

CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

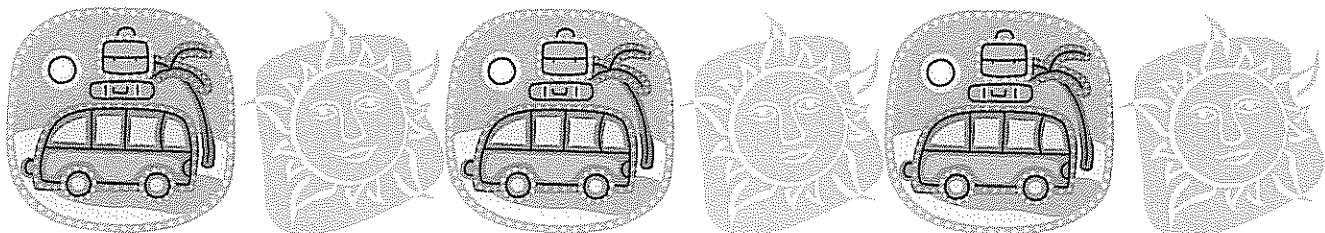
Thursday, August 23, 2007

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

(Lunch will be served)

AT THE CHINO BASIN WATERMASTER OFFICES

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





CHINO BASIN WATERMASTER

Thursday, August 23, 2007

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

(Lunch will be served)

AGENDA PACKAGE



**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING**

9:00 a.m. – August 23, 2007

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 Advisory Committee Meeting held July 26, 2007 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of July 2007 *(Page 13)*
2. Watermaster Visa Check Detail *(Page 17)*
3. Combining Schedule for the Period July 1, 2006 through June 30, 2007 *(Page 19)*
4. Treasurer's Report of Financial Affairs for the Period June 1, 2007 through June 30, 2007 *(Page 21)*
5. Profit & Loss Budget vs. Actual July 2006 through June 2007 *(Page 23)*

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The lease of 3,500 acre-feet, to be taken first from the fiscal year 2006/2007 allocation from the City of Pomona's net underproduction, if any, with any remainder from Pomona's local storage account in the Chino Basin, to be transferred to the Cucamonga Valley Water District storage account. Date of Application: June 7, 2007 *(Page 25)*
2. **Consider Approval for Notice of Sale or Transfer** – The City of Pomona has agreed to purchase from the City of Upland a portion of Upland's water in storage in the amount of 893 acre-feet for fiscal year 2006/2007. Date of Application: June 7, 2007 *(Page 43)*
3. **Consider Approval for Notice of Sale or Transfer** – The Santa Ana River Water Company lease and assigned Jurupa Community Services District the quantity of 2,000 acre-feet of corresponding annual production right fiscal year 2006/2007. Date of Application: June 28, 2007 *(Page 51)*

D. INTERVENTION – RIBOLI FAMILY/SAN ANTONIO WINERY

Intervention into Chino Basin Watermaster as a Non-Agricultural Pool Party *(Page 63)*

E. INTERVENTION – FUJI NATURAL FOOD INC.

Intervention into Chino Basin Watermaster as an Agricultural Pool Party *(Page 65)*

II. BUSINESS ITEMS

A. LEGAL INSTRUMENTS

Further Review and Discussion of Legal Instruments

B. HANSON AGGREGATES

Approve Filing of Complaint Against Hanson Aggregates *(Page 69)*

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

- 1. MZ1 Filing
- 2. Sunding Report – Micro-Economic Study
- 3. Supplemental Filing Regarding May 24, 2007 Court Order *(Page 81)*

B. CEO/STAFF REPORT

- 1. Legislative Update
- 2. Recharge Update

C. ENGINEERING REPORT

- 1. State of the Basin Report Update

D. FINANCIAL REPORT

- 1. Assessment Package Update

E. INLAND EMPIRE UTILITIES AGENCY

- 1. Drought Planning Activities for 2008 - Oral
- 2. MWD DYY Potential Implementation in April 2008 – Oral
- 3. MWD DYY Expansion Studies, Schedule and Budget Work Plan - Oral
- 4. Current Regional Conservation Efforts - Oral
- 5. Monthly Water Conservation Programs *(Page 87)*
- 6. Monthly Imported Water Deliveries Report *(Page 91)*
- 7. State and Federal Legislative Report *(Page 95)*
- 8. Community Outreach/Public Relations Report *(Page 133)*

