, Elsinore Valley Municipal Water District
Jerry Wilson, Cucamonga Valley Water District
Richard Larson, San Gorginio Pass Water Agency
Manny Aranda, San Bernardino Valley Water Conservation District

ADDITIONAL REGION 9 CANDIDATES:

(In accordance with the Region 9 rules and regulations, those qualified candidates not recommended by the Region 9 nominating committee are eligible for the Region 9 election).

- Skip Wilson, East Valley Water District

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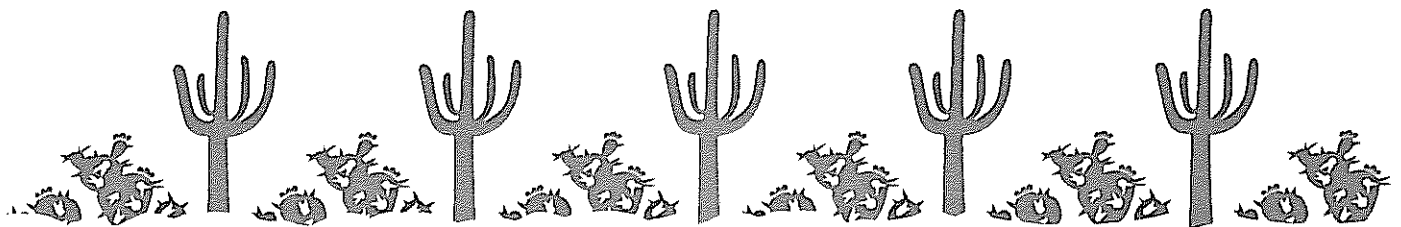


CHINO BASIN WATERMASTER

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

2. Board Re-Appointment



1 Scott S. Slater (State Bar No. 117317)
Michael T. Fife (State Bar No. 203025)
2 **Hatch & Parent, A Law Corporation**
21 East Carrillo Street
3 Santa Barbara, CA 93101
(805) 963-7000
4 (805) 965-4333

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5 **Attorneys For**
CHINO BASIN WATERMASTER

6
7
8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF SAN BERNARDINO**

10 CHINO BASIN MUNICIPAL DISTRICT

Case No. RCV 51010

11 Plaintiff,

[Assigned for All Purposes to the Honorable
MICHAEL GUNN]

12 vs.

**MOTION TO RE-APPOINT THE NINE-
MEMBER BOARD FOR A FURTHER
FIVE YEAR TERM**

13 CITY OF CHINO, ET AL.

14 Defendant.

Hearing Date: TBD
Time: TBD

15
16
17
18 **I.**

19 **INTRODUCTION**

20 On February 19, 1998, the Court appointed a nine-member Board consisting of
21 representatives from the Overlying (Agricultural) Pool, the Overlying (Non-Agricultural) Pool, the
22 Appropriate Pool, and three municipal water districts to serve as Interim Watermaster for the
23 Chino Basin. On August 30, 2000, Watermaster filed a Motion to Extend the Nine-Member Board
24 for a Full Five-Year Term.¹

25
26
27 ¹ The use of the five-year period as the term for Watermaster appointment is a feature of Paragraph
28 Watermaster.”

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1 When the nine-member Board was appointed in 1998, the central concern of the Court was
2 on the completion and adoption of the Optimum Basin Management Program. In 1998, “[t]he Court
3 informed the parties that one of the measures that would be used in determining the effectiveness of
4 the nine-member board, in functioning as a steward of the Basin, would be the progress made on the
5 adoption of an optimum basin management program (“OBMP”) for the Basin.” (September 28, 2000
6 Order, p.1-2.)

7
8 Through the Peace Agreement, Watermaster completed the preparation of the OBMP. Thus,
9 in the August 30, 2000 Motion, Watermaster argued that adoption of the OBMP justified the Court
10 in re-appointing the nine-member Board for a five-year term. The Court accepted Watermaster’s
11 argument and re-appointed the nine-member Board with certain conditions that related to ensuring
12 that the OBMP, having been adopted, would be implemented.

II.

CONDITIONS OF APPOINTMENT

13
14
15
16 The Court said: “[t]he nine-member board is hereby appointed for an additional five-year
17 term, until September 30, 2005, subject to the continuing jurisdiction of the Court to reconsider the
18 appointment in the event Watermaster fails to timely comply with the following conditions: (1)
19 Watermaster’s report on the status of its efforts to resolve the terms and conditions applicable to the
20 purchase of desalted water and to secure a recession of Western Municipal Water District’s
21 conditional execution of the Peace Agreement . . . ; and (2) Watermaster adoption and Court approval
22 of Revised Rules and Regulations for Chino Basin . . . ; and (3) Submission of Reports Nos. 1
23 through 10 in accordance with the schedule set forth [in the Order] . . . ; and (4) Inclusion in such
24 reports of schedule and budget information essentially in a form equivalent to Exhibit “E” and Table
25 4-14 of the Phase I Report; and (5) Watermaster cooperation in the independent assessment and
26
27
28

1 verification of the data included in Reports Nos. 1 through 10 to be provided to the Court by the
2 Special Referee and her technical expert.” (September 28, 2000 Order p.6.)

3 **A. SATISFACTION OF INITIAL CONDITIONS OF APPOINTMENT**

4 1. The terms and condition applicable to the purchase of desalted water were resolved
5 through an agreement known as the Integrated Chino Arlington Desalter Term Sheet and the
6 subsequent formation of the Chino Desalter Authority. Based on this, Western Municipal Water
7 District rescinded its conditional execution of the Peace Agreement on April 25, 2001 by way of
8 Western Resolution 2162. Watermaster submitted this resolution to the Court on September 19,
9 2001.

10
11 2. The Court approved a revised Watermaster Rules and Regulations on July 19, 2001.

12 3. Watermaster has exceeded the requirement to file 10 bi-annual OBMP status reports
13 and since the beginning of 2003, has been filing quarterly status reports and has filed a total of 13
14 status reports.

15
16 4. Inclusion of schedule and budget information in a form equivalent to that on Exhibit
17 E, Table 4-14 of the Phase I Report has been provided to the Special Referee and the Court
18 periodically and in a satisfactory manner. As the years have passed, the format of this information
19 has departed from the original dictates of the Court, but Watermaster has remained responsive to the
20 expectations of the Special Referee and the Court.

21
22 5. Watermaster has cooperated in the independent verification of the data included in
23 OBMP Status Reports through periodic meetings between Watermaster staff and consultants and the
24 Special Referee and the Court’s Technical Advisor.

25 **B. CONDITIONS OF RE-APPOINTMENT**

26 “The OBMP progress reports, together with independent assessment of OBMP
27 implementation status, including verification of data to be provided by the Special Referee and her
28

1 technical expert, will be the basis for consideration of continuing the appointment.” (September 28,
2 2000 Order, p.4.)

3 “The Court hereby gives notice to the parties that a primary concern of the Court in any
4 future application for reappointment of the nine-member board will be the parties’ continued
5 commitment to provide for future desalters and preserve safe yield in accordance with the OBMP.”
6 (September 28, 2000 Order p.5.) “The parties are forewarned that any future application for
7 reappointment of the nine-member board may be conditioned on the development of a detailed plan
8 to reach the OBMP goal of 40,000 acre-feet per year of desalting capacity to be installed in [the]
9 southern part of the Basin by 2020.” (September 28, 2000 Order p.7.)

10 At the September 28, 2000 hearing, the Court also provided additional guidance on the
11 factors that would be relevant to the consideration of re-appointment:

- 12 1. All production meters will be installed;
- 13 2. Basin monitoring will be completely in place and will have been the basis for the
14 semi-annual reports specified in my Order;
- 15 3. The Recharge Master Plan will be complete and appropriate recharge facilities will
16 have been installed; and
- 17 4. The OBMP Desalter I Expansion and Desalter II will be installed and operational,
18 with demonstrated delivery of desalter water for municipal use in the Basin.”

19 (Handout re September 28, 2000 Order from Court to Watermaster General Counsel and
20 memorialized at the Court’s direction in the September 28, 2000 Notice of Entry of Order.)

21 **C. SATISFACTION OF CONDITIONS OF RE-APPOINTMENT**

- 22 1. Watermaster’s State of the Basin Report describes the installation of meters as
23 follows: “As of June 1, 2005, Watermaster counted about 530 active agricultural wells. About 390 of
24 these wells are now equipped with operating inline flow meters. Watermaster has budgeted to install
25

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1 meters on 30 additional wells during the fiscal year 2005-06. Of the approximately 110 unmetered
2 wells remaining, approximately 65 are wells producing less than 10 acre-feet per year. The other 45
3 wells are anticipated to become inactive within 18-24 months because of urban development in the
4 southern portion of Chino Basin.” (State of the Basin Report 3-2.)

5
6 2. Under OBMP Program Element 1, Watermaster has developed numerous monitoring
7 programs. The accomplishments of these programs are described in detail in Watermaster’s State of
8 the Basin Report, which is attached to this pleading as Exhibit “A.”

9 In summary, Watermaster has programs to monitor groundwater level, groundwater
10 production, and artificial recharge. These three programs are described in chapter 3 of the State of
11 the Basin Report. Watermaster also monitors water quality throughout the Basin and these efforts are
12 described in chapter 4 of the State of the Basin Report. Watermaster conducts ground level
13 monitoring and these efforts are currently focused on MZ1 subsidence issues. The ground level
14 monitoring activities are described in chapter 5 of the State of the Basin Report. Watermaster closely
15 monitors activities at all of the recharge basins and these activities are described in chapter 6 of the
16 State of the Basin Report. Finally, Watermaster conducts detailed monitoring of the condition of
17 hydraulic control, which is the relationship between the groundwater basin and the surface water of
18 the Santa Ana River. This program is described in chapter 8 of the State of the Basin Report and in
19 the May 2004 Hydraulic Control Monitoring program Final Workplan. This project consisted in the
20 construction of nine wells at an estimated cost of \$1,500,000 (State of the Basin 9-5.).

21
22
23 3. The parties completed the Recharge Master Plan Phase II Report in August 2001. The
24 Recharge Master Plan described a series of recharge basin improvements that would enhance the
25 water supply of the basin through the ability to capture more stormflow. Because of the magnitude
26 of the project, the Recharge Master Plan recommended a phased approach to implementation. The
27 parties decided that given the importance of the project that implementation should move forward as
28

1 quickly as possible. The full project was a \$40 million series of construction activities that were
2 completed in the fall of 2004.

3 The project is anticipated to be fully operational in 2006. Based in lessons learned during the
4 2004-2005 storm season, further refinements to the recharge basins are being developed.

5
6 4. In 2001 the parties created a Joint Powers Agency known as the Chino Desalter
7 Authority to own and operate the Chino Basin Desalters. The progress of the desalter is reported in
8 great detail in chapter 9.2 of the State of the Basin Report. According to the April 2005 CDA
9 Progress Report, the expansion of the Chino I Desalter and the construction of Chino II are estimated
10 to be complete by February 2006.

11 **III.**

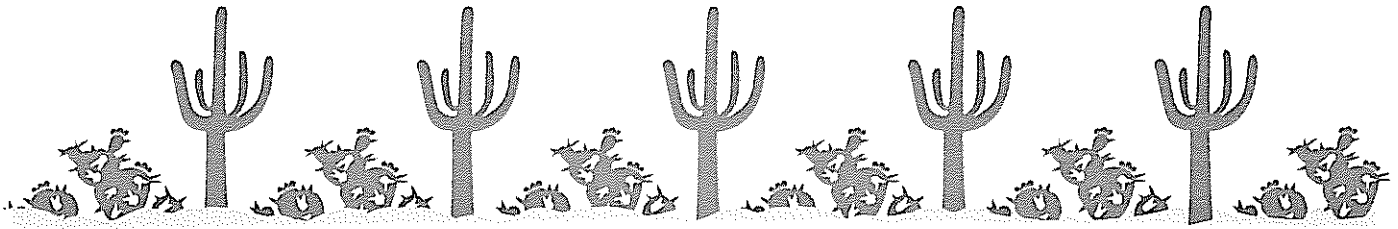
12 **MOTION FOR RE-APPOINTMENT**

13
14 Based on all of the forgoing, Watermaster respectfully requests the Court to re-appoint the
15 nine-member Watermaster Board for another five-year term beginning September 30, 2005 and
16 ending September 30, 2010.

17
18 **DRAFT**

19 Dated: _____, 2005

20 By: _____
21 HATCH & PARENT
22 Scott S. Slater
23 Michael T. Fife
24 Attorneys for Chino Basin Watermaster

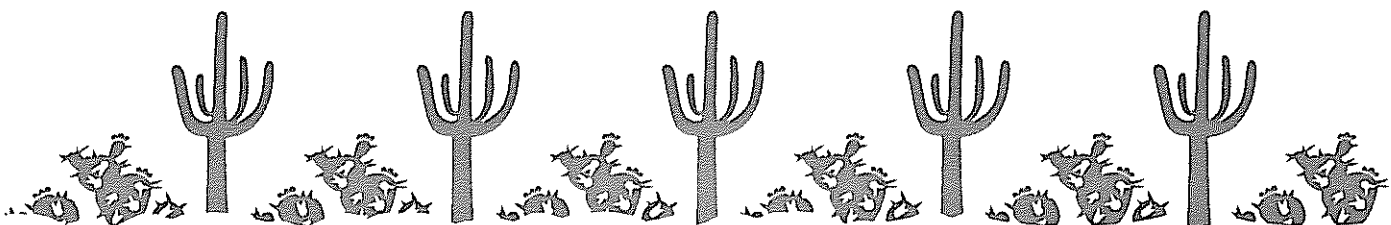


CHINO BASIN WATERMASTER

III. REPORTS/UPDATES

C. INLAND EMPIRE UTILITIES AGENCY WATER MANAGERS REPORT

3. Planning and Water Resources Quarterly Report
4. State/Federal Legislation Reports
5. Public Relations Report



**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE
August 25, 2005**

AGENDA

INTER-AGENCY WATER MANAGERS' REPORT

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

20 – 30 Minutes

Discussion Items:

- MWD Status Report – Richard Atwater
- State Water Plan (B160) – Martha Davis

Written Monthly Updates:

- Planning and Water Resources Quarterly Report
- State/Federal Legislation Reports
- Community Outreach/Public Relations Report

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PLANNING & WATER RESOURCES UPDATE
 JULY 2005

Planning and Water Resources Activities

Highlights

Chino Basin Recharge Activities

■ IEUA Title 22 Engineering Report Phase II Chino Basin Recycled Water Groundwater Recharge Project

On April 15, 2005, the Regional Board approved the Phase I permit to recharge recycled water (approximately 8,400 AF). The DRAFT Phase II, Title 22 Engineering Report "Chino Basin Recycled Water Groundwater Recharge Project" was submitted to DHS and SARWQCB in July 2005. Phase II would increase the total recharge with recycled water to approximately 26,000 AF.

■ FEMA Grant Application

In April and May, the IEUA staff worked with FEMA in preparing an application for repair of flood damaged the Chino Basin Groundwater Recharge Basins and facilities that occurred during the January 7 through 25, 2005. The application was submitted to FEMA and to the Governor's Office of Emergency Services Disaster Assistance Resources Branch in late May. IEUA was notified June 13, 2005 by letter that the Application had been approved for \$1.19 million. Work has begun on several of the repair projects.

■ Chino Basin Facilities Improvement Program (CBFIP) nearing completion

Phases 1, 2, & 3 of the CBFIP are complete; the remaining phases are nearing completion. Phases 4, 6 & 7 will be presented to the IEUA Board for construction acceptance as complete in August 2005. Phase 5, the SCADA system will be completed in September 2005. This will complete the \$38.7 million project, that began construction March 24, 2003, with the improvement of 16 basins and construction of two new recharge sites, plus construction of diversion structures, pipelines and pumping stations.

■ Hydraulic Control Monitoring Wells (HCMP) & Title 22 Phase I groundwater monitoring wells

The HCMP wells were drilled to monitor the outflow of groundwater from the Chino Basin. The drilling the nine HCMP wells began in October of 2004 with the award of the contract to Layne Christensen Drilling; the last of the wells, HCMP Well No. 1, drilled on the Chino Airport property was completed June 24, 2005. Three Title 22 Phase I groundwater monitoring wells were added to the driller's contract by change order, these wells are located down gradient from the Hickory Basin and the Turner Basins. The Hickory Basin well was completed June 1, 2005; the remaining two wells down gradient from the Turner Basins will be completed in July and August 2005.

■ Recharge of Storm Water during the Rainy Season of 2004/05

Phases 1, 2, & 3 of the CBFIP completed virtually all the groundwater recharge basin construction allowing these basins able to be operated manually. As a result, a total of 14,560 acre feet of storm water was able to be recharge to the Chino Basin aquifer from the ten storm events beginning October 16, 2004 through April 16, 2005. The value of this recharge storm water is \$3,640,000 at \$250 per acre foot.

Water Resources Activities

■ Metropolitan Water District of Southern California (MWD)

During fiscal year 2004-05, approximately 53,920 AF was Tier I. Overall, imported water sales decreased during the fiscal year due to significant rainfall in the winter and spring. For calendar year 2005, imported water sales are significantly less than 2004 (see page 6).

In May, Metropolitan Water District released a first draft of its Urban Water Management Plan. MWD held an UWMP Workshop on June 9 at Three Valleys Municipal Water District to discuss their UWMP and elicit comments from the review.

■ Department of Water Resources (DWR)

On June 8, DWR released its final recommendations on its Proposition 50 Water Use Efficiency grant program. IEUA was awarded \$1.65 million for a ULF Toilet Multi-Family Direct Install program. IEUA will install approximately 22,000 toilets in apartment complexes throughout the service area. The estimated savings will be about 1,100 acre-feet each year. The program is estimated to begin in the spring of 2006.

Highlights Con't Next Page

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■ **Bulletin 160**

The Department of Water Resources recently released their first draft of the State Water Plan, also known as Bulletin 160. In June, public workshops were held throughout the state in San Diego, Los Angeles, Coachella, Bakersfield, and San Luis Obispo. Evening workshops were held on July 12 and 13 in Sacramento and Chino, respectively. For more information on the results of those workshops, please visit the DWR website at www.water.ca.gov.

■ **2005 Urban Water Management Plan**

IEUA is developing its 2005 Urban Water Management Plan which must be completed and delivered to the Department of Water Resources by December 2005. In mid-June, a first draft copy of the document was distributed to local water agencies and planning agencies. An IEUA workshop was held on July 13 with local agencies to discuss the water supply/demand numbers and other elements of the document.

