



CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, October 26, 2006

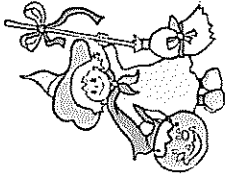
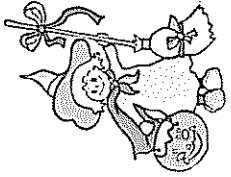
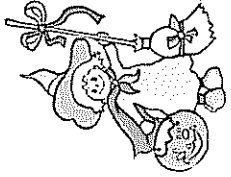
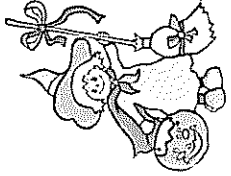
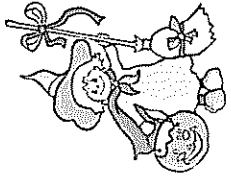
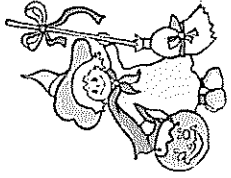
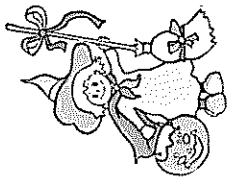
9:00 a.m. – Advisory Committee Meeting
11:00 a.m. – Watermaster Board Meeting

(Lunch will be served)

AT THE CHINO BASIN WATERMASTER OFFICES

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





CHINO BASIN WATERMASTER

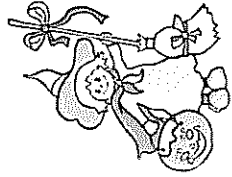
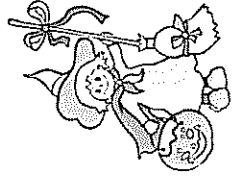
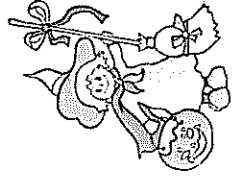
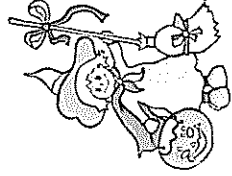
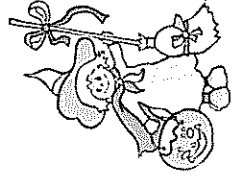
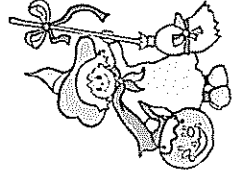
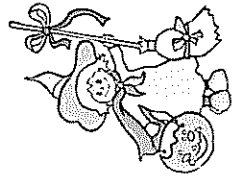
Thursday, October 26, 2006

9:00 a.m. – Advisory Committee Meeting

11:00 a.m. – Watermaster Board Meeting

(Lunch will be served)

AGENDA PACKAGE



**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING**

9:00 a.m. – October 26, 2006
At The Offices Of
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. FINANCIAL REPORTS

1. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2006 through July 31, 2006 *(Page 1)*
2. Treasurer's Report of Financial Affairs for the Period July 1, 2006 through July 31, 2006 *(Page 3)*
3. Profit & Loss Budget vs. Actual July 2006 *(Page 5)*
4. Cash Disbursements for the month of September 2006 *(Page 7)*
5. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2006 through August 31, 2006 *(Page 11)*
6. Treasurer's Report of Financial Affairs for the Period August 1, 2006 through August 31, 2006 *(Page 13)*
7. Profit & Loss Budget vs. Actual July 2006 through August 2006 *(Page 15)*

B. GOVERNMENTAL SAVINGS ACCOUNT

1. Transfer from Bank of America Governmental Savings Account to the Bank of America Chino Basin Watermaster Governmental Checking Account

C. WATER TRANSACTION

1. **Consider Approval for Transaction of Notice of Sale or Transfer** – Santa Ana River Water Company leased and assigned Jurupa Community Services District the quantity of 2,000 acre-feet of corresponding Annual Production Right for Fiscal Year 2005-06. Date of application: August 23, 2006 *(Page 17)*
2. **Consider Approval for Transaction of Notice of Sale or Transfer** – The transfer of Monte Vista Irrigation Company Fiscal Year 2006-2007 annual production rights in the Chino Basin to the Monte Vista Water District. The total quantity of water to be transferred is estimated at 1,300 acre-feet. Date of application: August 23, 2006 *(Page 27)*

II. BUSINESS ITEMS

- 1. New Yield Allowances for the FY 05-06 Assessment Package at 30% of Desalter Production *(Page 39)*

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 FINANCIAL REPORT

- 1. Water Activity Report (WAR)
- 2. Assessment Package

C. CEO/STAFF REPORT

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

E. INLAND EMPIRE UTILITIES AGENCY

- 1. Monthly Water Conservation Programs Report *(Page 47)*
- 2. Monthly Imported Water Deliveries Report *(Page 51)*
- 3. State and Federal Legislative Report *(Page 57)*
- 4. Community Outreach/Public Relations Report *(Page 76)*

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. INFORMATION

- 1. Newspaper Articles *(Page 78)*

V. COMMITTEE MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

October 24, 2006	9:00 a.m.	GRCC Meeting
October 26, 2006	9:00 a.m.	Advisory Committee Meeting
October 26, 2006	11:00 a.m.	Watermaster Board Meeting
October 27, 2006	1:00 p.m.	Induced Santa Ana River Recharge from Desalters Workshop
October 30, 2006	9:00 a.m.	Assessment Package Workshop
November 9, 2006	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
November 15, 2006	1:00 p.m.	Agricultural Pool Meeting @ IEUA
November 16, 2006	9:00 a.m.	Advisory Committee Meeting
November 16, 2006	11:00 a.m.	Watermaster Board Meeting

Meeting Adjourn

**CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING**

11:00 a.m. – October 26, 2006

At The Offices Of

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

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

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. FINANCIAL REPORTS

1. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2006 through July 31, 2006 *(Page 1)*
2. Treasurer's Report of Financial Affairs for the Period July 1, 2006 through July 31, 2006 *(Page 3)*
3. Profit & Loss Budget vs. Actual July 2006 *(Page 5)*
4. Cash Disbursements for the month of September 2006 *(Page 7)*
5. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2006 through August 31, 2006 *(Page 11)*
6. Treasurer's Report of Financial Affairs for the Period August 1, 2006 through August 31, 2006 *(Page 13)*
7. Profit & Loss Budget vs. Actual July 2006 through August 2006 *(Page 15)*

B. GOVERNMENTAL SAVINGS ACCOUNT

1. Transfer from Bank of America Governmental Savings Account to the Bank of America Chino Basin Watermaster Governmental Checking Account

C. WATER TRANSACTION

1. **Consider Approval for Transaction of Notice of Sale or Transfer** – Santa Ana River Water Company leased and assigned Jurupa Community Services District the quantity of 2,000 acre-feet of corresponding Annual Production Right for Fiscal Year 2005-06. Date of application: August 23, 2006 *(Page 17)*
2. **Consider Approval for Transaction of Notice of Sale or Transfer** – The transfer of Monte Vista Irrigation Company Fiscal Year 2006-2007 annual production rights in the Chino Basin to the Monte Vista Water District. The total quantity of water to be transferred is estimated at 1,300 acre-feet. Date of application: August 23, 2006 *(Page 27)*

II. BUSINESS ITEMS

- 1. New Yield Allowances for the FY 05-06 Assessment Package at 30% of Desalter Production
(Page 39)

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 FINANCIAL REPORT

- 1. Water Activity Report (WAR)
- 2. Assessment Package

C. CEO/STAFF REPORT

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

IV. INFORMATION

- 1. Newspaper Articles *(Page 78)*

V. BOARD MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

October 24, 2006	9:00 a.m.	GRCC Meeting
October 26, 2006	9:00 a.m.	Advisory Committee Meeting
October 26, 2006	11:00 a.m.	Watermaster Board Meeting
October 27, 2006	1:00 p.m.	Induced Santa Ana River Recharge from Desalters Workshop
October 30, 2006	9:00 a.m.	Assessment Package Workshop
November 9, 2006	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
November 15, 2006	1:00 p.m.	Agricultural Pool Meeting @ IEUA
November 16, 2006	9:00 a.m.	Advisory Committee Meeting
November 16, 2006	11:00 a.m.	Watermaster Board Meeting

Meeting Adjourn



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. FINANCIAL REPORTS

1. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2006 through July 31, 2006
2. Treasurer's Report of Financial Affairs for the Period July 1, 2006 through July 31, 2006
3. Profit & Loss Budget vs. Actual July 2006
4. Cash Disbursements for the month of September 2006
5. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2006 through August 31, 2006
6. Treasurer's Report of Financial Affairs for the Period August 1, 2006 through August 31, 2006
7. Profit & Loss Budget vs. Actual July 2006 through August 2006



CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2006 THROUGH JULY 31, 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 2006-2007
Administrative Revenues										\$7,308,205
Administrative Assessments			-		-				-	136,500
Interest Revenue			-	1,374	-				1,374	138,000
Mutual Agency Project Revenue		-							-	0
Grant Income		-							-	0
Miscellaneous Income									-	0
Total Revenues	-	-	-	1,374	-	-	-	-	1,374	7,582,705
Administrative & Project Expenditures										
Watermaster Administration	56,019								56,019	601,598
Watermaster Board-Advisory Committee	3,283								3,283	52,123
Pool Administration			2,601	1,422	124				4,147	118,245
Optimum Basin Mgmt Administration		158,707							158,707	1,855,795
OBMP Project Costs		108,310							108,310	5,904,269
Education Funds Use									-	375
Mutual Agency Project Costs	2,575								2,575	5,000
Total Administrative/OBMP Expenses	61,877	267,017	2,601	1,422	124				333,041	8,537,405
Net Administrative/OBMP Income	(61,877)	(267,017)							-	0
Allocate Net Admin Income To Pools	61,877		48,051	12,952	875				-	0
Allocate Net OBMP Income To Pools		267,017	207,352	55,890	3,775				-	0
Agricultural Expense Transfer			70,264	(70,264)					-	0
Total Expenses			328,267	-	4,774				333,041	8,537,405
Net Administrative Income			(328,267)	1,374	(4,774)				(331,667)	(954,700)
Other Income/(Expense)										
Replenishment Water Purchases						369,248			369,248	0
MZ1 Supplemental Water Assessments									-	2,179,500
Water Purchases									-	0
MZ1 Imported Water Purchase									-	(2,278,500)
Groundwater Replenishment						(237,207)			(237,207)	0
Net Other Income						132,041			132,041	(99,000)
Net Transfers To/(From) Reserves			(328,267)	1,374	(4,774)	132,041			(199,626)	(1,053,700)
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			4,122,602	466,027	182,524	3,712,540	158,251	2,238	8,644,182	
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%	

O:\Financial Statements\06-07\06 July\Combining Schedule July.xls\Sheet11

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
JULY 1 THROUGH JULY 31, 2006**

DEPOSITORIES:		
Cash on Hand - Petty Cash		\$ 500
Bank of America		
Governmental Checking-Demand Deposits	\$ 1,244,186	
Savings Deposits	9,709	
Zero Balance Account - Payroll	-	1,253,895
Vineyard Bank CD - Agricultural Pool		423,193
Local Agency Investment Fund - Sacramento		5,810,200
TOTAL CASH IN BANKS AND ON HAND	7/31/2006	\$ 7,487,788
TOTAL CASH IN BANKS AND ON HAND	6/30/2006	7,137,616
PERIOD INCREASE (DECREASE)		\$ 350,172

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable	\$ 455,471
Assessments Receivable	(40,198)
Prepaid Expenses, Deposits & Other Current Assets	-
(Decrease)/Increase in Liabilities: Accounts Payable	132,758
Accrued Payroll, Payroll Taxes & Other Current Liabilities	1,767
Transfer to/(from) Reserves	(199,626)
PERIOD INCREASE (DECREASE)	\$ 350,172

SUMMARY OF FINANCIAL TRANSACTIONS:	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Savings	Vineyard Bank	Local Agency Investment Funds	Totals
Balances as of 6/30/2006	\$ 500	\$ 999,605	\$ -	\$ 9,709	\$ 421,819	\$ 5,705,983	\$ 7,137,616
Deposits	-	759,181	-	-	1,374	104,217	864,772
Transfers	-	(53,823)	53,823	-	-	-	-
Withdrawals/Checks	-	(460,777)	(53,823)	-	-	-	(514,600)
Balances as of 7/31/2006	\$ 500	\$ 1,244,186	\$ -	\$ 9,709	\$ 423,193	\$ 5,810,200	\$ 7,487,788
PERIOD INCREASE OR (DECREASE)	\$ -	\$ 244,581	\$ -	\$ -	\$ 1,374	\$ 104,217	\$ 350,172

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
JULY 1 THROUGH JULY 31, 2006**

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
7/14/2006	Interest		\$ 104,217				
TOTAL INVESTMENT TRANSACTIONS			\$ 104,217	-			

* 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
July 31, 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	\$ 5,810,200			
TOTAL INVESTMENTS	\$ 5,810,200			

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 2006

	<u>Jul 06</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 - Local Agency Subsidies	0	138,000	(138,000)	0.0%
4110 - Admin Asmnts-Approp Pool	0	7,227,619	(7,227,619)	0.0%
4120 - Admin Asmnts-Non-Agri Pool	0	80,586	(80,586)	0.0%
4700 - Non Operating Revenues	1,374	136,500	(135,126)	1.01%
Total Income	<u>1,374</u>	<u>7,582,705</u>	<u>(7,581,331)</u>	<u>0.02%</u>
Gross Profit	1,374	7,582,705	(7,581,331)	0.02%
Expense				
6010 - Salary Costs	41,600	447,037	(405,437)	9.31%
6020 - Office Building Expense	3,764	102,000	(98,236)	3.69%
6030 - Office Supplies & Equip.	3,766	45,000	(41,234)	8.37%
6040 - Postage & Printing Costs	10,075	78,500	(68,425)	12.83%
6050 - Information Services	16,046	112,500	(96,454)	14.26%
6060 - Contract Services	5,222	131,000	(125,778)	3.99%
6080 - Insurance	0	25,210	(25,210)	0.0%
6110 - Dues and Subscriptions	0	16,750	(16,750)	0.0%
6140 - WM Admin Expenses	479	6,500	(6,021)	7.37%
6150 - Field Supplies	754	4,000	(3,246)	18.85%
6170 - Travel & Transportation	2,827	19,350	(16,523)	14.61%
6190 - Conferences & Seminars	1,671	22,500	(20,829)	7.43%
6200 - Advisory Comm - WM Board	358	15,168	(14,810)	2.36%
6300 - Watermaster Board Expenses	2,924	36,955	(34,031)	7.91%
8300 - Appr PI-WM & Pool Admin	2,601	15,918	(13,317)	16.34%
8400 - Agri Pool-WM & Pool Admin	127	18,633	(18,506)	0.68%
8467 - Agri-Pool Legal Services	1,295	65,000	(63,705)	1.99%
8470 - Ag Meeting Attend -Special	0	12,000	(12,000)	0.0%
8500 - Non-Ag PI-WM & Pool Admin	124	6,694	(6,570)	1.85%
6500 - Education Funds Use Expens	0	375	(375)	0.0%
9500 - Allocated G&A Expenditures	(30,185)	(408,749)	378,564	7.39%
Subtotal G&A Expenditures	<u>63,448</u>	<u>772,341</u>	<u>(708,893)</u>	<u>8.22%</u>
6900 - Optimum Basin Mgmt Plan	146,749	1,713,780	(1,567,031)	8.56%
6950 - Mutual Agency Projects	2,575	5,000	(2,425)	51.5%
9501 - G&A Expenses Allocated-OBMP	11,960	142,015	(130,055)	8.42%
Subtotal OBMP Expenditures	<u>161,284</u>	<u>1,860,795</u>	<u>(1,699,511)</u>	<u>8.67%</u>
7101 - Production Monitoring	15,537	61,565	(46,028)	25.24%
7102 - In-line Meter Installation	4,820	64,904	(60,084)	7.43%
7103 - Grdwtr Quality Monitoring	6,217	149,713	(143,496)	4.15%
7104 - Gdwtr Level Monitoring	14,259	191,953	(177,694)	7.43%
7105 - Sur Wtr Qual Monitoring	1,263	32,247	(30,984)	3.92%
7107 - Ground Level Monitoring	4,607	160,984	(156,377)	2.86%
7108 - Hydraulic Control Monitoring	7,219	483,258	(476,039)	1.49%
7109 - Recharge & Well Monitoring Prog	3,507	146,350	(142,843)	2.4%
7200 - PE2- Comp Recharge Pgm	11,024	1,822,997	(1,811,973)	0.61%
7300 - PE3&5-Water Supply/Desalite	0	4,676	(4,676)	0.0%

