

# CHINO BASIN WATERMASTER



## NOTICE OF MEETINGS

**Thursday, July 14, 2005**

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

*AT THE CHINO BASIN WATERMASTER OFFICES*

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

**Tuesday, July 19, 2005**

9:00 a.m. – Agricultural Pool Meeting

*AT THE INLAND EMPIRE UTILITIES AGENCY OFFICES*

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



# **CHINO BASIN WATERMASTER**

**July 14, 2005**

9:00 a.m. – Joint Appropriative and Non-Agricultural Pool Meeting

**July 19, 2005**

9:00 a.m. – Agricultural Pool Meeting

# **AGENDA PACKAGE**



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

9:00 a.m. – July 14, 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 Joint Appropriative and Non-Agricultural Pool Meeting held June 9, 2005  
(Page 1)

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of June 2005 (Page 13)
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2004 through May 31, 2005 (Page 17)
3. Treasurer's Report of Financial Affairs for the Period May 1, 2005 through May 31, 2005 (Page 19)
4. Profit & Loss Budget vs. Actual July 2004 through May 2005 (Page 21)

**C. WATER TRANSACTION**

1. Consider Approval for Transaction of Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from West Valley Water District water in storage in the amount of 1,000 acre-feet; Date of Application: May 27, 2005 (Page 23)
2. Consider Approval for Transaction of Notice of Sale or Transfer – The City of Ontario has agreed to purchase from the City of Chino a portion of Chino's water in storage in the amount of 5,350 acre-feet; Date of Application: May 27, 2005 (Page 37)
3. Consider Approval for Transaction of Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from Nicholson Trust water in storage in the amount of 5.458 acre-feet; Date of Application: July 5, 2005 (Page 51)

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

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

**II. BUSINESS ITEMS**

**A. DRY YEAR YIELD CONTRACT**

Consider Approval of a One Year Waiver of the 25,000 AF Put Cap For 2006 (Page 65)

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

- 1. Attorney-Manager
- 2. MZ1 Special Referee Report
- 3. Court Filings

**B. CEO/STAFF REPORT**

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

**IV. INFORMATION**

- 1. Newspaper Articles (Page 67)

**V. POOL MEMBER COMMENTS**

**VI. OTHER BUSINESS**

**VII. FUTURE MEETINGS**

July 14, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
July 14, 2005	10:00 a.m.	Attorney-Manager Meetings
July 18, 2005	1:00 p.m.	AGWA Meeting
July 19, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
July 28, 2005	9:00 a.m.	Advisory Committee Meeting
July 28, 2005	11:00 a.m.	Watermaster Board Meeting

**Meeting Adjourn**

**CHINO BASIN WATERMASTER  
AGRICULTURAL POOL MEETING**

**9:00 a.m. – July 19, 2005**

**At The Offices Of**

**Inland Empire Utilities Agency**

**6075 Kimball Ave., Bldg. A, Board Room**

**Chino, CA 91710**

**AGENDA**

**CALL TO ORDER**

**AGENDA - ADDITIONS/REORDER**

**I. CONSENT CALENDAR**

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

**A. MINUTES**

1. Minutes of the Agricultural Pool Meeting held June 21, 2005 *(Page 7)*

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of June 2005 *(Page 13)*
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3. Treasurer's Report of Financial Affairs for the Period May 1, 2005 through May 31, 2005 *(Page 19)*
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**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Attorney-Manager
2. MZ1 Special Referee Report
3. Court Filings

**B. CEO/STAFF REPORT**

1. Wet Basin Rehabilitation Program Update
2. Progress on College Heights Test
3. Basin Recharge Report
4. Report Updates
5. Agricultural Pool Water Fee/Tax Update

**IV. INFORMATION**

1. Newspaper Articles (*Page 67*)

**V. POOL MEMBER COMMENTS**

**VI. OTHER BUSINESS**

**VII. FUTURE MEETINGS**

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

**Meeting Adjourn**



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Joint Appropriative and Non-Agricultural Pool Meeting – June 9, 2005



*Draft Minutes*  
**CHINO BASIN WATERMASTER**  
**JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING**  
June 9, 2005

The Joint Appropriative and Non-Agricultural Pool Meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on June 9, 2005 at 9:00 a.m.

**APPROPRIATIVE POOL MEMBERS PRESENT**

Dave Crosley, Chair	City of Chino
Raul Garibay	City of Pomona
Gerald J. Black	Fontana Union Water Company
J. Arnold Rodriguez	Santa Ana River Water Company
Mike McGraw	Fontana Water Company
Bill Stafford	Marygold Mutual Water Company
Mike Maestas	City of Chino Hills
Robert Tock	Monte Vista Water District

**NON-AGRICULTURAL POOL MEMBERS PRESENT**

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

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

**Watermaster Consultants Present**

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

**Others Present**

Josephine Johnson	Monte Vista Water District
Paul Deutsch	GE/Geomatrix Consultants

Chair Crosley called the meeting to order at 9:12 a.m.

**AGENDA - ADDITIONS/REORDER**

There were no additions or reorders made to the agenda.

**I. CONSENT CALENDAR**

**A. MINUTES**

1. Minutes of the Joint Appropriative and Non-Agricultural Pool Meeting held May 12, 2005

**B. FINANCIAL REPORTS**

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



**C. WATER TRANSACTION**

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

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

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

**E. TWENTY-SEVENTH ANNUAL REPORT**

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

*Motion by Black, second by McGraw, and by unanimous vote – Non-Ag concurred  
Moved to approve Consent Calendar Items A through E, as presented*

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

Mr. Manning reminded the committee members about the College Heights discussion which took place several months ago deferring taking any action to use the College Heights Basins and pipe under Arrow Route and directly into the new Upland Basin. Staff has decided to use College Heights for some testing to get an idea at what point the water transfer into the Upland Basin and get some overall better information prior to making a final determination regarding the use of College Heights Basins. One of the ways the infrastructure can be used, which Watermaster designed and paid for, is to bring a pipe from the San Antonio channel and connect it into the storm drain channel which was installed by the City of Upland. The City of Upland has a 102" storm drain pipe that goes into the Upland Basin that drains all of the area to the north of Arrow Route into the Upland Basin. The Upland Basin is a large hole in the ground that percolates very well and every drop of water that is put into the basin will disperse in a very quick time; staff is anxious to use the Upland Basin. Staff was recently notified that water is being released out of the San Antonio Dam that Pomona Valley Protective Association (PVPA) does not want to take because they have raised the water levels in Claremont to a point where they are starting to show and day light. Our basins are taking in a lot of water that was not anticipated to receive and all of Montclair and Brooks are taking in water at this time; if we had Upland Basin available, water would be put in that basin as well. Right now the Upland Basin is not available to receive water which means staff can't dry out any of the Montclair Basins to perform any work on them, which was scheduled to have done. Staff anticipates that if this item is passed at the Watermaster Board meeting that the work should be able to be completed before the next rainy season. Watermaster staff has discussed this with the City of Upland and they are very amenable to what staff is proposing and have already installed an adapter for Watermaster to hook into with our pipe off the San Antonio channel. Staff is still looking at obtaining some easements from the Conservation District. A brief discussion ensued with regard to diverted water.

*Motion by McGraw, second by Garibay, and by unanimous vote – Non-Ag concurred  
Moved to authorize construction of the San Antonio Channel-Upland Basin  
interconnect, as presented*

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

Mr. Manning stated that Watermaster has been asked by Inland Empire Utilities Agency (IEUA) to support a Prop 50 grant application which is a joint application with IEUA, Three Valleys Municipal Water District, Foothill Municipal Water District and the Main San Gabriel Basin Watermaster for a cooperative Prop 50 planning grant for the purpose of creating the Integrated Water Regional Management Plan. The benefit to the Chino Basin will be that this would provide an emergency interconnect off the Azusa pipeline. The improvements that will be forthcoming are going to extend the Azusa pipeline to the Foothill districts. Watermaster is being asked to support their Prop 50 grant and staff feels this will be a great benefit. A question regarding the Integrated Management Plan was presented. A brief discussion ensued with regard to this plan and any negative impact it would have on the Chino Basin.

*Motion by Black, second by McGraw, and by unanimous vote – Non-Ag concurred*

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

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

Counsel Fife stated that there are several meetings scheduled throughout the day today. The general "group" meeting will not take place today in lieu of individual meetings; the regular meetings will resume later.

