

# CHINO BASIN WATERMASTER



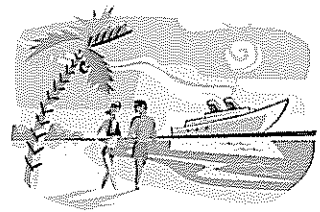
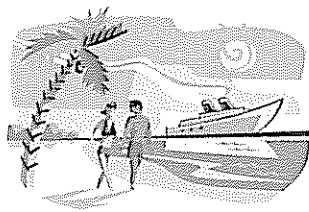
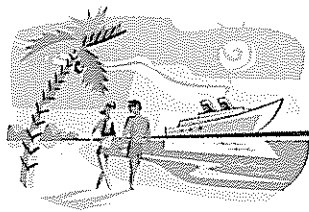
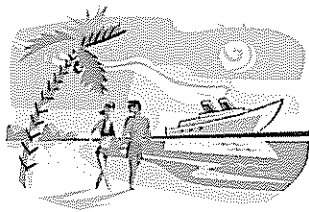
## NOTICE OF MEETINGS

Thursday, September 28, 2006

9:00 a.m. – Advisory Committee Meeting  
11:00 a.m. – Watermaster Board Meeting

*(Lunch Will be Served in the Event Room)*

**AT THE INLAND EMPIRE UTILITIES AGENCY OFFICES**  
6075 Kimball Ave. Bldg. A Board Room  
Chino, CA 91710  
(909) 993-1600





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***AT THE INLAND EMPIRE UTILITIES AGENCY OFFICES***

*6075 Kimball Ave. Bldg. A Board Room*

*Chino, CA 91710*

*(909) 993-1600*

# AGENDA PACKAGE



**CHINO BASIN WATERMASTER  
ADVISORY COMMITTEE MEETING**

9:00 a.m. – September 28, 2006

**At The Offices Of**

**Inland Empire Utilities Agency**

6075 Kimball Ave., Bldg. A, Board Room

Chino, CA 91710

**AGENDA**

**CALL TO ORDER**

**AGENDA - ADDITIONS/REORDER**

**I. CONSENT CALENDAR**

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

**A. MINUTES**

1. Minutes of the Advisory Committee Meeting held on August 24, 2006 *(Page 1)*

**B. FINANCIAL REPORTS**

1. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2005 through June 30, 2006 *(Page 13)*
2. Treasurer's Report of Financial Affairs for the Period June 1, 2006 through June 30, 2006 *(Page 15)*
3. Profit & Loss Budget vs. Actual July 2005 through June 2006 *(Page 17)*
4. Cash Disbursements for the month of August 2006 *(Page 19)*

**C. WATER TRANSACTION**

1. **Consider Approval for Transaction of Notice of Sale or Transfer** – Fontana Water Company has agreed to purchase from San Antonio Water Company water in storage in the amount of 5,000 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2005/2006. Date of application: June 26, 2006 *(Page 23)*

**II. BUSINESS ITEMS**

**A. INLAND EMPIRE LANDSCAPING ALLIANCE**

Consider Approval of Resolution 06-04 for the Support of the Inland Empire Landscaping Alliance *(Page 37)*

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Storage and Recovery Negotiations
2. Desalter Negotiations
3. Peace II Term Sheet
4. Hanson Aggregates

- 5. Goodrich Subpoena

**B. WATERMASTER ENGINEERING REPORT**

- 1. Monitoring Performed for the Annual Monitoring Program  
(This presentation will only be given at the Watermaster Board Meeting)

**C. WATERMASTER FINANCIAL REPORT**

- 1. Audit
- 2. Budget vs. Actual
- 3. Water Activity Report
- 4. Assessment Package
- 5. Governmental Savings Account

**D. CEO/STAFF REPORT**

- 1. Storm Water/Recharge Report
- 2. Legislative/Bond Update
- 3. Water Fair
- 4. Strategic Planning/Pre-Strategic Planning Conference
- 5. Treatment of Desalter Forgiveness

**E. INLAND EMPIRE UTILITIES AGENCY**

- 1. Monthly Water Conservation Programs Report *(Page 43)*
- 2. Monthly Imported Water Deliveries Report - handout
- 3. State and Federal Legislative Report *(Page 47)*
- 4. Community Outreach/Public Relations Report *(Page 55)*

**F. OTHER METROPOLITAN MEMBER AGENCY REPORTS**

**IV. INFORMATION**

- 1. Newspaper Articles *(Page 57)*

**V. COMMITTEE MEMBER COMMENTS**

**VI. OTHER BUSINESS**

**VII. FUTURE MEETINGS**

September 26, 2006	9:00 a.m.	GRCC Meeting
September 28, 2006	9:00 a.m.	Advisory Committee Meeting @ IEUA
September 28, 2006	11:00 a.m.	Watermaster Board Meeting @ IEUA
September 28, 2006	12:00 p.m.	RAND / IEUA Workshop @ IEUA
October 1, 2 & 3, 2006		Strategic Planning Conference – Hyatt Grand Champions Hotel, Indian Wells

**Meeting Adjourn**

**CHINO BASIN WATERMASTER  
WATERMASTER BOARD MEETING**

11:00 a.m. – September 28, 2006

**At The Offices Of**

**Inland Empire Utilities Agency**

6075 Kimball Ave., Bldg. A, Board Room

Chino, CA 91710

**AGENDA**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**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 Watermaster Board Meeting held on August 24, 2006 *(Page 7)*

**B. FINANCIAL REPORTS**

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Consider Approval of Resolution 06-04 for the Support of the Inland Empire Landscaping Alliance *(Page 37)*

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Storage and Recovery Negotiations
2. Desalter Negotiations

- 3. Peace II Term Sheet
- 4. Hanson Aggregates
- 5. Goodrich Subpoena

**B. WATERMASTER ENGINEERING REPORT**

- 1. Monitoring Performed for the Annual Monitoring Program

**C. WATERMASTER FINANCIAL REPORT**

- 1. Audit
- 2. Budget vs. Actual
- 3. Water Activity Report
- 4. Assessment Package
- 5. Governmental Savings Account

**D. CEO/STAFF REPORT**

- 1. Storm Water/Recharge Report
- 2. Legislative/Bond Update
- 3. Water Fair
- 4. Strategic Planning/Pre-Strategic Planning Conference
- 5. Treatment of Desalter Forgiveness
- 6. Establish a Water Policy Committee

**IV. INFORMATION**

- 1. Newspaper Articles (*Page 57*)

**V. BOARD MEMBER COMMENTS**

**VI. OTHER BUSINESS**

**VII. FUTURE MEETINGS**

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October 1, 2 & 3, 2006		Strategic Planning Conference – Hyatt Grand Champions Hotel, Indian Wells

**Meeting Adjourn**



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Advisory Committee Meeting – August 24, 2006



**Draft Minutes**  
**CHINO BASIN WATERMASTER**  
**ADVISORY COMMITTEE MEETING**  
*August 24, 2006*

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on August 24, 2006 at 9:00 a.m.

**ADVISORY COMMITTEE MEMBERS PRESENT**

**Agricultural Pool**

Nathan deBoom, Chair	Ag Pool/Dairy
Pete Hettinga	Ag Pool

**Appropriative Pool**

Mohamad El Amamy	City of Ontario
Mike McGraw	Fontana Water Company
Chris Diggs	Fontana Union Water Company
Dave Crosley	City of Chino
Mike Maestas	City of Chino Hills
Mark Kinsey	Monte Vista Water District
Charles Moorrees	San Antonio Water Company
Jim Taylor	City of Pomona
J. Arnold Rodriguez	Santa Ana River Water Company
Rosemary Hoerning	City of Upland
Justin Brokaw	Marygold Mutual Water Company

**Non-Agricultural Pool**

Justin Scott-Coe	Vulcan Materials Company (Calmat Division)
Michael Malpezzi	Reliant Energy

**Watermaster Board Members Present**

John Anderson	Inland Empire Utilities Agency
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**Watermaster Staff Present**

Kenneth R. Manning	Chief Executive Officer
Gordon Treweek	Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

**Watermaster Consultants Present**

Michael Fife	Hatch & Parent
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**Others Present**

Steven G. Lee	Ag Pool Legal Counsel
Ashok K. Dhingra	City of Pomona
Rich Atwater	Inland Empire Utilities Agency
Rick Hansen	Three Valleys Municipal Water District
Bill Kruger	City of Chino Hills
Rick Darnell	Reliant Energy

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

**AGENDA - ADDITIONS/REORDER**

There were no additions or reorders made to the agenda.



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

1. Minutes of the Advisory Committee Meeting held July 27, 2006

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of July 2006

*Motion by Maestas, second by McGraw, and by unanimous vote*

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

**II. BUSINESS ITEMS****A. STATUS REPORT 2006-01**

Mr. Manning stated when the court reappointed the nine-member board at the beginning of the year, for another five-year term, that was the end of the official reporting cycle that was agreed to as part of Peace I. As part of this reappointment of the board, the court asked that we start a new cycle of reporting, similar to the old reporting style, although the format did need to be changed slightly. Chino Basin Watermaster has agreed to the new format and Status Report 2006-01 is the first of two, which will be filed with the court this year. Staff is asking this committee to approve Status Report 2006-01 to be forwarded on to the Watermaster Board for approval.

*Motion by Maestas, second by Kinsey, and by unanimous vote*

***Moved to approve the filing of Status Report 2006-01, as presented***

**B. ANNUAL MONITORING PROGRAM AGREEMENT BETWEEN IEUA & CBWM**

Mr. Manning stated in the year 2004/2005 there was an Memorandum of Understanding (MOU) Agreement between Inland Empire Utilities Agency (IEUA) and Chino Basin Watermaster (CBWM) that called for several monitoring functions within the Chino Basin. In that agreement, the MOU referred to an MOU which would be reaffirmed by the agencies on an annual basis. This annual monitoring plan and budget is the aforementioned MOU that specifies what the breakup will be as far as the sharing of costs is concerned. Mr. Manning referred to page 27 of the meeting packet, which describes several monitoring programs under this agreement. Except for the recycled water monitoring, all of the cost shares are at 50%, the recycled water has a 75/25% split. Staff is asking this to be approved to move forward to the Watermaster Board for their approval. Mr. Kinsey noted at the Appropriative Pool meeting Mr. Wildermuth was asked about the Lysimeter and well sampling for the recycled water recharge program. The question that was presented to Mr. Wildermuth was, "Would these facilities be necessary just for storm water recharge or imported?" Mr. Wildermuth indicated by his answer that they were not necessary. Mr. Kinsey stated his concerns are that Watermaster is helping to offset the costs of a recycled water program which we all agree to do, however, Watermaster is not a beneficiary and does not have access to that recycled water to help offset any of its replenishment obligations. Mr. Kinsey stated from Monte Vista's standpoint, we should not be expected to pay for something that we are not receiving some of the benefits associated with the costs. Mr. Manning stated that in some point in time Watermaster will have access to recycled water to the benefit of the entire basin and the knowledge that is gained from the monitoring program does provide benefit to the Watermaster parties.

*Motion by Taylor, second by Crosley, and by majority vote – Monte Vista Water District voted no*

***Moved to approve the Annual Monitoring Program Agreement between Inland Empire and Chino Basin Watermaster, as presented***

**C. UPDATE OF RESOLUTION 01-01**

A number of years ago Watermaster had made a determination that staff was going to use the same costs/charges that are being applied to those types of requests for copied documents from the San Bernardino Superior Court. Watermaster adopted the same rate structure for our use and policy. The costs have gone up to \$.50 per page and in staying in concert with their

rate structure staff is requesting to update our Resolution 01-01 to reflect the new rates. Parties to the judgment have their fees waived; however, non-parties to the judgment must pay the copying fee if they want copies made. Recently there have been two requests for documents; one was a massive request for copied documents, making it even more important to adhere to the new Superior Court rate change.

*Motion by Kinsey, second by Rodriguez, and by unanimous vote  
Moved to approve updating of Resolution 01-01, as presented*

### III. REPORTS/UPDATES

#### A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Goodrich Subpoena

Counsel Fife stated the actual subpoena was distributed last month at the Advisory Committee and Watermaster Board meeting. Counsel Fife noted that Goodrich with regard to the water quality litigation in the Rialto Basin has served Chino Basin Watermaster with a subpoena basically asking for copies of every document that we have on file. Counsel attempted to explain to Goodrich the volume of documents they were requesting, however, the notification was not well received and they noted they still wanted every single document requested in the subpoena. Counsel has responded to their request by using Watermaster's standard form that we give to entities who make either public records act requests or any other copying request. Counsel Fife noted Watermaster is a judicial branch entity and is not subject to either the subpoena power of federal district court nor are we subject to the public records act, although, we are very open with everything we have and we will provide the copies which are requested for a fee. Because this request is coming from a law firm we did ask for an advance deposit before we would begin the copying process in the amount of \$25,000 dollars.

2. Stakeholder Non-Binding Term Sheet

Counsel Fife stated we are taking comments concerning the Referee's Workshop regarding the Economic Report. There is a letter from Monte Vista Water District regarding their comments. To date we have not received any other comments. If there is a party that still wishes to submit comments, please do so immediately.

3. Vulcan Assignment to San Antonio Water Company

Counsel Fife stated this item was discussed at length at all of the Pool meetings. This is the proposed assignment from Vulcan Materials to the San Antonio Water Company. Counsel Fife noted the interesting thing about this assignment is that they are asking for it to be retroactive twenty-six years. Watermaster is continuing its investigation into this matter. Several support items will need to be reviewed prior to a decision or action. Mr. Kinsey inquired into a time frame for analyzing the needed items. Counsel Fife stated from Watermaster's perspective, our next action would be to do something when the Assessment Package is being formulated. This has not been an action item on any of the agendas. A lengthy discussion ensued with regard to this assignment. Counsel Fife stated staff is planning on doing their investigation and then preparing a staff report to inform the parties of our position on these issues. Mr. Manning stated Watermaster is performing our due diligence as we would with any Form 10 request which is being performed at this time. Staff will be asking for a great deal of information about the transactions so that we can have clarification. Once staff has a position, in terms of understanding it, we are going to ask legal counsel to provide us with guidance on the legal issues. Mr. Manning reiterated there are no time frames other than we would like it done prior to the Assessment Package in November.

#### B. WATERMASTER ENGINEERING REPORT

1. Basin Outflows Regarding the Chino Airport Plume

Mr. Manning stated a staff member from Wildermuth Environmental's (WE) office was to be here to give their presentation which was given at the Pool meetings, however, something

came up and there is no representation from WE. Mr. Manning stated Mr. Wildermuth did provide some slides for presentation this morning if the committee members would like to see those at this time. Mr. Manning noted WE was describing in their slides and presentation the element that was left out of the report that was given at the Referee's Workshop that spoke about the out flow at the south-west portion of the basin. His report covered what we needed to do to ensure we had Hydraulic Control over that section as well as the rest of the southern portion of the basin. Mr. Manning commented that he will be making the full condensed version of this presentation at the Watermaster Board meeting today.

### C. CEO/STAFF REPORT

#### 1. Storm Water/Recharge Report

Mr. Treweek stated our actual recharge for July was 1,600 acre-feet and our goal was 3,800 acre-feet. The reason we only achieved about 40% of our goal was that Metropolitan Water District shut down all the replenishment water during the very-hot days in July. We are now back running at full bore and we are recharging about 200 acre-feet a day in our basins. The only basin that is not working right now is the Lower Day Basin which is being cleaned. Mr. Treweek recapped the future CBFIP facilities and reviewed the schedule of potential yield. Mr. Manning stated what was just reported is an optimistic view of our recharge potential operations and we look at it as the best case scenario based upon where we are today and we also believe most of it achievable with a lot of work. There are still things that need to happen to realize our goal. We are thinking of ways to meet our obligations for recharge, this was one of the items the special referee mentioned at the workshop and is also critical to the court. We are thinking about where we need to be in the year 2030 and this is part of the planning we are working on as to how to get there, and this issue will be discussed further at our upcoming Strategic Planning Conference that is being held in October 2006.

#### 2. Legislative/Bond Update

Mr. Manning stated Sacramento meetings will take place this month which is the last month of the session so anything that does not get off the floor and onto the governors desk is canned and will have to come back in the next session. We are in the middle of an election cycle and the filing period ends tomorrow for elections for seats that are up for election this year. There should be a lot of activity seen over the next couple weeks.

#### 3. Hanson Aggregate Update

Mr. Manning stated this item is actually an information update and that if and when this item is discussed it will be in closed session from now on and will probably be discussed at the next Watermaster Board meeting at the end of the month.

#### 4. Budget vs. Actual Update

Mr. Manning stated this item is in response to a letter written by Robert DeLoach to the chairman of the Agricultural Pool regarding the legal fee overage from the budgeted amount. A response letter was written back by Nathan deBoom, the chairman of the Agricultural Pool, in regard to the overage which included some great suggestions.