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

	Jul 06	Budget	\$ Over Budget	% of Budget
7400 - PE4- Mgmt Plan	12,320	578,762	(566.442)	2.13%
7500 - PE6&7-CoopEfforts/SaltMgmt	8,498	310,507	(302.009)	2.74%
7600 - PE8&9-StorageMgmt/Conj Use	813	6,698	(5.885)	12.14%
7690 - Recharge Improvement Debt Pymt	0	1,608,000	(1,608.000)	0.0%
7700 - Inactive Well Protection Prgm	0	14,921	(14.921)	0.0%
9502 - G&A Expenses Allocated-Projects	18,225	266,734	(248.509)	6.83%
Subtotal Project Expenditures	108,310	5,904,269	(5,795,959)	1.83%
Total Expense	333,042	8,537,405	(8,204,363)	3.9%
Net Ordinary Income	(331,668)	(954,700)	623.032	34.74%
Other Income/Expense				
Other Income				
4210 - Approp Pool-Replenishment	369,248	0	369,252	369,254
Total Other Income	369,248	0	369,252	369,254
Other Expense				
5010 - Groundwater Replenishment	237,207	0	237,207	100.0%
9999 - To/(From) Reserves	(199,626)	(954,700)	755,074	20.91%
Total Other Expense	37,581	(954,700)	992,281	-3.94%
Net Other Income	331,668	954,700	(623,033)	34.74%
Net Income	0	0	0	100.0%



CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: September 12, 2006
September 17, 2006
September 26, 2006

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – September 2006

SUMMARY

Issue – Record of cash disbursements for the month of September 2006.

Recommendation – Staff recommends the Cash Disbursements for September 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 September 2006 were \$1,051,036.80. The most significant expenditures during the month were Inland Empire Utilities Agency in the amount of \$647,452.61, Wildermuth Environmental Inc. in the amount of \$98,501.76 and Hatch and Parent in the amount of \$56,614.71.

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
September 2006

Type	Date	Num	Name	Amount
Sep 06				
Bill Pmt -Check	9/1/2006	10765	MEDIA JIM	-840 00
Bill Pmt -Check	9/1/2006	10766	VIP AUTO DETAILING	0 00
General Journal	9/1/2006	06/09/3	PAYROLL	-6.847 00
General Journal	9/1/2006	06/09/3	PAYROLL	-23.221 56
Bill Pmt -Check	9/7/2006	10768	ANDERSON, JOHN	-125 00
Bill Pmt -Check	9/7/2006	10769	APPLIED COMPUTER TECHNOLOGIES	-2.110 70
Bill Pmt -Check	9/7/2006	10770	ARROWHEAD MOUNTAIN SPRING WATER	-25 85
Bill Pmt -Check	9/7/2006	10771	BLACK & VEATCH CORPORATION	-1,909 55
Bill Pmt -Check	9/7/2006	10772	BOWCOCK, ROBERT	-125 00
Bill Pmt -Check	9/7/2006	10773	CUCAMONGA VALLEY WATER DISTRICT	-5.076 00
Bill Pmt -Check	9/7/2006	10774	DELUXE BUSINESS FORMS & SUPPLIES	-166 89
Bill Pmt -Check	9/7/2006	10775	DIRECTV	-74 98
Bill Pmt -Check	9/7/2006	10776	HAMRICK, PAUL	-125 00
Bill Pmt -Check	9/7/2006	10777	INLAND EMPIRE UTILITIES AGENCY	-647,452 61
Bill Pmt -Check	9/7/2006	10778	KUHN, BOB	-125 00
Bill Pmt -Check	9/7/2006	10779	MONTE VISTA WATER DIST	-375 00
Bill Pmt -Check	9/7/2006	10780	OFFICE DEPOT	-1,448 48
Bill Pmt -Check	9/7/2006	10781	PARK PLACE COMPUTER SOLUTIONS. INC	-3.685 00
Bill Pmt -Check	9/7/2006	10782	PAYCHEX	-276 28
Bill Pmt -Check	9/7/2006	10783	PREMIERE GLOBAL SERVICES	-77 61
Bill Pmt -Check	9/7/2006	10784	PURCHASE POWER	-2,033 18
Bill Pmt -Check	9/7/2006	10785	RAUCH COMMUNICATION CONSULTANTS. LLC	-2,265 79
Bill Pmt -Check	9/7/2006	10786	SPRINT	-392 49
Bill Pmt -Check	9/7/2006	10787	STATE COMPENSATION INSURANCE FUND	-891 88
Bill Pmt -Check	9/7/2006	10788	THE FURMAN GROUP, INC	-2,641 00
Bill Pmt -Check	9/7/2006	10789	UNION 76	-247 63
Bill Pmt -Check	9/7/2006	10790	UNITEK TECHNOLOGY INC.	-1,029 56
Bill Pmt -Check	9/7/2006	10791	VANDEN HEUVEL, GEOFFREY	-125 00
Bill Pmt -Check	9/7/2006	10792	VELASQUEZ JANITORIAL	-1,200 00
Bill Pmt -Check	9/7/2006	10793	VERIZON	-417 72
Bill Pmt -Check	9/7/2006	10794	WEST VALLEY ELECTRIC	-2,650 00
Bill Pmt -Check	9/7/2006	10795	WILLIS, KENNETH	-250 00
Bill Pmt -Check	9/7/2006	10796	YUKON DISPOSAL SERVICE	-134 72
Bill Pmt -Check	9/7/2006	10767	VIP AUTO DETAILING	-499 20
Bill Pmt -Check	9/8/2006	10797	CAL CPA	-35 00
Bill Pmt -Check	9/8/2006	10798	COMPUSA. INC.	-368 28
Bill Pmt -Check	9/8/2006	10799	U S POSTMASTER	-20 00
Bill Pmt -Check	9/13/2006	10800	PETTY CASH	-618 64
Bill Pmt -Check	9/13/2006	10801	CITISTREET	-4,211 42
Bill Pmt -Check	9/13/2006	10802	CITISTREET	-3,063 24
Bill Pmt -Check	9/13/2006	10803	CITISTREET	-2,931 10
Bill Pmt -Check	9/13/2006	10804	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-7,007 55
Bill Pmt -Check	9/13/2006	10805	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-7,001 23
Bill Pmt -Check	9/13/2006	10806	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-7,192 80
Bill Pmt -Check	9/15/2006	10807	ACWA SERVICES CORPORATION	-205 00
Bill Pmt -Check	9/15/2006	10808	BANK OF AMERICA	-1,210 69
Bill Pmt -Check	9/15/2006	10809	EAST VALLEY WATER DISTRICT	-1,500 00
Bill Pmt -Check	9/15/2006	10810	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125 00
Bill Pmt -Check	9/15/2006	10811	HATCH AND PARENT	-56,614 71
Bill Pmt -Check	9/15/2006	10812	MCI	-907 73
Bill Pmt -Check	9/15/2006	10813	MOLINO, SHERRI LYNNE	-475 42
Bill Pmt -Check	9/15/2006	10814	REID & HELLYER	-7,012 56
Bill Pmt -Check	9/15/2006	10815	RICOH BUSINESS SYSTEMS-Maintenance	-1,343 28
Bill Pmt -Check	9/15/2006	10816	SR ELECTRIC	-373 30
Bill Pmt -Check	9/15/2006	10817	UNITED PARCEL SERVICE	-470 64
Bill Pmt -Check	9/15/2006	10818	MATHIS & ASSOCIATES	-5,429 03
General Journal	9/15/2006	06/09/6	PAYROLL	-6,712 35
General Journal	9/15/2006	06/09/6	PAYROLL	-23,130 17
Bill Pmt -Check	9/19/2006	10819	BLACK & VEATCH CORPORATION	-887 50
Bill Pmt -Check	9/19/2006	10820	CALPERS	-2,427 95
Bill Pmt -Check	9/19/2006	10821	CREATIVE BENEFITS, INC	-7,520 00
Bill Pmt -Check	9/19/2006	10822	ELLISON, SCHNEIDER & HARRIS. LLP	-50,554 97
Bill Pmt -Check	9/19/2006	10823	GRAINGER	-46 17
Bill Pmt -Check	9/19/2006	10824	OFFICE DEPOT	-693 47
Bill Pmt -Check	9/19/2006	10825	PRE-PAID LEGAL SERVICES. INC.	-103 60
Bill Pmt -Check	9/19/2006	10826	RICOH BUSINESS SYSTEMS-Lease	-4,480 25
Bill Pmt -Check	9/19/2006	10827	STAULA, MARY L	-136 61
Bill Pmt -Check	9/19/2006	10828	RICOH BUSINESS SYSTEMS-Lease	-968 30

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
September 2006

Type	Date	Num	Name	Amount
Bill Pmt -Check	9/19/2006	10829	STANDARD INSURANCE CO.	-555 18
Bill Pmt -Check	9/19/2006	10830	EAST VALLEY WATER DISTRICT	-375 00
Bill Pmt -Check	9/22/2006	10831	CAFE CALATO	-44 93
Bill Pmt -Check	9/26/2006	10832	ARROWHEAD MOUNTAIN SPRING WATER	-40 21
Bill Pmt -Check	9/26/2006	10833	COMPUSA, INC.	-357 16
Bill Pmt -Check	9/26/2006	10834	CREATIVE BENEFITS, INC.	-158 17
Bill Pmt -Check	9/26/2006	10835	DEPARTMENT OF CONSUMER AFFAIRS	-300 00
Bill Pmt -Check	9/26/2006	10836	HYATT GRAND CHAMPIONS RESORT AND SPA	-3,928 30
Bill Pmt -Check	9/26/2006	10837	MATHIS & ASSOCIATES	-660 00
Bill Pmt -Check	9/26/2006	10838	OFFICE DEPOT	-917 97
Bill Pmt -Check	9/26/2006	10839	OFFICE FURNITURE.COM	-98 00
Bill Pmt -Check	9/26/2006	10840	PETTY CASH	-398 69
Bill Pmt -Check	9/26/2006	10841	QUILL	-319 63
Bill Pmt -Check	9/26/2006	10842	WATER EDUCATION FOUNDATION	-400 00
Bill Pmt -Check	9/27/2006	10843	WILDERMUTH ENVIRONMENTAL INC	-98,501 76
General Journal	9/28/2006	06/09/8	PAYROLL	-6,563 72
General Journal	9/28/2006	06/09/8	PAYROLL	-22,774.44
				-1,051,036.80

Sep 06

CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2006 THROUGH AUGUST 31, 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 2006-2007
Administrative Revenues										
Administrative Assessments			-		-				-	\$7,308,205
Interest Revenue			-	2,753	-				2,753	136,500
Mutual Agency Project Revenue		-							-	138,000
Grant Income		-							-	0
Miscellaneous Income									-	0
Total Revenues	-	-	-	2,753	-	-	-	-	2,753	7,582,705
Administrative & Project Expenditures										
Watermaster Administration	120,763								120,763	601,598
Watermaster Board-Advisory Committee	7,749								7,749	52,123
Pool Administration			3,995	10,588	1,830				16,413	118,245
Optimum Basin Mgmt Administration		303,832							303,832	1,855,795
OBMP Project Costs		1,128,874							1,128,874	5,904,269
Education Funds Use									-	375
Mutual Agency Project Costs	5,216								5,216	5,000
Total Administrative/OBMP Expenses	133,728	1,432,706	3,995	10,588	1,830	-	-	-	1,582,847	8,537,405
Net Administrative/OBMP Income	(133,728)	(1,432,706)							-	0
Allocate Net Admin Income To Pools	133,728		103,846	27,991	1,891				-	0
Allocate Net OBMP Income To Pools		1,432,706	1,112,567	299,884	20,255				-	0
Agricultural Expense Transfer			338,463	(338,463)					-	0
Total Expenses	1,558,872	-	1,558,872	-	23,975	-	-	-	1,582,847	8,537,405
Net Administrative Income			(1,558,872)	2,753	(23,975)				(1,580,094)	(954,700)
Other Income/(Expense)										
Replenishment Water Purchases						369,248			369,248	0
MZ1 Supplemental Water Assessments									-	2,179,500
Water Purchases									-	0
MZ1 Imported Water Purchase									-	(2,278,500)
Groundwater Replenishment						(237,207)			(237,207)	0
Net Other Income						132,041			132,041	(99,000)
Net Transfers To/(From) Reserves	-	-	(1,558,872)	2,753	(23,975)	132,041	-	-	(1,448,053)	(1,053,700)

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
AUGUST 1 THROUGH AUGUST 31, 2006**

DEPOSITORIES:

Cash on Hand - Petty Cash		\$ 500
Bank of America		
Governmental Checking-Demand Deposits	\$ 213,175	
Savings Deposits	9,709	
Zero Balance Account - Payroll	-	222,884
Vineyard Bank CD - Agricultural Pool		424,572
Local Agency Investment Fund - Sacramento		4,510,200
TOTAL CASH IN BANKS AND ON HAND	8/31/2006	\$ 5,158,156
TOTAL CASH IN BANKS AND ON HAND	7/31/2006	7,487,788
PERIOD INCREASE (DECREASE)		<u>\$ (2,329,632)</u>

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable		\$ 8,874
Assessments Receivable		(58,755)
Prepaid Expenses, Deposits & Other Current Assets		-
(Decrease)/Increase in Liabilities: Accounts Payable		(1,032,992)
Accrued Payroll, Payroll Taxes & Other Current Liabilities		1,666
Transfer to/(from) Reserves		(1,248,425)
PERIOD INCREASE (DECREASE)		<u>\$ (2,329,632)</u>

	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Savings	Vineyard Bank	Local Agency Investment Funds	Totals
SUMMARY OF FINANCIAL TRANSACTIONS:							
Balances as of 7/31/2006	\$ 500	\$ 1,244,186	\$ -	\$ 9,709	\$ 423,193	\$ 5,810,200	\$ 7,487,788
Deposits	-	-	-	-	1,379	-	1,379
Transfers	-	1,243,034	56,966	-	-	(1,300,000)	-
Withdrawals/Checks	-	(2,274,045)	(56,966)	-	-	-	(2,331,011)
	\$ 500	\$ 213,175	\$ -	\$ 9,709	\$ 424,572	\$ 4,510,200	\$ 5,158,156
PERIOD INCREASE OR (DECREASE)	\$ -	\$ (1,031,011)	\$ -	\$ -	\$ 1,379	\$ (1,300,000)	\$ (2,329,632)