2. North Gualala Amicus

Counsel Fife commented that there is not a lot of new news on this item to report. It was thought by this time in June, there would be a briefing schedule released from the appellate court. The appellate court will assign a briefing schedule, first round of briefs will take place, and then they will have thirty days to respond. It is only at that point that Watermaster can file an amicus brief. As of today, we are still waiting for the briefing schedule to be released.

3. Legislation Update

Counsel Fife stated there are a few bills that staff and counsel have been watching closely that are relevant to Watermaster. The big one that counsel has had a concern about is the bill creating the water courts (AB 1453); which looks like it is stalled in committee. It has not been revised since the last time it was discussed with this committee. SB 820 passed the Senate last week and it is now onto the Assembly. This bill has gone through some minor revisions; however, in general it is remaining intact through the process. The other bills SB 773 and AB 371 (these are the recharge bills); one concerns making it easier to recharge drinking water and the other one concerns recharge of recycled water. SB 773 is the drinking water bill which appears stalled. AB 371 also passed out of the Assembly last week and will go onto the Senate; this one has been revised significantly. In looking over some of the revisions briefly it appears they are contemplating putting statewide charges on the recharge/recycled water in order to create a recycled water fund at DWR. This could be of concern to the Chino Basin and will need to be watched closely.

**B. CEO/STAFF REPORT**1. Assessment Package Workshop

Mr. Manning noted that the Assessment Package Workshop is scheduled for June 15, 2005 at 9:00 a.m. Watermaster is developing a computerized program that links both our budget and our assessment process with water activity. In an effort to complete that task Ms. Rojo has taken all the information from the last assessment package and plugged those numbers into the new program. The workshop will be to review last years' numbers in the new format and to receive comments and suggestions.

2. Recharge Activity Update

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

3. Ontario Clean Up & Abatement Orders

Mr. Manning noted that according to the budget which was approved last month some funds were included in that budget to assist the Regional Board in the issuance of the Ontario clean up and abatement orders. Staff has communicated that Watermaster is in full support with the Regional Board on that endeavor; within the next six weeks, the clean up and abatement orders will be issued to the six PRP's in the Ontario Airport area. That will then trigger a date that staff can meet with the responsible parties in order to present to them what we think are their options as far as clean up is concerned. After that presentation is made there will a period of time that they will then analyze what was given to them and come up with their own questions; this is where some time and money working with Wildermuth Environmental to evaluate their questions and options will come into the picture. Staff is hopeful that within the next couple weeks that process will begin which will lead to an eventual funding of a project that will assist Watermaster in the basin with some of the capital improvements.

4. Cooperative Meetings with County Flood Control

Mr. Manning stated that this item was placed on the agenda to make sure that all parties are on the same page as far as the cooperative efforts between Flood Control and Watermaster. Flood Control is working with IEUA and other parties to try and maximize our conservation efforts here in this basin. Flood Control and Watermaster are doing a number of projects and planning together. The GRCC meetings which are held at Watermaster and attended by Flood Control every two weeks are also attended by other member agencies who are working on conservation efforts. Another quarterly meeting has been set up which brings together the policy makers at the County Flood Control, which is widely attended by decision makers from other water agencies. These meetings will be held to discuss planning. The GRCC committee is specifically designed to talk about projects that are in the works and some of the things that are already past the planning process. What staff would like to do is to start interjecting our conservation needs prior to the planning process so that we can get some assistance. By being involved in these meetings it is felt that Watermaster can help expedite some of the improvements that are thought to be essential in the Chino Basin in order to maximize the conservation of rain water.

Mr. Manning stated that SAWPA has initiated a rain water recovery meeting because SAWPA realizes that what dynamics the Chino Basin is facing is happening all over the county of San Bernardino and would like to have the same progress that Watermaster is pursuing. SAWPA has asked Watermaster to participate with them and the County in a rain water meeting which would start an interaction between all the agencies in San Bernardino and Riverside County on an integrated rain water recovery program. The first meeting is scheduled for June 20, 2005.

Mr. Manning stated that Watermaster is working very cooperatively with the Flood Control; they are being supportive and it is felt that the groups are moving at a good pace and jointly to accomplish goals.

**IV. INFORMATION**

1. Newspaper Articles

There were no comments received regarding this item.

**V. POOL MEMBER COMMENTS**

Mr. McGraw questioned item 3 of the clean up and abatement orders regarding the support through Wildermuth that Watermaster is providing to the Regional Board and if there is any possibility of recovery for dollars spent. Mr. Manning stated that it is Watermaster's intention to recovery such funds and that the Regional Board has agreed that is the first money that comes out of settlement funds, even before the Regional Board gets its money.

**VI. OTHER BUSINESS**

Counsel Fife introduced as a general announcement the new Hatch & Parent summer clerk, Monika Proctor who will be attending several of the meetings scheduled for this summer. The committee members welcomed Ms. Proctor.

**VII. FUTURE MEETINGS**

June 9, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
June 9, 2005	12:00 p.m.	Attorney/Manager Meeting
June 15, 2005	9:00 a.m.	Assessment Package Workshop
June 21, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
June 23, 2005	9:00 a.m.	Advisory Committee Meeting
June 23, 2005	11:00 a.m.	Watermaster Board Meeting

The Joint Appropriative & Non-Agricultural Pool Meeting Adjourned at 9:35 a.m.

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

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

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# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Agricultural Pool Meeting –  
June 23, 2005



*Draft Minutes*  
**CHINO BASIN WATERMASTER  
AGRICULTURAL POOL MEETING**  
June 21, 2005

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on June 21, 2005 at 9:00 a.m.

**Agricultural Pool Members Present**

Nathan deBoom, Chair	Milk Producers Council
Glen Durrington	Crops
John Huitsing	Dairy
Dan Hostetler	Cal Poly Pomona

**Watermaster Board Member Present**

Paul Hofer	Crops
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**Watermaster Staff Present**

Kenneth Manning	Chief Executive Officer
Janine Wilson	Secretary
Sherri Lynne Molino	Recording Secretary

**Watermaster Consultants Present**

Michael Fife	Hatch & Parent
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**Others Present**

Steve Lee	Reid & Hellyer
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Chair deBoom began reviewing the Agricultural Pool meeting agenda items at 9:12 a.m. Due to a lack of quorum the regularly scheduled Agricultural Pool Meeting was not called officially to order. It was decided that motions would be taken to give by proxy to Mr. John Huitsing to vote at the Advisory Committee meeting on June 23, 2005 on behalf of the Agricultural Pool Committee Members.

**AGENDA - ADDITIONS/REORDER**

There were no additions or reorders made to the agenda.

**I. CONSENT CALENDAR**

**A. MINUTES**

1. Minutes of the Agricultural Pool Meeting held May 17, 2005

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of May 2005
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**D. COST OF LIVING ADJUSTMENT (COLA)**

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

**E. TWENTY-SEVENTH ANNUAL REPORT**

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

Nathan deBoom, Glen Durrington, John Huitsing, and Dan Hostetter motioned to give by proxy to Mr. John Huitsing to vote at the Advisory Committee meeting on June 23, 2005 on behalf of the Agricultural Pool Committee Members

*Moved to forward the Consent Calendar Items A through E by proxy to be voted on at the Advisory Committee Meeting, as presented*

**II. BUSINESS ITEMS**

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

Mr. Manning reminded the committee members about the College Heights discussion which took place several months ago deferring taking any action to use the College Heights Basins and pipe under Arrow Route and directly into the new Upland Basin. Staff has decided to use College Heights for some testing to get an idea at what point the water transfer into the Upland Basin and get some overall better information prior to making a final determination regarding the use of College Heights Basins. One of the ways the infrastructure can be used, which Watermaster designed and paid for, is to bring a pipe from the San Antonio channel and connect it into the storm drain channel which was installed by the City of Upland. The City of Upland has a 102” storm drain pipe that goes into the Upland Basin that drains all of the area to the north of Arrow Route into the Upland Basin. The Upland Basin is a large hole in the ground that percolates very well and every drop of water that is put into the basin will disperse in a very quick time; staff is anxious to use the Upland Basin. Staff was recently notified that water is being released out of the San Antonio Dam that Pomona Valley Protective Association (PVPA) does not want to take because they have raised the water levels in Claremont to a point where they are starting to show and day light. Our basins are taking in a lot of water that was not anticipated to receive and all of Montclair and Brooks are taking in water at this time; if we had Upland Basin available, water would be put in that basin as well. Right now the Upland Basin is not available to receive water which means staff can’t dry out any of the Montclair Basins to perform any work on them, which was scheduled to have done. Staff anticipates that if this item is passed at the Watermaster Board meeting that the work should be able to be completed before the next rainy season. Watermaster staff has discussed this with the City of Upland and they are very amenable to what staff is proposing and have already installed an adapter for Watermaster to hook into with our pipe off the San Antonio channel. Staff is still looking at obtaining some easements from the Conservation District. A discussion ensued with regards to the Colonies.

