

CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, November 10, 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, November 15, 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

November 10, 2005

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

November 15, 2005

9:00 a.m. – Agricultural Pool Meeting

AGENDA PACKAGE



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

9:00 a.m. – November 10, 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 October 13, 2005
(Page 1)

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of October 2005 (Page 9)
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2005 through September 30, 2005 (Page 13)
3. Treasurer's Report of Financial Affairs for the Period September 1, 2005 through September 30, 2005 (Page 15)
4. Profit & Loss Budget vs. Actual July through September 2005 (Page 17)

C. WATER TRANSACTION

1. Consider Approval for Transaction of Notice of Sale or Transfer – Monte Vista Water District has agreed to purchase from the City of Chino Hills a portion of the City's water in storage in the amount of 5,000 acre-feet. Date of application: October 18, 2005 (Page 19)

II. BUSINESS ITEMS

A. MATHIS & ASSOCIATES CONSULTANT AGREEMENT

Consider Approval of the Mathis & Associate Consulting Services Agreement (Page 33)

B. FISCAL YEAR 2005/2006 ASSESSMENT PACKAGE

Consider Approval of the Fiscal Year 2005/2006 Assessment Package (Page 41)

C. CALENDAR YEAR 2006 NON-MAJOR REP ELECTION

Non-Major Producers to Elect a Representative to Serve on the 2006 Watermaster Board
(Page 61)

<u>Minor Rep</u>	<u>Allocated Vote</u>
() Arrowhead Mountain Springs Water Company	0.51
() Inland Empire Utilities Agency	0.02
() Marygold Mutual Water Company	7.21
() Monte Vista Irrigation Company	8.44
() Niagara Bottling Company, LLC	4.86
() Nicholson Trust	0.04
() Norco, City of	3.17
() Santa Ana River Water Company	13.62
() San Antonio Water Company	17.50
() San Bernardino, County of (Shooting Park)	0.11
() Southern California Water Company	3.75
() West End Consolidated Water Company	10.21
() West Valley Water District	6.95

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney-Manager Process

B. CEO/STAFF REPORT

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

IV. INFORMATION

1. Newspaper Articles (*Page 65*)

V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

November 8, 2005	9:00 a.m.	GRCC Meeting
November 10, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
November 15, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
November 17, 2005	8:00 a.m.	Peace II Term Sheet Workshop @ Lions East
November 17, 2005	12:00 p.m.	Lunch @ CBWM
November 17, 2005	1:00 p.m.	Advisory Committee Meeting
November 17, 2005	2:00 p.m.	Watermaster Board Meeting
* December 6, 2005	9:00 a.m.	Agricultural Pool Meeting @ IEUA
* December 8, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
* December 15, 2005	9:00 a.m.	Advisory Committee Meeting
* December 15, 2005	11:00 a.m.	Watermaster Board Meeting

* Note: These meetings are tentatively scheduled

Meeting Adjourn

**CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
9:00 a.m. – November 15, 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

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1. Minutes of the Agricultural Pool Meeting held October 18, 2005 *(Page 5)*

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Consider Approval of the Mathis & Associate Consulting Services Agreement *(Page 33)*

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Consider Approval of the Fiscal Year 2005/2006 Assessment Package *(Page 41)*

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B. CEO/STAFF REPORT

1. Peace II Workshop
2. Recharge Activities Update

- 3. Minor Rep Election Update
- 4. Agricultural Pool Water Fee/Tax Update

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- 1. Newspaper Articles (*Page 65*)

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* Note: These meetings are tentatively scheduled

Meeting Adjourn



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Joint Appropriative and Non-Agricultural Pool Meeting – October 13, 2005



Draft Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING
October 13, 2005

The Joint Appropriative and Non-Agricultural Pool Meeting were held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on October 13, 2005 at 9:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Dave Crosley, Chair	City of Chino
Robert DeLoach	Cucamonga Valley Water District
Raul Garibay	City of Pomona
Ken Jeske	City of Ontario
J. Arnold Rodriguez	Santa Ana River Water Company
Bill Stafford	Marygold Mutual Water Company
Charles Moorrees	San Antonio Water Company
Mike Maestas	City of Chino Hills
Mark Kinsey	Monte Vista Water District
Rob Turner	City of Upland
Chris Diggs	Fontana Water Company
Gerald J. Black	Fontana Union Water Company

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	CFO/Asst. General Manager
Gordon Treweek	Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Josephine Johnson	Monte Vista Water District
David DeJesus	Three Valleys Municipal Water District

Chair Crosley called the meeting to order at 9:03 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 September 8, 2005

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of September 2005

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

C. WATER TRANSACTION

1. Consider Approval for Transaction of Notice of Sale or Transfer – The City of Pomona has agreed to purchase water in storage from the City of Upland of 1,000 acre-feet. Date of application: October 5, 2005

D. VOLUME VOTE

*Motion by Kinsey, second by DeLoach, and by unanimous vote – Non-Ag concurred
Moved to approve Consent Calendar Items A through D, as presented*

At 9:12 a.m. the open Appropriative and Non-Agricultural Pools meeting was adjourned and the confidential session convened.

At 9:30 a.m. the confidential session was adjourned and the open Appropriative and Non-Agricultural Pools meeting reconvened.