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. INFORMATION

- 1. Newspaper Articles *(Page 135)*

V. COMMITTEE MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

August 21, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
August 23, 2007	9:00 a.m.	Advisory Committee Meeting
August 23, 2007	11:00 a.m.	Watermaster Board Meeting
September 13, 2007	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
September 18, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
September 27, 2007	9:00 a.m.	Advisory Committee Meeting
September 27, 2007	11:00 a.m.	Watermaster Board Meeting

Meeting Adjourn

**CHINO BASIN WATERMASTER
BOARD MEETING**

11:00 a.m. – August 23, 2007

At The Offices Of

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

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

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II. BUSINESS ITEMS

- A. **LEGAL INSTRUMENTS**
Further Review and Discussion of Legal Instruments
- B. **HANSON AGGREGATES**
Approve Filing of Complaint Against Hanson Aggregates *(Page*
- C. **ACWA REGION 9 MEMBER AGENCY BOARD PRESIDENT**
Election for the 2008-2009 ACWA Region 9 Officers and Board Members Who Will Represent and Serve the Members of Region 9 *(Page 79)*

III. REPORTS/UPDATES

- A. **WATERMASTER GENERAL LEGAL COUNSEL REPORT**
 - 1. MZ1 Filing
 - 2. Sunding Report – Micro-Economic Study
 - 3. Supplemental Filing Regarding May 24, 2007 Court Order *(Page 81)*
- B. **CEO/STAFF REPORT**
 - 1. Legislative Update
 - 2. Recharge Update
- C. **ENGINEERING REPORT**
 - 1. State of the Basin Report Update
- D. **FINANCIAL REPORT**
 - 1. Assessment Package Update

IV. INFORMATION

- 1. Newspaper Articles *(Page 135)*

V. BOARD MEMBER COMMENTS

VI. OTHER BUSINESS

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Meeting Adjourn

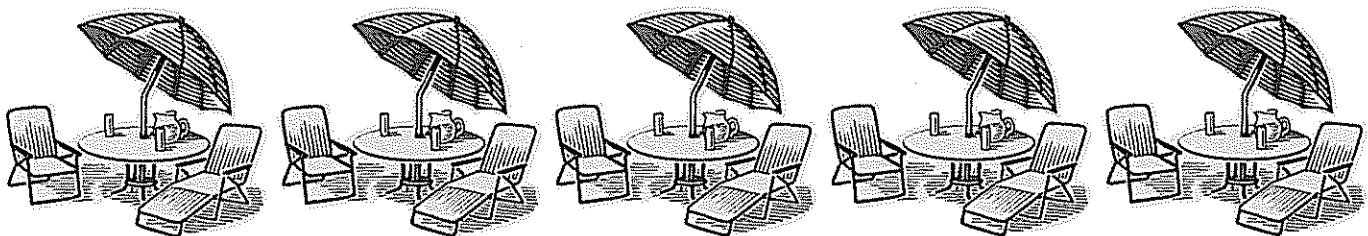


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Advisory Committee Meeting – July 26, 2007



Draft Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING
July 26, 2007

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on July 26, 2007 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

Ken Jeske, Chair	City of Ontario
Raul Garibay	City of Pomona
Dave Crosley	City of Chino
Anthony La	City of Upland
Robert DeLoach	Cucamonga Valley Water District
Mike McGraw	Fontana Water Company
J. Arnold Rodriguez	Santa Ana River Water Company
Bill Kruger	City of Chino Hills
Charles Moorrees	San Antonio Water Company

Non-Agricultural Pool

Bob Bowcock	Vulcan Materials Company (Calmat Division)
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Agricultural Pool

Bob Feenstra	Agricultural Pool, Dairy
Edward Gonsman	State of California CIM
Nathan deBoom	Ag Pool, Dairy
Jeff Pierson	Ag Pool, Crops
Nathan Mackamul	State of California CIW

Watermaster Board Members Present

Sandra Rose	Monte Vista Water District
Terry Catlin	Inland Empire Utilities Agency

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.
Joe LeClaire	Wildermuth Environmental Inc.

Others Present

Gary Meyerhofer	Carollo Engineering
Marty Zvirbulis	Cucamonga Valley Water District
Robert Boytor	Aqua Capital Management
Phil Rosentrater	Western Municipal Water District
Steven G. Lee	Ag Pool Legal Counsel
Martha Davis	Inland Empire Utilities Agency
Rich Atwater	Inland Empire Utilities Agency

Chair Jeske called the Advisory Committee meeting to order at 9:01 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Advisory Committee Meeting held June 28, 2007

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of June 2007
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2006 through May 31, 2007
4. Treasurer's Report of Financial Affairs for the Period April 1, 2007 through May 31, 2007
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C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Fontana Water Company has agreed to purchase from the City of Upland water in storage in the amount of 10,000 acre-feet to satisfy a portion of the company's anticipated Chino Basin replenishment obligation for Fiscal Year 2006/2007
2. **Consider Approval for Notice of Sale or Transfer** – Cucamonga Valley Water District has agreed to purchase 500 acre-feet of West Valley Water District's stored Chino Basin groundwater. Date of application: May 24, 2007

Motion by DeLoach, second by McGraw, and by unanimous vote

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

II. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Micro-Economic Analysis Update
Counsel Fife stated the micro-economic analysis is proceeding on schedule.
2. MZ1 Court Submittal Update
Counsel Fife stated last month the Watermaster Board did approve submitting the pleading that was presented in the meeting packet and by way of transmittal of the MZ1 Long Term Plan to the court, at the suggestion of the board a modification to the pleading was asked to be placed in the pleading. The modification was to indicate in the pleading how much money Watermaster has spent addressing the MZ1 subsidence issue; to give the court a sense of how much money the collective group has already spent. Legal counsel and staff have been compiling that information. Once that data search is complete, counsel will be adding it to the pleading which will go to the court at the end of July.
3. Hanson Aggregates
Counsel Fife stated there has been a long running issue with regard to the Lower Day Basin where at some point in time last year there was a discharge of sediment from the Hanson Aggregate (Hanson) plant which clogged up the Lower Day Basin. There were substantial expenses associated with that discharge which included cleaning out the basin and loss of recharge. Counsel and staff went to Hanson Aggregate staff and asked them to compensate both Chino Basin Watermaster (CBWM) and Inland Empire Utilities Agency (IEUA) for those costs. Discussions with Hanson have taken place for a very long time and are not moving at all towards a resolution. CBWM and IEUA staff at the urging of the GRCC committee members, feel that this issue needs to be taken to the next level and that we are serious about recouping these costs and losses by filing a law suit. IEUA will be the lead on the suit because they wrote the checks for clean up; CBWM will be working closely with them. Counsel does feel it will end up being a joint filing with CBWM and IEUA. This item might be brought forward with more substantial information as early as next month. A lengthy discussion regarding legalities and costs ensued.

4. Peace II Instruments

Counsel Fife stated that under the non-binding Term Sheet we are committed to turn the terms of the Term Sheet into legal instruments that would implement the agreements that were reached in the Term Sheet. Last month the schedule for completion of the whole Peace II process was distributed. According to that schedule staff was to have a draft of all of the legal instruments available for distribution within the month of July; staff has been working on the legal instruments and are prepared to pass those out to the Board Members today. At that meeting, staff will be asking the Board to instruct staff to distribute the documents to all and to schedule a workshop to begin discussions on the instruments. With the goal, that in the September time frame staff would come back to the pools for approval of all of these legal instrument documents. If that could be accomplished staff would have approval of everything by the end of September, be ready to file the appropriate documents with the court in October, and that would take us to a hearing date sometime in November. The last order from the court stated that we were to schedule a hearing sometime in November 2007 for approval of the Peace II items that required Judgment amendments, in particular, basin re-operation. Counsel Fife stated because of the replenishment obligations associated with the desalters, it is imperative we get basin re-operation approved by the end of this year. A workshop will be scheduled next week to review all the legal instruments. At this workshop staff is hoping to get everyone's input, suggestions, and recommended changes so that we can work on these documents for the next several weeks and get them through the Watermaster process in the September time frame. A discussion regarding the upcoming workshop ensued.

Mr. Garibay inquired as to the status of the micro-economic analysis report from Dr. Sunding. Counsel Fife stated the requirement of the non-binding Term Sheet is that the report be available for use by the parties in deciding whether they want to approve any final agreement and that Watermaster will not approve any final agreement until the economic analysis is done. Dr. Sunding has committed to have at least a draft of the economic analysis available in August. The latest indication from Dr. Sunding is that he is still on schedule with that date for his draft.

B. ENGINEERING REPORT

1. Water Quality/Plume Updates

It was decided since this report was given in its entirety at all the Pool meetings the water quality/plume update would not be given at today's meeting. Mr. Wildermuth noted the full report will be given today at the Watermaster Board meeting.

2. Balance of Recharge and Discharge Update

It was decided since this report was given in its entirety at all the Pool meetings the balance of recharge and discharge update would not be given at today's meeting. Mr. Wildermuth noted the full report will be given today at the Watermaster Board meeting.

C. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated at the hearing on SB 1002, a desire to add "no regrets" Delta projects to the bill was expressed and asked if the author would be willing to do that and bring the bill back to the Assembly of Water, Parks, and Wildlife if necessary. Senator Perata said yes, and further, that he is continuing to work with the administration and Senators Machado, Margett, Steinberg and Cogdill on further amendments. It is a work in progress.

Mr. Manning stated ACWA is opposed to section 83002 which directs \$200 million to groundwater management and clean-up efforts. Further, ACWA opposes the allocation of \$15 million to develop a plan for re-operating the state's water supply and flood control systems that will optimize the use of existing facilities and groundwater storage capacity. The California Groundwater Coalition strongly supports the funding provided for by SB

1002, which will assist local groundwater agencies and public water suppliers to better manage and improve the quality and reliability of our state's local groundwater resources. These investments are entirely consistent with the provisions of Proposition 84, and, are essential to promote conjunctive use of groundwater storage capacity to improve overall water supply and flood system operation.

Mr. Manning stated Metropolitan Water District Legislature Budget Conference Committee had their final meeting and the conference report would be sent to the floor of the Assembly and Senate later this week. It does seem that the budget zeroed out appropriators from Proposition 84. Currently, the budget has passed its statutory deadline of July 1, 2007. SCWC has opposed SB 1002 because the bill emphasizes a statutory obligation to re-operate existing reservoirs and groundwater storage facilities with the assumption that re-operating will result in greater efficiency and certainty.

2. Recharge Update

Mr. Manning stated the Chino Basin has recharged approximately 200 acre-feet of urban runoff and 12 acre-feet of recycled water last month and the monthly report is available on the back table.

3. Desalter Expansion Update

Mr. Meyerhofer stated the Watermaster Board obtained the services of Carollo Engineers in April, 2007; his purpose is to facilitate the expansion of the Chino Desalters. The presentation today is to show the parties what has been accomplished in the last three months. Mr. Meyerhofer stated in May the Chino Desalter Alternatives Evaluation Report was completed. Since then, meetings have continued with funding agencies, specifically, regarding a \$2.8 million dollar grant and a \$5 million grant. The Desalter Report objectives are as follows; 1) To achieve hydraulic control of the Chino Groundwater Basin overflow to the Santa Ana River, 2) to increase desalter groundwater pumping from the lower Chino Groundwater Basin to 40,000 acre-feet per year, and 3) to provide at least 10 mgd of additional drinking water. The Desalter Report recommendations are for raw water which will consist of constructing a new Chino Creek Well Field (CCWF), connect new CCWF to Chino I Desalter, and to transfer wells I-13, 14, and 15 to Chino II Desalter. Another recommendation for the actual Desalters is to expand Chino II Desalter by 10.5 mgd and to add VOC treatment to Chino I Desalter (when required). The last recommendation is for product water which will consist of new pipelines and pump stations to the City of Ontario, Jurupa Community Services District, and Western Municipal Water District. Mr. Meyerhofer reviewed the recommended facilities map in detail. A timeline chart of the preliminary project schedule was reviewed from 2007 to 2012. A lengthy discussion ensued with regard to Mr. Meyerhofer's presentation.

E. INLAND EMPIRE UTILITIES AGENCY

Mr. Atwater stated July 1, 2007 marked the start of the state's fiscal year, but budget negotiations are stalled on a number of fronts, including major water issues. There are numerous policy bills dealing with the implementation of bond fund expenditures for both these initiatives, but many of these bills are rumored to be included as part of budget trailer bills. Trailer bills are not heard in policy committees and receive very little scrutiny. Mr. Atwater stated with regard to AB 224 (Wolk) Water Supply and Climate Change bill, the measure, which requires state agencies and local water agencies to consider climate water planning, passed out of Senate Natural Resources and Water Committee this week on a bipartisan vote. Senator Margett voted for the measure, which is strongly supported by Inland Empire Utilities Agency, Metropolitan Water District, and SAWPA. AB 224 also requires the SWRCB to study the energy and greenhouse gas reductions associated with maximizing recycled water in all regions of California. Mr. Atwater discussed water conservation efforts that are currently taking place due to the lack of water this past year. A brief discussion regarding water rationing ensued.

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

Mr. Rosentrater stated Friday, July 27, 2007 is the deadline for comment on the California Ocean Plan Amendments to be considered by the State Water Resources Control Board. In particular Western would like to call attention to Issue 10 – Desalination Facilities and Brine Disposal, as these amendments could have impacts on operations in the Chino Basin as well as other inland areas. Western has prepared a draft comment letter and would be happy to share with everyone, expressing support for staff Recommendation on Alternative 1, while addressing concerns with staff Alternative Recommendations 2 and 3. Essentially the staff report suggests marine life may be harmed by highly concentrated brine discharges and that this potential should be monitored, studied, or perhaps regulated outright with caps on discharge.

III. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

IV. COMMITTEE MEMBER COMMENTS

No comment was made regarding this item.

V. OTHER BUSINESS

No comment was made regarding this item.

VI. FUTURE MEETINGS

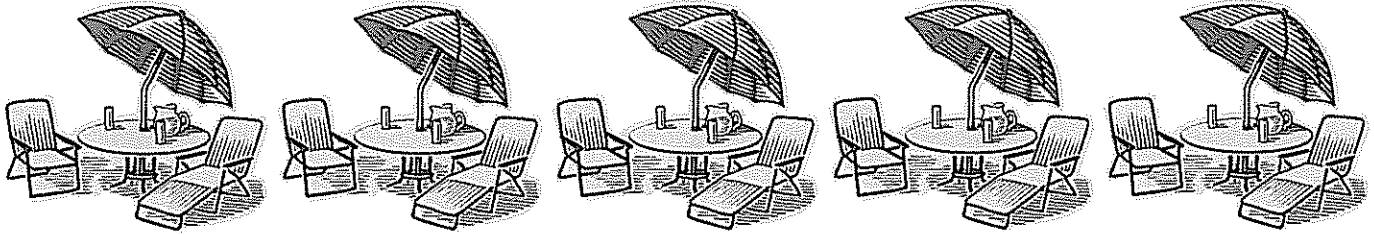
July 24, 2007	9:00 a.m.	GRCC Meeting
July 26, 2007	9:00 a.m.	Advisory Committee Meeting
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The Advisory Committee meeting was dismissed by Chair Jeske at 9:45 a.m.

Secretary: _____

Minutes Approved: _____

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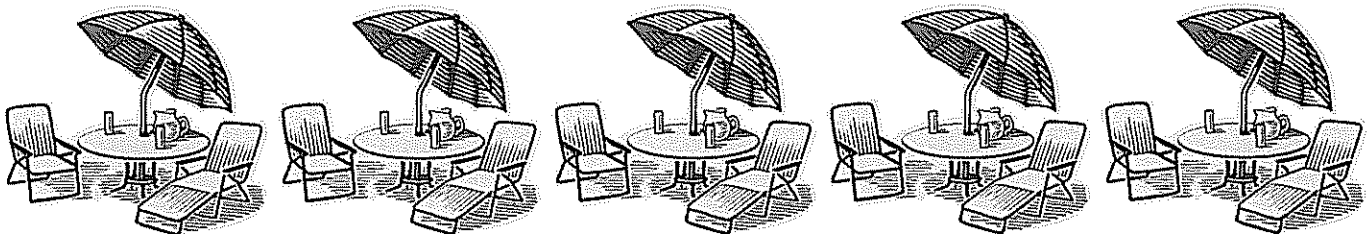


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Watermaster Board Meeting – July 26, 2007



Draft Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING
July 26, 2007

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on July 26, 2007 at 11:00 a.m.

WATERMASTER BOARD MEMBERS PRESENT

Ken Willis, Chair	West End Consolidated Water Company
Bob Kuhn	Three Valleys Municipal Water District
Terry Catlin	Inland Empire Utilities Agency
Sandra Rose	Monte Vista Water District
Jim Bowman	City of Ontario
Charles Field	Western Municipal Water District
Bob Bowcock	Vulcan Materials Company
Geoffrey Vanden Heuvel	Agricultural Pool, Dairy
Paul Hofer	Agricultural Pool, Crops

Watermaster Staff Present

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

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Joe LeClaire	Wildermuth Environmental Inc.
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Gary Meyerhofer	Carollo Engineering
Marty Zvirbulis	Cucamonga Valley Water District
David DeJesus	Three Valleys Municipal Water District
Robert DeLoach	Cucamonga Valley Water District
Dave Crosley	City of Chino Basin Watermaster
Robert Boytor	Aqua Capital Management
Jeff Pierson	Ag Pool
Henry Pepper	City of Pomona
Al Lopez	Western Municipal Water District
Raul Garibay	City of Pomona
Ken Jeske	City of Ontario

The Watermaster Board Meeting was called to order by Chair Willis at 11:00 a.m.

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

No comment was made regarding this item.

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Watermaster Board Meeting held June 28, 2007

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2. **Consider Approval for Notice of Sale or Transfer** – Cucamonga Valley Water District has agreed to purchase 500 acre-feet of West Valley Water District's stored Chino Basin groundwater. Date of application: May 24, 2007

Motion by Catlin, second by Bowman, and by unanimous vote

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

II. BUSINESS ITEMS**A. Peace II Instruments – Board Only**

Mr. Manning stated in the Peace II Non-Binding Term Sheet schedule, staff has been discussing with the Watermaster Board members deliverable dates. One of those dates was for the draft Legal Instrument documents which needed to be developed for purposes of discussion before counsel goes to the court in November. Those documents are being handed out today and staff is asking for action from the Board to allow Watermaster staff to schedule a workshop. Mr. Manning stated each Board member has nine documents in a separate folder in their meeting folder that Counsel Fife will be reviewing at this time. Mr. Manning stated staff has received direction, staff will send the documents out to all the parties for their review prior to the Workshop. Counsel Fife stated in May, 2006 the Watermaster Board approved the stakeholder Non-Binding Term Sheet. That Term Sheet was a collection of substantive terms of agreement between the parties about how to resolve the various Peace II issues. Being a term sheet it was just a summary of substantive terms. One of the elements of the term sheet was a commitment that all of those terms would be translated into legal instruments that would implement the terms. Once the elements are completed there will need to be a discussion about the legal instruments and we are anticipating them being completed in August. Once those documents are reviewed and discussed, staff will be bringing the documents back through the Watermaster process in September, 2007. If approval takes place in September, we can submit them to the court in October with a thirty day notice period which would put us to a hearing for all of the documents in November for approval. The last court order which was sent by the court to Watermaster ordered Watermaster to schedule a hearing in November, 2007 on the Peace II Instruments; this will keep us in accordance with that order. Counsel Fife stated counsel and staff is asking from the Board members today is not approval of these documents, we are only asking for direction to staff to distribute these documents to the parties so they may begin looking at them and then schedule a workshop, with follow up workshops necessary. In order that the parties may continue to discuss substantive terms and refine the substance to whatever degree it needs to be refined, and bring this entire Peace II process to a close. Chair Willis inquired about the time and date of the possible workshop. Counsel Fife stated that in anticipation of Board approval, staff has secured a room at the Rancho Cucamonga Community Center from 1:00 p.m. to 5:00 p.m. on Wednesday, August 1, 2007. Counsel Fife briefly reviewed the nine documents. A lengthy discussion ensued with scheduling a workshop and

distributing the presented documents. It was decided the nine documents can be distributed to the parties and a workshop can be scheduled for August 1, 2007.