■ **Water Conservation Activity Summary**

The Regional Water Conservation Workgroup last met on July 6 at IEUA offices. Over the last quarter, major topics discussed were the FY 2005-06 conservation program budget and the landscape audit program. For July, the major topics were MWD Community Partnership Program, the Landscape Audit Program, the Draft IEUA Urban Water Management Plan. The next meeting will be held on August 2nd.

■ **Garden In Every School Program**

All seven elementary schools have been completed. Dedications were held at each school except Euclid (Ontario). In place of a dedication, IEUA will join with the Euclid principal in making a presentation to the Ontario Kiwanis club which assisted with the garden. A two page Daily Bulletin ad featuring the program will be published in July. Follow up presentations are planned for each of the school boards and city councils in July and August. Erin Keller and Sondra Elrod initiated a program evaluation and are preparing a work plan for FY 2005/06.

■ **Cooling Tower Workshop**

In conjunction with Metropolitan Water District and the "Save A Buck" CII rebate program, IEUA held a Cooling Tower Workshop on June 27 at the Hilton Ontario Airport from 9:30 to 11:30 am. Attendance was about 25, with about 10 to 12 from local businesses. Also, we had several members of the pre-treatment committee. The follow up will consist of a Fall workshop (probably in September) for which IEUA and Honeywell will develop info on water quality and energy costs savings for the businesses.

■ **MWD Conservation Incentive Rate**

MWD staff met with the staff of several member agencies on June 1 to review the current water conservation incentive and determine scenarios for increasing the \$154 per acre foot level. The MWD staff agreed to develop several options for discussion purposes. The next meeting of this "Task Force" has not yet been scheduled, but should occur in September.

Water Conservation Rebate Programs During FY 2004-05

- **ULFT Rebate Program** - Through the last quarter, a total of 117 rebates were issued. For the 2004-05 FY, a total of 636 rebates were issued. The total number of rebates has been 2,365 since the rebate program began two years ago.
- **High Efficiency Clothes Washer Rebate Program** — Through the last quarter, a total of 454 rebates were issued, bringing the total for the current fiscal year to 1,894 rebates. The total number of rebates has been approximately 5,400 since the rebate program began in 2002. The HECW Rebate program requirements changed on July 1, 2005. Rebates will be issued for HECWs that have a Water Factor (WF) of 6.0 or less. Because of this change to more water and energy efficient HECWs, staff expects the number of rebates to be significantly reduced during the new fiscal year.
- **Swimming Pool Cover Rebate Program** — Through the last quarter, there were 152 rebates issued. This brings the total for the current fiscal year 269 rebates. Over the last two years, IEUA and the Regional Partnership agencies have issued over 500 rebates for pool covers. At the request of the retail agencies (water conservation coordinators group), the rebate program formally ended on June 30, 2005.

Water Conservation Programs FY 2004-05

- **Multi-Family ULFT exchange Programs** – Approximately 1,750 installations have taken place through the end of June. There is a good chance that the Archstone Apartment Building project retrofit in Ontario will take place in July (about 1,000 ULFT's).
- **X-Ray Film Processors** – This program, funded with a \$230,000 DWR grant and additional funding from MWD has completed the installation of 11 processors at area hospitals and clinics. The DWR grant program agreement deadline was June 30, 2005 so there will be no additional installations through the program.
- **California Urban Water Conservation Council (CUWCC) Activities** – The CUWCC held their quarterly Plenary Session in San Francisco on June 8th. A meeting was held at Irvine Ranch Water District with CUWCC members to discuss the idea of CUWCC of becoming a national organization funded by U.S. EPA. Meeting were held in May around to country to explore the interest level. If you would like to provide comments to CUWCC, please complete the survey at www.cuwcc.org/national_cwe_survey.lasso. For more general information about CUWCC, please go to www.cuwcc.org.
- **Landscape Programs** - All of the survey/audits for the original 22 sites have been completed. A budget analysis has been completed that shows the additional audit and presentation services will remain within the total budget and will go forward, but will take place during the summer. Dudek and Associates (contractor) will set up the meetings for the presentations and inform the respective agency representatives of the date and time.
- **Water Brooms To Restaurants**—The Water Broom distribution for the Cities of Montclair, Upland, and Rancho Cucamonga have already been completed. The City of Chino distribution was completed on June 21. The final distribution will occur in the City of Chino Hills. They will be sending out letters to the restaurants in late June. The distribution should be completed in July.
- **Groundwater Model**
On May 27, IEUA received a check from the City of Chino Hills for \$10,000. This check includes both the MWD CPP Grant money and the Chino Hills' BMP Support Grant money. IEUA is using BMP Support Grant funds from Monte Vista Water District and the City of Chino to cover the remaining project costs. Last update from the company indicates that the model is about 70 percent completed and is on track to be delivered to IEUA during the first week of August.
- **National Theatre For Children**
IEUA will execute an agreement with the National Theatre for Children (NTC) in the amount of \$40,000. for FY 2005-06. This contract will cover live stage performances at up to 50 elementary schools throughout the IEUA service area. Performances will be balanced out throughout the local agencies.

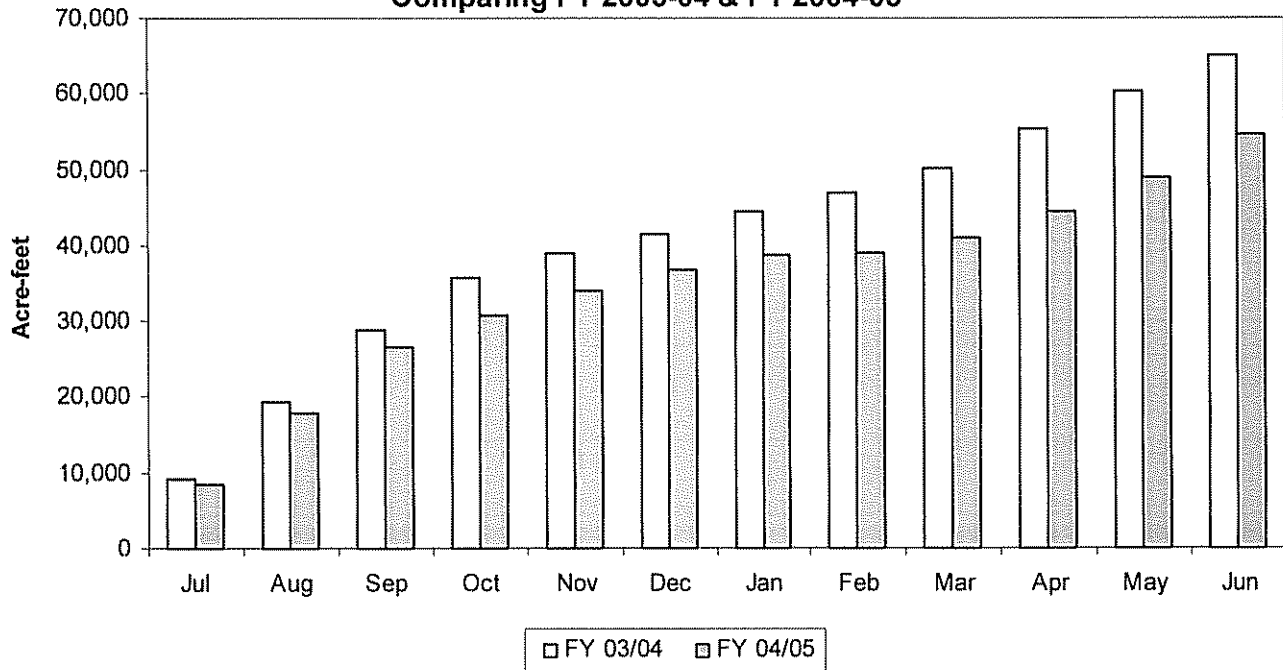
Drinking Water Quality Issues/Activities

- **Salinity Management Issues**
IEUA in partnership with the National Water Research Institute, Southern California Salinity Coalition and the Water Quality Association/Pacific Water Quality Association will implement a Salinity Reduction Study in fiscal year 04/05 that will develop and evaluate strategies for measurably reducing salinity introduced into the regional wastewater treatment system by residential and small commercial water softeners.

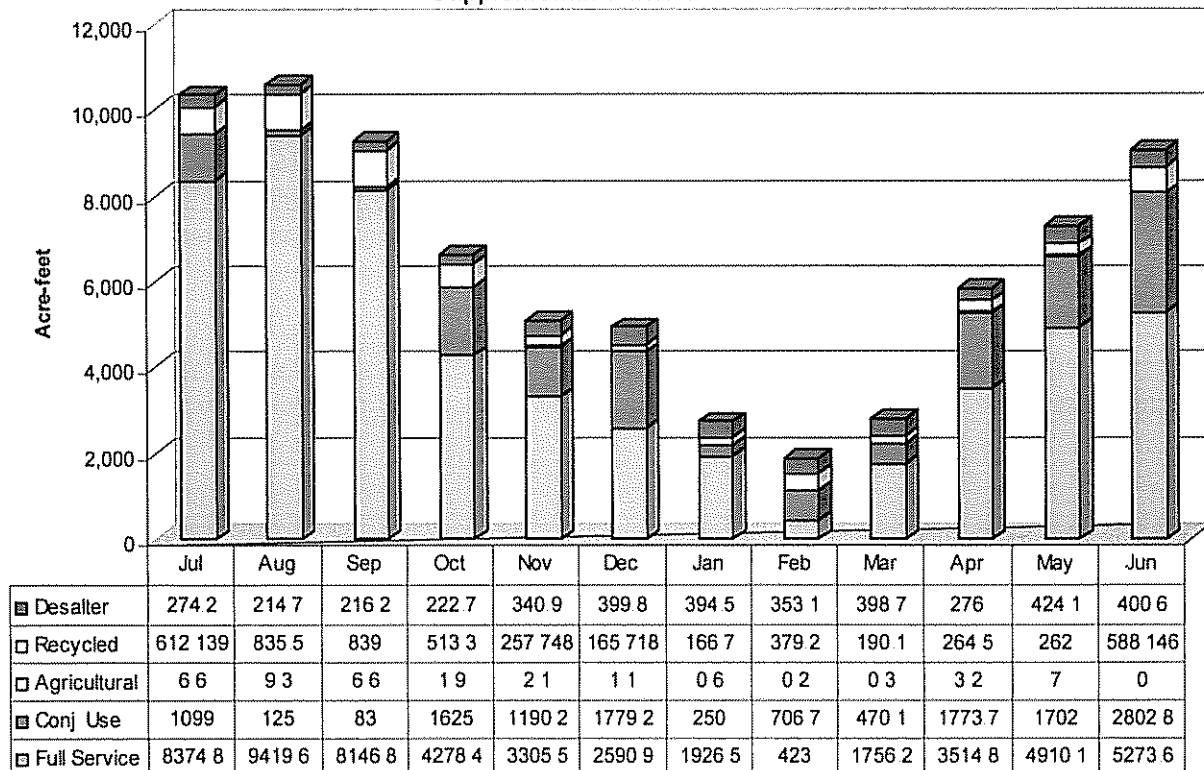
The current phase of the project is the home survey portion to determine awareness of salinity and water conservation issues. Approximately 1,000 homes were visited in late June in the area of the 60 Freeway and Interstate 71. The results of the home survey are still pending. Key accomplishments include the joint development of a marketing approach, tag line ("Pinch the Salt"), core visuals, information brochures, web site and a Water Softener In-Home Assessment Worksheet. The program was scheduled to be completed in August 2005, but due to the limited response of the direct mailing, the schedule has been revised and the study will be completed in November 2005.

Y-T-D FY 2004/2005 vs FY 2003/2004

IEUA Service Area Cumulative Monthly Full Service Imported Water Deliveries Comparing FY 2003-04 & FY 2004-05