II. BUSINESS ITEMS

A. MATHIS & ASSOCIATES CONSULTANT AGREEMENT

Mr. Manning stated that Mathis & Associates is a firm who has worked for a number of cities and water districts throughout the State of California. During the course of the C.E.O.'s goal setting process, two items were discussed; one item was to engage in researching for outside services regarding personnel matters and the other item was to form a strategic planning process. One company who provides services in both of these areas was Mathis & Associates. The contract which is provided in the package today is for that company to undertake both of these subjects for the Chino Basin Watermaster. Mr. Manning noted this is a budgeted item and staff is recommending the contract for Mathis & Associates be moved for approval and to be submitted to the Advisory and Watermaster Board. Mr. Manning stated he is aware of some date and location concerns regarding the Strategic Planning meeting and that aspect is not part of this motion. Mr. Jeske commented on the notice which was sent out for the upcoming retreat and noted this planned event is outside our area and asked that the time and location for this event be re-evaluated. Mr. Jeske stated he was part of the Personnel Committee and is on board with their decision to hire an outside party to pull together the Pools, Advisory Committee, and the Watermaster Board for an outside strategic planning workshop, noting that the time and location needs revisiting. Mr. Kinsey concurred with the received comments and added the contract needs to include identification and indemnification provisions. A lengthy discussion ensued with regard to the contract and the strategic planning meeting. Mr. Manning noted that all parties will be invited to the strategic planning conference. Additional planning discussions regarding the conference will be needed, however, that discussion does not affect the need for a motion for the Mathis & Associates contract. Mr. Jeske offered comment and noted it seemed that this would be the first of several workshops needed to bring all parties on board with the planning for the Chino Basin's future.

*Motion by Jeske, second by DeLoach, and by unanimous vote – Non-Ag concurred
Moved to approve the Mathis & Associate Consulting Agreement with the removal of the words "in the desert" in the area of Projects # 2 and a re-evaluation of the time and location for the Strategic Planning Conference, as presented*

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

Counsel Fife stated the Attorney-Manager process continues and a conference call is scheduled for today at 2:00 p.m. Materials for the conference call have been distributed. Counsel and staff are hoping for a final product by the end of today to bring to the board in a few weeks to obtain approval to move it forward through the Watermaster process.

2. September 22, 2005 Hearing

Counsel Fife stated this item is regarding the Ex Parte hearing which was held after the last Watermaster Board meeting. The order from that hearing is available on the back table. Counsel has now scheduled with the court a hearing for February 9, 2006 at 2:00 p.m. for the court reconsider reappointment of the nine member board. Counsel Fife noted that Watermaster's usual holiday schedule is to not have meetings in the month of December, however, if the hearing is going to be at the beginning of February that means any motion filed by Watermaster will have to be filed 30 days in advance, meaning by January 9, and if no December meetings are going to take place all paperwork must be passed through the Pools, Advisory Committee, and Watermaster Board in November. It was noted that if December meetings are needed, staff and counsel will accommodate that request.

B. CEO/STAFF REPORT1. Basin Re-Operation/HCMP Update

Mr. Wildermuth gave the presentation "Summary of Provisional Hydraulic Control Modeling Results" to the committee members. An analysis of the calculations of potential replenishment obligation was reviewed in detail. Alternative desalter II expansion scenarios by Western Municipal Water District were examined and the decrease in annual Santa Ana River discharge at Prado Dam was reviewed and discussed. Mr. Wildermuth stated that discharge from Chino North to the Santa Ana River is very small for all post OBMP pumping and replenishment scenarios. Several maps regarding groundwater and geology were observed. Mr. Wildermuth looked at the revised table regarding reduced replenishment costs and increased power costs for pumping and replenishment plans. The change in storage attributable to forgiving the replenishment obligation of the desalters through 2030 was reviewed in detail. Engineering to be completed include, 1) finalizing series of simulations based on term sheet for Watermaster and others, 2) finalizing simulations to estimate loss from storage with/without desalters, 3) development of Hydraulic Control Operating Plan, and 4) draft report completed in mid November. A discussion ensued with regard to the presentation.

2. Water Quality Update

Mr. Wildermuth gave the presentation "Annual Report of Santa Ana River Water Quality" to the committee members. A review of the background was given and it was noted the 2004 Basin Plan Amendment contains several requirements for ongoing monitoring and reporting. Pursuant to the Amendment, certain participants are required to conduct the following investigations: a) recomputation of ambient water quality for the period 1984 to 2003, b) preparation of an annual report of Santa Ana River Water Quality, and c) demonstration of nitrogen loss in Reach 3 of the Santa Ana River. Mr. Wildermuth reviewed what data collection efforts are needed by individual parties. The location of non-tributary discharges and surface water sampling stations map was reviewed in detail. A brief analysis was given on the Santa Ana River Reach 2 and Reach 3. Mr. Wildermuth offered conclusions for 2004 and noted the results of these monitoring programs indicate the water quality of Santa Ana River is in compliance with basin plan objectives. It was noted that the Basin Plan Amendment required monitoring and analyses and the background and objectives in the December 2004 Basin Plan Amendment were evaluated. Nitrogen loss monitoring was chemically broken down and calculated nitrogen loss coefficients for the Santa Ana River were presented. Mr. Wildermuth provided a summary for this presentation and a brief discussion ensued.

3. Assessment Package Workshop – October 20, 2005

Mr. Manning noted the Assessment Package Workshop has been scheduled for October 20, 2005 at 9:00 a.m. provided all water activity reports are returned in time to prepare for this workshop.

5. Watermaster Minor Rep Elections for 2006

Mr. Manning stated that the 2006 elections will include a minor rep on the Watermaster Board and elections will be held in November for the January start date. It was noted starting on page 31 in the meeting packet on the Allocation of Volume Vote pages there are asterisks next to each party who is a minor rep. for those who are in question as to who the minor reps are.

6. November meeting schedule

Mr. Manning noted due to the Thanksgiving holiday the Advisory Committee and Watermaster Board meetings will be moved up one week to November 17, 2005 and to please adjust your calendars to reflect this new date.

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

October 13, 2005	9:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
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* November 17, 2005	11:00 a.m.	Watermaster Board Meeting

* Note: meeting is one week early due to Thanksgiving

The Joint Appropriative & Non-Agricultural Pool Meeting Adjourned at 10:30 a.m.

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Agricultural Pool Meeting –
October 18, 2005



Draft Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
October 18, 2005

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on October 18, 2005 at 9:00 a.m.