Nathan deBoom, Glen Durrington, John Huitsing, and Dan Hostetter motioned to give by proxy to Mr. John Huitsing to vote at the Advisory Committee meeting on June 23, 2005 on behalf of the Agricultural Pool Committee Members

*Moved to forward the San Antonio Channel Upland Basin Interconnect item by proxy to be voted on at the Advisory Committee Meeting, as presented*

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

Mr. Manning stated this item is for support for an application; the San Gabriel Municipal Water District has been designated by Inland Empire Utilities Agency (IEUA), Three Valleys Municipal Water District (TVMWD), Foothill Municipal Water District, and the Main San Gabriel Basin Watermaster to coordinate a Prop 50 grant for an Integrated Regional Water Management



Plan. Most of the improvements along with this interconnect are going to benefit those districts including IEUA. The largest benefit to this basin is there is going to be an emergency interconnect off the Azusa Pipeline into the Chino Basin that will allow additional water on an emergency basis to come into the basin. IEUA has asked Watermaster for our support and TVMWD passed their resolution and support of this item last week. Watermaster staff is indicating by having this on our agenda and asking for encouragement, our support for their project and interconnect to the Chino Basin.

Nathan deBoom, Glen Durrington, John Huitsing, and Dan Hosteller motioned to give by proxy to Mr. John Huitsing to vote at the Advisory Committee meeting on June 23, 2005 on behalf of the Agricultural Pool Committee Members

***Moved to forward the resolution in support of Proposition 50 grant application item by proxy to be voted on at the Advisory Committee Meeting, as presented***

### III. REPORTS/UPDATES

#### A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

##### 1. Attorney-Manager

Counsel Fife stated that the Attorney-Manager process is moving forward. A few weeks ago a series of meetings, with smaller individual groups, took place in lieu of one large meeting. These smaller group meetings will continue for the next few weeks; it was found that these types of meetings are more valuable at this point in the discussions. Counsel is planning on meeting with the State who could not meet for the meetings last week. The one outcome of all the individual meetings is that everyone indicated a clear willingness and optimism about finishing this process by the end of the August time frame.

##### 2. North Gualala Amicus

Counsel Fife noted this item has been on the agenda for the past few months; this is the case in Sonoma County finding that groundwater pumping fell under the State Water Resources Control Board's jurisdiction. This was placed on the agenda this month because it was felt the parties in that case thought that a briefing schedule would have been released by May. That schedule has not been released yet and this case seems to be moving very slowly; counsel is anticipating they have an update next month.

##### 3. Legislation Update

Counsel Fife stated that there have been a few bills out that might have an impact on the Chino Basin; the large bill is AB 1453 which could create a series of water courts in California which would primarily handle groundwater adjudications. The bill has caused some concern due to where the courts will physically be set up. Under the current draft of the bill there is a good chance that the Chino Basin Watermaster adjudication court would end up in Orange County; however, the bill does appear to be stalled at this time due to a lack of support. SB 820 has also been of interest which is Sheila Kuehl's bill and then AB 371 which concerns recharge of recycled water; both of these bills have passed their respective houses. These are both very large bills with a lot in them and they are worth looking at due to their impact to the Chino Basin. AB 371 appears there might be some language developing in the bill concerning a tax on the recharging of recycled water in order to fund this program that is being created by the bill.

#### Added Comment:

Counsel Fife noted that a report has been received from the special referee concerning the MZ1 Workshop held last week. That report will be served on the parties this week by Watermaster staff. This item will be discussed in greater detail at the Advisory and Board meeting on June 23, 2005.

**B. CEO/STAFF REPORT****1. Assessment Package Workshop**

Mr. Manning stated that the Assessment Package Workshop was held June 15, 2005. In keeping with one of his goals and objectives that was set up for this year, which was to try and align the budget process which includes the assessment package and the water activity reporting into a more concise document. Ms. Rojo who was unable to attend today's meeting did an excellent job in taking on this challenging job. Ms. Rojo held the workshop and used the new format for the assessment package and water activity reporting by inputting last year's numbers into this year's reporting format for review. A number of the producers in the basin were asked to come in and evaluate that process with staff and provide feedback. The reaction at the workshop was overly positive in that the new format was easily readable and easy to follow the process from start to finish.

**2. Recharge Activity Update**

Mr. Manning noted that at the San Antonio Channel, staff has stopped taking water from Metropolitan Water District (MET) because of the opportunity to take water from the San Antonio channel from releases out of San Antonio dam; that water is coming in at about 30-35 cfs and all the water is free. In speaking with TVMWD and PVPA the incoming water will be coming in for a number of weeks or possibly months. Watermaster may try and use some of that free water to do the test on College Heights that was mentioned in an item earlier. This would again give Montclair an opportunity to drain down which would allow some physical work to be performed in that basin. Watermaster is also taking water between 15-20 cfs into San Sevaine I; Jim Theirl and staff went in with a crew and put up a sand bag structure around the outlet structure of San Sevaine I in order for us to accumulate water in that basin with the approval of the county. In meeting yesterday with staff at the Flood Control, with MET present, Watermaster staff has asked them to take a look at CB13 which is the connection that is used to get water into San Sevaine I to see if there is any way to increase the amount of flow to that basin. The idea would be if we can get them to increase water flows that eventually water could be put into San Sevaine I and San Sevaine 5 which would create a tremendous recharge opportunity on the east side of the basin.

**3. Ontario Clean Up & Abatement Orders**

Mr. Manning stated that at the last Watermaster Board meeting it was approved in the budget to include some money to support the Regional Board in costs for assistance regarding the Ontario clean up and abatement orders. Mr. Thibeault was notified to start releasing the clean up and abatement orders. Staff is looking at some time around the next two weeks on the release of those orders with a scheduled date to meet with the potential responsible parties (PRP) in late August. If that is the schedule, staff will be prepared at that time, using Wildermuth Environmental staff to present to them what is thought the preferred project would be and what their alternatives would be. It was noted that six orders are going to be going out.

**4. Cooperative Meetings with County Flood Control**

Mr. Manning stated that he feels this is an important item to relay and that there are a number of meetings going on right now with the Flood Control, building relationships between the county, CBWM, IEUA, and the Conservation District so that we can make sure we coordinate activities. There have been a couple situations with the county in their planning that went on two and three years ago, projects that are now starting to come about that are requiring having additional work added to them like the recent sand bag structure that Mr. Theirl and crew had to construct in the San Sevaine Basin. Staff is trying to work with the county and they have agreed to meet with Watermaster. There are a couple different efforts taking place right now, one being a Rainwater Recovery Group (Orange County, Riverside, and San Bernardino agencies) working together on the Santa Ana River on a rainwater recovery program, this is being coordinated by SAWPA and the first meeting for that group met yesterday. There was a lot of good reaction during this

meeting and there was pre-unanimous support for working together for trying to coordinate rainwater recovery. Additionally, there are meetings set up for Policy and Planning with Mr. Manning and staff from IEUA in meeting with staff at Flood Control. This Policy and Planning meeting is taking place quarterly to talk about planning issues. One of the issues that was discussed recently is a gravel pit on the west Fontana channel that Flood Control is interested in purchasing and that Watermaster would be very interested in using as a recharge facility over on the east end of our basin; this would be equivalent in size to the Upland Basin on the west side. This would give Watermaster two very large facilities to recharge. Flood Control feels they can channel a two hundred year storm into that basin and not have to worry about it over flowing. The meetings have increased between agencies with our GRCC meetings which are meeting monthly to every two weeks for the next six months to coordinate some of the activities that have to do with coordinating SCADA and some of the improvements prior to the next rainy season. There are a lot of cooperation efforts with Flood Control, CBWM, IEUA, and the Conservation District.