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
AUGUST 1 THROUGH AUGUST 31, 2006**

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
8/18/2006	Withdrawal		\$ 1,300,000				
TOTAL INVESTMENT TRANSACTIONS			\$ 1,300,000	-			

* 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

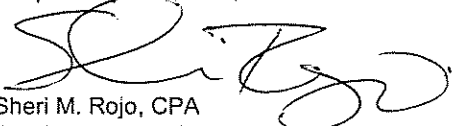
**INVESTMENT STATUS
August 31, 2006**

<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	\$ 4,510,200			
TOTAL INVESTMENTS	\$ 4,510,200			

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

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

Respectfully submitted,


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

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

	<u>Jul - Aug 06</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 · Local Agency Subsidies	0	138,000	(138,000)	0.00%
4110 · Admin Asmnts-Approp Pool	0	7,227,619	(7,227,619)	0.00%
4120 · Admin Asmnts-Non-Agri Pool	0	80,586	(80,586)	0.00%
4700 · Non Operating Revenues	2,753	136,500	(133,747)	2.02%
Total Income	<u>2,753</u>	<u>7,582,705</u>	<u>(7,579,952)</u>	<u>0.04%</u>
Gross Profit	2,753	7,582,705	(7,579,952)	0.04%
Expense				
6010 · Salary Costs	84,056	447,037	(362,981)	18.80%
6020 · Office Building Expense	13,669	102,000	(88,331)	13.40%
6030 · Office Supplies & Equip.	7,818	45,000	(37,182)	17.37%
6040 · Postage & Printing Costs	18,977	78,500	(59,523)	24.17%
6050 · Information Services	28,140	112,500	(84,360)	25.01%
6060 · Contract Services	8,805	131,000	(122,195)	6.72%
6080 · Insurance	0	25,210	(25,210)	0.00%
6110 · Dues and Subscriptions	1,191	16,750	(15,559)	7.11%
6140 · WM Admin Expenses	845	6,500	(5,655)	13.01%
6150 · Field Supplies	754	4,000	(3,246)	18.85%
6170 · Travel & Transportation	4,271	19,350	(15,079)	22.07%
6190 · Conferences & Seminars	11,621	22,500	(10,879)	51.65%
6200 · Advisory Comm - WM Board	1,643	15,168	(13,525)	10.83%
6300 · Watermaster Board Expenses	6,106	36,955	(30,849)	16.52%
8300 · Appr PI-WM & Pool Admin	3,995	15,918	(11,923)	25.10%
8400 · Agri Pool-WM & Pool Admin	2,280	18,633	(16,353)	12.24%
8467 · Agri-Pool Legal Services	8,308	65,000	(56,692)	12.78%
8470 · Ag Meeting Attend -Special	0	12,000	(12,000)	0.00%
8500 · Non-Ag PI-WM & Pool Admin	1,830	6,694	(4,864)	27.33%
6500 · Education Funds Use Expens	0	375	(375)	0.00%
9500 · Allocated G&A Expenditures	(59,382)	(408,749)	349,367	14.53%
Subtotal G&A Expenditures	<u>144,924</u>	<u>772,341</u>	<u>(627,417)</u>	<u>18.76%</u>
6900 · Optimum Basin Mgmt Plan	281,959	1,713,780	(1,431,821)	16.45%
6950 · Mutual Agency Projects	5,216	5,000	216	104.32%
9501 · G&A Expenses Allocated-OBMP	21,872	142,015	(120,143)	15.40%
Subtotal OBMP Expenditures	<u>309,048</u>	<u>1,860,795</u>	<u>(1,551,747)</u>	<u>16.61%</u>
7101 · Production Monitoring	25,024	61,565	(36,541)	40.65%
7102 · In-line Meter Installation	4,820	64,904	(60,084)	7.43%
7103 · Grdwtr Quality Monitoring	6,880	149,713	(142,833)	4.60%
7104 · Gdwtr Level Monitoring	27,871	191,953	(164,082)	14.52%
7105 · Sur Wtr Qual Monitoring	1,263	32,247	(30,984)	3.92%
7107 · Ground Level Monitoring	4,963	160,984	(156,021)	3.08%
7108 · Hydraulic Control Monitoring	29,739	483,258	(453,519)	6.15%
7109 · Recharge & Well Monitoring Prog	8,121	146,350	(138,229)	5.55%
7200 · PE2- Comp Recharge Pgm	335,174	1,822,997	(1,487,823)	18.39%
7300 · PE3&5-Water Supply/Desalte	0	4,676	(4,676)	0.00%

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

	<u>Jul - Aug 06</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7400 PE4- Mgmt Plan	23,931	578,762	(554,831)	4.14%
7500 PE6&7-CoopEfforts/SaltMgmt	14,350	310,507	(296,157)	4.62%
7600 PE8&9-StorageMgmt/Conj Use	813	6,698	(5,885)	12.14%
7690 Recharge Improvement Debt Pymt	608,415	1,608,000	(999,586)	37.84%
7700 Inactive Well Protection Prgm	0	14,921	(14,921)	0.00%
9502 G&A Expenses Allocated-Projects	37,510	266,734	(229,224)	14.06%
Subtotal Project Expenditures	1,128,874	5,904,269	(4,775,395)	19.12%
Total Expense	1,582,846	8,537,405	(6,954,559)	18.54%
Net Ordinary Income	(1,580,093)	(954,700)	(625,393)	165.51%
Other Income/Expense				
Other Income				
4210 Approp Pool-Replenishment	369,248	0	369,248	100.00%
Total Other Income	369,248	0	369,248	100.00%
Other Expense				
5010 Groundwater Replenishment	237,207	0	237,207	100.00%
9999 To/(From) Reserves	(1,448,051)	(954,700)	(493,351)	151.68%
Total Other Expense	(1,210,845)	(954,700)	(256,145)	126.83%
Net Other Income	1,580,093	954,700	625,393	165.51%
Net Income	0	0	0	100.00%



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. WATER TRANSACTION

1. Notice of Sale or Transfer – Santa Ana River Water Company leased and assigned Jurupa Community Services District the quantity of 2,000 acre-feet of corresponding Annual Production Right for Fiscal Year 2005-06
2. Notice of Sale or Transfer – The Monte Vista Irrigation Company Fiscal Year 2006-07 annual production rights in the Chino Basin to the Monte Vista Water District. The total quantity of water to be transferred is estimated at 1,300 acre-feet



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

August 23, 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: **August 21, 2006**

Date of this notice: **August 23, 2006**

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

- A. Notice of Sale or Transfer – Santa Ana River Water Company leased and assigned Jurupa Community Services District the quantity of 2,000 acre-feet of corresponding Annual Production Right for Fiscal Year 2005-06.

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

Appropriative Pool: September 14, 2006

Non-Agricultural Pool: September 14, 2006

Agricultural Pool: September 19, 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: August 23, 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).

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION



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: August 23, 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 – Santa Ana River Water Company leased and assigned Jurupa Community Services District the quantity of 2,000 acre-feet of corresponding Annual Production Right for Fiscal Year 2005-06.

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 – Santa Ana River Water Company leased and assigned Jurupa Community Services District the quantity of 2,000 acre-feet of corresponding Annual Production Right for Fiscal Year 2005-06.

Notice of the water transaction identified above was mailed on August 23, 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.

DM JW

RECEIVED

AUG 22 2006

CHINO BASIN WATERMASTER



COMMUNITY SERVICES DISTRICT
Jurupa Community Services District
11201 Harrel Street
Mira Loma Ca. 91752
Voice: 951-685-7434 Fax: 951-685-1153

August 21, 2006

TO:	COMPANY	Fax Number
Sherri Rojo	CBWM	909-484-3890
Danny Kew Manning	CBWM	

FROM:

Ken Waring Finance Manager	JURUPA COMMUNITY SERIVCES DISTRICT	909-685-7434 (phone)
-------------------------------	---------------------------------------	----------------------

This Fax contains 6 Pages including this coversheet

Comments:

Please confirm receipt

Thanks,

Ken

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

APPLICATION
TO
TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2005 - 2006

Commencing on July 1, 2005 and terminating on June 30, 2006, Santa Ana River Water Company ("Transferor") hereby transfers to Jurupa Community Services District ("Transferee") the quantity of 2,000 acre-feet of corresponding Annual Production Right (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.," RCV 51010 (formerly Case No. SCV 164327).

Said Transfer shall be conditioned upon:

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

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

WATER QUALITY AND WATER LEVELS

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

These wells do not exceed the MCL for nitrates and are used to blend with other wells within the Districts service area that do exceed the MCL for nitrates . All wells are perforated to a depth of between 300 – 400 feet

MATERIAL PHYSICAL INJURY

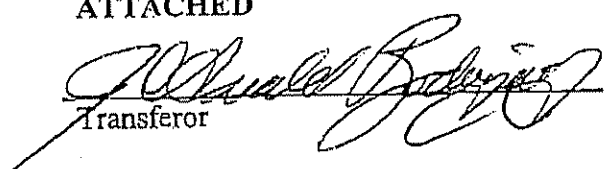
Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application?

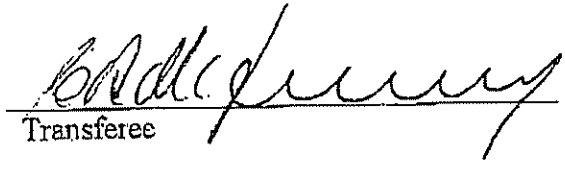
Yes [] No [X]

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

ADDITIONAL INFORMATION
ATTACHED

Yes [x] No []


Transferor


Transferee

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

August 23, 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: **August 14, 2006**

Date of this notice: **August 23, 2006**

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

- A. Notice of Sale or Transfer – The transfer of Monte Vista Irrigation Company Fiscal Year 2006-07 annual production rights in the Chino Basin to the Monte Vista Water District. The total quantity of water to be transferred is estimated at 1,300 acre-feet.

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

Appropriative Pool: September 14, 2006

Non-Agricultural Pool: September 14, 2006

Agricultural Pool: September 19, 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: August 23, 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).

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION



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: August 23, 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 – The transfer of Monte Vista Irrigation Company Fiscal Year 2006-07 annual production rights in the Chino Basin to the Monte Vista Water District. The total quantity of water to be transferred is estimated at 1,300 acre-feet.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Notice of Sale or Transfer – The transfer of Monte Vista Irrigation Company Fiscal Year 2006-07 annual production rights in the Chino Basin to the Monte Vista Water District. The total quantity of water to be transferred is estimated at 1,300 acre-feet.

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.

Monte Vista

Dedicated to Quality,

Service and Innovation

RECEIVED

August 14, 2006

AUG 17 2006

Mark N. Kinsey
GENERAL MANAGER

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

CHINO BASIN WATERMASTER

MVWD/MVIC Water Transactions

Dear Mr. Manning: *km*

Attached are the necessary forms to complete the transfer of Monte Vista Irrigation Company Fiscal Year 2006-07 annual production rights in the Chino Basin to the Monte Vista Water District. The total quantity of water to be transferred is estimated at 1,300 acre-feet.

This transfer will be utilized by the District to offset a portion of its projected Fiscal Year 2006-07 replenishment obligation within the Chino Basin. The recapture plan for production of the transferred water rights by the District and a map showing the location of District production wells are attached for consideration by Watermaster.

The actual location of, and rate of capture, could change due to unplanned production system problems or from abnormally wet or dry weather conditions.

Thank you for your assistance in this matter. Should you have any questions, please contact the District at your convenience.

Sincerely,

Monte Vista Water District



Mark N. Kinsey
General Manager

Attachments

Water District

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

Robb D. Quincey
PRESIDENT

Sandra S. Rose
VICE PRESIDENT

Maynard B. Lenhart
DIRECTOR

Tony Lopez
DIRECTOR

Philip L. Erwin
DIRECTOR

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

APPLICATION TO TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2006-07

Commencing on July 1, 2006 and terminating on June 30, 2007, Monte Vista Irrigation Company ("Transferor") hereby transfers to Monte Vista Water District ("Transferee") the quantity of 1,300 acre-feet of corresponding Annual Production Right (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.," RCV 51010 (formerly Case No. SCV 164327).

Said Transfer shall be conditioned upon:

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

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

WATER QUALITY AND WATER LEVELS

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

Dynamic water levels at District wells range from 538' to 596' below ground level with average drawdown of 40'. Static water levels range from 504' to 533' below ground level. Nitrate concentrations for District wells range between 19-70 ppm.

MATERIAL PHYSICAL INJURY

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

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

No mitigation is required.

ADDITIONAL INFORMATION ATTACHED Yes [X] No []

Mark N. Kinsey
Monte Vista Irrigation Company
Transferor

Mark N. Kinsey
Monte Vista Water District
Transferee

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

MONTE VISTA WATER DISTRICT

Recapture Plan

This recapture plan pertains to the transfer of an estimated 1,300 acre-feet of Fiscal Year 2006-07 Monte Vista Irrigation Company annual production rights to the Monte Vista Water District. Location of where the recaptured water will be extracted by the District is within Management Zone 1 of the Chino Basin and will be accomplished by any or all of the 11 wells owned and operated by the District. The approximate daily production capacity of these wells is noted below.

