

CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, November 17, 2005

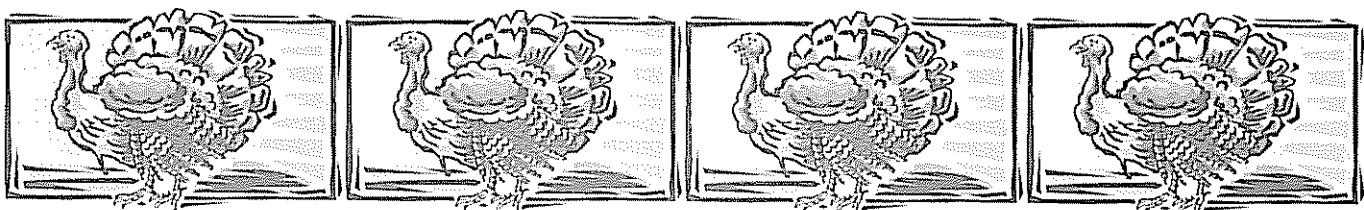
1:00 p.m. – Advisory Committee Meeting

2:00 p.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

November 17, 2005

1:00 p.m. – Advisory Committee Meeting

2:00 p.m. – Watermaster Board Meeting

(Lunch Will Be Served)

AGENDA PACKAGE



**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING**

1:00 p.m. – November 17, 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 October 27, 2005 (*Page 1*)

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of October 2005 (*Page 15*)
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2005 through September 30, 2005 (*Page 19*)
3. Treasurer's Report of Financial Affairs for the Period September 1, 2005 through September 30, 2005 (*Page 21*)
4. Profit & Loss Budget vs. Actual July through September 2005 (*Page 23*)

C. WATER TRANSACTION

1. Consider Approval for Transaction of Notice of Sale or Transfer – The City of Pomona has agreed to purchase out of storage from the City of Upland a portion of Upland's pumping rights of up to 1,000 acre-feet. Date of application: October 5, 2005 (*Page 25*)

II. BUSINESS ITEMS

A. MATHIS & ASSOCIATES CONSULTANT AGREEMENT

Consider Approval of the Mathis & Associate Consulting Services Agreement (*Page 35*)

B. FISCAL YEAR 2005/2006 ASSESSMENT PACKAGE

Consider Approval of the Fiscal Year 2005/2006 Assessment Package (*Page 43*)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney-Manager Process
2. Board Reappointment Update

B. CEO/STAFF REPORT

- 1. Peace II Workshop
- 2. Recharge Activities Update
- 3. Minor Rep Election Update

C. INLAND EMPIRE UTILITIES AGENCY

- 1. MWD Status Report – Richard Atwater
- 2. Monthly Water Conservation Programs Report *(Page 81)*
- 3. Community Outreach/Public Relations Report *(Page 85)*

D. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. INFORMATION

- 1. Newspaper Articles *(Page 87)*

V. COMMITTEE MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

November 17, 2005	8:00 a.m.	Peace II Term Sheet Workshop @ Lions East
November 17, 2005	12:00 p.m.	Lunch @ CBWM
November 17, 2005	1:00 p.m.	Advisory Committee Meeting
November 17, 2005	2:00 p.m.	Watermaster Board Meeting
* December 6, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
* December 8, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
* December 15, 2005	9:00 a.m.	Advisory Committee Meeting
* December 15, 2005	11:00 a.m.	Watermaster Board Meeting

* Note: These meetings are tentatively scheduled

Meeting Adjourn

**CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING**

2:00 p.m. – November 17, 2005

At The Offices Of

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

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

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A. MINUTES

1. Minutes of the Watermaster Board Meeting held October 27, 2005 *(Page 7)*

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1. Cash Disbursements for the month of October 2005 *(Page 15)*
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C. NWRA CALIFORNIA CAUCUS BALLOTS

Vote for the National Water Resources Association California Caucus Board of Directors *(Page 63)*

D. ASSOCIATION OF CALIFORNIA WATER AGENCIES OFFICER ELECTIONS

Elect a Delegate Who Will Be Attending the ACWA Fall Conference in San Diego and Who Will Formally Nominate a Candidate for the Positions of ACWA's President and Vice President for the 2006-07 Term (Page 75)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

- 1. Attorney-Manager Process
- 2. Board Reappointment Update

B. CEO/STAFF REPORT

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* Note: These meetings are tentatively scheduled

Meeting Adjourn



CHINO BASIN WATERMASTER

II. CONSENT CALENDAR

A. MINUTES

1. Advisory Committee Meeting – October 27, 2005



Draft Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING
October 27, 2005

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on October 27, 2005 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

Ken Jeske, Chair	City of Ontario
Rich Atwater	Inland Empire Utilities Agency
Gerald J. Black	Fontana Union Water Company
Mike McGraw	Fontana Water Company
Charles Moorrees	San Antonio Water Company
Rosemary Hoerning	City of Upland
Dave Crosley	City of Chino
Bill Stafford	Marygold Mutual Water Company
Raul Garibay	City of Pomona
J. Arnold Rodriguez	Santa Ana River Water Company
Mark Kinsey	Monte Vista Water District

Agricultural Pool

Nathan deBoom	Milk Producers Council
John Huitsing	Dairy
Pete Hettinga	Dairy

Non-Agricultural Pool

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

John Anderson	Inland Empire Utilities Agency
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Watermaster Staff Present

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	CFO/Asst. General Manager
Gordon Treweek	Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Steven G. Lee	Agricultural Pool Legal Counsel
Terry Catlin	Inland Empire Utilities Agency
Martha Davis	Inland Empire Utilities Agency
Josephine Johnson	Monte Vista Water District
Chris Diggs	Fontana Water Company
Justin Brokaw	Marygold Mutual Water Company
Dean Martin	Inland Empire Utilities Agency
Jerry Thibeault	Regional Water Quality Control Board

The Advisory Committee meeting was called to order by Chair Jeske at 9:10 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting held September 22, 2005

B. FINANCIAL REPORTS

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

C. VOLUME VOTE

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

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

II. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney-Manager Process

Counsel Fife stated that at this afternoon's Watermaster Board meeting there will be a distribution of the Peace II Agreement which has been discussed in detail at the Attorney-Manager meetings. Counsel and staff will be asking the Board to give direction for the distribution of this agreement through the Watermaster process in November, for review and comment. Any party who wants a copy of the agreement can see counsel after the meeting.

2. September 22, 2005 Hearing

Counsel Fife stated this was the hearing requesting an extension of the Board reappointment issue. An extension was granted by the court until February 9, 2006, which means a motion must be filed with the court to extend the term of the Board by early January. Since we will probably hold December meetings, the motion will be sent through the process in December.

B. CEO/STAFF REPORT

1. Basin Re-Operation/HCMP Update

Mr. Manning stated this item will be presented by Mr. Wildermuth and noted this presentation was given in its entirety at the Appropriative, Non-Agricultural and the Agricultural Pool meetings. Mr. Manning inquired to the committee members if they wanted to see the presentation or be given the "Executive Summary" version without the slides. It was decided that a verbal summary of the presentation would suffice for this meeting. Mr. Wildermuth stated the executive summary, as it relates to the Peace II, is a consensus plan that where the Desalter II will be expanded and there will be an increase of groundwater production at the Desalters up to about 42,000/43,000 acre-feet per year. The OBMP document states 40,000 acre-feet per year; a review of the language/interpretation written in the 1999 OBMP for this acre-feet amount will be re-examined. Parallel to this process, as we move forward with the implementation of desalter expansion program, we are going to have to come up with additional replenishment assets. Mr. Manning stated that the full presentation with slides will be given at the Watermaster Board meeting this afternoon and at that meeting the Board will be asked to give a recommendation to forward the Peace II Agreement through the Watermaster process for public comment and review.

2. Water Quality Update
Mr. Manning stated the Water Quality Update presentation will be given in its entirety at the Watermaster Board meeting this afternoon.
3. Consultant Service Agreement
Mr. Manning noted this item was presented to the Appropriative, Non-Agricultural and Agricultural Pool as a business item to seek a motion to approve the Mathis & Associates consulting agreement, however, after those meetings it was decided more information was needed on Mathis & Associates prior to asking for a motion, leaving this item to be presented as an update for today's meeting. Mathis & Associates will be working with Watermaster on personnel issues along with the planning of a strategic planning and other related projects. The question regarding what were some of the comments made at the other pool meetings was presented. Mr. Manning stated there were some questions regarding Bill Mathis's qualifications and the location and time frame of the Strategic Planning Conference which was to be held this December. This item will be presented back as a business item at the November meetings and will include a revised contract with more extensive detail on the qualifications of Mathis & Associates to accommodate committee members' requests.
4. Assessment Package Workshop
Mr. Manning stated the Assessment Package Workshop is scheduled for November 2, 2005, at 9:00 a.m. at the Chino Basin Watermaster office, noting this is an open workshop and all parties who are interested are invited to attend.
5. November meeting schedule
Mr. Manning commented that due to the Thanksgiving holiday the Advisory Committee and Watermaster Board meetings will be moved up one week to November 17, 2005 and to remember to adjust calendars to reflect this new date. It was also noted that due to a busy calendar, meetings in December will probably need to take place.

C. INLAND EMPIRE UTILITIES AGENCY

1. MWD Status Report – Richard Atwater
Mr. Atwater stated that Mr. Hansen and he had a conference call with the Metropolitan Water District's (MWD) staff regarding making improvements to the Rialto Pipeline and improving its reliability. MWD has completed their CEQA work and their preliminary design and appear to be on schedule for next winters shut down to install those improvements at a cost of six to eight million dollars. Inland Empire Utilities Agency (IEUA) is working with MWD to obtain an agreement between San Gabriel Valley Municipal Water District, MWD, and with IEUA to install emergency and replenishment connections on the Azusa Pipeline; hopefully the draft of this agreement will be coming shortly. The Four City District is asking for an emergency connection for the city of Sierra Madre; in working with CBWM and other member agencies this will happen before long. Mr. Atwater noted that on November 8th at the MWD board, there will be a workshop on rates and charges. A brief discussion ensued with regard to the improvements and/or costs being proposed for the Rialto Pipeline.
2. Urban Water Management Plan – Martha Davis
Ms. Davis stated that the Urban Water Management Plan (UWMP) has been being worked on for the last six to nine months and Ms. Davis thanked all participants for their support from them and their staff in providing information that went into this plan. This is a state requirement that all water suppliers prepare an Urban Water Management Plan and continue to update the plan on a five year basis. The purpose of this plan is to improve water supply planning within our communities and to particularly focus in on reliability of water supplies to meet the growth demands. Every few years the legislature takes a look at the Urban Water Management Plan requirements and keeps adding to those requirements. The new requirements which were included this year are to evaluate water quality over the 20-year planning horizon, identify changing conditions that may impact water demand or

supply, and to describe specific water supply projects and implementation schedules to meet project demands over the 20-year planning horizon. Ms. Davis reviewed the several notable changes to the requirements since the 2000 UWMP update. It was noted that the 2005 water demand is virtually the same as 2000, despite significant population growth within the service area and that future water demand forecasts are conservative. Chino Basin water strategy is to maximize local water supplies and to minimize the need for additional imported water. Ms. Davis examined the current water supply reliability and noted that agencies within IEUA's service area will be able to meet 100% of their demand. Other water planning issues regarding water quality and water shortages due to catastrophic interruptions were reviewed. The next steps will include posting the draft IEUA 2005 UWMP to the IEUA web site, a public hearing and IEUA Board adoption, and as appendices to our UWMP, on the IEUA web site will also include the draft Chino Basin Desalter Authority 2005 UWMP, and the draft Water Facilities Authority 2005 UWMP. A discussion ensued with regard to new requirements and the adoption of the update.

3. State/Federal Legislative Highlights – Martha Davis

Ms. Davis stated that she was pleased to announce HR 177 (Gary Miller) bill which authorizes over fifty million dollars in funding for the Chino Desalter, plus funding for the brine line and for additional natural treatment systems in Prado was passed by the House last week. Work will continue with the Senate on HR 177 and Mr. Driers' bill which would authorize Title 16 funding for the Regional Recycled Water Program to assist in getting these bills passed by Senate. Mr. Manning asked the prognosis on getting HR 177 passed through Senate. Ms. Davis stated that with Senator Feinstein's support on this kind of legislation and other water agencies support it appears to be in our favor.

4. Quarterly – Planning and Water Resource Report

No comment was made regarding this item.

5. Quarterly – Chino Basin Facilities Improvement Project Summary

No comment was made regarding this item.

6. Quarterly – Recycled Water Project Report

No comment was made regarding this item.

7. Monthly Water Conservation Programs Report

No comment was made regarding this item.

8. State/Federal Legislation Reports

No comment was made regarding this item.

9. Community Outreach/Public Relations Report

No comment was made regarding this item.

D. OTHER MWDROPOLITAN MEMBER AGENCY REPORTS

No comment was made regarding this item.

III. INFORMATION

A. Newspaper Articles

No comment was made regarding this item.

IV. COMMITTEE MEMBER COMMENTS

No comment was made regarding this item.

V. OTHER BUSINESS

No comment was made regarding this item.

VI. FUTURE MEETINGS

October 27, 2005	9:00 a.m.	Advisory Committee Meeting
October 27, 2005	11:00 a.m.	Watermaster Board Meeting
November 2, 2005	9:00 a.m.	Assessment Package Workshop
November 10, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
November 15, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
* November 17, 2005	9:00 a.m.	Advisory Committee Meeting
* November 17, 2005	11:00 a.m.	Watermaster Board Meeting

* Note: meeting is one week early due to Thanksgiving

The Advisory Committee Meeting Adjourned at 9:50 a.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER

II. CONSENT CALENDAR

A. MINUTES

1. Watermaster Board Meeting –
October 27, 2005



Draft Minutes
CHINO BASIN WATERMASTER
BOARD MEETING
October 27, 2005

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on October 27, 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	CFO/Asst. General Manager
Gordon Treweek	Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

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

Others Present

Terry Catlin	Inland Empire Utilities Agency
Mark Kinsey	Monte Vista Water District
Raul Garibay	City of Pomona
Dave Crosley	City of Chino
Rosemary Hoerning	City of Upland
Jerry Thibeault	Regional Water Quality Control Board
Eunice Ulloa	Chino Basin Municipal Water District
Charles Moorrees	San Antonio Water Company
Phil Rosentrater	Western Municipal Water District

The Watermaster Board Meeting was called to order by Chair Neufeld at 11:11 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 September 22, 2005

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of September 2005
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2005 through August 31, 2005
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C. VOLUME VOTE

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

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

II. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. Attorney-Manager Process**

Counsel Slater stated the Attorney-Manager process has been underway for approximately two years. The reason the process was initiated is there were some express requirements in the Peace Agreement, the OBMP, and the Rules and Regulations which requires decisions to be made by Watermaster in calendar year 2005/06. These decisions had impacts on the parties and there were other issues that were potentially the subject of motions, lawsuits, and dispute resolutions between the parties that had been individually raised. It was unanimously decided by the group that the best place to carry out those negotiations was directly with other rather than filing motions with the court. The Attorney-Manager process then began and time was spent on discussion and identifying information requests; a six to seven month hiatus was taken while certain technical information was developed. Once Wildermuth Environmental and Black & Veatch completed the analyses and provided the underlying information to the parties, the parties again engaged in negotiations and deal making. All best efforts were made to bring the parties together and today a strong consensus behind a specific set of guidelines and/or road map is being presented. It was ultimately hoped that these guidelines and/or road map would be referred to the Board with unanimous support and ultimately taken to the pools for comment and technical review; support is given by all except one party. The meetings were attended by either a lawyer and/or manager for each of the principal agencies and no board or counsel has been asked to sign off on this material. The representatives and/or negotiators for each party have been allowed to go back to their prospective boards and counsels to report and seek input on a discretionary basis. This set of guidelines and/or road map is stated to be acceptable to all but one party. We want to continue to preserve the shield of confidentiality as it relates to the negotiating positions that were taken by the parties. Counsel Slater noted that there was a lot of give and take and a lot of constructive dialog in this whole process. Today a document will be presented which was previously subject to a confidentiality agreement and we have now reached a point where no further progress is to be made in the format of the Attorney-Manger process and staff is prepared to distribute this document for release to the Board for discussion. Chair Neufeld inquired if this item requires action on the part of the Board or the committees today. Counsel Slater stated the Board could take the following actions, 1) the Board could elect not to receive the transmittal, in which case we have a stranded document, and 2) the Board could receive the report, as it is being requested to do – the recommendation from staff and counsel is for the Board to publish the guidelines and begin the process of public comment. Our legislative process at Watermaster for public comment is effectively referral to the Pools and to the Advisory Committee for discussion and input before there is final action by the Board. The digestion of this document will not be accomplished in a single cycle through the Pools, there needs to be outreaches and possibly a workshop set up for the stakeholders to

describe what the parties are proposing. This would include time to develop technical presentations to the Board's satisfaction and also importantly to the constituents. Mr. Manning stated that thus far this task has been accomplished by a small sphere of individuals and it is important before this Board considers a recommendation to go through the Watermaster process that this document be circulated amongst the parties. Concerns have been received and by releasing this document for comment and review and by scheduling some type of workshop will allow for an open forum for comment and feedback to formalize a final document that this Board can take action on. Chair Neufeld inquired if this Board will be made privy to the concerns or will those concerns remain confidential. Counsel Slater stated there are no issues as it relates to all but one parties perspective to the presented document; a consensus based document is what is being presented. This is a non-binding term sheet which is going to be recommended by each of the attorneys and their managers for the respective agencies consideration. This is a set of principals from which would, as was done during the Peace I process, go from an outline to a binding agreement. There is an overlay of a court process and there are also other contingencies that are going to be addressed. Counsel and staff is anticipating that this committee will receive the document and give direction whether the document will be referred out immediately to the Pools to begin the process or whether the wishes of the committee is to schedule a workshop or set a different tempo to begin the process. Chair Neufeld inquired if this item was discussed at the Advisory Committee meeting this morning. Mr. Manning stated this item was not discussed at the Advisory Committee meeting. Chair Neufeld asked if there was a time frame linked to this decision. Counsel Slater stated that counsel and your staff have been trying to be as precise as possible and not link the subject matter of the Peace II process with any issue happening with the Board. There is an independent process that has been established with regard to nine member board which is going to be decided in February 2006. Counsel Slater stated we will need to have a binding contract fully papered and executed prior to February 9, and if it is going to be material to the pleadings, those pleadings will need to be filed in the first week in January 2006. Chair Neufeld inquired about the one party who is objecting to the Peace II Agreement and what happens if that party does not sign off on the Agreement in that time frame. Counsel Slater stated the one party objection will have to be deferred to them to state their objections and it is counsels understanding that the package is unsatisfactory to that one party. Counsel Slater commented that when we were going through the first Peace Agreement not all parties to the judgment signed off on the Peace Agreement. It is expected that there would be a contractual instrument that would bind the parties, that Watermaster itself would not execute the contract, just as they did not execute the Peace Agreement. What binds this Board would be the next step which would be the adoption of a Resolution and transmitting a plan to the court. The court would then review the entire program, the underlying contract, and the reliability of the commitments made in the underlying contract and order; meaning there would be a court order to proceed in accordance with the contract terms. To the extent that there is a party that does not elect to sign the contract that is of itself not fatal to your electing to proceed, should the committee members decide to commit. If you then elect to proceed, you would move to the court process and any objecting party would have the opportunity to object in front of this Board, the Pools, and the Advisory Committee to ultimately take this to court. If the court were to order you to proceed, in accordance with your Resolution and plan, that would be binding on you and binding on the party. Mr. Vanden Heuvel asked counsel to identify what specific re-openers were in Peace I and the OBMP that were time sensitive for a decision in 2005. Counsel Slater stated there is a Rule and Regulation dealing with the subject of how to address over allocation and a potential discrepancy in replenishment obligation between the land use conversion and the early transfers. There was a five year Resolution of that question that is contained in the Rules and Regulations; it was only a five year work out and at the end of 05/06 a substitute needed to be in place or that subject issue would be open for Watermaster to establish a new rule. Counsel Slater stated another issue was the fate of the storage accounts which have several components involved; whether Watermaster was going to impose losses local storage. There is a default number that is actually built into the OBMP that states if