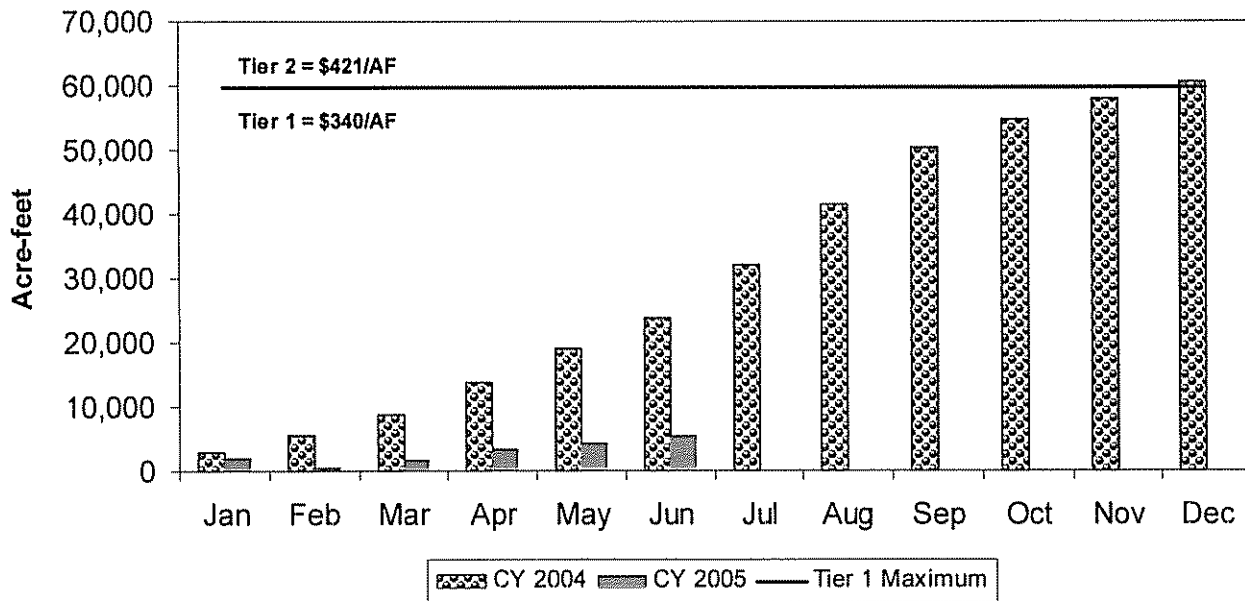


FY 04/05 Supplemental Water Sources

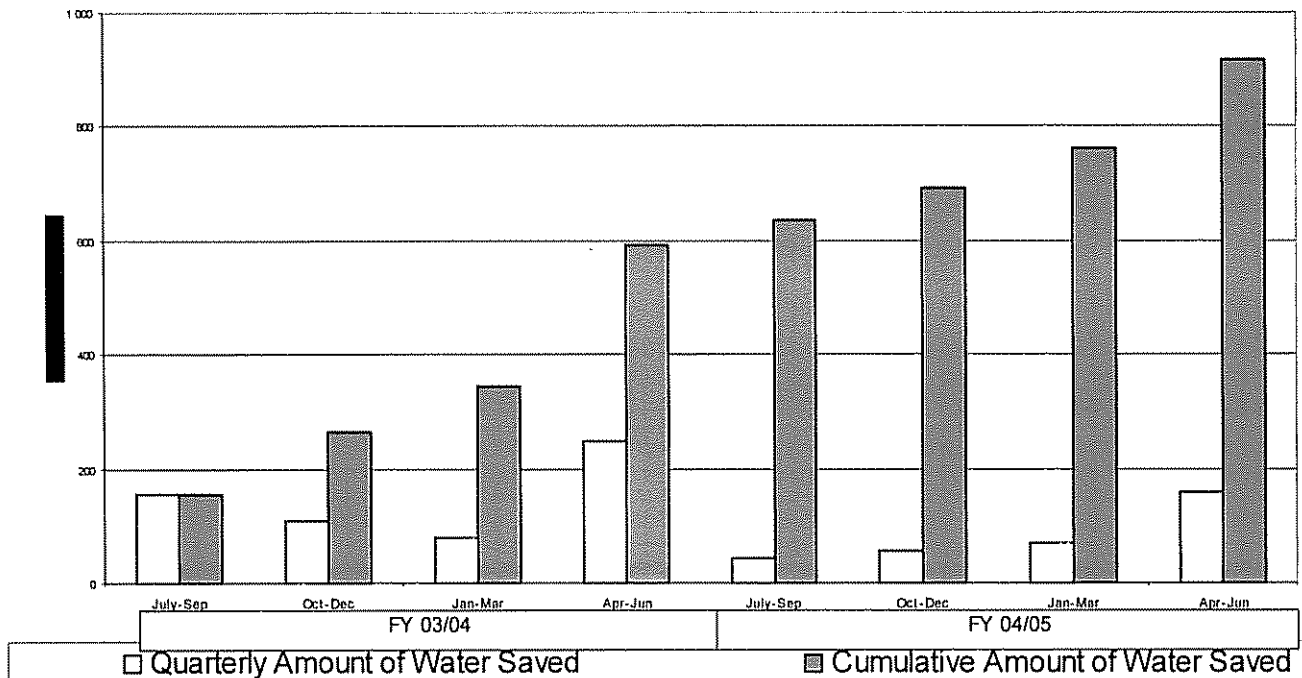


CALENDAR YEAR 2005 TIER I/II PURCHASES

**IEUA
Cumulative Monthly Tier 1 Imported Water Deliveries
Comparing Calendar Years 2004 & 2005**

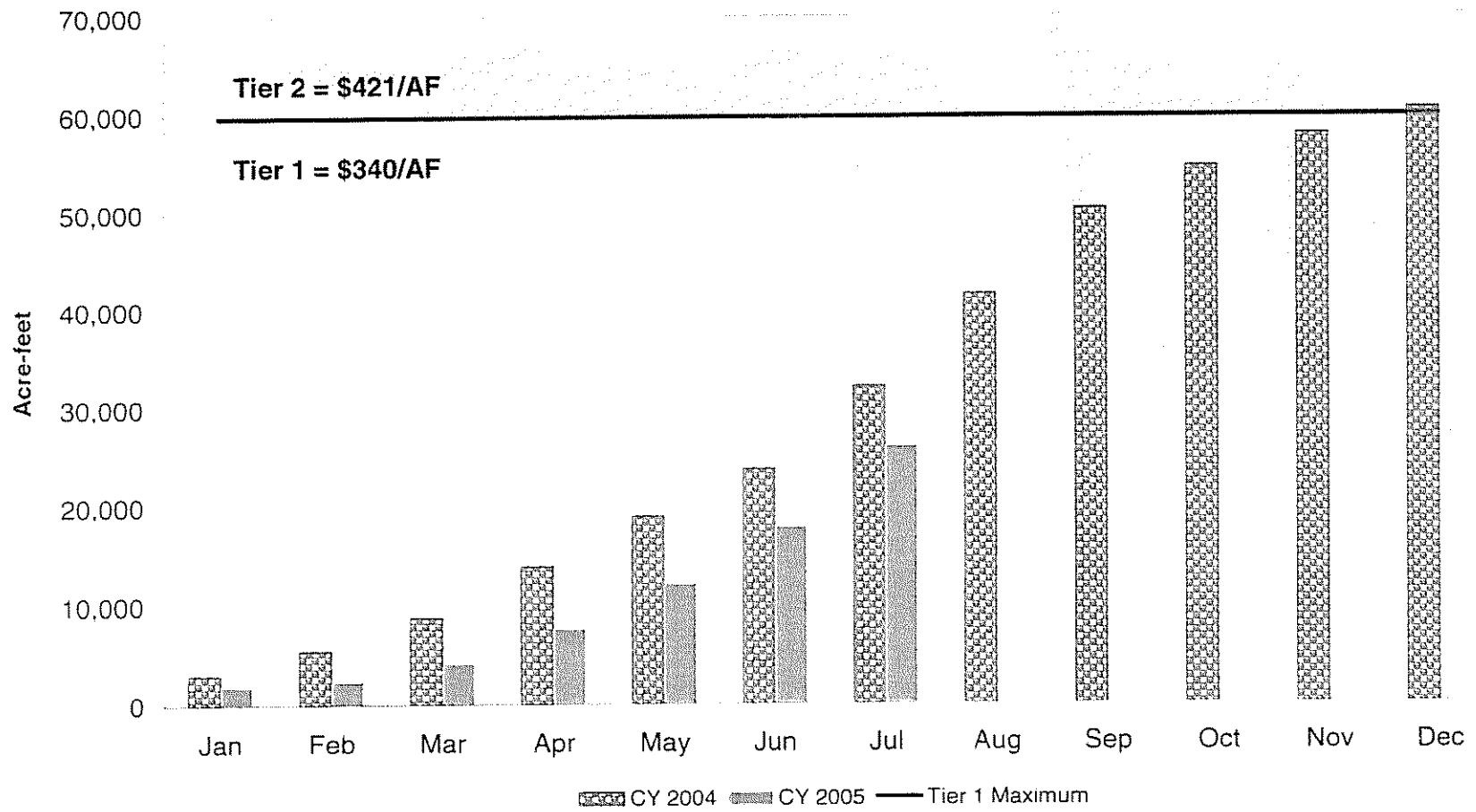


**IEUA Service Area
Water Conservation Savings Generated from Current Active Programs**



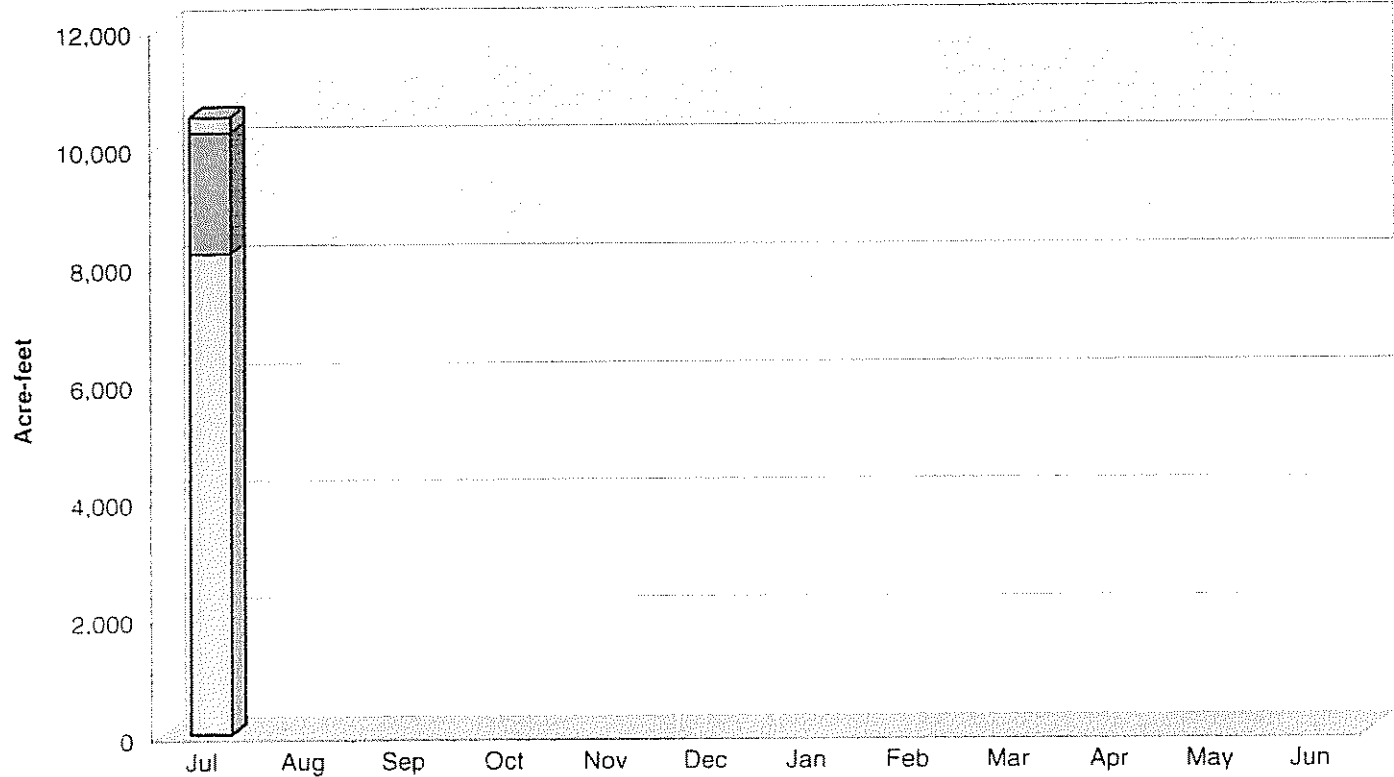
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Cumulative Monthly Tier 1 Imported Water Deliveries
CY 2004-2005



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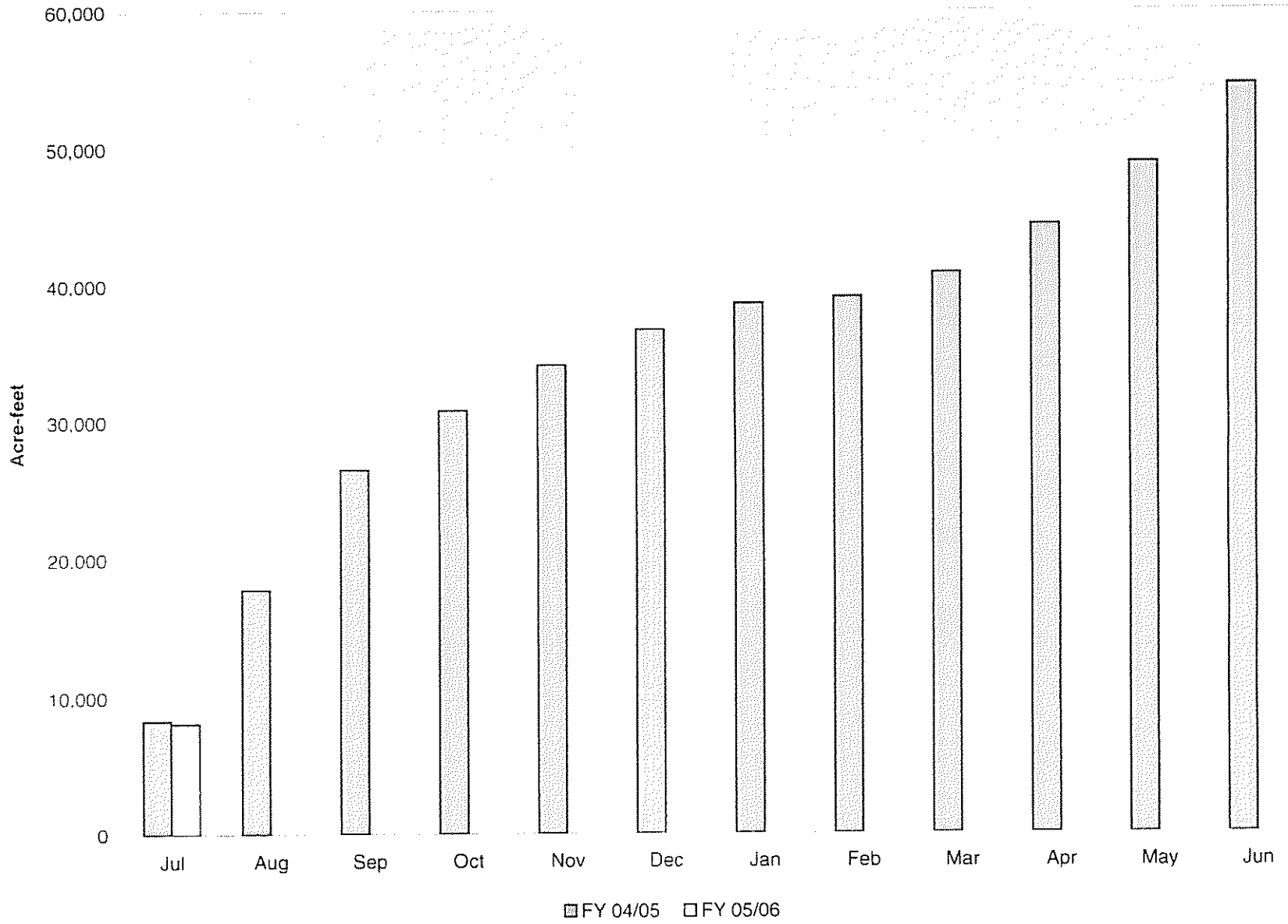
IEUA FY 05/06 Monthly Water use



Desalter	272.4
Recycled	
Agricultural	0
Conj. Use	2033.8
Full Service	8171.9

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IEUA
Cumulative Monthly Full Service Imported Water Deliveries



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Inland Empire
UTILITIES AGENCY

Date: August 17, 2005
To: Honorable Board of Directors
From: Richard W. Atwater
Chief Executive Officer/General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: July 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

July 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, July 2005

Highlights:

- Energy Bill Finalized (MTBE Dropped) Implications for Title XVI Program
- Energy and Water Appropriations – IEUA Funding to Be Conferenced
- Rep. Gary Miller Bill – Authorization for Desalters, Scheduled for House Consideration in September
- Limbaugh Confirmed as Assistant Secretary, DOI
- Desal Initiative Pending
- Other Issues
- IEUA Working Partners

Energy Bill Finalized, Sent to President for Signature. MTBE Provision Dropped. Implications for Water Policy, Especially Title XVI. The House and Senate completed action on a comprehensive 1,500 page energy bill. It is being submitted to the White House for presidential signature which is now scheduled for early August. Of special significance for the water industry, the highly controversial MTBE provision was dropped. AWWA, ACWA and others applauded the decision to drop the provision. Since last year, we have been told by the Senate Energy Committee that once work on the Energy bill was completed, the Committee

would turn its attention to water policy, water legislation and other western water initiatives (including water supply, water technology and recycling). Domenici's Committee staff, as previously reported, has initiated a bi-partisan, Senate-House review and evaluation of Title XVI. So, for IEUA, moving the energy bill was a necessary and positive step – to get to consideration of water policy. The Library of Congress' Congressional Research Service (CRS) was asked to prepare a background paper/report on the program. The Senate Energy Committee convened a bi-partisan House-Senate working group to evaluate the Title XVI program. The report is now expected to be submitted to the Committee shortly (late July or early August). WateReuse and others have been participating in this overall effort, as has IEUA.

Energy and Water Development Appropriations – Conference in September. A House-Senate Conference on the Energy and Water Development Appropriations bill will not occur before September, and likely, late September. The House and Senate are far apart on this bill (major issues like funding and policy for Yucca Mountain are the source of controversy). We are anticipating that this bill may not be resolved before late September – or even longer. It may become a candidate for a CR (assuming there is one). Funding for the IEUA recycling program is pending. Funding for IEUA's recycling program is pending and must be conferenced. It is the only "new start" in the bill.

House Water and Power Subcommittee Ready to Move Rep. Gary Miller Bill, H.R. 177 in September. Previous reports have detailed the status of this bill and IEUA's interest in it. The House Resources Committee now advises that this bill will be advanced to the full House in September under a procedure that expedites certain non-controversial bills. The Committee staff has worked very hard to resolve a series of technical issues with the bill and now advise that it is ready to go.

DOI Assistant Secretary for Water and Science (BuRec) Confirmed by Senate. 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. He was confirmed at the end of July.

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. This will not occur prior to September.

Other Issues. Feinstein Presentation. IEUA GM Atwater presented Senator Feinstein with a framed copy of the recent water ad (one in a series) at a meeting in Washington. Feinstein Chief of Staff Mark Kadesh noted that few water users ever say "thank you" and the effort by IEUA, CVWD, Watermaster and others was noteworthy and much appreciated. ***Recycling.*** IEUA updated its strategic approach on water recycling legislation. Discussions and meetings occurred and an approach approved for getting our legislation through the Senate. ***ACWA Reps Meeting.*** New Assistant Secretary Limbaugh participated in an DC Reps meeting at ACWA (on his first day as the new Assistant Secretary). Among other things, he revealed that a Bureau of

Reclamation reorganization is likely and could involve significant changes (none itemized). **WRDA Legislation Conference Report passed.** Just before the recess, the House and Senate both passed a long-awaited Corps of Engineers authorization bill and, like the Energy Bill, submitted it to the President for signature. **Perchlorate.** No significant developments to report this month. The Feinstein bill is still pending. **Limbaugh on Future Bureau Projects.** At the Reps meeting cited above, A/S Limbaugh, discussing future projects, indicated (repeating several times for emphasis) that the Bureau (looking into the future) is actively soliciting (financial) partners. Cost-sharing will be central to future BuRec works). **WaterReuse Draft Bill to be Supported by Feinstein.** New legislation for water recycling was submitted to Feinstein this month. Preliminary indications, she will support.

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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Date: August 17, 2005

To: Honorable Board of Directors

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

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: July Legislative Report from Copeland and Associates

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.

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Copeland Lowery Jacquez Denton & White LLC

Specializing in Government Relations

MEMORANDUM

TO: Inland Empire Utilities Agency

FROM: Letitia White, Alyssa Le Sage
Copeland Lowery Jacquez Denton & White

DATE: July 22, 2005

RE: Monthly Legislative Report

On behalf of Inland Empire Utilities Agency (IEUA), our ongoing work with the offices of Congressman David Dreier, Joe Baca, Jerry Lewis, Howard "Buck" McKeon, Senators Feinstein and Boxer, and the appropriate Congressional and Administration staff has continued to advance the Agency's legislative agenda.

We participated in a meeting with IEUA officials and another IEUA lobbyist to continue to work together for concise conference tactics. We also began to formulate the best strategy to get IEUA included in future Presidential Budgets for Bureau of Reclamation.

The House has passed all eleven appropriations bills, which fulfilled Appropriations Full Committee Chairman Jerry Lewis' intention to have all spending bills passed off the House floor by the Fourth of July. The Senate, following the House lead, intends to move all of its bills out of committee and on the Senate floor by the August recess.

Fiscal Year 2006 Appropriations

The full House has now passed all of its appropriations bills; this is the first time since 1988 that all House appropriations bills have been passed before June 30.

The Senate has passed five of its bills: Interior and Environment, Energy and Water, Homeland Security, State-Foreign Operations and the Legislative Branch Appropriations. In addition, the Senate Appropriations Committee has also passed out the remaining bills: Agriculture, District of Columbia, Labor-HHS, Military Construction-VA, Transportation Treasury Judiciary HUD and Commerce Justice Science Appropriations.

We expect Interior to conference before the August recess, but due to the 1.7 billion dollar discrepancy between the House and Senate Energy and Water bills it appears E&W might not conference till mid to late September.

FY06 Energy and Water Appropriations Bill

The House Energy and Water Appropriations bill would provide \$29.7 billion in fiscal 2006 - which matches the President's request but is \$131.7 million less than what was provided in fiscal 2005. The roughly \$30 billion bill funds the U.S. Army Corps of Engineers-Civil, the Department of Energy, and several other independent agencies. The Energy Department would receive a boost of \$278 million over fiscal 2005 levels to \$24.6 billion. The Army Corps of Engineers would get \$4.7 billion, about 6 percent less than in fiscal 2005. \$35 million is also included for CALFED.

As reported earlier, the House Energy and Water Appropriations bill includes \$1 million for IEUA's Inland Empire Regional Water Recycling Project in the Bureau of Reclamation Account.

Suite 800 • 525 Ninth Street, NW • Washington, DC 20004 • 202-347-5990 • Fax 202-347-5941

The Senate Energy and Water Appropriations bill includes \$31.245 billion in FY06 funding for the Department of Energy and Army Corps of Engineers. The CALFED restoration project is funded at \$35 million -- the same as in the House's bill. The full Senate passed the bill on Friday, July 1.

FY06 Interior and Environment Appropriations Bill

The Senate passed its FY06 Interior and Environment Appropriations bill (HR 2361) on Wednesday, June 30th by a vote of 94-0. The bill totals \$26.3 billion; most of the money is directed to discretionary spending. Two amendments were offered regarding the EPA's draft rules that would permit the agency to consider data from pesticide testing on humans in determining whether to grant government approval of pesticides.

- Senator Barbara Boxer (D-CA) offered an amendment, which passed by a vote of 60-37. Her amendment places a one-year moratorium on the use of third party testing results by the EPA. The amendment would also prohibit the EPA to use FY06 funds to conduct these types of tests.
- Conrad Burns' (R-MT) offered an amendment, which passed by a 57-40 vote, which allows the EPA to review the results of testing on humans, including third party testing. However, it requires a ruling by the EPA administrator on the ethics of this testing 180 days after the bill is signed into law.

Since both amendments passed, one will likely be removed during the House-Senate conference negotiations. As mentioned above, conference will likely occur before the August recess.

Water Resources Development Act (WRDA)

The House Transportation and Infrastructure Committee marked up the Water Resources Development Act of 2005, H.R. 2864, on Wednesday, June 22. The legislation authorizes about \$10 billion in navigation improvement, flood protection and environmental restoration projects, project modifications and investigations to be done by the U.S. Army Corps of Engineers. 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 this week. 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 Santa Ana Mainstem project for flood control was further modified to direct the U.S. Army Corps of Engineers to conduct a study for the reallocation of water storage at the Seven Oaks Dam, California, for water conservation.