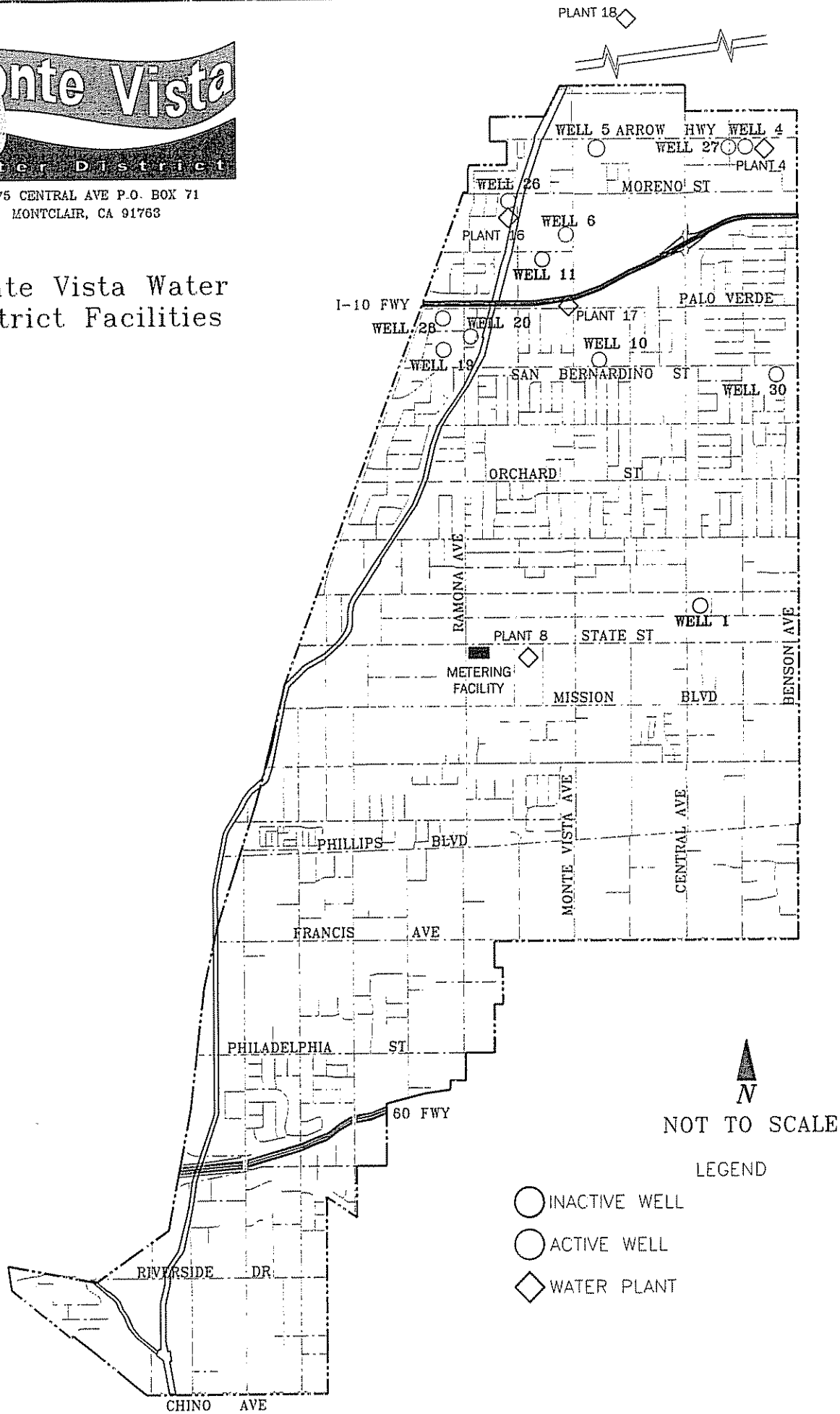
<u>Well</u>	<u>Production Acre-Feet/Day</u>
4	4.2
5	6.1
6	5.2
10	5.2
19	9.0
20	5.8
26	9.0
27	9.0
28	9.0
30	9.0
<hr/>	
Daily Total	71.5

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



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

Monte Vista Water District Facilities



N
NOT TO SCALE

LEGEND

- INACTIVE WELL
- ACTIVE WELL
- ◇ WATER PLANT



CHINO BASIN WATERMASTER

II. BUSINESS ITEM

1. New Yield Allowance for the FY 05-06 Assessment Package at 30% of Desalter Production





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: October 12, 2006
October 17, 2006
October 26, 2006

TO: Committee Members
Watermaster Board Members

SUBJECT: New Yield Allowance for the FY 05-06 Assessment Package at 30% of Desalter Production

SUMMARY

Issue Whether to continue the determination that desalter production created New Yield in an amount equal to 50% of Desalter production or adopt another finding for New Yield based upon substantial evidence and apply the finding in FY 05-06?

Recommendations –

- A. Based upon a technical assessment prepared by Wildermuth Environmental and Watermaster Staff, New Yield attributable to the 05-06 Desalter production is equal to 30% of Desalter production or about 4,950 acre feet.
- B. Incorporate the identified New Yield into the assessment package and further describe the conditions in the Annual Report.
- C. Approve the proposed findings and support the Watermaster determination.

BACKGROUND

A. Legal Framework

The initial Safe Yield for the Basin was established in the Judgment at 140,000 acre feet per year ("afy") (Judgment § 6) Paragraph 15 of the Judgment provides that the Court retains jurisdiction to modify the Safe Yield at any time after 1988 (10 years following the entry of the Judgment). The Judgment requires that all production of groundwater in excess of a party's respective share of Operating Safe Yield is subject to a Replenishment Assessment. (Judgment § 45.)

Any subsequent change in the Safe Yield shall be debited or credited to the Appropriative Pool (Judgment § 44.) This means that the Appropriative Pool is the beneficiary of any water that is made available by increasing the Safe Yield of the Basin by any amount greater than 140,000 afy.

In 2000 the Court ordered Watermaster to proceed in accordance with the Peace Agreement and the OBMP Implementation Plan which is an Exhibit to the Peace Agreement. Program Element 8 of the OBMP Implementation Plan requires Watermaster to evaluate the condition of the Basin, storage and loss rate determinations that may lead to a revision in Safe Yield. A ten year period between 2000/2001 and 2010/2011 will be used to examine the conditions that may suggest that the Safe Yield be changed in accordance with best available information and prevailing conditions. (OBMP Implementation Plan, Program Element 8(f))

Watermaster also recognizes the need to continuously manage the Basin during the periods in which a more complete technical record can be created in connection with a 2010/2011 review of Safe Yield. Specifically, the Peace Agreement created a new term "New Yield" which serves as the legal basis for Watermaster to temporarily account for proven increases in yield on an interim basis and to allocate this supply to the Appropriative Pool without triggering the more formal calculation of Safe Yield.

The complete definition for New Yield is set forth in Peace Agreement Section I (aa) as follows:

"New Yield" means proven increases in yield in quantities greater than historical amounts from sources of supply including but not limited to, capture of rising water, capture of available storm flow, operation of the Desalters (including the Chino I Desalter), induced Recharge and other management activities implemented and operational after June 1, 2000."

Consequently, New Yield can be construed to encompass increases in yield in excess of conditions that existed on June 1, 2000. Conversely, to the extent that there may be cultural conditions contributing to an increased supply that occurred prior to June 1, 2000, they may qualify for consideration in a recalculation of Safe Yield but do not constitute New Yield.

Except for Stormwater, all New Yield must be first be assigned to offsetting Desalter Replenishment Obligations in the immediately following year. (Peace Agreement § 7.5(b); Rules and Regulations § 6.2(d)) This means that to the extent Watermaster makes a determination that New Yield exists as result of capturing rising water or inducing inflow from the Santa Ana River, that water must be dedicated as Desalter replenishment

B. Timing and Methodology of Watermaster Determination

The Rules and Regulations require that as a part of Watermaster's determination of assessments and for inclusion in its annual report, Watermaster will provide a summary of whether there is a change in condition that will support a determination of New Yield (Watermaster Rules and Regulations § 6.2(c)) Accordingly, Watermaster is providing this Staff Report and the accompanying Technical memorandum prepared under the direction of Mark Wildermuth estimating the New Yield attributable to the Desalters under present physical conditions

C. Prior Watermaster Actions

On October 25, 2001 the Watermaster Board previously addressed the subject of New Yield in connection with its approval of the assessment package and approved a motion finding that 50% of desalter production for FY 2001-02 was New Yield. The evidentiary support for this finding was largely a technical memorandum prepared by Mark Wildermuth that was submitted to the Pools, Advisory Committee and the Board. The report referenced the benefits of securing hydraulic control in the lower Chino Basin, potential draw down and flow inducement caused by the then existing and proposed Desalters.

The 2001 investigation also included an analysis of the interaction of the Santa Ana River and it's tributaries with groundwater levels in the lower Chino Basin. Based on these investigations, Mr.

Wildermuth opined that it was reasonable to *assume* that the desalter production will capture rising water and induce recharge from the Santa Ana River by at least half of the Desalter production. It was reported at the time that these technical findings are entirely consistent with those reported in the Chino Basin Water Resources Management Study and the first TIN/TDS Study.

In the years following this initial approval, staff and consultants continued to act in accordance with the 50% of desalter production determination as if New Yield from a combination of induced recharge and interception of outflow remained applicable as an appropriate and beneficial Basin management approach. As required by § 6 2(c) of the Rules and Regulations the quantity of New Yield has been accounted for in the annual assessment package. The Advisory Committee and the Board have approved the assessment packages in each year 2001-02 and there has been no objection to the inclusion of the New Yield as a form of Desalter Replenishment.

D. Summary of Present Substantial Evidence

It is Mr. Wildermuth's opinion that 30 percent of the water produced from the Desalters under present conditions should be attributable to the Santa Ana River. Attached to this Staff Report is a letter report prepared by Mark Wildermuth that explains the basis for his technical opinion. In brief summary, Mr. Wildermuth reviewed the desalter and replenishment model scenarios that match the existing desalter configuration and historical pumping schedule as previously published in his April 2006 Report. Specifically, his review of Tables B-2-3 a-e and in particular B-2-3-e led him to revise his earlier estimate of New Yield that is attributable to the operations of the Desalters.

In his opinion, groundwater models are customarily used to evaluate hydrologic conditions including River inflow. His model and the most recent modeling results represent the best available information to estimate actual hydrologic conditions related to evaluating inflow from the Santa Ana River and that portion of which is attributable to the Desalters.

E. Proposed Findings

1. Wildermuth Environmental has compiled and maintained the most complete and comprehensive model of groundwater conditions within the Chino Basin.
2. Reliance upon a model to interpret present hydrologic conditions, including Santa Ana River inflow is a widely accepted, customary and prudent scientific methodology.
3. In April of 2006, Wildermuth Environmental caused an evaluation of inflow from the Santa Ana River as a result of Desalter production under conditions that closely approximate the present circumstances.
4. The results of the simulation that most closely resembles present conditions is represented in Tables B-2-3 a-e from which it can be derived that new Santa Ana River inflow occurred in 2005/06 in an amount equivalent to approximately 30 percent of Desalter production.
5. Thirty percent of 16,500 is equal to 4,950 acre-feet in Fiscal Year 2005-2006.

F. Impact of Earlier Determinations

Watermaster is empowered to levy assessments, approve assessment packages and file annual reports with the Court. Any party seeking to review earlier determinations of Watermaster is bound to seek review of a Watermaster action in accordance with the times set forth in § 31 of the Judgment. Pursuant to § 31(c) a party that wishes to object to the Watermaster determination of New Yield would be required to seek review within 90 days of the Watermaster action. Thereafter, in the event there is an erroneous reporting in the assessments the only process to seek review of a Watermaster action or modify an assessment determination is by Watermaster electing to take action in accordance with § 4.4 of the Rules and Regulations.

In this case, there has been no identified error. Since 2001/2002 Watermaster has continue to improve its understanding of hydrologic conditions in the Basin and the extent to which the operation of the Desalters are creating New Yield. Watermaster has requested a current evaluation of New Yield attributable to the operation of the Desalters so that a fresh determination can be included in the assessment package and in the annual report in accordance with §6.2(d) of the Rules and Regulations.

To the extent that the 2001/2002 determination may have overestimated the quantity of New Yield available in some the years when viewed from the presently best available information, the impact on the Basin and the parties is de minimus. Therefore, Watermaster is not recommending any further adjustments to the earlier determinations or to the prior assessment packages.



October 10, 2006

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

Subject: Replenishment for Desalters I & II for Watermaster Year 2005/06

Dear Mr. Manning:

Per your direction, Wildermuth Environmental, Inc. (WEI) prepared an estimate of the new recharge from the Santa Ana River to the Chino Basin caused by pumping at the Chino I and II Desalters. This information is to be considered by the Watermaster in determining new yield, pursuant to the Peace Agreement and Watermaster's Rules and Regulations. Pursuant to the Peace Agreement, desalter induced recharge of the Santa Ana River and desalter induced decreases in groundwater discharge from the Chino Basin to the Santa Ana River are both considered new yield and are to be used to offset an equal volume of the replenishment obligation of the desalters.

Background

The Watermaster Rules and Regulations anticipate that new yield would result from a variety of conditions, including but not limited to enhanced Basin Management, increased stormwater recharge, induced Recharge from operation of the Desalters as well as other sources. (Rules and Regulations §6.2(e).) According to the Watermaster Rules and Regulations, "Pursuant to the Peace Agreement, any new yield shall first be assigned to offsetting Desalter Replenishment Obligations in the immediately following year and as reasonably required to satisfy expected future Replenishment Obligations arising from the Desalter." (Rules and Regulations § 6.2(d).) An amendment to the Peace Agreement exempted the commitment of new yield resulting from increased stormwater recharge from this requirement.

Consistent with the Peace Agreement and the Watermaster Rules and Regulations, on October 25, 2001 the Watermaster Board approved a motion allowing 50% of desalter production for FY 2001-02 on the basis the new yield would be created. The technical basis for this finding was an investigation by WEI that was submitted to the Pools, Advisory Committee and the Board. The investigation included an analysis of the interaction of the Santa Ana River and its tributaries with groundwater levels in the lower Chino Basin. Based on this investigation, WEI concluded that Watermaster should assume that the desalter production will capture rising water and induce recharge from the Santa Ana River by at least half of the Desalter production. It was reported at that time that these technical finding are entirely consistent with those reported in the Chino Basin Water Resources Management Study and the first TIN/TDS Study.

2005/06 Estimate of the Capture Rising Water and Induced Recharge from the Santa Ana River

Subsequent to the earlier estimates of the capture rising water and induced recharge from the Santa Ana River, Watermaster and the Inland Empire Utilities Agency retained WEI to develop a high resolution groundwater model of the Chino Basin. The initial use of this model was to evaluate the impacts to surface and ground water from the 100,000 acre-ft Dry Year Yield Program. A report entitled the *Chino*

Basin Dry-Year Yield Modeling Report (WEI, 2002) was prepared to document the development of this model and the use of the model for the Dry-Year Yield Program. Starting in 2004 this model has been used to evaluate the impacts to surface and ground water from various desalter and replenishment scenarios. This later work was documented in a report entitled *Analysis of Future Replenishment and Desalter Plans Pursuant to the Peace Agreement and the Peace II Process* (WEI, 2006), hereafter the April 2006 Report. Additional simulations were recently completed to optimize the location of future desalter well fields and these results will be documented in an addendum to the April 2006 report.

The April 2006 Report contains several desalter and associated replenishment scenarios one of which is similar to the historical condition through 2005/06. This scenario uses only the existing desalters and wells with the Desalter I expansion and the new Desalter II coming on line during 2005/06. This alternative is described in Section 4 and is referred to as the baseline desalter plan. Each desalter plan has three alternative replenishment plans – full, half and no replenishment. The combination of the baseline desalter plan and the no desalter replenishment plan represents fairly closely what has happened through 2005/06. For reference you should consult Section 4 of the April 2006 Report and Tables B-2-3a through e. Our professional opinion, based on our analysis of the above referenced model simulation results, is that the groundwater pumping at Desalter I and II created new yield from the capture rising groundwater and induced recharge from the Santa Ana River totaling about 30 percent of the total desalter pumping for 2005/06. Currently Watermaster staff estimates that the total groundwater pumping from Desalters I and II for 2005/06 was about 16,500 acre-ft. This means that about 4,950 acre-ft (30 percent of 16,500 acre-ft) of new yield was derived from the River and the remainder of about 11,550 acre-ft (70 percent of 16,500 acre-ft) was drawn from storage – in this case the Kaiser settlement account.

We appreciate the opportunity to serve the Watermaster and the Parties to the Judgment. Please call me if you have any questions or need additional information.

Very truly yours,

Wildermuth Environmental, Inc.