Agricultural Pool Members Present

Nathan deBoom, Chair	Milk Producers Council
Gene Koopman	Milk Producers Council
Glen Durrington	Crops
Jeff Pierson	Crops
John Huitsing	Dairy
Pete Hettinga	Dairy
Bob Feenstra	Dairy

Watermaster Board Member Present

Paul Hofer	Crops
Geoffrey Vanden Heuvel	Crops

Watermaster Staff Present

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

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Josephine Johnson	Monte Vista Water District
Dave Crosley	City of Chino

Chair deBoom called the meeting to order at 9:05 a.m.

AGENDA - ADDITIONS/REORDER

No additions or reorders were made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held September 20, 2005

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of September 2005
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3. Treasurer's Report of Financial Affairs for the Period July 1, 2005 through August 31, 2005
4. Profit & Loss Budget vs. Actual August 2005

C. WATER TRANSACTION

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

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

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

II. BUSINESS ITEMS**A. MATHIS & ASSOCIATES CONSULTANT AGREEMENT**

Mr. Manning stated the item on the agenda today is a result of his annual review after his last set of goals and objectives were approved by the Watermaster Board. One of the objectives was to do a strategic planning retreat for the members and stake holders within the Watermaster family. At the same time the Personnel Committee expressed concern that Chino Basin Watermaster was using our attorney firm as the person who was working with staff on goals and objectives and doing the evaluation, the committee felt that position would be better served by a party who was separated from the organization. The Personnel Committee directed staff to seek an outside firm who could handle those personnel consulting matters and in looking at Mathis and Associates resume it was noted their firm can perform in the areas of personnel and strategic planning matters. Staff is making the recommendation that Mathis and Associates be hired as a consultant to work with Watermaster in those areas and help perform the health benefit analysis, assist in the CEO evaluation process, and to facilitate the strategic planning meeting. Mr. Manning stated that it was previously planned to hold the Strategic Planning Retreat this December, however, due to over scheduling of the hotel we have been asked to postpone the retreat. This retreat will not happen in December although this important meeting will still take place in the early part of 2006 when schedules permit. A long discussion ensued with regard to the presented contract and the qualifications of Mathis and Associates to perform the duties that are needed at Watermaster. It was decided that no motion would be made today and that this item would be brought back on the November agenda and would incorporate a list of qualifications from Mathis and Associates.

No motion was made regarding this item and the Agricultural Pool committee members asked that this item be brought back for discussion/review on the November agenda.

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

Counsel Fife stated the attorney-manager process is continuing; there is an underlying agreement and the document that is being produced is almost complete. It is counsel and staff's hopes that an agreement will be presented to the Watermaster Board this month for their instruction to send it back through the Watermaster process. Face to face meetings are no longer taking place and matters are being handled via conference calls and hopefully that signifies that what is left to accomplish are only minor issues. Counsel Lee stated the final agreement will be circulated through all the Pools and will be completely explained and all questions answered. Counsel Fife noted that under the CEO staff report there will be a report by Mr. Wildermuth on the first steps towards the technical aspects of the Peace II Agreement.

2. September 22, 2005 Hearing

Counsel Fife stated this item is regarding the September 22, 2005, hearing which concerned the reappointment of the nine member board issue. Last month two proposals were presented to the Agricultural Pool for motions to present to the court; one was to ask the court for a further continuance of the issue until February 9, 2006 – that was done at the September 22, hearing. The order from that hearing is available on the back table; we asked the court to make an interim reappointment of the board until February 9, 2006 with rotation to occur as specified in the rotation schedule and then to schedule a hearing for February 9, to consider the reappointment issue. The court did agree with that proposal. Counsel Fife noted that in terms of scheduling,

of scheduling, Watermaster does not typically schedule meetings in December, and in order to make the February 9 hearing date a motion would need to be filed at the beginning of January for the reappointment. If Watermaster is not going to hold December meetings that motion would need to pass through the Pool, Advisory Committee, and Watermaster Board in November. Counsel Fife stated that if November is too soon to make a decision then December meetings will need to be scheduled. Mr. Koopman inquired if there were any discussions taking place on changing the make up of the current or rotation schedule of the Watermaster Board. Counsel Fife stated that by direction of the Board, staff and legal counsel have not engaged in any such discussions and when they do occur or have occurred; staff and legal counsel has left the room. Counsel Fife stated he is not aware of the content of those discussions. Counsel Lee stated that he can apprise members of those discussions after the meeting today.

B. CEO/STAFF REPORT

1. Basin Re-Operation/HCMP Update

Mr. Wildermuth gave the presentation "Summary of Provisional Hydraulic Control Modeling Results" to the committee members. An analysis of the calculations of potential replenishment obligation was reviewed in detail. Alternative desalter II expansion scenarios by Western Municipal Water District were examined and the decrease in annual Santa Ana River discharge at Prado Dam was reviewed and discussed. Mr. Wildermuth stated that discharge from Chino North to the Santa Ana River is very small for all post OBMP pumping and replenishment scenarios. Several maps regarding groundwater and geology were observed. Mr. Wildermuth looked at the revised table regarding reduced replenishment costs and increased power costs for pumping and replenishment plans. The change in storage attributable to forgiving the replenishment obligation of the desalters through 2030 was reviewed in detail. Engineering to be completed include, 1) finalizing series of simulations based on term sheet for Watermaster and others, 2) finalizing simulations to estimate loss from storage with/without desalters, 3) development of Hydraulic Control Operating Plan, and 4) draft report completed in mid November. A discussion ensued with regard to the presentation.

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3. November meeting schedule

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

4. Agricultural Pool Water Fee/Tax Update

Mr. Manning stated this item has been a running item placed on each agenda for several months now for update. Mr. Koopman gave comment regarding Agricultural transfers and a discussion ensued. Mr. Manning offered comment on the procedure that was agreed to in the Rules and Regulations, Peace I process. Mr. Koopman discussed the concept of zero cost and inquired to the comments made being in the actual Peace Agreement. Counsel Fife stated the back up for counsel and staff's statements are found in Exhibit G, paragraph 6, on page 66. Counsel Lee stated that he would discuss this item with interested parties after the meeting.