5. Agricultural Pool Water Fee/Tax Update

Mr. Manning commented that this last item was placed on the agenda because of an issue that came up at the last Agricultural Pool meeting. This item regards the Agricultural Pool water/tax fee situation. Mr. Manning stated that he had staff pull all the minutes regarding the conversations regarding this item which took place right before he was hired into the CEO position. In review, what the minutes reflect is that the Agricultural Pool is anxious to take on this activity; however, Watermaster has no ability at this point until the Board directs staff to coordinate this kind of taxing authority. Staff would encourage the Agricultural Pool to work with the cities and/or the Agricultural members to coordinate some language that would be included into the agreement that would funnel money back to the Agricultural Pool. Watermaster could help coordinate that effort, although there is no enforcement ability at this time. All this information has been forwarded to counsel and counsel has been asked to comment on this issue. Counsel Fife stated with the absence of a quorum this item will be placed back on the agenda next month for further discussion. Counsel Fife reviewed what Watermaster's authority is and what can be done and noted this can actually be done but not without going through the entire Watermaster process. This is something that was discussed and it was noted that the Agricultural pool did not want to take this issue through the Pool, Advisory and Board process. Counsel Fife stated that without Board direction, Watermaster can not start charging or putting an assessment on recycled water usage. Whether the Agricultural Pool can go out and do it itself is another question and gets into the authority of the Agricultural Pool over its own members. Counsel Lee stated where there is an agreement set up with the members of the Agricultural Pool are notified of what the plan is going to be. Chair deBoom mentioned that it was discussed that there was some type of blanket resolution where it would be just a condition of the transfer to an appropriator. Counsel Fife stated that there are two ways to approach this; 1) approach this as an entirely voluntarily thing, where the Agricultural Pool goes out to all its members and expresses this desire for a tax to be inserted into their contract regarding recycled water usage and conclude upon a term that creates this tax, or 2) compel to the parties to add this to their contracts instead of insisting that they do it. A lengthy discussion regarding this issue ensued.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

**VII. FUTURE MEETINGS**

June 9, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
June 9, 2005	12:00 p.m.	Attorney/Manager Meeting
June 15, 2005	9:00 a.m.	Assessment Package Workshop
June 21, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
June 23, 2005	9:00 a.m.	Advisory Committee Meeting
June 23, 2005	11:00 a.m.	Watermaster Board Meeting

The Agricultural Pool Meeting was dismissed at 9:46 a.m.

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

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



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### B. FINANCIAL REPORTS

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





# CHINO BASIN WATERMASTER

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

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**KENNETH R. MANNING**  
Chief Executive Officer

## STAFF REPORT

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

**TO:** Committee Members  
Watermaster Board Members

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

### SUMMARY

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

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

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

### BACKGROUND

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

### DISCUSSION

Total cash disbursements during the month of June 2005 were \$1,010,961.90. The most significant expenditures during the month were Inland Empire Utilities Agency in the amount of \$530,136.71, Wildermuth Environmental Inc. in the amount of \$245,204.67, and Hatch and Parent in the amount of \$49,445.92.

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CHINO BASIN WATERMASTER  
Cash Disbursement Detail Report  
June 2005

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



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CHINO BASIN WATERMASTER  
Cash Disbursement Detail Report  
June 2005

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

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

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

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

**DEPOSITORIES:**

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

**CHANGE IN CASH POSITION DUE TO:**

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

**SUMMARY OF FINANCIAL TRANSACTIONS:**

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

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

**INVESTMENT TRANSACTIONS**

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

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

**INVESTMENT STATUS  
May 31, 2005**

<u>Financial Institution</u>	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 9,272,267			
Time Certificates of Deposit	-			
<b>TOTAL INVESTMENTS</b>	<b>\$ 9,272,267</b>			

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

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

Respectfully submitted,



Sheri M. Rojo, CPA  
Finance Manager  
Chino Basin Watermaster

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

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

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

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



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### C. WATER TRANSACTIONS

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





*CHINO BASIN WATERMASTER*

**NOTICE**

**OF**

**APPLICATION(S)**

**RECEIVED FOR**

**WATER TRANSACTIONS – ACTIVITIES**

Date of Notice:

June 8, 2005

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

**NOTICE OF APPLICATION(S) RECEIVED**

Date of Application: **May 27, 2005**

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

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

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

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

Appropriative Pool: July 14, 2005

Non-Agricultural Pool: July 14, 2005

Agricultural Pool: July 19, 2005

This *Application* will be scheduled for consideration by the Advisory Committee *no earlier than thirty days from the date of this notice and a minimum of twenty-one calendar days* after the last pool committee reviews it.

After consideration by the Advisory Committee, the *Application* will be considered by the Board.

Unless the *Application* is amended, parties to the Judgment may file *Contests* to the *Application* with Watermaster *within seven calendar days* of when the last pool committee considers it. Any *Contest* must be in writing and state the basis of the *Contest*.

Watermaster address:

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

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

# CHINO BASIN WATERMASTER

## NOTICE OF TRANSFER OF WATER

Notification Dated: June 8, 2005

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

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# CHINO BASIN WATERMASTER

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

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

**DATE:** June 8, 2005  
**TO:** Watermaster Interested Parties  
**SUBJECT:** Summary and Analysis of Application for Water Transaction

#### Summary -

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

#### Issue -

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

#### Recommendation –

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

#### Fiscal Impact –

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

#### Background

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

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

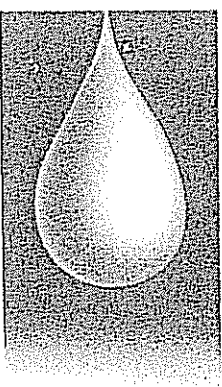
The following application for water transaction is attached with the notice of application.

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

Notice of the water transaction identified above was mailed on June 8, 2005 along with the materials submitted by the requestors.

**DISCUSSION**

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

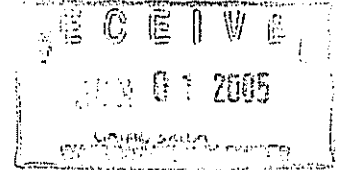


# FONTANA WATER COMPANY

A DIVISION OF SAN GABRIEL VALLEY WATER COMPANY

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

May 27, 2005



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

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

Dear Mr. Manning:

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

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

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

Very truly yours,

Michael J. McGraw  
General Manager

MJM:bf  
Enclosures

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

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

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

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

Rancho Cucamonga CA 91729 City State Zip Code

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

Robert A. DeLoach, General Manager Cucamonga Valley Water District

TRANSFER TO:

Fontana Water Company Name of Party

Attach Recapture Form 4

8440 Nuevo Avenue Street Address

Fontana CA 92334 City State Zip Code

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

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

WATER QUALITY AND WATER LEVELS

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

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

MATERIAL PHYSICAL INJURY

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

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

N/A

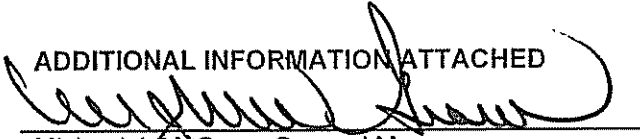
\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**ADDITIONAL INFORMATION ATTACHED**

Yes [ ] No [X]

  
\_\_\_\_\_  
Michael J. McGraw, General Manager  
Fontana Water Company

**TO BE COMPLETED BY WATERMASTER:**

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

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

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

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

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

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

APPLICATION OR AMENDMENT TO APPLICATION  
TO  
RECAPTURE WATER IN STORAGE

APPLICANT

<u>Fontana Water Company</u>			<u>May 17, 2005</u>	_____
Name of Party			Date Requested	Date Approved
<u>8440 Nuevo Avenue</u>			<u>2,500</u> Acre-feet	_____ Acre-feet
Street Address			Amount Requested	Amount Approved
<u>Fontana</u>	<u>CA</u>	<u>92335</u>	_____	_____
City	State	Zip Code	Projected Rate of Recapture	Projected Duration of Recapture
Telephone: <u>(909) 822-2201</u>			Facsimile: <u>(909) 823-5046</u>	

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

IDENTITY OF PERSON THAT STORED THE WATER: Cucamonga Valley Water District

PURPOSE OF RECAPTURE

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

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

N/A

PLACE OF USE OF WATER TO BE RECAPTURED

Within Fontana Water Company's Service Area

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

N/A

WATER QUALITY AND WATER LEVELS

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

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

**MATERIAL PHYSICAL INJURY**

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

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

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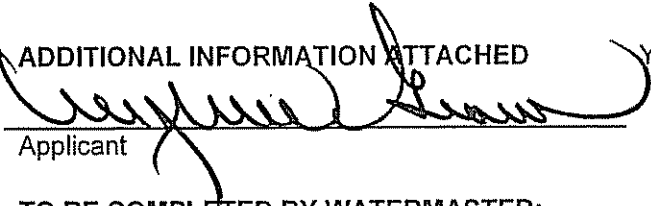
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**ADDITIONAL INFORMATION ATTACHED**