#### 5. IEUA Landscaping Alliance

Mr. Manning stated there are a number of events that are all coming together at the same time, like the Strategic Planning Conference which is also related to this Alliance. Along the lines of the IEUA Landscaping Alliance, there is a series of workshops that RAND has offered to hold. The first workshop happens to tag on very nicely to the October conference and RAND wants to hold those in the same time frame as our conference. In September, we are going to be moving the Advisory Committee and the Watermaster Board meeting to the IEUA facilities and after the Board meeting we will have lunch and then go directly in to the first RAND session which we will use as our pre-conference kick off. The first session will be addressing water supply and global warming water supply issues here in California.

**C. INLAND EMPIRE UTILITIES AGENCY**

1. Monthly Water Conservation Programs Report

Mr. Atwater stated he received good news regarding the new metering with Edison and the Senate Bill regarding this was passed; this will save us collectively a lot of money in our generation. Chair deBoom inquired if there was a cap put on each site. Mr. Atwater stated there was, and it is one in a half megawatts per facility.

On the back table is information on Mr. Atwater being asked to testify on July 28, 2006 on an Energy Committee.

2. Monthly Imported Water Deliveries Report

No comment was made regarding this item.

3. State and Federal Legislative Reports

No comment was made regarding this item.

4. Community Outreach/Public Relations Report

No comment was made regarding this item.

**D. OTHER METROPOLITAN MEMBER AGENCY REPORTS**

Mr. Hanson stated the Metropolitan Water District Board has approved the Rialto Feeder isolation valves. Along with the valves they are going to build a pump back station from the Live Oak Reservoir. The schedule is to start working now and the project should be complete in the summer of 2008. Mr. Hanson stated that Legislation is looking promising; in that legislation is a five million for a regional pipeline approach that included Inland Empire, Three Valleys, the San Gabriel Valley Municipal, and the Upper San Gabriel all the way over to the foothills. A part of that with Metropolitan, WFA, and Inland Empire are looking at the best project for bringing in emergency supply into the Mira Mar Plant. Mr. Hanson stated as parties have experienced over this last year or so, Metropolitan Water District at times has little or no replenishment water available off the Rialto Feeder, yet the San Gabriel Pipeline has capacity six months out of the year available to deliver replenishment water.

**IV. INFORMATION**

1. Newspaper Articles

No comment was made regarding this item.

2. IE PAN Invitation

Mr. Manning noted the next IEPAN luncheon would be on September 8, 2006.

**V. COMMITTEE MEMBER COMMENTS**

No comment was made regarding this item

**VI. OTHER BUSINESS**

No comment was made regarding this item

**VII. FUTURE MEETINGS**

August 24, 2006	9:00 a.m.	Advisory Committee Meeting
August 24, 2006	11:00 a.m.	Watermaster Board Meeting
August 29, 2006	9:00 a.m.	GRCC Meeting
September 14, 2006	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
September 19, 2006	9:00 a.m.	Agricultural Pool Meeting @ IEUA
September 26, 2006	9:00 a.m.	GRCC Meeting
September 28, 2006	8:00 a.m.	MZ1 Technical Committee Meeting @ IEUA
September 28, 2006	9:00 a.m.	Advisory Committee Meeting @ IEUA
September 28, 2006	11:00 a.m.	Watermaster Board Meeting @ IEUA

The Advisory Committee Meeting Adjourned at 9:40 a.m.

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

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



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Watermaster Board Meeting – August 24, 2006



**Draft Minutes**  
**CHINO BASIN WATERMASTER**  
**WATERMASTER BOARD MEETING**  
*August 24, 2006*

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on August 24, 2006 at 11:00 a.m.

**WATERMASTER BOARD MEMBERS PRESENT**

Ken Willis, Chair	West End Consolidated Water Company
Sandra Rose	Monte Vista Water District
John Anderson	Inland Empire Utilities Agency
Bob Kuhn	Three Valleys Municipal Water District
Bob Bowcock	Vulcan Materials Company
Paul Hofer	Agricultural Pool, Crops
Paul Hamrick	Jurupa Community Services District
Geoffrey Vanden Heuvel	Agricultural Pool, Dairy
Al Lopez	Western Municipal Water District

**Watermaster Staff Present**

Kenneth R. Manning	Chief Executive Officer
Gordon Treweek	Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

**Watermaster Consultants Present**

Scott Slater	Hatch & Parent
Michael Fife	Hatch & Parent

**Others Present**

Mark Kinsey	Monte Vista Water District
Charles Moorrees	Santa Antonio Company
Rosemary Hoerning	City of Upland
Dave Crosley	City of Chino

The Watermaster Board Meeting was called to order by Chair Willis at 11:05 a.m.

**PLEDGE OF ALLEGIANCE**

**AGENDA - ADDITIONS/REORDER**

There were no additions or reorders made to the agenda.

**I. CONSENT CALENDAR**

**A. MINUTES**

1. Minutes of the Watermaster Board Meeting held July 27, 2006

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of July 2006

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

*Moved to approve the Consent Calendar items A and B, as presented*

**II. BUSINESS ITEMS****A. STATUS REPORT 2006-01**

Mr. Manning stated when the court reappointed the nine-member board at the beginning of the year, for another five-year term, that was the end of the official reporting cycle that was agreed to as part of Peace I. As part of this reappointment of the board, the court asked that we start a new cycle of reporting, similar to the old reporting style, although the format did need to be changed slightly. Chino Basin Watermaster has agreed to the new format and Status Report 2006-01 is the first of two, which will be filed with the court this year. Staff is seeking approval for Status Report 2006-01.

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

***Moved to approve the filing of Status Report 2006-01, as presented***

**B. ANNUAL MONITORING PROGRAM AGREEMENT BETWEEN IEUA & CBWM**

Mr. Manning stated in the year 2004/2005 there was a Memorandum of Understanding (MOU) Agreement between Inland Empire Utilities Agency (IEUA) and Chino Basin Watermaster (CBWM) that called for several monitoring functions within the Chino Basin. In that agreement, the MOU referred to an MOU, which would be reaffirmed by the agencies on an annual basis. This annual monitoring plan and budget is the aforementioned MOU that specifies what the breakup will be as far as the sharing of costs is concerned. Mr. Manning referred to page 27 of the meeting packet, which describes several monitoring programs under this agreement. Except for the recycled water monitoring, all of the cost shares are at 50%, the recycled water has a 75/25% split. Staff is seeking approval for the Annual Monitoring Program Agreement. Mr. Manning stated this agreement passed through the Pools with one negative vote and through the Advisory Committee with one negative vote, both by the same agency. Mr. Vanden Heuvel inquired as to the concerns of the one agency that voted no. Mr. Manning stated, Monte Vista was the dissenting party and their concern that the 75/25% split was inappropriate split because Watermaster is not receiving benefit from recycled water currently. Mr. Kinsey stated when this agreement was presented in 2004; Monte Vista had the same arguments in that they do not think it is appropriate that Watermaster subsidize the costs of the recycled water program since not all of the Watermaster agencies are in a position to receive benefits from recycled water. Monte Vista believes that IEUA and IEUA agencies should pay 100% of the costs associated with this particular line item rather than it being a 75/25% split. Mr. Manning stated this does not change the actual monitoring program; the monitoring program that is in place, even the recycled monitoring program, since Watermaster is a co-applicant on the recycled water program. The monitoring that Watermaster is performing is a result of the Hydraulic Control Program and Recycled Water Program and is mandated by the Department of Health Services and the Regional Board. If the Watermaster Board did not pass this cost sharing agreement, we still have a mandated requirement, which does not change. What this agreement does is coordinates both agencies to be prepared to share the costs of the program as it carries forward through this next year. Mr. Bowcock stated that as the non-agricultural pool representative he thinks that all parties within the Watermaster benefit from higher groundwater levels and are all responsible for replenishment water when it is required and ordered by the basin.

*Motion by Kuhn, second by Bowcock, and by majority vote – Monte Vista Water District voted no*

***Moved to approve the Annual Monitoring Program Agreement between Inland Empire and Chino Basin Watermaster, as presented***

**C. UPDATE OF RESOLUTION 01-01**

A number of years ago Watermaster had made a determination that staff was going to use the same costs/charges that are being applied to those types of requests for copied documents from the San Bernardino Superior Court. Watermaster adopted the same rate structure for our use and policy. The costs have gone up to \$.50 per page and in staying in concert with their rate structure staff is requesting to update our Resolution 01-01 to reflect the new rates. Parties



to the judgment have their fees waived; however, non-parties to the judgment must pay the copying fee if they want copies made. Recently there have been two requests for documents; one was a massive request for copied documents, making it even more important to adhere to the new Superior Court rate change.

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

***Moved to approve updating of Resolution 01-01, as presented***

### III. REPORTS/UPDATES

#### A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

##### 1. Goodrich Subpoena

Counsel Slater stated this item was discussed at length at the August Watermaster Board meeting. This is a subpoena, which was generated out of the Rialto litigation. Counsel Slater stated it was made known to the parties that Watermaster is not subject to such subpoenas; however, there is no objection to making the documents available so long as the parties comply with Watermaster's policies regarding copying/reimbursement costs. This matter has not yet been resolved with the Goodrich counsel. It is anticipated this issue will have some resolve by the next Watermaster Board meeting in October.

##### 2. Stakeholder Non-Binding Term Sheet

Counsel Slater stated the Referee's Workshop was held recently and at that workshop, it was suggested and staff concurred, that along with the transmittal of the Peace II Term Sheet to the court, that we should also have a narrative. The narrative is an explanation of the circumstances under which the Term Sheet makes its way to the court and a summary of the historical conditions between both technical and legal, between the time the Judgment was adopted in 1978 and now effectively. We are now in the process of preparing a pleading which attached to the Term Sheet, that would go to the court; it would be open and subject to review through the typical Watermaster process. The Term Sheet would also have, as an attachment, the Sunding Report and the Wildermuth Environmental work to date. This would give the court a full record of our expectations. That work product is in progress. Staff and counsel have received some comments on the Sunding Draft Report and those have been transmitted to Professor Sunding. Once his report is complete, the second draft will be brought through the Watermaster process where it would be a receive and accept or not by this Board. Wildermuths work is essentially complete for this segment, although Mr. Wildermuth continues to fine-tune his work. We are anticipating a hearing for these items in late fall.

Counsel Slater noted there is a September 16, 2006 date that has to do with the motions that the City of Chino and the City of Chino Hills had filed many-many years ago on the court calendar. We are hopeful that will be moved over for another year.

##### 3. Vulcan Assignment to San Antonio Water Company

Counsel Slater stated there is an assignment request which is described on page 35 of the meeting packet that counsel characterizes as a change in report as a result of an activity between San Antonio Water Company and Vulcan. Staff is presently involved in investigating the underlying facts so that the Board can be advised as to what the legal parameters are. At this point staff is going through the same process as it would go through any Form 10 request. Staff will be requesting a number of documents from the agencies that are requesting the transfer of the assignment along with several other underlying documents. This is the same due diligence staff would do for any other Form 10 project. Staff is anticipating the information released to Watermaster will provide us with a few dilemmas; staff is going to try and phrase those dilemmas into a question we are going to ask legal counsel to try and clarify for us in terms of the process and the legal authority. Once those two things are in place, staff is going to make a recommendation. When Watermaster staff first received this Form 10 credit, staff asked Vulcan, through their representative that we acknowledge this as not the "normal" kind of a request and that

Watermaster was not going to be comfortable in making any sort of recommendation unless this was fully vetted in front of the entire Watermaster process. Vulcan and their representative was very comfortable with daylighting this and receiving comments from the parties. There is no time line set for resolve, however, staff is seeking to handle this before the time of the Assessment Package process in November. Mr. Vanden Heuvel asked that what is being contemplated in this transaction be further clarified. Mr. Manning stated that Vulcan has water rights in the basin of about 317 acre-feet per year. What they are asking for is to have that water assigned, going back twenty-six years, to San Antonio. San Antonio, as well as others, has been supplying Vulcan with water for many-many years – even further back than the twenty-six years that for which they are trying to receive credit. Vulcan is saying they would like to do is to clear this up before the Peace II process is in place. Vulcan wants to transfer approximately 8,000 acre-feet of water to San Antonio; they have also disclosed that San Antonio has a deal with Fontana Water Company and Cucamonga Valley Water to sell that water to them once this transfer takes place. An extensive discussion with questions and comments ensued with regard to this matter. Mr. Manning reiterated that staff will be providing a complete and full report once this matter has been thoroughly investigated and the facts and data has been analyzed.

## **B. WATERMASTER ENGINEERING REPORT**

### **1. Basin Outflows Regarding the Chino Airport Plume**

Mr. Manning stated at the recent Referee Workshop there was some discussion about an area in the basin which is at the southwest portion where there appears to be some leakage into the Prado area of water. This item presented today is an addendum to the Wildermuth Hydraulic Control report. Mr. Manning reviewed the Hydrologic Basis for Hydraulic Control and Re-Operation / New West Desalter Well Field presentation. The need for the west desalter well field is shown in monitoring data indicates that currently we do not have control in that area. Modest expansions of Desalter I and Desalter II cannot achieve the needed hydraulic control. A map reviewing half desalter replenishment was reviewed in detail. Mr. Manning stated the next steps would be to optimize the west desalter well field and to prepare an addendum to the April 2006 report to include the west desalter well field. A brief discussion ensued with regard to the new wells.

## **C. CEO/STAFF REPORT**

### **1. Storm Water/Recharge Report**

Mr. Treweek stated our actual recharge for July was 1,600 acre-feet and our goal was 3,800 acre-feet. The reason we only achieved about 40% of our goal was that Metropolitan Water District shut down all the replenishment water during the very-hot days in July. We are now back running at full bore and we are recharging about 200 acre-feet a day in our basins. The only basin that is not working right now is the Lower Day Basin which is being cleaned. Mr. Treweek recapped the future CBFIP facilities and reviewed the schedule of potential yield. Mr. Manning stated what was just reported is an optimistic view of our recharge potential operations and we look at it as the best case scenario based upon where we are today and we also believe most of it achievable with a lot of work. There are still things that need to happen to realize our goal. We are thinking of ways to meet our obligations for recharge, this was one of the items the special referee mentioned at the workshop and is also critical to the court. We are thinking about where we need to be in the year 2030 and this is part of the planning we are working on as to how to get there, and this issue will be discussed further at our upcoming Strategic Planning Conference that is being held in October 2006.

### **2. Legislative/Bond Update**

Mr. Manning stated Sacramento meetings will take place this month which is the last month of the session so anything that does not get off the floor and onto the governors desk is canned and will have to come back in the next session. We are in the middle of an election cycle and the filing period ends tomorrow for elections for seats that are up for election this year. There should be a lot of activity seen over the next couple weeks.

3. Hanson Aggregate Update

Mr. Manning stated this item is actually an information update and that if and when this item is discussed it will be in closed session from now on and will probably be discussed at the next Watermaster Board meeting at the end of the month.

4. Budget vs. Actual Update

Mr. Manning stated this item is in response to a letter written by Robert DeLoach to the chairman of the Agricultural Pool regarding the legal fee overage from the budgeted amount. A response letter was written back by Nathan deBoom, the chairman of the Agricultural Pool, in regard to the overage which included some great suggestions.

5. IEUA Landscaping Alliance

Mr. Manning stated there are a number of events that are all coming together at the same time, like the Strategic Planning Conference which is also related to this Alliance. Along the lines of the IEUA Landscaping Alliance, there is a series of workshops that RAND has offered to hold. The first workshop happens to tag on very nicely to the October conference and RAND wants to hold those in the same time frame as our conference. In September, we are going to be moving the Advisory Committee and the Watermaster Board meeting to the IEUA facilities and after the Board meeting we will have lunch and then go directly into the first RAND session which we will use as our pre-conference kick off. The first session will be addressing water supply and global warming water supply issues here in California.

IV. INFORMATION1. Newspaper Articles

No comment was made regarding this item.

2. IE PAN Invitation

Mr. Manning noted the next IE PAN luncheon will be held on September 8, 2006.

V. BOARD MEMBER COMMENTS

Ms. Rose offered comment and concerns regarding fundraisers and other various functions that Watermaster is involved in. Mr. Manning stated he could get together with Ms. Rose and any other board member who had concerns and go over the selection process.

Ms. Rose inquired into Mr. Manning's goals and objectives, which was submitted, in closed session, by the Watermaster Personnel Committee and previously approved by the Watermaster Board on June 22, 2006. A lengthy discussion ensued with regard to this issue. Chair Willis reminded the parties that this item was discussed in closed session and that since Mr. Kuhn, who is currently present and sits on the Personnel Committee that after the Board meeting concludes Ms. Rose, Mr. Kuhn, and Chair Willis can get together to review this matter. Counsel Slater stated, counsel was instructed to prepare a contract by the direction that was provided at the meeting. Ms. Rose stated she needed clarification as to what written information was handed out at the closed session in order to allow the Watermaster Board to make the recommendation to counsel to prepare a contract. Mr. Kuhn offered comment that since he sat on the Personnel Committee he was aware of Mr. Manning's previous contract and what was handed out at the meeting was a term sheet that was prepared by the Personnel Committee Members that tried to spell out the important parts correctly. Mr. Kuhn stated the Watermaster Board asked counsel to write up a contract based upon the term sheet, which contained salary and some goals and objectives that the Personnel Committee had requested that day. Mr. Kuhn suggested that the Personnel Committee reconvene and meet with any Board member who has questions or concerns about the approved contract and/or Mr. Manning's set goals and objectives. Counsel Slater stated the question that is being raised today is, whether the contract faithfully carries out what the intention of the Board was, and without piercing the discussion that took place in closed session. A way to address this issue would be to impanel the Personnel Committee to take a look at whether the contract meets with the expectations of the Committee and if those Committee members wish to convene a closed session, we could also do

that. A discussion ensued further regarding this matter. It was noted that Ms. Rose needed a copy of the contract and Mr. Manning stated he would provide that to her after the meeting.