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

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* Note: meeting is one week early due to Thanksgiving

The Agricultural Pool Meeting Adjourned at 11:15 a.m.

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

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





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

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

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – October 2005

SUMMARY

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

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

Fiscal Impact – All funds disbursed were included in the FY 2005-06 Watermaster Budget.

BACKGROUND

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

DISCUSSION

Total cash disbursements during the month of October 2005 were \$1,330,270.70. The most significant expenditures during the month were Inland Empire Utilities Agency in the amount of \$964,007.40, Wildermuth Environmental Inc. in the amount of \$151,662.47, and Hatch & Parent in the amount of \$68,737.58.

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FOR PAGINATION

8:25 PM
11/01/05

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
October 2005

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

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
October 2005

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

Oct 05

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

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION AND SPECIAL PROJECTS APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER OPERATIONS GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2004-05
Administrative Revenues										
Administrative Assessments									-	\$3,984,888
Interest Revenue			57,326	3,840	1,969				63,135	78,330
Mutual Agency Project Revenue									-	0
Grant Income									-	0
Miscellaneous Income									-	0
Total Revenues	-	-	57,326	3,840	1,969	-	-	-	63,135	4,063,218
Administrative & Project Expenditures										
Watermaster Administration	125,297								125,297	621,784
Watermaster Board-Advisory Committee	13,432								13,432	37,018
Pool Administration			4,210	30,077	1,085				35,372	91,153
Optimum Basin Mgmt Administration		350,438							350,438	1,019,183
OBMP Project Costs		668,339							668,339	3,733,694
Education Funds Use								-	-	375
Mutual Agency Project Costs	7,825								7,825	80,004
Total Administrative/OBMP Expenses	146,554	1,018,777	4,210	30,077	1,085			-	1,200,703	5,583,211
Net Administrative/OBMP Income	(146,554)	(1,018,777)								
Allocate Net Admin Income To Pools	146,554		113,806	30,676	2,072				-	0
Allocate Net OBMP Income To Pools		1,018,777	791,131	213,243	14,403				-	0
Agricultural Expense Transfer			270,971	(270,971)					-	0
Total Expenses			1,180,118	3,025	17,560	-	-	-	1,200,703	5,583,211
Net Administrative Income			(1,122,792)	815	(15,591)				(1,137,568)	(1,519,993)
Other Income/(Expense)										
Replenishment Water Purchases						369,248			369,248	0
MZ1 Supplemental Water Assessments									-	2,179,500
Water Purchases									-	0
MZ1 Imported Water Purchase									-	(2,278,500)
Groundwater Replenishment						(1,769,213)			(1,769,213)	0
Net Other Income						(1,399,965)			(1,399,965)	(99,000)
Net Transfers To/(From) Reserves			(1,122,792)	815	(15,591)	(1,399,965)			(2,537,533)	(1,618,993)
Working Capital, July 1, 2005			4,450,869	484,653	187,298	3,580,499	158,251	2,238	8,843,808	
Working Capital, End Of Period			3,328,077	465,468	171,707	2,180,534	158,251	2,238	6,306,275	
04/05 Production			127,810.967	34,450.449	2,326.836				164,588.252	
04/05 Production Percentages			77.655%	20.931%	1.414%				100.000%	

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

DEPOSITORIES:

Cash on Hand - Petty Cash		\$ 500
Bank of America		
Governmental Checking-Demand Deposits	\$ (256,584)	
Savings Deposits	9,672	
Zero Balance Account - Payroll	-	(246,912)
Vineyard Bank CD - Agricultural Pool		410,423
Local Agency Investment Fund - Sacramento		6,590,694
TOTAL CASH IN BANKS AND ON HAND	9/30/2005	\$ 6,754,705
TOTAL CASH IN BANKS AND ON HAND	8/31/2005	7,744,065
PERIOD INCREASE (DECREASE)		<u>\$ (989,360)</u>

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable		\$ (59,787)
Assessments Receivable		-
Prepaid Expenses, Deposits & Other Current Assets		-
(Decrease)/Increase in Liabilities: Accounts Payable		374,808
Accrued Payroll, Payroll Taxes & Other Current Liabilities		(18,642)
Transfer to/(from) Reserves		(1,285,739)
PERIOD INCREASE (DECREASE)		<u>\$ (989,360)</u>

SUMMARY OF FINANCIAL TRANSACTIONS:

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

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

INVESTMENT TRANSACTIONS

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

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

**INVESTMENT STATUS
September 30, 2005**

<u>Financial Institution</u>	<u>Principal Amount</u>	<u>Number of Days</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Local Agency Investment Fund	\$ 6,590,694			
TOTAL INVESTMENTS	\$ 6,590,694			

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

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

Respectfully submitted,


 Sheri M. Rojo, CPA
 Chief Financial Officer & Assistant General Manager
 Chino Basin Watermaster

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

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

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

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



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. WATER TRANSACTIONS

1. Consider Approval for Transaction of Notice of Sale or Transfer – Monte Vista Water District has agreed to purchase from the City of Chino Hills a portion of the City's water in storage in the amount of 5,000 acre-feet



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

November 1, 2005

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **October 18, 2005** Date of this notice: **November 1, 2005**

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

- A. Notice of Sale or Transfer – Monte Vista Water District has agreed to purchase from the City of Chino Hills a portion of the City’s water in storage in the amount of 5,000 acre-feet.

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

Appropriative Pool:	November 10, 2005
Non-Agricultural Pool:	November 10, 2005
Agricultural Pool:	November 15, 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: November 1, 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: November 1, 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 – Monte Vista Water District has agreed to purchase from the City of Chino Hills a portion of the City's water in storage in the amount of 5,000 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 – Monte Vista Water District has agreed to purchase from the City of Chino Hills a portion of City's water in storage in the amount of 5,000 acre feet.

Notice of the water transaction identified above was mailed on November 1, 2005 along with the materials submitted by the requestors.