Within the Small Projects for Flood Damage Reduction Section, \$50 million was included for 35 projects at a maximum of \$7 million per project, including a minimum 35% non-Federal cost-share. The following projects of interest to the San Bernardino County region were included:

- Project for flood damage reduction, Colton, California.
- Project for flood damage reduction, Dunlap Stream, San Bernardino, California.
- Project for flood damage reduction, Wildwood Creek, Yucaipa, California.

Within the Watershed Management Section, \$15 million was included for 29 projects at a 50% non-Federal cost-share to be distributed at the direction of the U.S. Army Corps of Engineers for technical, planning, and design assistance for carrying out: management and restoration of water quality; control and remediation of toxic sediments; restoration of degraded streams, rivers, wetlands, and other waterbodies to their natural condition as a means to control flooding, excessive erosion, and sedimentation; protection and restoration of watersheds, including urban watersheds; and the demonstration of technologies for nonstructural measures to reduce destructive impacts of flooding.

The House version of WRDA also directs the U.S. Army Corps of Engineers to conduct feasibility studies for the following projects of interest to the San Bernardino County region:

- A study to determine the feasibility of carrying out a project for flood damage reduction and groundwater recharge, Lytle Creek, Rialto, California.
- A study to determine the feasibility of carrying out a project for flood damage reduction, Pinto Cove Wash, in the vicinity of Twentynine Palms, California.
- A study to determine the feasibility of carrying out a project for flood damage reduction, West Burnt Mountain basin, in the vicinity of Yucca Valley, California.

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 a 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.

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Date: August 17, 2005
To: Honorable Board of Directors
From: Richard W. Atwater
Chief Executive Officer/General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: July Legislative Report from Dolphin Group

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 – July 2005

ENERGY/REGULATORY

Water District Self-Generation (Implementation of SB 1755)

On June 30th, the CPUC approved a decision that will determine the cost responsibility surcharges, or “exit fees”, that will be applicable for municipal and county water agencies that install self-generation. The 4-0 decision applies exit fees in a manner 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.

Southern California Edison has filed an advice letter to implement the decision. Protest to the advice letter must be submitted by August 4, 2005.

Biogas Net Metering

Assembly Bill 728 (McLeod) is currently scheduled for consideration by the Senate Appropriations Committee after the Legislature returns on August 15th.

Discussions continue with environmental groups concerning possible amendments pertaining to best-available control technology (BACT) requirements for internal combustion biogas generation. These groups wish to require BACT on all biogas digesters, despite the fact that the local air districts already have the authority to require BACT on appropriate facilities.

Advanced Metering Infrastructure

Southern California Edison has filed with the CPUC asking for authorization to deploy advanced-metering infrastructure (AMI). The utilities plan to file their comprehensive applications for the AMI project later this summer. The current filings seek cost recovery for the “pre-deployment” expenditures expected during the initial stage of the AMI project. Edison is seeking cost recovery in the amount \$12 million.

AMI is a network of high-tech meters and wireless telecommunications equipment that provides automatic “reads” of a consumer’s energy on an hourly basis. The program is designed to help electric customers understand their energy use in order to better manage their load and reduce costs. Additionally, the utilities claim the meters would improve outage response times, eliminate estimated bills, and permit greater time-of-use management, perhaps leading to real-time energy pricing.

The full deployment phase of AMI would entail replacing millions of meters throughout the utility's service territory. While these meters are expensive, Edison claims that the savings generated through load management would eventually pay for the investment and provide a net benefit to ratepayers. Under the proposal, every customer would fund the \$1 billion-plus implementation of the AMI program, even though most would never opt for a fully dynamic rate plan that takes advantage of the meter's features. The full deployment phase of this proceeding will begin later this year.

Critics have pointed out that the technology necessary to implement AMI, particularly with respect to meters capable of remote communication and management, are not yet available in the marketplace. Furthermore, the CPUC has not yet conducted hearings nor ruled on whether or not AMI will provide a net benefit to ratepayers.

The "pre-deployment" phase, as described in the utility's applications, merely includes the planning and preparation for AMI. Edison has estimated costs to its agricultural and water pumping customers of an additional \$228,000 for the "pre-deployment" phase. Customers are expected to incur further rate increases in order to fund the "deployment" phase of AMI, should that program be ultimately approved by the Commission.

As outlined in their filings, the utilities hope to start installation next spring and to complete the phase-in by 2011.

LEGISLATIVE

For the first time in years, the California Legislature approved a state budget in time to enjoy a Summer Recess. The Legislature adjourned in early July, and session will resume on August 15th. The first year of the two-year session closes on September 9, 2005.

- **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 municipal and public utilities to report to the California Energy Commission on their resource adequacy planning. The bill has also recently been amended to require that public utilities, at a minimum, meet the resource adequacy standards set by the Western Electricity Coordinating Council, a provision long-supported by public utilities. The bill was approved by the Senate Energy, Utilities and Communications Committee on a 10-to-0 vote, and is now before Senate Appropriations.

- **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. The measure was approved by the Senate Energy, Utilities & Communications Committee on a 7-3 vote, and is now before the Senate Appropriations Committee.

- **SB 107 (Simitian D-Palo Alto) – Renewables Portfolio Standard**

SB 107 has been “double-joined” with AB 1362, meaning both must be signed by the Governor for the other become effective. SB 107 expands on the Renewables Portfolio Standard acceleration, and provides clarifying details and instructions for the CPUC to implement the program. The measure is before the Assembly Appropriations Committee.

- **AB 1723 (La Malfa R-Richvale) – Energy Commission Report**

This measure would require the California Energy Commission to report to the Legislature, as part of the biannual integrated energy policy report, the amount of forecasted IOU load that may be lost due to community choice aggregation or through acquisition by a local utility. The bill was unanimously approved by the Senate E,U & C Committee and will now be considered by Senate Appropriations.

- **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 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 amended to cap the total expenditures of the three major investor-owned utilities at \$1.8 billion over the life of the initiative.

Business groups continue to work with parties on this bill to ensure that larger customers will not be subsidizing the installation of solar panels for residential customers. The measure has also become a source of controversy on labor issues, as the legislation has been mired in debates related to “prevailing wage” and installer certification issues.

The measure was approved by the Assembly Utilities and Commerce Committee on a 7-0 vote and by the Assembly Housing & Community Development Committee on a 6-1 vote. It is now before the Assembly Appropriations Committee.

SPECIAL ELECTION

On July 22nd, the California Third Appellate District ruled in a 3-0 decision to remove Proposition 80, the electricity restructuring initiative sponsored by The Utility Reform Network (TURN). A protest has been filed by the Independent Energy Producers, claiming that the initiative is unconstitutional. IEP argued that because the California Constitution grants sole governance of the CPUC to the Legislature, a constitutional amendment, not a simple initiative, would be required to augment that authority. The Court agreed, stating that Proposition 80 is an “unquestionably invalid initiative measure....on its face”.

However, days later the California Supreme Court, in a unanimous 6-0 decision, overturned the appellate court and ordered the Secretary of State to place Proposition 80 back on the ballot. The court did not rule on the merits of the protest, stating that the appropriate time to determine the constitutionality of the measure will be after the election, if the proposition is ultimately approved by voters.

2005-2006 STATE BUDGET/ERAF

Only seven days late, the Legislature passed Senate Bill 77, the \$117.5 billion 2005-06 State Budget and the accompanying twelve budget trailer bills, which the Governor signed on July 11th. The budget was approved Thursday, July 7, with a 65-13 vote in the Assembly and 34-4 in the Senate. Although the state fiscal deadline was June 30, this is the earliest the Legislature has agreed on a budget in five years. The last time California passed a budget before the July 1 start of its fiscal year was 2000, under former Gov. Gray Davis.

This year's budget agreement includes no new taxes and no new borrowing, but according to the Legislative Analyst Office leaves a \$4.7 billion “structural gap” in next year's budget. However, the budget does boost spending for the state's schools by \$384 per pupil and provides \$1.3 billion for highway improvements.

The final Budget Act also includes a \$1.2 billion early repayment to cities and counties for the Vehicle License Fee (VLF) gap loan. The \$1.2 billion is the total amount owed cities and counties for money that the state borrowed when Governor Schwarzenegger shifted car tax funds from local governments.



Inland Empire
UTILITIES AGENCY

Date: August 17, 2005
To: Honorable Board of Directors
From: Richard W. Atwater
Chief Executive Officer/General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: July 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\05253 July 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) 444-7484. EMAIL: geyerw@pacbell.net

MEMORANDUM

TO: Richard Atwater
Martha Davis

FROM: Jennifer West
Geyer Associates

DATE: August 3, 2005

RE: July Legislative Report

Attached are the "Positions" and "Watch" bill lists for July.

The Legislature is currently out of session, but will reconvene August 15 and then work until September 9 when the 2005 session will end for the year. The last few weeks of the session is the time when legislators sometimes try to "gut" their bills, or change the subject matter and push them through the legislative process without normal policy review. We will continue to review every bill and amendment on a daily basis to keep you informed of these developments.

Special Election Politics Colors End of Year Activities

The political melodrama of whether or not there will be a November special election is coloring much of the end of the year legislative activity. In the last month, the Democratic leadership has vacillated between wanting the Governor to cancel the special election and wanting it to go forward, so they and their union allies can soundly defeat the measures and damage the Governor's political standing. The Governor's supporters are also becoming increasingly anxious that he has not yet committed to run for re-election in 2006. Both sides have already begun pumping millions into the campaign coffers, but the Governor's allies are worried that if he decides not to run in 2006, they will be exposed to possible political retribution by the Democratic leadership.

Until and unless an agreement can be reached on the special election, the Democratic leadership and Speaker Nunez in particular, will probably not be interested in giving the Governor any "legacy" legislation to sign and take political credit for. At this point this seems to apply to the resources bond measure, SB 153 (Chesbro), which contains \$200 million in grants for the Integrated Regional Water Management Program. Without an agreement, it is likely the Democratic leadership will want to force measures onto his desk that will put him in a difficult situation with his business allies. Since the situation on the special election changes almost daily, it is hard to predict what we might expect in the last weeks of the session.

**Inland Empire Utilities Agency
Position List
August 3, 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. 8/15</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 1421 (Laird) WDRs	<p>AB 1421 was drafted in June in response to a specific case in Santa Clara County in which the State Board overruled the Regional Board in a replacement water case dealing with perchlorate contamination. The bill is intended to make polluters responsible for providing replacement water in the event that a clean up and abatement order has been issued by a Regional Board. IEUA supports this policy principle.</p> <p>However, the bill contains numerous broadly worded definitions and other provisions that could have the net effect of halting important recycled water projects in the Chino Basin and throughout California, as well as undermining the State's effort to adopt an anti-degradation policy for recycled water.</p> <p>The author is seeking a rule waiver to move the bill when the Legislature reconvenes. OCWD, WaterReuse, and CASA are also concerned that the bill would have unintended consequences.</p>	Oppose Unless Amended	Senate Enviro. Quality
SB 153 (Chesbro) Resource Bond	\$3.95 billion bond for resources. Includes \$200 million for the Integrated Regional Water Management Program (Chap.8 Prop.50). We will continue to work with the Administration and other legislators to increase the IRWM funding.	Support	Assembly Approps.
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 opposed.	Support	Assembly Floor
SB 820 (Kuehl) Water	<ul style="list-style-type: none"> Requires that DWR produce a biennial SWP reliability report. The statute parallels the language used in the Monterey Agreement settlement. Extends the current groundwater reporting requirements in place in Southern California to 	Support	Assembly Approps.

	<p>the rest of the state.</p> <ul style="list-style-type: none"> • 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. • Requires every agricultural water supplier to prepare and adopt an “agricultural water management plan”, as defined, by 2010. <p>MWD, Southern California Water Committee and numerous environmental groups are supporting the bill.</p>		
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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): Property Tax Shift Oppose

SB 187 (Soto): OEHHA adopting PHGs: Recommend Oppose

SB 393 (Ortiz) Special Districts: Oppose

SB 926 (Florez): Sewage Sludge (author is pursuing a Kern County Initiative): Oppose

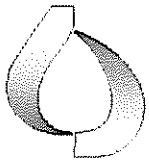
**Inland Empire Utilities Agency
Watch List
August 3, 2005**

Bill	Summary	Status
Special District Governance		
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 Floor
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. The bill is intended to codify the common law prohibition against public officers holding incompatible offices.	Assembly Floor
Water Supply		
SB 1087 (Florez) Water/Sewer Connections: Low Income	<u>Current General Plan law requires that water and sewer providers give priority services to low income housing applications and agencies are required to have a policy in place explaining this.</u> Apparently, many agencies did not know this was current law, which has complicated the discussions on the bill. There have also been numerous discussions at ACWA about whether or not this law, passed in 1991, is constitutional. Previous versions of SB 1087, sponsored by low income housing advocates, would have required an agency to <i>reserve</i> water and sewer capacity for low income housing. The "reservation" language has been removed. Now ACWA is proposing language that would require that water use projections for low income housing to be included in the UWMP. Since agencies make no distinction between single family homes and low income homes for water connections, this is not expected to be anymore burdensome than current practice. With these changes ACWA and CBIA have gone neutral on the bill.	Assembly Approps. 8/17
Cal-Fed/Delta/ Flood Protection		
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	Senate Natural Resources and Water

	MWD. Will need a rule waiver to move this year.	
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. Department of Finance is opposed.	Senate Approps. 8/15
AB 1665 (Laird) Flooding	DWR Sponsored. Significantly amended 6/28. Requires that in cases involving allegations of inverse condemnation as a result of flooding any where in the state, a court shall determine whether there was an unreasonable plan or policy adopted by a public agency that resulted in the flood damage. Specifies what factors the court can consider. Requires that residential and commercial property insurance be offered for structures located in the "levee inundation zone" – those areas in the Central Valley protected by state operated/owned levees. DWR is trying to obtain a rule waiver to hear the bill this year.	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.
Energy/ "Green" Buildings		
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 Enviro. Quality
Special District Finances		
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.	Assembly Approps.
SB 568 (Kehoe) Hospital exemption	Exempts non-enterprise healthcare districts from the shift of property tax revenues to the ERAF in each county for the 2005-06 fiscal. Amendments were taken to state that the funds would not be shifted from other special districts. The bill will result in a one-time \$1.4 million General Fund expenditure.	Assembly Approps.
Contaminates/Water Quality		
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 perchlorate waste is disposed.	Senate Floor

AB 495 (Montanez) WDR	Technical change to the definition of "effluent limitations."	Senate Appros.
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. DHS believes everything in the bill is already required when reviewing a permit for groundwater desalination. While it may be unnecessary, it does not appear to set a higher regulatory standard for desalinated water than for other sources of drinking water.	Senate Appros. 8/15
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 Appros.
SB 646 (Kuehl) WDR Waivers	Requires the state or regional water boards to make an 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.	Assembly Appros.
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 Appros.
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 Floor
SWRCB/Misc.		
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

	Will need a rule waiver to move this year.	
ACA 22/SCA 15 Eminent domain Condemnation Proceedings	<p>Recently introduced measures in response to the US Supreme Court decision <i>Kelo v. New London</i> regarding public agencies eminent domain powers. These identical measures would prevent public agencies from taking land from one private owner and giving it to another for development purposes. It would also add a condition that private property may be taken or damages by eminent domain proceedings only for a stated public use and only upon an independent judicial determination on the evidence that the condemnor has proven that no reasonable alternative exists.</p> <p>ACWA has taken an "Oppose unless amended" position because the measures limit the ability of water districts to exercise their eminent domain authority. The measures have some Democratic co-authors, including Negrete-McLeod. Many other states are passing similar measures in response to <i>Kelo</i>.</p>	Rules



Date: August 17, 2005

To: The Honorable Board of Directors

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

Submitted by: Sondra Elrod
Public Information Officer

Subject: Public Outreach and Communications

RECOMMENDATION

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

BACKGROUND

Outreach/Tours

- August 11, 2005, delegation of city officials from Mexico touring RP-5 Renewable Energy Facility and HQ
- September 1, 2005, BIA monthly meeting and tour of HQ

Calendar of Upcoming Events

- September 16, 17 and 18, 2005, MWD/IEUA State Water Project Tour
- 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

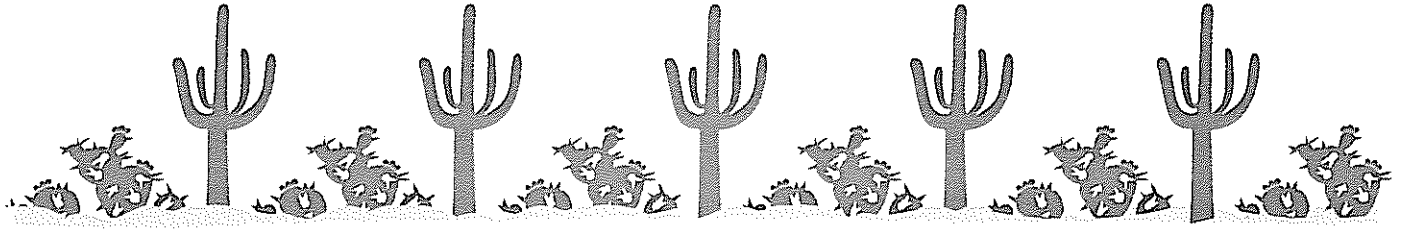
- August 31, 2005, Two-page Safety Awareness Month
- September – Two-page Garden In Every School Program
- September – Two-page Think Environment Week
- September – One-page LA County Fair
- October – Two-page Literacy/Education Month
- December – One-page Health Beat Magazine

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

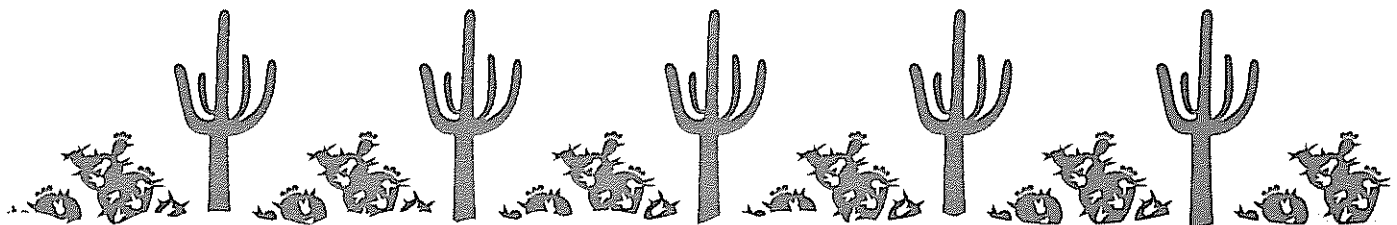
None.