Watermaster does nothing that there is a loss that would be applied. There is also a question about the fate of the recharge activities; the 6,500 acre-feet in Management Zone 1 and by contract the 6,500 acre-feet replenishment in MZ1 was not addressed after the five year period. There is a future desalter question and imbedded in that there is not only the question of whether you will, what the plan is, and what how you pay for it; those are questions as it relates to future desalters. The imbedded 2000 issue that passed forward to the new Peace II process and that is how we address the replenishment for the previously approved desalters. Counsel Slater stated that all of the parties have a responsibility to address the replenishment of the Peace Agreement Desalters, no party is without responsibility, how you apportion that was a subject of negotiation or potentially Watermaster discretion. Chair Neufeld inquired that if all the parties except for one are in favor of the presented contract and Counsel Slater agreed to that statement. Mr. Manning stated that staff is hopeful that resolution will come about by January 9, 2006 and that at this time this Board will release this document to the Pools for review and discussion at the November meetings. It is also anticipated that due to the involvement of this document that December meetings will need to take place in order to make the January 9, 2006 deadline. Mr. Vanden Heuvel expressed his concerns that the Peace II process was handled completely behind closed doors by design and articulated that he had huge policy problems with his perception of the water management plan that is being presented. Mr. Vanden Heuvel stated that he was not comfortable sending this document through the Watermaster process until proper and complete review of this document has taken place at the Board level. Mr. Vanden Heuvel offered comment regarding the Basin Re-Operation/HCMP presentation that was given at the Agricultural Pool meeting and noted his concerns. It was noted that having a Peace II Workshop was an excellent idea and staff stated that the workshop would be scheduled as soon as possible. Mr. Manning stated that in addressing Mr. Vanden Heuvel's comments and concerns, it would behoove this Board to release this document to the Pools to receive as much feedback as possible in order to make a better decision by hearing all comments from all stakeholders who are involved. This document needs to be day lighted at this point in time, digested, and an opportunity given for commentary. Chair Neufeld stated there needs to be a very clear understanding of what is the role of the Watermaster Board as the decision makers and the policy makers involved in the operation of the Chino Basin. Mr. Kuhn stated that he would like to make a motion to schedule a workshop in order to allow for an open floor comment process and to be able to receive all comments prior to making a decision or sending this document through the Watermaster process. Mr. Kruger agreed that this is not a document that needs to have a rush decision made to it, that it took two years to write and ample time needs to be allotted for digestion and comment. Mr. Bowcock wanted to know if this workshop will be open to the public for comment. Mr. Manning stated his understanding from the discussion today is that an open workshop will be scheduled as soon as possible; the document will be received/released today, although, comments from the Pool meetings will be delayed until after the workshop is held in November. Counsel Slater stated that as of today the presented document will no longer carry with it an attorney-client confidential privilege and is now available for full distribution. The document was distributed to the committee members. Counsel Slater noted that this is a non-binding term sheet, it a stakeholder road map, which has been developed by stakeholders to be day lighted and to receive input/comment. This documented cannot be implemented as a legal or practical matter until your entire legislative process makes decisions and ultimately this Board approves pleadings by the court and a Resolution by the Board authorizing counsel to prepare a request to proceed in accordance with these terms. Counsel Slater stated the issues that are in this document are not only the re-opener issues, they are issues that parties raised as potential litigation issues in the context as the same discussions; this document will include the resolution of claims that relate to other subjects. A discussion ensued with regard to the distributed document.

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

Moved to approve holding an open Peace II Workshop prior to making a recommendation to move the presented Agreement forward and any comments that come out of the workshop by the Board will be made available as an appendices attached to the document for all parties to witness, as presented

2. September 22, 2005 Hearing
No comment was made regarding this item.

B. CEO/STAFF REPORT

1. Basin Re-Operation/HCMP Update

Mr. Manning stated the document which was just received has many items that are based upon a principal of hydraulic control and basin re-operation. It is fundamental that all parties understanding of those principals. Mr. Wildermuth stated the items that are going to be addressed in today's presentation are 1) projected groundwater pumping and replenishment, 2) proposed desalting program in the Peace II process, 3) hydraulic control and re-operation (change in storage and change in yield), and 4) our next steps. An analysis of the calculations of potential replenishment obligation was reviewed in detail. Mr. Wildermuth stated that discharge from Chino North to the Santa Ana River is very small for all post OBMP pumping and replenishment scenarios. Mr. Wildermuth discussed the proposed desalting program in the Peace II term sheet. Hydraulic control and re-operation's goal is to maximize yield of the basin pursuant to the OBMP and maximum benefit objectives. The Peace II proposal is 38 mgd of total desalter pumping, or 42,700 acre-feet per year of desalter pumping. Several maps regarding groundwater and geology were observed. Mr. Wildermuth referenced at a table which listed the decrease in Santa Ana River discharge in acre-feet per year. Mr. Wildermuth noted that discharge from Chino North to the Santa Ana River is very small for all post OBMP pumping and replenishment scenarios. The implementation of Peace II as proposed will reduce storage by 600k acre-feet without impacting safe yield and will increase yield by around 16,000 acre-feet per year forever. The benefit of increased yield is far greater than the expected increase of long-term pumping energy costs, and meets the requirements of the OBMP and maximum benefit objectives. The change in storage attributable to forgiving the replenishment obligation of the desalters through 2030 was reviewed in detail. Engineering to be completed include, 1) finalizing series of simulations based on term sheet for Watermaster and others, 2) finalizing simulations to estimate loss from storage with/without desalters, 3) development of Hydraulic Control Operating Plan, and 4) completion of draft report by mid November. Other requirements include the need to optimize location and magnitude of replenishment, including a long-term monitoring program to monitor groundwater levels and subsidence. We will need to increase replenishment per the judgment in 2030, CEQA will be necessary for hydraulic control and re-operation, monitoring, reviews and off ramps will need to be provided, and we will need to start a program to increase replenishment capacity as soon as possible. Mr. Vanden Heuvel noted that he saw this presentation at the Agricultural Pool meeting and stated his concerns that he raised at that meeting are still the same concerns today. Mr. Vanden Heuvel stated this is not good policy and that this basin needs to have true hydraulic control. Mr. Vanden Heuvel voiced several concerns over the policy issues that are being presented today. Counsel Slater stated this proposal can't survive if there is not a broad base of support for implementation. How you want to approach the basin as a resource and how you intend to manage that is really a stakeholder/board policy question. Counsel Slater offered comment on storage, recharge, and replenishment. Mr. Vanden Heuvel commented that he legacy is the issue and is really spending 600,000 without a return at the end of the twenty five years does not seem prudent. Counsel Slater stated the Mr. Wildermuth is not proposing a uniform strategy for the basin and is proposing we maintain water levels within Management Zone 1; in the area of Chino and Chino Hills where there is a concern. The approach being presented today is a road map, what is being discussed is that there is an advantage to be achieved and at this point we are a long way from having developed all the tracks and processes that need to be

put in place. Counsel Slater noted that the extended staff would not bring this item to you or have any expectation that this could succeed without a recharge plan that was coming along on an incremental basis. The committee asked that the presentation given today be made available and it was noted that it would be posted to the Chino Basin Watermaster ftp site by the end of the day. Mr. Vanden Heuvel asked that a chart that tracks the storage in the basin to the amount of water inflow be available for the workshop. Mr. Thibeault stated in regards to the maximum benefit objectives there were many commitments that were made by IEUA and CBWM to complete a number of actions including hydraulic control that were made as part of the process that allowed the Regional Water Control Board and the State Board to approve these new objectives. A lot of the calculations that were made to come up with the justification for the maximum benefit objectives had to do with predicting water quality in the basin and to take a look at what different things would come up in the basin that would affect that quality. This new proposal will change a lot of the conditions under the original estimates that were made. The CEQA process needs to be looked at with the work that is not only being done here but because of the affect on the River, Prado, and Orange County the Regional Water Quality Control Board will be looking for an evaluation of how the proposal would end up affecting Orange County. Mr. Manning stated that Watermaster's obligation for replenishment is taken very seriously and wet basin restoration is a strategy that is being looked at in order to maximize our recharge capacities, also additional facilities are being considered, and other maintenance being done to our current recharge basins. Efforts in this matter will be continued in the years to come in order to maximize our recharge. Chair Neufeld spoke favorably on our water conservation program and efforts. A lengthy discussion ensued with regard to the recharge numbers presented. Mr. Wildermuth stated the numbers presented only represent pumping from Chino Basin. Mr. Vanden Heuvel spoke on recharge and capacity efforts. A brief discussion ensued with regard to the rate structure for the year 2026. Mr. Wildermuth spoke on the way water moves throughout the basin and noted the rate presented was taken from a ten year projection from Metropolitan Water District and taken from a mid point between now and 2025. Chair Neufeld offered comment on recharge. Counsel Slater stated that the approach of hydraulic control is to deploy our asset; we are going to be carrying on recharge projects and storage projects. Mr. Manning noted that he has had discussions with Mr. Atwater at IEUA in terms of strategies and that we need to be looking at water that is not only in our control but in the control of others. Mr. Manning stated that as we start to transition our strategies in this basin we need to look at areas where we are going to have long-term relief and the ability to take in water when we can if we are going to be able to meet the water demands in the year 2026. Chair Neufeld stated that he as brought up the issue in the past of other parties willingness to enter into storage agreements with other entities to store water in this basin. A question regarding the 2004/05 storage number presented today. Mr. Wildermuth stated the number being presented takes into account no storage transactions. It states we are going to pump, this is our gross pumping right and so we then have a replenishment obligation. If somebody has water in storage and they want to use it, which would lower the replenishment number. An extensive discussion ensued with regard to replenishment. Mr. Bowcock noted the numbers presented go to the year 2025 and other agencies go out to 2030 and during the workshop he would like to see the numbers extended out to 2030.

2. Water Quality Update

Mr. Manning stated due to the long Basin Re-Operation/HCMP update presentation and discussion the Water Quality Update will not be given at today's meeting.

3. Consultant Service Agreement

Mr. Manning noted this item was presented to the Appropriative & Non-Agricultural and Agricultural Pool as a business item to seek a motion to approve the Mathis & Associates consulting agreement, however, after those meetings it was decided more information was needed on Mathis & Associates prior to asking for a motion, leaving this item to be presented as an update for today's meeting. Mathis & Associates will be working with

Watermaster on personnel issues along with the planning of a strategic planning and other related projects. No action is required today. This item will be presented back as a business item at the November meetings and will include a revised contract with more extensive background on qualifications on Mathis & Associates to accommodate committee members' requests. It was noted that a Strategic Planning Committee has now been formed and the committee members include: Nathan deBoom, Chris Diggs, Ken Jeske, Robert Neufeld (who will chair the committee), and Bob Bowcock.

4. Assessment Package Workshop

Mr. Manning stated the Assessment Package Workshop is scheduled for November 2, 2005, at 9:00 a.m. at the Chino Basin Watermaster office, noting this is an open workshop and all parties who are interested are invited to attend.

5. November meeting schedule

Mr. Manning noted due to the Thanksgiving holiday the Advisory Committee and Watermaster Board meetings will be moved up one week to November 17, 2005 and to please adjust calendars to reflect this new date. It was also noted that it appears the meetings in December will take place and all parties will be notified in advance of those meetings; staff will attempt to schedule December meetings in the early part of December

III. INFORMATION

A. Newspaper Articles

No comment was made regarding this item.

IV. BOARD MEMBER COMMENTS

Mr. Vanden Heuvel thanked the committee members for starting the discussions on the policy issues at hand and that this is a beginning to fulfill our responsibility to serve future generations.

Mr. Anderson spoke on some of the water conservation activities that IEUA is and has participated in and asked now that the rainy season is approaching to turn down the water usage on our sprinklers for our lawns.

Chair Neufeld stated that he was contacted by Terry Gladback, who is the president of ACWA, and was asked to serve on another task force. Based upon the ACWA Blue Print which was released in June at the ACWA conference Mr. Houser has approached him to work on a series of the ACWA Blue Print; two of the features in that Blue Print would be extremely beneficial to this area, one is in the area of the desalters and to the other is recycled recharge which are key elements. \$360,000 dollars need to be raised in the next ninety days for this support. Chair Neufeld will keep the committee informed as to the progress that is being made in this effort.

V. OTHER BUSINESS

No comment was made regarding this item.

VI. FUTURE MEETINGS

October 27, 2005	9:00 a.m.	Advisory Committee Meeting
October 27, 2005	11:00 a.m.	Watermaster Board Meeting
November 2, 2005	9:00 a.m.	Assessment Package Workshop
November 10, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
November 15, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
* November 17, 2005	9:00 a.m.	Advisory Committee Meeting
* November 17, 2005	11:00 a.m.	Watermaster Board Meeting

* Note: meeting is one week early due to Thanksgiving

The Watermaster Board Meeting Adjourned at 1:10 p.m.

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements October 2005
2. Combining Schedule of Revenue, Expenses and changes in Working Capital for the Period July 1, 2005 through September 30, 2005
3. Treasurer's Report September 1, 2005 through September 30, 2005
4. Profit & Loss Budget vs. Actual July through September 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: November 10, 2005
November 15, 2005
November 17, 2005

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – October 2005

SUMMARY

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

Recommendation – Staff recommends the Cash Disbursements for October 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 October 2005 were \$1,330,270.70. The most significant expenditures during the month were Inland Empire Utilities Agency in the amount of \$964,007.40, Wildermuth Environmental Inc. in the amount of \$151,662.47, and Hatch & Parent in the amount of \$68,737.58.