DISCUSSION

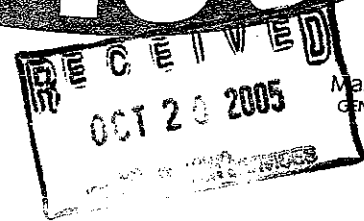
Water transactions occur each year and are included as production by the respective entity (if produced) in any relevant analyses conducted by Wildermuth Environmental pursuant to the Peace Agreement and the Rules & Regulations. There is no indication additional analysis regarding this transaction is 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.

Monte Vista

Dedicated to *Quality,*

Service and Innovation

October 18, 2005



Mark N. Kinsey
GENERAL MANAGER

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

Purchase of Water in Storage: Fiscal Year 2005-06

Dear Mr. Manning *ka*

Please take notice that the Monte Vista Water District has agreed to purchase from the City of Chino Hills a portion of the City's water in storage in the amount of 5,000 acre-feet. Water purchased through this transaction will be utilized by the District to offset Fiscal Year 2005-06 over-production.

Attached is an executed application for sale or transfer of right to produce water from storage and a recapture plan for consideration by Watermaster. Please agendize the proposed purchase at the earliest possible opportunity.

If you have any questions or require additional information concerning this matter, please call me at 624-0035, extension 170. Thank you.

Sincerely,

Monte Vista Water District

Mark N. Kinsey
General Manager

Attachments

cc: Mike Maestas, City of Chino Hills

Water District

10575 Central Avenue, Post Office Box 71 • Montclair, California 91763 • (909) 624-0035 • FAX (909) 624-4725

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

Transfer from Local Storage Agreement: **18, 18.1, 18.2** Date Requested: **September 12, 2005**

Transferring Party: **City of Chino Hills**

Date Approved:

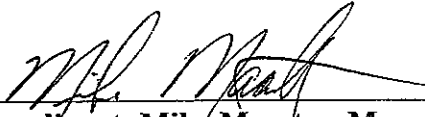
Address: **2001 Grand Avenue
Chino Hills, California 91709**

Amount Requested (AF): **5,000**

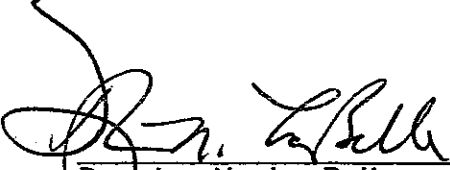
Telephone: **(909) 590-1511**

Amount Approved (AF):

Fax: **(909) 364-2695**



Applicant: **Mike Maestas, Manager of Water/Sewer**



Douglas N. La Belle
City Manager

Attach Recapture Form 4

Receiving Party: **Monte Vista Water District**

Address: **10575 Central Avenue
Montclair, California 91763**

Telephone: **(909) 624-0035**

Fax: **(909) 624-0037**

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

Water Quality and Water Levels:

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

Static water levels range from 504' to 533' below ground levels. Nitrate concentrations range between 19 to 70 ppm.


Material Physical Injury:

Is the applicant aware of any potential material physical injury to a part to the Judgment or the Basin that may be caused by the action covered by the application? Yes No

If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in material physical injury to a part to the Judgment or the Basin?

N/A

Additional information attached? Yes No



Applicant: Mark N. Kinsey, General Manager

To be completed by Watermaster:

Date of approval from Non-Agricultural Pool:

Date of approval from Agricultural Pool:

Date of approval from Appropriative Pool:

Hearing date, if any:

Date of Advisory Committee approval:

Date of Board approval:

Agreement Number:

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

APPLICANT

Monte Vista Water District			October 18, 2005	_____
Name of Party			Date Requested	Date Approved
10575 Central Avenue			5,000 Acre-feet	_____ Acre-feet
Street Address			Amount Requested	Amount Approved
Montclair	CA	91763	800 – 1,000 AF/month	6 months
City	State	Zip Code	Projected Rate of Recapture	Projected Duration of Recapture
Telephone: (909) 624-0035			Facsimile: (909) 624-0037	

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: City of Chino Hills

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)

Recapture by pumping.

PLACE OF USE OF WATER TO BE RECAPTURED

For use within the Monte Vista Water District and City of Chino Hills service areas.

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

Recapture to occur at regular production wells.

WATER QUALITY AND WATER LEVELS

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

Static water levels range from 504' to 533' below ground levels. Nitrate water quality data for District wells range from 19 to 70 ppm.

MATERIAL PHYSICAL INJURY

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

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

No mitigation is required.

ADDITIONAL INFORMATION ATTACHED Yes [**X**] No []

Mark N. Kinsey
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 # _____

MONTE VISTA WATER DISTRICT

Recapture Plan

Location of where the recaptured water will be extracted by the District is within Management Zone 1 of the Chino Basin and will be accomplished by any or all of the 10 wells owned and operated by the District. The approximate daily production capacity of these wells is noted below.

The 5,000 AF transfer will be utilized for delivery to the District's retail customers, for delivery to the City of Chino Hills, or to offset the District's Fiscal Year 2005-06 replenishment obligation resulting from actual groundwater production or from the District's participation in in-lieu deliveries to Metropolitan's Dry-Year Yield Storage Account within the Chino Basin.