CHINO BASIN WATERMASTER

IV. INFORMATION

1. Quarterly Status Report No. 14





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

June 8, 2005

Anne Schneider
Ellison & Schneider
2015 H Street
Sacramento, CA 95814

Re: Status Report No 14 (Jan-Mar 2005)

Dear Ms Schneider:

Under the recently approved filing schedule, Watermaster will provide Quarterly Status Letters in April and October of each year, in lieu of the complete Quarterly Status Reports, which will continue to be provided in January and July of each year. The status letters will only report on changes to the current operating procedures during the reporting periods.

Program Element 1 – Develop and Implement Comprehensive Monitoring Program

Groundwater Level Monitoring: Watermaster staff manually measured water levels in agricultural wells, key private wells, and wells around the desalter well field. Watermaster continues to install automated pressure transducers in key wells so that water level data can be collected once every 15 minutes. These data are entered into Watermaster's database.

Groundwater Quality Monitoring. Watermaster samples and analyses groundwater samples from 15 important wells each quarter. These data are then combined with data from other producers (appropriators, DHS, RWQCB) and entered into Watermaster database. Watermaster and IEUA are constructing additional monitoring wells at recharge basins (Hickory, RP-3, DeClez, Turner, and Ely) to monitor water quality resulting from the recharge of supplemental and storm water.

Groundwater Production Monitoring: Each quarter, Watermaster reads the water production at approximately 480 active agricultural wells. The number of measurements decreases each quarter as existing agricultural land is converted into urban usage. Production is estimated at wells that do not have meters. These data are entered into Watermaster's database.

Surface Water Monitoring. Watermaster staff sampled the storm water captured in storm water retention basins on the following dates in the named basins:

June 8, 2005
Ann Schneider2

Montclair 1, 2, & 3	--	1/12/05 & 2/14/05
Montclair 4	--	1/13/05 & 2/15/05
Brooks	--	2/15/05
8 th St 1 & 2	--	2/14/05 & 2/24/05
Ely 1	--	1/05/05, 1/19/05, 2/15/05 & 3/23/05
Ely 3	--	1/14/05, 1/19/05 & 3/24/05
Turner 1	--	1/13/05 & 2/14/05
Turner 3	--	1/13/05, 1/18/05 & 2/14/05
Lower Day	--	1/14/05, 1/18/05 & 2/24/05
Victoria	--	1/18/05 & 2/24/05
San Sevaine 1	--	1/05/05
San Sevaine 5	--	1/05/05
Banana	--	1/14/05, 2/14/05 & 3/24/05
DeClez	--	1/05/05
Wineville	--	2/24/05 & 3/23/05
Grove	--	2/14/05, 3/23/05 & 3/24/05

In addition, Watermaster measured the Santa Ana River flow and water quality at four river stations and eight locations on tributaries. These data will be used in the management of the basin including the elevation of the water quality recharge, groundwater modeling investigations, and assessment of the state of hydraulic control.

Land surface subsidence: In addition to recording groundwater level data at Ayala Park piezometers, Watermaster staff analyzed and reported on the data from the fall 2004 deep aquifer stress test. The stress test provided estimates of key aquifer system parameters, confirmed the existence of a groundwater barrier 300 bgs, and provided data for a proposed injection test at Chino Hills. A contract was executed between Watermaster and Vexcel to complete a comprehensive analysis of historical (1992-2003) synthetic aperture radar data to characterize the time history of subsidence in MZ-1. Finally, the semi-annual survey data showed that pumping of wells perforated in the deep (>300' bgs) aquifer system causes greater vertical displacement of the land surface (subsidence) on the west side of the fissure zone, than on the east side.

Program Element 2 – Develop and Implement Comprehensive Recharge Program

Recharge Facilities Improvement Project: The construction status of the seven Bid Package is as follows:

BP1-Reconfiguration of Banana, College Heights, Lower Day, RP-3 and Turner Basins – completed.

BP2- Basin Improvements, Drop Inlets, and Rubber Dams – completed.

BP3- Jurupa Basin to RP-3 Force Main – completed.

BP4- Jurupa Basin to RP3 Pump Station – completed.

BP5- SCADA System – 90% constructed, with programming and testing to be completed by June 30, 2005

BP6- MWD Turnouts – completed.

BP7- Miscellaneous Projects – 90% constructed, with final punch list to be completed by April 30, 2005

IEUA/CBWM are currently designing enhancements to be added to the existing 18 recharge basins over the next 18 months.

Groundwater Recharge:

The GRCC meets monthly to focus on facility operations and maintenance, redesign of facility shortcomings, and planning new facilities. A Second Draft Facilities Operating Procedures Manual was completed, and 14,500 AF of storm water were captured thus far in the FY2004-2005 storm season.

Program Element 3 – Develop and Implement Water Supply Plan for the Impaired Areas of the Basin:

Program Element 5 – Develop and Implement Regional Supplemental Water Program

The following facilities at the Chino I Desalter Expansion are at least 90% complete: well drilling and equipping, raw water pipeline, on-site improvements, and the Chino Hills product water pipeline and pump station. The ion exchange treatment facilities are 75% complete. At the Chino II Desalter, the following facilities are at least 90% complete; six extraction wells, on-site improvements including ion exchange, and the product water pipeline and brine line. Other facilities, principally pipelines and pump stations, are scheduled to be completed in 2006.

Program Element 4 – Develop and Implement Comprehensive Groundwater Management Plan for MZ1

A meeting for the MZ1 Technical Committee, held on March 30, 2005 focused on an analysis of piezometric and extensometer data, the progress of the Vexcel InSAR studies, and the semi-annual survey of the Ayala Park Array of benchmarks.

The cities of Chino and Chino Hills submitted certifications of their forbearance of groundwater production towards their FY 2004/2005 goals of 1500 AF. Through March 2005, Chino reported forbearance of 1170.7 AF, while Chino Hills reported forbearance of 1050 AF through December 2004.

**Program Element 6 – Develop and Implement Cooperative Programs with the RWQCB, SAR and Other Agencies to Improve Basin Management; and
Program Element 7 – Develop and Implement Salt Management Program**

At the Water Quality Committee Meeting on January 20, 2005, Watermaster presented status reports on the GE Flat Iron Remediation (pump and treat groundwater contaminated by chromium and VOCs), the GE Test Cell Remediation (proposed pump and treat groundwater contaminated by VOCs), the Chino Airport Site Assessment (quarterly water quality sampling plus installation of three additional monitoring wells), the proposed MZ3 Groundwater Contaminant Assessment (quarterly sampling of 20 groundwater monitoring wells), and the preparation of Ontario Airport Cleanup and Abatement Orders (RWQCB to issue orders to PRPs in 4th quarter, FY 2004/2005). The MZ3 and Ontario Airport issues were revisited at the Water Quality Committee Meeting on March 28, 2005, and a detailed presentation was made on possible remediation scenarios for Ontario VOC plume. The goal is to have remediation scenarios available for discussion with the PRPs subsequent to issuance of the CAOs.

During the period, Watermaster continued the drilling, installation, and development of MW 1 through MW9 in the southern portion of the Basin. These wells are important elements in a monitoring network established to determine the extent of hydraulic control. In the 4th quarter FY 2004/2005, Watermaster will complete the well heads, and equip the wells with dedicated sampling pumps and water level transducers with interested data loggers.

**Program Element 8 – Develop and Implement Groundwater Storage Management Program; and
Program Element 9 – Develop and implement Storage and Recovery Program**

The participants in the DYY Program continue their designs of facilities specified in the Preliminary Design Report. Watermaster consultants continue to develop a groundwater model to investigate alternative management strategies including reduced storage in the eastern part of the basin, expanded

June 8, 2005
Ann Schneider4

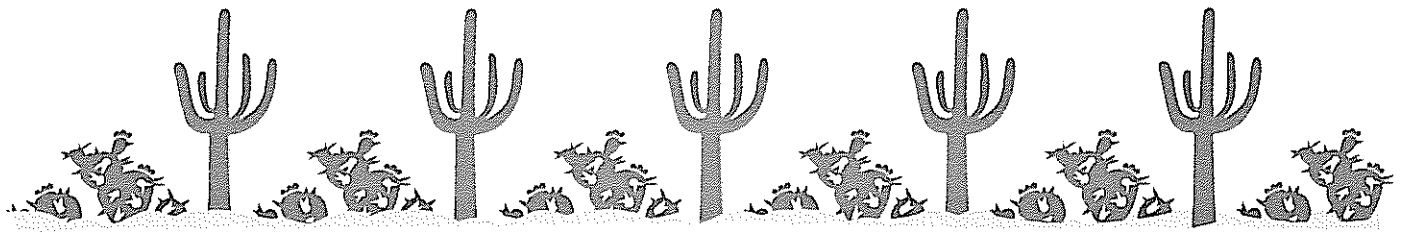
storage and recovery programs, and hydraulic control under various pumping alternatives in the southern Chino Basin.

Sincerely,

Chino Basin Watermaster

Kenneth R. Manning
Chief Executive Officer

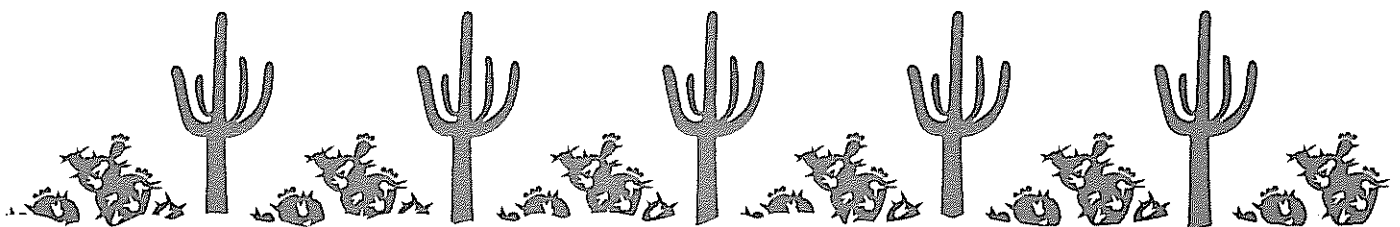
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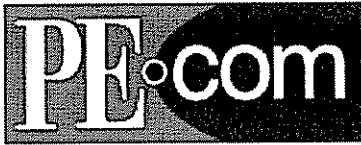


CHINO BASIN WATERMASTER

IV. INFORMATION

2. Newspaper Articles





EPA awards water grants

FUNDS: \$482,000 is given to Rialto, Colton and Fontana for perchlorate cleanup.

01:15 AM PDT on Wednesday, July 13, 2005

By MEGHAN LEWIT / The Press-Enterprise

The U.S. Environmental Protection Agency has awarded \$482,000 to help remove perchlorate from groundwater wells in Rialto, Colton and Fontana.

The funds will be divided between the West Valley Water District, Fontana Water Co., and the cities of Rialto and Colton.

More than 20 wells in the three cities are contaminated by an underground plume of perchlorate, a water-soluble chemical used in fireworks, rocket fuel and ammunition.

The EPA money will go toward replacement material for perchlorate treatment systems, said Anthony "Butch" Araiza, general manager of the West Valley Water District.

Perchlorate removal costs between \$300,000 and \$400,000 per well annually, Araiza said. The district, which serves about half of Rialto and portions of Fontana and Colton, has put two of its wells back into service.

Funding for the cleanup has been gathered through a settlement with the B.F. Goodrich Corp. and state and federal sources, such as the EPA grant, he said.

"With two wells (in service) it's substantial because it gives us money to operate without raising rates," Araiza said. "Long term, the funds we've received to date are a drop in the bucket."

In Rialto, perchlorate treatment could span years and cost up to \$100 million, said Bill Hunt, a geological consultant with the city.

Rialto has raised its water rates to help pay for treatment while the city pursues a lawsuit against the Defense Department and more than 40 other agencies believed to be responsible for the contamination. The city's intent is to refund ratepayers once the lawsuit is settled, Hunt said.

Perchlorate contamination of groundwater in the Rialto-Colton basin was discovered in 1997.

The city of Rialto contends that the contamination comes from a north Rialto site that has been used for military and industrial purposes over the past 50 years.

The EPA expects to provide another \$288,700 later this year, according to a news release issued

Perchlorate cleanup

The EPA has awarded nearly \$500,000 to treat contaminated wells

Money will be split between four water purveyors: West Valley Water District, Fontana Water Co., and cities of Rialto and Colton.

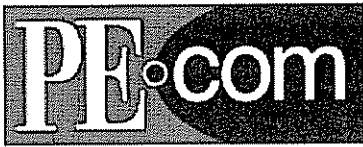
Tuesday by U.S. Sen. Dianne Feinstein, D-Calif.

"These funds will help provide clean drinking water to the local community," Keith Takata, director of the EPA's Superfund division for the Pacific Southwest Region, said in a statement. "Ultimately, we expect those responsible for the contamination to pay."

Ingestion of perchlorate can impair thyroid function and result in metabolic disorders.

Online at:

http://www.pe.com/localnews/sanbernardino/stories/PE_News_Local_B_bcleanup13.259f331.html



Broken well halts new guarantees of water

01:09 AM PDT on Thursday, July 7, 2005

By SANDRA STOKLEY / The Press-Enterprise

MIRA LOMA - Officials of the Jurupa Community Services District said Wednesday that they will stop guaranteeing water service for new developments until the district's water supply stabilizes.

The announcement to stop issuing "will serve" letters for water connections came as the district continued to struggle to activate its problem-plagued water treatment plant and confronted the unexpected loss of one of its biggest producing wells.

"It's common sense," said Paul Hamrick, who serves on the district's five-member board of directors. "If we're having water problems, and we are, I see no sense in continuing to give out water letters."

The "will serve" letters guarantee water service. Those who already have "will serve" letters can still get water service.

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

But it is the construction boom in the former dairy enclave of Eastvale that is fueling much of the district's 25 percent to 30 percent annual growth.

Last week, with the district poised to turn on its treatment plant July 1, Hamrick said he saw no need for a moratorium on issuing "will serve" letters.

All that changed after a well was shut down this week due to mechanical failure and testing at the water treatment plant turned up bacteria readings.

Borre Winckel, executive director of the Building Industry Association of Riverside County, said a moratorium of more than a couple of weeks would have serious financial implications for builders.

"Of course this is not a good matter for the building industry," Winckel said. "This is our livelihood."

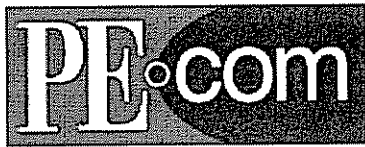
District general manager Carole McGreevy said that while work continues on the well and treatment plant, the district is buying water from the Rubidoux Community Services District and the Metropolitan Water District.

Well 17, which produces about 3,000 gallons-per-minute of low-nitrate water, could be sidelined as long as 15 days and the activation date for the water treatment plant is now set for Monday.

Water alert

The Jurupa Community Services District is asking customers to reduce all outside irrigation by 50 percent and to refrain from washing vehicles and hosing down driveways or sidewalks.

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Water test prompts infant warning

NITRATES: Tap water in two Riverside areas has become a risk for babies.

12:42 AM PDT on Saturday, July 9, 2005

By MARY BENDER and SANDRA STOKLEY / The Press-Enterprise

Local water officials warned customers in Eastvale and Pedley to not give tap water to infants younger than 6 months old because high levels of nitrates detected in water samples taken Friday could be fatal to them.

The Jurupa Community Services District hopes to have the problem corrected within a week. On Friday, workers posted notices on thousands of customers' front doors, and the agency activated an automated telephone-notification system to leave recorded messages for all the affected Eastvale and Pedley addresses, said Charles Smith, JCSD operations manager.

Water samples taken Friday showed nitrate levels that exceed the state and federal "maximum contaminant levels" allowed for drinking water, the notice said.

By Friday afternoon, that level -- 50 milligrams per liter -- hadn't been reached. "By the time this weekend is over with, if we don't get our reservoir up and certain other facilities operational, we may be at 50," Smith said.

In all, the agency provides drinking water to 22,000 residential and business customers. Its service area includes the Riverside County communities of Mira Loma, Glen Avon and Sunnyslope, but those areas aren't affected by the nitrate problem, Smith said.

"Drinking Water Warning," reads the notice. "Do not give the water to infants under 6 months old, or use it to make infant formula."

Officials recommend using bottled water instead, including using it to mix juices for babies.

Further, the nitrates cannot be brought down to a safe level by boiling, freezing or filtering the water. "Excessive boiling can make the nitrates more concentrated, because nitrates remain behind when the water evaporates," the notice warns.

The five-member JCSD board held an emergency meeting Friday morning to address the problem.

NITRATES IN DRINKING WATER

Infants could become seriously ill from drinking water with high concentrations of nitrates -- and, if they don't receive immediate medical treatment, could die.

"Symptoms include shortness of breath and blue baby syndrome," according to a Jurupa Community Services District warning.

Blue baby syndrome occurs because in infants, nitrates reduce "the capability of the blood to carry oxygen to all parts of the body," according to information on the web site of the Illinois Department of Public Health.

The Jurupa Community Services District board of directors will meet 7 p.m. Monday at 11201 Harrel St., Mira Loma. The

Board member Curtis Hummel said he believes state water officials required a warning in the notification that is more alarming than is warranted. "We're putting the public health first, above any pride," Hummel said about the decision to go with the state's demand. "We're saying there may be a problem with the water."

meeting is open to the public.

Despite the problems that have developed this week, Hummel said the district is not in danger of running out of water. "The taps are not going to run dry," he said.

The nitrate warning was required as a precaution until JCSD gets its ion exchange plant -- which removes nitrates from drinking water -- operational again. "Demands are going up, temperatures are rising and (JCSD) is at the one-foot level at one reservoir," said Steve Williams, district engineer for the state Department of Health Services' drinking water branch in Riverside.

The water supply problem also stems from two JCSD wells being taken out of commission. "This week we lost two high-production wells from mechanical failures," Smith said, noting one is next to the agency's headquarters in Mira Loma and the other is near Etiwanda Avenue and De Forest Circle.

The nitrate problem, meanwhile, centers on JCSD's storage facility near Pedley. Water from the wells that feed that reservoir is treated at the ion-exchange plant. But having the two Mira Loma wells out of commission changed all that. "We don't have enough water from the other sources to meet the demand, so we have to run the (other) wells," Smith explained.

Eastvale resident Jane Anderson, who attends Jurupa Community Services District meetings and checks the agency's Web site regularly, said she was surprised when she saw the warning, and sent it out immediately to all Eastvale-related Web sites.

"It is a scary thought," she said. "There's a lot of babies out here."