Mark J. Wildermuth, PE
President



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

October 26, 2006

AGENDA

INTERAGENCY WATER MANAGERS' REPORT

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

15-20 Minutes

Discussion Items:

Written Updates:

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

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

Regional Conservation Programs

Monthly Report – October 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 fall campaign is focusing on California Friendly landscaping in effort to save water outdoors. MWD is currently contacting nurseries to partner in their efforts to promote drought tolerant plants.
- **Newly Approved Rebates** - On August 15th, 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 held a second exchange event on September 30th at their headquarters where an additional 85 controllers were exchanged. In addition to these two exchanges residents have the opportunity to participate in the SmarTimer rebate program.
- **Landscape Audit Program** - Phil Regli of HydroEarth is currently meeting with each retail agency to discuss materials and potential customers to participate in the Landscape Audit 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.
- **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 have been meeting 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 23rd. MVWD will also hold a residential PDA class on November 11th.

Commercial/Industrial/Institutional Program

- **(CII SAVE-A-BUCK)** - No rebates were issued in September. The following is a list of the most 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. 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 during September was 86 bringing the number of rebates issued for FY 06/07 to 333. The total number of rebates processed since the rebate program began in 2002 is approximately 6,758.

School Education Programs

- **Garden in Every School** - The garden workshop took place on September 16th 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 were due September 29th and site visits took place the first two weeks of October. Up to seven schools will be chosen by mid 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 schedule to present the Water Pirates of Neverland production. The first performances will begin in November.
- **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 2006 took place on October 14th at Montclair Plaza from 10:00a.m.-2:00p.m. The event was a success with almost 1,000 attendees. Attendees had the opportunity to learn about conservation devices and methods available to help save water. In addition, residents within IEUA's service area were able to learn about the rebates and programs offered to them by their retail water providers. A free raffle took place and several prizes including CA Friendly plants, a water broom, an ULF toilet, a SmarTimer and a high efficiency clothes washer were given away.
- **Conservation Ads (monthly and special)** - Conservation tips are printed in the Daily Bulletin monthly. The ads are normally printed the last Sunday of each month. See attachment.
- **Water Education Water Awareness Committee (WEWAC)** - The WEWAC committee participated in the garden section of the LA County Fair, where they created and maintained a demonstration garden consisting of CA friendly plants and water efficient landscaping. The garden was viewed by the public through the duration of the fair. Project WET, originally scheduled for October 18th has been cancelled due to lack of teacher registering.

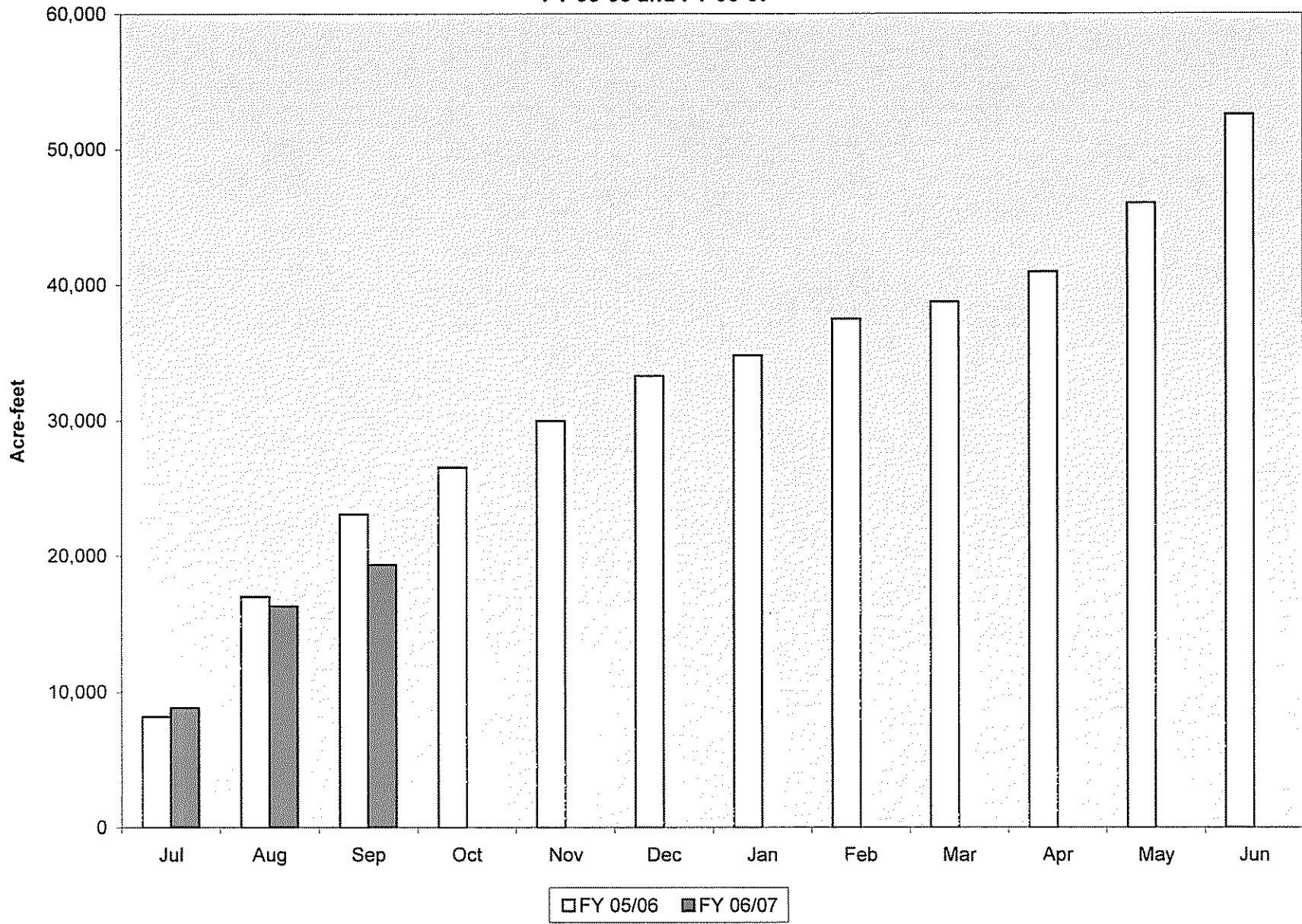
Upcoming Events

CALENDAR

October 21, 2006	Chino Basin Water Conservation District Plant Sale & Pumpkin Patch (CBWCD)
October 24, 2006	Leadership Breakfast (IEUA)
November 3, 2006	Rand Climate Control Workshop (IEUA)
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)

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

**Cumulative Monthly Full Service Imported Water Deliveries
Within IEUA's Service Area
FY 05-06 and FY 06-07**



THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

Agricultural Resources

635 Maryland Avenue, N.E.
Washington, D.C. 20002-5811
(202) 546-5115
(202) 546-4472-fax
agresources@erols.com

September 28, 2006

Legislative Report

TO: Richard W. Atwater
General Manager, Inland Empire Utility Agency

FR: David M. Weiman
Agricultural Resources
LEGISLATIVE REPRESENTATIVE, IEUA

SU: Legislative Report, September 2006

Highlights:

- **Feinstein Directed Title XVI Report from Interior – Reclamation Fails Again (and Again)**
- **Senate Energy Committee Water Recycling Hearing July 27**
- **Administration Testimony, Position(s)**
- **Baca Perchlorate Cleanup Bill Passed House**
- **News and Notes**
- **IEUA Working Partners**

Feinstein Directed Title XVI Water Recycling Report from Interior – BuRec – Not Delivered, Reclamation Boots Deadlines Again. At the July 27 Senate Energy Committee hearing, Senator Dianne Feinstein (D-CA), in consultation with Senator Murkowski, Chair, Water Subcommittee (Energy Committee), called senior Bureau of Reclamation officials and representatives of six Southern California water districts to her office review the basis for the Bureau of Reclamation to testify that NONE of these projects was “feasible.” IEUA, Cucamonga Valley, OCWD and others assembled in Washington to meet with Feinstein together. The Districts vigorously objected to Reclamation’s characterizations and conclusions. Feinstein asked the Bureau to meet with each District, review all the criteria and all the reports and then

report back to her office by the end of August. Meetings were immediately held with each District in California over the next several weeks.

The end of August arrived and the Bureau failed to meet the Feinstein-imposed deadline.

We were then advised that the Reports would be submitted immediately after Labor Day. No reports were forthcoming. This modified deadline was missed.

Then, Feinstein's office assured us, based on representations from the Bureau, that the reports would be submitted by the end of the third week of September – shortly before the scheduled adjournment. Bureau failed to meet that deadline.

Suffice to say, Congress reached adjournment without having received the Reports. Most DC reps, House Member's offices, and others involved now believe that the Bureau was slowing the process to prevent action on these bills – their unstated opposition to the water recycling program is showing.

IEUA has been told by the Bureau that our project is feasible – regardless of definition used or criteria imposed. However, they have yet to formally advise the Senate Energy Committee and/or Senator Feinstein as requested.

Energy and Water Appropriations. Congress is slated to adjourn September 29 and completed action on only two of the annual funding bills, Defense and Homeland Security. Energy and Water is not acted upon..

WEF Hosts Farm Bill Conference – Cow Power Initiative. Water Environmental Federation (WEF) hosted a one-day conference in early September to review an informal coalition position on the Farm Bill. Rich Atwater attended and made a presentation. A policy paper is emerging and currently under review.

News and Notes. House-Senate Schedule. The House and Senate adjourned for the election, but have scheduled a **Lame Duck Session** which is slated to convene on November 13. **Continuing Resolution (CR).** Interim funding for the fiscal year beginning October 1 was provided by the enactment of a CR – which expires on November 17. Presumably, the House and Senate will complete action on each individual bill during the Lame Duck. **Senate Slated to Confirm Bob Johnson, as Commissioner, Bureau of Reclamation.** Bob Johnson, the current Regional Director, Bureau of Reclamation for the Lower Colorado Region (which includes IEUA), has been nominated to be Commissioner, Bureau of Reclamation. Johnson is a supporter of the Title XVI water recycling program was nominated to be Commissioner. Hearings were held and the Energy Committee unanimously approved his nomination. It is pending on the Senate Calendar and is expected to be acted upon prior to adjournment.

IEUA Continues to Work With Various Partners. On an on-going basis in Washington,

IEUA continues to work with:

- a. Metropolitan Water District of Southern California (MWD)
- b. Milk Producer's Council (MPC)
- c. Santa Ana Watershed Project Authority (SAWPA)
- d. Water Environment Federation (WEF)
- e. Association of California Water Agencies (ACWA)
- f. WaterReuse Association
- g. CALStart
- h. Orange County Water District (OCWD)
- i. Cucamonga Valley Water District (CVWD)
- j. Western Municipal Water District
- k. Chino Basin Watermaster

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION



Date: October 18, 2006

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee (10/11/06)

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

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: September Legislative Report from Geyer and Associates

RECOMMENDATION

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

BACKGROUND

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

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

RWA:MD:mef

Enclosure

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION



MEMORANDUM

TO: Richard Atwater, General Manager
Martha Davis, Executive Manager of Policy Development

FROM: Jennifer West, Geyer Associates

DATE: September 28, 2006

RE: September Legislative Report

Bill List

Attached is the IEUA bill list. You will notice that a number of bills have not been acted upon. The Governor still has one more day to sign or veto bills. If he fails to act on a bill it is considered a "pocket signature" and the measure becomes law.

September Activities Include:

- Worked with the California Energy Commission to ensure that IEUA's approved "incentive payment" grant funding for RP-5, of approximately \$770,000, could continue to be paid to the agency over the next several years.
- Currently working with the agency to assess whether this can be changed to a "buydown" grant in the next month.
- Met with many members of the Legislature thanking them for their efforts on AB 1362 (Levine), which would have legislatively extended the liquidation period for the IEUA incentive grant from the CEC.
- Helped prepare letters requesting Governor's signature or veto on a number of bills supported or opposed by the agency.
- Currently working with CDFA on issues associated with the spinach outbreak and compost labeling.

Inland Empire Utilities Agency

Positions List

September 28, 2006

	Summary	Status	Position
AB 371 (Goldberg) Recycled Water	<p>Sponsored by WaterReuse. Makes a number of changes recommended by the Water Recycling Task Force.</p> <ul style="list-style-type: none"> • Requires purple pipe be installed in future recycled water plans. • Requires DWR to adopt and submit design standards to safely install potable water and recycled water in buildings. • Authorizes DWR to revise state version of Appendix J of UPC. 	Enrolled to Governor	Support
AB 1969 (Yee) Energy	<p>IEUA sponsored. Helps offset demand while increasing environmentally friendly renewable energy. The bill will permit the interconnection of up to 1.5 MW, under certain circumstances, of renewable energy generated by a water/wastewater agency to the grid.</p>	Enrolled to Governor	Support
AB 1881 (Laird) Water Conservation	<p>Will codify all the AB 2717 taskforce recommendations. This bill does the following:</p> <p>Requires DWR to update the model local water landscape ordinance, including restriction on overspray and runoff, by Jan. 2009.</p> <p>Requires local agencies to adopt either the model ordinance or one that is at least as effective by Jan. 2010.</p> <p>Requires public water systems to install, or require installation of water meters for landscaped areas exceeding 5,000 sq feet for non-single family residence.</p>	Enrolled to Governor	Support
AB 2951 (Goldberg) Capital Facility Fees	<p>Requires schools and state agencies to pay monthly rates based on the same criteria and methodology applied to all other comparable customers. This would allow water agencies to include the capital costs for facilities when they calculate other public agencies' service rates – as they do for their private customers. Inclusion of the capital facility fees has been subject to repeated court challenges by the education community.</p>	Enrolled to Governor	Support
SB 1317 (Torlakson) Property Tax	<p>Would authorize shifting unitary property tax revenues away from enterprise special districts within the same county in order to allow cities to offer financial incentives for siting energy facilities. According to the sponsors, Southern California Edison, this is their top priority bill. It is strongly supported by all the utilities, the League of Cities and the county association.</p>	Enrolled to Governor	Oppose

SB 1640 (Kuehl) Water	Requires that local groundwater information be reported to DWR. Southern California has been reporting groundwater information since the 1950s. The author accepted amendments from IEUA that specify how watermasters would report groundwater data to DWR. The amendments make the reporting no more onerous than the current reporting process.	Enrolled to Governor	Support
Watch List			
Bill #	Summary	Status	
Water Conservation/Green Buildings			
AB 1337 (Ruskin) Green Buildings	Requires CIWMB to adopt "green building standards" for state buildings constructed or renovation after 2008. These standards will include water and energy conservation measures.	Enrolled to Governor	
AB 2496 (Laird) Low flush water closets	Requires all new buildings constructed in the state after 2009 to use urinals and water closets that meet recent performance standards established by the American Society of Mechanical Engineers.	Enrolled to Governor	
AB 2515 (Ruskin) Water Conservation	Requires the PUC to prepare and submit a report to the Legislature that describes the progress achieved toward implementing the policy objectives of the PUC's Water Action Plan, adopted in 2005.	Enrolled to Governor	
Groundwater			
SB 1425 (Kuehl) Groundwater	Makes minor changes to the groundwater Recordation Act that applies to four counties in Southern California.	Enrolled to Governor	
SB 775 (Cox) Watermasters	Allows judges to appoint a public agency to <i>replace</i> DWR as a watermaster. It has no effect on all the other ways that a judge may appoint a watermaster.	Enrolled to Governor	
Floods and Delta			
AB 798 (Wolk)	This bill extends the sunset on the current state funding formula for levee maintenance or improvement projects in the Delta to 2008, subject to certain conditions.	Enrolled to Governor	