**VI. OTHER BUSINESS**

No comment was made regarding this item.

**VII. CONFIDENTIAL SESSION**

No comment was made regarding this item.

**VIII. FUTURE MEETINGS**

August 24, 2006	9:00 a.m.	Advisory Committee Meeting
August 24, 2006	11:00 a.m.	Watermaster Board Meeting

The Watermaster Board Meeting Adjourned at 12:40 p.m.

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

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



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### B. FINANCIAL REPORTS

1. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2005 through June 30, 2006
2. Treasurer's Report of Financial Affairs for the Period June 1, 2006 through June 30, 2006
3. Profit & Loss Budget vs. Actual July 2005 through June 2006
4. Cash Disbursements for the month of August 2006



CHINO BASIN WATERMASTER  
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL  
 FOR THE  
 PERIOD JULY 1, 2005 THROUGH JUNE 30, 2006

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION AND SPECIAL PROJECTS APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER OPERATIONS GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2004-05
Administrative Revenues										
Administrative Assessments			4,829,595		66,160				4,895,755	\$3,984,888
Interest Revenue			307,788	16,958	9,462			79	334,287	78,330
Mutual Agency Project Revenue		200,138							200,138	0
Grant Income		42,500							42,500	0
Miscellaneous Income									-	0
Total Revenues	-	242,638	5,137,383	16,958	75,622	-	-	79	5,472,680	4,063,218
Administrative & Project Expenditures										
Watermaster Administration	572,534								572,534	621,784
Watermaster Board-Advisory Committee	56,707								56,707	37,018
Pool Administration			20,015	130,683	4,100				154,798	91,153
Optimum Basin Mgmt Administration		1,455,200							1,455,200	1,019,183
OBMP Project Costs		3,148,429							3,148,429	3,733,694
Education Funds Use								375	375	375
Mutual Agency Project Costs	31,928								31,928	80,004
Total Administrative/OBMP Expenses	661,169	4,603,629	20,015	130,683	4,100			375	5,419,971	5,583,211
Net Administrative/OBMP Income	(661,169)	(4,360,991)								
Allocate Net Admin Income To Pools	661,169		513,431	138,391	9,347				-	0
Allocate Net OBMP Income To Pools		4,360,991	3,386,526	912,812	61,653				-	0
Agricultural Expense Transfer			1,170,836	(1,170,836)					-	0
Total Expenses			5,090,808	11,050	75,100	-	-	375	5,419,971	5,583,211
Net Administrative Income			46,575	5,908	522			(296)	52,709	(1,519,993)
Other Income/(Expense)										
Replenishment Water Purchases						6,548,139			6,548,139	0
MZ1 Supplemental Water Assessments									-	2,179,500
Water Purchases									-	0
MZ1 Imported Water Purchase									-	(2,278,500)
Groundwater Replenishment						(8,989,023)			(8,989,023)	0
Net Other Income						(2,440,884)			(2,440,884)	(99,000)
Net Transfers To/(From) Reserves			46,575	5,908	522	(2,440,884)		(296)	(2,388,175)	(1,618,993)
Working Capital, July 1, 2005			4,450,869	464,653	187,298	3,580,499	158,251	2,238	8,843,808	
Working Capital, End Of Period			4,497,444	470,561	187,820	1,139,615	158,251	1,942	6,455,633	
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  
JUNE 1 THROUGH JUNE 30, 2006**

**DEPOSITORIES:**

Cash on Hand - Petty Cash		\$	500
Bank of America			
Governmental Checking-Demand Deposits	\$	999,605	
Savings Deposits		9,710	
Zero Balance Account - Payroll		-	1,009,315
Vineyard Bank CD - Agricultural Pool			421,818
Local Agency Investment Fund - Sacramento			<u>5,705,983</u>
<b>TOTAL CASH IN BANKS AND ON HAND</b>	<b>6/30/2006</b>		<b>\$ 7,137,616</b>
<b>TOTAL CASH IN BANKS AND ON HAND</b>	<b>5/31/2006</b>		<b>9,183,511</b>
<b>PERIOD INCREASE (DECREASE)</b>			<b><u>\$ (2,045,895)</u></b>

**CHANGE IN CASH POSITION DUE TO:**

Decrease/(Increase) in Assets:	Accounts Receivable	\$ (658,722)
	Assessments Receivable	42,502
	Prepaid Expenses, Deposits & Other Current Assets	(81,871)
(Decrease)/Increase in Liabilities:	Accounts Payable	(148,920)
	Accrued Payroll, Payroll Taxes & Other Current Liabilities	61,804
	Transfer to/(from) Reserves	<u>(1,260,688)</u>
<b>PERIOD INCREASE (DECREASE)</b>		<b><u>\$ (2,045,895)</u></b>

<u>SUMMARY OF FINANCIAL TRANSACTIONS:</u>	Petty Cash	Gov'tl Checking Demand	Zero Balance Account Payroll	Savings	Vineyard Bank	Local Agency Investment Funds	Totals
Balances as of 5/31/2006	\$ 500	\$ 196,838	\$ -	\$ 9,697	\$ 420,493	\$ 8,555,983	\$ 9,183,511
Deposits	-	36,699	-	13	1,325	-	38,037
Transfers	-	2,798,068	51,932	-	-	(2,850,000)	-
Withdrawals/Checks	-	(2,032,000)	(51,932)	-	-	-	(2,083,932)
<b>Balances as of 6/30/2006</b>	<b>\$ 500</b>	<b>\$ 999,605</b>	<b>\$ -</b>	<b>\$ 9,710</b>	<b>\$ 421,818</b>	<b>\$ 5,705,983</b>	<b>\$ 7,137,616</b>
<b>PERIOD INCREASE OR (DECREASE)</b>	<b>\$ -</b>	<b>\$ 802,767</b>	<b>\$ -</b>	<b>\$ 13</b>	<b>\$ 1,325</b>	<b>\$ (2,850,000)</b>	<b>\$ (2,045,895)</b>



**CHINO BASIN WATERMASTER  
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD  
JUNE 1 THROUGH JUNE 30, 2006**

**INVESTMENT TRANSACTIONS**

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
6/8/2006	Withdrawal		\$ (2,000,000)				
6/26/2006	Withdrawal		\$ (850,000)				
<b>TOTAL INVESTMENT TRANSACTIONS</b>			<b>\$ (2,850,000)</b>	<b>-</b>			

\* The earnings rate for L.A.I.F. is a daily variable rate; 4.53% was the effective yield rate at the Quarter ended June 30, 2006

**INVESTMENT STATUS  
June 30, 2006**

<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	\$ 5,705,983			
<b>TOTAL INVESTMENTS</b>	<b>\$ 5,705,983</b>			

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

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

Respectfully submitted,



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

CHINO BASIN WATERMASTER  
Profit & Loss Budget vs. Actual  
July 2005 through June 2006

	<u>Jul '05 - Jun 06</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4010 · Local Agency Subsidies	200,138.64	132,000.00	68,138.64	151.62%
4110 · Admin Asmnts-Approp Pool	4,829,595.51	4,804,121.00	25,474.51	100.53%
4120 · Admin Asmnts-Non-Agri Pool	66,160.17	73,425.00	-7,264.83	90.11%
4200 · Grants	42,500.00	0.00	42,500.00	100.0%
4700 · Non Operating Revenues	334,285.45	78,330.00	255,955.45	426.77%
<b>Total Income</b>	<u>5,472,679.77</u>	<u>5,087,876.00</u>	<u>384,803.77</u>	<u>107.56%</u>
<b>Gross Profit</b>	5,472,679.77	5,087,876.00	384,803.77	107.56%
<b>Expense</b>				
6010 · Salary Costs	491,104.60	404,153.00	86,951.60	121.52%
6020 · Office Building Expense	93,227.03	97,850.00	-4,622.97	95.28%
6030 · Office Supplies & Equip.	37,071.25	47,500.00	-10,428.75	78.05%
6040 · Postage & Printing Costs	79,874.41	75,700.00	4,174.41	105.51%
6050 · Information Services	89,451.85	103,500.00	-14,048.15	86.43%
6060 · Contract Services	48,567.00	130,500.00	-81,933.00	37.22%
6080 · Insurance	25,132.80	24,210.00	922.80	103.81%
6110 · Dues and Subscriptions	15,676.87	14,000.00	1,676.87	111.98%
6140 · WM Admin Expenses	2,967.76	6,500.00	-3,532.24	45.66%
6150 · Field Supplies	1,003.17	4,050.00	-3,046.83	24.77%
6170 · Travel & Transportation	20,299.06	45,200.00	-24,900.94	44.91%
6190 · Conferences & Seminars	17,245.13	17,500.00	-254.87	98.54%
6200 · Advisory Comm - WM Board	13,963.53	14,082.00	-118.47	99.16%
6300 · Watermaster Board Expenses	42,743.29	29,782.00	12,961.29	143.52%
8300 · Appr PI-WM & Pool Admin	20,015.01	15,347.00	4,668.01	130.42%
8400 · Agri Pool-WM & Pool Admin	20,933.04	18,756.00	2,177.04	111.61%
8467 · Agri-Pool Legal Services	98,700.57	45,000.00	53,700.57	219.34%
8470 · Ag Meeting Attend -Special	11,050.00	10,000.00	1,050.00	110.5%
8500 · Non-Ag PI-WM & Pool Admin	4,099.62	7,423.00	-3,323.38	55.23%
6500 · Education Funds Use Expens	375.00	375.00	0.00	100.0%
9400 · Depreciation Expense	31,714.00	0.00	31,714.00	100.0%
9500 · Allocated G&A Expenditures	<u>-380,800.80</u>	<u>-378,284.00</u>	<u>-2,516.80</u>	<u>100.67%</u>
<b>Subtotal G&amp;A Expenditures</b>	784,414.19	733,144.00	51,270.19	106.99%
6900 · Optimum Basin Mgmt Plan	1,323,551.03	996,767.00	326,784.03	132.78%
6950 · Mutual Agency Projects	31,928.00	75,000.00	-43,072.00	42.57%
9501 · G&A Expenses Allocated-OBMP	<u>131,648.72</u>	<u>109,541.00</u>	<u>22,107.72</u>	<u>120.18%</u>
<b>Subtotal OBMP Expenditures</b>	1,487,127.75	1,181,308.00	305,819.75	125.89%
7101 · Production Monitoring	74,315.40	68,755.00	5,560.40	108.09%
7102 · In-line Meter Installation	58,116.03	97,954.00	-39,837.97	59.33%
7103 · Grdwtr Quality Monitoring	81,000.94	66,503.00	14,497.94	121.8%
7104 · Gdwtr Level Monitoring	132,789.13	184,812.00	-52,022.87	71.85%
7105 · Sur Wtr Qual Monitoring	32,181.00	90,223.00	-58,042.00	35.67%
7106 · Wtr Level Sensors Install	0.00	5,734.00	-5,734.00	0.0%
7107 · Ground Level Monitoring	542,594.88	554,825.00	-12,230.12	97.8%
7108 · Hydraulic Control Monitoring	289,180.29	495,368.00	-206,187.71	58.38%
7109 · Recharge & Well Monitoring Prog	118,327.76	133,061.00	-14,733.24	88.93%
7200 · PE2- Comp Recharge Pgm	786,391.94	759,105.00	27,286.94	103.6%

CHINO BASIN WATERMASTER  
Profit & Loss Budget vs. Actual  
July 2005 through June 2006

	<u>Jul '05 - Jun 06</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7300 · PE3&5-Water Supply/Desalte	580.47	12,548.00	-11,967.53	4.63%
7400 · PE4- Mgmt Plan	263,037.05	1,081,014.00	-817,976.95	24.33%
7500 · PE6&7-CoopEfforts/SaltMgmt	112,149.89	255,769.00	-143,619.11	43.85%
7600 · PE8&9-StorageMgmt/Conj Use	7,547.37	77,268.00	-69,720.63	9.77%
7690 · Recharge Improvement Debt Pymt	399,761.00	300,000.00	99,761.00	133.25%
7700 · Inactive Well Protection Prgm	1,303.50	12,128.00	-10,824.50	10.75%
9502 · G&A Expenses Allocated-Projects	249,152.05	268,742.00	-19,589.95	92.71%
<b>Subtotal Allocated Project Expenditures</b>	<u>3,148,428.70</u>	<u>4,463,809.00</u>	<u>-1,315,380.30</u>	<u>70.53%</u>
<b>Total Expense</b>	<u>5,419,970.64</u>	<u>6,378,261.00</u>	<u>-958,290.36</u>	<u>84.98%</u>
<b>Net Ordinary Income</b>	52,709.13	-1,290,385.00	1,343,094.13	-4.09%
<b>Other Income/Expense</b>				
<b>Other Income</b>				
4231 · MZ1 Assigned Water Sales	0.00	600,000.00	-600,000.00	0.0%
4210 · Approp Pool-Replenishment	6,548,138.58	0.00	6,548,138.58	100.0%
<b>Total Other Income</b>	<u>6,548,138.58</u>	<u>600,000.00</u>	<u>5,948,138.58</u>	<u>1,091.36%</u>
<b>Other Expense</b>				
5010 · Groundwater Replenishment	8,989,022.40	699,000.00	8,290,022.40	1,285.98%
9999 · To/(From) Reserves	-2,388,174.69	-1,389,385.00	-998,789.69	171.89%
<b>Total Other Expense</b>	<u>6,600,847.71</u>	<u>-690,385.00</u>	<u>7,291,232.71</u>	<u>-956.11%</u>
<b>Net Other Income</b>	<u>-52,709.13</u>	<u>1,290,385.00</u>	<u>-1,343,094.13</u>	<u>-4.09%</u>
<b>Net Income</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0%</u>



# CHINO BASIN WATERMASTER

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

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**KENNETH R. MANNING**  
Chief Executive Officer

## STAFF REPORT

**DATE:** August 14, 2006  
August 19, 2006  
August 28, 2006

**TO:** Committee Members  
Watermaster Board Members

**SUBJECT:** Cash Disbursement Report – August 2006

### SUMMARY

**Issue** – Record of cash disbursements for the month of August 2006.

**Recommendation** – Staff recommends the Cash Disbursements for August 2006 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 August 2006 were \$2,331,011.78. The most significant expenditures during the month were Inland Empire Utilities Agency in the amount of \$1,313,182.32, Wildermuth Environmental Inc. in the amount of \$129,268.30 and Hatch and Parent in the amount of \$72,618.82.