Yes [ ] No [X]

  
Applicant

**TO BE COMPLETED BY WATERMASTER:**

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

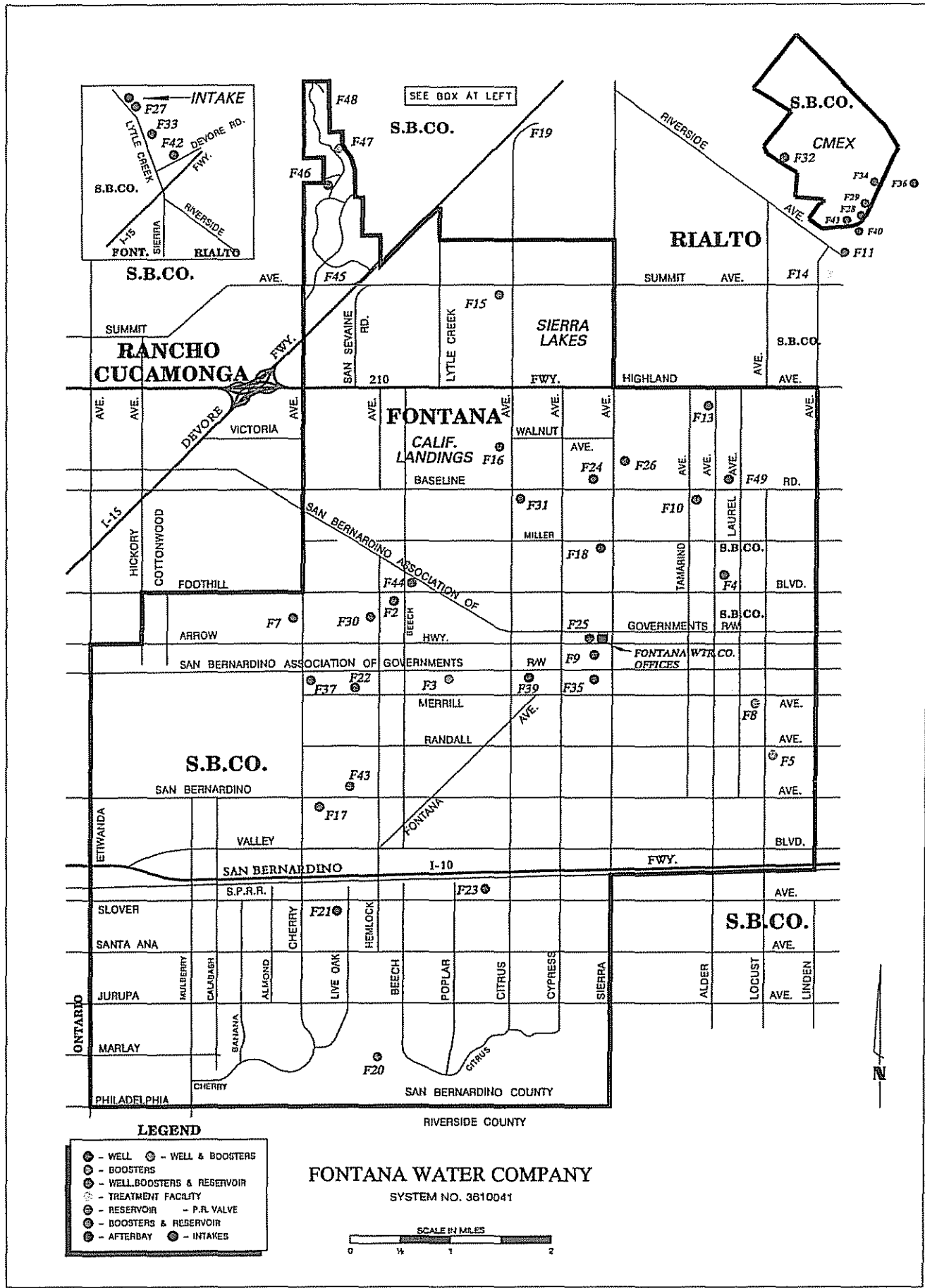
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DATE OF APPROVAL FROM APPROPRIATIVE POOL: \_\_\_\_\_

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

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

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



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

**FONTANA WATER COMPANY**  
SYSTEM NO. 3610041



**FONTANA WATER COMPANY**  
**Recapture Plan**

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

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

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

*CHINO BASIN WATERMASTER*

**NOTICE**

**OF**

**APPLICATION(S)**

**RECEIVED FOR**

**WATER TRANSACTIONS – ACTIVITIES**

Date of Notice:

June 8, 2005

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

**NOTICE OF APPLICATION(S) RECEIVED**

Date of Application: **May 27, 2005**

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

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

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

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

Appropriative Pool:	July 14, 2005
Non-Agricultural Pool:	July 14, 2005
Agricultural Pool:	July 19, 2005

This *Application* will be scheduled for consideration by the Advisory Committee *no earlier than thirty days from the date of this notice and a minimum of twenty-one calendar days* after the last pool committee reviews it.

After consideration by the Advisory Committee, the *Application* will be considered by the Board.

Unless the *Application* is amended, parties to the Judgment may file *Contests* to the *Application* with Watermaster *within seven calendar days* of when the last pool committee considers it. Any *Contest* must be in writing and state the basis of the *Contest*.

Watermaster address:

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

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



# CHINO BASIN WATERMASTER

## NOTICE OF TRANSFER OF WATER

Notification Dated: June 8, 2005

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

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# CHINO BASIN WATERMASTER

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

---

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

**DATE:** June 8, 2005  
**TO:** Watermaster Interested Parties  
**SUBJECT:** Summary and Analysis of Application for Water Transaction

**Summary -**

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

**Issue -**

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

**Recommendation –**

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

**Fiscal Impact –**

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

**Background**

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

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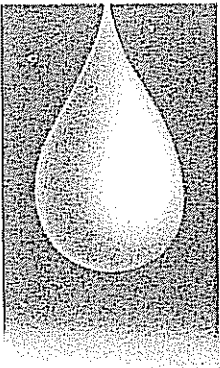
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**DISCUSSION**

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

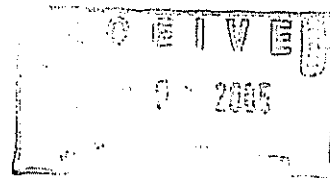


# FONTANA WATER COMPANY

A DIVISION OF SAN GABRIEL VALLEY WATER COMPANY

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

May 27, 2005



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

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

Dear Mr. Manning:

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

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

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

Very truly yours,

Michael J. McGraw  
General Manager

MJM:bf  
Enclosures

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

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

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

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

Rialto CA 92377  
City State Zip Code

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

  
Anthony W. Araiza, General Manager  
West Valley Water District

TRANSFER TO:

Fontana Water Company  
Name of Party

Attach Recapture Form 4

8440 Nuevo Avenue  
Street Address

Fontana CA 92334  
City State Zip Code

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

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

WATER QUALITY AND WATER LEVELS

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

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

MATERIAL PHYSICAL INJURY

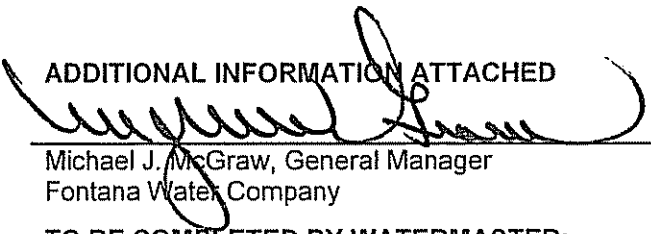
Is the Applicant aware of any Material Physical Injury to a party to the judgment or the Basin that  
may be caused by the action covered by the application? Yes [ ] No [X]

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [ ] No [X]