Mary Bender can be reached at (951) 893-2103 or mbender@pe.com

Online at: http://www.pe.com/localnews/corona/stories/PE_News_Local_C_nitrate09.14282c.html

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Article Published: Friday, July 08, 2005 - 6:58:34 PM PST

Rialto opposes fees by county

By Nikki Cobb, Staff Writer

RIALTO - Officials are fighting a county proposal to add an eight-cent surcharge to residents' monthly trash bills

The county says the surcharge, which works out to 69 cents per ton of garbage, will pay to remove the rocket fuel additive perchlorate from city water wells.

But Rialto leaders say San Bernardino County is partly to blame for the chemical, which after decades still leaks into their groundwater, and residents shouldn't have to pay for the cleanup

Richard Scanlan, Rialto's director of airport and solid waste management, said the regional water board ordered the county to either provide water to replace the perchlorate-contaminated groundwater or install filters in affected wells.

"The long and the short of it is, they have these costs that have to pay for our water," he said. "So they're trying to generate a new stream of revenue

County spokesman David Wert said the surcharge, if approved, will be levied on anyone using the county dump in Rialto. The city, he said, is one of a few with perchlorate problems, so it is one of the few who will benefit from the estimated \$1 million the county would get annually for the surcharge-funded cleanup.

"You could argue that the city has the least to complain about," Wert said.

Not so, Rialto officials say. The city is suing the county and a slew of others, including the Defense Department and numerous government subcontractors, over the perchlorate contamination.

City Attorney Robert Owen said the city also will formally challenge the proposed surcharge.

"Our citizens are already paying a perchlorate surcharge on their water bill to fund our suit against (those responsible for perchlorate contamination)," Owen said. "They shouldn't have to pay a surcharge on their trash, too."

Owen said the county claims the perchlorate cleanup is an "uncontrollable circumstance," a label he disputes.

"They knew the perchlorate was there eight years ago. It was their negligence that created this problem," he said.

In the back-and-forth, Wert disputed Rialto's claim that the county bears responsibility for the contamination. The county bought the perchlorate-tainted land without knowing the hazard, he said.

Now, though, the cleanup must be done. And it's costly.

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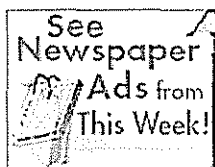
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"We could add the surcharge, or put fewer deputies on the street, have fewer libraries, cut museum funds or cut fire service," Wert said. "Somebody has to pay "

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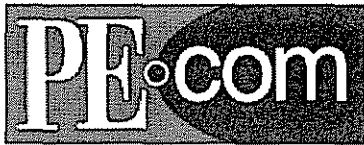
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Feinstein calls for a cleanup

DEFENSE DEPARTMENT: Perchlorate contaminates the groundwater in at least 10 Inland cities.

10:36 PM PDT on Thursday, June 30, 2005

By **CLAIRE VITUCCI / Washington Bureau**

WASHINGTON - Sen. Dianne Feinstein is calling on the Pentagon to take steps to clean up perchlorate-contaminated groundwater and drinking water sources in the wake of a congressional report that slammed the Defense Department for inaction.

In a letter to Defense Secretary Donald Rumsfeld, Feinstein, D-Calif., said the recent General Accountability Office report indicates that the department is failing to live up to its responsibility when it comes to sampling for perchlorate.

"Most of the perchlorate contamination across the country is from Defense-related activities and as such, the department has a responsibility to the American people to clean up the groundwater and drinking water sources impaired by those activities," Feinstein wrote in her letter, dated Thursday.

Perchlorate -- an ingredient in rocket fuel and other defense manufacturing -- has been found to interfere with thyroid function.

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.

The study, which was released last week, said Defense Department activities are a leading cause of perchlorate contamination.

The report "mischaracterizes" the Pentagon's response to perchlorate, Philip W. Grone, a Defense Department assistant deputy undersecretary for environmental issues, told the Associated Press when the report came out. He added that the DOD has tested at 800 sites and has spent more than \$40 million to develop cleanup techniques.

Reach Claire Vitucci at (202) 661-8422 or cvitucci@pe.com

Online at: http://www.pe.com/breakingnews/local/stories/PE_News_Local_S_perch01.f281.html

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Article Published: Monday, June 27, 2005 - 8:15:23 PM PST

Installation to begin this winter for areas near former site

By Sue Doyle, Staff Writer

NORCO - Wyle Labs will install a system this winter to clean up chemical vapors found in the soil between its property boundary and Golden West Lane, said officials from the state Department of Toxic Substances Control on Monday.

Vapors are rising from contaminated groundwater in the area with the potential to affect the air in homes on the quiet residential street, according to a report from the department, which falls under the California Environmental Protection Agency.

The main chemical of concern is trichloroethylene, a cancer-causing industrial solvent that the state believes migrated from Wyle Labs.

TCE was first discovered in low levels last year in the ground outside three homes in the 2200 block of Golden West Lane. The properties sit at the bottom of a hill, separated by a fence from Wyle Labs, a high-tech testing and engineering company that used its 425-acre Norco site for more than 50 years to test products such as rocket fuel and electronics.

"We want to clean up any vapors that are migrating upwards and intercept them before they enter any homes," said Peter Garcia, department branch chief.

Garcia said the system is an interim remedy until a final plan to clean up groundwater and soil vapors is developed.

The extraction system draws chemicals in vapor form out of contaminated soil and cleans it before releasing it into the atmosphere.

When installed, the system - a series of underground wells - will resemble manhole covers, each about the size of a cereal bowl. Beneath the covers will be pipes extending back to the Wyle Labs property.

For Norma Delgado, the cleanup can't come fast enough. After traces of TCE and benzene were detected inside her family's home on Golden West last year, Wyle Labs was ordered by the state to install a ventilation system to break up the chemical's concentration.

Since late November, the ventilation system has run 24 hours a day inside their home, mixing indoor and outdoor air.

Delgado said that a month after the system was installed, air samples inside the home did not detect chemicals.

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But during retesting this spring. TCE vapors were discovered in the Delgados' living room and master bedroom

"If anything, we were hoping it was clearing out the bad air," Delgado said. "But now they found more stuff. So we don't know "

Tests this month also found light concentrations of TCE inside houses on both sides of the Delgados' home.

One of those homes belongs to Pat DuBiel, who, when she got the news, asked department officials to install a similar ventilation system inside her home

But officials denied her request, saying the levels of TCE in her home were too low to warrant one.

"I don't find it nothing, though, to be quite frank," DuBiel said. "Any amount in my house is too much "

Wyle Labs, an El Segundo-based company, is under a state consent order to clean up contamination believed to have spread from its former site at 1841 Hillside Ave.


The area qualifies for listing as a Superfund site, making it one of the most polluted locations in the country

The former test facility was sold in November 2002 to the St. Clair Company, a Newport Beach-based real estate development business

Sue Doyle can be reached by e-mail at sue.doyle@dailybulletin.com or by phone at (909) 483-9347.

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San Bernardino County Sun

Company to broaden water-recycling study

By Megan Blaney

Staff Writer

Saturday, July 16, 2005 - LAKE ARROWHEAD - Representatives of an engineering firm hired to study alternatives to drawing water from Lake Arrowhead agreed Saturday to expand the scope of their studies.

Tetra Tech Inc. in Ontario is working for the Lake Arrowhead Community Services District to find other sources of water to help the community reduce its reliance on the lake, which had suffered six years of drought before the rainy winter.

Tetra Tech will broaden its study of likely customers from the 50 largest consumers to the 500 biggest.

The district is responsible for water supply for Lake Arrowhead and wastewater services to Lake Arrowhead, Cedar Glen, Blue Jay, Twin Peaks, Deer Lodge Park, Rimforest and Skyforest.

The district has already embarked on the first phase of the recycled-water project, which treats and improves the water from the Grass Valley Wastewater Treatment Plant for irrigation purposes.

The next phase would extend that filtration to produce recycled water for irrigation for customers who live outside the Grass Valley area. Water from the plant now flows through pipelines to Hesperia, where it is used to recharge the groundwater table.

The amount of recycled water depends on two factors available storage and the size of the recycled water-treatment plant.

Tetra Tech engineers Brian Lee and Howard Arnold presented these options to the group of residents who attended the Stakeholders Advisory Group meeting at the Mary Putnam Henck Middle School in Lake Arrowhead on Saturday morning.

Lake Arrowhead Community Services District board member Ted Heyck criticized the options as being too expensive and said the district is trying to push an agenda of "indirect potable reuse" treated water that would be returned to Lake Arrowhead to supplement the lake directly.

Heyck distributed a book of recommendations from the state's Recycled Water Task Force that includes a section detailing possible safety risks from the use of indirect potable reuse water.

Board Chairman Wes McDaniel declined to comment on Heyck's claims.

Stakeholders Advisory Group members will evaluate Tetra Tech's findings when more information, such as the cost and scope of the different options, is made available. But the group functions in an advisory capacity only. The community services district board has the final say in the project.

Tetra Tech's next step is to identify the largest water consumers for irrigation purposes. Originally, the project engineers were only going to locate the area's 50 largest consumers. Based on concerns from Heyck, however, they agreed to expand the study.

The largest known consumer is the Lake Arrowhead Country Club, which has an 18-hole golf course. But even if the water district decides to move forward with the recycled-water plan, it is unclear whether the country club will use the recycled water for its golf course.

Heyck said the club has not promised to purchase the recycled water.

But McDaniel said the club is required to purchase the recycled water once it is available.

"The district maintains that it is not voluntary," McDaniel said.

Many members of the Lake Arrowhead Community Services District were not in attendance at the Saturday meeting, and Heyck called attention to their absence.

"You need to elect a board that will bother to come to these meetings," Heyck told the audience. "The board really needs to come and listen. But they don't care, and everybody knows it."

Inland Valley Daily Bulletin

Water rate hike blasted

San Dimas, Claremont residents call 27% increase 'bloated'

By Jason Newell

Staff Writer

Thursday, July 14, 2005 - SAN DIMAS - Residents blasted a plan to raise water rates in Claremont and San Dimas as "bloated" and "excessive" Thursday, urging a judge to help spare them from a large spike in charges.

With Administrative Law Judge Maribeth Bushey listening, a steady stream of residents rattled off complaints about Southern California Water Co. and questioned its justification for seeking a 27 percent increase in rates in the next three years.

"This rate is absolutely unacceptable and beyond belief," Claremont Mayor Sandra Baldonado testified during the first of two state-sponsored hearings held Thursday aimed at gathering public input.

Southern California Water applied to the state for the rate increases in February, saying they are necessary to keep up with the rising costs of buying water, meeting drinking water health standards and paying for facility upgrades.

The application seeks a 24-percent rate increase across its Region III in 2006 and 1.5 percent increases in both 2007 and 2008.

The water company has since said it will push for smaller increases about 20 percent in 2006 and about 1 percent in each of the following two years.

The state's Public Utilities Commission, which has the final say about the water company's rates, held Thursday's hearings to gather public testimony. Following the public hearings and future evidentiary hearings, Bushey will make a recommendation to the commission, which will issue a decision about what residents will pay.

"That process should be completed sometime this winter, by the end of the year," said Keith Switzer, the water company's vice president for regulatory affairs.

During a brief presentation to residents, Switzer said the higher rates are needed to help offset the higher costs of buying water from other agencies, meet stringent treatment standards and to replace pipes and wells.

"We have a lot of pipes in the ground, as well as other assets, and a lot of it is getting old," he said.

Residents and city officials countered, saying that under the company's rate structure, they pay extra to help subsidize customers throughout Southern California Water's Region III, where rates ought to be higher. The region includes remote areas such as Barstow, Apple Valley and Morongo Valley.

Claremont and San Dimas ought not be charged the same rates as people living in the desert or the mountains, Baldonado argued.

"We need to stand alone, with San Dimas, as a district in this region," she said.

Several residents also urged state officials to take the water company's justifications for the increases with a grain of salt, saying the company has shown a pattern of asking for much more than it needs, anticipating that the state will approve a smaller rate.

"Southern California Water has a history of coming in with highball requests," Claremont resident Ludd Trozpek said. "Their cost estimates ... are always bloated. They're always justified in an unjustified way."

The water company last pushed for rate increases in 2003, when it sought an increase of 38 percent in Claremont and 40 percent in San Dimas during a three-year period.

Following a lengthy process that included strong public outcries and lobbying from city halls, the PUC eventually approved much smaller increases: about 12 percent in Claremont and 13 percent in San Dimas.

Ken Duran, San Dimas' assistant city manager, urged Bushey to take that track record into account, calling the latest request "excessive."

Switzer disputed claims that the company had ballooned its rate requests, saying the company is required to lay out in detail why the money is needed.

"We have to defend any part of the increase," he said. "The way the process works, you're looking forward three years, and you have to anticipate all the things you need to do."

Jason Newell can be reached by e-mail at jason.newell@dailybulletin.com or by phone at (909) 483-9338.

Inland Valley Daily Bulletin

Upland storm drain funding goes forward

Thursday, July 14, 2005 - UPLAND - The House of Representatives has approved \$13 million for the city's storm drainage and flood control retention projects, according to a statement issued Thursday from Rep. David Dreier, R-Glendora.

City Council members and City Manager Robb Quincey met with legislators this past week to ensure the funds were not dropped from the bill. Quincey said the money is specifically intended for the Upland basin project on the west side of the city.

The authorization is part of the Water Resource and Development Act of 2005, which still must be approved by the Senate and signed by President Bush before it is enacted.

- *Edward Barrera, (909) 483-9356*

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Inland Valley Daily Bulletin

Study: State's water demand to jump 40%

By Don Thompson

Associated Press

Tuesday, July 26, 2005 - SACRAMENTO California's thirst for water will jump by 40 percent over the next 25 years at current rates, with much of the water going for landscaping in the hot, dry inland valleys that will see the bulk of the population growth, warns a study scheduled to be released today.

The nonpartisan, nonprofit Public Policy Institute of California plotted future use from current water consumption, population growth estimates and demographic projections. Fourteen million more people will each be using 232 gallons each day by 2030, at the current pace.

But the institute says conservation, water planning and recycling can help meet the demand as the West struggles with continuous water shortages.

The institute found that a 2001 state law is working well, requiring that housing developers demonstrate in advance that they have lined up enough water for new residents before they start building homes.

Yet one-sixth of large municipal water utilities failed to submit water plans when last required five years ago, and other plans lacked adequate supply and demand projections. A Senate-approved bill pending in the Assembly would increase reporting requirements.

California already has made strides in cutting indoor water use with more stringent plumbing codes and requiring water-efficient appliances.

Outside, however, a lot of water goes to keep suburban lawns green.

And with half of all the state's projected new residents moving to Sacramento, San Joaquin and western San Bernardino and Riverside counties east of Los Angeles, that use will increase dramatically. Half of all the water used by inland homeowners goes to irrigating yards, compared to one third or less on the cooler coast.

More efficiently using water is key to meeting the growing demand, said report author Ellen Hanak, an economist and researcher at the institute.

"A lot of people put too much water on their lawns. There's a potential for cutting way back and still having a nice green lawn," she said. Education helps, but new technology should actually monitor the weather and lawn needs and adjust accordingly, she said.

Also, California cities can follow the example of Las Vegas, promoting the use of native plants while maintaining much smaller lawns, Hanak said. New developments and golf courses, parks and roadway medians can be designed to use recycled water, as some cities are doing already, said Hanak and

Yvonne Hunter, a legislative representative for the League of California Cities.

But there are no easy answers, warned Hunter.

"We need to build more housing," Hunter said. "As more and more housing is built to meet the state's population growth ... we're stuck between the proverbial rock and a hard place."

More water storage could help, including innovative ideas like storing water underground as well as in traditional reservoirs, said Hanak. And more exotic ideas, like desalination and cloud-seeding could play a role in some areas.

Regulatory hurdles for recycling and desalination projects should be lowered, said Jennifer Persike of the Association of California Water Agencies, and both groundwater and surface water projects should move quickly.

"We think all of these things have to be done, not just cherry-picking," said Persike. "It's a total package."

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EMAIL ARTICLE LINK TO ARTICLE PRINT ARTICLE

Article Published: Tuesday, July 19, 2005 - 6:39:51 PM PST

San Antonio Water Co. manager to be fired

UPLAND - The San Antonio Water Company placed General Manager Ray Wellington on paid administrative leave Tuesday with the intention of eventually firing him.

Wellington, 63, had been overseeing the company, which provides water to San Antonio Heights and Upland, for the past 12 years.

Tom Thomas, board president and Upland city councilman, said the board of directors wanted to head in a different direction, but he did not divulge specific reasons for the firing.

Wellington will be on leave for several weeks until the company's lawyer determines the exact amount of severance he deserves, Thomas said.

Wellington said he was unaware that he might be terminated at Tuesday's monthly company meeting, or the exact reason for the firing.

Assistant General Manager Charles Moorrees will serve as acting manager until the severance situation is completed, Thomas said. A potential search for a permanent general manager was not discussed, he added.

- Edward Barrera. (909) 483-9356

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Article Published: Thursday, July 14, 2005 - 7:45:00 PM PST

Upland storm drain funding goes forward

UPLAND - The House of Representatives has approved \$13 million for the city's storm drainage and flood control retention projects, according to a statement issued Thursday from Rep. David Dreier. R-Glendora

City Council members and City Manager Robb Quincey met with legislators this past week to ensure the funds were not dropped from the bill. Quincey said the money is specifically intended for the Upland basin project on the west side of the city.

The authorization is part of the Water Resource and Development Act of 2005, which still must be approved by the Senate and signed by President Bush before it is enacted.

- Edward Barrera, (909) 483-9356

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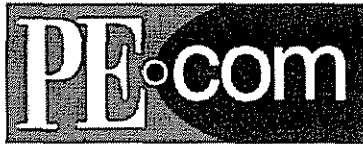
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Water: To import or not to import, and at what cost?

PASS AREA: Officials struggle with ways to pay the rising costs of water supplied by the state.

10:43 PM PDT on Thursday, July 14, 2005

By STEVE MOORE / The Press-Enterprise

BEAUMONT - Forty years passed before the water finally arrived.

Now, some say it's getting too expensive.

The Beaumont-Cherry Valley Water District faces a 42 percent hike for imported water this year over previous rates.

Some San Geronio Pass Water Agency officials, including Director Barbara Voigt, say imported-water costs should be passed along. Proceeds can build needed new facilities like spreading ponds or repair a pipeline damaged in an earthquake, she said.

Others like Director Chris Mann oppose raising rates. He said water customers will end up paying more at a time when the agency is in good shape financially.

A workshop on imported-water rates will take place at 9:30 a.m. Tuesday at the agency's headquarters, 1210 Beaumont Ave.