SB 1574 (Kuehl) Delta Strategic Plan	Creates a cabinet-level committee chaired by the Secretary of Resources to develop a "Strategic Vision for a sustainable Delta". Requires the vision to address the following: <ul style="list-style-type: none"> a) Sustainable ecosystem functions, including aquatic and terrestrial flora and fauna. b) Sustainable land use and land use patterns c) Sustainable transportation uses, including streets, roads and highways, and waterborne transportation. d) Sustainable utility uses, including aqueducts, pipelines, and power transmission corridors. e) Sustainable water supply uses. f) Sustainable recreation uses, including current and future recreational and tourism uses. g) Sustainable flood management strategies h) Other aspects of sustainability deemed desirable by the committee. Requires the committee to submit to the Legislature and Governor the sustainable Delta plan no later than December 31, 2008. Similar language was passed in AB 1803, the resources budget trailer bill. Governor or committee may appoint a task force to carry out Strategic Vision.	Enrolled to Governor
SB 1796 (Florez) Reclamation Board	Renames and restructures the State Reclamation Board. Expands the Board by two members. Requires those members be appointed by the Legislature. Requires the board to establish levee standards, review and comment on local and regional land use plans and flood control plans and requires it to produce a report on the status of the flood control system. The bill separates the board from DWR. The Governor has said he will veto the measure because the two legislative appointments would dilute the Governor's appointment authority over the Board.	Enrolled to Governor
Water Quality		
SB 187 (Soto)	Authorizes DHS in determining the economic feasibility of implementing a maximum contaminate level (MCL) to consider potential affects on human health that may result from the adoption of a primary drinking water standard that is less stringent than the public health goal. Requires DHS and OEHHA to review and consider the MCLs imposed by other states when adopting or updating public health goals (PHGs) or MCLs, providing those standards and levels are not less stringent than existing state law.	Enrolled to Governor
SB 475 (Runner)	Authorizes Santa Clarita Valley Sanitation District to require the removal of all residential self- regenerating water softeners, that discharge into the community sewer system if the district makes specified findings and adopts a specific ordinance. Requires a majority vote of qualified voters in the service area to approve this at the next election. If the ordinance is passed by the electorate, it specifies that the ban will not take effect until 2009. Supported by WaterReuse, CASA and LA County Sanitation Agency.	Chaptered

<p>SB 729 (Simitian) SWRCB</p>	<p>Authorizes the SWRCB to carry out the investigative authority granted in current law to the RWCQB's if, after consulting with the appropriate RWQCB, the SWRCB determines that it will not duplicate the efforts of the RWQCB. Requires each RWQCB to coordinate with the SWRCB and other state agencies with respect to water quality matters and report rates of compliance with state water quality laws.</p> <p>IEUA worked with CASA to stop an amendment from going into the bill that would have deleted the provision in law that requires economics to be considered by a RWQCB when a waste discharge permit is issued. This would have negatively impacted recycled water delivery.</p>	<p>Chaptered</p>
<p>SB 1070 (Kehoe) Water monitoring</p>	<p>Requires the SWRCB to establish a website that posts all water quality information in a single location. This includes WDRs, basin plans and enforcement actions.</p> <p>Established the California Water Quality Monitoring Council administered by the SWRCB. The Council would review and recommend coordination and additional water quality monitoring activities. Local agencies could participate on the Council.</p>	<p>Enrolled to Governor</p>

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION



Date: October 18, 2006
To: The Honorable Board of Directors
Through: Public, Legislative Affairs and Water Resources Committee (10/11/06)
From: Richard W. Atwater
Chief Executive Officer/General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: September Legislative Report from Dolphin Group

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

Enclosure

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION



September 28, 2006

To: Chino Basin/OBMP Coalition

From: Michael Boccadoro
Senior Vice President

RE: September Status Report

Please find attached the status report from The Dolphin Group for the month of September 2006.

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

Chino Basin / OBMP Coalition

Status Report – September 2006

On August 31st, the California Legislature concluded the second and final year of the 2005-2006 Legislative Session.

In sharp contrast to last year's session, which was dominated by partisan rancor leading to last year's special election on the Governor's reform initiatives, the Governor and state lawmakers wrapped up what many consider to be one of the most productive legislative sessions in recent years, passing legislation to combat global warming, fund public works projects, lower prescription drug costs and raise the minimum wage.

The Governor has until September 30th to take action on the hundreds of bills that were sent to his desk for approval. Measures that have not been either signed or vetoed by that date will go into law without his signature.

As the bill signing period comes to a conclusion, Californians are beginning to turn their attention toward the upcoming November election.

In addition to the high profile race for Governor between Arnold Schwarzenegger and State Treasurer Phil Angelides, California voters will also be making decisions on a number of statewide and Legislative races, as well as a myriad of propositions and initiatives including the Infrastructure Bond Package and Proposition 84, the Water Quality/Supply/Park Bond.

ASSEMBLY BILL 1969

As of September 28th, the Governor had yet to act on a number of measures, including AB 1969 (Yee), sponsored by IEUA.

CA AB 1969	AUTHOR:	Yee (D)
	TITLE:	Electrical Corporations: Water Agencies
	INTRODUCED:	2/9/2006
	LAST AMEND:	8/16/2006
	DISPOSITION:	To Governor
	LOCATION:	To Governor
	VOTE SUMMARY:	04/24/2006 - Assembly Utilities and Commerce Committee P 10-0;05/17/2006 - Assembly Appropriations Committee P 16-2;05/31/2006 - Assembly Floor P 66-12;06/20/2006 - Senate Energy, Utilities and Communications Committee P 8-0;08/21/2006 - Senate Floor P 31-2;08/22/2006 - Assembly Floor P 61-17
	RECENT ACTIONS:	09/05/2006 - *****To GOVERNOR.

SUMMARY:

Requires every electrical corporation to file with the Public Utilities Commission a standard tariff for renewable energy output produced at an electric generation facility that is an eligible renewable energy resource. Requires the corporation to make the tariff available to public water or wastewater agencies that own and operate an electric facility on a specified basis, until the combined statewide cumulative rated capacity reaches a specified total amount of megawatts under certain conditions.

Position: Support

AB 32 – GREENHOUSE GAS REDUCTION

The Governor signed AB 32 on Wednesday, September 27, putting California at the forefront of international greenhouse gas (GHG) efforts

CA AB 32 **AUTHOR:** Nunez (D)
TITLE: Greenhouse Gases: Global Warming Solutions Act
INTRODUCED: 12/6/2004
LAST AMEND: 8/30/2006
DISPOSITION: Signed
LOCATION: Signed – To Secretary of State
VOTE SUMMARY: 02/28/2005 - Assembly Natural Resources Committee P 6-2; 04/06/2005 - Assembly Appropriations Committee P.13-5; 04/11/2005 - Assembly Floor P 50-27; 06/26/2006 - Senate Environmental Quality Committee P 5-2; 08/17/2006 - Senate Appropriations Committee P 8-4; 08/30/2006 - Senate Floor P 23-14; 08/31/2006 - Assembly Floor P 47-32; 08/31/2006 - Assembly Natural Resources Committee P 7-2
RECENT ACTIONS: 09/27/2006 – SIGNED BY GOVERNOR.
SUMMARY: Requires the State Air Resources Board to adopt regulations to require the reporting and verification of statewide greenhouse gas emissions and to monitor and enforce compliance with this requirement, to adopt a statewide greenhouse gas emissions limit equivalent to the statewide levels in 1990 to be achieved by 2020, to adopt rules and regulations in an open public process to achieve maximum technologically feasible and cost-effective emissions reduction and to adopt a source of emission fee schedule.
Position: Watch

ENERGY/REGULATORY

Energy Efficiency Funding for Water Conservation Efforts

Two months after filing two rounds of testimony, the Commission has yet to issue further direction in the proceeding to consider including "upstream" embedded energy savings as part of the utilities' energy efficiency portfolios.

In the initial scoping memo issued in May, the Commission indicated that they would address this issue in late 2006 or early 2007. It is unknown if this impending action by the Commission would take the form of a draft decision or an additional ruling to further consider details or policy implications.

DGI will continue to monitor this proceeding.

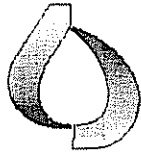
OTHER LEGISLATIVE ACTION

CA AB 2778	AUTHOR:	Lieber (D)
	TITLE:	Electricity: Self-Generation Incentive Program
	INTRODUCED:	2/24/2006
	LAST AMEND:	8/28/2006
	DISPOSITION:	To Governor
	LOCATION:	To Governor
	VOTE SUMMARY:	04/24/2006 - Assembly Utilities and Commerce Committee P 8-2;04/27/2006 - Assembly Natural Resources Committee P 7-0;05/25/2006 - Assembly Appropriations Committee P 13-5;05/31/2006 - Assembly Floor P 53-25;06/27/2006 - Senate Energy, Utilities and Communications Committee P 7-3;08/17/2006 - Senate Appropriations Committee P 8-5;08/31/2006 - Assembly Floor P 44-28;08/31/2006 - Senate Floor P 21-14
	RECENT ACTIONS:	09/19/2006 - *****To GOVERNOR.
	SUMMARY:	Requires the Public Utilities Commission to administer a self-generation incentive program for distributed generation resources applicable to all eligible technologies except for solar technologies. Requires the commission to report with an evaluation of the self-generation incentive program. Limits eligibility for nonsolar technologies to fuel cells and wind distributed generation technologies that meet or exceed the emissions standards required under the distributed generation certification program.
	Position:	Watch

CA SB 1640

AUTHOR: Kuehl (D)
TITLE: Water
INTRODUCED: 2/24/2006
LAST AMEND: 8/7/2006
DISPOSITION: To Governor
LOCATION: To Governor
VOTE SUMMARY: 04/25/2006 - Senate Natural Resources and Water Committee P 6-0;05/25/2006 - Senate Appropriations Committee P 8-5;06/01/2006 - Senate Floor P 25-13;06/27/2006 - Assembly Water, Parks and Wildlife Committee P 7-4;08/17/2006 - Assembly Appropriations Committee P 13-5;08/29/2006 - Assembly Floor F 35-34;08/31/2006 - Assembly Floor P 43-34;08/31/2006 - Senate Floor P 24-12
RECENT ACTIONS: 09/12/2006 - *****To GOVERNOR.
SUMMARY:

Relates to a report of hydrologic conditions of water project facilities to each contractor, water diversions covered by a permit or license for small domestic or livestock stockpond uses, civil liability for failing to file a statement for a diversion or use, the State Water Plan, and coordination of an urban water management plan with utilities that provide electric or gas service. Establishes a groundwater monitoring program for the monitoring of the depth to groundwater in a particular basin.



Date: October 18, 2006

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee (10/11/06)

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

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: September Legislative Report from Innovative Federal Strategies, LLC

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

Enclosure

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

Innovative Federal Strategies LLC

Comprehensive Government Relations

MEMORANDUM

To: Rich Atwater and Martha Davis, IEUA

From: Letitia White and Heather McNatt

Date: October 2, 2006

Re: September Monthly Legislative Update

September was another productive month for IEUA's Washington agenda. Rich Atwater and Susan Carr attended the WEF conference in Alexandria to coordinate strategy for the upcoming Farm Bill re-authorization. They also held a meeting with Gus Jordan from USDA during the first week in September in hopes of deepening the agency's understanding of IEUA's excellent ongoing work.

Water Legislation

Unfortunately, neither of the ongoing water authorization bills saw legislative attention during September. The WRDA conference committee was unable to move forward and complete action on that long-stalled measure, despite some promising signs at the beginning of the month. Title XVI legislation did not move forward in either chamber. We expect that staff-level work on both bills will continue during October, and IFS will keep you posted as the negotiations move forward.

Appropriations Update

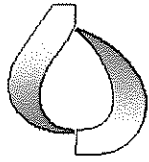
Only two of the nation's appropriations bills were approved by Congress in time for the end of the fiscal year on September 30th. The Department of Defense and Homeland Security Appropriations bills, seen as critical by voters in the current election-year climate, were approved during the final days of session.

The remaining government agencies, including all domestic ones, will be funded under a Continuing Resolution (CR) that is in effect until November 17th. The CR funds government agencies at the lowest of the House-passed, Senate-passed or FY '06 funding levels. The practical effect of that provision is that you may encounter some budget changes if you have an ongoing project with a federal agency. To avoid any surprises, your staff may want to contact their point of contact within the agency and find out whether they anticipate any changes to the current funding situation. Congress returns to Washington on November 13th, and it is unlikely they will complete the remaining bills in the four working days before the current CR expires. That will necessitate another CR to fund the government past Thanksgiving.

It is impossible to predict what will happen to the remaining appropriations bills until after the November elections. As always, we will keep you posted and will be happy to answer any questions you may have.

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

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION



Date: October 18, 2006

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (10/11/06)

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

Submitted by: Sondra Elrod
Public Information Officer

Subject: Public Outreach and Communications

RECOMMENDATION

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

Outreach/Tours

September 29, 2006, Huell Howser taping at Chino Basin 1 Desalter for ACWA California Water series.

Calendar of Upcoming Events

- October 6, 2006, Rancho Cucamonga's Grape Harvest Festival 10:00 a.m. to 10:00 p.m. Mixer from 5:30 p.m. to 7:30 p.m.
- October 7, 2006, Rancho Cucamonga'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.
- October 20, 2006, RAND climate workshop, IEUA Event Center 10:00 a.m. to 3:00 p.m.
- October 24, 2006, Leadership Breakfast 7:30 a.m. Event Center
- October 25, 2006, Water Education Foundation Southern California tour/breakfast at IEUA 8:30 a.m.
- November 3, 2006, RAND climate workshop, IEUA Event Center 10:00 a.m. to 3:00 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**

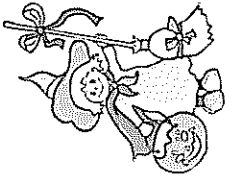
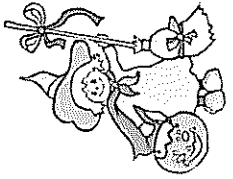
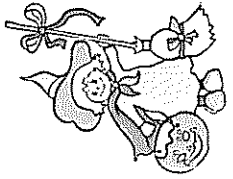
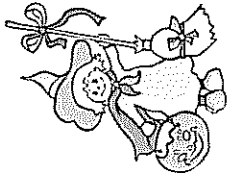
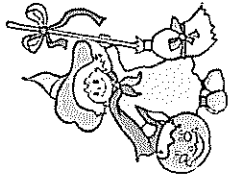
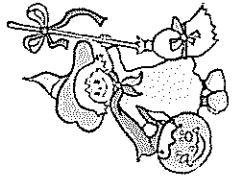
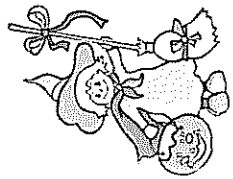
- October 15 and 19, 2006, Chino Basin Water Conservation District “Plant Sale” ad
- October 26, 2006, two-page Think Environment
- October 2006, Water Fair ad
- Three piece (3 days – 2 pages each) “Empire” ad

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

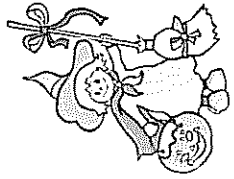
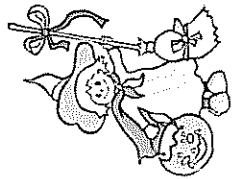
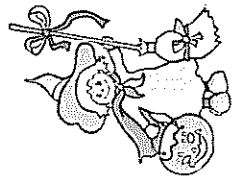
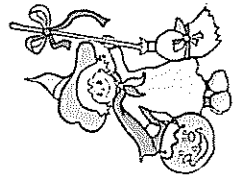
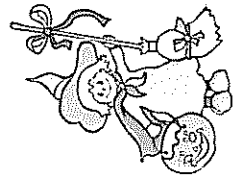
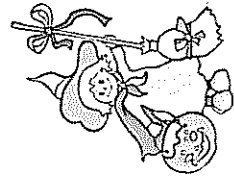
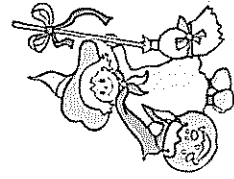
None.