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
October 2005

Type	Date	Num	Name	Amount
Oct 05				
Bill Pmt -Check	10/4/2005	9923	MEDIA JIM	-795.00
Bill Pmt -Check	10/5/2005	9924	ANDERSON, JOHN	-125.00
Bill Pmt -Check	10/5/2005	9925	APPLIED COMPUTER TECHNOLOGIES	-1,622.35
Bill Pmt -Check	10/5/2005	9926	ARROWHEAD MOUNTAIN SPRING WATER	-37.82
Bill Pmt -Check	10/5/2005	9927	BOWCOCK, ROBERT	-125.00
Bill Pmt -Check	10/5/2005	9928	COMPUSA, INC.	-30.07
Bill Pmt -Check	10/5/2005	9929	DIRECTV	-74.98
Bill Pmt -Check	10/5/2005	9930	GEOTECHNICAL SERVICES	-1,205.28
Bill Pmt -Check	10/5/2005	9931	HAMRICK, PAUL	-250.00
Bill Pmt -Check	10/5/2005	9932	HSBC BUSINESS SOLUTIONS	-572.24
Bill Pmt -Check	10/5/2005	9933	INLAND COUNTIES INSURANCE SERVICES, INC.	-238.57
Bill Pmt -Check	10/5/2005	9934	INLAND EMPIRE UTILITIES AGENCY	-60.00
Bill Pmt -Check	10/5/2005	9935	KRUGER, W. C. "BILL"	-250.00
Bill Pmt -Check	10/5/2005	9936	KUHN, BOB	-125.00
Bill Pmt -Check	10/5/2005	9937	NEUFELD, ROBERT	-500.00
Bill Pmt -Check	10/5/2005	9938	NEXTEL COMMUNICATIONS	-557.10
Bill Pmt -Check	10/5/2005	9939	PARK PLACE COMPUTER SOLUTIONS, INC.	-1,980.00
Bill Pmt -Check	10/5/2005	9940	PAYCHEX	-172.38
Bill Pmt -Check	10/5/2005	9941	POWERS ELECTRIC PRODUCTS CO.	-407.55
Bill Pmt -Check	10/5/2005	9942	QUILL	-26.50
Bill Pmt -Check	10/5/2005	9943	R&D PEST SERVICES	-85.00
Bill Pmt -Check	10/5/2005	9944	SCOTT-COE, JUSTIN	-125.00
Bill Pmt -Check	10/5/2005	9945	STATE COMPENSATION INSURANCE FUND	-1,579.39
Bill Pmt -Check	10/5/2005	9946	THE FURMAN GROUP, INC.	-2,570.00
Bill Pmt -Check	10/5/2005	9947	U.S. GEOLOGICAL SURVEY	-1,100.00
Bill Pmt -Check	10/5/2005	9948	UNION 76	-237.71
Bill Pmt -Check	10/5/2005	9949	VANDEN HEUVEL, GEOFFREY	-250.00
Bill Pmt -Check	10/5/2005	9950	VELASQUEZ JANITORIAL	-1,200.00
Bill Pmt -Check	10/5/2005	9951	VERIZON	-406.81
Bill Pmt -Check	10/5/2005	9952	WHEELER METER MAINTENANCE	-2,400.00
Bill Pmt -Check	10/5/2005	9953	YUKON DISPOSAL SERVICE	-123.90
Bill Pmt -Check	10/6/2005	9954	PETTY CASH	-515.89
Bill Pmt -Check	10/6/2005	9955	UNITED PARCEL SERVICE	-327.75
Bill Pmt -Check	10/10/2005	9956	CITISTREET	-2,400.00
Bill Pmt -Check	10/10/2005	9957	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-5,249.76
Bill Pmt -Check	10/10/2005	9958	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-4,840.88
General Journal	10/15/2005	05/10/2	PAYROLL	-5,564.98
General Journal	10/15/2005	05/10/2	PAYROLL	-21,568.20
Bill Pmt -Check	10/20/2005	9959	ACWA SERVICES CORPORATION	-222.68
Bill Pmt -Check	10/20/2005	9960	BANK OF AMERICA	-1,453.84
Bill Pmt -Check	10/20/2005	9961	CALPERS	-2,428.35
Bill Pmt -Check	10/20/2005	9962	COMPUSA, INC.	-2,454.47
Bill Pmt -Check	10/20/2005	9963	DE BOOM, NATHAN	-875.00
Bill Pmt -Check	10/20/2005	9964	Diehl, Evans & Co, LLP	-195.00
Bill Pmt -Check	10/20/2005	9965	DURRINGTON, GLEN	-375.00
Bill Pmt -Check	10/20/2005	9966	ELLISON, SCHNEIDER & HARRIS, LLP	-6,887.05
Bill Pmt -Check	10/20/2005	9967	FEENSTRA, BOB	-375.00
Bill Pmt -Check	10/20/2005	9968	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	10/20/2005	9969	FRANKLIN COVEY	-399.00
Bill Pmt -Check	10/20/2005	9970	HATCH AND PARENT	-68,737.58
Bill Pmt -Check	10/20/2005	9971	Heltinga, Peter	-625.00
Bill Pmt -Check	10/20/2005	9972	HOSTETLER, DAN	-125.00
Bill Pmt -Check	10/20/2005	9973	HUITSING, JOHN	-750.00
Bill Pmt -Check	10/20/2005	9974	INLAND EMPIRE UTILITIES AGENCY	-964,007.40
Bill Pmt -Check	10/20/2005	9975	INSTITUTE OF MANAGEMENT ACCOUNTANTS	-35.00
Bill Pmt -Check	10/20/2005	9976	KOOPMAN, GENE	-125.00
Bill Pmt -Check	10/20/2005	9977	MCI	-909.55
Bill Pmt -Check	10/20/2005	9978	OFFICE DEPOT	-205.71
Bill Pmt -Check	10/20/2005	9979	PIERSON, JEFFREY	-250.00
Bill Pmt -Check	10/20/2005	9980	PITNEY BOWES CREDIT CORPORATION	-517.16
Bill Pmt -Check	10/20/2005	9981	PRE-PAID LEGAL SERVICES, INC.	-129.50
Bill Pmt -Check	10/20/2005	9982	PUMP CHECK	-3,633.00
Bill Pmt -Check	10/20/2005	9983	RBM LOCK & KEY	-323.25
Bill Pmt -Check	10/20/2005	9984	REID & HELLYER	-9,471.91
Bill Pmt -Check	10/20/2005	9985	RICOH BUSINESS SYSTEMS-Lease	-3,591.31
Bill Pmt -Check	10/20/2005	9986	RICOH BUSINESS SYSTEMS-Maintenance	-745.50
Bill Pmt -Check	10/20/2005	9987	SOUTHERN CALIFORNIA WATER COMMITTEE	-850.00
Bill Pmt -Check	10/20/2005	9988	STAULA, MARY L	-136.61

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
October 2005

Type	Date	Num	Name	Amount
Bill Pmt -Check	10/20/2005	9989	A & R TIRE	-236.28
Bill Pmt -Check	10/20/2005	9990	VIP AUTO DETAILING	-279.60
Bill Pmt -Check	10/24/2005	9991	BURGER TOWN USA	-127.04
General Journal	10/25/2005	05/10/4	PAYROLL	-5,586.83
General Journal	10/25/2005	05/10/4	PAYROLL	-21,380.04
Bill Pmt -Check	10/27/2005	9992	ARROWHEAD MOUNTAIN SPRING WATER	-52.39
Bill Pmt -Check	10/27/2005	9993	BLACK & VEATCH CORPORATION	-4,265.00
Bill Pmt -Check	10/27/2005	9994	CUCAMONGA VALLEY WATER DISTRICT	0.00
Bill Pmt -Check	10/27/2005	9995	DIRECTV	-74.98
Bill Pmt -Check	10/27/2005	9996	NEXTEL COMMUNICATIONS	-560.14
Bill Pmt -Check	10/27/2005	9997	NORDBAK'S PROMOTIONAL PRODUCTS	-283.46
Bill Pmt -Check	10/27/2005	9998	PREMIERE GLOBAL SERVICES	-71.76
Bill Pmt -Check	10/27/2005	9999	SOCAL PUMP & WELL	-1,929.50
Bill Pmt -Check	10/27/2005	10000	SOFTCHOICE	-5,167.89
Bill Pmt -Check	10/27/2005	10001	WILDERMUTH ENVIRONMENTAL INC	-151,662.47
Bill Pmt -Check	10/27/2005	10002	MEDIA JIM	-795.00
Bill Pmt -Check	10/27/2005	10003	CUCAMONGA VALLEY WATER DISTRICT	-5,076.00
Bill Pmt -Check	10/27/2005	10004	MATHIS & ASSOCIATES	-1,375.50
Bill Pmt -Check	10/27/2005	10005	PRINTING RESOURCES	-231.66
Bill Pmt -Check	10/27/2005	10006	UNION 76	-256.18
Check	10/31/2005	10007	RANCHO CUCAMONGA COMMUNITY SERVICES ...	-200.00
Oct 05				<u>-1,330,270.70</u>

CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2005 THROUGH SEPTEMBER 30, 2005

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION AND APPROPRIATIVE POOL	SPECIAL PROJECTS AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER OPERATIONS GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2004-05
Administrative Revenues										
Administrative Assessments									-	\$3,984,888
Interest Revenue			57,326	3,840	1,969				63,135	78,330
Mutual Agency Project Revenue									-	0
Grant Income									-	0
Miscellaneous Income									-	0
Total Revenues	-	-	57,326	3,840	1,969	-	-	-	63,135	4,063,218
Administrative & Project Expenditures										
Watermaster Administration	125,297								125,297	621,784
Watermaster Board-Advisory Committee	13,432								13,432	37,018
Pool Administration			4,210	30,077	1,085				35,372	91,153
Optimum Basin Mgmt Administration		350,438							350,438	1,019,183
OBMP Project Costs		668,339							668,339	3,733,694
Education Funds Use								-	-	375
Mutual Agency Project Costs	7,825								7,825	80,004
Total Administrative/OBMP Expenses	146,554	1,018,777	4,210	30,077	1,085			-	1,200,703	5,583,211
Net Administrative/OBMP Income	(146,554)	(1,018,777)								
Allocate Net Admin Income To Pools	146,554		113,806	30,676	2,072				-	0
Allocate Net OBMP Income To Pools		1,018,777	791,131	213,243	14,403				-	0
Agricultural Expense Transfer			270,971	(270,971)					-	0
Total Expenses			1,180,118	3,025	17,560	-	-	-	1,200,703	5,583,211
Net Administrative Income			(1,122,792)	815	(15,591)				(1,137,568)	(1,519,993)
Other Income/(Expense)										
Replenishment Water Purchases						369,248			369,248	0
MZ1 Supplemental Water Assessments									-	2,179,500
Water Purchases									-	0
MZ1 Imported Water Purchase									-	(2,278,500)
Groundwater Replenishment						(1,769,213)			(1,769,213)	0
Net Other Income						(1,399,965)			(1,399,965)	(99,000)
Net Transfers To/(From) Reserves			(1,122,792)	815	(15,591)	(1,399,965)			(2,537,533)	(1,618,993)
Working Capital, July 1, 2005			4,450,869	464,653	187,298	3,580,499	158,251	2,238	8,843,808	
Working Capital, End Of Period			3,328,077	465,468	171,707	2,180,534	158,251	2,238	6,306,275	
04/05 Production			127,810.967	34,450.449	2,326.836				164,588.252	
04/05 Production Percentages			77.655%	20.931%	1.414%				100.000%	

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

DEPOSITORIES:

Cash on Hand - Petty Cash		\$ 500
Bank of America		
Governmental Checking-Demand Deposits	\$ (256,584)	
Savings Deposits	9,672	
Zero Balance Account - Payroll	-	(246,912)
Vineyard Bank CD - Agricultural Pool		410,423
Local Agency Investment Fund - Sacramento		6,590,694

TOTAL CASH IN BANKS AND ON HAND	9/30/2005	\$ 6,754,705
TOTAL CASH IN BANKS AND ON HAND	8/31/2005	7,744,065

PERIOD INCREASE (DECREASE) \$ (989,360)

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable		\$ (59,787)
Assessments Receivable		-
Prepaid Expenses, Deposits & Other Current Assets		-
(Decrease)/Increase in Liabilities: Accounts Payable		374,808
Accrued Payroll, Payroll Taxes & Other Current Liabilities		(18,642)
Transfer to/(from) Reserves		(1,285,739)

PERIOD INCREASE (DECREASE) \$ (989,360)

SUMMARY OF FINANCIAL TRANSACTIONS:

	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Savings	Vineyard Bank	Local Agency Investment Funds	Totals
Balances as of 8/31/2005	\$ 500	\$ 183,883	\$ -	\$ 9,660	\$ 409,328	\$ 7,140,694	\$ 7,744,065
Deposits	-	-	-	12	1,095	-	1,107
Transfers	-	474,261	75,739	-	-	(550,000)	-
Withdrawals/Checks	-	(914,728)	(75,739)	-	-	-	(990,467)
Balances as of 9/30/2005	\$ 500	\$ (256,584)	\$ -	\$ 9,672	\$ 410,423	\$ 6,590,694	\$ 6,754,705
PERIOD INCREASE OR (DECREASE)	\$ -	\$ (440,467)	\$ -	\$ 12	\$ 1,095	\$ (550,000)	\$ (989,360)

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

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
9/2/2005	Withdrawal	L.A.I.F.	\$ 250,000				
9/14/2005	Withdrawal	L.A.I.F.	300,000				
TOTAL INVESTMENT TRANSACTIONS			\$ 550,000	-			

* The earnings rate for L.A.I.F. is a daily variable rate; 3.18% was the effective yield rate at the Quarter ended September 30, 2005

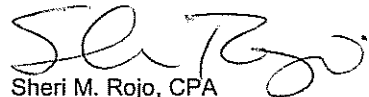
**INVESTMENT STATUS
September 30, 2005**

<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	\$ 6,590,694			
TOTAL INVESTMENTS	\$ 6,590,694			

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
Chief Financial Officer & Assistant General Manager
Chino Basin Watermaster

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

	<u>Jul - Sep 05</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 · Local Agency Subsidies	0.00	132,000.00	-132,000.00	0.0%
4110 · Admin Asmnts-Approp Pool	0.00	4,804,121.00	-4,804,121.00	0.0%
4120 · Admin Asmnts-Non-Agri Pool	0.00	73,425.00	-73,425.00	0.0%
4700 · Non Operating Revenues	63,134.78	78,330.00	-15,195.22	80.6%
Total Income	<u>63,134.78</u>	<u>5,087,876.00</u>	<u>-5,024,741.22</u>	<u>1.24%</u>
Gross Profit	63,134.78	5,087,876.00	-5,024,741.22	1.24%
Expense				
6010 · Salary Costs	94,350.68	404,153.00	-309,802.32	23.35%
6020 · Office Building Expense	20,461.48	97,850.00	-77,388.52	20.91%
6030 · Office Supplies & Equip.	6,068.43	47,500.00	-41,431.57	12.78%
6040 · Postage & Printing Costs	20,086.83	75,700.00	-55,613.17	26.54%
6050 · Information Services	34,551.24	103,500.00	-68,948.76	33.38%
6060 · Contract Services	563.48	130,500.00	-129,936.52	0.43%
6080 · Insurance	0.00	24,210.00	-24,210.00	0.0%
6110 · Dues and Subscriptions	1,175.00	14,000.00	-12,825.00	8.39%
6140 · WM Admin Expenses	676.95	6,500.00	-5,823.05	10.42%
6150 · Field Supplies	339.26	4,050.00	-3,710.74	8.38%
6170 · Travel & Transportation	39,340.04	45,200.00	-5,859.96	87.04%
6190 · Conferences & Seminars	1,179.87	17,500.00	-16,320.13	6.74%
6200 · Advisory Comm - WM Board	4,243.20	14,082.00	-9,838.80	30.13%
6300 · Watermaster Board Expenses	9,188.32	29,782.00	-20,593.68	30.85%
8300 · Appr PI-WM & Pool Admin	4,210.37	15,347.00	-11,136.63	27.43%
8400 · Agri Pool-WM & Pool Admin	4,462.79	18,756.00	-14,293.21	23.79%
8467 · Agri-Pool Legal Services	22,589.13	45,000.00	-22,410.87	50.2%
8470 · Ag Meeting Attend -Special	3,025.00	10,000.00	-6,975.00	30.25%
8500 · Non-Ag PI-WM & Pool Admin	1,085.29	7,423.00	-6,337.71	14.62%
6500 · Education Funds Use Expens	0.00	375.00	-375.00	0.0%
9500 · Allocated G&A Expenditures	-93,495.54	-378,284.00	284,788.46	24.72%
Subtotal G&A Expenditures	<u>174,101.82</u>	<u>733,144.00</u>	<u>-559,042.18</u>	<u>23.75%</u>
6900 · Optimum Basin Mgmt Plan	319,769.75	996,767.00	-676,997.25	32.08%
6950 · Mutual Agency Projects	7,825.00	75,000.00	-67,175.00	10.43%
9501 · G&A Expenses Allocated-OBMP	30,667.88	109,541.00	-78,873.12	28.0%
Subtotal OBMP Expenditures	<u>358,262.63</u>	<u>1,181,308.00</u>	<u>-823,045.37</u>	<u>30.33%</u>
7101 · Production Monitoring	12,087.00	68,755.00	-56,668.00	17.58%
7102 · In-line Meter Installation	7,406.35	97,954.00	-90,547.65	7.56%
7103 · Grdwtr Quality Monitoring	48,241.46	66,503.00	-18,261.54	72.54%
7104 · Gdwtr Level Monitoring	31,384.12	184,812.00	-153,427.88	16.98%
7105 · Sur Wtr Qual Monitoring	4,962.84	90,223.00	-85,260.16	5.5%
7106 · Wtr Level Sensors Install	0.00	5,734.00	-5,734.00	0.0%
7107 · Ground Level Monitoring	22,692.96	554,825.00	-532,132.04	4.09%
7108 · Hydraulic Control Monitoring	158,793.81	495,368.00	-336,574.19	32.06%
7109 · Recharge & Well Monitoring Prog	181,154.57	133,061.00	48,093.57	136.14%
7200 · PE2- Comp Recharge Pgm	71,046.30	759,105.00	-688,058.70	9.36%
7300 · PE3&5-Water Supply/Desalte	338.93	12,548.00	-12,209.07	2.7%

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

	<u>Jul - Sep 05</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7400 · PE4- Mgmt Plan	29,149.53	1,081,014.00	-1,051,864.47	2.7%
7500 · PE6&7-CoopEfforts/SaltMgmt	33,730.74	255,769.00	-222,038.26	13.19%
7600 · PE8&9-StorageMgmt/Conj Use	4,522.57	77,268.00	-72,745.43	5.85%
7690 · Recharge Improvement Debt Pymt	0.00	300,000.00	-300,000.00	0.0%
7700 · Inactive Well Protection Prgm	0.00	12,128.00	-12,128.00	0.0%
9502 · G&A Expenses Allocated-Projects	62,827.66	268,742.00	-205,914.34	23.38%
Subtotal Special Project Expenditures	668,338.84	4,463,809.00	-3,795,470.16	14.97%
Total Expense	1,200,703.29	6,378,261.00	-5,177,557.71	18.83%
Net Ordinary Income	-1,137,568.51	-1,290,385.00	152,816.49	88.16%
Other Income/Expense				
Other Income				
4231 · MZ1 Assigned Water Sales	0.00	600,000.00	-600,000.00	0.0%
4210 · Approp Pool-Replenishment	369,248.00	0.00	369,248.00	100.0%
Total Other Income	369,248.00	600,000.00	-230,752.00	61.54%
Other Expense				
5010 · Groundwater Replenishment	1,769,213.20	699,000.00	1,070,213.20	253.11%
9999 · To/(From) Reserves	-2,537,533.71	-1,389,385.00	-1,148,148.71	182.64%
Total Other Expense	-768,320.51	-690,385.00	-77,935.51	111.29%
Net Other Income	1,137,568.51	1,290,385.00	-152,816.49	88.16%
Net Income	0.00	0.00	0.00	0.0%



CHINO BASIN WATERMASTER

II. CONSENT CALENDAR

C. WATER TRANSACTIONS

1. Notice of Sale or Transfer – The City of Pomona has agreed to purchase out of storage from the City of Upland a portion of Upland’s pumping rights of up to 1,000 acre-feet



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

October 6, 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: **October 5, 2005**

Date of this notice: **October 6, 2005**

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

- A. Notice of Sale or Transfer – The City of Pomona has agreed to purchase from the City of Upland a portion of Upland’s pumping rights of up to 1,000 acre-feet.