  
Michael J. McGraw, General Manager  
Fontana Water Company

**TO BE COMPLETED BY WATERMASTER:**

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

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

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

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

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

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



APPLICATION OR AMENDMENT TO APPLICATION  
TO  
RECAPTURE WATER IN STORAGE

APPLICANT

<u>Fontana Water Company</u>			<u>May 23, 2005</u>	_____
Name of Party			Date Requested	Date Approved
<u>8440 Nuevo Avenue</u>			<u>1000</u> Acre-feet	_____ Acre-feet
Street Address			Amount Requested	Amount Approved
<u>Fontana</u>	<u>CA</u>	<u>92335</u>	_____	_____
City	State	Zip Code	Projected Rate of Recapture	Projected Duration of Recapture
Telephone: <u>(909) 822-2201</u>			Facsimile: <u>(909) 823-5046</u>	

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

IDENTITY OF PERSON THAT STORED THE WATER: West Valley Water District

PURPOSE OF RECAPTURE

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

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

N/A

PLACE OF USE OF WATER TO BE RECAPTURED

Within Fontana Water Company's Service Area

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

N/A

WATER QUALITY AND WATER LEVELS

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

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

**MATERIAL PHYSICAL INJURY**

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

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

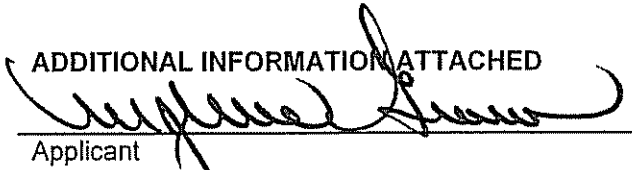
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ADDITIONAL INFORMATION ATTACHED Yes [ ] No [X]

  
Applicant

**TO BE COMPLETED BY WATERMASTER:**

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

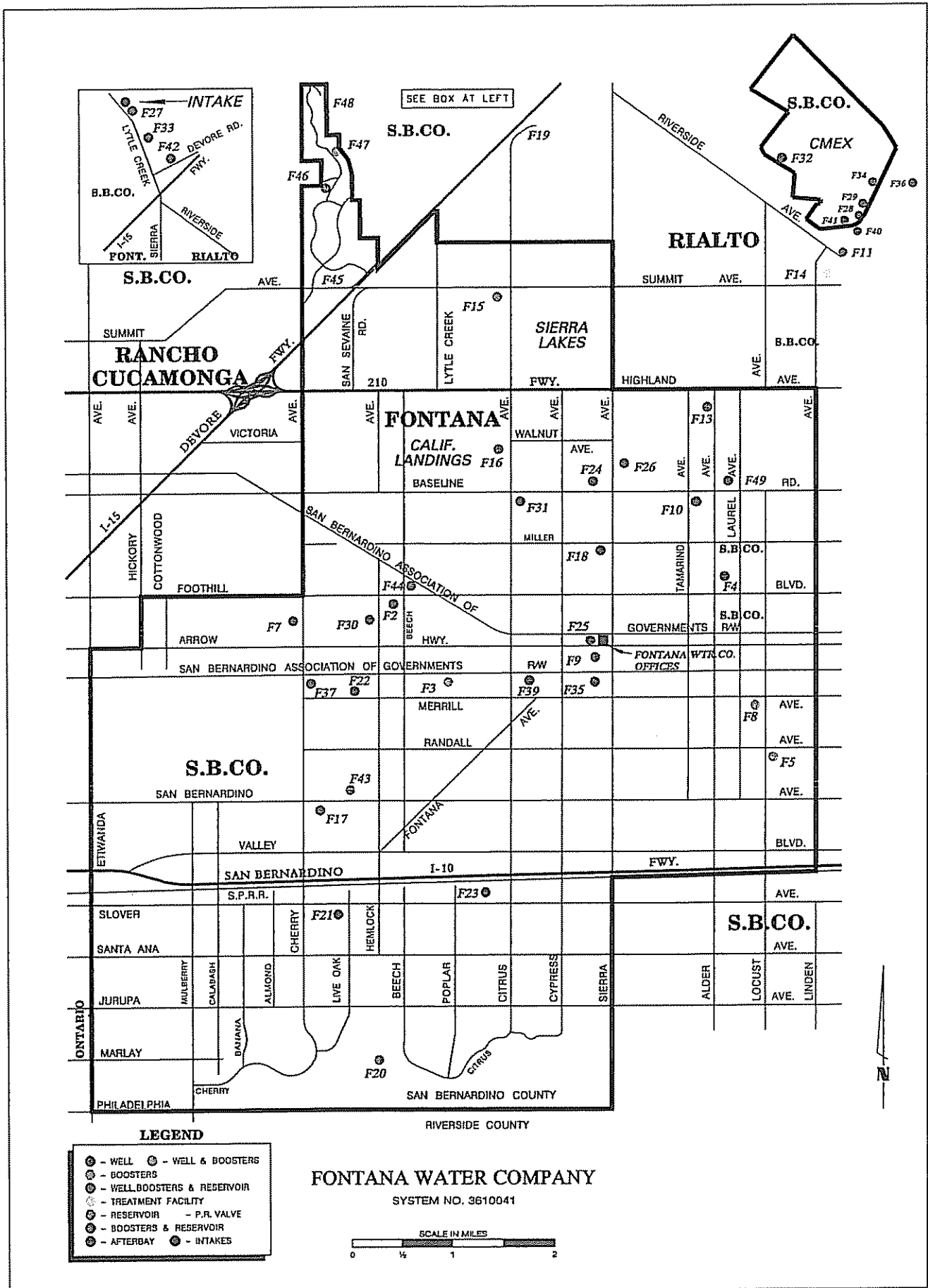
DATE OF APPROVAL FROM AGRICULTURAL POOL: \_\_\_\_\_

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

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

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

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



**FONTANA WATER COMPANY**  
**Recapture Plan**

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

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

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

*CHINO BASIN WATERMASTER*

**NOTICE**

**OF**

**APPLICATION(S)**

**RECEIVED FOR**

**WATER TRANSACTIONS – ACTIVITIES**

Date of Notice:

July 5, 2005

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

**NOTICE OF APPLICATION(S) RECEIVED**

Date of Application: **June 9, 2005**

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

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

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

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

Appropriative Pool:	July 14, 2005
Non-Agricultural Pool:	July 14, 2005
Agricultural Pool:	July 19, 2005

This *Application* will be scheduled for consideration by the Advisory Committee *no earlier than thirty days from the date of this notice and a minimum of twenty-one calendar days* after the last pool committee reviews it.

After consideration by the Advisory Committee, the *Application* will be considered by the Board.

Unless the *Application* is amended, parties to the Judgment may file *Contests* to the *Application* with Watermaster *within seven calendar days* of when the last pool committee considers it. Any *Contest* must be in writing and state the basis of the *Contest*.

Watermaster address:

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

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

# CHINO BASIN WATERMASTER

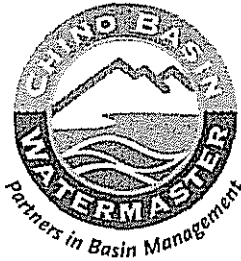
## NOTICE OF TRANSFER OF WATER

Notification Dated: July 5, 2005

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:** July 5, 2005  
**TO:** Watermaster Interested Parties  
**SUBJECT:** Summary and Analysis of Application for Water Transaction

**Summary -**

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

**Issue -**

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

**Recommendation –**

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

**Fiscal Impact –**

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

**Background**

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

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

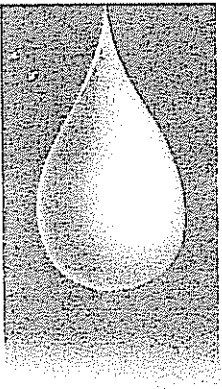
The following application for water transaction is attached with the notice of application.

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

Notice of the water transaction identified above was mailed on July 5, 2005 along with the materials submitted by the requestors.