About three years ago, the first drop of imported water spilled into the San Geronio Pass. The journey took 15 days through a system of dams, reservoirs, aqueducts, rivers, pumping stations and power plants spread across a 600-mile swath of California.

It came through the State Water Project.

In 1960, California voters approved a \$1.75 billion bond for the mammoth undertaking. At the time, some visionaries in the Pass believed imported water could replenish what wells pumped from the ground.

The San Geronio Pass Water Agency was formed in 1961.

The agency oversaw construction of a 13-mile pipeline between Redlands and Cherry Valley. It became the final link in the State Water Project.

But things changed over the decades.

Imported-water costs rose sharply.

Today, state water costs about 2½ times more than pumping water out of the ground in Beaumont and

Cherry Valley.

Power costs are a big factor when moving great volumes of water hundreds of miles and over mountains, according to the State Department of Water Resources.

Many ways of replenishing groundwater -- besides importing water -- have become more practical since the 1960s, officials say.

With rising costs and other options, some imported-water customers are having second thoughts.

Chuck Butcher, general manager of the Beaumont-Cherry Valley Water District, has been told imported water could go from \$139 an acre-foot to \$197 an acre-foot. (An acre-foot is 326,000 gallons.)

It's already having an effect.

Beaumont-Cherry Valley is taking a hard look at plans for a \$4.5 million park with big ponds for storing imported water. Water would percolate underground and be pumped out later.

Project bids are being sought. Future phases could handle other types of water, such as piped-in storm runoff from nearby canyons.

Meanwhile, Butcher advises delaying a decision about building the park until the Pass Water Agency sets imported-water rates.

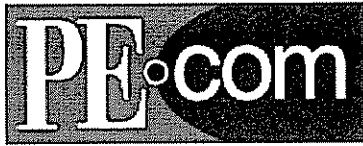
Beaumont-Cherry Valley is eyeing its first delivery of imported water -- 1,250 acre-feet to replenish groundwater supplies (roughly the amount of water used by 2,000 homes in a year.)

But now it might make more sense, Butcher said, spending money differently to save groundwater.

Recycled water is one example, he said. It involves using treated wastewater for keeping golf courses green.

Butcher said there will be a future need for imported water. By 2025, about 20 percent of Beaumont-Cherry Valley's water supply will be imported, he said.

Online at: http://www.pe.com/breakingnews/local/stories/PE_News_Local_B_water15.1ff130d.html



Agency raises perchlorate concerns

REPORT: Federal health officials say the chemical could harm those with genetic thyroid disorders.

11:23 PM PDT on Sunday, July 24, 2005

By DAVID DANIELSKI / The Press-Enterprise

The federal agency charged with tracking disease across the nation is raising new concerns about how a rocket-fuel chemical found in inland water supplies could harm the most vulnerable people.

People with genetic disorders of the thyroid -- possibly tens of thousands of people nationwide -- could suffer deteriorating health as a result of drinking water or eating foods contaminated with perchlorate, according to an analysis by a division of the Centers for Disease Control and Prevention.

The report's authors also raised concern about the 6.9 percent of pregnant women who may not get enough iodine in their diets and about the declining iodine intake among the general population.

In sufficient doses, perchlorate interferes with the thyroid's ability to absorb iodine, an element necessary for the production of hormones that regulate growth and metabolism.

It is particularly vital for fetuses and infants, who need the hormones for brain and nerve development and who, unlike adults, have scant reserves of the hormones.

Perchlorate has leached from Cold War-era factories and military bases into hundreds of groundwater sources in the Southwest and West, including several in the inland area.

It also has contaminated the lower Colorado River, a primary source of drinking and irrigation water. Perchlorate has been found throughout the nation in vegetable crops and in cow milk and human milk.

The report's authors, who work with the centers' Agency for Toxic Substances and Disease Registry, make a call for research that precisely measures individuals' perchlorate ingestion, tracks their nutrition and considers their genetic makeup.

"That hasn't been done," said Bruce A. Fowler, an assistant science director for the agency and co-author of the analysis. "But the optimism is, given that we have the analytical methods, that it is feasible to do this."

The agency is examining how perchlorate might combine with other drinking-water pollutants to cause health problems.

Also being studied is how the chemical might adversely affect people with certain nutritional deficiencies, such as the increasing number of people who don't get enough iodine in their diets, Fowler said by telephone from his office in Atlanta.

Glen Avon-area environmental activist Penny Newman, who has followed the perchlorate issue for years, said the toxic substances agency's work is part of a trend among public health professionals concerned about potential health risks associated with the small amount of perchlorate in drinking water and food.

"People have really started to take a look at this," Newman said. "And what the health professional are saying is, 'We should protect the most vulnerable ' "

EPA Levels Challenged

The CDC analysis followed a published commentary by Maine and Connecticut health officials, who said that the "safe" level for perchlorate set by the U.S. Environmental Protection Agency in February might not protect the most sensitive people, including fetuses and babies.

To determine a safe ingestion level, EPA used an industry-sponsored study on healthy adults that critics say was applied too broadly.

EPA's official safe level, called a "reference dose," is used as a basis to set future clean up and health standards.

In Congress, pending budget legislation would require federal environmental health officials to make independent perchlorate research a spending priority. Sen. Dianne Feinstein, D-California, added that language this month.

Fowler said the toxic substances agency's paper was done to identify topics for future perchlorate research.

It was published in the on-line edition of Environmental Health Perspectives, a government scientific journal that tracks environmental health studies and issues.

The paper is based on a review of studies done on how perchlorate can impair thyroid function and on literature about genetic disorders of the thyroid.

The authors found that long-term ingestion of perchlorate in food and water might harm people whose thyroids already are compromised by genetic conditions.

The paper's lead author, genetics expert Dr. Franco Scinicariello, and Fowler said that no one knows precisely how many people are affected by genetic disorders of the thyroid, but the number nationally is probably in the thousands to ten of thousands.

Several genetic disorders impair the thyroid's ability to make hormones, and perchlorate worsens the condition, Scinicariello said.

The toxic substances agency's duties include assessing the health risks of sites where toxic materials have been released into the environment.

Industry and Department of Defense officials say perchlorate levels in drinking water are safe, while environmental groups demand cleanups.

Fowler said more studies would bring clarity to the perchlorate controversy.

"In the absence of clarity, we get into matters of opinion," he said.

Reach David Danelski at (951) 368-9471 or ddanelski@pe.com

Online at: http://www.pe.com/breakingnews/local/stories/PE_News_Local_S_perch25.8c52682.html

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EPA awards water grants

FUNDS: \$482,000 is given to Rialto, Colton and Fontana for perchlorate cleanup.

01:15 AM PDT on Wednesday, July 13, 2005

By MEGHAN LEWIT / The Press-Enterprise

The U.S. Environmental Protection Agency has awarded \$482,000 to help remove perchlorate from groundwater wells in Rialto, Colton and Fontana.

The funds will be divided between the West Valley Water District, Fontana Water Co., and the cities of Rialto and Colton.

More than 20 wells in the three cities are contaminated by an underground plume of perchlorate, a water-soluble chemical used in fireworks, rocket fuel and ammunition.

The EPA money will go toward replacement material for perchlorate treatment systems, said Anthony "Butch" Araiza, general manager of the West Valley Water District.

Perchlorate removal costs between \$300,000 and \$400,000 per well annually, Araiza said. The district, which serves about half of Rialto and portions of Fontana and Colton, has put two of its wells back into service.

Funding for the cleanup has been gathered through a settlement with the B.F. Goodrich Corp. and state and federal sources, such as the EPA grant, he said.

"With two wells (in service) it's substantial because it gives us money to operate without raising rates," Araiza said. "Long term, the funds we've received to date are a drop in the bucket."

In Rialto, perchlorate treatment could span years and cost up to \$100 million, said Bill Hunt, a geological consultant with the city.

Rialto has raised its water rates to help pay for treatment while the city pursues a lawsuit against the Defense Department and more than 40 other agencies believed to be responsible for the contamination. The city's intent is to refund ratepayers once the lawsuit is settled, Hunt said.

Perchlorate contamination of groundwater in the Rialto-Colton basin was discovered in 1997.

The city of Rialto contends that the contamination comes from a north Rialto site that has been used for military and industrial purposes over the past 50 years.

The EPA expects to provide another \$288,700 later this year, according to a news release issued

Perchlorate cleanup

The EPA has awarded nearly \$500,000 to treat contaminated wells

Money will be split between four water purveyors: West Valley Water District, Fontana Water Co., and cities of Rialto and Colton.

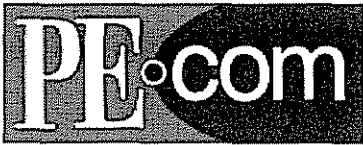
Tuesday by U.S. Sen. Dianne Feinstein, D-Calif.

"These funds will help provide clean drinking water to the local community," Keith Takata, director of the EPA's Superfund division for the Pacific Southwest Region, said in a statement. "Ultimately, we expect those responsible for the contamination to pay."

Ingestion of perchlorate can impair thyroid function and result in metabolic disorders.

Online at:

http://www.pe.com/localnews/sanbernardino/stories/PE_News_Local_B_bcleanup13.259f331.html



District blames lack of phone lines for slow water warning

11:51 PM PDT on Friday, July 22, 2005

By SANDRA STOKLEY / The Press-Enterprise

MIRA LOMA - Local water agency officials said their district's message system didn't have enough telephone lines to promptly notify customers that a contaminant in drinking water could be hazardous to infants.

To keep the same problem from happening in the future, Carole McGreevy, general manager of the Jurupa Community Services District, said she has contracted with MIR3, an Los Angeles-based company that specializes in providing mass notifications to the public.

McGreevy said the initial contract with MIR3 will cost Jurupa Community Services District \$10,000. McGreevy, who signed the contract with MIR3 on July 12, said she will brief Jurupa Community Services District board members Monday on what exactly went wrong with the message system and how it will be corrected.

Customers lashed out at board members at their July 11 meeting, demanding to know why they had not been notified that elevated levels of nitrates had been detected in local water supplies three days before.

High nitrate levels have been tied to a potentially fatal blood disorder in infants younger than 6 months.

McGreevy has said since that the warning was simply a precaution and the nitrate level never rose above California's maximum contaminant level.

The warning was cancelled this week after one of the district's biggest producing wells went back into service.

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

Customers in Eastvale and parts of Pedley, Sunnyslope and Mira Loma were impacted.

The Jurupa district posted a nitrate warning on its Web site July 8 and sent notices to television and radio stations including Spanish-language KCAL-AM.

The district also activated its telephone message system and dispatched employees to post notices on the doors of customers who did not have a telephone number listed with the district.

Board President Jack Smith, who lives in Pedley, one of the impacted areas, said he could sympathize with customer complaints because he had not received the July 8 nitrate notice.

He said he received the second notification and checked with neighbors.

"I talked to a neighbor and she got the call in Spanish," Smith said. "That made me feel more confident

that the message was getting out."

Despite the problems, a state official said the Jurupa district followed state law in the nitrate notification it provided customers..

"They could have done far less and still be within the law," said Steve Williams of the Department of Health Services drinking water field operations branch.

Reach Sandra Stokley at (951) 368-9647 or sstokley@pe.com

Online at: http://www.pe.com/localnews/riverside/stories/PE_News_Local_C_rnotice23.1d0033f.html

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Article Published: Saturday, July 23, 2005 - 10:19:07 PM PST

Flood control essential for Rancho Cucamonga, Upland

Words of warning quite common

Flood control is crucial in Rancho Cucamonga and Upland because the entire communities are built on giant slopes of mountain erosion, dynamic landforms that scientists call alluvial fans. Most of the development in the past 30 years in both cities would not have been possible without flood-control projects below Cucamonga, Deer and Day canyons.

Experts familiar with foreseeable hazards on alluvial fans including chaparral-stoked wildfires and unpredictable, debris-laden flash floods say the flood-control land the county is appraising below Deer and Day canyons is a textbook example of why the state-mandated Alluvial Fan Task Force is necessary. Signed into law last year by Gov. Arnold Schwarzenegger, the task force is still awaiting about \$800,000 to fund its first year.

The state has millions available for pre-disaster mitigation funding, but no money has been formally allocated to the task force.

Statements about flood-control concerns in the area include the following, in chronological order:

Walt Sidler, San Bernardino County's flood-control engineer, in a letter to the Army Corps of Engineers, April 25, 1974:

"By your letter of January 8, 1974, we were advised that the Department of Interior ... has asked that lands in the Upper Deer Creek (Deer and Day Creek) be maintained as open spaces and protected against encroachment ...

"With respect to the extensive holdings of the Flood Control District in the area, these are currently held for flood control and water conservation purposes. Under policies followed by this District over the past 35 years, no other use is permitted unless it can be shown compatible with the flood-control and water-conservation objectives "

Bob McKechnie, staff counsel, Governor's Office of Emergency Services, in a letter to Kenneth Guidry, San Bernardino County flood-control engineer, June 5, 2000:

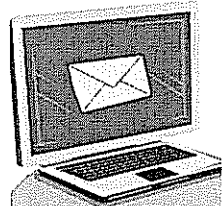
"It has been forcefully brought to our attention that considerable development is occurring or is planned in the downstream area the Deer Creek Debris Basin is designed to protect, and that much of this same area would also be affected by a failure of the Day Creek Debris Basin ...

"Due to the impending planning and development of the areas below the Deer and Day Creek Debris Basins, it is imperative that the inundation maps be completed post haste ...

"Unless I receive written assurance from your department by this Friday, June 9, 2000, (that maps will be completed by September 1, 2000) ... I will refer these matters to the Attorney General for enforcement under available remedies."

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Dallas Jones, Governor's Office of Emergency Services. in a letter to Delaine Eastin, state superintendent of public instruction and director of education, June 6. 2000:

"I am writing with regard to a matter of significant concern ... the proposed construction of two schools near Rancho Cucamonga in San Bernardino County

"From information available to us. these schools (Banyan Elementary and Los Osos High) would be well within the inundation area should there be a sudden failure of either or both of the two dams forming debris basins upstream of the school sites. These basins are known as the Deer Creek Debris Basin and the Day Creek Debris Basin.

"The concern of this office is twofold First, though inundation maps have been required for dams such (as) those creating the mentioned basins since 1973, no such maps have been prepared for the dams in question ...

"The second concern of the office is related to new information concerning the above mentioned Deer Creek Debris Basin. An independent engineering study of that basin was commissioned by private landowners in the area to assess the storage capacity of the basin (Exponent Inc.. Evaluation of the Debris Storage Capacity of the Deer Creek Basin. April 11, 2000) ...

"In assessing the probable effect of this discrepancy, the author concluded that, given a 100-year flood event, "the basin would fill up, and debris would flow down the spillway into the flood control channel

" "The size of the debris and the speed of its movement down the spillway is likely to disintegrate the concrete channel bed and walls, causing flood waters to escape the channel and spread back out on the fan in a manner similar to that before the flood control project was built "

"This study was reviewed by the Los Angeles County Department of Public Works. which body concurred with the study's conclusion that the Deer Creek Debris Basin would not be able (to contain) the 292 acre-feet projected as the debris volume which would result from a 100-year event ...

"It is the belief of this Office that the lack of dam failure inundation maps for both the Deer and Day Creek Basins. coupled with the uncertainty surrounding the ability of the Deer Creek Basin to contain the volume of debris necessary to protect downstream areas from flooding and debris transport, is a substantial impediment to a full and considered evaluation of the schools in question

"It is therefore respectively suggested that prudence would dictate further action by the Department of Education in approving these schools be suspended until dam failure inundation maps are available and the reported discrepancies in the capacity of the Deer Creek basin are resolved "

John J Cassidy, consultant for Ontario International Airport and former Bechtel Corp manager of geotechnical and hydraulic engineering services. court deposition, June 13, 2001:

"I have concluded that the Army Corps Project (Deer Creek debris basin) is completely inadequate to contain the debris or water generated in a 100-year flood This is a significant safety problem in an area where historic massive flooding and damage have occurred

"As constructed. the Army Corps' debris basin would only hold a fraction of the debris that would come out of the watershed during a 100-year flood Required storage would be deficient by 500 acre feet or more 500 acre feet would be equivalent to 20.000 truck loads of debris.

"The excess debris would therefore overtop the debris basin ... The channel was designed for clear water only and would likely clog if such a large amount of debris were to be carried into it. Under these circumstances, the downhill cities have greatly reduced flood protection from what the Corps originally committed to providing and the damage could be devastating

"The natural slope of the alluvial fan on Deer Creek is approximately 11 to 12 percent in its upper reaches. This steep slope results in very large velocities in the stream channels coming into the basin and in the downstream flood channel

"Maximum velocities in the concrete flood channel would be in the range of 80 feet per second or 60 miles per hour. Water flowing in such steep channels at such high velocities are "supercritical' in nature ... This means that a significant disturbance in the channel could cause flow to leap completely out of the channel."

Mary D Nichols, California Secretary for Resources, in a letter to U.S Sens Dianne

Feinstein and Barbara Boxer. June 21, 2002:

"I am writing in response to your offices' request that I investigate the potential public safety issues with respect to the performance of the Deer Canyon Debris Basin in San Bernardino County, California."

After a January 2001 meeting at Feinstein's San Francisco office, the California Department of Water Resources division of dam safety organized a technical review committee that included the U.S. Army Corps of Engineers and three consultants representing interests downstream of the debris basin, among them the Havenview Homeowners Association and Ontario International Airport. Nichols said.

State water resources officials convened at least 10 meetings over 16 months, devoted three months of nearly full-time work for four staff people to the technical analysis, and wrote and edited the final report. They estimated their total costs at about \$250,000, Nichols said.

"Given the potential public safety risk associated with the existing situation, I believe the next step is to take action to expedite an increase in the storage capacity of the debris basin. ...

"Therefore, I recommend that you call upon the U.S. Army Corps of Engineers, in cooperation with San Bernardino County, to provide the originally intended 310 AF of effective storage in the Deer Canyon Debris Basin. ...

"I believe California's local communities need and deserve the best available information when making decisions that affect their environment and address public safety issues."

Patrick J. Mead, San Bernardino County Flood Control District, in Hazard Mitigation Grant application to state Office of Emergency Services. April 5, 2004:

"As a result of the October/November 2003 wildfires, debris and sediment generated from the watershed will increase significantly, until the watershed stabilizes over the next few years. The basin will not have the capacity under current design, to contain the sediment and debris.

"Sediment-laden flow also significantly reduces the capacity of the downstream channel to convey flows. The proposed project will reduce potential damages to the private properties and public facilities downstream of the basin."