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

Appropriative Pool:	October 13, 2005
Non-Agricultural Pool:	October 13, 2005
Agricultural Pool:	October 18, 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: October 6, 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: October 6, 2005
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary -

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

Issue -

- Notice of Sale or Transfer –The City of Pomona has agreed to purchase from the City of Upland a portion of Upland's pumping rights of up to 1,000 acre-feet for fiscal year 2005/2006

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Notice of Sale or Transfer – The City of Pomona has agreed to purchase from the City of Upland a portion of Upland's pumping rights of up to 1,000 acre-feet for fiscal year 2005/2006

Notice of the water transaction identified above was mailed on October 6, 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.

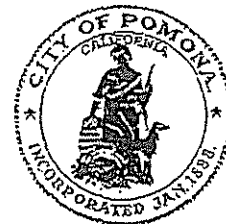
Because The City of Pomona did not submit a Form 4, Application of Amendment to Application to Recapture Water in Storage, it is assumed that it does not have any current plans to recapture the water. If The City of Pomona later decides it wishes to recapture the water from storage, it will need to submit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

THE CITY OF
POMONAHENRY PEPPER
Utility Services Director

Utility Services Department

Via fax 484-3890 and U.S. Mail

October 5, 2005

Mr. Kenneth Manning
Chino Basin Watermaster
96641 San Bernardino Road
Rancho Cucamonga, CA 91730**Subject: Purchase of Water from Upland's Storage: Fiscal Year 2005/2006**

Dear Mr. Manning:

The City of Pomona (Pomona) has agreed to purchase from the City of Upland (Upland) a portion of the Upland's pumping rights of up to 1,000 acre-feet for fiscal year 2005/2006. Water acquired through this transaction is to be placed in Pomona's Local Storage account with the Chino Basin Watermaster (Watermaster). This water is to be held in storage by Pomona for possible production, participation in storage and recovery program, or for potential resale/exchange with other Basin producers. A Form 4 Recapture Plan will be submitted to the Watermaster if Pomona decides to produce this water from the Basin.

Attached is the executed Form 3 application for the sale or transfer of right to produce water from storage for consideration by the Watermaster. Please schedule the proposed purchase for the October 13, 2005 Appropriative Pool meeting and the subsequent meetings thereafter.

Please feel free to contact either Jim Taylor, Water/Wastewater Operations Manager, at (909) 620-2251, or Raul Garibay, Utility Services Engineer, at (909) 620-2239, if you should require additional information regarding this issue.

Sincerely,


Henry Pepper
Utility Services Director

Attachments

cc: Rob Turner, City of Upland

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

City of Upland

Name of Party

October 5, 2005

Date Requested

Date Approved

P.O. Box 460

Street Address

Up to 1,000 Acre-feet

Amount Requested

_____ Acre-feet

Amount Approved

Upland

City

CA

State

91785

Zip Code

Telephone: (909) 931-4231

Facsimile: (909) 931-4274

Rob Turner

Applicant: Rob Turner, Public Works Director

Attach Recapture Form 4

TRANSFER TO:

City of Pomona

Name of Party

505 South Garey Avenue

Street Address

Pomona

City

CA

State

91768

Zip Code

Telephone: (909) 620-2283

Facsimile: (909) 620-2030

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?

N/A

MATERIAL PHYSICAL INJURY


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

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

Form 3 (cont.)

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]


Applicant: Henry Pepper, Utility Services Director

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____



CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

A. MATHIS & ASSOCIATES CONSULTANT SERVICES AGREEMENT





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: November 10, 2005
November 15, 2005
November 17, 2005

TO: Committee Members
Watermaster Board Members

SUBJECT: Consultant Services Contract – Mathis & Associates

Background

In August of this year the Personnel Committee met with the CEO to review and make recommendations as to the priorities for the upcoming year. Included in those priorities was the development of a Strategic Plan. In response to concerns expressed in the Pool meetings in October, the Board President appointed a committee to coordinate and design a Strategic Planning process that would accomplish that goal and provide for inclusion of all stakeholders within Watermaster. The Consultant Services Contract with Mathis & Associates would allow the Planning Committee to draw upon the expertise of Dr. Mathis to assist as a facilitator if they desire.

In addition, the Personnel Committee was anxious to move away from having the legal firm of Hatch & Parent as the sole consultant working with the Watermaster on personnel issue. It was felt that a firm with expertise in the area of personnel could provide the board with an arms length analysis of issues such as benefits, hiring and CEO evaluations without the added expense of an attorney.

Recommendation –

Staff is recommending the firm of Mathis & Associates be retained to work with the stakeholders to facilitate the planning process and work with the Personnel Committee on issues related to personnel. Mathis & Associates is an experienced firm specializing in both public sector personnel and organizational planning. They come highly recommended and have a history of working with public agencies throughout the country, including the Inland Empire.

Fiscal Impact –

Watermaster has included the anticipated costs into budget category 6060 of the adopted budget. Authorization for use of services will be based upon direction from the Strategic Planning Committee and the Personnel Committee.

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Mathis & Associates

3435 Valle Verde Drive • Napa, CA 94558 • Office: 707/252-2151

• Fax: 707/252-1349 • Cell: 707/333-2095

E-Mail DrBillMathis@sbcglobal.net ~ Website www.MathisAssociates.com

TO: Kenneth Manning, CEO
Chino Basin Watermaster

FROM: Dr. William Mathis
Management Psychologist/Consultant

RE: Consultant Services Contract
Personnel and Strategic Planning

DATE: November 1, 2005

I am pleased to submit a proposal to work with the Chino Basin Watermaster, Watermaster's Personnel Committee and staff on issues related to Personnel and Strategic Planning. It is my feeling that our organizations experience working with public agencies throughout the country on similar issues will allow us to help guide the Watermaster as it manages the basin and implements the Optimum Basin Management Plan (OBMP).

Project #1 - Personnel Consultation

The following list encompasses both current and future tasks or opportunities that we feel will assist the Personnel Committee, CEO and Board in establishing Best Practices and Leadership within the industry. At the option of the Personnel Committee and/or CEO, Mathis & Associates will make itself available to add value to these or other tasks that may arise.

- a) **Health Benefits Assessment** - With direction from the Personnel Committee, Mathis & Associates will interview other agencies and establish appropriate health benefit options, perhaps in a cafeteria style, to create stability and family security for agency staff.
- b) **Assist the Board in establishing measurable goals and objectives for 2006** - After the Stakeholders agree upon a Strategic Plan – Mathis and Associates in cooperation with Watermaster Stakeholders will formulate a “how to” strategy to achieve Basin goals that are cost effective.
- c) **Personnel Consulting** - Adherence to the latest laws and codes requires expert advice and, at times, problem solving and training for staff. Mathis & Associates will work with the Personnel Committee and Staff on compliance issues by providing options and alternatives as requested.
- d) **CEO Evaluation Process** - Mathis & Associates will work with the CEO and the Personnel Committee in the development and implementation of an evaluation model that allows for clear understanding of the agencies expectations of their Chief Executive.
- e) **CEO Goal Setting** – Mathis & Associates will assist the Personnel Committee and Board to explore the complexities associated with coordinating the Strategic Plan and OBMP with the CEO's annual goals.

Project #2 – Strategic Plan

The OBMP provides a road map for Basin Management, but it does not provide sufficient detail to make decisions about financing, priorities and/or implementation. Details influences specific to these issues need to be discussed and incorporated into a Strategic Plan for the Watermaster. Mathis & Associates will assist the Strategic Planning Committee in the design and implementation of a Strategic Planning process. The session(s) will be designed to afford for dialogue amongst all of the stakeholders and at the same time provide structure for efficient use of time.

Mathis & Associates will act as Facilitators and will take the Board through the process as designed by the planning committee. Mathis & Associates will supply a scribe while all participate. The event will be recorded and put into a folder for distribution following the event.

Indemnification

The Consultant agrees to protect, defend, indemnify and hold harmless the Watermaster, its officers, directors, agents, employees, servants, and volunteers free and harmless from any and all liability, claims, judgments, costs and demands, including demands arising from injuries or death of persons (including employees of the Watermaster and the Consultant) and damage to property, directly or indirectly out of the services provided by the Consultant, its employees, agents, representatives or subcontractors under or in connection with this Contract.

The Watermaster agrees to protect, defend, indemnify and hold harmless the Consultant, its officers, directors, agents, employees, servants, and volunteers free and harmless from any and all liability, claims, judgments, costs and demands, including demands arising from injuries or death of persons (including employees of the Watermaster and the Consultant) and damage to property, directly or indirectly out of the negligent operations conducted by the Watermaster, its employees, agents, representatives or subcontractors under or in connection with this Contract.

Consideration

Cost: Rate of \$250/hr. (\$2,000.00 per day) will be charged for all consulting with an initial contract not to exceed \$20,000. All services will be expressly assigned by CEO/Personnel Committee and renewed as they warrant the need. Services billed monthly.

Expenses: Travel, lodging, staff, etc. will be billed separately. Staff Assistance of Janice Mathis, M.A. Personnel Consultant – charged at \$150/hour or to be placed on a retainer by you.

Kenneth Manning, CEO
Chino Basin Watermaster

William Mathis, Ph.D., Management Consultant
Mathis & Associates

www.MathisAssociates.com

R. William Mathis, Ph.D.
Biographical Summary

Dr. Mathis holds a Ph.D. in Clinical / Industrial Psychology from the University of North Dakota at Grand Forks, a Master's Degree in Clinical Psychology from the University of Portland in Oregon and a Bachelor's degree in Chemistry / Biology and Psychology from the University of Puget Sound in Tacoma, Washington.

Dr. Mathis is the founder of Mathis & Associates, a sole proprietorship. The firm is currently located in Napa, California. The firm provides both general management and clinical consulting services to public and private sectors. High risk, safety, law enforcement and crisis related situations are special niches addressed through the clinical psychologists on staff.

Dr. Mathis is a well-known writer and speaker, whose published well-read articles include "When Council is Unhappy with the City Manager," "What Councils want from their Managers... but do not Tell Them," The Business Journal, "Don't Drop the Ball on Your City Council", "The 7 Symptoms of a Manager in Trouble...", "Public Management. He is well known throughout the United States and is frequently seen in both western and east coast cities. His "whole team" concept of intermingling business consultants with psychologists brings a "value added" concept to his clients.

Dr. Mathis and his firm Mathis & Associates, offer a wide variety of services such as:

- City Manager / City Attorney Evaluation;
- Team Building / Goal Setting Workshops'
- Style Analysis - Individual and Group
- Effective Communications
- Problem Solving and Project Management
- Organization / Department Audits
- Coaching and Mentoring
- Change Management Strategies
- Personnel Conflicts / Outpatient Services

Mathis & Associates are members of numerous Chambers of Commerce and public organizations including ICMA (International City Managers' Association), California, City Manager's Foundation, National League of Cities and League of California Cities.

www.MathisAssociates.com
Dr.BillMathis@gmail.com

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Janice E. Mathis
8741 Risinghill Ct., Rancho Cucamonga, CA 91730
909/981-9770; 909/322-9045 cell; 909/931-3969 fax
Jan.Mathis@gmail.com

Work History

2000 – Current Mathis & Associates – Senior Consultant

Personnel, Human Resources, Team Building, Training in Supervisory Skills, Assessment of Staff with Department; Working with District Attorney Office, Fire Fighters, Utilities Management, Water Districts, and the California City Management Foundation
Customer Service and Strategic Planning, Employee Benefits and Compensation

1995 – 2002 City of Pomona, CA – Deputy City Manager

Assisted City Manager in Downtown Redevelopment; Tracking System Oversight for Mayor/Council; working with all Department Directors
Executive Assistant to the City Manager; Office Manager; Supervision; Budget; Assistant to Mayor/Council Members

1991 – 1995 CSU, Long Beach - **University Relations and Development /
Graduate Center for Public Policy and Administration - Management**

1979 – 1984 City of Norwalk, CA

Education

M.A. Degree, Human Behavior, 1992
B.A. Degree, Behavioral Sciences, 1990

*Real Estate License – in progress
Notary Public*

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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

B. FISCAL YEAR 2005/2006 ASSESSMENT PACKAGE





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: November 10, 2005
November 15, 2005
November 17, 2005

TO: Committee Members
Watermaster Board Members

SUBJECT: FY 2005-2006 Assessment Package

SUMMARY

Issue – FY 2005-2006 Assessment Package

Recommendation – Staff recommends approval of the assessments and adoption of the resolution levying the assessments as presented.

BACKGROUND

Staff has developed a database to generate the current year Assessment Package. The newly designed database was formulated to automate the process and bifurcate the water activity of the previous fiscal year with the actual dollars assessed as a result of the water activity. The parties were each sent a copy of the Water Activity Report that summarized their water activity for the previous year - including production, land use conversions, transfers and assignments - and they were asked to concur with the data summarized by Watermaster.

The Water Activity Reports were received and discrepancies in the reports addressed and resolved. Watermaster held an Assessment Package Workshop on November 2, 2005 to introduce the new format to the workshop participants. The highlights of the new format include referencing on the bottom of each of the production summary and assessment summary pages with a description of each column and the source of the data in the references section of the package. Other highlights include the fact that each appropriator will receive an individual detail of both their water activity/storage balances and their individual invoice, with each line including a reference back to the original assessment package.

As discussed at the workshop, the assessments levied by Watermaster are budget driven, the amount levied per acre-foot is dependent on the final year end closing of the actual assessable production by pool as well as the amount of cash on hand at the end of the fiscal year available to offset the next years assessments.

Due to the decrease in current year production and a less than anticipated amount of cash on hand at the end of the year, the amount of assessment required to be charged for each acre foot of assessable production has increased this year vs. last year.

RECOMMENDATION

Approval of the assessments and adoption of resolution levying the assessments as presented.

**ASSESSMENT CALCULATION
FISCAL YEAR 2005-2006**

	MEMO ONLY FISCAL YEAR 2005-2006 BUDGET TOTALS	ASSESSMENT TOTALS		APPROPRIATIVE POOL		AGRICULTURAL POOL		NON-AGRICULTURAL POOL	
		(Acre-Feet)	(Acre-Feet)	Amount (Acre-Feet)	Ratios & Rates (\$/Acre-Feet)	Amount (Acre-Feet)	Ratios & Rates (\$/Acre-Feet)	Amount (Acre-Feet)	Ratios & Rates (\$/Acre-Feet)
PRODUCTION BASIS									
2003-04	Production & Exchanges in Acre-Feet		181,726.638	136,833.682	75.296%	41,978.182	23.100%	2,914.774	1.604%
2004-05	Production & Exchanges in Acre-Feet		164,588.252	127,810.967	77.655%	34,450.449	20.931%	2,326.836	1.414%
BUDGET									
				General Administration	OBMP	General Administration	OBMP	General Administration	OBMP
Administration, Advisory Committee & Watermaster Board (1)	\$733,144	\$733,138	\$569,316			\$153,457		\$10,365	
OBMP & Special Projects #6900 & #7000 series	5,444,118	5,444,071		\$4,227,581		\$1,139,524			\$76,965
Expenses funded by General Admin & OBMP Assessments	<u>6,177,262</u>	<u>6,177,209</u>	<u>569,316</u>	<u>4,227,581</u>	<u>153,457</u>	<u>1,139,524</u>	<u>10,365</u>	<u>76,965</u>	
TOTAL BUDGET		<u>6,177,209</u>	<u>569,316</u>	<u>4,227,581</u>	<u>153,457</u>	<u>1,139,524</u>	<u>10,365</u>	<u>76,965</u>	
Contributions from Outside Agencies #4030 series	<u>(132,000)</u>	<u>(131,998)</u>		<u>(102,503)</u>		<u>(27,629)</u>		<u>(1,866)</u>	
CASH DEMAND for FY 2003/2004		<u>6,045,211</u>	<u>569,316</u>	<u>4,125,078</u>	<u>153,457</u>	<u>1,111,895</u>	<u>10,365</u>	<u>75,099</u>	
OPERATING RESERVE									
Administrative	33%	241,938	\$241,935	\$187,874		\$50,641		\$3,420	
OBMP	15%	816,618	816,610		\$634,136		\$170,929		\$11,545
Less: Funds On Hand Utilized for Assessments (2)		<u>(2,504,639)</u>	<u>(2,504,619)</u>		<u>(1,944,957)</u>		<u>(524,253)</u>		<u>(35,409)</u>
FUNDS REQUIRED TO BE ASSESSED		<u>\$4,599,137</u>	<u>\$757,190</u>	<u>\$2,814,258</u>	<u>\$204,098</u>	<u>\$758,571</u>	<u>\$13,785</u>	<u>\$51,235</u>	
2005-06 Proposed Assessments									
General Administration Assessments			Per Acre-Foot	\$5.92	\$22.02	\$5.92	\$22.02	\$5.92	\$22.02
Minimum Assessments			Per Producer	\$5.00				\$5.00	
Prior Year Assessments (For Information Only)			Per Acre-Foot	\$5.49	\$19.94	\$5.49	\$19.94	\$5.49	\$19.94

(1) Total costs are allocated to Pools by actual production percentages. Does not include Recharge Debt Payment or Replenishment water purchases.
(2) Cash on Hand is June 30 fund balances less funds required for carryover replenishment obligations, SB 22 funds, Education funds, & Agricultural Pool Reserves.