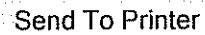
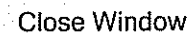


CHINO BASIN WATERMASTER

V. INFORMATION

1. Newspaper Articles





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

Water basin development near completion

Lori Consalvo, Staff Writer
Inland Valley Daily Bulletin

UPLAND -- The Basin Expansion Project is closer to being completed.

The city recently received \$5 million from the state Water Resources Control Board to expand the existing basin at Monte Vista Avenue and Arrow Highway.

Upland seeks to utilize the funds to continue with construction, which will alleviate downstream flooding and provide local water recharge, Assistant City Manager Rod Foster said.

The \$5 million came from funding through Proposition 40's Integrated Watershed Management Program approved in 2002 voters, Foster said. The estimated cost to complete the expansion project is about \$29 million. The city has already dedicated about \$15 million to the original project.

An expanded basin will provide for the more than 1,300 acre-feet of storm water to be collected and then sunk into the ground at the basin. This water would otherwise be lost as well as potentially flooding downstream, Foster said.

Funds awarded the state will be used to continue the project's construction, as well as finish future federal appropriations, including improvement to storm drains connecting with the basin site.

- Lori Consalvo (909) 483-9391

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

[Close Window](#)[Send To Printer](#)

Article Launched: 9/06/2006 09:29 PM

Rialto, county need to tackle real polluters

Inland Valley Daily Bulletin

The perchlorate issue really could be the pits, if Rialto and San Bernardino County remain pitted against each other.

Both should be working to solve the massive contamination problem afflicting the city's north end rather than going at loggerheads with each other. And working together would be the best end.

The chemical that has polluted 22 wells serving Rialto, Fontana and Colton is a massive imposition on the cities where the wells are located; on the county that owns some of the land polluted by others; and on residents, who, at this point, are subjected to paying for the pollution via higher water bills that reflect the costs of cleanup.

In an effort to get the responsible parties to pay for the cleanup, Rialto filed a lawsuit in 2004. It named as defendants the county, the Department of Defense and 40 corporations that used the chemical during the 1950s and '60s for rocket fuel and fireworks.

The city has made scant progress, however, in achieving satisfactory results. B.F. Goodrich, for one, paid \$4 million toward the effort in 2003, without admitting liability or fault. But that largely sums up Rialto's success, from a legal standpoint. The city has had to clean up the mess, nonetheless, and it's been costly, with full containment estimated at \$200 million.

So, it's understandable that Rialto officials would be eager to look to other sources for reimbursement. But here, we'd have to question why the city, which represents citizen taxpayers, would look to the county, which represents more of the same, as bigger pockets when it comes to paying for the cleanup, when, clearly, it's the man in the middle – or Joe taxpayer – who would be hurt by such an arrangement. Especially when the county already has paid Rialto for the pollution it has claimed responsibility for.

The lawsuit claims the county is responsible for contributing to efforts to clean up perchlorate flowing from land the county owns but did not contaminate itself. But rather than playing adversary, the city should be seeking cooperative resources from the county even more than financial.

The city and the county need to put their heads together to figure out how to get the companies actually responsible for unleashing perchlorate into the groundwater to pay their debt to the community – so that ratepayers and taxpayers aren't left with the bill.

"What has become clear," county Supervisor Josie Gonzales wrote in a June 8 letter to Rialto Mayor Grace Vargas, "is that we need to work toward a resolution with all of the parties of the lawsuit, not just between the city and the county."

Gonzales makes a good point. Would that such enlightenment also had struck others of the defendants charged with polluting the water, and that they now would come forward and admit their role. And help pay for the cleanup.

The Santa Ana Regional Water Quality Control Board will hold hearings at the end of the year to determine what role a number of corporations played in the water contamination and what those corporations should do to clean it up.

In the meantime, Rialto and the county need to look toward the same goal, and that is working toward the best interests of the residents they serve. First and foremost, Rialto and the county need to do what is necessary to clean up the water – both share a responsibility in that regard.

Then, they need to join hands to go after those who really are morally and financially responsible for the pollution at hand.

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

Close Window

Send To Printer

Article Launched: 9/08/2006 12:00 AM

McGreevy out of JCSD general manager position

By Nita Hiltner, Special to the Daily Bulletin
Inland Valley Daily Bulletin

The Jurupa Community Services District Board of Directors has announced that general manager Carole McGreevy will assume the position of manager on special assignment to the board immediately, leaving the position she's held for eight years.

In a written statement presented to the audience following an hour-long closed session Wednesday night, the board commended McGreevy for her 19 years of service to the district.

The mutual decision followed an open meeting that discussed the award of a \$1.5 million contract to Basin Water of Rancho Cucamonga for a nitrate removal system on two district water wells. The contract was awarded without the staff first seeking competing bids.

Three district board directors who voted for the contract but thought it had been awarded after a normal bidding procedure, called the special meeting when a competing company, Layne Christensen of Fontana, filed a protest of the contract. Board directors Kathryn Bogart, Ken McLaughlin and R. M. "Cook" Barela called the meeting.

The board indicated the contract with Basin Water will be rescinded at the Monday board meeting, and the project will be put back out to bid. Earlier in the evening Wednesday, before the closed session, McGreevy told the board that the district staff is putting together a comprehensive report explaining why staff members did not seek competing bids on the project. McGreevy said the report will be presented in closed session on advice of counsel because of potential litigation.

Barela said the report should not be presented in closed session and that he will insist it be presented in the open.

"This is nothing that hasn't been discussed before, and the public has a right to know," he said.

During the board discussion, McGreevy said, "I accept full responsibility for the lack of it going out to bid." She said the failure to put the contract out to bid was an oversight, and that the district staff has had 338 agreements and documents to look at the past 12 months.

But Barela argued this is not a unique case.

"This awarding a contract without bidding has happened several times," Barela said, referring to a similar case in January.

The board approved the contract sent to them by district staff, and board president Paul Hamrick admitted the board was "as much at fault as anyone."

However, Bogart deflected some of the blame, saying the directors assumed that the staff had followed the appropriate procedure when they recommended approval of the contract.

The board has been seeking a replacement for McGreevy since May, citing numerous mistakes the district staff has made under her supervision.

McLaughlin asked how many such problems have arisen in the past 60 days and McGreevy answered, "Three or four, two major, but a couple problems were blown out of proportion." Hamrick asked McLaughlin if theirs is the only district that makes mistakes.

McLaughlin responded, "Mistakes happen, but this board is making multiple mistakes."

McLaughlin said Thursday that he can't discuss the specifics of McGreevy's new position, including how long she will continue to be paid her current salary of more than \$147,000 a year.

Barela said there are 38 applicants for the general manager position.

Nita Hiltner can be reached by e-mail at nhiltner1@sbcglobal.net or by phone at (951) 738-8722.

Improve water supply with Proposition 84

DOCTORS always said drinking eight glasses of water daily is good for our health. But in the Inland Empire, there could come the day that there simply is not enough safe drinking water for all our residents.

This is a fate the Inland Empire Utilities Agency, public health officials, and elected leaders are working hard to change.

Today, the Inland Empire has its unfortunate share of water contamination, such as perchlorate, a solid rocket fuel found in wells and groundwater that must be eliminated. As one of the fastest growing areas in California, the Inland Empire also has its unfortunate share of strained natural resources, such as water supplies and parks, of which we need much more to keep pace with population growth.

We need to implement strategies that invest in our natural resource infrastructures to keep pace with the enormous population growth expected in the coming years, and programs to protect the public health of this burgeoning population.

With state funding for water quality, water supply reliability, natural resources and environmental protection programs critically low, and past bond funds running out as early as this year, we need feasible solutions now.

An important part of this strategy is Proposition 84 on the November ballot.



JOHN ANDERSON

GUEST COLUMNIST

Proposition 84 provides critical funding for specific issues facing the Inland Empire. It protects our water sources – rivers, lakes, wells and reservoirs – from potential contamination by toxic pollutants. These funds enable local water agencies and treatment facilities to clean up water contamination quickly.

Recently the State Department of Health Services set new standards for perchlorate levels in drinking water. Local water agencies will need to dedicate significant resources to meet these new levels, especially those agencies responsible for cleaning up the more than 450 contaminated groundwater sites – many of which are in San Bernardino County. Proposition 84 funding will help.

Under Proposition 84, local water agencies and water-related programs have access to more than \$1.5 billion for safe drinking water, water quality and water management programs. This includes emergency drinking water projects, a safe drinking water revolving fund, a clean water revolving fund, groundwater cleanup loans and grants, and agricultural pollution reduction programs.

Proposition 84 will also generate 1 million to 1.2 million acre-feet of new water for California, according to the Department of Water Resources. One acre-foot of water equals 326,000 gallons; the average California household uses anywhere from half of this to a full one acre-foot each year.

It also helps pay for unfunded mandates to meet new water standards. This will go a long way to help the Inland Empire provide for the water needs of its growing region.

With the passage of Proposition 84, state

funds will continue to be available to support the construction of critically needed water supply projects in IEUA's service area, such as the regional Chino Basin Groundwater Recharge Program that is being implemented in partnership with the Chino Basin Watermaster, Chino Basin Water Conservation District and San Bernardino County Flood Control Department.

For fast-growing areas like ours, Proposition 84 also provides funds to improve planning in ways that reduce sprawl and regulatory conflict. Funds would be available to develop regional and local land use plans promoting water conservation, reducing automobile use and fuel consumption, encouraging greater infill and compact development, protecting natural resources and agricultural lands, and revitalizing urban and community centers.

These are all reasons why IEUA was the first water agency in Southern California to officially endorse Proposition 84, which now has more than 300 bipartisan supporters that include Gov. Arnold Schwarzenegger, U.S. Sen. Dianne Feinstein, the Association of California Water Agencies, the League of California Cities, Riverside County, Coachella Valley Association of Governments, Coachella Valley Water District, Metropolitan Water District of Southern California, Cucamonga Valley Water District, Friends of the Desert Mountain, and Southern California Public Health Association.

More information on Proposition 84 is available at www.yeson84.com.

John Anderson is board president of Inland Empire Utilities Agency.

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION



The Web Site of The Sacramento Bee

This story is taken from Sacbee / Politics.

Dan Walters: Auburn dam, peripheral canal back on the table for discussion

By Dan Walters - Bee Columnist

Published 12:00 am PDT Monday, September 18, 2006

Elvis Presley was a young man when bureaucrats and politicians began talking about two large projects to control and use the water that seasonal rain and snow storms dump on Northern California.

Building a high dam on the American River near Auburn, water engineers reasoned, would hold more of the seasonal flows for later use while protecting the Sacramento area from flooding. A "peripheral canal," meanwhile, was touted to divert water from the Sacramento River around the Sacramento-San Joaquin Delta for delivery to San Joaquin Valley farmers and Southern California homes and industries.

Construction actually began on both. Site clearance and foundation work for the Auburn dam began in 1967 while the chunks of the 42-mile peripheral canal route were dug out in the 1970s to supply materials for constructing Interstate 5 south of Sacramento.

Both projects, however, fell victim to the rapidly expanding power of environmentalism in the 1970s and 1980s. The Jimmy Carter administration halted work on an Auburn dam, ostensibly to study its ability to withstand an earthquake, and while the peripheral canal project was pushed through the Legislature by then-Gov. Jerry Brown, a referendum sponsored by an odd-bedfellows alliance of environmentalists and San Joaquin Valley farmers led to voter rejection in 1982.

Ever since, intertwined flood control and water supply debates have proceeded on the assumption that an Auburn dam and the peripheral canal were as dead as a certain former rock 'n' roll star. But just as there are occasional assertions, albeit unsubstantiated, that Elvis is alive, neither the Auburn dam nor the peripheral canal ever completely faded away -- and both, in fact, are showing signs of revival in an era when global warming, Hurricane Katrina's devastation of New Orleans and other factors have changed assumptions about water.

John Doolittle, the Republican congressman who represents the Auburn area, never gave up on the dam. As he rose in the GOP House hierarchy, he continued to push appropriations for renewing planning the project, even as local officials settled on levee improvements and altering Folsom Dam to elevate flood protection for those near the American.

Those projects supposedly would raise the protection level to the 200-year level, but given what happened in New Orleans, local flood control officials are now talking about going beyond that, perhaps to a 500-year level. That could be achieved, most likely, only by construction of another dam upstream from Folsom -- such as the one at Auburn.

It's not going to happen any time soon, perhaps never, but neither is the Auburn dam as impossible as it appeared only a year or two ago.

The same overarching considerations also are reviving discussion about the peripheral canal. If global warming has the impact that many believe it will have over the remainder of this century, ocean levels will rise and much of the Sacramento-San Joaquin Delta will revert to a brackish state -- good for fish and other wildlife, perhaps, but decidedly bad for pulling drinking water out of the Delta.

A peripheral canal, drawing water out of the Sacramento River south of Sacramento and sending it around the Delta to the California Aqueduct near Tracy, likely would insulate the state's basic water supply from climatic change, or other threats to Delta water supplies, such as levee breaks and earthquakes.

Environmentalists dislike the canal because it would provide the plumbing for increasing north-south water shipments, which are now limited by the hydrology and biology of the Delta. But if global warming theorists are correct, more of Northern California's water supplies will come from rain, rather than snow, so the state may need more capability of capturing and holding those winter rains in new reservoirs either on rivers such as the American or off-stream south of the Delta. "It's time we reassess the peripheral canal," former Interior Secretary Bruce Babbitt said during a legislative hearing last year, citing global warming's potential impacts.

Like an Auburn dam, the peripheral canal won't be built anytime soon, and perhaps never. But both are back on the table when water mavens talk.