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CHINO BASIN WATERMASTER  
Cash Disbursement Detail Report  
August 2006

Type	Date	Num	Name	Amount
Aug 06				
General Journal	8/1/2006	06/08/4	PAYROLL	-6,535.79
General Journal	8/1/2006	06/08/4	PAYROLL	-20,839.82
Bill Pmt -Check	8/4/2006	10687	VIP AUTO DETAILING	-499.20
Bill Pmt -Check	8/8/2006	10688	AAA ELECTRIC & ELEVATOR	-1,050.00
Bill Pmt -Check	8/8/2006	10689	APPLIED COMPUTER TECHNOLOGIES	-2,641.05
Bill Pmt -Check	8/8/2006	10690	AUTOMOBILE CLUB OF SOUTHERN CALIFORNIA	-47.00
Bill Pmt -Check	8/8/2006	10691	BOWCOCK, ROBERT	-250.00
Bill Pmt -Check	8/8/2006	10692	CITISTREET	-2,900.00
Bill Pmt -Check	8/8/2006	10693	CUCAMONGA VALLEY WATER DISTRICT	-5,076.00
Bill Pmt -Check	8/8/2006	10694	DICK LARSEN - TREASURER/TAX COLLECTOR	-1,564.32
Bill Pmt -Check	8/8/2006	10695	DIRECTV	-74.98
Bill Pmt -Check	8/8/2006	10696	GRAINGER	-280.69
Bill Pmt -Check	8/8/2006	10697	HAMRICK, PAUL	-250.00
Bill Pmt -Check	8/8/2006	10698	HSBC BUSINESS SOLUTIONS	-651.22
Bill Pmt -Check	8/8/2006	10699	INLAND COUNTIES INSURANCE SERVICES, INC.	-238.57
Bill Pmt -Check	8/8/2006	10700	INLAND EMPIRE UTILITIES AGENCY	-891,071.70
Bill Pmt -Check	8/8/2006	10701	KUHN, BOB	-250.00
Bill Pmt -Check	8/8/2006	10702	LAYNE CHRISTENSEN COMPANY	-28,436.00
Bill Pmt -Check	8/8/2006	10703	MATHIS & ASSOCIATES	0.00
Bill Pmt -Check	8/8/2006	10704	MEDIA JIM	-900.00
Bill Pmt -Check	8/8/2006	10705	MONTE VISTA WATER DIST	-625.00
Bill Pmt -Check	8/8/2006	10706	OFFICE DEPOT	-223.40
Bill Pmt -Check	8/8/2006	10707	PARK PLACE COMPUTER SOLUTIONS, INC.	-5,005.00
Bill Pmt -Check	8/8/2006	10708	PAYCHEX	-191.02
Bill Pmt -Check	8/8/2006	10709	PREMIERE GLOBAL SERVICES	-27.44
Bill Pmt -Check	8/8/2006	10710	PRINTING RESOURCES	-2,947.96
Bill Pmt -Check	8/8/2006	10711	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-6,739.51
Bill Pmt -Check	8/8/2006	10712	PURCHASE POWER	-2,016.99
Bill Pmt -Check	8/8/2006	10713	R&D PEST SERVICES	-85.00
Bill Pmt -Check	8/8/2006	10714	REID & HELLYER	-2,890.00
Bill Pmt -Check	8/8/2006	10715	STANDARD INSURANCE CO.	-544.60
Bill Pmt -Check	8/8/2006	10716	STATE COMPENSATION INSURANCE FUND	-818.71
Bill Pmt -Check	8/8/2006	10717	UNION 76	-212.67
Bill Pmt -Check	8/8/2006	10718	VANDEN HEUVEL, GEOFFREY	-250.00
Bill Pmt -Check	8/8/2006	10719	VELASQUEZ JANITORIAL	-1,200.00
Bill Pmt -Check	8/8/2006	10720	VERIZON	-412.84
Bill Pmt -Check	8/8/2006	10722	WILDERMUTH ENVIRONMENTAL INC	-14,365.66
Bill Pmt -Check	8/8/2006	10723	WILLIS, KENNETH	-375.00
Bill Pmt -Check	8/8/2006	10724	YUKON DISPOSAL SERVICE	-134.72
Bill Pmt -Check	8/8/2006	10725	CITISTREET	-2,782.14
Bill Pmt -Check	8/8/2006	10726	GRAINGER	-273.49
Bill Pmt -Check	8/8/2006	10727	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-7,007.55
Bill Pmt -Check	8/8/2006	10728	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-1,907.95
Bill Pmt -Check	8/10/2006	10729	EL TORITO	-137.84
Bill Pmt -Check	8/15/2006	10730	ACWA SERVICES CORPORATION	-217.10
Bill Pmt -Check	8/15/2006	10731	BANK OF AMERICA	-2,395.44
Bill Pmt -Check	8/15/2006	10732	CALIFORNIA PUBLIC EMPL RETIREMENT SYSTEM	-84.87
Bill Pmt -Check	8/15/2006	10733	CREATIVE BENEFITS, INC.	-500.00
Bill Pmt -Check	8/15/2006	10734	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	8/15/2006	10735	HATCH AND PARENT	-72,618.82
Bill Pmt -Check	8/15/2006	10736	HYATT GRAND CHAMPIONS RESORT AND SPA	-9,500.00
Bill Pmt -Check	8/15/2006	10737	MCI	-907.73
Bill Pmt -Check	8/15/2006	10738	RICOH BUSINESS SYSTEMS-Lease	-4,480.25
Bill Pmt -Check	8/15/2006	10739	RICOH BUSINESS SYSTEMS-Maintenance	-353.74
Bill Pmt -Check	8/15/2006	10740	THE ASSOCIATES COURT REPORTERS	-1,186.25
Bill Pmt -Check	8/15/2006	10741	THE FURMAN GROUP, INC.	-2,575.00
Bill Pmt -Check	8/15/2006	10742	UNITED PARCEL SERVICE	-552.06
Bill Pmt -Check	8/15/2006	10743	UNITEK TECHNOLOGY INC.	-1,346.88
Bill Pmt -Check	8/18/2006	10744	INLAND EMPIRE UTILITIES AGENCY	-105,443.62
Bill Pmt -Check	8/18/2006	10745	INTERNAL REVENUE SERVICE	-285.00
Bill Pmt -Check	8/18/2006	10746	PARK PLACE COMPUTER SOLUTIONS, INC.	-2,530.00
Bill Pmt -Check	8/18/2006	10747	STAULA, MARY L	-136.61
Bill Pmt -Check	8/18/2006	10748	INLAND EMPIRE UTILITIES AGENCY	-308,252.50
Bill Pmt -Check	8/18/2006	10749	INLAND EMPIRE UTILITIES AGENCY	-608,414.50
General Journal	8/20/2006	06/08/6	PAYROLL	-6,513.13
General Journal	8/20/2006	06/08/6	PAYROLL	-23,076.86
Bill Pmt -Check	8/22/2006	10750	ROUTE 66 SUBS	-81.14
Bill Pmt -Check	8/23/2006	10751	AGWA	-1,000.00

**CHINO BASIN WATERMASTER**  
**Cash Disbursement Detail Report**  
**August 2006**

Type	Date	Num	Name	Amount
Bill Pmt -Check	8/23/2006	10752	CALPERS	-2,427.95
Bill Pmt -Check	8/23/2006	10753	COMPUSA, INC.	-1,535.79
Bill Pmt -Check	8/23/2006	10754	ELLISON, SCHNEIDER & HARRIS, LLP	-24,924.13
Bill Pmt -Check	8/23/2006	10755	LOS ANGELES TIMES	-42.40
Bill Pmt -Check	8/23/2006	10756	OFFICE DEPOT	-2,059.30
Bill Pmt -Check	8/23/2006	10757	PRE-PAID LEGAL SERVICES, INC.	-103.60
Bill Pmt -Check	8/23/2006	10758	PUMP CHECK	-1,650.00
Bill Pmt -Check	8/23/2006	10759	QUILL	-52.63
Bill Pmt -Check	8/23/2006	10760	RBM LOCK & KEY	-251.36
Bill Pmt -Check	8/23/2006	10761	STANDARD INSURANCE CO.	-544.60
Bill Pmt -Check	8/23/2006	10762	WHEELER METER MAINTENANCE	-663.25
Bill Pmt -Check	8/23/2006	10763	WILDERMUTH ENVIRONMENTAL INC	-129,368.30
Bill Pmt -Check	8/29/2006	10764	ROUTE 66 SUBS	-81.14
				<b>-2,331,011.78</b>

Aug 06



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### C. WATER TRANSACTION

1. Notice of Sale or Transfer – Fontana Water Company has agreed to purchase from San Antonio Water Company water in storage in the amount of 5,000 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for fiscal year 2005/2006





*CHINO BASIN WATERMASTER*

**NOTICE**

**OF**

**APPLICATION(S)**

**RECEIVED FOR**

**WATER TRANSACTIONS – ACTIVITIES**

Date of Notice:

July 25, 2006

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **June 26, 2006**

Date of this notice: **July 25, 2006**

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

- A. Notice of Sale or Transfer – Fontana Water Company (“Company”) has agreed to purchase from San Antonio Water Company water in storage in the amount of 5,000 acre-feet to satisfy a portion of the Company’s anticipated Chino Basin replenishment obligation for Fiscal Year 2005/2006.

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

Appropriative Pool:	August 10, 2006
Non-Agricultural Pool:	August 10, 2006
Agricultural Pool:	August 15, 2006

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

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

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

Watermaster address:

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

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

# CHINO BASIN WATERMASTER

## NOTICE OF TRANSFER OF WATER

Notification Dated: July 25, 2006

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

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# CHINO BASIN WATERMASTER

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

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

**DATE:** July 25, 2006  
**TO:** Watermaster Interested Parties  
**SUBJECT:** Summary and Analysis of Application for Water Transaction

**Summary -**

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

**Issue -**

- Notice of Sale or Transfer – Fontana Water Company ("Company") has agreed to purchase from San Antonio Water Company water in storage in the amount of 5,000 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2005/2006.

**Recommendation –**

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

**Fiscal Impact –**

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

**Background**

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

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

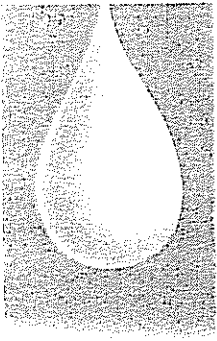
The following application for water transaction is attached with the notice of application.

- Notice of Sale or Transfer – Fontana Water Company ("Company") has agreed to purchase from San Antonio Water Company water in storage in the amount of 5,000 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2005/2006.

Notice of the water transaction identified above was mailed on July 25, 2006 along with the materials submitted by the requestors.

**DISCUSSION**

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



# FONTANA WATER COMPANY

A DIVISION OF SAN GABRIEL VALLEY WATER COMPANY

3440 NUEVO AVENUE • P.O. BOX 987 FONTANA, CALIFORNIA 92334 • (909) 822-2201

RECEIVED

June 26, 2006

JUN 27 2006

CHINO BASIN WATERMASTER

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

Subject: Purchase of Water in Storage  
Chino Basin-Fiscal Year 2005/2006

Dear Mr. Manning:

Please take notice that Fontana Water Company ("Company") has agreed to purchase from San Antonio Water Company water in storage in the amount of 5000 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2005/2006.

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

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

Very truly yours,

A handwritten signature in cursive script, appearing to read "Michael J. McGraw".

Michael J. McGraw  
General Manager

MJM:bf  
Enclosures

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

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

San Antonio Water Company \_\_\_\_\_ June 6, 2006 \_\_\_\_\_  
 Name of Party Date Requested Date Approved

139 No. Euclid Avenue \_\_\_\_\_ 5,000 \_\_\_\_\_ Acre-feet \_\_\_\_\_ Acre-feet  
 Street Address Amount Requested Amount Approved

Upland \_\_\_\_\_ CA \_\_\_\_\_ 91786 \_\_\_\_\_  
 City State Zip Code

Telephone: (909) 982-4107 \_\_\_\_\_ (909) 920-3047 \_\_\_\_\_

*[Signature]*  
 Charles Moorrees, General Manager  
 San Antonio Water Company

TRANSFER TO:

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

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

Fontana \_\_\_\_\_ CA \_\_\_\_\_ 92334 \_\_\_\_\_  
 City State Zip Code

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

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

WATER QUALITY AND WATER LEVELS

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

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

MATERIAL PHYSICAL INJURY

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

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [ ] No [X]

  
Michael J. McGraw, General Manager  
Fontana Water Company

**TO BE COMPLETED BY WATERMASTER:**

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

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

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

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

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

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

APPLICATION OR AMENDMENT TO APPLICATION TO RECAPTURE WATER IN STORAGE

APPLICANT

Fontana Water Company June 6, 2006
Name of Party Date Requested Date Approved
8440 Nuevo Avenue 5,000 Acre-feet
Street Address Amount Requested Amount Approved
Fontana CA 92335
City State Zip Code Projected Rate of Recapture Projected Duration of Recapture
Telephone: (909) 822-2201 Facsimile: (909) 823-5046

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: San Antonio Water Company

PURPOSE OF RECAPTURE

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

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

N/A

PLACE OF USE OF WATER TO BE RECAPTURED

Within Fontana Water Company's Service Area

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

N/A

WATER QUALITY AND WATER LEVELS

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

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

**MATERIAL PHYSICAL INJURY**

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

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

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**ADDITIONAL INFORMATION ATTACHED**

Yes [ ] No [X]

  
Applicant

**TO BE COMPLETED BY WATERMASTER:**

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

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

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

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

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

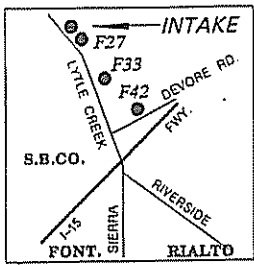
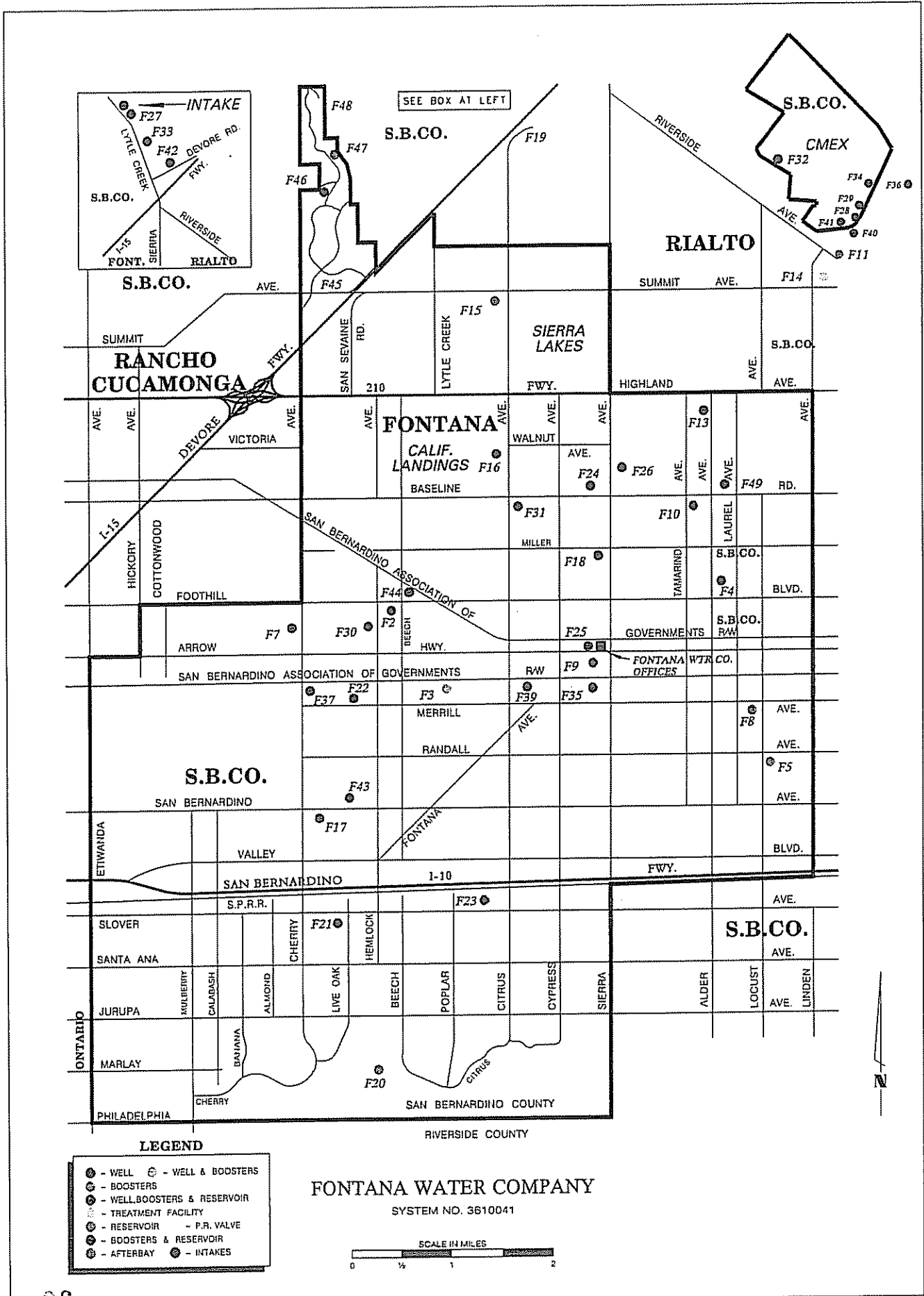
DATE OF BOARD APPROVAL: \_\_\_\_\_ Agreement # \_\_\_\_\_

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

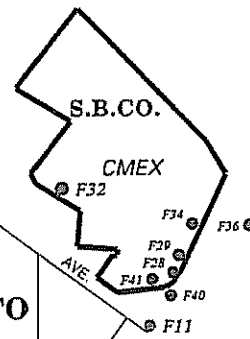
The subject water is a transfer of stored groundwater from San Antonio Water Company located within Management Zone 1, to Fontana Water Company (“Company”) located within Management Zone 3, in the amount of 5,000 acre-feet to satisfy a portion of the Company’s replenishment obligation for FY 2005/2006. Recapture of the stored water is accomplished by the production of any or all of the 14 wells owned and operated by the Company within Management Zone 3 of the Chino Groundwater Basin. The approximate daily production capacity of these wells is as follows:

<u>Well</u>	<u>Production</u> <u>Acre-Feet/Day</u>
F23A -	10.6
F21A -	6.4
F7A -	7.9
F22A -	9.9
F24A -	8.8
F26A -	8.4
F31A -	7.3
F2A -	12.7
F30A -	9.5
F4A -	7.5
F17C -	13.2
F44A -	10.2
F44A -	9.7
F44C -	10.2
Daily Total	<u>132.3</u>

The attached map shows the location of these wells within the Company’s service area. The rate of extraction can vary significantly, depending upon system demand and seasonal weather changes.