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NOTE:

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Assessment Year 2005-2006 (Production Year 2004-2005)
Pool 2 Water Production Summary

	Carryover Beginning Balance	Prior Year Adjustments	Assigned Share of Operating Safe Yield (AF)	Water Transaction Activity	Annual Production Right	Actual Fiscal Year Production	Net Over Production	Under Production Balances		
								Total Under-Produced	Carryover: Next Year Begin Bal	To Local Storage Account
Ameron Inc	97.858	0.000	97.858	0.000	195.716	0.000	0.000	195.716	97.858	97.858
Angelica Textile Service	0.000	0.000	18.789	0.000	18.789	28.815	10.026	0.000	0.000	0.000
California Speedway	1,000.001	0.000	1,000.000	0.000	2,000.000	522.532	0.000	1,477.468	1,000.000	477.468
California Steel Industries Inc	1,300.000	0.000	1,300.000	0.000	2,600.000	0.000	0.000	2,600.000	1,300.000	1,300.000
CCG Ontario, Llc	630.274	0.000	630.274	0.000	1,260.548	0.000	0.000	1,260.548	630.274	630.274
General Electric Corporation	0.000	0.000	0.000	0.000	0.000	23.662	23.661	0.000	0.000	0.000
Praxair Inc	427.446	0.000	427.446	0.000	854.892	125.003	0.000	729.889	427.446	302.443
Reliant Energy Etiwanda	904.249	0.000	954.540	0.000	1,858.789	517.054	0.000	1,341.735	954.540	387.195
San Bernardino Cty (Chino Airport)	133.870	0.000	133.870	0.000	267.740	80.227	0.000	187.513	133.870	53.643
Southern California Edison Company	27.959	0.000	27.959	0.000	55.918	0.000	0.000	55.918	27.959	27.959
Space Center Mira Loma Inc.	0.000	0.000	104.121	110.751	214.872	214.872	0.000	0.000	0.000	0.000
Sunkist Growers Inc	1,873.402	0.000	1,873.402	0.000	3,746.804	453.033	0.000	3,293.771	1,873.402	1,420.369
Swan Lake Mobile Home Park	464.241	0.000	464.240	0.000	928.481	357.073	0.000	571.407	464.240	107.167
Vulcan Materials Company	317.845	0.000	317.844	0.000	635.688	4.565	0.000	631.122	317.844	313.278
West Venture Development	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	7,177.145	0.000	7,350.343	110.751	14,638.237	2,326.836	33.687	12,345.087	7,227.433	5,117.654



Assessment Year 2005-2006 (Production Year 2004-2005)

Pool 2 Water / Storage Account Transactions

	Local Storage Account		
	Carryover Beginning Balance	Transfers to / from Annual	Ending Balance
Ameron Inc	1,755.995	97.858	1,853.853
Angelica Textile Service	0.000	0.000	0.000
California Speedway	237.921	477.468	715.389
California Steel Industries Inc	1,300.000	1,300.000	2,600.000
CCG Ontario, Lic	7,593.140	630.274	8,223.414
General Electric Corporation	0.000	0.000	0.000
Kaiser Ventures Inc	0.000	0.000	0.000
Loving Savior Of The Hills	0.000	0.000	0.000
Praxair Inc	3,812.493	302.443	4,114.936
Reliant Energy Etiwanda	5,566.943	387.195	5,954.138
San Bernardino Cty (Chino Airport)	70.489	53.643	124.132
Southern California Edison Company	139.795	27.959	167.754
Space Center Mira Loma Inc.	204.130	(110.751)	93.379
Sunkist Growers Inc	9,941.989	1,420.369	11,362.358
Swan Lake Mobile Home Park	2,065.353	107.167	2,172.520
Vulcan Materials Company	8,193.045	313.278	8,506.323
West Venture Development	0.000	0.000	0.000
	40,881.293	5,006.903	45,888.196



Assessment Year 2005-2006 (Production Year 2004-2005)

Pool 2 Assessment Fee Summary

	Non-Agricultural Pool			Replenishment Assessments		Previous Year Adj	Total Assessments Due
	AF Production	\$5.92 Per AF Admin	\$22.02 Per AF OBMP	AF Exceeding Safe Yield	\$251.00 Per AF		
Ameron Inc	0.000	0.00	0.00	0.000	0.00	0.00	0.00
Angelica Textile Service	28.815	170.59	634.52	10.026	2,516.53	0.00	3,321.63
California Speedway	522.532	3,093.39	11,506.15	0.000	0.00	0.00	14,599.54
California Steel Industries Inc	0.000	0.00	0.00	0.000	0.00	0.00	0.00
CCG Ontario, Llc	0.000	0.00	0.00	0.000	0.00	0.00	0.00
General Electric Corporation	23.662	140.08	521.04	23.661	5,939.16	0.00	6,600.28
Kaiser Ventures Inc	0.000	0.00	0.00	0.000	0.00	0.00	0.00
Loving Savior Of The Hills	0.000	0.00	0.00	0.000	0.00	0.00	0.00
Praxair Inc	125.003	740.02	2,752.57	0.000	0.00	0.00	3,492.58
Reliant Energy Etiwanda	517.054	3,060.96	11,385.53	0.000	0.00	0.00	14,446.48
San Bernardino Cty (Chino Airport)	80.227	474.94	1,766.60	0.000	0.00	0.00	2,241.54
Southern California Edison Compa	0.000	0.00	0.00	0.000	0.00	0.00	0.00
Space Center Mira Loma Inc.	214.872	1,272.04	4,731.48	0.000	0.00	0.00	6,003.52
Sunkist Growers Inc	453.033	2,681.96	9,975.79	0.000	0.00	0.00	12,657.74
Swan Lake Mobile Home Park	357.073	2,113.87	7,862.75	0.000	0.00	0.00	9,976.62
Vulcan Materials Company	4.565	27.03	100.53	0.000	0.00	0.00	127.56
West Venture Development	0.000	0.00	0.00	0.000	0.00	0.00	0.00
	2,326.836	13,774.87	51,236.94	33.687	8,455.69	0.00	73,467.50



Chino Basin Watermaster Assessment Breakdown 2005-2006 Water Transactions

Assessment Year 2005-2006 (Production Year 2004-2005)

To:	From:	Date of Submittal	Quantity	\$ / Acre Feet	Total \$	85%	15% WM Pays
Cucamonga Valley Water District	West Valley Water District	2/24/2005	500.000	202.00	101,000.00	0.00	0.00
Fontana Water Company	Cucamonga Valley Water District	5/27/2005	2,500.000	217.80	544,500.00	462,825.00	81,675.00 Cucamonga Valley Water District
	Nicholson Trust	6/9/2005	5.458	217.80	1,188.75	1,010.44	178.31 Fontana Water Company
	West Valley Water District	5/27/2005	1,000.000	210.00	210,000.00	178,500.00	31,500.00 Fontana Water Company
Jurupa Community Services District	Santa Ana River Water Company	3/11/2005	1,600.000	233.00	372,800.00	316,880.00	55,920.00 Santa Ana River Water Company
Monte Vista Water District	Monte Vista Irrigation Company	7/26/2004	1,100.000	225.00	247,500.00	210,375.00	37,125.00 Monte Vista Irrigation Company
	Pomona, City Of	9/1/2004	2,500.000	212.00	530,000.00	450,500.00	79,500.00 Pomona, City Of
	<i>Original letter stated in error that water was to be placed in MVWD's Local Storage Account, but it is to be used to offset overproduction.</i>						
	West Valley Water District	7/26/2004	650.000	210.00	136,500.00	0.00	0.00
	<i>Water purchased through transaction to be placed in MVWD's Local Storage Account. No recapture application submitted at this time.</i>						
Ontario, City Of	Chino, City Of	4/20/2005	5,350.000	220.00	1,177,000.00	1,000,450.00	176,550.00 Chino, City Of
			15,205.458		\$3,320,488.75	\$2,620,540.44	\$462,448.31

ASSIGNMENTS

Praxair Inc	Fontana Water Company	6/30/2005	-19.990	1.00	-19.99	-16.99	-3.00 Fontana Water Company
	<i>Praxair prior year assessments. Adjusted this year to correct previous 2 year error.</i>						
	Fontana Water Company	6/30/2005	125.003	85.00	10,625.26	9,031.47	1,593.79 Fontana Water Company
	<i>Assignment Well 0800007 - Acre feet already reflected in production - no transactions recorded.</i>						
Sunkist Growers Inc	Ontario, City Of	6/30/2005	69.084	200.00	13,816.80	11,744.28	2,072.52 Ontario, City Of
	<i>Assignment Well 0800008. Acre feet already reflected in production - no transactions recorded.</i>						
			174.097		\$24,422.07	\$20,758.76	\$3,663.31

Total Credits \$466,111.62

Watermaster Replenishment Calculation

			<u>Producer</u>	<u>AF Production</u>	<u>85/15 Producers</u>	<u>\$251*15%</u>
Cost of Replenishment Water per acre foot:						
MWD Replenishment Rate	\$	238.00	Arrowhead Mtn Spring Water Co	95.004		
Projected Water Spreading Cost			Chino Hills, City of	4,822.385	4,822.385	38,804.69
IEUA Surcharge		9.00	Chino, City of	6,072.469	6,072.469	48,863.85
OCWD Connection Fee		2.00	Cucamonga Valley Water District	12,058.503	12,058.503	97,032.17
Watermaster Maintenance Fee		2.00	Deslater Authority	-	-	-
Total Replenishment Cost per acre foot	\$	<u>251.00</u>	Fontana Union Water Company	-	-	-
			Fontana Water Company	21,959.053	21,959.053	176,699.76
			Inland Empire Utilities Agency	1.240	1.240	9.98
			Jurupa Community Services District	16,146.500	16,146.500	129,927.40
			Los Serranos Country Club	-	-	-
			Marygold Mutual Water Company	132.408		-
			Metropolitan Water District	0.500		-
			Monte Vista Irrigation Company	-	-	-
			Monte Vista Water District	17,096.419	17,096.419	137,571.19
			Niagara Water Company	808.455		-
			Nicholson Trust	-		-
			Norco, City of	83.772	83.772	674.10
			Ontario, City of	26,291.097	26,291.097	211,558.78
			Pomona, City of	15,981.125		-
			San Antonio Water Company	1,611.562	1,611.562	12,967.89
			San Bernardino County Shtg Prk	13.823	13.823	111.23
			Santa Ana River Water Company	499.284	499.284	4,017.63
			So Cal Water Company	215.999	215.999	1,738.10
			Upland, City of	3,921.369	3,921.369	31,554.41
			West End Consolidated Water Co	-	-	-
			West Valley Water District	-	-	-
				<u>127,810.967</u>	<u>110,793.475</u>	<u>\$ 891,531.18</u>
 Replenishment Obligation:						
	<u>AF</u>	<u>\$ 251.00</u>				
Appropriative Pool - 100%	903.957	226,893.21				
Appropriative Pool - 85/15%	23,679.447	5,943,541.20				
NonAgricultural Pool - 100%	33.687	8,455.44				
Total Replenishment Obligation	<u>24,617.091</u>	<u>\$ 6,178,889.84</u>				
	85%	5,052,010.02				
	15%	891,531.18				
		<u>5,943,541.20</u>				



Chino Basin Watermaster Assessment Breakdown 2005-2006 Land Use Conversion Summary

Assessment Year 2005-2006 (Production Year 2004-2005)

AGRICULTURAL POOL SUMMARY IN ACRE FEET

Agricultural Pool Safe Yield	82,800.00
Agricultural Total Pool Production	(34,450.45)
Early Transfer	(32,800.00)
Total Land Use Conversions	(19,013.27)
Under(Over) Production:	<u>(3,463.72)</u>

	Prior Converted	Acres Converted @ 1.3 af/ac		Total Prior to Peace Agrmt Converted AF	Acres Converted @ 2.0 af/ac		Total Land Use Conversations Acre-Feet
		Acres	Acre Feet		Acres	Acre Feet	
Chino Hills, City Of	0.000	670.266	871.346	871.346	58.000	116.000	987.346
Chino, City Of	196.235	1,454.750	1,891.175	2,087.410	1,800.583	3,601.166	5,688.576
Cucamonga Valley Water District	0.000	460.280	598.364	598.364	0.000	0.000	598.364
Fontana Water Company	0.000	0.000	0.000	0.000	417.000	834.000	834.000
Jurupa Community Services Dist	0.000	2,756.920	3,583.996	3,583.996	3,137.100	6,274.200	9,858.196
Monte Vista Water District	0.000	28.150	36.595	36.595	9.240	18.480	55.075
Ontario, City Of	209.400	527.044	685.157	894.557	48.580	97.160	991.717
	405.635	5,897.410	7,666.600	8,072.200	5,470.503	10,941.006	19,013.274

Assessment Package References and Definitions

REPORT REFERENCE	NAME	DESCRIPTION
1A	Carryover Beginning Balance	The beginning balance in your annual account. This number carries forward from the ending balance in the previous period assessment package.
1B	Prior Year Adjustment(s)	This number reflects the adjusted production rights from a previous assessment package.
1C	Assigned Share of Operating Safe Yield	The Party's yearly share of operating safe yield as delineated in the judgment.
1D	32,800 AF Early Transfer	The Party's share of operating safe yield percentage multiplied by 32,800.
1E	Land Use Conversions	Total land use conversions claimed.
1F	Potential AF for Reallocation	Land use conversions [1E] added to the ag pool early transfer [1D].
1G	Difference: Potential vs Net	(Total Required for appropriative pool [1F] <plus> production for the entire ag pool) <minus> Ag Pool Safe Yield <times> party's % share of operating safe yield
1H	Total Ag Pool Safe Yield Reallocation	Total required [1F] + difference [1G]
1I	Water Transaction Activity	Total of all water transaction activity for the period [2E]
1J	New Yield	New yield <times> % share of operating safe yield.
1K	Annual Production Rights	Current Year Production Rights. [1A] + [1B] + [1C] + [1H] + [1I] + [1J]
1L	Actual Fiscal Year Production	Actual production from CBWM's production system.
1M	MWD Exchanges	Total exchanges for the period including MZ1 forbearance and DYY deliveries.
1N	Total Production and Exchanges	Actual production [1L] <plus> MWD Exchanges [1M]. Includes a sub note subtracting desalter production.
1O	Net Over Production 85/15	For 85/15 rule participants: Production rights [1K] <minus> total production and exchanges [1N] equaling less than zero.
1P	Net Over Production 100	For non 85/15 rule participants: Production rights [1K] <minus> total production and exchanges [1N] equaling less than zero.
1Q	Total Under Produced	Production rights [1K] <minus> total production and exchanges [1N] equaling more than zero.
1R	Carryover: Next Year Begin Balance	Either total under produced [1Q] or share of operating safe yield [1C], whichever is less.
1S	To Excess Carryover Account	Total under produced [1Q] <minus> Carryover next year [1R].
2A	Lease / Assigned Rights	Total of assignment transactions for this period.
2B	General Transfer	Total of water transfers between parties for this period.
2C	Transfer from ECO Account	Water transferred from Excess Carryover Account
2D	Recycled Water	Total of recycled water recharged during the period.

Assessment Package References and Definitions

REPORT REFERENCE	NAME	DESCRIPTION
2E	Total Water Transactions	[2A]+[2B]+[2C]+[2D]
2F	Carryover Beginning Balance	The beginning balance in the Excess Carryover Account. This carries forward from the ending balance in the previous period assessment package.
2G	Transfer to / from	Total of water transferred to and from the Annual Account.
2H	Transfer from Local Storage	Total of water transfers to and from Local Supplemental Storage Account.
2I	From Under Production	Total of water transferred from Annual Account due to under production.
2J	Ending Balance	[2F]+[2G]+[2H]+[2I]
2K	Carryover Beginning Balance	The beginning balance in the Local Supplemental Storage Account. This number carries forward from the ending balance in previous period assessment package.
2L	Transfers from Other Sources	General transfers to the Local Storage Account.
2M	MZI 6,500 Eligible for Storage	Total MZI amount eligible for storage <times> % share of safe yield.
2N	Transfer to Excess Carryover Account	Local Supplemental Storage Account water transferred to the Excess Carryover Account.
2O	Ending Balance Local Supplemental Storage	[2K]+[2L]+[2M]+[2N]
2P	Combined Storage Account Balance	Sum of Storage Accounts [2J]+[2O]
3A	Production	[1N]
3B	Appropriative Pool Administration	AF production [3A] <times> per acre foot admin fee.
3C	Appropriative Pool OBMP	AF production [3A] <times> per acre foot OBMP fee.
3D	Ag Pool Administration	Percent of total Ag Pool Reallocation [1H] <times> total dollar amount needed for ag pool administration.
3E	Ag Pool OBMP	Percent of total Ag Pool Reallocation [1H] <times> total dollar amount needed for ag pool OBMP.
3F	15% Assessments	For companies participating in 85/15 rule: Parties percent share of production * 15% replenishment rate. * 15/85 AF overproduction [1O].
3G	85% Assessments	For companies participating in 85/15 rule: Total overproduced [1O] times> 85% replenishment rate.
3H	100% Assessments	For companies participating in 100 rule: Total overproduced [1P] <times> 100% replenishment rate.
3I	Producer 15% Credit	For companies participating in 85/15 rule and denoted as WM Pays: Total water transactions AF <times> per water transaction AF price <times> 15%
3J	Prorated 15% Debits	For companies participating in 85/15 rule: Party percentage of total water transactions AF <times> 15% of total AF in water transaction.

Assessment Package References and Definitions

REPORT REFERENCE	NAME	DESCRIPTION
3L	City of Pomona Credit	\$66,667 Credit to Pomona, debit to parties [3L] <times> -1 <times> share of operating safe yield.
3N	Prior Year Adjustment	This number reflects the difference between the assessment amount reported in the last period assessment package and the adjusted assessment amount from a revised package.
3O	Total Production Based Assessments	Sum of 3 B through N. Total fees assessed based on party production.
3P	6500 AF MZ1	Total AF required to purchase <times> AF price <times> % safe of operating safe yield
3Q	Recharge Debt Payment	Total recharge debt payment <times> % share of operating safe yield.
3R	Total Assessments Due	Total production based [3O] + Supplemental Water [3P] + Recharge Improvement Payments [3Q]

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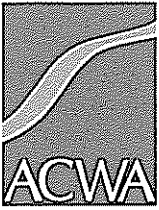


CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

C. NWRA CALIFORNIA CAUCUS BALLOTS





Association of California Water Agencies

Leadership Advocacy Information Since 1910

RECEIVED
OCT 07 2005
COMMUNICATIONS SECTION

MEMORANDUM

October 3, 2005

TO: ACWA MEMBER AGENCY PRESIDENTS AND GENERAL MANAGERS

FROM: JAN JENNINGS, DIRECTOR OF ADMINISTRATION

**SUBJECT: NWRA CALIFORNIA CAUCUS BALLOTS:
DUE DECEMBER 7, 2005**

The nominations for the National Water Resources Association (NWRA) California Caucus positions have been submitted and now it is time for you to vote. Attached you will find a ballot and brief summary of each nominee's NWRA participation and background information. Please take a moment to read the information about each nominee and indicate on the ballot who you would like to serve as your representatives and alternates on the California Caucus. The three individuals receiving the highest number of votes will serve on the Board of Directors. The two individuals receiving the fourth and fifth highest votes will serve as the alternates.