**DISCUSSION**

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

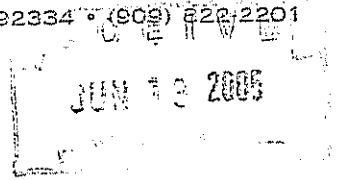


# FONTANA WATER COMPANY

A DIVISION OF SAN GABRIEL VALLEY WATER COMPANY

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

June 9, 2005



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

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

Dear Mr. Manning:

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

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

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

Very truly yours,

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

Michael N. McGraw  
General Manager

MJM:bf  
Enclosures

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

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

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

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

El Monte \_\_\_\_\_ CA \_\_\_\_\_ 91737 \_\_\_\_\_  
City State Zip Code

Telephone: (626) 448-6183 \_\_\_\_\_ Facsimile: (626) 448-5530 \_\_\_\_\_

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

TRANSFER TO:

Fontana Water Company \_\_\_\_\_  
Name of Party

Attach Recapture Form 4

8440 Nuevo Avenue \_\_\_\_\_  
Street Address

Fontana \_\_\_\_\_ CA \_\_\_\_\_ 92335 \_\_\_\_\_  
City State Zip Code

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

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

WATER QUALITY AND WATER LEVELS

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

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

MATERIAL PHYSICAL INJURY

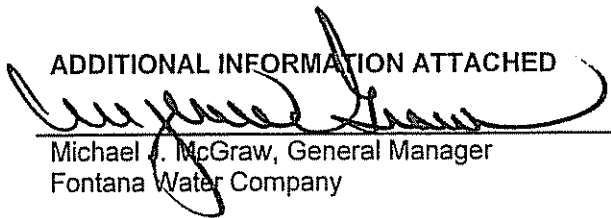
Is the Applicant aware of any Material Physical Injury to a party to the judgment or the Basin that  
may be caused by the action covered by the application? Yes [ ] No [X]

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

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

ADDITIONAL INFORMATION ATTACHED

Yes [ ] No [X]

  
\_\_\_\_\_  
Michael J. McGraw, General Manager  
Fontana Water Company

**TO BE COMPLETED BY WATERMASTER:**

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

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

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

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

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

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

APPLICATION  
TO  
TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2004 - 2005

Commencing on July 1, 2004 and terminating on June 30, 2005, The Nicholson Trust ("Transferor") hereby transfers to Fontana Water Company ("Transferee") the quantity of 4.0 acre-feet of corresponding Annual Production Right (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.," RCV 51010 (formerly Case No. SCV 164327).

Said Transfer shall be conditioned upon:

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

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

**WATER QUALITY AND WATER LEVELS**

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

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

**MATERIAL PHYSICAL INJURY?**

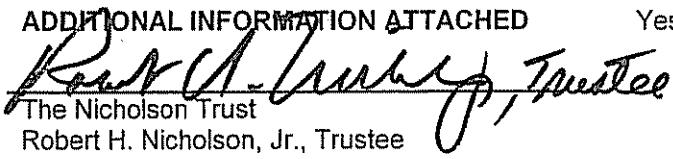
Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the applicant? Yes [ ] No [X]

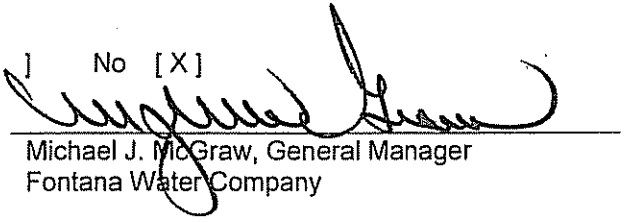
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [ ] No [X]

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

  
Michael J. McGraw, General Manager  
Fontana Water Company

**TO BE COMPLETED BY WATERMASTER:**

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

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

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

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

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

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

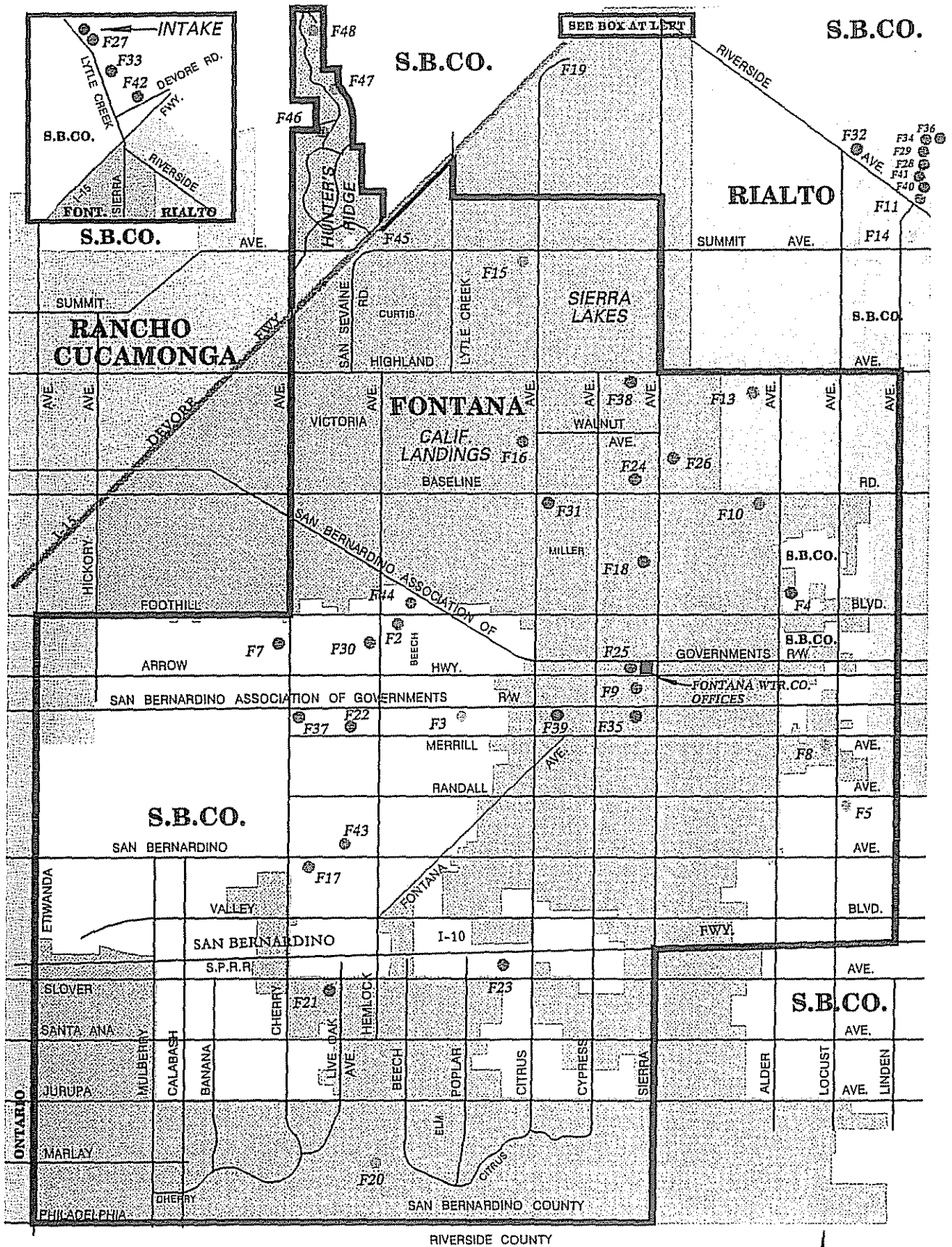


FONTANA WATER COMPANY  
Recapture Plan

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

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

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



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

**FONTANA WATER COMPANY**  
SYSTEM NO. 3610041

SCALE IN MILES



# CHINO BASIN WATERMASTER

## II. BUSINESS ITEMS

### A. DRY YEAR YIELD CONTRACT





# CHINO BASIN WATERMASTER

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

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**KENNETH R. MANNING**  
Chief Executive Officer

## STAFF REPORT

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

**TO:** Committee Members  
Watermaster Board Members

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

### Summary

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

**Fiscal Impact** – None

### Background

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

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

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

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

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

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



# CHINO BASIN WATERMASTER

## IV. INFORMATION

### 1. Newspaper Articles



# Kruger keeps on giving

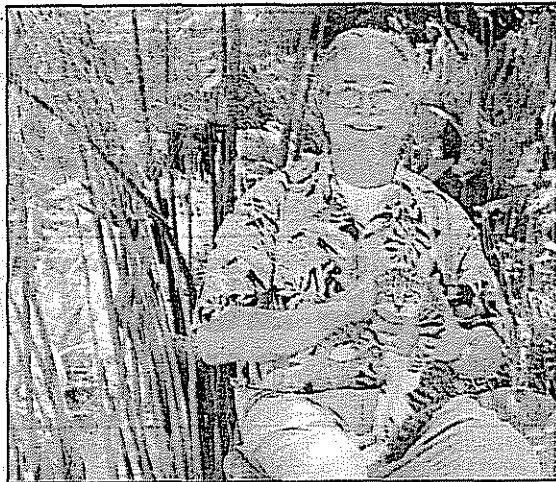
Ongoing involvement earns him 'Outstanding Citizen' award

By Marianne Napoles

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

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

See KRUGER, Page A-2



Champion photo by Marianne Napoles

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

Chino Champion Sat 6/25/05

## Kruger

(Continued from Page A-1)

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

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

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

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

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

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

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

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

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

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

Canyon to collect data for use in an emergency.