SEE BOX AT LEFT



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

**FONTANA WATER COMPANY**

SYSTEM NO. 3610041



SFILES



# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

### A. INLAND EMPIRE LANDSCAPING ALLIANCE



**RESOLUTION NO. 06-04**

**A RESOLUTION OF THE BOARD OF THE CHINO  
BASIN WATERMASTER, SAN BERNARDINO  
COUNTY, CALIFORNIA, ENDORSING, THE  
FORMATION OF THE INLAND EMPIRE  
LANDSCAPING ALLIANCE**

**WHEREAS**, Water supply within the Chino Basin is limited and under increasing pressure with continued population growth;

**WHEREAS**, Water is a precious resource that must be used wisely by all Californians;

**WHEREAS**, Water use efficiency – both promoting the wise use of water and reducing wasteful use of water – is essential to maintaining a reliable water supply for our communities and for all of California;

**WHEREAS**, Urban landscapes are vital to the quality of life and economy of our communities;

**WHEREAS**; Improving landscape water use efficiency is especially important to the Chino Basin since an estimated 60% of all water used within our communities is dedicated to outdoor landscaping;

**WHEREAS**, Improved landscape water use efficiency will result in additional benefits for our communities including:

- additional groundwater infiltration and improved groundwater quality;
- enhanced compliance with State and Federal storm runoff and water quality regulations;
- reduced need for costly imported water supplies;
- improved drought preparedness;
- enhanced flood control;
- development of more economical and reliable water supplies;
- enhanced opportunities for the use of recycled water and locally produced compost; and

**WHEREAS**, Future growth in our communities will benefit from landscaping water use efficiency policies and programs that are coordinated among all of the cities and water agencies within the region.

**NOW, THEREFORE**, the Board of the Chino Basin Watermaster does hereby resolve, determine and order as follows:



**Section 1:** That it supports the formation of the Inland Empire Landscaping Alliance; and,

**Section 2:** That it will appoint a member of the Chino Basin Watermaster Board to serve as a member of the Inland Empire Landscaping Alliance.

ADOPTED this 28<sup>th</sup> day of September, 2006.

\_\_\_\_\_  
Chairman of the Chino Basin  
Watermaster

ATTEST:

\_\_\_\_\_  
Secretary/Treasurer of the Chino Basin Watermaster

STATE OF CALIFORNIA                    )  
  )SS  
COUNTY OF SAN BERNARDINO         )

I, Sandra Rose, Secretary/Treasurer of the Chino Basin Watermaster DO  
HEREBY CERTIFY that the foregoing Resolution being No. 06-04, was adopted at a  
regular Board Meeting on September 28, 2006, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Secretary/Treasurer

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# CHINO BASIN WATERMASTER

## IV. REPORTS/UPDATES

### E. INLAND EMPIRE UTILITIES AGENCY

1. Monthly Water Conservation Programs Report
2. Monthly Imported Water Deliveries Report
3. State and Federal Legislative Reports
4. Community Outreach/Public Relations Report



**CHINO BASIN WATERMASTER**

**ADVISORY COMMITTEE**

**September 28, 2006**

**AGENDA**

**INTERAGENCY WATER MANAGERS' REPORT**

**Chino Basin Watermaster**

**9641 San Bernardino Road**

**Rancho Cucamonga, CA 91730**

**15-20 Minutes**

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**Discussion Items:**

**Written Updates:**

- Monthly Water Conservation Programs Report
- Monthly Imported Water Deliveries Report
- State and Federal Legislative Reports
- Community Outreach/Public Relations Report

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# Regional Conservation Programs

## Monthly Report - September 2006

### MWD Activities

- **California Friendly Marketing Campaign** - The "California Friendly" campaign is an effort by MWD and its member agencies to encourage people to conserve resources by using water and energy efficient products along with changing to water efficient landscapes. The California Friendly spring campaign focused on indoor water efficiency and was completed in July 2006. The upcoming fall campaign will focus on California Friendly landscaping in effort to save water outdoors. MWD will be contacting nurseries to partner in their efforts to promote drought tolerant plants.
- **Newly Approved Rebates** - On August 15<sup>th</sup>, the MWD board approved the addition of two new devices to their rebate program. As part of their five-year conservation strategic plan which began December 2005 rebates for rotating sprinkler nozzles for pop-up spray heads and retrofitted steam sterilizers have been approved and will soon be available. The rotating sprinkler nozzles save up to 6,600 gallons of water over five years and the retrofitted steam sterilizers save more than 400,000 gallons of water per year.

### Landscape Programs

- **"SmarTimer of Inland Empire" Program** - Due to the high interest expressed by many residents at the first SmarTimer exchange event in July, IEUA will hold a second exchange event on September 30<sup>th</sup> at IEUA where an additional 150 controllers will be exchanged.
- **Landscape Audit Program** - The proposal for the contract with HydroEarth to conduct the Landscape Audit Program was approved by the board on August 16, 2006 and the contract has been finalized. Phil Regli of HydroEarth is currently meeting with each retail agency to discuss materials and potential customers to participate in the program.
- **Ontario Cares** - The City of Ontario is implementing a pilot project to integrate "California Friendly" into the city's existing Ontario Cares program to improve neighborhoods. A MWD consultant presented "California Friendly" templates to Ontario Cares inspection staff and landscape contractors. Two homes have been selected as pilot projects and will be retrofitted to CA Friendly landscapes in September.
- **Inland Empire Landscape Alliance** - Over the last several months IEUA staff has been meeting with city officials to consider the formation of a landscape task force to coordinate water efficient landscaping throughout the regions programs and policy recommendations. Chino Basin Water Conservation District and IEUA have both approved resolutions of support. IEUA, CBWCD and Ken Willis with the City of Upland will meet with other city officials to implement the formation.
- **PDA Landscape Classes** - Several retail agencies will be holding local PDA classes this year in effort to educate their residents on CA Friendly plants and efficient irrigation. CVWD held the first PDA class of FY 06/07 on September 23<sup>rd</sup>. MVWD will also hold a residential PDA class on November 11<sup>th</sup>.

### Commercial/Industrial/Institutional Program

- **(CII SAVE-A-BUCK)** - Honeywell brainstormed marketing strategies for the IEUA service area which include tailoring existing materials to target our area, new bill inserts, and to have representatives present at local chamber meetings, agency events and other significant events. Honeywell will implement their three month push strategy where they will send three mailers to customers and then call to entice participation. In addition Honeywell met with the Conservation Partnership in August to coordinate strategies to increase activity in our area.  
The following is a list of recent rebate activity within the IEUA service area:
  - **High Efficiency Clothes Washers** - There were 29 clothes washers rebated for the month of August bringing the total for FY 06/07 to 30. To date 365 commercial high efficiency clothes washers have been installed in our service area since FY 00/01.
  - **Conductivity Controller Cooling Tower** - 1 controller was installed in FY 05/06 bringing the total to 15 conductivity controllers installed through the Save-a-Buck program since FY 00/01.
  - **ULF Toilets** - 161 ULFTs were rebated in June bringing the total to 1,502 ULFTs in our service area since FY 00/01.
  - **Waterless Urinals** - 6 waterless urinals were installed in the month of July. This was the second installation of waterless urinals rebated for in the IEUA service area bringing the total to 10.
  - **Water Broom** - 1 water broom was rebated in June bringing the total to 694 since FY 00/01.

- SmarTimer Controllers – 14 SmarTimer Controllers were rebated in July. This brings the total to 36 SmarTimers installed and rebated through the CII program in the IEUA service area.
- Restaurant Spray Heads - This program is being implemented by the CUWCC. Phase II was completed in December, 2005 with approximately 861 spray nozzles installed in our service area. To date approximately 1,192 spray heads have been installed. Phase III is currently underway and will end in December 2006.

#### Residential Programs

- Multi-Family ULF Toilet Program - The Multi-family ULFT retrofit program, conducted by Bottom Line Utilities, Inc. (BLUS), is currently underway. BLUS has been meeting with the retail agencies to coordinate marketing materials and strategies. Several multi-family sites are already lined up for retrofits which will begin in the fall.
- Toilet Rebates - In addition to the current ULFT (Ultra Low Flush Toilet) Rebate for a toilet that uses 1.6 gallons of water or less per flush, the Conservation Workgroup is now offering an HET (High Efficiency Toilet) Rebate for toilets that use 1.3 gallons of water or less per flush. The new rebate offers residents a reimbursement of \$150 if they purchase a qualifying HET.
- High Efficiency Clothes Washer Rebate - The total number of rebates processed in FY 05/06 were 1,365. 121 rebates were issued during August, bringing the number of rebates issued for FY 06/07 to 247. The total number of rebates processed since the rebate program began in 2002 is approximately 6,672.

#### School Education Programs

- Garden in Every School - The garden workshop took place on September 16<sup>th</sup> at Ranch View Elementary School in Ontario. The workshop was a success with a total of 18 elementary schools represented (4 schools were past participants), and 32 attendees. Applications will be due September 29<sup>th</sup> and the program will kick off in October.
- National Theatre for Children – The National Theatre for Children (NTC) began contacting elementary schools in August and is in the process of setting the fall schedule to present the Water Pirates of Neverland production.
- Groundwater Model - Chino Hills' and IEUA's staffs are now in the process of learning how to operate the model. It is anticipated that the model will be ready for presentations in spring 2007.
- Solar Cup (2007) - The MWD Solar Cup event will take place May 18-20, 2007. Five schools within IEUA's service area have expressed interest in committing to the 2007 Solar Cup program including Rancho Cucamonga High School (CVWD), Montclair High School (MVWD), Upland High School (Upland), Ayala High School and Chino Hills High School (Chino Hills).
- Chino Youth Museum - In 2002, the City of Chino, Monte Vista Water District and IEUA joined with the Chino Youth Museum to create a water exhibit to educate children on different elements of water. Over the past year the group has rejoined together, along with the City of Chino Hills and the Chino Basin Water Conservation District to rejuvenate and improve the exhibit. Plans have been made and construction of the exhibit will begin this fall.

#### Outreach

- Huell Howser's "California's Water" Series - As host of the "California's Water" series, Huell Howser visited developments in Irvine and Chino in August for his September segment, "Using Water Wisely" which features residential conservation including landscape, irrigation controllers, and indoor water saving devices. Part of the segment features the water efficiency displayed through different capacities at the Preserve in Chino. The show aired several times in September on KCET where viewers were able to learn about being water efficient.
- Water Fair - The Water Fair committee has been meeting every month to plan a fair that will provide information on rebates and promote other ways to conserve water in our region. Letters asking for commitment of participation were sent out to the retail agencies in July. The event is set for October 14, 2006 and will take place at Montclair Plaza.
- Conservation Ads (monthly and special) - Conservation tips are printed in the Daily Bulletin monthly (on Sundays at the end of each month). See attachment.
- Water Education Water Awareness Committee (WEWAC) - The WEWAC committee is participating in the garden section of the LA County Fair, where they have a demonstration garden consisting of CA friendly plants and water efficient landscaping. The garden can be viewed by the public through the duration of the fair.



- **BMP Support Grants** - No new action.

**Upcoming Events**

**CALENDAR**

September 28, 2006	Open House & Tour of RP-5 (IEUA)
September 30, 2006	SmarTimer Irrigation Controller Exchange Event (IEUA)
September 30, 2006	Open House & Tour of RP-5 (IEUA)
October 4, 2006	CVWD Learning Center Dedication
October 6-7, 2006	Grape Harvest Festival (Rancho Cucamonga)
October 12, 2006	Chino Creek Park Groundbreaking (IEUA)
October 14, 2006	Water Fair (Montclair Plaza)
October 18, 2006	WEWAC Project WET Workshop (Rancho Cucamonga)
October 21, 2006	Chino Basin Water Conservation District Plant Sale & Pumpkin Patch (CBWCD)
November 8, 2006	CUWCC Steering Committee Meeting (San Jose)
November 11, 2006	PDA Mini Landscape Class (Monte Vista Water District)
December 13, 2006	CUWCC Plenary Session (MWD)

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Date: September 20, 2006

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee (09/13/06)

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

Submitted by: Martha Davis  
Executive Manager of Policy Development

Subject: August Legislative Report from Dolphin Group

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**RECOMMENDATION**

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

**BACKGROUND**

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

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

None.

RWA:MD:mef

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Date: September 20, 2006

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee (09/13/06)

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

Submitted by: Martha Davis  
Executive Manager of Policy Development

Subject: August Legislative Report from Innovative Federal Strategies, LLC

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**RECOMMENDATION**

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

**BACKGROUND**

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

**PRIOR BOARD ACTION**

None.

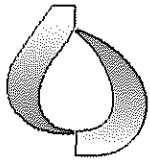
**IMPACT ON BUDGET**

None.

RWA:MD:mef

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Date: September 20, 2006

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee (09/13/06)

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

Submitted by: Martha Davis  
Executive Manager of Policy Development

Subject: August Legislative Report from Geyer and Associates

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**RECOMMENDATION**

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

**BACKGROUND**

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

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

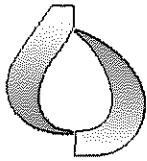
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Date: September 20, 2006

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee (09/13/06)

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

Submitted by: Martha Davis  
Executive Manager of Policy Development

Subject: August Legislative Report from Agricultural Resources

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**RECOMMENDATION**

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

**BACKGROUND**

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

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

None.

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Date: September 20, 2006

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee (09/13/06)

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

Submitted by: Sondra Elrod  
Public Information Officer

Subject: Public Outreach and Communications

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### **RECOMMENDATION**

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

### **Outreach/Tours**

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

- September 9, 2006, Montclair Day at the L.A. County Fair
- September 13, 2006, Upland Day at the L.A. County Fair
- September 13, 2006, Ontario Day at the L.A. County Fair
- September 22, 2006, Chino Hills Day at the L.A. County Fair
- September 28, 2006, Chino Day at the L.A. County Fair
- September 28, 2006, Rancho Cucamonga Day at the L.A. County Fair
- September 27, 2006, IEUA Picnic
- September 29, 2006, Fontana Day at the L.A. County Fair
- October 6, 2006, Rancho's Grape Harvest Festival  
Mixer from 5:30 p.m. to 7:30 p.m. – open till midnight
- October 7, 2006, Rancho's Grape Harvest Festival 10:00 a.m. to midnight
- October 12, 2006, Chino Creek Wetlands and Educational Park Groundbreaking 10:00 a.m.
- October 14, 2006, Water Fair at the Montclair Plaza 10:00 a.m. to 2:00 p.m.
- November 3, 4, 5, 2006, IEUA/MWD Colorado River Aqueduct Inspection Trip
- December 21, 2006, IEUA Employee Holiday Luncheon at Los Serranos Country Club

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

- August 2006, two-page Safety Awareness
- August 2006, two-page ‘run-of-press” Garden In Every School
- September 2006, two-page Think Environment
- September 2006, one-page L.A. County Fair
- December 2006, one-page Health Beat

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

None.

RWA:SE



# CHINO BASIN WATERMASTER

## V. INFORMATION

### 1. Newspaper Articles



# Chino Ontario Upland NEIGHBORHOOD NEWS

A COMMUNITY NEWSPAPER DELIVERED TO RESIDENCES AND BUSINESSES

WWW.ANAPR.COM (909) 444-0797  
Neighborhood News  
Volume 5 Issue 6  
JULY 2006

**ARMJO**  
NEWSPAPERS

COMMUNITY NEWS • BUSINESS • ENTERTAINMENT • SPORTS

## Governor's Office Draws Crowd of 200 at PAN

By SHEL SEGAL

*Ontario* — More than 200 business, civic and community leaders came together on June 2 for the inaugural get-together of the Inland Empire Public Affairs Network at the Doubletree Hotel near Ontario International Airport.

Highlighting the event was the keynote address by Fred Aguiar, a



see PAN Page 8

Over 200 people gathered together for the Inland Empire Public Affairs network event on June 2. Pictured: Ontario Mayor Paul Leon and Edison's Jerry Silva.

## 200 attend PAN event

PAN from page 1

former Inland Empire politician and current cabinet secretary to Gov. Arnold Schwarzenegger.

In his speech, Aguiar said events like this are showing the Inland Empire's overall growing economic and political clout.

"The Inland Empire is growing, the community is growing and more organizations like this are needed," Aguiar said.

The new group grew out of the San Gabriel Valley chapter, said Jerry Silva, regional manager of public affairs for Southern California Edison and co-chair of the Inland Empire group.

Silva said events like this are going to occur more often.

"We're going to do this on a quarterly basis," Silva said. "We're going to try to develop programs that deal with regional issues in the Inland Empire and we

feel this is a great group to accomplish that."

The event played well to Janice Rutherford, who works for the office of Bill Leonard of the state Board of Equalization and is a Fontana City Councilmember. Rutherford agreed that more events like this are needed in the area.