Return the completed ballot to the ACWA office no later than Wednesday, December 7. The results of the election will be announced on the ACWA Web site and published in a future issue of ACWA News.

Please call me at the ACWA office at (916) 441-4545 if you have questions or would like additional information. Thank you for your careful consideration and participation in this election. Your voice will help ensure the enactment of sound water policy decisions and regulatory measures.

JJ:ks

Attachments

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NWRA CALIFORNIA CAUCUS NOMINEE BACKGROUND SUMMARY

NAME/TITLE/AGENCY	NWRA PARTICIPATION	BACKGROUND SUMMARY
<p>David Breninger <i>General Manager</i> Placer County Water Agency</p> <p>(NWRA Incumbent)</p>	<ul style="list-style-type: none"> ◆ Actively involved with NWRA since 2001 ◆ Currently ACWA Representative ◆ Serves on NWRA Budget Committee 	<ul style="list-style-type: none"> ◆ Placer County Water Agency General Manager 1992-Present ◆ ACWA Board Member ◆ Chair ACWA Local Government Committee ◆ Board Member, California Municipal Utilities Association ◆ Board member, Regional Water Authority ◆ Board Member, Placer Chapter of the Special Districts Association ◆ Executive Director, American River Authority ◆ Member, River Management Society ◆ Chair of Recreational Boaters of California's CALFED Bay-Delta Committee ◆ RWA recognized him as 2003 "Water Statesperson of the Year"
<p>Ted Caldwell <i>Commissioner</i> Laguna Beach County Water District</p>	<ul style="list-style-type: none"> ◆ No current participation 	<ul style="list-style-type: none"> ◆ Commissioner of the Laguna Beach County Water District ◆ Curriculum development as a junior faculty member at Lancaster University in the U.K., focused on the "economics of the environment and natural resource policy formulation." ◆ Former research associate with UNCTAD in Geneva investigating disaster relief in the Sahara, North Africa ◆ Registered representative, National Association of Securities Dealer ◆ Registered Options and Futures Trader
<p>Wayne A. Clark <i>Director</i> Municipal Water District of Orange County</p>	<ul style="list-style-type: none"> ◆ NWRA Municipal Caucus 	<ul style="list-style-type: none"> ◆ Director & Chairman Irvine Ranch Water District ◆ Member of the Colorado River Water Users Association ◆ 1992 co-founded Urban Water Institute, currently Executive Director ◆ Part of 1982 ballot measure designed to build Peripheral Canal as part of the State Water Project ◆ A leader in the statewide Water 2000 effort, precursor of the CALFED Bay-Delta Program ◆ Served term as Chair of the Federal Affairs Committee of the California Marine Affairs & Navigation Council ◆ Founding chairman of the City of Irvine's Planning Commission

NWRA CALIFORNIA CAUCUS NOMINEE BACKGROUND SUMMARY

NAME/TITLE/AGENCY	NWRA PARTICIPATION	BACKGROUND SUMMARY
<p>John P. Fraser <i>President, Board of Directors</i> El Dorado Irrigation District</p> <p>(NWRA Alternate)</p>	<ul style="list-style-type: none"> ◆ Attendance at NWRA annual conferences and seminars ◆ NWRA, Distinguished Service Award ◆ NWRA, Life Member ◆ NWRA, Two Presidents Commendations ◆ NWRA, Water Leader ◆ Served as Chair of the NWRA State Association Committee 	<ul style="list-style-type: none"> ◆ Board President, El Dorado Irrigation District ◆ Board member, American River Authority ◆ Board member, Regional Water Authority ◆ Board member, El Dorado County WA ◆ California State Automobile Association, Inter-Insurance Bureau ◆ Former Executive Director of ACWA ◆ Consultant, Price Waterhouse ◆ Member, California State Bar Association ◆ Member, American Bar Association
<p>Saundra Jacobs <i>President, Board of Directors</i> Santa Margarita Water District</p>	<ul style="list-style-type: none"> ◆ No current participation 	<ul style="list-style-type: none"> ◆ Santa Margarita Water District Board Member since 1996 ◆ Alternate on the Santiago Aqueduct Commission ◆ Member, Independent Special Districts of Orange County ◆ Member, Executive Committee for the Urban Water Research Center ◆ Involved with the Orange County Water Association ◆ Editor of the OCWA newsletter "Water Matters"
<p>Sam Johnson <i>Director</i> Santa Margarita Water District</p>	<ul style="list-style-type: none"> ◆ No current Participation 	<ul style="list-style-type: none"> ◆ Former Director of Public Works/City Engineer, City of South Gate ◆ Former Director of Engineering, Moulton Niguel Water District ◆ Former Director of Public Works/City Engineer, City of Pomona ◆ Former Director of Public Works/City Engineer, City of Santa Ana

NWRA CALIFORNIA CAUCUS NOMINEE BACKGROUND SUMMARY

NAME/TITLE/AGENCY	NWRA PARTICIPATION	BACKGROUND SUMMARY
<p>Lawrence Libeu <i>General Manager</i> San Bernardino Valley Water Conservation District</p> <p>(NWRA Incumbent – Treasurer)</p>	<ul style="list-style-type: none"> ◆ Actively involved with NWRA since 1990 ◆ Currently NWRA Treasurer ◆ California State Director ◆ Served as California's Director on NWRA's Board of Directors for 1998-1999 term ◆ Served two years as California's Alternate to the NWRA Board of Directors ◆ Member of NWRA's Board Executive Committee 	<ul style="list-style-type: none"> ◆ General Manager of San Bernardino Valley WCD ◆ Member, court appointed Big Bear Lake Watermaster ◆ Serves as President and is one of the founders of Western Coalition of Arid States (WESTCAS) ◆ Director of Legislative & Governmental Affairs at Eastern MWD for 23 years ◆ Planned, organized, and coordinated Eastern MWD's \$50 million Small Reclamation Projects Act (PL984)
<p>Shauna Lorance <i>General Manager</i> San Juan Water District</p>	<ul style="list-style-type: none"> ◆ Attendance at NWRA annual conferences 	<ul style="list-style-type: none"> ◆ General Manager, San Juan Water District ◆ Former Assistant General Manager San Juan WD ◆ Registered Civil Engineer ◆ Served on ACWA Region 3 and 4 Boards ◆ Former employee of Kennedy/Jenks Consultants specializing in water planning ◆ Certified as a special district administrator, program co-sponsored by ACWA ◆ Worked with lobbyist & City of Roseville to obtain US Congressional budget for conservation, USBR raw water pipeline, and to evaluate redundant supply source at Folsom Dam

NWRA CALIFORNIA CAUCUS NOMINEE BACKGROUND SUMMARY

NAME/TITLE/AGENCY	NWRA PARTICIPATION	BACKGROUND SUMMARY
Adrienne (Ann) Mathews <i>Director</i> Kern County Water Agency	<ul style="list-style-type: none"> ◆ Attendance at NWRA annual conferences and seminars 	<ul style="list-style-type: none"> ◆ Director of Kern County Water Agency since 1985 ◆ Former member of ACWA's Region 7 Board Participated in lobbying efforts in Washington D.C. for the Endangered Species Act & U.S. Bureau of Reclamation ◆ Member, Water Association of Kern County & the California Elected Women's Association for Education and Research ◆ Elected to serve as alternate commissioner on the Local Agency Formation Commission ◆ Member Board of Directors, California Special Districts Association ◆ Former President, Kern County Special Districts Association
Stella Mendoza <i>Director</i> Imperial Irrigation District	<ul style="list-style-type: none"> ◆ Attendance at NWRA annual conferences and seminars 	<ul style="list-style-type: none"> ◆ Director, Imperial Irrigation District, Division 4 since 2000 ◆ Brawley City Council, two terms ◆ Former Mayor, Brawley City ◆ Represents Imperial ID on Salton Sea Authority & the Southern California Association of Governments ◆ Selected as 2001 Woman of the Year by Assemblyman Dave Kelley ◆ Recipient of the International Hispanic "Sol Azteca" award in 2002

NWRA CALIFORNIA CAUCUS NOMINEE BACKGROUND SUMMARY

NAME/TITLE/AGENCY	NWRA PARTICIPATION	BACKGROUND SUMMARY
<p>Larry L. Russell, Ph.D., P.E. <i>Director</i> Marin Municipal Water District</p>	<p>♦ No current participation</p>	<ul style="list-style-type: none"> ♦ Director, Marin Municipal Water District since 2004 ♦ Involved with issues of ensuring a sustainable water supply for over 30 years ♦ Doctorate in Civil/Environmental from Berkeley ♦ Former employer Montgomery Watson ♦ President, Russell Environmental Engineering and Development Corp. ♦ Chairman, Aqua Resources, Inc. ♦ Vice President, James M. Montgomery Consulting Engineers
<p>Dr. Gregory M. Quist <i>Vice President</i> Rincon del Diablo Municipal Water District</p>	<p>♦ No current participation</p>	<ul style="list-style-type: none"> ♦ Vice President, Rincon del Diablo MWD since 1994 ♦ Former Treasurer 1992-1994 ♦ Member Board of Directors, San Diego County Water Authority ♦ ACWA Region 10 Board Member ♦ Member ACWA Water Quality Committee ♦ Member ACWA Policy & Safe Drinking Water Act ♦ Member AWWA ♦ Member & Past 2nd VP, California Special Districts Association ♦ Senior Partner, Hadronex

NWRA CALIFORNIA CAUCUS NOMINEE BACKGROUND SUMMARY

NAME/TITLE/AGENCY	NWRA PARTICIPATION	BACKGROUND SUMMARY
<p>Gregory A. Zlotnick <i>Director</i> Santa Clara Valley Water District (NWRA Incumbent)</p>	<ul style="list-style-type: none"> ◆ Actively involved with NWRA since 2001 ◆ Currently ACWA Representative 	<ul style="list-style-type: none"> ◆ Santa Clara Valley WD Board Member 1997-Present ◆ ACWA Board Member ◆ Chair, ACWA Water Management Committee ◆ Member, ACWA Federal Affairs Committee ◆ Chaired countywide campaign under Prop 218 ◆ Member, National WaterReuse Association ◆ Member, State Water Project Contractors Authority ◆ Vice-Chair, Bay Area Water Forum & Assoc. of Bay Area Governments CALFED Task Force ◆ Member, National Water Resources Association ◆ Member, Water Resources Center Archives ◆ Member, San Francis Quito Creek Joint Powers Authority ◆ Chair, Bay Area Water Agency Forum ◆ Member, American Ground Water Trust ◆ Member, Governor's Drought Preparedness Planning Panel ◆ Member, Urban Water Institute of California

NWRA CALIFORNIA CAUCUS BALLOT

Please vote for five (5) of the candidates listed below. The top three finishers will be full board members and the fourth and fifth will be alternates.
 (Per Board policy, the sixth position will be filled by the Federal Affairs Committee Chair)

- | | |
|--|---|
| _____ David A. Breninger
<i>Placer County Water Agency</i> | _____ Ted Caldwell
<i>Laguna Beach County WD</i> |
| _____ Wayne A. Clark
<i>MWD of Orange County</i> | _____ John P. Fraser
<i>El Dorado Irrigation District</i> |
| _____ Sandra Jacobs
<i>Santa Margarita Water District</i> | _____ Sam Johnson
<i>Santa Margarita Water District</i> |
| _____ Lawrence Libeu
<i>San Bernardino Valley WCD</i> | _____ Shauna Lorance
<i>San Juan Water District</i> |
| _____ Adrienne (Ann) Mathews
<i>Kern County Water Agency</i> | _____ Stella Mendoza
<i>Imperial Irrigation District</i> |
| _____ Larry L. Russell, Ph.D., P.E.
<i>Marin Municipal Water District</i> | _____ Dr. Gregory M. Quist
<i>Rincon del Diablo Municipal WD</i> |
| _____ Gregory A. Zlotnick
<i>Santa Clara Valley Water District</i> | |

Incumbent: David A. Breninger, NWRA Board of Directors, 2001-'05
 Lawrence M. Libeu, NWRA Board of Directors, 2001-'05, Current NWRA Treasurer
 Gregory A. Zlotnick, NWRA Board of Directors, 2001-'05

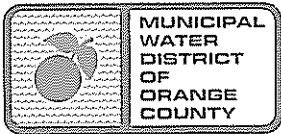
Alternate: John Fraser, NWRA Board of Directors 2003 - '05

ONE BALLOT PER AGENCY

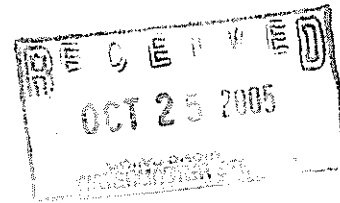
_____ Signature _____ Title _____ District _____

Please return this ballot by Wednesday, December 7, 2005 to:
 ACWA
 Attn: Kelly Smith
 910 K Street, Suite 100
 Sacramento, CA 95814-3577

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10500 Ellis Avenue
 P.O. Box 20895
 Fountain Valley, California 92728
 (714) 963-3058
 Fax: (714) 964-9389
 www.mwdoc.com



October 24, 2005

ACWA Member Agencies

Re: NWRA Board of Directors Nominations
 Wayne A. Clark as Nominee

Dear General Manager;

Soon you will be receiving a ballot from ACWA to elect new members to the NWRA Board of Directors. The Municipal Water District of Orange County (MWDOC) has nominated Wayne A. Clark, and we hope your organization will concur with our nomination.

As some of you may know, Wayne has a long and distinguished career in the water industry. He's been an active member of ACWA since 1979, and is a member of the NWRA Municipal Caucus and the Colorado River Water Users Association. In 1992, he co-founded the Urban Water Institute, a nonprofit educational organization for water policy leaders, and continues today as its Executive Director.

Wayne first served in the water industry as an elected director and chairman of the Irvine Ranch Water District. He was later elected to the MWDOC board, where he has served for 25 years helping to lead our agency to its premier position in water-resource management and conservation.

As president of a Southern California public affairs firm, Wayne was a member of the team supporting the 1982 ballot measure designed to build the Peripheral Canal as a completion of the State Water Project. Previously, he managed a successful statewide ballot measure that funded a major expansion of the University of California system of higher education. He then served for a decade as public affairs assistant to the founding chancellor at UC Irvine.

Wayne was a leader in the statewide Water 2000 effort, which brought urban and agricultural water policy leaders together to focus attention on needed improvements in the Delta. This effort preceded the formation of the CALFED Bay-Delta Program.

As chairman of the Federal Affairs Committee of the California Marine Affairs and Navigation Council, an organization of the state's ports and harbors, Wayne made presentations to the United States Congress in support of necessary improvements to the state's major ports.

We believe Wayne will make an outstanding NWRA Director and thank you in advance for your consideration.

Sincerely,

Ed Royce, Sr.

Ed Royce, Sr.
 President

MEMBER AGENCIES

- City of Brea
- City of Buena Park
- East Orange County Water District
- El Toro Water District
- Emerald Bay Service District
- City of Fountain Valley
- City of Garden Grove
- City of Huntington Beach
- Irvine Ranch Water District
- Laguna Beach County Water District
- City of La Habra
- City of La Palma
- Mesa Consolidated Water District
- Moulton Niguel Water District
- City of Newport Beach
- City of Orange
- Orange County Water District
- Orange Park Acres Mutual Water Co.
- City of San Clemente
- City of San Juan Capistrano
- Santa Margarita Water District
- Santiago County Water District
- City of Seal Beach
- Serrano Water District
- South Coast Water District
- Southern California Water Co.
- Trabuco Canyon Water District
- City of Tustin
- City of Westminster
- Yorba Linda Water District

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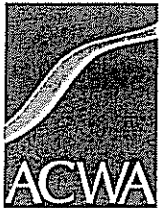
CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

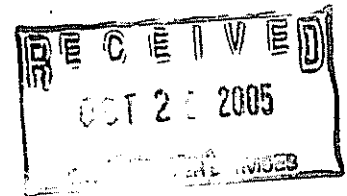
D. ACWA OFFICER ELECTIONS



KLM



Association of California Water Agencies
Leadership Advocacy Information Since 1910



ACWA MEMORANDUM

October 17, 2005

TO: ACWA Public Agency Members
General Managers and Board Members

FROM: Steve Hall
ACWA Executive Director

SUBJECT: General Session at ACWA Fall Conference/ACWA Officer Elections

There will be a meeting of the membership during the General Session at the ACWA Fall Conference in San Diego on Wednesday, November 30, to formally nominate and elect ACWA's President and Vice President for the 2006-07 term. The General Session will convene immediately preceding the Wednesday luncheon program.

The following information is provided to ensure that ACWA member delegates attending the Fall Conference will be aware of the procedure to be used for the nomination and election of ACWA officers.

- The Nominating Committee will present its report during a meeting of the General Session immediately preceding the luncheon program on Wednesday, November 30, 2005.
- Floor nominations will be called for immediately following the report.
- If there are no floor nominations, the election will proceed with a voice vote.
- If there are floor nominations, tellers will be appointed by the ACWA President, ballots will immediately be prepared and designated voting delegates may pick up a ballot at a table near the ACWA registration desk in the San Diego Town and Country Resort and Convention Center following the General Session.
- The signed official ballot must be returned to the ballot box at the same location near the ACWA registration desk prior to 10:00 a.m., Thursday, December 1.
- The ballots will be counted by the appointed tellers and the election results announced during the meeting of the General Session immediately preceding the luncheon program on Thursday, December 1.

REMINDERS:

- Each public member agency is entitled to one vote and must pre-identify its voting delegate.
- Anyone nominated from the floor must have a resolution of support from the ACWA member agency on whose board the nominee serves, and it must be signed by an authorized signatory of that board. (If the resolution is not on file at the ACWA office prior to the conference, one must be presented upon nomination at the General Session.)

ACWA Public Agency Members
General Managers and Board Members
October 17, 2005
Page Two

VOTING DELEGATES:

In order to expedite the sign-in process of the voting delegates from each agency, we would like to get those names prior to the meeting. Each member agency wishing to vote must designate one individual to cast the vote on behalf of the agency. **Please have the enclosed form signed by the individual who will be attending the General Session(s) and voting on behalf of your agency and return it by fax to this office at your earliest convenience.** If there is a last minute change of delegate, please let us know before the meeting date by calling Jan Jennings, at 916-441-4545. She will see that you receive a new form. If necessary, completed forms can be hand-carried to the conference. However, in order to vote, this form must be on file with ACWA prior to the Wednesday, November 30, General Session.