Patrick J. Mead, June 7, 2005, to county Board of Supervisors:


"There are approximately 1,137 acres within Flood Control Zone 1 that are owned by the District but are being evaluated as being no longer necessary to be retained for the uses and purposes of the District as a result of the construction of the Deer Creek and Day Creek Flood Control channels."

Greg Renick, OES, in response to questions from The Daily Bulletin, July 7, 2005:

"OES did receive an inundation map. Because flooding in Deer Creek would involve debris flow, rather than clear water that results in a traditional dam failure, we are unable to approve the map provided. There currently are no regulatory standards available to use in evaluating the inundation map provided. ...

"I will have to check on Day Creek."

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Inland Valley Daily Bulletin

Water draw to stop at Lake Arrowhead

State agency demands end to practice of draining lake

By Leonor Vivanco and George Watson

Staff Writers

Wednesday, August 03, 2005 - A state water agency mandate will force the Lake Arrowhead Community Services District to stop taking lake water for residential use and prohibits any new building there for the near future.

The State Water Resources Control Board stated the district has been illegally diverting water since 1978 and fined it \$182,500. The state gave the district 60 days to come up with a plan for an alternate source of water.

Nearly all of the water used by residents for drinking and bathing comes from Lake Arrowhead. Water will still be supplied to the 7,500 existing customers and the state has no plans to cut them off, said Liz Kanter, spokeswoman for the state water agency.

After dealing with years of water shortages from drought, Lake Arrowhead Community Services District board members are again scrambling. They will meet at 10:30 a.m. today in closed session at their board room on 840 Willow Creek Road. The board, which received the order Wednesday, has until Aug. 23 to appeal the state-mandated order.

Homes and businesses not hooked into the system will be prevented from receiving water service, Kanter said. Hook-ups will be allowed again if approved by Victoria Whitney, the state agency's division chief.

District officials dispute the state's decision that the district has no valid water rights to use water from Lake Arrowhead for domestic use.

"We think this is the wrong decision. We think it's the wrong time. We think it unfairly victimizes the community of Lake Arrowhead," said district General Manager Marvin Shaw. "This decision says even when the lake is spilling, the residents of Lake Arrowhead would have no right to use that water."

County Supervisor Dennis Hansberger, whose 3rd District includes Lake Arrowhead, did not return a call for comment Wednesday.

The state made its decision after receiving a complaint in March 2003 from Ted Heyck, a current Lake Arrowhead Community Services District board member. Heyck believed the district was not allowed to divert the water. The state agency investigated the claims and in conclusion, supported Heyck's claims that pre-1914 water rights required all stored water be used for recreation.

Downstream users in the Mojave River Basin, whose water rights have been adjudicated in the courts over the years, likely have been affected by the water diversion, Kanter said.

The district's attorney, Eric Garner, argued that the district's pre-1914 water right, which was acquired when residents took over the dam from the Arrowhead Utility Co. in the 1970s, allows for any purpose, such as recreation, and may be changed for another use, he claimed, as long as it does not harm anyone.

Where the district will get the water it needs to make up for the loss of lake water still needs to be figured out as well as the cost.

"Obviously no one can come up with an answer to develop 100 percent water supply for a community within 60 days," Shaw said.

Sylvia Illman, a Lake Arrowhead resident and critic of the district, questioned why the district was not more prepared.

"They've known this was a possibility for two years," Illman said, referring to Heyck's 2003 complaint.

The cost of paying the fine, which could have been as much as \$547,500, will trickle down to ratepayers, Shaw said.

Users have already seen the cost of water double in the past two years to pay for new sources of water supply touted by officials to reduce its reliance on lake water.

In 2004, the district developed new groundwater supplies, imported State Water Project water and implemented conservation measures. In addition, it agreed last month to have the Crestline-Lake Arrowhead Water Agency and the San Bernardino Valley Municipal Water District deliver state water there.

Prior to that, all of its water was supplied by the lake, Shaw said.

The state board's decision also means an \$18 million investment in surface water treatment plants made by the district will be abandoned, potentially laying off up to 65 district employees, Shaw said.

In addition, the building moratorium could have damaging impacts to businesses, said Lake Arrowhead Communities Chamber of Commerce Executive Director Lewis Murray.

"We're going to see an increase in property values," he said. "We're going to see a decrease in the building and real estate industries and those industries are really a cornerstone of our business community."

A tentative meeting is scheduled for Aug. 28.

Inland Valley Daily Bulletin

County officials silent on flood-control land appraisals

By Megan Blaney

Staff Writer

Tuesday, July 26, 2005 - San Bernardino County officials refused to disclose information Tuesday about two appraisals of county flood-control land in Rancho Cucamonga.

The land, 1,137 acres between two-flood control channels, has been the focus of concern by numerous scientists, U.S. senators and representatives from Ontario International Airport.

But no one on the county payroll would say whether they planned to share those concerns with the companies appraising the land.

"We can't disclose any litigation matter," said deputy county counsel Mitchell Norton. "But I will make the general comment that our job as counsel is to provide all the accurate information. We would make sure any consultant is fully informed so we get accurate results."

The land was being considered as part of a proposed settlement with the Colonies Partners LP, the developer of a 434-acre parcel in Upland, who is suing the county regarding payment of flood-control measures.

Colonies co-managing partner Jeffrey Burum has said his company wanted the land to develop it but said the county did not make him aware of any concerns about the land. The land lies below two debris basins that collect material from two major watersheds of Cucamonga Peak the steepest summit looming over Rancho Cucamonga. Several scientists say one of them, Deer Canyon Basin, is dangerously undersized.

County flood-control officials maintain that the basins are adequate, but they applied for a federal grant in 2004 to enlarge Deer Canyon Basin.

Supervisors said they depend on recommendations by the Department of Public Works to assess any possible dangers associated with land.

"We don't make decisions in a vacuum," 4th District Supervisor Gary Ovitt said. "We keep the public in mind first of all."

But Ovitt said the county may have to make a decision - if the county loses the lawsuit or ends up settling - between giving money from the Flood Control Department budget and offering surplus land in its place.

"We look to Public Works. They advise us," Ovitt said. "It's surplus land. That means we probably don't need it."

The land is still defined as flood-control land and has not been declared surplus yet, Director of the Department of Public Works Patrick J. Mead said recently.

The county will not release any information about the second appraisal or who the county has hired to appraise the land.

Norton said he would not comment on who requested the second appraisal.

(????) But Wert said that was not private information and the county counsel instructed outside counsel to commission the appraisal.

Outside counsel Jones Day has been working on the Colonies case since May 10 after former outside counsel Munger, Tolles & Olson LLP declined to represent the county. Lawyers from Munger, Tolles & Olson have not publicly disclosed their reasons for terminating their contract with the county.

The first appraisal was approved by the Board of Supervisors on June 7. The appraiser, Orange-based Waldron & Associates Inc. has not returned calls made repeatedly during a period of several weeks. Waldron was contacted by Burum and Supervisor Paul Biane.

Biane said Tuesday that he thinks the concerns are overstated because the experts were working for neighbors who don't want more development.

"There's always going to be an expert out there who's going to say it's not safe enough," he said.

Doug Hamilton, a consulting engineer who has performed flood-control studies for the county and for concerned residents below Deer Canyon, said Biane's reasoning doesn't hold up.

"Their own Department of Public Works says the basin is more dangerous than I do," Hamilton said. "Either (Biane's) being misled or he's not familiar with the facts. Either way, there's widespread agreement the debris basin was designed wrong, so it's deficient to provide an adequate level of public safety."

The state Department of Water Resources concluded Deer Canyon basin is too small.

Biane said he could not comment on whether the appraisers have been notified of the concerns but said he had confidence in Waldron & Associates.

"I definitely feel they will take into account all factors that may affect the value of the land including any flood hazards that may or may not exist," he said.

Ovitt's top aide, Mark Kirk, said he thinks the past winter's rains gave the basin a 100-year-flood test the standard used to test how much debris and mud a basin can withstand.

"I think we just went through a worst-case scenario," Kirk said. "We had devastating fires and rains and not a glimpse of any issues."

Ovitt, a former Ontario mayor, said no one raised concerns about the basin to him, even when he served on the flood-control advisory board.

Wert said the land could be involved in litigation.

"The information will become public when the litigation or negotiation is come to a conclusion," Wert said. "Until then, making public details puts taxpayers at a disadvantage in this situation."

Staff writers Edward Barrera and Guy McCarthy contributed to this story.

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San Bernardino County Sun

Colonies payout would greatly impact West End

By Edward Barrera

Staff Writer

Sunday, July 24, 2005 - Solutions to flood problems that closed Etiwanda Avenue for weeks on the Ontario-Fontana border this winter may be delayed for years if San Bernardino County is forced to pay out a huge cash award in lawsuits with the developers of the Colonies project in northeast Upland.

Addressing the flooding problems, which included the shutdown of a transcontinental railroad line and a major gasoline pipeline, was one of several projects the county says could grind to a halt if it is forced to pay out as much as \$100 million to settle the lawsuits.

Colonies developers and the county are battling over land used for flood control on the developers' 434 acres. Colonies officials have said if they win a lawsuit for damages, they would seek more than \$200 million.

A list prepared for Supervisor Paul Biane's office detailed 11 county West End projects where funding reimbursement or construction could be delayed. These include storm-drain and channel improvements that will affect Fontana, Ontario, Rancho Cucamonga, Chino and Chino Hills.

At present, the West End of the county, flood district's Zone 1, has a budget of nearly \$12 million for this fiscal year for maintenance and improvement projects. The area is hemmed in by the San Gabriel Mountains to the north, the Riverside County line on the southeast and the Los Angeles County line on the west, and stretches eastward to Beachwood Avenue in Fontana.

Patrick Mead, the county's public works director, declined to comment on the Colonies lawsuit, citing the ongoing litigation, but said any monetary award would probably come out of Zone 1.

"If it's an unexpected cost, what we would do is delay certain projects for the future. We would consider a judgment an unexpected cost," he said. "Normally, we would take the unexpected cost, and take it out of the zone."

Mead said that no emergency fund exists in case of a large award, but the county still believes it will be successful in court.

A county analysis of potential judgments ranging from \$22 million to \$100 million reveals that projects could be delayed one to seven years. If the award reaches the \$200 million figure, the number of years would potentially double. Delays for funding of basin and channel improvements for Etiwanda-San Sevaine, near the Interstates 15 and 210 interchange, and the west Fontana channel, which feeds into it, could be pushed back from two to five years, according to the county. The channel carries water from storm drains and San Sevaine Creek above Etiwanda.

The projects are considered "critical" to stop flooding that has plagued the area around the railroad

tracks, said Felipe Molinosi, a civil engineer with Fontana's design department.

"If the projects are delayed, there will have to be some temporary detention basins installed to slow down the water flow,' Molinosi said. "This needs to get done now. It needed to be done yesterday.'

Work on the Sultana-Cypress storm drain and West State Street channel in Ontario could be slowed by six years if funds from the county dry up, the county analysis said.

Annesley Ignatius, chief of the county's flood-control planning, said the Sultana-Cypress project, located in south Ontario, is meant to eliminate water contamination runoff from the dairy farms south of the project. The project is funded with 75 percent federal money with the rest coming from the county, he said. He added that it is nearly 30percent completed.

Improvements on the West State Street channel, which borders Ontario and Montclair, are also needed to end flooding problems, said Montclair City Engineer Mike Hudson. While renovations on the Montclair side have been completed, Ontario is still working on its portion, he said.

Chino Hills City Engineer Gary Cohoe said the work on the English Channel near Peyton Drive and Eucalyptus Avenue was so urgent to stop annual flooding problems that the city has fronted the funds to pay for improvements. The county is scheduled to reimburse the city nearly \$1.6 million, he said.

Richard Avent, a longtime advisory board member for Zone 1, said the county has never dealt with any potential financial hit if a court awards the Colonies a huge sum.

"There needed to be some strategy so that the county and public would be protected should there be a (financial) demand on the zone,' he said. "There is not enough money for projects started or going to be started. Projects that needed to be done will be stymied.'

Second District Supervisor Paul Biane, who has been a major proponent of settling the legal conflict, said the financial impact on the West End if the county is forced to pay out a huge judgment will reverberate for years.

"If we lose and there is a cash (award), this money would have to come out of the general fund and then projects would grind to a halt until it's paid back by Zone 1,' he said. "It will put in jeopardy the entire county's finances. That's the reason I have been pushing for a settlement. The public doesn't realize how high the stakes are.'

Dennis Hansberger, 3rd District supervisor, said he has never been opposed to a "modest settlement' but added that the county would be setting a huge precedent if it goes ahead with "subsidizing this development.' He also said protecting the West End of the county is exactly why he has opposed large settlement proposals.

"It could be incredibly injurious effect, literally bankrupting the district's ability to protect, as they have for 60 or 70-some years, the community from floods,' he said.

But Biane said by continuing the litigation and the growing risk of financial exposure, Hansberger's stance is making the situation worse.

"It's frustrating that a supervisor of the 3rd District can put life and property in jeopardy in the 2nd District, but that's the position he has taken,' Biane said.

San Bernardino County Sun

Company renegotiating perchlorate cleanup

By Nikki Cobb

Staff Writer

Saturday, July 30, 2005 - As a plume of perchlorate inches further into Rialto's groundwater, the city is trying to make sure those responsible for its being there don't get off the hook.

The city is suing San Bernardino County, the U.S. Department of Defense and 140 companies and contractors in connection with the contamination of Rialto's water with perchlorate, a rocket fuel additive thought to cause thyroid malfunction.

One contractor, Goodrich Corp., is renegotiating an agreement that has shielded it from enforcement by Rialto and other affected cities and water agencies.

Kurt Berchtold, assistant executive officer for the Santa Ana Regional Water Quality Control Board, said Goodrich's agreement was with the board and the cities of Rialto, Fontana and Colton. Also included is the West Valley Water District, which serves parts of all three cities as well as some unincorporated county areas.

In the arrangement, Goodrich awarded the cities and district \$4million. In exchange, the water board agreed not to take action against the contractor for a two-year period that ended in January.

The U.S. Environmental Protection Agency was not party to the contract and did require Goodrich to do some investigation into the extent of the perchlorate problem.

Now that the agreement with the cities, the board and the district has expired, Goodrich is back at the table negotiating its next step.

Davin Diaz is a research and policy advocate for the Center for Community Action and Environmental Justice in San Bernardino. He said he worries the company will get off easy, offering money to avoid the bigger mess.

"Our concern is that Goodrich will fork out some more money. Four million is not much. It's pennies in the bucket,' he said.

Diaz said Goodrich could be instrumental in getting other defendants in the lawsuit to start the cleanup in earnest. Goodrich has already filed suit against one other contractor, Emhart Industries Inc. But Diaz would like them to do more.

"We want them to clean up the whole plume,' Diaz said. "They're not going to do it themselves. They need to go after Emhart, go after the Department of Defense take the pressure off Rialto, off the water board.

"The theory behind this is if we force them to provide replacement water to the impacted community members, they themselves will go after the potentially responsible parties."

Goodrich officials declined to comment. But they said in a statement that the company, which did business in Rialto from 1957 to 1963, is working with the regional water board to assess the problem and determine Goodrich's responsibility.

Meanwhile, the county is taking steps to remedy its part in the perchlorate contamination.

Though the county never polluted with perchlorate, it's included in the suit because it bought some contaminated land and allowed a contractor to build excavating ponds that exacerbated the perchlorate seep, Berchtold said.

The county is building a \$5million treatment facility, expected to be finished in December.

The treatment plant will pull water from the ground before it reaches Rialto's wells, remove the perchlorate, then inject the water into Rialto's groundwater supply.

"The real culprit, we say, is the federal government. This (contamination) comes from them making munitions for defense," said Rex Richardson, spokesman for the county's solid waste division. "We are looking to partner with the water companies, with Rialto, to pursue federal money for the cleanup."

Inland Valley Daily Bulletin

Drinking water is pure and plentiful in Ontario

By L. ALEXIS YOUNG

Staff Writer

Friday, July 29, 2005 - A report released by the Public Works Department in Ontario made it crystal clear that drinking water is pure and plentiful in the city.

The 2004 Water Quality Report revealed that traces of 37 contaminants were found of the 80 tested for in drinking water but there were no violations of federal or state requirements.

"Our water is completely safe for human use," explained Ken Jeske, the director of public works and community services. "We like to stay 10 to 20 percent below standards and we are being very proactive to keep our water safe. There are only two reasons for bottled water in Ontario - convenience of the container, and individual taste."

"The word contaminant is very misleading," Jeske commented. "There are always going to be things in groundwater and some of them can be good for you."

The city has 25 wells from which it pumps 85 percent of its water and the remaining 15 percent is imported from the Sacramento/San Joaquin Bay-Delta in Northern California. During the summer months, the demand for water increases so the local wells pump out 56 million gallons of water per day.

Some wells are no longer being used after tests revealed traces of nitrate, a substance that can pose health risks to pregnant women and infants younger than six months old. In 2002 after a source water assessment was conducted, 18 wells were considered to be vulnerable to activities that contribute to the release of nitrate in drinking water supplies.

"We have taken some wells off line because of traces of nitrate but we are in a good position as far as water supply and we have drilled some new wells," Jeske said.

"We are still finding in our groundwater the legacy of years past," Jeske explained. "At this point, we are still seeing the effects of contaminants that entered the water 10 years ago. The trend is going to continue. We may have to do more treatment to some of the wells."

Rosemarie Chora, a water quality specialist for the city, said advances in technology have equipped the city to ensure that residents get high quality tap water.

"The tools we have to protect our public are extraordinary," Chora said. "There have been so many advances in technology for water treatment and testing that our tool box continues to grow and it keeps us one step ahead."

"I am satisfied with the test results," Chora said. "I'm pleased with our drinking water, and I'm proud

of the water here."

Jeske said that while most of the contaminants found in the water are from pollution in the past, motor oil runoff is posing new problems to ground water supply.

"A good rule in an urban area is don't dump motor oil on the ground," Jeske said. "If someone dumps it in the street or in the driveway, or on anything paved, it gets into the storm drains and eventually into the groundwater supply. Southern California is not water rich so we have to be able to use our groundwater, we rely on groundwater."

"If oil continues to get into the water supplies we will have to do more treatments which will increase water costs," Jeske continued. "The only way to keep the water bill down is to keep (oil) out of the water."

For more information about the water report or to request a copy, call Rosemarie Chora at the Ontario Municipal Services Center at (909)395-2691.

L. Alexis Young can be reached by e-mail at alexis.young@dailybulletin.com or by phone at (909) 483-9365.