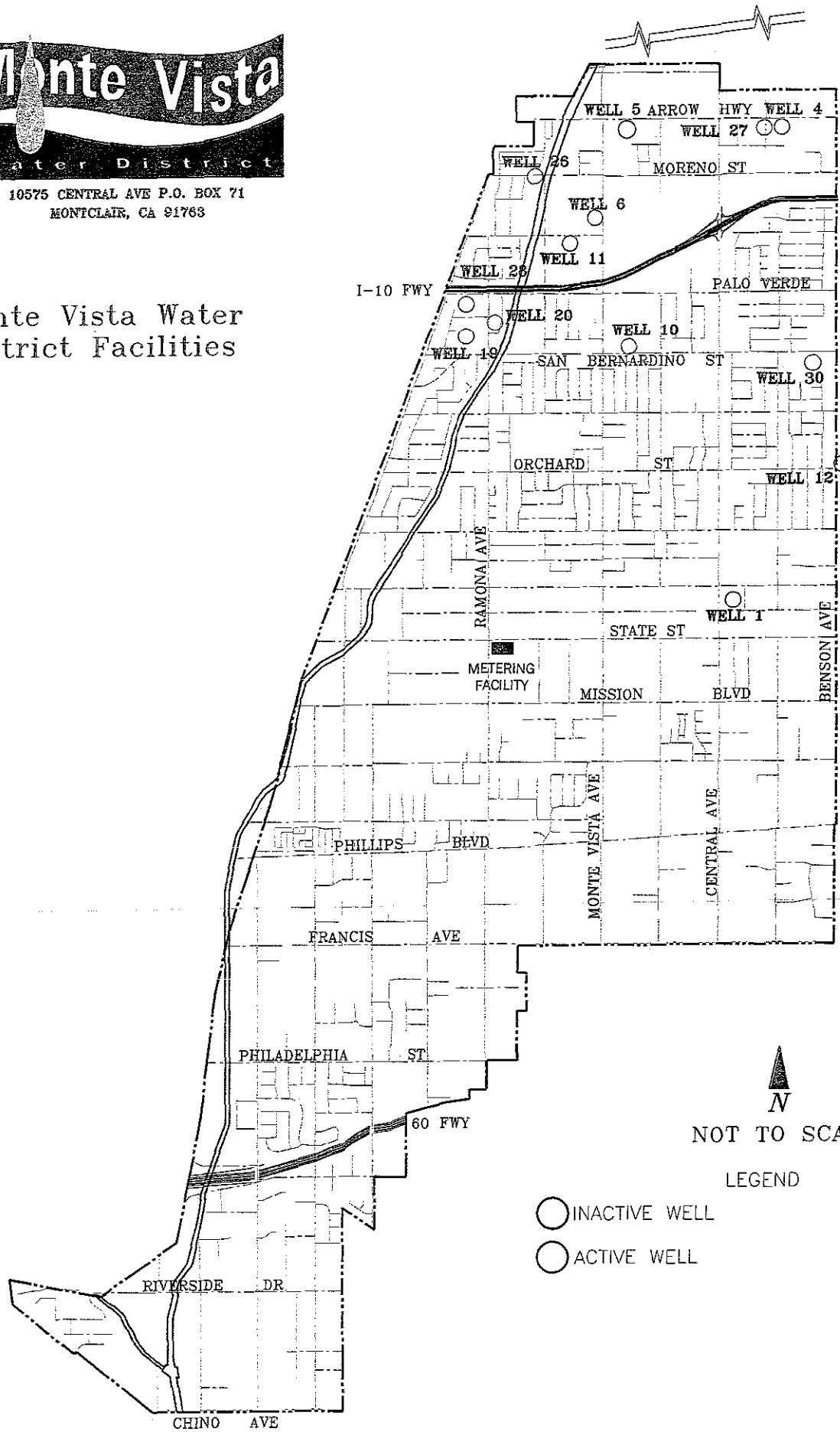
<u>Well</u>	<u>Production Acre-Feet/Day</u>
4	4.2
5	6.1
6	5.2
10	5.2
19	9.0
20	5.8
26	9.0
27	9.0
28	9.0
30	9.0
<hr/>	
Daily Total	71.5

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



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

Monte Vista Water District Facilities



N
NOT TO SCALE

- LEGEND
- INACTIVE WELL
 - ACTIVE WELL



CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

- A. MATHIS & ASSOCIATES
CONSULTANT SERVICES
AGREEMENT





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

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

TO: Committee Members
Watermaster Board Members

SUBJECT: Consultant Services Contract – Mathis & Associates

Background

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

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

Recommendation –

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

Fiscal Impact –

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

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Mathis & Associates

3435 Valle Verde Drive • Napa, CA 94558 • Office: 707/252-2151
• Fax: 707/252-1349 • Cell: 707/333-2095

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

TO: Kenneth Manning, CEO
Chino Basin Watermaster

FROM: Dr. William Mathis
Management Psychologist/Consultant

RE: Consultant Services Contract
Personnel and Strategic Planning

DATE: November 1, 2005

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

Project #1 - Personnel Consultation

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

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

Project #2 – Strategic Plan

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

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

Indemnification

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

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

Consideration

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

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

Kenneth Manning, CEO
Chino Basin Watermaster

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

www.MathisAssociates.com

R. William Mathis, Ph.D.
Biographical Summary

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

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

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

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

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

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

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

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

Work History

2000 – Current Mathis & Associates – Senior Consultant

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

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

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

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

1979 – 1984 City of Norwalk, CA

Education

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

*Real Estate License – in progress
Notary Public*

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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

B. FISCAL YEAR 2005/2006 ASSESSMENT PACKAGE





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

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

TO: Committee Members
Watermaster Board Members

SUBJECT: FY 2005-2006 Assessment Package

SUMMARY

Issue – FY 2005-2006 Assessment Package

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

BACKGROUND

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

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

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

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

RECOMMENDATION

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

**ASSESSMENT CALCULATION
FISCAL YEAR 2005-2006**

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

(1) Total costs are allocated to Pools by actual production percentages. Does not include Recharge Debt Payment or Replenishment water purchases.

(2) Cash on Hand is June 30 fund balances less funds required for carryover replenishment obligations, SB 22 funds, Education funds, & Agricultural Pool Reserves.