"This is the first time we've had an event like this in the Inland Empire," Rutherford said. "It really shows our region is coming of age. The fact that public affairs is now a big enough segment of our region's economy to warrant its own event and to attract of cabinet secretary from the governor really shows our coming of age."



Highlighting the PAN event was the keynote address by Fred Aguiar (right), pictured here with Assemblyman Bob Huff. Aguir is a former Inland Empire politician and current cabinet secretary to Gov. Arnold Schwarzenegger.

## **Agency advances recharge basin job**

The Inland Empire Utilities Agency approved a \$1 million contract to engineer the next phase of its recharge basin improvements.

The agency has launched a \$40 million project to improve the rate at which the basins let storm water and water bought from Northern California percolate into the groundwater basin, according to spokeswoman Sondra Elrod. Within the agency's boundaries are 20 basins, according to the agency.

The contract was for engineering on the project's second phase, which will include improvements to basins in Montclair, Rancho Cucamonga, Upland and Ontario.

Also at its July 18 meeting, the agency renewed for four years professional services contracts through fiscal year 2009-10. The cumulative contracts are not to exceed 16,400 hours per year and \$100 per hour.



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# Water district official seeks investigation

## Jurupa district fined for errors, not disclosing errors to public

By Andrea Bennett  
Staff Writer

The Jurupa Community Service District Board of Directors on Monday night discussed the district's citation and \$1,000 fine from the State Department of Health Services for errors in monitoring and failure to notify the public of such errors.

District assistant general manager Charles Smith said nitrate levels in the water never posed a threat to the public, and he stated that the citation was the result of a misfiled notice of violation, an uncompliant employee and glitches in the electronic data transfer system to the DHS.

But Director Cook Barela said he doesn't buy the explanation and that there has been a lack of accountability within the district for far too long.

"We have requirements to meet in the California Safe

Drinking Water Act, and we have failed to do that since the beginning of the year," Barela said.

"There are some ethical questions there.

"I want an internal investigation, and I want us to take proper action to hold someone accountable," Barela said.

The state sent the district a notice of violation letter on Feb. 10, stating that its weekly nitrate sampling requirements had not been met and district customers must be notified.

More than two months later on April 28, the district received another notice of violation again citing the sampling deficiency and ordering Well 17 to be shut down due to its high nitrate levels.

The reason for the confusion, said Carole McGreevy, district general manager, was that the initial February notice calling for weekly sampling had been

misfiled.

"The Feb. 10 letter did not reach the appropriate personnel," McGreevy said. "We did receive it but unfortunately it didn't reach the desk of staff to implement it. It was only a \$1,000 fine because they recognize we always do what we have to do with the department."

District staff reported that a former employee gave the department well operation data without authorization that depicted theoretical historical highs and not actual nitrates recorded.

McGreevy said at no time were the district's customers — who fall within the unincorporated areas of Eastvale, Glen Avon, Pedley and part of Mira Loma — at a health or safety risk.

She said the district targets its nitrate levels at about 20 percent lower than the permitted amount of 45 parts per million.

"The sampling points we have has to be 10 (parts per million) less than the maximum contaminant level but are allowed to

"We have requirements to meet in the California Safe Drinking Water Act, and we have failed to do that since the beginning of the year. There are some ethical questions there."

COOK BARELA,

MEMBER OF THE JURUPA COMMUNITY SERVICE DISTRICT  
BOARD OF DIRECTORS

go two points either way," McGreevy said. "Our customers have never received water that exceeded the (maximum contaminant level) of 45. If it had, the fine would not be \$1,000. It would have been thousands of dollars."

Presently, McGreevy said the district has rectified its monitoring problems and is working with the DHS to simplify the water-blending process. The district has also approved \$1.5 million to fund treatment for high-nitrate wells.

Customers also will get an official notice of the citation and fine within a week to 10 days,

she said.

Eastvale resident Andrea Hove found the violations unsettling.

"I'm concerned that they didn't address the notices of violation," she said. "They're trying to blame it on the electronic data transfer when it should have been followed up on because it's something so important.

"They're just glossing over it."

Andrea Bennett can be reached at (909) 483-9347, or by e-mail at [andrea.bennett@dailybulletin.com](mailto:andrea.bennett@dailybulletin.com).

Daily Bulletin  
Aug 15, 2006

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Article Launched: 8/13/2006 12:00 AM

## County warned to settle

### Colonies says damages surpass \$300 million

Edward Barrera, Staff Writer  
San Bernardino County Sun

Now it's about the money.

As San Bernardino County leaders bicker over a judge's scathing decision against them, Colonies Partners LP waits for members of the Board of Supervisors to either restart negotiations or decide to continue fighting in court.

"Our damages top \$300 million," said Jeff Burum, Colonies co-managing partner. "We are prepared to entertain any reasonable settlement offer, but we have yet to receive one."

County spokesman David Wert said the figure is inflated and that their own research indicates the county's risk is a fraction of the amount pushed by the Colonies.

"It's not a surprise the Colonies is attempting to scare the public into believing that such a large number is at stake," Wert said.

Nearly two weeks ago, Superior Court Judge Christopher Warner issued a damning tentative ruling in a lawsuit between the county and the developers over flood-control facilities on the Colonies property in northeast Upland.

Warner accused the county of deceit and coercion, as well as jeopardizing public safety, and said the burden was so great on the Colonies that the county no longer held rights for flood control on the land.

Damages were not part of this trial. But if Warner upholds his decision after an hearing, it could pave the way for a large award by a jury if the Colonies continues to win.

The four-year legal battle began after a dispute between Colonies and the county over who had financial responsibility for a 61-acre basin on the developer's property.

"It scares me at this point," Board of Supervisors Chairman Bill Postmus said. "If you look at the court's decision, there are multiple causes of damage spelled out."

In financial documents provided by the Colonies, the \$301 million is divided into six major parts:

- \$43 million lost due to depressed land values because the county impeded the Colonies' ability to sell portions of its property not used for flood control at its highest market value.
- \$36 million related to the three-year delay in opening up the Colonies Crossroads shopping center.
- \$28 million for the basin, including construction, design and legal fees.
- \$108 million for the 72 acres used for flood control, or \$1.5 million an acre.
- \$11.5 million for the higher cost of infrastructure.
- \$75 million to create a nonprofit entity to maintain and operate flood-control facilities on the Colonies property as well as to protect the developers from liability.

Jim Burling of the Pacific Legal Foundation, a group that advocates for private-property owners, said Warner's decision is one of the most scathing he has seen in years.

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"The county does not want a jury to decide this," Burling said. "If the county continues (to litigate), it's going to be a very dangerous game to play."

Postmus and supervisors Josie Gonzales and Gary Ovitt all said they want to settle the case and protect the taxpayers. But former state Sen. Jim Brulte, who helped craft a proposed settlement last year, was pessimistic about a settlement being hammered out.

"Like many politicians, the Board of Supervisors would rather have a judge settle the case than take the heat for reaching a settlement themselves," Brulte said. "In almost every case, elected officials' failure to reach a legitimate settlement costs the taxpayer far more when a judge rules on the merits."

The county and Colonies agreed on a tentative \$77 million deal in 2005 - \$25 million in cash and the rest in county-owned land - but the proposal was never ratified.

Postmus said he will be pushing to restart negotiations at next week's board meeting.

"I hope to work with other board members to put a proposed settlement offer on the table in the very near future," he said.

As for the Colonies, the clock is apparently ticking for negotiations.

"After five years and numerous legal victories, the Colonies' patience with the county is running thin," Burum said. "Any settlement would have to take into account all of the financial damages caused by the county against us, and that goes far beyond 72 acres of land.

"The county doesn't seem to understand this, but the courts do. If that is the way the county wants to go - so be it. We really don't have a choice in that case, and that is unfortunate for taxpayers.

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Article Launched: 8/07/2006 12:00 AM

## Rialto pushes county to settle water suit

Andrew Silva, Staff Writer  
San Bernardino County Sun

RIALTO -- Officials here are pressuring San Bernardino County to settle a lawsuit over groundwater contamination threatening the area's water supply.

Some of the groundwater pollution originates from the county-owned Mid Valley Landfill in north Rialto.

City officials want the suit settled and then would like the county to join them in going after the corporations that caused the problem.

Rialto sued the county in 2004 along with about 40 other businesses in an attempt to force a cleanup of perchlorate contamination, which has affected 22 wells in Rialto, Colton and Fontana.

Ten of those wells are now equipped with treatment equipment that scrubs the rocket-fuel ingredient from the water. No water with perchlorate in it is being delivered to homes.

The county, which is under a cleanup and abatement order from the Santa Ana Regional Water Quality Control Board, has spent more than \$6.5 million investigating an underground plume and treating contaminated water.

The county has been fully cooperative with the cleanup orders, said Bob Holub, division chief for the water board.

Last year, city and county officials got together to seek a settlement to the suit.

"You're spending your money to fight us. We're spending our money to fight you. We ought to be joined together to fight this deal," Councilman Ed Scott said.

The county did not dump perchlorate, but land it bought years ago for the expansion of the Mid Valley Landfill is contaminated.

Perchlorate is used to provide oxygen to solid rocket fuel, flares, fireworks and other products. Numerous companies that use the chemical have operated in north Rialto.

A tentative settlement was reached after Scott and Mayor Grace Vargas sat down a year ago with Board of Supervisors Chairman Bill Postmus and Supervisor Josie Gonzales, whose 5th District includes Rialto.

The deal called for the county to pay Rialto \$2.5 million for costs related to perchlorate, plus \$3.5 million that would be repaid to the county if the city prevails in its lawsuit.

The agreement was never ratified, and on Tuesday the Rialto City Council passed a resolution calling on the county to accept the deal and then join the city in going after the corporate polluters responsible for the mess.

City officials further allege that the county has been working with the other defendants against Rialto's suit.

"They are trying to defeat the claims of Rialto and Colton, which will let those polluters off the hook, and the cost will be left to taxpayers and residents," Rialto City Attorney Robert Owen said.

County officials said they would like to settle the suit, but it's not that simple.

The county's insurance company has rejected the deal, saying it's impossible for the county to step out of the suit without a settlement involving all the parties, said Bob Page, Gonzales' chief of staff.

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In a June 8 letter to Vargas, Gonzales wrote, "I understand that the city might be frustrated that a settlement has not been reached. But, I also trust that if the city was in the county's position, your Council would not use unrestricted taxpayer moneys to settle a lawsuit that was covered by an insurance policy."

Another meeting between Rialto and county officials is scheduled for Aug. 29.

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Article Launched: 8/22/2006 12:00 AM

## Local cities under 'poo-lution' probe

By Andrea Bennett, Staff Writer  
Inland Valley Daily Bulletin

A state agency is auditing cities within San Bernardino and Riverside counties to ensure they have taken steps to keep waste out of the water.

The Santa Ana Regional Water Quality Control Board has begun scrutinizing each city to check for compliance with its municipal permits in the most intensive, comprehensive review of the area since the permit program began in 1990.

The board issues federally mandated permits and a condition is that cities, and the businesses within them, must comply with federal and state pollution regulations.

"We require each city to look at each commercial and industrial facility within their jurisdiction and come up with ways to minimize the potential to discharge pollutants," said Kurt Berchtold, assistant executive officer of the board.

Pollutants such as fertilizer from agricultural activities, industrial products and manure from livestock facilities have historically polluted groundwater within the Inland Valley.

Though agriculture, which is notorious for adding nitrates to the water, is dwindling as development encroaches, state officials are still concerned with remaining facilities, and local jurisdictions are being held responsible for managing the damage they do.

In 2002, a new requirement to conduct regular inspections was added to the municipal permits issued by the board, which must be renewed every five years, Berchtold said. But some cities have ignored the added requirements.

"Certainly, there's a cost associated with these programs, and that was a concern for a lot of these cities," he said. "But it's been four years since we put the requirement in place, and we think the programs in the cities should have matured to a point where it's a good time to check on them."

Officials in Chino, home to a number of dairies, say they already have procedures in place to address runoff pollution from businesses there.

"We do have an inspection program in the city, and the purpose is to make sure the run-off from properties meets the established storm water standards," said Chuck Coe, community development director of Chino.

Results of the audits are expected within weeks for San Bernardino County cities and within months for Riverside County cities, Berchtold said.

Milaso Gaslan, senior water resource engineer for the board, said she and her team have already reviewed half the reports for San Bernardino County, and there is certainly room for improvement.

"All of the cities have deficiencies so far in San Bernardino County, but some are not as bad as others," Gaslan said.

And if audits of Orange County cities last year are any indication of how local cities will fare, there may be fines to come.

The cities of Stanton, Buena Park and La Habra each received more than \$100,000 in fines and were required to significantly upgrade their programs, after review by the water board, Berchtold said.

The prospect of such board actions has officials in Norco, known for its horse population, looking for ways to address the environmental impacts of its manure.

Norco officials are now reviewing a potential ordinance that will require regular manure removal from commercial livestock facilities within its jurisdiction, a necessary tool for Norco to control pollutants locally and something that hasn't been addressed



directly before.

"We're looking to implement the best management practice for manure management," said Bill Thompson, public works director. "We have to be proactive and establish ways to meet the standards."

Andrea Bennett can be reached at (909) 483-9347, or by e-mail at [andrea.bennett](mailto:andrea.bennett)

5.00 '68

Saturday, August 12, 2006

Champion-- A-13

## Utility reports record use of recycled water

Inland Empire Utilities Agency delivered a record 2.9 billion gallons of recycled water to its customers during fiscal year 2005/2006, the agency announced.

Water recycling is part of IEUA's comprehensive water management plan as it reduces its service area's dependence on costly imported water.

Irrigation is the most popular use for recycled water, according to the IEUA. The water can

also be used for numerous industrial applications, construction watering, commercial laundries and car washes, recreation purposes and habitat restoration.

Monitoring by state health officials and water quality-control agencies ensures that recycled water produced by the IEUA meets federal, state and local water quality standards.

For information, call 993-1719 or visit [www.ieua.org](http://www.ieua.org).

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Article Launched: 8/22/2006 12:00 AM

## Critics say groundwater cleanup taking too long

By Andrew Silva, Staff Writer  
Inland Valley Daily Bulletin

The cleanup of contaminated groundwater in Rialto, Colton and Fontana has been moving too slowly, critics contended during a state Senate hearing Monday.

However, they stopped short of demanding that three members of the board overseeing the issue lose their seats.

"This is dragging on 10 years," local activist Penny Newman told the Senate Rules Committee. "The cost is being passed by the city of Rialto to its ratepayers."

Newman is executive director of the Center for Community Action and Environmental Justice, which has been involved in environmental issues in San Bernardino and Riverside counties.

The issue landed in front of the committee after Sen. Nell Soto, D-Pomona, demanded Gov. Arnold Schwarzenegger's three appointees to the Santa Ana Regional Water Quality Control Board appear in person because she is frustrated with how the board had addressed the issue. The appointments are usually routine and don't require hearings.

Perchlorate, a rocket fuel ingredient also used in flares, fireworks and other products, has seeped into the soil from north Rialto, where defense related businesses and fireworks companies have operated for more than five decades.

The chemical has contaminated 22 wells serving Rialto, Colton and Fontana, though at least nine of them now have treatment equipment in place that scrubs the perchlorate from the water.

Carole Beswick, a former mayor of Redlands and now chairwoman of the Santa Ana board, defended the board's actions as it has sought a way to clean up the mess.

Perchlorate is a top priority of the board, which has been conducting a long-running investigation to determine the extent of the problem and who is responsible, she said.

The board issued a cleanup and abatement order against B.F. Goodrich Corp. in 2002 but rescinded the order after the company agreed to pay \$4 million to begin treating contaminated water.

That deal expires in October and the board could reissue the order at that time.

Sen. Gilbert Cedillo, D-Los Angeles, asked why the board rescinded the order instead of continuing to pursue Goodrich.

Beswick argued Goodrich and the other suspected polluter, a corporate relative of Black and Decker, were aggressively fighting the orders, and it was almost certain to wind up in court.

The board was interested in protecting the water as quickly as possible, and the deal allowed the cities to start installing wellhead treatments right away, she said.

"I'm very disturbed by this," Cedillo said. "You can't buy yourself out of a deal."

Beswick countered that it seemed the best course of action at the time to get water cleaned quickly.

Rialto is suing about 40 potentially responsible parties to recover the cost of treating and replacing water and attorneys working with Rialto said the matter is very complex and is made even more difficult because the suspected polluters are fighting so hard.

Activists said they met with Beswick last week and received assurances she is committed to the cleanup and forcing the polluters to pay.

"We will give this board another chance," said Sujatha Jahagirdar, of Environment California.

The board is already three members short, and without the current board members, the body wouldn't have a quorum.

The other appointees are Mary Cramer, of Anaheim, and Deborah Neev, of Laguna Beach.

At the end of the hearing the rules committee voted unanimously to recommend confirmation by the senate.

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Article Launched: 8/23/2006 12:00 AM

## County to talk to Colonies

### Initial settlement number to be offered, supervisor says

Edward Barrera, Staff Writer  
San Bernardino County Sun

In yet another attempt to end a four-year legal battle, San Bernardino County officials will contact Colonies Partners with a potential settlement offer by today, according to a county official.