If you have any questions regarding the information outlined above, please feel free to call Jan Jennings or Kelly Smith at (916) 441-4545 for clarification.

SKH:jj

Enclosures
cc: ACWA Board of Directors

F A X

**ASSOCIATION OF CALIFORNIA WATER AGENCIES
PROXY FORM
ACWA GENERAL SESSION
WEDNESDAY, NOVEMBER 30, 2005
AND, IF NECESSARY, THURSDAY, DECEMBER 1, 2005**

TO: JAN JENNINGS

FAX NUMBER: 916-554-2330

THE PERSON DESIGNATED BELOW WILL BE ATTENDING THE ACWA
GENERAL SESSION ON WEDNESDAY, NOVEMBER 30, 2005, AND, IF
NECESSARY, ON THURSDAY, DECEMBER 1, 2005, AS OUR VOTING
DELEGATE:

SIGNATURE OF DELEGATE: _____

PRINTED NAME OF DELEGATE: _____

AGENCY: _____

TELEPHONE NUMBER: _____

FAX NUMBER: _____

E-MAIL ADDRESS: _____

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CHINO BASIN WATERMASTER

II. REPORTS/UPDATES

C. INLAND EMPIRE UTILITIES AGENCY WATER MANAGERS REPORT

2. Monthly Water Conservation Programs Report
3. Community Outreach/Public Relations Report



DRAFT

**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE
November 17, 2005**

AGENDA

INTER-AGENCY WATER MANAGERS' REP ORT

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

20 – 30 Minutes

Discussion Items:

- MWD Status Report – Richard Atwater

Written Updates:

- Monthly Water Conservation Programs Report
- Community Outreach/Public Relations Report

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Regional Conservation Programs

Monthly Report-November

Highlights

- **Urban Water Management Plan**- An updated draft 2005 UWMP has been released for review by the general public and is available on the IEUA website at www.ieua.org. Comments from the public are welcome, but must be received by November 15. The Draft UWMP was submitted to the IEUA Board of Directors on October 19th and is in a public review period. A public hearing will be held at the IEUA Board of Directors meeting on November 16th, at which time the UWMP will be formally adopted by the Board.
- **Urban Water Management Plans for Water Facilities Authority (WFA) & Chino Desalter Authority (CDA)** - A draft UWMP for WFA is available and is expected to be adopted on November 17, 2005. A draft for CDA is available on IEUA's web-site and is expected to be adopted on December 8, 2005.

MWD Activities

- **MWD Incentive Rate**- MWD is reviewing its current conservation incentive rate of \$154 per acre-foot. There are two scenarios under consideration, one at \$195/acre-feet, and the second at \$247/acre-feet of water conserved with various proposed caps (50%, 75% or no cap). MWD will review the proposal in November and is expected to approve a revised rate in December.

Landscape Programs

- **Large Landscape Audit-05/06 "SmarTimer of Inland Empire" Weather-Based "ET" Irrigation Controller Rebate Program**- The draft application form for the irrigation controllers has been created and will be reviewed at the December Conservation Group meeting. The program will be initiated in January, 2006.
- **Pilot Landscape Audit Program (04/05)** - The final report was completed in November. Copies are available from IEUA. Contact Dave Hill.
- **Pilot Landscape Audit Program (05/06)** - An RFP for the 05/06 Audit Program will be completed by mid-November, which will contain suggestions from the 04/05 final report. The program will commence in January, 2006.
- **Ontario Cares**- City of Ontario will implement a pilot project to integrate "California Friendly" into the city's program to improve existing neighborhoods. The next meeting is set for November 8th where designs and marketing materials will be reviewed with Ontario Cares inspection staff and with the landscaping contractors.
- **Residential Landscape Classes**- MWD has extended its support of the "PDA" residential landscape classes through FY 2005-06. IEUA hosted a regional residential PDA class on October 15th at the agency's facilities with 32 residents attending, and Monte Vista Water District held a PDA class on October 22nd with 24 attendees. The next PDA classes are scheduled for winter and spring 2006.

Commercial/Industrial/Institutional Program

- **(CII SAVE-A-BUCK)**- At the November Conservation Partnership meeting, the group requested that the \$27,000 budgeted for this program be used to develop marketing strategies for the CII rebates. IEUA staff will attend a November 16th & 17th training session hosted by CUWCC on how to improve marketing of these rebates.
- **Conductivity Controller Cooling Tower**- This is program being implemented by Honeywell/DMC through MWD. To date 15 conductivity controllers have been installed in our service area since the program began in FY00/01.
- **Restaurant Spray Heads**- This program being implemented by Honeywell/DMC through MWD. To date 2 spray nozzles have been installed in our service area since the program began in FY00/01.
- **Commercial High Efficiency Clothes Washers**- 10 clothes high efficiency clothes washers were rebated for Philical Coin Laundromat in Upland in September. No washers were rebated in October. To date 290 high efficiency clothes washers have been installed in our service area since the program began in FY00/01.

Residential Rebates

- **ULF Toilet Exchange Programs**- Three ULF toilet exchanges took place within the months of September and October; two for the City of Upland and one for the City of Ontario with a total of 1,400 toilets exchanged. The next toilet events are scheduled for spring of 2006.
- **Multi-Family ULF Toilet Program**- Under the current Multi-Family Direct Install program, Water Wise expects to achieve the FY 2005-06 goal by installing 3,000 by the first week of November. Approximately 2,958 ULF toilets have been installed through the end of October. After this program is completed, the new Multi-Family ULF Toilet Program will be funded by a DWR \$1.6 million grant. The DWR grant will provide funding for the installation of 22,000 toilets over the next three years. Contract documents are being processed and the project will begin in January, 2006.
- **High Efficiency Clothes Washer Rebate**- Approximately 95 rebates were issued during October, bringing the total for the current fiscal year to about 385 rebates. This brings the total number of rebates to approximately 5,454 since the rebate program began in 2002.

School Education Programs

- **Garden in Every School**- The program application deadline was October 7th, and there are thirteen school candidates. Site evaluations were completed in the in the last week of October. The seven schools selected to participate in the program will be announced in December.
- **National Theatre for Children**- The fall school schedule has been set and is attached to this report. NTC is currently working on the spring schedule.
- **Groundwater Model**- Chino Hills' staff and IEUA staff are now in the process of learning how to operate to the Model, and will set up meetings in December with interested agencies to see the model demonstrated.
- **Solar Cup (2006)** - MWD announced the schedule for the Solar Cup 2006 event. The event will occur May 19th through May 21st, 2006. IEUA (as the member agency) will be represented by three schools: Chino Hills High School and Ayala High School in Chino Hills, and Upland High School. Boat building dates are scheduled for December 3rd & 10th.

Outreach

- **Conservation Ads (monthly and special)** - Conservation tips are printed in the Daily Bulletin monthly (on Sundays at the end of each month). The theme for the October ad was for sprinkler adjustments to coincide with the change in seasons.
- **Water Education Water Awareness Committee (WEWAC)** - Project WET workshop was held on October 26th at the Central Park Rancho Cucamonga Community Center. The workshop included hands-on, teacher-friendly water education classroom materials that meet state curriculum standards. 23 teachers attended (from elementary schools to high schools). The application deadline for the Edugrant program is November 18th. Applications will be reviewed on December 6th.
- **BMP Support Grants**- In October, San Antonio Water District submitted a letter of request for the \$2,000 BMP Support Grant that is budgeted for 05/06, which will be used to purchase residential water conservation kits.

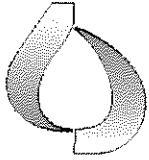
Upcoming Events

- **California Urban Water Conservation Council (CUWCC)** - The next Steering Committee will be held in Sacramento on **November 9**, and the next Plenary Session will be held on **December 7** at the Santa Clara Valley Water District in San Jose. Members of the CUWCC have an open invitation to attend and participate in any of the CUWCC committee and plenary meeting.
- **California Water Policy Conference 15**- The 15th annual California Water Policy Conference will be held at the Hollywood Renaissance Hotel on **November 17th and 18th**. Registration forms for the conference, subtitled "California Water Policy – Escaping the Constraints" can be found at www.cawaterpolicy.org. The deadline is November 1st.

CALENDAR

November 5, 2005	Upland ULF Toilet Return Day (City of Upland/IEUA)
November 8 th & 9 th	Water Efficiency Workshop (RWA-McClellan)
November 9, 2005	Steering Committee (CA Urban Water Conservation Council-Sacramento)
November 16 th & 17 th	Water Efficiency Workshop (RWA-Sacramento)
November 17 th & 18 th	California Water Policy Conference (Los Angeles)
December 2 nd & 3 rd	Ground Water Institute for Teachers (Western MWD)
December 7, 2005	Plenary Session (CA Urban Water Conservation Council -Santa Clara)
February 4, 2006	PDA "Water Wise" Gardening MiniClass (Cucamonga Valley Water District)
February 11, 2006	Regional PDA "Water Wise" Gardening MiniClass (IEUA)
March 4, 2006	Landscape Design Basics PDA Class (4)(City of Upland)
March 11, 2006	PDA "Water Wise" Gardening MiniClass (Monte Vista Water District)
March 11, 2006	California Friendly & Native Plants PDA Class (4)(City of Upland)
March 18, 2006	Landscape Sprinkler Systems PDA Class (4)(City of Upland)
March 25, 2006	Soils, Watering, & Fertilizers PDA Class (4) (City of Upland)
April 28 th -30 th , 2006	Lemon Festival (City of Upland)
May 13, 2006	Water Awareness Day (Cucamonga Valley Water District)
May 19 th -21 st , 2006	Solar Cup

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Date: November 16, 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

- October 20, 2005, delegation of Mexican officials toured HQ, RP-5 Renewable Energy Facility and Chino Basin 1 Desalter

Calendar of Upcoming Events

- November 3, 2005, Workshop with GIS and Green Info Network on mapping, Event Room
- November 4, 2005, Rethinking Water Policy (Bob Wilkinson), Board Room
- November 9 and 10, 2005, SARBS meeting, Event Room
- November 10, 2005, SCAP meeting, Board Room

OUTREACH/EDUCATIONAL INLAND VALLEY DAILY BULLETIN NEWSPAPER CAMPAIGN

- November – Six-page Empire ad
- December – One-page Health Beat Magazine

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

The National Theatre for Children – Fall Performance Schedule

<u>DAY</u>	<u>TIME(S)</u>	<u>SCHOOL</u>	<u>LOCATION</u>	<u>WATER COMPANY</u>
11/1/05	8:30, 9:00, 9:30a.m.	Levi Dicky Elementary	Ontario	City of Ontario
11/1/05	1:15, 2:00p.m.	Oak Park Elementary	Fontana	Fontana Water Company
11/2/05	9:00, 10:10a.m.	Country Springs Elementary	Chino Hills	City of Chino Hills
11/2/05	1:15, 1:55, 2:30p.m.	South Tamarind Elementary	Fontana	Fontana Water Company
11/7/05	8:15a.m.	Cabrillo Elementary	Upland	City of Upland
11/7/05	10:00a.m.	Ruth Musser Middle School	Rancho Cucamonga	Cucamonga Valley Water District
11/7/05	1:00, 1:40p.m.	Jasper Elementary	Alta Loma	Cucamonga Valley Water District
11/8/05	1:00, 1:35p.m.	Sacred Heart School	Rancho Cucamonga	Cucamonga Valley Water District
11/9/05	8:30a.m.	Oak Ridge Elementary	Chino Hills	City of Chino Hills
11/10/05	9:15, 9:45a.m.	Magnolia Elementary	Upland	City of Upland
11/10/05	1:10, 1:35a.m.	Valle Vista Elementary	Rancho Cucamonga	Cucamonga Valley Water District
11/14/05	1:00, 1:40p.m.	Central Elementary	Rancho Cucamonga	Cucamonga Valley Water District
11/15/05	2:00, 2:35a.m.	Virginia Primrose Elementary	Fontana	Fontana Water Company
11/17/05	1:00, 1:30p.m.	Alta Loma Elementary	Alta Loma	Cucamonga Valley Water District
11/18/05	8:30, 9:00, 10:00a.m.	Citrus Elementary	Fontana	Fontana Water Company
11/18/05	2:00, 2:30p.m.	Live Oak Elementary	Fontana	Fontana Water Company



CHINO BASIN WATERMASTER

V. INFORMATION

A. Newspaper Articles



Article Last Updated: 10/20/2005 09:33 PM

Industry leader leaves dairy board

Joe Florkowski, Staff Writer
San Bernardino County Sun

CHINO - The longtime leader of an influential Inland Empire dairy organization has left his post at a time when many of the area's dairies are also leaving town.

Bob Feenstra, executive director of Chino-based Milk Producers Council, resigned last week, stepping down after nearly 38 years.

The migration of many of the area's dairies to such areas as the Central Valley is partly responsible for Feenstra's departure, he said.

"The landscape in the Chino basin has changed dramatically," Feenstra said Thursday. "We're losing a couple of dairies per month."

The Orange County resident said he has seen dairies move three times in his life, including this most recent migration to the north.

And while Feenstra before had moved with the dairies, this time he plans to remain in Southern California and continue to work in the agriculture industry, from a new Ontario office, on issues such as air emissions and converting animal waste into energy.

Working on such projects is nothing new for Feenstra. With local, federal and state officials, Feenstra succeeded in bringing millions of dollars to the area for such projects as better flood protection for dairies, a cow manure-to-energy facility, and a desalting plant.

Feenstra is known in the Inland Empire and across the state as a charismatic, larger-than-life leader in dairy issues.

"He's a bulldog," said Sybrand Vander Dussen, chairman of the Milk Producers Council board of directors. "He has tenacity. He has passion. Those are three qualities that are missing from our leaders today."

The waste-to-energy facility and a composting operation in Chino are among the projects Feenstra will leave as his legacy, Vander Dussen said.

Feenstra's defense of dairies also brought him into conflict with state agencies and environmental groups that sought to regulate the industry.

While he worked tirelessly to defend his members, Feenstra also ensured that his dairies complied with state regulations, said Bob Holub, division chief for the Santa Ana Regional Water Quality Control Board.

In 1972, the state began regulating dairies, and in those years the Milk Producers Council had a more adversarial relationship with Sacramento, said Holub, who has known Feenstra since 1975.

In the past 10 years, both the regional board and Milk Producers Council have worked closely together, with Feenstra as a significant player, Holub said.

"He was very instrumental in moving the Chino Desalter forward," he said.

Feenstra is an enthusiastic optimist with numerous political contacts, said Richard Atwater, general manager with the Inland Empire Utilities Agency, which worked with the Milk Producers Council on projects such as the waste-to-energy facility.

"He's been active in legislation for 30 years," Atwater said.

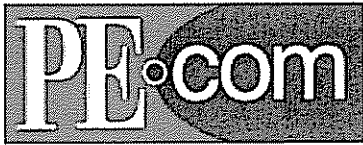
Feenstra's Milk Producers Council office in Chino is littered with photos of legislators he has worked with over the years, including then-Assemblyman Gray Davis.

Feenstra said he and Davis worked to put missing children's faces on milk cartons in the 1980s one of the accomplishments Feenstra said he is most proud of with the Council.

But despite nearing retirement age, Feenstra said he will continue working.

Besides agriculture industry efforts, Feenstra will also remain with American Dairy Parts, a business that works to build more waste-efficient dairies.

"I don't know how to rest," Feenstra said. "I think I have a lot to give to the industry."



Plan calls for supersizing reservoir

Need to upgrade dam may grow into big project

12:10 AM PDT on Wednesday, October 19, 2005

By JENNIFER BOWLES / The Press-Enterprise

Officials at Southern California's largest urban water supplier want to know if they can supersize Lake Perris when its dam undergoes seismic retrofitting by lowering the lakebed to hold nearly eight times more water.

The bold idea circulating at the Metropolitan Water District, still in its early stages, would require state approval and is years away at best.

But MWD Chairman Wes Bannister, who is among those championing the idea, said a larger, deeper lake would considerably boost the water reliability for a growing region by holding a ready reserve in case of drought or disaster.

The state would consider such a request by Metropolitan, which serves 18 million residents, said Lester Snow, director of the California Department of Water Resources, which owns the lake and its dam.

"If they are interested in it, we will certainly entertain discussion on that," Snow said in an interview. "I think it's possible but not without its difficulty."

If the project goes ahead, it could put a temporary halt to water recreation at the Inland region's most popular lake because it would likely require a complete draining of the lake to dig a deeper bottom.

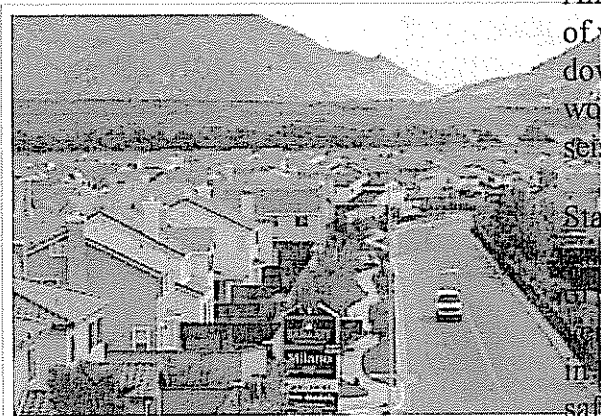
BY THE NUMBERS

Gallons of water held by Lake Perris, under normal conditions:

42 billion

Gallons that would be held in the expanded lake:

326 billion



And the larger lake, with as much as 326 billion gallons of water, would pose that much more of a flood threat downstream toward Lake Elsinore. However, the water would be held back by a stronger dam built to modern seismic standards, proponents say.

State engineers announced this summer that the lake's main dam could slump in a major earthquake because of weakness in its foundation. That finding recently was verified by an independent panel of experts. Metropolitan, in the meantime, has been drawing down the lake to a safe level.

Snow said his department soon will begin the long process of assessing repair options for the dam.