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

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



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

Pool 2 Water / Storage Account Transactions

	Local Storage Account		
	Carryover Beginning Balance	Transfers to / from Annual	Ending Balance
Ameron Inc	1,755,995	97,858	1,853,853
Angelica Textile Service	0.000	0.000	0.000
California Speedway	237,921	477,468	715,389
California Steel Industries Inc	1,300,000	1,300,000	2,600,000
CCG Ontario, Lic	7,593,140	630,274	8,223,414
General Electric Corporation	0.000	0.000	0.000
Kaiser Ventures Inc	0.000	0.000	0.000
Loving Savior Of The Hills	0.000	0.000	0.000
Praxair Inc	3,812,493	302,443	4,114,936
Reliant Energy Etiwanda	5,566,943	387,195	5,954,138
San Bernardino Cty (Chino Airport)	70,489	53,643	124,132
Southern California Edison Company	139,795	27,959	167,754
Space Center Mira Loma Inc.	204,130	(110,751)	93,379
Sunkist Growers Inc	9,941,989	1,420,369	11,362,358
Swan Lake Mobile Home Park	2,065,353	107,167	2,172,520
Vulcan Materials Company	8,193,045	313,278	8,506,323
West Venture Development	0.000	0.000	0.000
	40,881,293	5,006,903	45,888,196



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

Pool 2 Assessment Fee Summary

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



Chino Basin Watermaster Assessment Breakdown

2005-2006 Land Use Conversion Summary

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

AGRICULTURAL POOL SUMMARY IN ACRE FEET

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

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



Chino Basin Watermaster Assessment Breakdown 2005-2006 Water Transactions

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

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

ASSIGNMENTS

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

Total Credits \$466,111.62

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Assessment Package References and Definitions

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

Assessment Package References and Definitions

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

Assessment Package References and Definitions

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

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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

- C. CALENDAR YEAR 2006 MINOR
REP ELECTION FOR THE
WATERMASTER BOARD





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: November 10, 2005

TO: Committee Members

SUBJECT: Nomination of Non-Major Appropriator Representative for Watermaster Board

SUMMARY

Issue – Nomination of a representative to serve on the 2006 Watermaster Board on behalf of the Non-Major Appropriators.

Recommendation – Take action to designate a representative to serve on the 2006 Watermaster Board on behalf of the Non-Major Appropriators.

Fiscal Impact – None.

According to the Board rotation schedule approved by the Appropriative Pool on September 26, 2000 (copy attached), a Non-Major Appropriative Pool producer will occupy an Appropriative Pool seat on the Watermaster Board in 2006.

At the November 10, 2005 Appropriate Pool meeting, the minor producers will be asked to elect a representative to serve on the 2006 Board. This election will take place as a business item on the Appropriate Pool agenda. Pursuant to the Appropriate Pool Rules, the vote will be by majority rule by the minor producers unless a party requests a volume vote. Minor Producers and their related allocation of volume vote are listed below. Any proxies must be delivered in writing to Watermaster prior to the vote.

	Allocated Vote
Arrowhead Mountain Spring Water Co.*	0.51
Inland Empire Utilities Agency*	0.02
Marygold Mutual Water Company*	7.21
Monte Vista Irrigation Co.*	8.44
Niagara Bottling Company, LLC*	4.86
Nicholson Trust*	0.04
Norco, City of*	3.17
Santa Ana River Water Company*	13.62
San Antonio Water Company*	17.50
San Bernardino County (Shooting Park)*	0.11
Southern California Water Company*	3.75
West End Consolidated Water Company*	10.21
West Valley Water District*	6.95
	76.39

ROTATION SCHEDULE FOR REPRESENTATIVES TO THE WATERMASTER

Existing and Proposed Representation of the Parties to the Judgement

Interim 34-month	APPROPRIATORS			NON-AG	AGRICULTURAL POOL			MUNICIPALS		
		{24}		{13 Ind.}	{3 Groups}			{3 Overlying Districts}		
Mar-98	Ontario	MVWD	CCWD	Industry	Dairy	Crops	IEUA	TVMWD	WMWD	
1999	Ontario	MVWD	CCWD	Industry	Dairy	Crops	IEUA	TVMWD	WMWD	
2000	Ontario	MVWD	CCWD	Industry	Dairy	Crops	IEUA	TVMWD	WMWD	
Term cycles	(2yr)	(2yr)	(2yr)	(3yr)	(3yr)	(3yr)	(3yr)	(3yr)	(3yr)	
Reappoint	<i>Big</i>	<i>Medium</i>	<i>Small</i>							
Jan-01	FWC	MVWD	CCWD	Industry	Dairy	Crops	IEUA	TVMWD	WMWD	
Jan-02	FWC	Chino	Ontario	Industry	Dairy	State	IEUA	TVMWD	WMWD	
Jan-03	Pomona	Chino	Minor Rep	Industry	Crop	State	IEUA	TVMWD	WMWD	
Jan-04	Pomona	FUWC	Chino Hills	Industry	Crop	State	IEUA	TVMWD	WMWD	
Jan-05	Jurupa	FUWC	Chino Hills	Industry	Crop	Dairy	IEUA	TVMWD	WMWD	
Jan-06	Jurupa	MVWD	Minor Rep	Industry	State	Dairy	IEUA	TVMWD	WMWD	
Jan-07	Ontario	MVWD	Minor Rep	Industry	State	Dairy	IEUA	TVMWD	WMWD	
Jan-08	Ontario	CCWD	Upland	Industry	State	Crop	IEUA	TVMWD	WMWD	
Jan-09	FWC	CCWD	Upland	Industry	Dairy	Crop	IEUA	TVMWD	WMWD	
Jan-10	FWC	Chino	Minor Rep	Industry	Dairy	Crop	IEUA	TVMWD	WMWD	
Jan-11	Pomona	Chino	Minor Rep	Industry	Dairy	State	IEUA	TVMWD	WMWD	
Jan-12	Pomona	FUWC	Chino Hills	Industry	Crop	State	IEUA	TVMWD	WMWD	
Jan-13	Jurupa	FUWC	Chino Hills	Industry	Crop	State	IEUA	TVMWD	WMWD	
Jan-14	Jurupa	MVWD	Minor Rep	Industry	Crop	Dairy	IEUA	TVMWD	WMWD	
Jan-15	Ontario	MVWD	Minor Rep	Industry	State	Dairy	IEUA	TVMWD	WMWD	

The noted rotation sequence perpetuates indefinitely until and unless there is a Court approved change

Approved by the Appropriative Pool
September 26, 2000

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CHINO BASIN WATERMASTER

IV. INFORMATION

1. Newspaper Articles



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

Industry leader leaves dairy board

Joe Florkowski, Staff Writer
San Bernardino County Sun

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

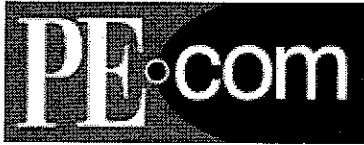
Feenstra's Milk Producers Council office in Chino is littered with photos of legislators he has worked with over the years, including then-Assemblyman Gray Davis.