About the writer:

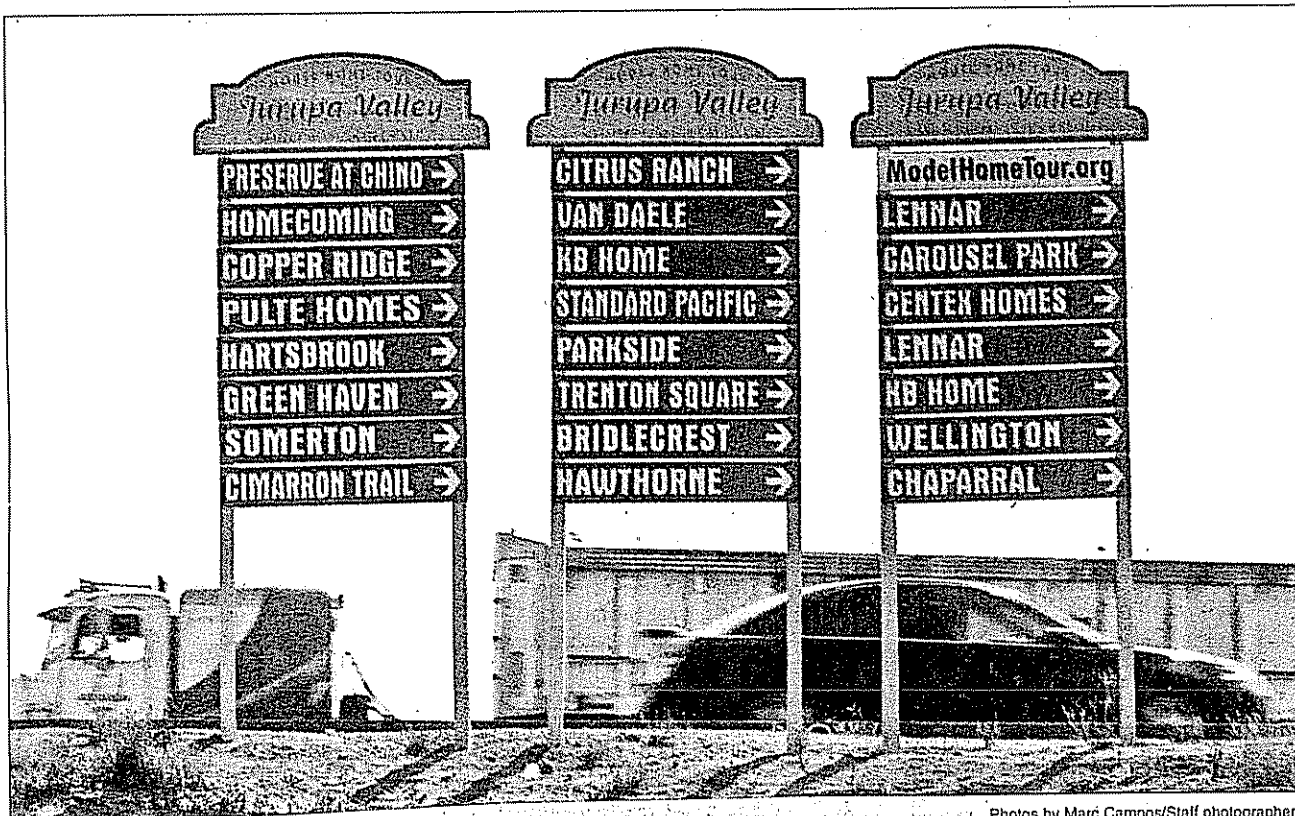
- Reach Dan Walters at (916) 321-1195 or dwalters@sacbee.com. Back columns: www.sacbee.com/walters.

Go to: [Sacbee](#) / [Back to story](#)

This article is protected by copyright and should not be printed or distributed for anything except personal use.
The Sacramento Bee, 2100 Q St , P O Box 15779, Sacramento, CA 95852
Phone: (916) 321-1000

Copyright © The Sacramento Bee

Homes rule



Photos by Marc Campos/Staff photographer

Signs at the intersection of Limonite Avenue and the 15 Freeway hint at the multitude of homes that have popped up in the Eastvale area of Riverside County. Only a decade ago, the area was mostly farmland. Now it has nearly 9,000 homes, and residents are taking steps to eventually incorporate Eastvale as a city.

As Eastvale booms, residents look to incorporate

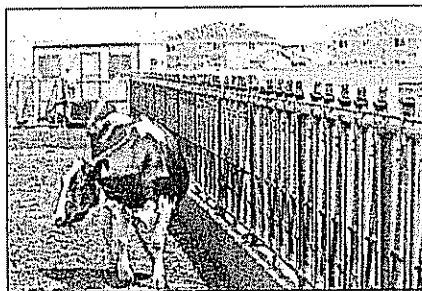
By Andrea Bennett
Staff Writer

Less than 10 years ago, the cows started leaving home.

The dairy farms that dominated the unincorporated area of western Riverside County were displaced by developers, and new housing tracts began to sprout up and multiply at a rapid rate. Families from throughout the region steadily filed in, and within this relatively short period of time, the community of Eastvale took shape as a city in many ways.

The first seeds were sown in 1999 when Jane Anderson, a resident of the area's first housing tract — Cloverdale Farms — and two friends started holding community meetings at Anderson's home. "Since we were a developing area, it was a way to communicate with (2nd District) Supervisor (John) Tavaglione's office about things that needed to be done, allow people to air their concerns and find out what direction we're going," Anderson said. "A lot of issues in the beginning were parks, schools, shopping centers and gas stations, because there was nothing really close to us."

Following the formation of the Eastvale Com-



Cows once dominated the area known as Eastvale, but now they're making way for the people and new houses, including those under construction in the background.

munity Committee, which meets quarterly to discuss local issues, residents began to get increasingly involved. The community connected through online groups, newsletters and volunteer patrols. They also regularly attended meetings, like those of the Jurupa Community Services District board, for which resident Kathie Bogart serves as director.

"The reason we became so close-knit was when Eastvale first started, it was pretty isolated," resident Lupe Nava said. "Homeowners just banded together on their own, and as more development came in, it got bigger and bigger."

Tavaglione is currently working to establish an Eastvale ZIP code, more a measure of community identity than legal autonomy. And the community celebrated the opening of its first high school, Eleanor Roosevelt High School, just this month.

Now residents of the nearly 9,000 homes that make up Eastvale are taking control of their own destiny.

**ONLINE
EXTRA**

dailybulletin.com

Visit our Web site to view a photo gallery.

HIGHER STANDARDS

Dickie Simmons said that when he arrived in 2002, Eastvale was still in transition from farmland to a residential community. There was

See EASTVALE / page A6

Eastvale

continued from page A1

very little police presence and even less code enforcement.

"There were no rules in our community because, at the time, the county was very lax about rules," Simmons said. "People were storing things on their front driveways, leaving trash cans out and motor homes were blocking the sidewalks."

In November 2005, Simmons helped create a local law that applies just to the Eastvale area - the first of its kind in Riverside County.

Prohibitions range from unempt front yards to trash cans out more than 24 hours to recreational vehicles on the streets. Code enforcement generally depends upon complaints from the residents.

"It was the fact that we had no rules and we didn't want to end up like Norco - with chain-link fences and people storing cars," resident Andrea Hove said. "We didn't want a free-for-all. Some were against it, but most of them were for it."

For resident Allen Wallace, the law may have started with the best intentions, but it became another way in which the county controls Eastvale, he said.

"It's ruled from afar, and though I agree with the intent, I don't agree that I have to ask the county if I want to put a basketball hoop on my street, because there's a certain amount of autonomy individuals and families should have," Wallace said. "Good or bad, we have a lot of Orange County transplants, there seems to be a higher expectation of community as far as presentation, amenities and such. And I do like the fact that people are not going to settle for anything as dumpty as some places in Mira Loma."

Prior to its 1991 incorporation, the Hills residents took steps to increase their quality of life, said Denise Cattern, spokeswoman for the city.

A specific plan was done just like Chino Hills when we were a city. The county said if you wanted more amenities, like landscaping, they needed to finance them. So a specific plan was developed and there were plans for future infrastructure," Cattern said. "Our community needed adjusting the county's role to what seemed appropriate for our community."

CAL CONTROL

It's clear why Eastvale residents want to be a city.

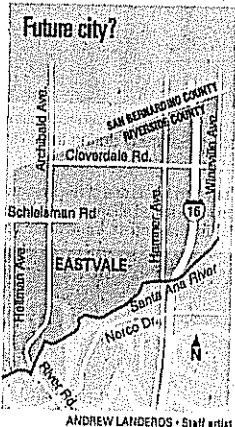
"We'd have more local control over development, law enforcement and when you have one representative in a body of five at the county level, it's hard to be (Board of Supervisors) to make decisions in favor of the residents," Wallace said. "We'd like people in Eastvale to decide what goes on in Eastvale, and not being bitter or pointing fingers, I don't think that's going to happen now."

The Eastvale area is represented by Supervisor Tavaglione, and according to residents, he has been responsive to the community's needs.

"The problem is we get so many services from the county. It seems to think local is best, but Tavaglione does such timely responses

STEPS TO INCORPORATION

1. Gather community support and funds
2. Preliminary Fiscal Assessment is performed by residents to determine whether to go to the next step
3. Circulate a petition - it needs at least 25 percent of registered voters
4. File application with Local Agency Formation Commission and start Comprehensive Fiscal Analysis (costs between \$40,000 to \$90,000)
5. Public hearing before LAFCO
6. If approved, goes to voters



ANDREW LANDEROS • Staff artist

to the community," Simmons said. "Why fix what's working? I know Tavaglione won't be there forever, but if there isn't a burning issue not being addressed, it's like we do have a city and Tavaglione is like our mayor."

But local control also ensures that law enforcement is locally committed - a key priority for many Eastvale residents who say the county sheriff's response times are too long and patrols too infrequent.

"We do pay a lot of taxes to the county and state, and one way to make sure it's spent on Eastvale is, instead of it going into a county bank, it would go into ours," Nava said. "Many people believe community security would be one of the most immediate benefits. Since we're hardly one of the worst communities the Riverside Sheriff has to deal with, we're not necessarily getting much attention."

While residents say that in recent months the sheriff's department's presence has increased due to allowances in the budget, regular folks still volunteer to patrol problem areas, like Harada Park, on their own time.

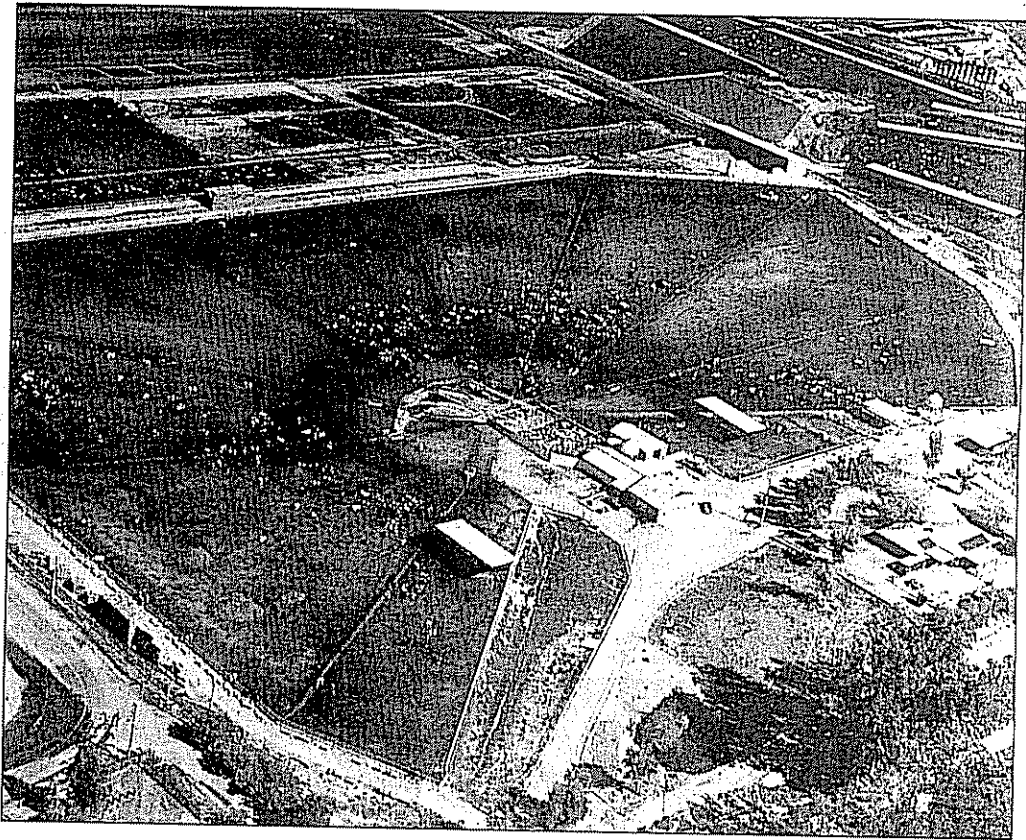
And although Tavaglione has been accommodating with his Eastvale constituents, Simmons said the community's first high school still represents the first tangible - if only symbolic - local government body to exist in Eastvale.

THE ROAD AHEAD

Like anything in life, with privilege comes burden, and so it is with newly formed cities.

In the past decade, state legislation made it more difficult for unincorporated areas to stand on their own than ever before.

"The 'revenue neutrality' requirement of 1994 has had a chilling effect on incorporations in the state," said George Spilo-



In 1985, Midhill Farms was 30 acres of land for cows to graze on. In 2004, it became the site of dozens of homes.

Courtesy photo

tis, executive officer of Riverside LAFCO.

According to the requirement, new cities cannot have a negative impact on counties, something that occurs when a city cannot fiscally support itself at the same level the county had. Spilotis said.

Before "revenue neutrality," a half dozen new cities formed in the state every year. Since the legislation, only about a dozen total have formed, Spilotis said. In Riverside County, there has not been a single successful incorporation in the last decade, he said.

In 2004, revenue from vehicle license fees - once allocated to fledgling cities - was taken by the state. Bill AB 1602, however, is waiting for Gov. Schwarzenegger's signature and will restore a good portion of that revenue to new cities.

"That's not the only source of revenue, but without that, I don't think any city around here stands a chance," Spilotis said.

Communities like Wildomar and Menifee Valley have aggressively lobbied for the bill, as their future cityhood depends upon it.

But Eastvale has not taken an active role in pushing AB 1602 because most residents are aware of one undeniable fact: The community lacks enough retail sales revenue at present to make incorporation plausible, with or without the vehicle license fee revenue.

"The big challenge for East-

vale now is the need for more commercial development," Tavaglione said.

"And as this area begins to develop over the years, it's to ensure commercial development is in the right places so you're not overbuilt."

Cattern said Chino Hills has survived financially after its 1991 incorporation with thrift.

"We'll never have as much commercial sales tax revenue as other cities, but we have a very conservative city council that's frugal about spending money," Cattern said. "That sales tax revenue is really important. We've been working hard to increase the general fund, and we've managed to grow very slowly."

But most residents agree that there needs to be a much bigger sales tax base before Eastvale can even think about supporting itself.

"Sales tax generates income and right now we have two - the Eastgate Center and the Ralph's Center," Anderson said. "We need something major, and the

problem is there's not a whole lot of unspoken-for land out there. And when you become a city, you don't want to go in on a shee-string."

The likely solution is joining with Mira Loma and other sections of the county for Eastvale to have a fighting chance at incorporation.

"It's not that we want to create our own enclave, and most reasonable people see the broader picture of incorporation," Wallace said. "I see the entire northwest side of Riverside County, north of the Santa Ana River, becoming incorporated in the long term."

Though the road to cityhood may be a long one for Eastvale, the window of opportunity may also be brief.

Wallace said he is keeping an eye on AB 1602 - which only benefits cities that incorporate before 2009.

If it becomes law, Eastvale may have to re-evaluate its current approach and set the wheels in motion now.

"I'm following this bill and when it's signed into law, our time will be short," Wallace said. "We'll start talking to developers that have mentioned off the record they'll help with some of the costs. And Tavaglione will support us, without encouraging us to run into the wind and get blown away."

Andrea Bennett can be reached at (909) 483-9347 or by e-mail at andrea.bennett@daillybulletin.com

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION