

CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, September 14, 2006

10:00 a.m. – Joint Appropriative and Non-Agricultural Pool Meeting

AT THE CHINO BASIN WATERMASTER OFFICES

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

Tuesday, September 19, 2006

9:00 a.m. – Agricultural Pool Meeting

AT THE INLAND EMPIRE UTILITIES AGENCY OFFICES

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



CHINO BASIN WATERMASTER

September 14, 2006

10:00 a.m. - Joint Appropriative & Non-Agricultural
Pool Meeting

September 19, 2006

9:00 a.m. - Agricultural Pool Meeting

AGENDA PACKAGE



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

10:00 a.m. – September 14, 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. MINUTES

1. Minutes of the Joint Appropriative and Non-Agricultural Pool Meeting held August 10, 2006
(Page 1)

B. FINANCIAL REPORTS

1. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2005 through June 30, 2006 (Page 15)
2. Treasurer's Report of Financial Affairs for the Period June 1, 2006 through June 30, 2006
(Page 17)
3. Profit & Loss Budget vs. Actual July 2005 through June 2006 (Page 19)
4. Cash Disbursements for the month of August 2006 (Page 21)

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 25)
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 35)

II. BUSINESS ITEMS

A. INLAND EMPIRE LANDSCAPING ALLIANCE

Consider Approval of Resolution 06-04 for the Support of the Inland Empire Landscaping Alliance (Page 47)

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. Audit
2. Budget vs. Actual
3. WAR
4. Assessment Package
5. Governmental Savings Account

C. CEO/STAFF REPORT

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

IV. INFORMATION

1. Newspaper Articles (*Page 51*)

V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

September 14, 2006	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
September 19, 2006	9:00 a.m.	Agricultural Pool Meeting @ IEUA
September 28, 2006	12:00 p.m.	RAND / IEUA Workshop @ IEUA
September 28, 2006	9:00 a.m.	Advisory Committee Meeting @ IEUA
September 28, 2006	11:00 a.m.	Watermaster Board Meeting @ IEUA

Meeting Adjourn

**CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING**

9:00 a.m. – September 19, 2006

At The Offices Of

Inland Empire Utilities Agency

6075 Kimball Ave., Bldg. A, Board Room
Chino, CA 91710

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held August 15, 2006 *(Page 9)*

B. FINANCIAL REPORTS

1. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2005 through June 30, 2006 *(Page 15)*
2. Treasurer's Report of Financial Affairs for the Period June 1, 2006 through June 30, 2006 *(Page 17)*
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Consider Approval of Resolution 06-04 for the Support of the Inland Empire Landscaping Alliance *(Page 47)*

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

B. WATERMASTER ENGINEERING REPORT

- 1. Monitoring Performed for the Annual Monitoring Program

C. WATERMASTER FINANCIAL REPORT

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

C. CEO/STAFF REPORT

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

IV. INFORMATION

- 1. Newspaper Articles *(Page 51)*

V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

September 14, 2006	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
September 19, 2006	9:00 a.m.	Agricultural Pool Meeting @ IEUA
September 28, 2006	12:00 p.m.	RAND / IEUA Workshop @ IEUA
September 28, 2006	9:00 a.m.	Advisory Committee Meeting @ IEUA
September 28, 2006	11:00 a.m.	Watermaster Board Meeting @ IEUA

Meeting Adjourn



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Joint Appropriative & Non-Agricultural
Pool Meeting – August 10, 2006



Draft Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING
August 10, 2006

The Joint Appropriative and Non-Agricultural Pool Meeting were held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on August 10, 2006 at 10:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Mark Kinsey, Vice Chair	Monte Vista Water District
J. Arnold Rodriguez	Santa Ana River Water Company
Ken Jeske	City of Ontario
Charles Moorrees	San Antonio Water Company
Justin Brokaw	Marygold Mutual Water Company
Mike McGraw	Fontana Water Company
Kevin Sin	City of Pomona
Mike Maestas	City of Chino Hills
Dave Crosley	City of Chino

NON-AGRICULTURAL POOL MEMBERS PRESENT

Justin Scott-Coe	Vulcan Materials Company (Calmat Division)
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Watermaster Board Members Present

Sandra Rose	Monte Vista Water District
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Watermaster Staff Present

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

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Martha Davis	Inland Empire Utilities Agency
Rita Kurth	Cucamonga Valley Water District
Bob Bowcock	Vulcan Materials Company (Calmat Division)
Edward Gonsman	CIM/State

Chair Kinsey called the meeting to order at 10:06 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Joint Appropriative and Non-Agricultural Pool Meeting held July 13, 2006

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of July 2006

C. WATER TRANSACTION

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

*Motion by Moorrees, second by Jeske, and by unanimous vote – Non-Ag concurred
Moved to approve Consent Calendar Items A through C, as presented*

II. BUSINESS ITEMS**A. ANNUAL MONITORING PROGRAM AGREEMENT BETWEEN IEUA & CBWM**

Mr. Manning stated the Memorandum of Understanding (MOU) which is before this pool is the result of continued operations between Inland Empire Utilities Agency (IEUA) and Chino Basin Watermaster (CBWM) which started in 2004 with the initial cost sharing agreement to perform monitoring. This MOU is identical to the budget approved amount in terms of the amount of anticipated cost. The monitoring agreement is a 50/50 share other than those issues that are related to recycled water which are 75/25. Since the original agreement was put in place there has been a lot of activity and CBWM and IEUA has constructed nine new monitoring wells and implemented new surface and ground water monitoring programs. Staff is recommending the approval of the Annual Monitoring Program Agreement at this time. Chair Kinsey inquired regarding Table 1 in the Summary of Annual Monitoring Plan and Budget Costs and asked how the development of estimated costs for completing this program occurs. Mr. Manning stated staff from CBWM, IEUA, and Wildermuth Environmental sit down and go through each item line by line. Mr. Wildermuth starts the process by making estimates of costs and then the parties involved sit down and discuss them in detail. Mr. Wildermuth stated we have certain monitoring obligations that are to be accomplished through Max Benefit and other obligations through the OBMP. IEUA has some other monitoring which they do on their own. Staff sits down and looks at the combination of obligations and tries to scope out a monitoring program to accomplish all the work; at that time staff also looks at the allocation of costs. These costs were negotiated when the original MOU was established and this agreement carries these costs forward. It is a collaborative process to develop the program, and a collaborative implementation and reconciliation. A discussion ensued with regard to the possible reduction of costs to maintain this program along with total labor costs. Mr. Manning noted when this agreement was originally formed there was the anticipation that Watermaster would have access to recycled water for replenishment purposes and there for should share, at some level, in the payment of services. A discussion ensued with regard to cost sharing.

Motion by Jeske, second by Kinsey, and by majority vote – Non-Ag concurred (Monte Vista Water District voted no)

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

B. UPDATE OF RESOLUTION 01-01

A number of years ago Watermaster had made a determination that staff was going to use the same costs/charges that are being applied to those types of requests for copied documents from the San Bernardino Superior Court. Watermaster adopted the same rate structure for our use and policy. The costs have gone up to \$.50 center per page and in staying in concert with their rate structure staff is requesting to update our Resolution 01-01 to reflect the new rates. Parties to the judgment have their fees waived; however, non-parties to the judgment to pay the copying fee if they want copies made. Recently there have been two requests for documents; one was a massive request for copied documents, making it even more important to adhere to the new Superior Court rate change.

Motion by Jeske, second by Crosley, and by unanimous vote – Non-Ag concurred

Moved to approve the updating of Resolution 01-01 regarding Chino Basin Watermaster's cost structure, as presented

C. STATUS REPORT 2006-01

Mr. Manning stated that in February of 2006 the court reappointed the Watermaster Board and extended the Watermaster in its current capacity. That was also the end of our reporting requirements for the court based upon the previous five year order. In the course of making that determination the court ordered Watermaster to start a new sequence of reporting. In conversations with the court they have requested we change our formatting that we are currently reporting to them. A new format was adopted to meet those new requirements and the report will be filed with the court two times a year in June and in December. This is the first report and we are using the year and the number of the report in the title for ease of recognition and filing. Chair Kinsey stated this was an item added to the agenda as an add-on item and inquired if there was a need to take action today or should the committee hold the decision for a motion next month in order to allow more time to review the status report. Mr. Manning stated we would like to get this report filed with the court in a timely manner and noted the document has no relevant value of changing any decisions, it is only a report of activities in retrospect of the last six months. It was the committee's decision to approve this item and to move it forward this month for recommendation to the Advisory Committee and the Watermaster Board.

Motion by Jeske, second by Kinsey, and by unanimous vote – Non-Ag concurred

Moved to approve filling Status Report 2006-01 with the court, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Goodrich Subpoena

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

2. Stakeholder Non-Binding Term Sheet

Counsel Fife stated the Special Referee Workshop regarding the stakeholder non-bidding term sheet was held on July 26, 2006 and that workshop seemed to go very well. We are now waiting for a report from the referee and Ms. Schneider stated she anticipated her report coming to Watermaster sometime in the September time frame. Professor Sunding is also working on his revised report on the economic analysis. Some comments have been received by parties and if any others wish to make comments on Professor Sunding's report, they need to do so quickly because he finished his first report quickly which means his revised report will be done just as timely. Once we receive the referee's report as discussed at the workshop, we will then prepare a road map that describes what we see as being the process from here on out as requested by the referee. Chair Kinsey inquired to the time frame in which written comments needed to be handed in. Counsel Fife stated a formal date was not chosen or noted at the workshop which is why staff is asking now for written comments to be submitted promptly. Mr. Manning stated it is hard to put a time frame on this sort of request, however, it would be safe to say that written comments need

to be submitted within the next ten to fourteen days in order to get them to the referee in time for her to review them and possibly incorporate them into her report. Counsel stated the Sunding report is a Watermaster venture, however, the special referee is a different issue and is basically the court itself and when things go to the referee, all parties must be notified through the official serving process just as we would serve other paperwork that goes directly to the court.

3. Vulcan Assignment to San Antonio Water Company

Counsel Fife stated the materials for this item were also added to package after the package was first distributed; the item was on the agenda originally without paperwork. Watermaster has received a Form 10 Assignment from Calmat Division which was originally thought to be from Vulcan. It is an assignment to San Antonio Water Company. Calmat is requesting an assignment that goes back to 1980. Apparently San Antonio Water Company has been providing water to Calmat and they are deciding now that the water that was provided to them was an assignment up to Calmat or Vulcan's water right which is 317 acre-feet a year and they are now notifying Watermaster that assignment has been made since 1980. Calmat is asking that Watermaster water that has accumulated in storage for to San Antonio Water Company's storage account. As indicated in the staff report, assignments do not come to Watermaster for approval so this is not an action item. Staff has not completed our analysis of this and there are some issues that need to be analyzed; we need to look at meter records and records that both San Antonio and Vulcan have. There is a map available on the back table and shown on the overhead that in the last day or so has raised some questions by staff regarding the location of the Calmat facility. It appears that the facility that has been receiving the water is actually outside the Chino Basin; this is something that we have not inquired into with either San Antonio or Vulcan. We are putting this issue out to the committee and we would like feedback and discussion. Mr. Jeske asked that if this assignment was granted and Watermaster does go back to 1980 to change books, does that change any assessments. Mr. Manning stated this would not change any assessments that San Antonio has not been a part of the 85/15 during that period of time and has never been an over producer. A discussion regarding the four year look back rule on making changes ensued. Mr. Crosley inquired into the difference between Calmat and Vulcan. It was noted it is the same entity working under different names. Mr. Bowcock stated Vulcan is Calmat. A discussion ensued with regard to the different names. Mr. Crosley inquired into Counsel Fife's comment regarding Calmat being out of the Chino Basin. Counsel Fife stated this issue arose yesterday and we have not had an opportunity to look into it further. In looking at the map, it appears the Calmat facility has been provided water by San Antonio and is outside of the Chino Basin. Mr. Crosley inquired if Calmat knew twenty years ago that they wanted to pursue this and didn't and if they didn't, why? Mr. Bowcock stated he does not know why and would not attempt to question what people thought twenty years ago. It is an enormous piece of property that does cross through the adjudicated boundary lines that has a complicated mix of water resources and in evaluating and trying to gain understanding of what the mix of water resources are and in an effort to optimize them about three years ago we identified that the easiest way to liberate some of that water in storage was to work with its provider under an assignment. A lengthy discussion ensued with regard to all aspects of this subject. Chair Kinsey asked staff what the subsequent steps are because what is possibly being done here can clearly set some precedents that can be possibly applied to other parties. Mr. Manning stated from staff's prospective we would ask that any other activity that goes on in Watermaster whether it be a few months of back documentation or several years of documentation, we would want it to include dates, maps, where the water was used, etc. in order for staff to make a determination. We will be looking for a legal opinion from our legal counsel to assure us that this is something that we can do based upon the Judgment and the Rules and Regulations. Those are the actions this staff will be moving through in the days to come to find resolve in this issue. Staff will be keeping the Pools, Advisory Committee, and the Watermaster Board informed as to the progress with regards to this subject. It was noted

Watermaster staff will look at any Form 10 that is submitted. A brief discussion ensued with regard to precedent.

B. WATERMASTER ENGINEERING REPORT

1. Basin Outflows Regarding the Chino Airport Plume

Mr. Wildermuth stated discussions have taken place in the past regarding working incrementally off existing well fields or pushing the use OF Desalter II to its full physical capacity. We talked about moving the well field over into the area where the Chino Airport Plume was. In working with that scenario we have come up with what the results would look like. Mr. Wildermuth stated modest expansions of Desalter I and Desalter II ALONE cannot achieve hydraulic control. Mr. Wildermuth presented data regarding the need for the West Desalter well field including reviewing several contour maps. Mr. Jeske asked if what was being shown and presented was different than what was offered at the workshop. Mr. Wildermuth stated yes this is different information. A brief discussion ensued with regard to the difference in presented information. Mr. Manning noted that during the workshop the special referee asked a question about this exact issue and Mr. Wildermuth answered at the workshop that he did not have the answer at that time but he would put together that element alone and present it at future Watermaster meetings; this is his response to the court and to the parties present at the workshop. A discussion ensued with regard to the numbers being presented. Mr. Wildermuth presented different scenarios regarding pumping. Mr. Manning stated the advantage of that production scenario is that it does two things; 1) it also cleans up the plume of contamination from the Chino Airport Plume, and 2) includes potential funding from the possible responsible parties of the Chino Airport. Mr. Wildermuth presented several more contour maps. The next steps which include making a few more sensitivity runs, complete modeling, and preparing an addendum to the draft April 2006 report. A discussion regarding well placement ensued. Mr. Jeske inquired about a time line for this work. Mr. Wildermuth stated if there is not additional work to be added to this, it should be complete within the next three weeks, if there is more work added it will not be until the end of September. A discussion ensued with regard to the numbers being presented and the estimated time frame of completion. Mr. Manning stated staff is going to try and get the information out as quickly as possible. A lengthy discussion ensued with regard to Mark's presentation.

C. CEO/STAFF REPORT

1. Storm Water/Recharge Report

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

2. Legislative/Bond Update

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

year. There is a lot of political stirring going on right now. There will be a lot of activity seen over the next couple weeks.

3. Hanson Aggregate Update
Mr. Manning stated this item is actually an information update and that if and when this item is discussed it will be in closed session from now on and will probably be discussed at the next Watermaster Board meeting at the end of the month.
4. Budget vs. Actual Update
Mr. Manning stated this item is in response to a letter written by Robert DeLoach to the chairman of the Agricultural Pool regarding the legal fee overage from the budgeted amount. A response letter was written back by Nathan deBoom, the chairman of the Agricultural Pool, in regard to the overage which included some great suggestions.
5. IEUA Landscaping Alliance
Mr. Manning stated there are a number of events that are all coming together at the same time, like the Strategic Planning Conference which is also related to this Alliance. Along the lines of the IEUA Landscaping Alliance, there is a series of workshops that RAND has offered to hold. The first workshop happens to tag on very nicely to the October conference and RAND wants to hold those in the same time frame as our conference. In September, we are going to be moving the Advisory Committee and the Watermaster Board meeting to the IEUA facilities and after the Board meeting we will have lunch and then go directly into the first RAND session which we will use as our pre-conference kick off. The first session will be addressing water supply and global warming water supply issues here in California. Ms. Davis has worked very closely with the staff at RAND and has put together a more comprehensive presentation on what exactly will be taking place at these sessions. Chair Kinsey inquired if this same presentation will be given at the Advisory Committee meeting. Ms. Davis noted she was asked to give this presentation at both the Advisory Committee and the Watermaster Board meeting. Chair Kinsey asked the committee members if they wanted to wait to hear the presentation at one of those meetings or view it now. The committee members asked that Ms. Davis hold off on giving the presentation today so that it can be viewed and discussed at one of the other upcoming meetings. Ms. Davis did note the scheduled sessions will be held on September 28, October 20, and November 3, 2006 at the Inland Empire Utilities Agency facility.

IV. INFORMATION

1. Newspaper Articles
No comment was made regarding this item.
2. IE PAN Invitation
No comment was made regarding this item.

V. POOL MEMBER COMMENTS

Mr. Moorrees inquired into the well location for Hanson Aggregate. Mr. Manning stated he recently received a letter from Cucamonga Valley Water District that they have been reviewing their records and are in fact supplying water to Hanson Aggregate.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

August 10, 2006	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
August 15, 2006	9:00 a.m.	Agricultural Pool Meeting @ IEUA
August 24, 2006	9:00 a.m.	Advisory Committee Meeting
August 24, 2006	11:00 a.m.	Watermaster Board Meeting
August 29, 2006	9:00 a.m.	GRCC Meeting

The Joint Appropriative & Non-Agricultural Pool Meeting Adjourned at 11:55 a.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Agricultural Pool Meeting –
August 15, 2006



Draft Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
August 15, 2006

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on August 15, 2006 at 9:00 a.m.

Agricultural Pool Members Present

Nathan deBoom, Chair	Dairy
Jeff Pierson	Crops
Glen Durrington	Crops
John Huitsing	Dairy
Bob Feenstra	Dairy
Pete Hettinga	Dairy
Robert Nobles	State of California CIW
Edward Gonsman	State of California CIM
Dan Hostetler	Cal Poly Pomona

Watermaster Board Member Present

Sandra Rose	Monte Vista Water District
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Watermaster Staff Present

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

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Andy Malone	Wildermuth Environmental Inc.

Chair deBoom called the meeting to order at 9:08 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held July 18, 2006

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of July 2006

C. WATER TRANSACTION

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

*Motion by Feenstra, second by Pierson, and by unanimous vote
Moved to approve Consent Calendar Items A through C, as presented*

II. BUSINESS ITEMS

A. ANNUAL MONITORING PROGRAM AGREEMENT BETWEEN IEUA & CBWM

Mr. Manning stated the Memorandum of Understanding (MOU) which is before this pool is the result of continued operations between Inland Empire Utilities Agency (IEUA) and Chino Basin Watermaster (CBWM) which started in 2004 with the initial cost sharing agreement to perform monitoring. This MOU is identical to the budget approved amount in terms of the amount of anticipated cost. The monitoring agreement is a 50/50 share other than those issues that are related to recycled water which are 75/25. Since the original agreement was put in place there has been a lot of activity and CBWM and IEUA has constructed nine new monitoring wells and implemented new surface and ground water monitoring programs. Staff is recommending the approval of the Annual Monitoring Program Agreement at this time. Mr. Feenstra inquired into the release of private well data. Mr. Manning stated the data will be kept in-house and will not be released. The concern of private well data being released was presented to Counsel Lee. Counsel Lee stated there is no greater concern now than when this was passed in 2004 with regard to Watermaster releasing private and confidential information. A lengthy discussion ensued with regard to this item. It was requested by the Agricultural Pool committee members that Watermaster staff bring back a more detailed description of what kind of monitoring is being done for this program. Mr. Manning stated we would put something together to present at the next meeting.

Motion by Durrington, second by deBoom, and by majority vote – Mr. Hettinga and Mr. Feenstra voted no on this item

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

B. UPDATE OF RESOLUTION 01-01

A number of years ago Watermaster had made a determination that staff was going to use the same costs/charges that are being applied to those types of requests for copied documents from the San Bernardino Superior Court. Watermaster adopted the same rate structure for our use and policy. The costs have gone up to \$.50 center per page and in staying in concert with their rate structure, staff is requesting to update our Resolution 01-01 to reflect the new rates. Parties to the judgment have their fees waived; however, non-parties to the judgment pay the copying fee if they want copies made. Recently there have been two requests for documents; one was a massive request for copied documents, making it even more important to adhere to the new Superior Court rate change. A brief discussion ensued with regard to actual costs.

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

Moved to approve the updating of Resolution 01-01 regarding Chino Basin Watermaster's cost structure, as presented

C. STATUS REPORT 2006-01

Mr. Manning stated that in February of 2006 the court reappointed the Watermaster Board and extended the Watermaster in its current capacity. That was also the end of our reporting requirements for the court based upon the previous five year order. In the course of making that determination the court ordered Watermaster to start a new sequence of reporting. In conversations with the court, they have requested we change our formatting that we are currently reporting to them. A new format was adopted to meet those new requirements and the report will be filed with the court two times a year in June and in December. This is the first report and we are using the year and the number of the report in the title for ease of recognition and filing.

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

Moved to approve filling Status Report 2006-01 with the court, as presented

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**1. Goodrich Subpoena

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

2. Stakeholder Non-Binding Term Sheet

Counsel Fife stated the Special Referee Workshop regarding the stakeholder non-biding term sheet was held on July 26, 2006 and that workshop seemed to go very well. We are now waiting for a report from the referee and Ms. Schneider stated she anticipated her report coming to Watermaster sometime in the September time frame. Professor Sunding is also working on his revised report on the economic analysis. Some comments have been received by parties and if any others wish to make comments on Professor Sunding's report, they need to do so quickly because he finished his first report quickly which means his revised report will be done just as timely. Once we receive the referee's report as discussed at the workshop, we will then prepare a road map that describes what we see as being the process from here on out as requested by the referee.

3. Vulcan Assignment to San Antonio Water Company

Counsel Fife stated this item was originally on the agenda, however, the attachments were added later. Watermaster regularly gets assignments and this assignment is strictly between Appropriators and Non-Agricultural Pool members (not Ag Pool assignments). We regularly have those and there is no approval that is necessary by Watermaster; Watermaster is simply notified that an Appropriator has provided water to a Non-Ag Pool member and wants a credit against that Non-Ag Pool members water rights. Watermaster gets these types of assignments ever year and processes them as part of the annual production calculations, after the fact. Calmat and San Antonio Water Company have submitted for an assignment on Form 10, however, this particular one has been going on since 1980 and they have never reported it. They want Watermaster to do the assignment going back twenty six years. The affect of this would be to take approximately 8,000 acre-feet of water which is currently held in storage by Calmat and for it to go to San Antonio for storage. Because assignments don't require approval, this is not being brought to this committee today for approval, it is simply notification. Watermaster would not have to act on this until we get to the assessment process, although, Watermaster does have a lot of questions about the appropriateness of this assignment. There is a map on the back table which shows the Chino Basin boundaries and in looking at this map it appears the Calmat facility is outside the Chino Basin, which has also raised a number of questions. Mr. Bowcock who represents Calmat at the Appropriative Pool meeting introduced the argument that Calmat was originally in the Chino Basin and if you go back in time you can see that many years ago it was in the Chino Basin and over time it has moved. Mr. Bowcock argued it was a contiguous and continuous project and so it does not matter that it is now outside the basin. Counsel Fife stated staff and counsel has not yet analyzed the information presented and there is much more data to collect before we can proceed. A

discussion ensued with regard to this issue. Counsel Fife stated another issue that was raised by Appropriators' at the meeting was whether this creates a policy where if somebody wants to change their mind about something they did years ago – they can simply change their mind, which is what San Antonio and Vulcan/Calmat are appear to be doing. We are looking at these questions, we are looking at this assignment, we are providing notice to everybody that they have submitted a Form 10 and are asking an assignment that goes back to 1980. Mr. Manning offered comment regarding this particular assignment and stated this item needed to be day lighted and there are several questions yet to be answered. A discussion ensued with regard to an economic impact regarding this assignment.

B. WATERMASTER ENGINEERING REPORT

1. Basin Outflows Regarding the Chino Airport Plume

Mr. Manning stated at the special referee's workshop Mr. Wildermuth gave an excellent presentation on the hydrology of the basin for the decisions that are being made as part of Peace II. During that discussion at the workshop the special referee made comments and asked a question regarding a portion of the presentation and Mr. Wildermuth noted he did not have the exact answer prepared at that time to answer the question. Mr. Manning stated that Mr. Wildermuth noted at the workshop that he would gather the proper information and present his findings back to the Pools, Advisory Committee, and Watermaster Board. This is the portion that was missing out of the Wildermuth presentation. Mr. Malone stated he will be reviewing a bit about our current monitoring program/data and discussing the need for additional desalter well pumping in the southern end of the basin to achieve hydraulic control. We will also be looking at some of the computer simulation model results to put in the additional desalter pumping that is needed and see what that tells us about the achievement of hydraulic control out into the future and then lastly our next steps to optimize the future well field design. The monitoring data that we have collected to date shows we do not have hydraulic control on the west side of the basin. Mr. Malone reviewed several contour maps to support their findings and presented the next steps in detail. A question regarding background colors on the contour maps was presented. Mr. Malone reviewed what each color represented. A discussion ensued with regard to the two plumes which were presented on the maps. Mr. Manning offered comment on the past meetings with the PRP's and noted there were other meetings scheduled in the near future. Mr. Manning stated this clean up is not going to happen overnight, we are still in the beginning stages of clean up remediation. A discussion ensued with regard to the desalter wells and the plumes. Mr. Malone stated that Peace II mentions other parties possibly participating in the desalters so Black & Veatch, RBF, and Wildermuth Environmental got together and ran some scenarios on where we could put wells in certain places and what would that affect be on hydraulic control. Mr. Malone reviewed some of the recently collected data on those modeling results. A discussion ensued with regard to Mr. Malone's presentation.

C. CEO/STAFF REPORT

1. Storm Water/Recharge Report

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

year 2030 and this is part of the planning we are working on as to how to get there, along with our upcoming Strategic Planning Conference that is being held in October 2006.

2. Legislative/Bond Update

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

3. Hanson Aggregate Update

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

4. Budget vs. Actual Update

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

5. IEUA Landscaping Alliance

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

6. Data Request Procedure Update

No comment was made regarding this item.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

2. IE PAN Invitation

Mr. Feenstra offered comment on Gary Miller and encouraged all to participate in this event.

V. POOL MEMBER COMMENTS

Mr. Feenstra stated he is working with the new warden at CIM and they both are going to be working on getting more recycled water to the prison so that the grounds can be greener and better looking.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

August 10, 2006	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
August 15, 2006	9:00 a.m.	Agricultural Pool Meeting @ IEUA
August 24, 2006	9:00 a.m.	Advisory Committee Meeting
August 24, 2006	11:00 a.m.	Watermaster Board Meeting
August 29, 2006	9:00 a.m.	GRCC Meeting

The Agricultural Pool Meeting Adjourned at 10:45 a.m.

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

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



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

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION AND SPECIAL PROJECTS APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2004-05
Administrative Revenues										
Administrative Assessments			4,829,595		66,160				4,895,755	\$3,984,888
Interest Revenue			307,788	16,958	9,462			79	334,287	78,330
Mutual Agency Project Revenue		200,138							200,138	0
Grant Income		42,500							42,500	0
Miscellaneous Income									-	0
Total Revenues	-	242,638	5,137,383	16,958	75,622	-	-	79	5,472,680	4,063,218
Administrative & Project Expenditures										
Watermaster Administration	572,534								572,534	621,784
Watermaster Board-Advisory Committee	56,707								56,707	37,018
Pool Administration			20,015	130,683	4,100				154,798	91,153
Optimum Basin Mgmt Administration		1,455,200							1,455,200	1,019,183
OBMP Project Costs		3,148,429							3,148,429	3,733,694
Education Funds Use								375	375	375
Mutual Agency Project Costs	31,928								31,928	80,004
Total Administrative/OBMP Expenses	661,169	4,603,629	20,015	130,683	4,100			375	5,419,971	5,583,211
Net Administrative/OBMP Income	(661,169)	(4,360,991)								
Allocate Net Admin Income To Pools	661,169		513,431	138,391	9,347				-	0
Allocate Net OBMP Income To Pools		4,360,991	3,386,526	912,812	61,653				-	0
Agricultural Expense Transfer			1,170,836	(1,170,836)					-	0
Total Expenses			5,090,808	11,050	75,100	-	-	375	5,419,971	5,583,211
Net Administrative Income			46,575	5,908	522			(296)	52,709	(1,519,993)
Other Income/(Expense)										
Replenishment Water Purchases						6,548,139			6,548,139	0
MZ1 Supplemental Water Assessments									-	2,179,500
Water Purchases									-	0
MZ1 Imported Water Purchase									-	(2,278,500)
Groundwater Replenishment						(8,989,023)			(8,989,023)	0
Net Other Income						(2,440,884)			(2,440,884)	(99,000)
Net Transfers To/(From) Reserves			46,575	5,908	522	(2,440,884)		(296)	(2,388,175)	(1,618,993)
Working Capital, July 1, 2005			4,450,869	464,653	187,298	3,580,499	158,251	2,238	8,843,808	
Working Capital, End Of Period			4,497,444	470,561	187,820	1,139,615	158,251	1,942	6,455,633	
04/05 Production			127,810,967	34,450,449	2,326,836				164,588,252	
04/05 Production Percentages			77.655%	20.931%	1.414%				100.000%	

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

DEPOSITORIES:

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

CHANGE IN CASH POSITION DUE TO:

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

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

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

INVESTMENT TRANSACTIONS

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

* 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
June 30, 2006**

<u>Financial Institution</u>	<u>Principal Amount</u>	<u>Number of Days</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Local Agency Investment Fund	\$ 5,705,983			
TOTAL INVESTMENTS	\$ 5,705,983			

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

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

Respectfully submitted,



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

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

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

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

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



CHINO BASIN WATERMASTER

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KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

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

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – August 2006

SUMMARY

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

Recommendation – Staff recommends the Cash Disbursements for August 2006 be received and filed as presented.

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

BACKGROUND

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

DISCUSSION

Total cash disbursements during the month of August 2006 were \$2,331,011.78. The most significant expenditures during the month were Inland Empire Utilities Agency in the amount of \$1,313,182.32, Wildermuth Environmental Inc. in the amount of \$129,268.30 and Hatch and Parent in the amount of \$72,618.82.

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
August 2006

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

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
August 2006

Type	Date	Num	Name	Amount
Bill Pmt -Check	8/23/2006	10752	CALPERS	-2,427.95
Bill Pmt -Check	8/23/2006	10753	COMPUSA, INC.	-1,535.79
Bill Pmt -Check	8/23/2006	10754	ELLISON, SCHNEIDER & HARRIS, LLP	-24,924.13
Bill Pmt -Check	8/23/2006	10755	LOS ANGELES TIMES	-42.40
Bill Pmt -Check	8/23/2006	10756	OFFICE DEPOT	-2,059.30
Bill Pmt -Check	8/23/2006	10757	PRE-PAID LEGAL SERVICES, INC.	-103.60
Bill Pmt -Check	8/23/2006	10758	PUMP CHECK	-1,650.00
Bill Pmt -Check	8/23/2006	10759	QUILL	-52.63
Bill Pmt -Check	8/23/2006	10760	RBM LOCK & KEY	-251.36
Bill Pmt -Check	8/23/2006	10761	STANDARD INSURANCE CO.	-544.60
Bill Pmt -Check	8/23/2006	10762	WHEELER METER MAINTENANCE	-663.25
Bill Pmt -Check	8/23/2006	10763	WILDERMUTH ENVIRONMENTAL INC	-129,368.30
Bill Pmt -Check	8/29/2006	10764	ROUTE 66 SUBS	-81.14
Aug 06				-2,331,011.78



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 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.



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).

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CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: 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	<u>909-484-3890</u>
Denny 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

**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?

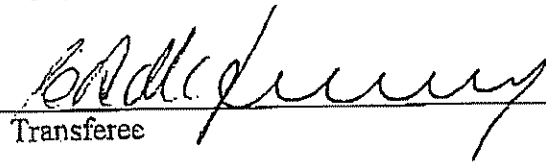
Yes [] No [X]

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 [] 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 # _____

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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).

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CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: 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

AUG 17 2006

Mark N. Kinsey
GENERAL MANAGER

August 14, 2006

CHINO BASIN WATERMASTER

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

MVWD/MVIC Water Transactions

Dear Mr. Manning: *Ken*

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

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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.

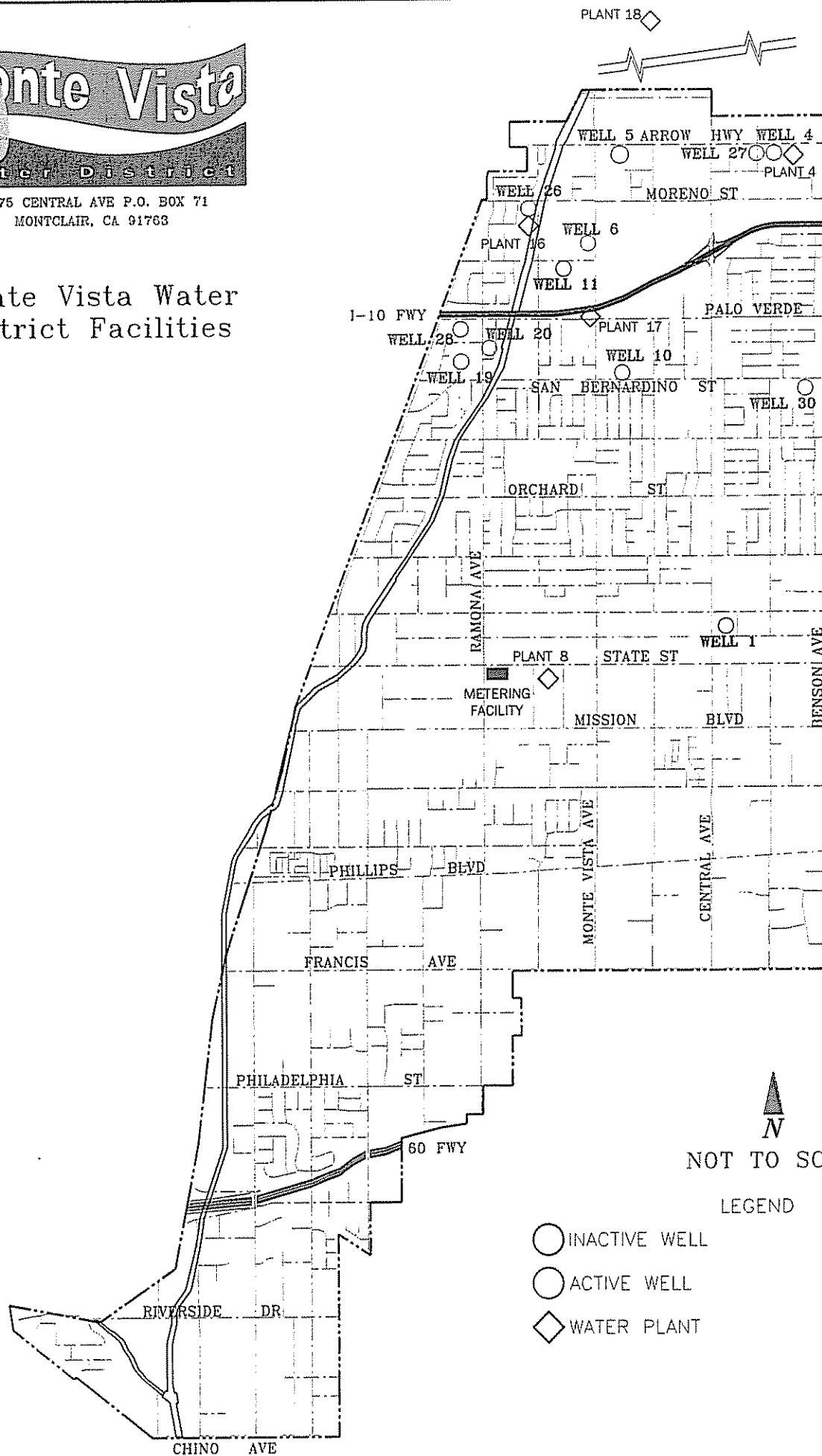
<u>Well</u>	<u>Production Acre-Feet/Day</u>
4	4.2
5	6.1
6	5.2
10	5.2
19	9.0
20	5.8
26	9.0
27	9.0
28	9.0
30	9.0
<hr/>	
Daily Total	71.5

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

A. INLAND EMPIRE LANDSCAPING ALLIANCE



RESOLUTION NO. 06-04

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

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

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

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

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

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

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

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

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

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

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

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

ADOPTED this 28th day of September, 2006.

Chairman of the Chino Basin
Watermaster

ATTEST:

Secretary/Treasurer of the Chino Basin Watermaster

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

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

AYES:

NOES:

ABSTAIN:

ABSENT:

Secretary/Treasurer

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CHINO BASIN WATERMASTER

V. INFORMATION

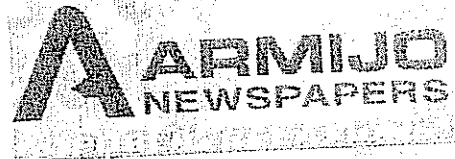
1. Newspaper Articles



Chino Ontario Upland NEIGHBORHOOD NEWS

A COMMUNITY NEWSPAPER DELIVERED TO RESIDENCES AND BUSINESSES

WWW.ANAPR.COM (909) 444-0797
Neighborhood News
Volume 9 Issue 6
JULY 2006



COMMUNITY NEWS • BUSINESS • ENTERTAINMENT • SPORTS

Governor's Office Draws Crowd of 200 at PAN

By SHIEL SEGAL

Ontario — More than 200 business, civic and community leaders came together on June 2 for the inaugural get-together of the Inland Empire Public Affairs Network at the Doubletree Hotel near Ontario International Airport. Highlighting the event was the keynote address by Fred Aguiar, a



see PAN Page 8

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

200 attend PAN event

PAN from page 1

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

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

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

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

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

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

feel this is a great group to accomplish that."

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

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



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

Agency advances recharge basin job

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

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

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

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

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Water district official seeks investigation

Jurupa district fined for errors, not disclosing errors to public

By Andrea Bennett
Staff Writer

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

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

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

"We have requirements to meet in the California Safe

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

"There are some ethical questions there.

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

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

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

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

misfiled.

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

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

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

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

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

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

COOK BARELA,

MEMBER OF THE JURUPA COMMUNITY SERVICE DISTRICT
BOARD OF DIRECTORS

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

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

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

she said.

Eastvale resident Andrea Hove found the violations unsettling.

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

"They're just glossing over it."

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

Daily Bulletin
Aug 15, 2006

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

County warned to settle

Colonies says damages surpass \$300 million

Edward Barrera, Staff Writer
San Bernardino County Sun

Now it's about the money.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Rialto pushes county to settle water suit

Andrew Silva, Staff Writer
San Bernardino County Sun

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Local cities under 'poo-lution' probe

By Andrea Bennett, Staff Writer
Inland Valley Daily Bulletin

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

directly before.

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

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

Saturday, August 12, 2006

Champion-- A-13

Utility reports record use of recycled water

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

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

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

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

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

For information, call 993-1719 or visit www.ieua.org.

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

Critics say groundwater cleanup taking too long

By Andrew Silva, Staff Writer
Inland Valley Daily Bulletin

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

County to talk to Colonies

Initial settlement number to be offered, supervisor says

Edward Barrera, Staff Writer
San Bernardino County Sun

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EDITORIAL: WATERLESS WORLD

Rapid growth a strain on water supply

Our View: Frenetic development means we'd better make smarter use of our limited water supplies

San Bernardino County Sun

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

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

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

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

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

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

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

Why cling to this lawn fetish?

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

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

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Election

Continued from Page A-1

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

Monte Vista Water District

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

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

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

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

Chino Valley

Unified School District

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

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

dates in 2004, have taken out candidacy papers.

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

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

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

Inland Empire Utilities Agency

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

All three incumbents have pulled candidacy papers.

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

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

Interested parties may contact April Woodruff at 993-1600.

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

Chino Basin

Water Conservation District

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

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

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

All three have taken out candidacy papers.

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

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

Ovitt: County 'spanked' in Colonies case

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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August 1, 2006

Response prepared by:

Dennis Wagner
Interim County Counsel
San Bernardino, California

Re: Colonies

County Response to Colonies' Statement of Intended Decision

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

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

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

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

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

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

Judge rules for Colonies

Decision blasts county in flood-control case

Jeff Horwitz, Staff Writer
San Bernardino County Sun

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Warner apparently saw Timkin's point.

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

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

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

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

SB County doing its share of cleanup

Josie Gonzales
San Bernardino County Sun

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Town-hall meeting called

Perchlorate to be discussed but guest speakers bemoan late notice

Jason Pesick, Staff Writer
San Bernardino County Sun

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GUEST COLUMN

Bonds won't protect state's water supply

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Local cities under 'poo-lution' probe

By Andrea Bennett, Staff Writer
Inland Valley Daily Bulletin

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

directly before.

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

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

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Article Launched: 8/29/2006 12:00 AM

Perchlorate limits proposed

Jason Pesick, Staff Writer
San Bernardino County Sun

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Perchlorate debate heats up

Jason Pesick, Staff Writer
San Bernardino County Sun

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

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

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

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

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

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

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

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

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

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

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

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

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

Previous settlement negotiations have also proven unproductive.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Previous settlement negotiations have also proven unproductive.

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

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

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

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

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

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

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

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

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

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