The developers of the Colonies project in Upland have released numbers in the past two weeks suggesting that a jury could award them \$301 million if their lawsuit against the county is decided in the courts. On Monday, the developers offered to cut that figure in half in a negotiated settlement.

County Supervisor Paul Biane said Tuesday the county will be extending an initial offer to the developers, though he wouldn't reveal the amount, citing privacy rules.

"There is going to be some communication by county counsel to the Colonies by the end of (Tuesday) or (Wednesday)," Biane said. "We are talking numbers."

Colonies and the county are fighting over 72 acres of flood-control land on the developers' property. In a tentative ruling issued in July, a judge blasted the county for deceit, coercion and jeopardizing public safety.

Damages were not part of this litigation. But if San Bernardino Superior Court Judge Christopher Warner upholds his decision after oral hearings in September, it would appear to bolster the Colonies position.

"We are willing to give the county an opportunity at a reasonable offer," said Jeff Burum, Colonies co-managing partner. "If they low-ball us with an offer that they agreed to before the statement of decision but didn't live up to, we won't be taking them seriously. We wouldn't accept it."

Representatives of the Colonies and county hammered out a proposed settlement in 2005 worth \$77 million \$25 million in cash and the rest in a land-for-cash swap. The deal was never ratified.

Supervisor Dennis Hansberger, adamant that the county should continue to fight the developers, scoffed at the Colonies negotiating through the media as well as floating the \$301 million price tag.

"When you negotiate through the media, that's not negotiating," he said. "This is strictly for the public's entertainment."

Hansberger said Warner's ruling that the county no longer has limited rights to the developers' land is contrary to an appellate court's decision in 2005. In that decision, the appellate court said the county held such rights, but that they were limited and the lower court needed to ascertain what those rights were.

Warner wrote that while the county had limited rights, called easements, its behavior and refusal to live up to its obligations forfeited those rights.

"Dennis Hansberger lives in a world where only his opinion matters," Burum said. "The rest of us live in a world where we have to follow the law and can't ignore it."

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Article Launched: 7/28/2006 12:00 AM

**EDITORIAL: WATERLESS WORLD****Rapid growth a strain on water supply****Our View: Frenetic development means we'd better make smarter use of our limited water supplies**

San Bernardino County Sun

It makes us thirsty just to think about it: More than half of the growth in our fast-growing state is going to happen in the hot and parched inland areas, especially the Central Valley. Who will water all those lawns?

According to a recent study by the Public Policy Institute of California, unless Californians start behaving differently, residential growth soon will put a serious strain on water supplies. An inland single-family residence uses two to three times as much water as a coastal home, and more than half of it goes into the landscaping.

2025, California is expected to add 11 million new residents, and more than half of them will live in inland areas. Water usage could go from 8.9 million acre feet a year (about 232 gallons per person per day) to 11.9 million acre feet.

Californians in recent years have improved their conservation habits by buying low-flow faucets and toilets that barely flush, but they still are extravagant with their lawns. Those priorities won't work.

Since Southern Californians are on the wrong end of water pipelines originating either in the north or the east, we might as well start learning new habits.

Such as ripping up lawns. Water departments, in a low-keyed fashion, have begun to promote the attractions of indigenous plants, because plants that grow naturally in these semi-desert areas know how to get along with very little water. But the promotion should be higher-keyed.

Southern Californians don't just water their lawns, they drench them, and the runoff, carrying pesticides and pet feces with it, pollutes streams, rivers, bays, wetlands and the oceanfront. Our coastal bluffs weep with it. That's worse than wasteful, which makes the point that conservation is not the only issue.

Why cling to this lawn fetish?

Of course we can ease the water scarcity by reclaiming more treated sewage, desalting ocean water and diverting storm runoff, and that will be increasingly necessary, but for things more essential than grass that isn't capable of surviving here on its own.

Indigenous plantings are becoming more popular in some neighborhoods, and even dichondra diehards have to admit these gardens can be strikingly handsome. And they ask so little: droplets instead of flooded sidewalks and gutters. Farmers sometimes waste water too, on crops ill-suited to hot, dry climates. But at least they don't grow much grass, and neither should the rest of us.



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# Election

Continued from Page A-1

Candidate Services Mary Lou Mongar, John Demonaco and Ray Marquez have also taken out papers.

## Monte Vista Water District

Two seats are open, those of three-term incumbent Robb Quincey and recent appointee Philip Erwin. The five board members serve four-year terms.

Both Mr. Quincey and Mr. Erwin have taken out their candidacy paperwork.

Interested parties may call Executive Assistant Tracy Tracy at 267-2160.

The district provides water to Montclair, Chino Hills, parts of Chino, and the unincorporated area between the cities of Pomona, Chino Hills, Chino and Ontario.

## Chino Valley

### Unified School District

John Pruitt and Bill Klein have filed for re-election. The board members serve four-year terms.

Sylvia Orozco of Chino and David A. Black of Chino Hills, unsuccessful candi-

dates in 2004, have taken out candidacy papers.

In many cities and other agencies, the clerk or secretary will have papers on hand for prospective candidates to take. Not so at the district, district public information officer Julie Gobin said.

"We're kind of out of it as far as the election goes," Ms. Gobin said. "We're not involved, and that's how it's supposed to be, because it's supposed to be nonpartisan."

Ms. Gobin said that, in contrast to many agencies, it has been uncommon in recent years for incumbents to be re-elected. Board member Bobby Grizzle broke that trend when he was re-elected two years ago, she said.

## Inland Empire Utilities Agency

Three seats on the Inland Empire Utilities Agency board of directors are open, including that of the representative of Chino and Chino Hills, currently held by John L. Anderson, board president.

All three incumbents have pulled candidacy papers.

For the Chino and Chino Hills seat, Maryanne Avila and Edward Rendon have also taken out papers.

Also up for re-election are the Ontario seat, now held by Gene Koopman, and a Fontana and Rancho Cucamonga seat, now held by Angel Santiago.

Interested parties may contact April Woodruff at 993-1600.

The agency supplies water, disposes of wastewater, and provides other services such as renewable electricity and compost.

## Chino Basin

### Water Conservation District

Three seats are available, including the one that represents much of Chino and part of Chino Hills, on the board of the water conservation district.

The Chino incumbent is Geoffrey Vanden Heuvel, who said he plans to run for re-election.

The other two available seats, whose boundaries include much of Upland and Ontario, are now held by Terence M. King and John T. Reddick, respectively.

All three have taken out candidacy papers.

The district exists to protect the Chino groundwater basin, according to its website. It also attempts to educate the public about water conservation, Mr. Vanden Heuvel said.

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Article Launched: 8/02/2006 12:00 AM

## Ovitt: County 'spanked' in Colonies case

By Edward Barrera and Jeff Horwitz, Staff Writers  
Inland Valley Daily Bulletin

Incompetent legal advice, a faulty judgment, leaked information and a sensationalistic media are just a few of the reasons that county officials are using to explain a judge's damning ruling Monday.

Superior Court Judge Christopher Warner roasted San Bernardino County officials in their battle with the developers of the Colonies project in Upland over 72 acres used for flood control on the Colonies' land.

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**View pdfs of "County Response to Colonies' Statement of Intended Decision":**  
[Page 1](#) | [Page 2](#)

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The judge in a tentative decision accused the county of deceit, coercion and jeopardizing public safety in its dealings with Colonies Partners L.P., and said that the burden on the Colonies was so great that the county no longer held rights to the land for flood control.

"We have been spanked pretty badly," said Supervisor Gary Ovitt. "We have spent millions of dollars on legal teams, and the outcome has not been good."

Board Chairman Bill Postmus fumed in a statement that the decision was due to "incompetence and poor legal judgment on the part of many of the county's attorneys, including outside counsel Jones Day and on the part of some within our own county counsel's office"

Postmus went further, saying that leaked information in the case, which included a tentative settlement brokered in 2005, damaged the county's position.

"It is now apparent that the poor performance of our attorneys in this case and the unscrupulous behavior of the (individual or individuals) who illegally leaked confidential information, combined with the sensationalistic news coverage and irresponsible newspaper editorials criticizing our settlement efforts, have clearly put the interests of county taxpayers at a dire disadvantage in the Colonies case," Postmus stated.

In another statement, Interim Counsel Dennis Wagner blamed the judge for misreading an earlier ruling by the Fourth District Court of Appeals.

"The decision (Monday) is inconsistent with the Court of Appeals' directive concerning the case ...," Wagner wrote. The county's flood control "district continues to seek the advice of its legal counsel and will pursue all necessary avenues to protect the taxpayers from liability, which is simply not theirs to bear."

In 2005, the state appellate court ruled that the county had some rights to the Colonies property but more land was needed to complete the flood control work.

But in Warner's decision Monday, he noted the difference, writing that "it is one thing to say that existing flood control facilities on plaintiff's property ... can be used to detain or divert storm flows coming from different watersheds. It is quite another thing

to say that the defendant can enter plaintiff's property and install a facility designed to carry massive storm flows to that property and then 'turn its back' and leave plaintiff to deal with the consequences."

An appeal of Monday's ruling was expected regardless of the outcome. At one point even the judge commented on it, though he also encouraged the parties to pursue settlement talks.

During the drawn-out court proceedings, Postmus and Ovitt said they would be open to restarting negotiations. But it was an idea that the full board never approved.

"While the decision is only preliminary at this point and the possibility of an appeal still exists, I fear the county's best opportunity to resolve this significant financial risk to the taxpayers has likely already passed us by," Postmus said in his statement.

A tentative settlement brokered in 2005 was worth about \$77 million. It would have included about \$25 million in cash and the rest as a land-for-cash swap. The deal was never approved by the full board.

Supervisor Dennis Hansberger, long a vocal critic of any large settlement with the Colonies, backed the county counsel's opinion regarding Monday's decision.

"It's clear to me that Judge Warner has completely ignored the direction of the appellate court," he said. "I think our position is sound." Hansberger also believes that Postmus' frustrations have boiled over, saying "he seems to be very much on edge" and Tuesday's statement is "not the kind of thoughtful, reasoned response I would have expected of him."

Edward Barrera can be reached by phone at (909) 483-9356.

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August 1, 2006

Response prepared by:

Dennis Wagner  
Interim County Counsel  
San Bernardino, California

Re: Colonies

***County Response to Colonies' Statement of Intended Decision***

The County is extremely disappointed in the Trial Court decision of July 31, 2006 concerning the Colonies case. While the decision is only preliminary at this point, the Flood Control District intends to file appropriate objections and seek a hearing to air its objections to the intended decision. The concern that the District has is that several years ago in the original trial, the Trial Court ruled that the easements, which the District had to the flood property owned by the Colonies, were abandoned. The Court of Appeals indicated that those easements were not abandoned and could not be abandoned. As such, the Court of Appeals has acknowledged that the easements exist in favor of the District. The decision yesterday is inconsistent with the Court of Appeals' directive concerning the case as the Court now rules that all of the District's easements have been extinguished and no longer exist. This ruling is the same as the prior trial court decision, which was overturned on appeal.

The story of the Colonies is actually very simple. The predecessor owner years ago was a water company. The owner of the property granted to the County several easements over a period of years for flood control purposes. In 1938 a devastating flood occurred whereby the water company in 1939 granted a very broad easement with the language much different than the previous easements provided to the District. This broad easement in 1939 was a direct response to the loss of life. These easements were referenced and ratified between the parties over the years through various actions. In the 1990's the Colonies purchased this land knowing full well that flood control easements were of record in favor of the District. The Colonies later agreed in writing that the District could place the 20<sup>th</sup> Street storm drain on its property for run-off as part of the expansion of the 210 freeway. The Colonies have acknowledged the existence of the easements of the District in writing on a number of occasions.

The intended decision is not a victory for private property owners as the Colonies claim, but is instead an unfair burden placed upon the tax payers of the County of San Bernardino. The easements held by the District cannot be extinguished by judicial action but requires specific

~~action to be taken by the governing board, which has never occurred. The District has always taken the position that its easements for flood control were valid.~~

The District continues to seek the advice of its legal counsel and will pursue all necessary avenues to protect the taxpayers from liability, which is simply not theirs to bear. The Colonies have already received over \$15 million dollars from the State of California for the "taking" of its property in conjunction with the 20<sup>th</sup> Street storm drain. This ruling provides a second opportunity for the Colonies to pursue another governmental "deep pocket" for buying property they knew was subject to easements for flood control. Whatever actions the District takes will be ultimately done for the benefit and protection of the taxpayers of the County.

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Article Launched: 8/01/2006 12:00 AM

## Judge rules for Colonies

### Decision blasts county in flood-control case

Jeff Horwitz, Staff Writer  
San Bernardino County Sun

Accusing county officials of deceit, coercion and jeopardizing public safety, a Superior Court judge ruled Monday that San Bernardino County is responsible for flood-control facilities at a major Upland development.

The preliminary decision comes after more than four years of legal squabbling over whether county easements from the 1930s apply to recent flood-control improvements at the Colonies in north Upland.

In 50 scathing pages, Judge Christopher J. Warner ruled against the county on nearly every front.

"Defendant has continuously violated and repudiated its obligations to maintain, repair, operate, insure, properly permit or take ownership of any of the facilities" on Colonies property, Warner wrote. He cited 11 different examples of such behavior.

The lawsuit is part of an effort by the Colonies Partners LP to force the county to pay for flood-control improvements needed to accommodate water and debris from the 20th Street storm drain, which redirects runoff onto the Colonies property.

The county cited easements acquired in 1933, 1934 and 1939 as proof that it had rights to the Colonies land. Colonies lawyers argued that the easements did not cover the infrastructure needed in light of the 20th Street drain, which was needed to facilitate construction of the Interstate 210 extension. The storm drain was completed in 2002.

Warner agreed with the Colonies' argument, finding the county not only unjustly took the developers' land for flood-control purposes, but also should be responsible for building and maintaining flood-control facilities on the land in perpetuity. At the end of closing arguments in the trial, Warner said it made no sense for a private developer to be responsible for regional flood control.

In a statement issued late Monday afternoon, Jeff Burum, managing partner of Colonies, heralded Warner's decision as a triumph for the little guy.

"This ruling is a victory for private-property owners all over the state and nation who have been bullied and victimized by the government," he said. "Judge Warner's ruling shows you can fight City Hall and win."

The ruling does not address how much, if anything, the county must pay Colonies for the land rendered unusable by flood-control measures. But the court's far-reaching conclusions could have an impact on a separate complaint filed by Colonies against the county in 2004. That complaint, still pending, seeks to force the county to pay for the cost of the flood-control improvements, the land they require and other damages.

The cost of the flood-control facilities has been estimated at \$25 million, and Colonies officials estimate the 67 acres required for the improvements are worth more than \$100 million.

Colonies Partners bought the 434-acre parcel in 1997 from the San Antonio Water Co. for just \$16 million. It previously won a \$17 million settlement from Caltrans for 40 acres needed for the construction of the I-210 extension.

County Administrative Officer Mark Uffer, County Counsel Dennis Wagner and four of five supervisors did not respond to requests for comment on Monday.

Second District Supervisor Paul Blane said he was not prepared to comment on the ruling.

"I've barely had a chance to speed read the thing," Blane said. "I'm going to meet with our legal team and (have them) explain to us what the options are."



The matter has already been through two previous rounds of litigation, with a Superior Court judge ruling the easements did not apply, and an Appeals Court reversing that ruling and sending the case back for further consideration.

Warner's decision expands upon the previous Superior Court decision in finding the easements don't cover the more recent improvements.

"It is this court's finding that Defendant played 'hide the ball' with respect to stating or taking a position regarding its interpretation of the easements," Warner's verdict reads.

Because of the county's actions, he writes, the county "does not own any right, title, or interest in, or to, Plaintiff's property."

In some instances, the language of the judge's verdict resembles that used by Colonies' legal team in their closing statements.

"County residents ought to be outraged by what the flood-control district has done in this case," Colonies attorney Heidi Timkin said in court a month ago. "They turned on the 20th Street storm drain and walked away."

Warner apparently saw Timkin's point.

"Defendant constructed and 'turned on' the 20th Street Drain, and then attempted to 'walk away,' from the consequences of those actions," Warner wrote, adding that the such conduct was a violation of California law that "presents a severe risk to the public safety and to the balance of the Plaintiff's property."

Burum and Dan Richards, another Colonies partner, said in their statement that they hoped the county accepts Warner's decision.

"We hope they'll take this decision and start following the law," Burum said.

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Article Launched: 9/03/2006 12:16 AM

## SB County doing its share of cleanup

Josie Gonzales  
San Bernardino County Sun

Despite Tuesday's unproductive meeting between San Bernardino County and Rialto, I have remained focused on what is important - the containment and cleanup of perchlorate contamination in Rialto's groundwater.