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

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

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

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



Plan calls for supersizing reservoir

Need to upgrade dam may grow into big project

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

By JENNIFER BOWLES / The Press-Enterprise

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

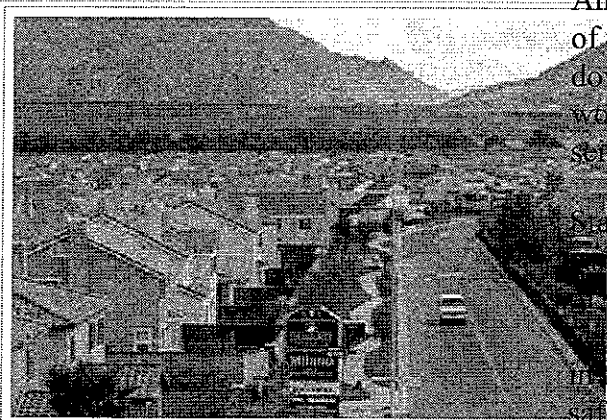
The bold idea circulating at the Metropolitan Water District, still in its early stages, would require state approval and is years away at best.

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

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

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

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



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

State engineers announced this summer that the lake's 1960s-era dam could slump in a major earthquake because of a weakness in its foundation. That finding recently was confirmed by an independent panel of experts. Metropolitan, in the meantime, has been drawing down the lake to a safe level.

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

BY THE NUMBERS

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

42 billion

Gallons that would be held in the expanded lake:

326 billion

Silvia Flores / The Press-Enterprise

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

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

How It Began

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

gathered steam.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Timing Right?

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

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

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

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

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

Similar Proposal

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

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

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

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

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

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

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

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

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

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Bacteria may be an answer to water contamination

By Nikki Cobb
Staff Writer

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

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

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

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

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

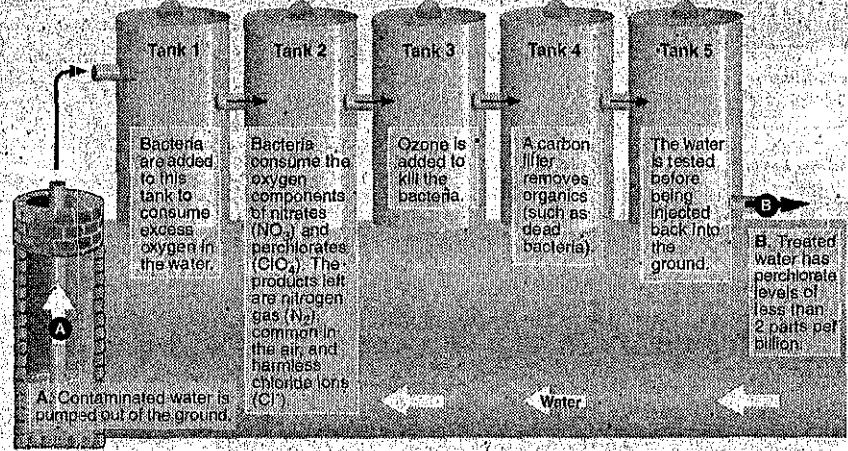
Wells in Rialto, Fontana, Colton and some county areas are treated for perchlorate using a traditional ion exchange system. Perchlorate is collected on resin filters, which have to be changed once filled to capacity.

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

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

Perchlorate removal

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



Source: Center for Environmental Microbiology.

CHRIS MARICH • STAFF GRAPHIC

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

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

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

Hall said another advantage of bioreme-

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

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

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

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

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

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

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

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

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

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

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

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

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

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10/14/05 The Sun

SoCal water delivery review may occur

By Juliana Barbassa

The Associated Press

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

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

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

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

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

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

fornia's appeal will lessen."

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

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

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

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

Sun staff writer George Watson contributed to this report.

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Daily Bulletin 10/19/05

BRIEFLY

NEWS FROM AROUND
THE INLAND VALLEY

Southland stands to benefit from water bill

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

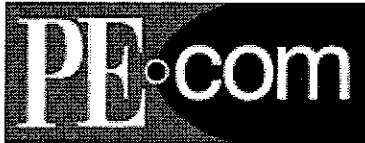
The bill, sponsored by Rep. Gary Miller, R-Brea, is expected to boost the region's water supply by 65.2 billion gallons per year.

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

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

— Lisa Friedman, (202) 662-8731

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Bill aids Inland water cleanup

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

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

By **CLAIRE VITUCCI / Washington Bureau**

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

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

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

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

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

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

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

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

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

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

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

Perchlorate cleanup

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

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

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

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

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

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

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

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



House passes water-quality bill

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

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

By **CLAIRE VITUCCI / Washington Bureau**

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

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

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

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

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

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

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

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

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

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

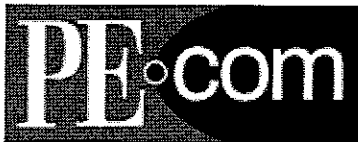
Miller is working with Sen. Dianne Feinstein, D-Calif., to craft similar legislation to pass the Senate, said Kevin McKee, a Miller spokesman.

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

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

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Online at: http://www.pe.com/breakingnews/local/stories/PE_News_Local_D_desal19.130cbd1b.html



Take 12 steps now to avert water crisis

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

By STEVE HALL

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

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

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

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

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

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

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

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

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

Online at:

http://www.pe.com/localnews/opinion/localviews/stories/PE_OpEd_Opinion_D_op_16_water_loc.2fe18b8.html

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