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

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

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

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

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

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

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

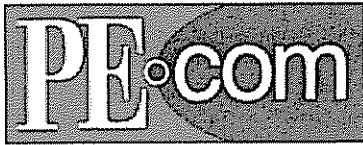
Mr. Kruger feels there's not enough in Chino Hills for seniors and youth. So he assists the Filipino senior group and provides computers to needy students as a board member of the Wickman Educational Foundation. He's also a board member of the Citizens for Kids Foundation for the school district, and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

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

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

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## Universities get water grants

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

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

By JENNIFER BOWLES / The Press-Enterprise

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

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

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

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

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

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

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

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

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

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

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

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# GAO report slams Pentagon on perchlorate

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

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

By ERICA WERNER / The Associated Press

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

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

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

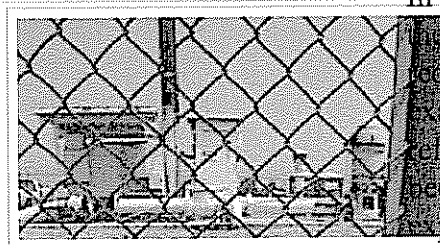
At least 10 Inland cities, including Riverside, Chino, Colton and Redlands, and numerous water districts are dealing with perchlorate in drinking-water supplies. Some of the contamination is linked to military contractors that used the chemical.

Related

[GAO report: Perchlorate](#)

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

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



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

## SAFE LEVELS

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

California:

6

U.S. EPA 2006:

24.5

U.S. EPA 2002:

1

Massachusetts:

1

Canada:

6

SOURCES: STATE AND NATIONAL GOVERNMENTS



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

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

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

Rodrigo PeñA / The Press-Enterprise

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

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

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

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

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

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

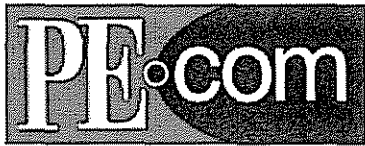
The GAO report offered perhaps the most comprehensive accounting to date of contamination from the chemical, which was little-known before 1997 when tests were developed that could detect it at low levels.

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

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

EPA is considering whether to issue such a regulation.

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



## Water agency budget includes new wells

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

By SANDRA STOKLEY / Press-Enterprise

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

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

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

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

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

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

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

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

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

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

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

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

# Error brings income to districts

By L.C. Greene, Staff Writer

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

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

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

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

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

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

The question is when.

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

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

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

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

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

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

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

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

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

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

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

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

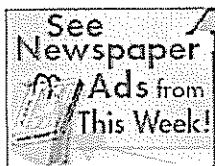
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Meanwhile, the Board of Supervisors ordered a full-scale audit last week with an eye toward updating the county's 30-year-old accounting system.

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## Wastewater will sell, city says

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

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

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

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

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

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

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

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

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

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

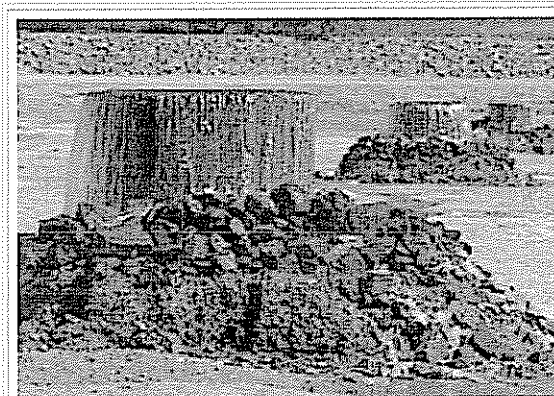
The sales plan goes beyond the common usage of so-called "gray water" to cool industrial machinery or irrigate roadway medians. Cities are glad to get rid of that water, and users pay little or nothing.

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

### Well Situated

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

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



Greg Vojtko / The Press-Enterprise

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

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

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

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

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

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

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

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

### **No Sure Thing**

But the product may be a tough sell.

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

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

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

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

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

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

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

Undaunted, Aldstadt sticks to her own market facts.

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

### **Water War**

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

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

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

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

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

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

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

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

### The Recycled Water Groundwater Project

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

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

### The Regional Board's Basin Plan

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

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

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

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

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

## Conclusion and Implications

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

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

## LAHONTAN REGIONAL WATER QUALITY CONTROL BOARD DIRECTS NITRATE CLEANUP

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

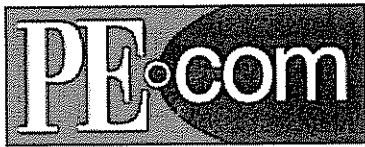
### Background

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

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

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

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



## Planning pays off when water treatment plant malfunctions

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

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

By TIM O'LEARY / The Press-Enterprise

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

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

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

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

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

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

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

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

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

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

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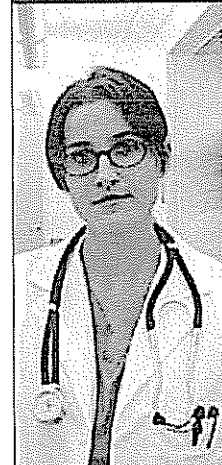
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## New addition, renovations to Prado Dam moving forward

### Officials tour site, open visitor's center

By Mason Stockstill, Staff Writer

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

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

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

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

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

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

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

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

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

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

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

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

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

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**Info**

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


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


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

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

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# Land deal may settle suit

## County, Colonies conflict could end with deal

By Edward Barrera  
Staff Writer

**RANCHO CUCAMONGA** — Flood-control land in the northern part of the city could be part of a settlement deal between the county and Colonies Partners, the Daily Bulletin has learned. According to sources familiar with the negotiations, the undeveloped land north of the

210 Freeway in Rancho Cucamonga near the border with Upland is being discussed as payment, in lieu of cash, in any settlement of a lawsuit between the San Bernardino County Board of Supervisors and the developers of the Colonies project in Upland. It's unclear if the exchange would cover all or only a portion of any settlement amount. The county and developers

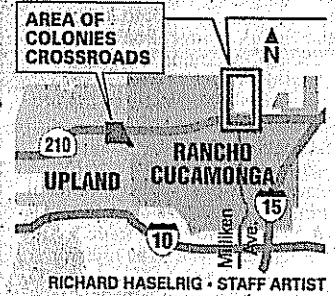
have been embroiled in a three-year legal battle about who has financial responsibility for a flood-control basin in the middle of the Colonies' 434-acre property. The county wouldn't confirm the information, citing pending litigation, and a Colonies spokesperson could not be reached for comment. Rancho Cucamonga Mayor

Bill Alexander said he has heard the rumor but hasn't been officially notified about any proposed land deal. While he dubbed the information "hearsay," Alexander said he would have reservations about further development in that part of his city. "We have enough challenges on our hands to keep up with the services that are needed right now within our borders," he said. Robert DeLoach, executive director of the Cucamonga Valley

Water District, which has water rights under the land, said as long as the property was developed properly and its water recharge protected, the land could be developed. The property — bounded by Banyan Street to the south, Deer Creek Channel to the west and Day Creek Channel to the east — is owned by the county's flood-control district. Early this month, the county

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

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



RICHARD HASELRIG • STAFF ARTIST

See DEAL / page A8

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

In a confidential county memo dated April 4, Colonies officials pegged market value for the "taken" land at \$1.5 million per acre and \$65 million total, which county lawyers dismissed as highly inflated. The lawyers said that since the land was designated open space, all 37 acres were only worth a total of about \$1 million.

But Upland officials said the land was zoned for flood-control purposes. If the land had been available for another use, the city would have been amenable to a zone change, said Mayor John Fornierski. "If 37 more acres had been available, it would have meant more residential or commercial development and meant more property or sales taxes coming into our coffers," he said. "We would have worked with the developers to create more development."

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

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

## Deal

continued from page A1

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

The Colonies would receive only part of that parcel if it is included in a settlement deal, sources said. According to Steve Johnson, director of the Southern California office of Metrostudy, a Dallas-based real estate consulting firm, undeveloped land in Rancho Cucamonga is worth between \$600,000 and \$1 million per acre, depending on location. An acre is 43,650 square feet.

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

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

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

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# Inland Valley Daily Bulletin

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

**By Juliana Barbassa**

**Associated Press**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Associated Press Writer Erica Werner contributed to this report.