Silvia Flores / The Press-Enterprise

The Villages of Avalon development in Perris is southwest of the Lake Perris dam in the background. Boosting the capacity of Lake Perris would increase the flood threat to communities beneath the dam, although the new structure would be built to current seismic standards.

Bannister said his idea is to increase the lake's volume by lowering the lakebed and removing the island, where boaters picnic and hang out. On top of that, Bannister said, Metropolitan would finance the construction of an entirely new dam for an estimated \$2 billion, the same price tag for Diamond Valley Lake, the agency's reservoir near Hemet.

How It Began

The supersizing idea began at Metropolitan with a memo by Bannister nearly three months ago but recently has

gathered steam.

Some Metropolitan board members said they would support seeking state permission although the board has yet to schedule a vote on the issue.

Because Metropolitan is the only water supplier that draws from the lake, the agency may end up paying for costly repairs at the dam one way or another, said Dennis Underwood, the agency's chief executive officer.

"So consequently, if we're going to pay for it, we want to see if we can maximize the benefits. ... We'd be remiss if we didn't," Underwood said, noting that shoring up supplies would help in the event of a catastrophe along the lines of Hurricane Katrina.

Underwood said if such a project is found to be feasible, safe and cost-effective, "then we should pursue it."

Lake Perris, under normal conditions, is about 110 feet deep, holds 42 billion gallons and stores drinking water transported by aqueducts and pipelines from Northern California.

The water then is piped into the regional supply lines for Southern California.

A much larger lake would create a potentially larger inundation area, said Phil McCormick, a Riverside County emergency services coordinator. However, he said, if a new dam is built to modern seismic standards it could play a larger role in preventing any flooding from occurring in the first place.

"If it's built similarly to Diamond Valley Lake, down to bedrock, from that perspective I would say it's a very positive move," McCormick said.

Recreationists might worry that Metropolitan, known for limiting recreation and body contact at its other reservoirs, Lake Skinner east of Temecula and Diamond Valley Lake, would impose the same restrictions at a new and improved Lake Perris.

"I'd have a concern about that, but I think they'd recognize the need for the recreational facility there. ... I just can't see them taking that away from the community," said Steven Soliz, 53, of San Bernardino.

His family often goes to the lake to wakeboard, a sport not allowed at the other reservoirs.

Bannister said he didn't think changes to recreation would be necessary.

He said gasoline free of MTBE, a suspected cancer-causing agent, already is required and has led to a significantly cleaner lake.

Ron Krueper, superintendent of Lake Perris State Recreation Area, said the state is committed to maintaining recreation. More than 1 million people swim, boat, fish and water ski on the lake each year.

"It's all speculation right now," he said.

Timing Right?

Bannister, the Metropolitan chairman, wrote in his July 26 memo to fellow directors that timing could be on the agency's side.

In his memo, he said he was informed that Lake Perris originally was designed to hold at least 1 million acre-feet, seven times its normal capacity and larger than Diamond Valley Lake. But he said he was told the lake was significantly reduced in size due to funding.

"If that is true and the ability to build it to that capacity still exists, it could be our second DVL," Bannister wrote.

"It would appear the timing is right if the will is there."

Diamond Valley Lake was built six years ago to hold a six-month backup supply for the region, Bannister said. Now, with the region's growth, it accounts for only a four-month supply, he said.

Similar Proposal

Increasing volume in an existing reservoir is not unheard of. It often is cheaper and quicker than building a new one.

The U.S. Bureau of Reclamation is determining if it's feasible to raise Shasta Dam in Northern California by 16 feet or more, so the reservoir could serve an additional 600,000 families each year.

Building a taller dam at Lake Perris could potentially flood out existing lakefront structures such as the supply store. So the idea is focusing more on carving out a deeper lake, said Metropolitan board member John "Terry" Mylne, of Riverside.

"There's a lot of controversy on how that would be done, but we would really like them (the state) to consider it," Mylne said.

Metropolitan board member Randy Record, who represents Perris-based Eastern Municipal Water District, said increasing the lake's volume is an enticing idea but engineers would have to determine if its feasible.

"I appreciate people thinking out of the box and let's shoot for the moon," he said.

"At a minimum I want it to be what it was, and if you can squeeze a little more storage, then fine."

Reach Jennifer Bowles at 951-368-9548 or jbowles@pe.com

Online at: http://www.pe.com/localnews/inland/stories/PE_News_Local_D_supersize19.1350141c.html

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Bacteria may be an answer to water contamination

By Nikki Cobb
Staff Writer

Mention bacteria, and most people think of disease and decay. But the single-celled, microscopic "bugs" might be the key to providing affordable, safe water to thousands of Inland Empire residents.

Bioremediation — using bacteria to clean groundwater — has been used for years in Europe to treat nitrate-tainted water. But it's gaining ground in California to remove perchlorate from water supplies.

"Perchlorate is showing up everywhere," said Peter Hall, a consultant to Riverside-based Center for Environmental Microbiology. "The problem with perchlorate is pretty much universal, and we're in a hot spot."

Perchlorate, an ingredient in rocket fuel, fireworks and munitions, has been seeping toward area underground water supplies since World War II. It is thought to cause thyroid malfunction, particularly in infants.

The center is testing the technology at one of West Valley Water District's Rialto wells. If it's successful and cost-effective, other water providers say they'll consider it, too.

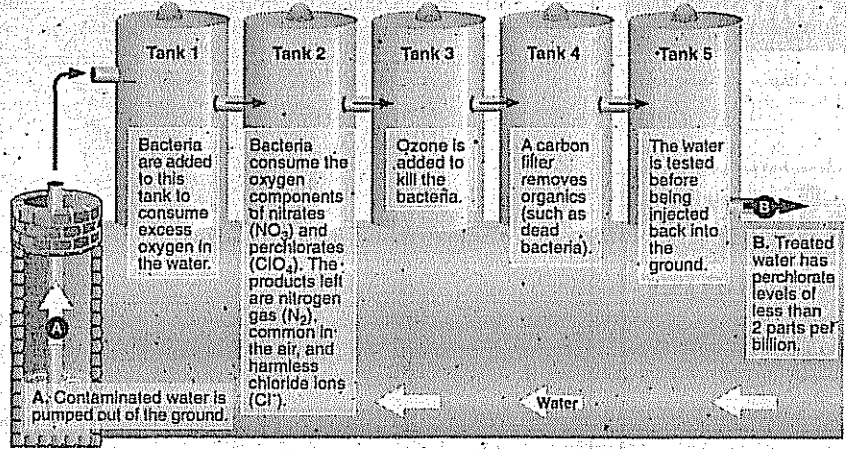
Wells in Rialto, Fontana, Colton and some county areas are treated for perchlorate using a traditional ion exchange system. Perchlorate is collected on resin filters, which have to be changed once filled to capacity.

Bioremediation uses bacteria — but not a disease-causing kind — to consume the oxygen component of perchlorate molecules. That turns the molecules into harmless chloride — like in table salt.

Then ozone kills the bacteria, and a charcoal filter removes the dead bacteria.

Perchlorate removal

Bioremediation — removing perchlorate from groundwater using bacteria — is being tested at a West Valley Water District well in Rialto.



Source: Center for Environmental Microbiology

CHRIS MARICH • STAFF GRAPHIC

"Because this is so simple it can be a very cost-effective way to remove nitrate and perchlorate," Hall said.

Hall also said a bioremediation system costs about 25 percent more to install on a well than does ion exchange. That's about \$1.25 million, compared with about \$1 million for traditional methods.

But bioremediation has much lower operating and maintenance costs, Hall said. It costs anywhere from one-half to one-tenth as much as does ion exchange, where resin replacement costs between \$350,000 and \$500,000 per year.

Hall said another advantage of bioreme-

diation is that there's no toxic by-product.

Because the perchlorate is actually broken down into its harmless components, there's no harmful residue. That's unlike ion exchange procedures, where the perchlorate-filled resin has to be disposed of when it's used up.

"That's the beauty of the biosystem. We really take and destroy the contaminant," Hall said. "You're not displacing the problem. You're treating it, correcting it and there's no waste."

Hall said the biggest obstacle bioremediation faces is public reluctance to drink water treated by bacteria — even though the

bacteria are harmless, and the dead ones are removed by the charcoal.

"The big problem with California Department of Health Services is they believe people are going to be concerned about using bacteria to clean their water," he said. "It's not a technical concern, it's a perception."

Anthony Araiza is general manager of West Valley Water District, serving about 60,000 people in Rialto, Fontana, Colton and the county.

Araiza said he's interested in using water cleaned by bioremediation for industrial purposes — for making concrete, or at the nearby tile plant.

The other alternative is to pipe the processed water to West Valley's treatment plant, about a mile away. Once treated there, the water could be put directly into the drinking water supply, Araiza said.

"We're taking a hard look at it, as something that will clean water with high (perchlorate) levels," Araiza said. "Resin-based is very expensive, driving up the cost to the point of being prohibitive."

Of Fontana Water Company's 37 wells, two are being treated with ion exchange and five are out of service because of perchlorate contamination.

Chris Biggs, assistant general manager for Fontana Water Co., said he couldn't confirm that bioremediation is among the several methods the company is testing, because the contractor insists on confidentiality. But it is an option, he said.

"We are open to anything and everything to come up with the most efficient, cost-effective way of providing safe water to our customers," Biggs said.

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10/14/05 The Sun

SoCal water delivery review may occur

By Juliana Barbassa
The Associated Press

SAN FRANCISCO — The agency overseeing the state's largest source of fresh water may have to review its water distribution plan after an appellate court ruled that it failed to consider cutting water deliveries to Southern California.

The California Bay-Delta Authority, known as CalFed, was created five years ago to protect the health of the Sacramento-San Joaquin river delta while ensuring that Californians who depend on its water for irrigation and home use have their needs met.

But the Sacramento judges who wrote the 3rd District Court of Appeals decision last week said that the environmental document the

agency relied on to set its current course was too narrow in scope. It did not examine the possibility of pumping less water out of the delta to growing subdivisions and thirsty farmland to the south, the judges wrote.

The state's population is projected to grow from about 37 million today to 49 million by 2020, with half that increase in Southern California. CalFed assumed it had a duty to meet that need and didn't consider the alternative, the opinion said.

"If there is not water to support the growth, will it occur as projected?" the ruling said. "As the state reaches the limit of available water and must seek other sources such as desalination, water will become more expensive to obtain and Cali-

fornia's appeal will lessen."

Randy Van Gelder, assistant general manager for the San Bernardino Valley Municipal Water District, said the decision would have little impact locally — for now.

"Obviously, in the long run as the area develops, we expect to use all of the water allocation, and more so eventually," Van Gelder said.

Currently, the district can receive up to 102,600 acre-feet of water per year from the State Water Project.

The district uses about 25 percent of the allocation, and sells about 20 percent more to Metropolitan Water District. The remaining water remains in the State Water Project system.

Sun staff writer George Watson contributed to this report.

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Daily Bulletin 10/19/05

BRIEFLY

NEWS FROM AROUND
THE INLAND VALLEY

Southland stands to benefit from water bill

WASHINGTON — Congress opened up a \$153.9 million spigot for Southern California on Tuesday, unanimously approving legislation to improve water quality in the Santa Ana River and increase the supply for San Bernardino, Riverside and Orange counties.

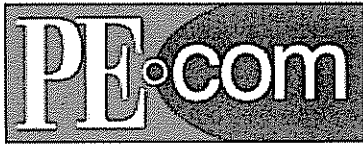
The bill, sponsored by Rep. Gary Miller, R-Brea, is expected to boost the region's water supply by 65.2 billion gallons per year.

About \$51.8 million will support a water reclamation project in Orange County, while \$50 million will be authorized to perform more groundwater desalination in the Chino Basin, increasing the water supply sixfold for Norco, Chino, Chino Hills and Ontario.

Last year, the House passed a similar version of the bill but the Senate took no action on it.

— Lisa Friedman, (202) 662-8731

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Bill aids Inland water cleanup

FUNDS: The Senate plan provides \$13 million to help remove perchlorate contamination.

12:20 AM PDT on Saturday, October 1, 2005

By CLAIRE VITUCCI / Washington Bureau

WASHINGTON - California's senators have included \$13 million in the Pentagon spending bill to help remove perchlorate from contaminated wells in the Inland area.

The money would be equally divided among the cities of Rialto and Colton, the West Valley Water District and the Fontana Water Co. The funds would pay to help develop new technology to clean up contaminated drinking water in Rialto, Fontana and Colton.

The funding is part of the Fiscal Year 2006 Department of Defense spending bill, which still must pass the Senate. The bill could be voted on as early as late next week, said Scott Gerber, a spokesman for Sen. Dianne Feinstein.

The bill would still have to be reconciled with the House version, and the resulting product would have to be signed by President Bush.

In a statement, Feinstein said much more money is needed.

"Nevertheless, it will help the Inland Empire begin to clean up tainted groundwater and drinking water sources," the statement said.

Both Feinstein and Sen. Barbara Boxer have said they intend to hold the Department of Defense accountable for the contamination and to push them to pay for cleanup efforts.

A Government Accountability Office report in June said Defense Department activities are a leading cause of perchlorate contamination.

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.

In sufficient amounts, scientists say, the chemical interferes with thyroid functions.

The costs of removing perchlorate run between \$300,000 and \$400,000 per well annually. The West Valley Water District, which serves about half of Rialto and portions of Fontana and Colton, has put two of its wells back into service.

Perchlorate cleanup

California Sens. Barbara Boxer and Dianne Feinstein have secured \$13 million to treat contaminated wells.

Money would be split between West Valley Water District, Fontana Water Co., and cities of Rialto and Colton.

Funding is part of the Fiscal Year 2006 Pentagon spending bill, which still must pass the Senate.

But much more work must be done to clean up the contaminated wells, said Anthony "Butch" Araiza, general manager of the district. And district officials believe that a former defense site is still leaching perchlorate.

Michael Whitehead, president of the San Gabriel Valley Water Company -- which includes the Fontana Water Co. -- said the water purveyors together lobbied for the money and "the unity has paid off."

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

Last year's Pentagon spending bill included \$6.5 million for cleanup in the Inland area.

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

Online at: http://www.pe.com/breakingnews/local/stories/PE_News_Local_D_perch01.21a0ce5b.html



House passes water-quality bill

WASHINGTON: The legislation aims to improve the Santa Ana River and add sources.

12:11 AM PDT on Wednesday, October 19, 2005

By **CLAIRE VITUCCI / Washington Bureau**

WASHINGTON - Legislation that would authorize more than \$150 million to improve water quality in and around the Santa Ana River and help Inland communities develop new water sources passed the House Tuesday.

The comprehensive bill, which aims to help water agencies decrease their reliance on imported drinking water, directs money to fund water-recycling, desalination and reclamation projects in the Prado and Chino groundwater basins.

The bill, sponsored by Rep. Gary Miller, R-Brea, passed unanimously by voice vote.

"Because of dwindling supplies and increasing demands, Southern California communities continue to seek nontraditional methods to produce dependable water sources," Miller said on the House floor Tuesday.

The legislation directs the federal government to set aside \$50 million in grants to increase desalination in the Chino Basin, from 9,000 acre-feet per year to 40,000 acre-feet per year.

That would provide enough groundwater to serve an extra 100,000 people annually in the cities of Norco, Chino, Chino Hills and Ontario, said Rich Atwater, general manager of the Inland Empire Utilities Agency in Chino.

The project will help treat previously undrinkable groundwater contaminated with high nitrate levels caused by the dairy farms in the Chino area.

"When you look at the rapid growth in the Inland Empire, this is a key part of the new infrastructure we ought to be building," Atwater said.

The legislation also would direct \$40 million to relocate and construct a brine line to take treated wastes from desalters and pipe them to the Pacific Ocean.

It also would authorize \$20 million to develop wetlands along the Santa Ana River in the Prado Basin and designate \$51.8 million to continue the federal share of the Orange County Regional Water Reclamation Project.

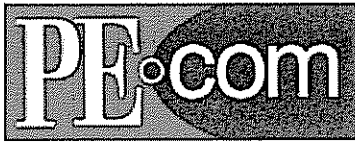
Miller is working with Sen. Dianne Feinstein, D-Calif., to craft similar legislation to pass the Senate, said Kevin McKee, a Miller spokesman.

The legislation authorizes money but the funding still must be doled out through the annual appropriations process.

If the legislation passes, and the money is allocated by Congress, it won't be available until fiscal year 2007, McKee said.

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Take 12 steps now to avert water crisis

10:34 PM PDT on Saturday, October 15, 2005

By STEVE HALL

Water is never far from the headlines in California, and for good reason. No other resource has a bigger impact on our economy, our quality of life and the health of our environment.

But with 48 million residents expected in California by 2030 and changes looming in our climate, there are serious water challenges ahead for Southern California and the state as a whole. Bold action is needed to address those challenges now, before they become a crisis.

The Association of California Water Agencies (ACWA) recently released a comprehensive plan to improve our statewide water infrastructure and address emerging risks to our water supply. The plan, titled "No Time to Waste: A Blueprint for California Water," lays out 12 recommendations to ensure that we have the water we'll need in coming decades.

Some of the most urgent involve the delta, a key source of water for Southern California and an important ecosystem.

Recent studies suggest the delta is increasingly vulnerable to a major levee failure that could imperil that water system. According to some experts, there is a two-in-three chance of a flood or an earthquake causing a widespread levee failure in the delta in the next 50 years.

ACWA is calling on Gov. Schwarzenegger to appoint a high-level panel of independent experts to look at the delta in light of these emerging risks and recommend options to address them.

Beyond the delta, the ACWA plan calls for development of additional groundwater and surface water storage. It also calls on state and federal agencies to support and fund local efforts to expand recycled water use, implement best management practices, improve water quality, and pursue seawater and brackish groundwater desalination.

Indeed, tremendous progress has been made in recent years at the local and regional level. Inland Empire agencies, for example, are making great strides in developing and implementing new technologies to clean up groundwater and develop local surface and groundwater supplies. They are also developing integrated plans that encompass new water supplies and recycled water opportunities.

But these regional successes alone will not be enough to meet all of California's needs. Action is needed now to make the statewide investments required to equip our state for the future. Steve Hall is executive director of the Association of California Water Agencies.

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