Rialto has sued the county and about 40 other parties whom city leaders claim have polluted the city's water. The city's filing of a lawsuit before state environmental enforcement agencies have assigned responsibility for the perchlorate contamination cleanup presents two major problems:

While the parties argue over who may owe what in monetary damages to the city, the eastern plume of perchlorate pollution flows steadily toward more drinking-water wells and the Santa Ana River.

And, by whipping everyone into a litigious frenzy, the city has made it more difficult for the state Water Quality Control Board, Santa Ana region, to secure the cooperation of the potentially responsible parties to investigate the extent of the contamination and develop solutions.

While I disagree with the city's strategy, I acknowledge its right to pursue it. However, I cannot wait for the lawsuit to solve the problem. Lawsuits take years and millions of dollars to resolve. The residents of Rialto and Colton do not have that kind of time or money.

City wells have been shut down because of two perchlorate plumes originating in the north end of the Rialto-Colton basin. San Bernardino County is working to contain the western plume of perchlorate in the Rialto-Colton basin. We have accepted responsibility for cleaning up this plume, because a private aggregate mining operation on county-owned land flushed perchlorate out of the soil near the Mid-Valley Sanitary Landfill.

The county has fully cooperated with the water-quality board. We have spent roughly \$7 million over the past four years investigating the contamination flushed by the mining operation and to construct a treatment facility to stop its advancement. The county-built treatment facility at the Rialto airport started delivering clean drinking water to Rialto residents in early June. The county plans to spend at least \$3 million more to expand the treatment facility. And we will likely spend more than \$500,000 per year to operate it.

As a result of the county's proactive measures, the perchlorate pollution from the private mining operation has not affected the city's drinking-water supply. In addition, as a responsible neighbor, the county reimburses the city for water the city has to import.

I'm not sure why the city believes the county owes it another \$6 million, when we've already done so much to clean up perchlorate. Unfortunately, during our meeting Tuesday, Councilman Ed Scott chose to focus on disruptive, unrelated issues rather than explain how the county has damaged the city.

I will not pay the attorney's fees for the five law firms the city has hired. The city chose to sue the county a year and a half after the county started its investigation and cleanup measures and a year after the county accepted a cleanup order from the state board. The city did not need to sue the county.

I have offered to meet with city leaders again about their lawsuit, if they demonstrate a commitment to contain and clean up perchlorate. I have asked that they sign a memorandum of understanding regarding the pursuit of federal funds for the perchlorate contamination cleanup by Sept. 14. This shouldn't be difficult as the City Council approved the MOU back on March 21.

The county, cities of Rialto and Colton, West Valley Water District and Fontana Water worked for nearly a year to draft an Initial 5-Year Groundwater Cleanup Approach white paper. The city demanded the MOU, which every other party has now signed, except Rialto. The city's failure to sign its own MOU calls into question the sincerity of its leaders' stated commitment to protect Rialto residents from the cost of the perchlorate contamination cleanup and provide them with clean drinking water.

85

Our local congressional delegation in Washington, D.C., has made it repeatedly clear to all of us that we will only continue to receive federal funding or be given future consideration if the group stays united. Sen. Dianne Feinstein, D-Calif., and Rep. Joe Baca, D-Rialto, were successful in getting authorized this year a \$25 million fund for groundwater cleanup in the Santa Ana River watershed and Santa Clara County. We must be ready to submit a joint grant application as soon as funding is appropriated.

If Rialto is not on board, I must know now, so that I can start working to secure funds without the city. I will not have the important cleanup work be held up any longer by the city's baseless demand for a \$6 million payment.

*Josie Gonzales is San Bernardino County's 5th District supervisor.*

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Article Launched: 9/01/2006 12:00 AM

## Town-hall meeting called

### Perchlorate to be discussed but guest speakers bemoan late notice

Jason Pesick, Staff Writer  
San Bernardino County Sun

RIALTO - Two city councilmen have called a 6 p.m. town-hall meeting today in Council Chambers to discuss the city's perchlorate contamination and cleanup efforts, but it remains unclear just exactly who will show up or what will be discussed.

A flier attached to a letter signed by Councilmen Joseph Sampson and Ed Scott advertises an "Urgent Town Hall Meeting on Perchlorate" and touts a number of invited guest speakers.

However, many of the guest speakers listed say they were never invited - the flier and attached letter were the first they ever heard of the meeting to be held on the eve of a holiday weekend.

The councilmen said the letter and flier were intended to serve as invitations to the guest speakers, which included Assembly members, county supervisors, as well as school district and local water officials.

"I don't think anyone knew about it until the letter went out," said Davin Diaz of the Center for Community Action and Environmental Justice, one of the few guest speakers who expects to attend the meeting.

"We don't think it's the correct way to run a meeting," said Manny Hernandez, chief of staff for Assemblyman Joe Baca Jr., D-Rialto, and a council candidate. Hernandez said he did not know if his boss would be able to attend due to the late notice but would try to send a representative.

The letter was issued the night before a meeting between city and county leaders intended to discuss a lawsuit filed by the city against 40 corporations over perchlorate contamination in the city's north end. However, the meeting quickly devolved into a bickering match that ended after 20 minutes with nothing resolved.

Perchlorate is a chemical used in rocket fuels and other explosives that has contaminated wells throughout Rialto and is believed to cause thyroid problems.

Other invited guest speakers listed in the letter include Carole Beswick, chairwoman of the Santa Ana Regional Water Quality Control Board; county Board of Supervisors Chairman Bill Postmus, who represents the 1st District; 5th District Supervisor Josie Gonzales; Assemblywoman Gloria Negrete McLeod, D-Montclair; and Sujatha Jahagirdar of Environment California.

Jahagirdar and Diaz say they are likely to attend tonight's meeting. Most of the other invited guests say that while they may not attend, they may send staffers.

The letter states that the purpose of the meeting is to hold "the responsible polluters accountable for the cleanup."

"We didn't try to do anything to hamper people attending it," Sampson said.

Scott, when told of the invited guest speakers' complaints, said, "They can either show up or not."

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Article Launched: 8/27/2006 12:00 AM

## GUEST COLUMN

**Bonds won't protect state's water supply**

Ralph E. Shaffer and R. William Robinson, Guest Columnists  
Inland Valley Daily Bulletin

This fall California voters will be asked to approve the sale of \$42 billion in state bonds, but very few of those dollars will go toward resolving the disaster awaiting the state's water system.

Despite last winter's flood of warnings about the inevitability of levee failure in the Sacramento-San Joaquin Delta – the source of drinking water for 23 million Californians – the governor and Legislature failed to meet their responsibility to protect that vital resource.

Instead, Propositions 1A, B, C and D would allocate \$38 billion for transportation, housing, education and port security. Only 1E and Prop. 84, with less than \$4 billion between them, even acknowledge the most critical problem facing the state: an unsustainable levee system that threatens to empty the aqueducts. And neither 1E or 84 will mitigate that crisis.

The governor and Legislature, through 1E, seem intent on preserving Delta agriculture, a century-old relic of a land reclamation system that we can no longer afford.

Prop. 84 does nothing to safeguard water entering the water pumping plants near Tracy. Instead, it has a Christmas gift list of handouts to a lengthy list of environment-related agencies and organizations across the state. Coupled with an even longer list of politicians from both parties who have rushed to endorse it, voter approval is virtually assured.

Neither proposition deals with the real crisis: the need to shield Southern California, large portions of the San Francisco Bay region and the Central Valley from the inevitable natural disaster in the Delta that will both contaminate and disrupt the flow of water to the millions of people dependent upon the state's distribution system.

Four billion dollars invested in the financial "black hole" of levee repairs cannot forestall systemic collapse due to weak links in the remaining unrepaired levees. State experts warned in 1998 of potential Delta problems, foreseeing levee failure from seismic action or liquefaction. Soils susceptible to liquefaction are present both beneath and within many levees.

UC Davis watershed scientist Jeffrey Mount estimated a high probability of an earthquake, levee break and subsequent flooding in the next 50 years. The State Department of Water Resources scenario is topped by an earthquake-triggered, multiple-levee failure.

Additionally, chronic subsidence brings into question the wisdom of continued cultivation of Delta islands. In light of that and the previous failure of levees on clear days without seismic aid, spending money to bolster levees that protect Delta farms from floods is unreasonable.

The billions of dollars voters will be asked to approve to shore up levees would be better spent on reconfiguration of the water delivery system that will reduce the chance of disruption during a natural disaster.

To that end Sen. Joe Simitian, D-Palo Alto, has brought back an old idea, the "peripheral canal," defeated in a 1982 election by an overwhelming "No" vote in Northern California.

His plan, SB 1612, would protect the state's water users from levee failure in the Delta by removing water from the river farther upstream and funneling it around the disaster-prone Delta. The proposal could be financed at a cost of \$3 billion, the same amount set aside in 1E to protect a small portion of the levees.

But for reasons that make sense only to politicians, Simitian has decided to sit on his bill. It won't even come to a vote during the current legislative session.

Today, Northern California voters, more dependent upon Delta water than they were two decades ago, are more favorably

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disposed to such a plan. Their future, and that of all Californians, awaits – and demands – a change in attitude by both legislators and the governor.

*– Ralph E. Shaffer is professor emeritus of history at Cal Poly Pomona; he can be reached at reshaffer@csupomona.edu. R. William Robinson is the elected director of the Upper San Gabriel Valley Water District.*

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## Local cities under 'poo-lution' probe

By Andrea Bennett, Staff Writer  
Inland Valley Daily Bulletin

A state agency is auditing cities within San Bernardino and Riverside counties to ensure they have taken steps to keep waste out of the water.

The Santa Ana Regional Water Quality Control Board has begun scrutinizing each city to check for compliance with its municipal permits in the most intensive, comprehensive review of the area since the permit program began in 1990.

The board issues federally mandated permits and a condition is that cities, and the businesses within them, must comply with federal and state pollution regulations.

"We require each city to look at each commercial and industrial facility within their jurisdiction and come up with ways to minimize the potential to discharge pollutants," said Kurt Berchtold, assistant executive officer of the board.

Pollutants such as fertilizer from agricultural activities, industrial products and manure from livestock facilities have historically polluted groundwater within the Inland Valley.

Though agriculture, which is notorious for adding nitrates to the water, is dwindling as development encroaches, state officials are still concerned with remaining facilities, and local jurisdictions are being held responsible for managing the damage they do.

In 2002, a new requirement to conduct regular inspections was added to the municipal permits issued by the board, which must be renewed every five years, Berchtold said. But some cities have ignored the added requirements.

"Certainly, there's a cost associated with these programs, and that was a concern for a lot of these cities," he said. "But it's been four years since we put the requirement in place, and we think the programs in the cities should have matured to a point where it's a good time to check on them."

Officials in Chino, home to a number of dairies, say they already have procedures in place to address runoff pollution from businesses there.

"We do have an inspection program in the city, and the purpose is to make sure the run-off from properties meets the established storm water standards," said Chuck Coe, community development director of Chino.

Results of the audits are expected within weeks for San Bernardino County cities and within months for Riverside County cities, Berchtold said.

Milazol Gaslan, senior water resource engineer for the board, said she and her team have already reviewed half the reports for San Bernardino County, and there is certainly room for improvement.

"All of the cities have deficiencies so far in San Bernardino County, but some are not as bad as others," Gaslan said.

And if audits of Orange County cities last year are any indication of how local cities will fare, there may be fines to come.

The cities of Stanton, Buena Park and La Habra each received more than \$100,000 in fines and were required to significantly upgrade their programs, after review by the water board, Berchtold said.

The prospect of such board actions has officials in Norco, known for its horse population, looking for ways to address the environmental impacts of its manure.

Norco officials are now reviewing a potential ordinance that will require regular manure removal from commercial livestock facilities within its jurisdiction, a necessary tool for Norco to control pollutants locally and something that hasn't been addressed



directly before.

"We're looking to implement the best management practice for manure management," said Bill Thompson, public works director. "We have to be proactive and establish ways to meet the standards."

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## Perchlorate limits proposed

Jason Pesick, Staff Writer  
San Bernardino County Sun

The California Department of Health Services proposed Monday limiting the maximum allowable level of perchlorate in drinking water to 6 parts per billion.

The limit was not surprising, but some environmentalists said it is still too high.

Perchlorate, which has contaminated drinking water in Rialto and some other cities in Southern California, is a chemical used in the production of explosives, such as rocket fuels and fireworks. Studies suggest it can interfere with the functioning of the thyroid gland, mental development and metabolism.

A public comment period will last until Nov. 3, and there will be a public hearing in Sacramento on Oct. 30. If the department does not make any changes to the proposal after the public comment period, the Office of Administrative Law will decide whether to allow it to become law.

The Office of Environmental Health Hazard Assessment set a public health goal in 2004 of limiting perchlorate levels to 6 parts per billion. The office determined this was a low-risk maximum level for public health - so the choice of this as the limit was not a surprising one.

"It's not outside a reasonable range of regulatory possibilities, and it does seem to include some conservatism," Kevin Mayer, the regional perchlorate coordinator for the Environmental Protection Agency, said.

Mayer said the EPA does not have formal regulatory standards for perchlorate. It does have a reference dose that corresponds to about 20 parts per billion a day for adults from all sources, not just drinking water. Mayer said most perchlorate is consumed with water, but there is also perchlorate in other sources, such as some foods.

Davin Diaz of the Center for Community Action and Environmental Justice, said he was not happy with the proposal.

"I believe that the standard for perchlorate should be 1 part per billion," he said.

He added that when 6 parts per billion was set as the goal in 2004, not as much scientific evidence was available on the dangers of perchlorate.

He also pointed out that Massachusetts recently set a perchlorate limit of 2 parts per billion.

Most local water officials said even if the proposal becomes law, it will not have a significant effect on their operations because they already treat water down to undetectable levels of perchlorate.

"For us, it doesn't make a lot of difference," Anthony Araiza (cm cq), the general manager of the West Valley Water District, said. The West Valley Water District is one of the water providers to Rialto.

Eric Fraser, the director of water for the city of Colton, said this proposal validates Colton's strategy of treating water so that the perchlorate levels are undetectable.

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Article Launched: 8/30/2006 12:00 AM

## Perchlorate debate heats up

Jason Pesick, Staff Writer  
San Bernardino County Sun

SAN BERNARDINO - A meeting between elected leaders of Rialto and San Bernardino County degenerated into a bickering match on Tuesday and ended with no ground gained for either side.

Rialto officials said they called the meeting in an effort to negotiate a settlement to a lawsuit filed by the city against the county, the U.S. Department of Defense and 40 corporations over perchlorate contamination in the city's north end.

In a prepared statement, Rialto Councilmen Ed Scott and Joe Sampson accused county supervisors Bill Postmus and Josie Gonzales of walking out on the meeting.

The meeting, which was held at the county government center, lasted about 20 minutes, 15 minutes of which were taken up by a county presentation.

After the presentation, council members and supervisors argued briefly about whether the meeting was public or not when Scott asked that a representative of state Sen. Neli Soto's office leave the meeting.

The representative, Teresa Parra, left, and Postmus followed soon after.

"All they wanted to do was argue," said Gonzales, who remained a few minutes longer than Postmus.

Rialto filed its lawsuit in 2004, seeking money from the county to help pay for cleaning up perchlorate from sites in north Rialto, one of which is owned by the county.

Perchlorate is a chemical used in the production of certain types of fuel and explosives which can be harmful to humans. The chemical has contaminated 22 wells serving Rialto, Colton and Fontana, though filtration equipment has been installed at nine.

Gonzales said the lawsuit was never discussed at the meeting, though she would have been happy to talk about it if it had been.

Despite the nasty nature of Tuesday's meeting, Gonzales said she would still attend another meeting.

"I'd do everything I could to make sure they had a partner in the county," she said.

City officials also say they would still like to settle the lawsuit, but Scott said it does not appear likely that will happen.

Previous settlement negotiations have also proven unproductive.

Last year, city and county officials had a tentative settlement agreement that never went into effect.

Now, city and county officials do not even agree on the nature of that settlement.

City officials say they would have dropped charges against the county in exchange for \$6 million. If the city won the case against the remaining defendants, it would return \$3.5 million to the county. Rialto officials say the City Council approved the settlement, but the Board of Supervisors did not.

Bob Page, Gonzales' chief of staff, counters that the county did not reject the settlement. Rather, he said, it was contingent on the county's insurance company paying the county \$2.5 million to settle the suit and the county selling property for enough money to loan the city the \$3.5 million.

City officials say the only contingency in the deal was that both the City Council and the county agree to it.

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Page says the \$3.5 million was not to be repaid if the city won its suit because the loan was to be repaid before the lawsuit would likely be resolved.

City officials say the city guaranteed payment of the \$3.5 million from another source even if the city did not win the lawsuit and that the settlement did not call for a shorter-term loan.

"As the true facts come out, as opposed to the political spin the county is so good at, it will become clear that the county is mismanaging the situation," Sampson said in a statement.

Also on Tuesday, the state Senate passed Soto's bill that would, among other things, require an examination of Massachusetts' recently adopted maximum perchlorate level of 2 parts per billion.

On Monday, the California Department of Health Services proposed 6 parts per billion as the maximum allowable level.