Motion by Bowman, second by Kuhn, and by unanimous vote

Moved to approve to direct staff to distribute the for stakeholder review, comment, and discussion and to schedule a workshop next week to discuss the Peace II Legal Instruments Documents, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Micro-Economic Analysis Update

Counsel Fife stated the micro-economic analysis is proceeding on schedule. Counsel Fife stated the requirement of the non-binding Term Sheet is that the report be available for use by the parties in deciding whether they want to approve any final agreement and that Watermaster will not approve any final agreement until the economic analysis is done. Dr. Sunding has committed to have at least a draft of the economic analysis available in August. The latest indication from Dr. Sunding is that he is still on schedule with that date for his draft.

2. MZ1 Court Submittal Update

Counsel Fife stated last month the Watermaster Board did approve submitting the pleading that was presented in the meeting packet and by way of transmittal of the MZ1 Long Term Plan to the court, at the suggestion of the board a modification to the pleading was asked to be placed in the pleading. The modification was to indicate in the pleading how much money Watermaster has spent addressing the MZ1 subsidence issue; to give the court a sense of how much money the collective group has already spent. Legal counsel and staff have been compiling that information. Once that data search is complete, counsel will be adding it to the pleading which will go to the court at the end of July.

3. Hanson Aggregates

Counsel Fife stated there has been a long running issue with regard to the Lower Day Basin where at some point in time last year there was a discharge of sediment from the Hanson Aggregate (Hanson) plant which clogged up the Lower Day Basin. There were substantial expenses associated with that discharge which included cleaning out the basin and loss of recharge. Counsel and staff went to Hanson Aggregate staff and asked them to compensate both Chino Basin Watermaster (CBWM) and Inland Empire Utilities Agency (IEUA) for those costs. Discussions with Hanson have taken place for a very long time and are not moving at all towards a resolution. CBWM and IEUA staff, and at the urging of the GRCC committee members feel that this issue needs to be taken to the next level and that we are serious about recouping these costs and losses by filing a law suit. IEUA will be the lead on the suit because they wrote the checks for clean up; CBWM will be working closely with them. Counsel does feel it will end up being a joint filing with CBWM and IEUA. This item might be presented with more substantial information as early as next month. A lengthy discussion regarding its legalities and costs ensued.

B. ENGINEERING REPORT

1. Water Quality/Plume Updates

Mr. LeClaire stated he would be giving an update on the activities of the Ontario International Airport and the Chino Airport VOC plumes. Mr. LeClaire stated with regard to the Ontario Airport plume in May, 2007, the companies submitted the well installation and sampling work plan and Watermaster prepared comments to be submitted to the Regional Board which should be sent to them this week. In June, Geo Trans initiated work towards securing property access to install the four proposed monitoring wells and began developing plans and technical specifications for drilling and well construction. Access and permit packages will be submitted in July, 2007. Mr. LeClaire reviewed a detailed map of both VOC plumes. Mr. LeClaire stated with regard to the Chino plume, Tetra Tech initiated an

offsite plume characterization in early 2007. Watermaster needs to move forward with sighting and drilling of test wells for future desalter wells to achieve hydraulic control. Watermaster and the County are working on a cost-sharing agreement for a well field and treatment facilities to cleanup VOC contamination and also achieve hydraulic control. Mr. LeClaire stated staff is recommending an increase in sampling or adding a subsequent well in the Deer Creek area. Mr. Manning stated locating century wells would be the next logical step for us to better job of understanding when the CDA wells would be receiving VOC's. A lengthy discussion ensued with regard to this matter.

2. Balance of Recharge and Discharge Report

Mr. Manning stated the Peace Agreement calls for a report on the Balance of Recharge and Discharge to be available in July every other year. Mr. Wildermuth is here today and is one of the people working on the report to give an update on the status of that report. Mr. Wildermuth stated the report is not ready because the model is going to be calibrated in August and at that point in time Wildermuth staff will be performing the model runs to evaluate the balance of recharge and discharge. Mr. Vanden Heuvel inquired into the statement made by Mr. Wildermuth regarding putting too much water in one particular area for subsidence. Mr. Vanden Heuvel stated he thinks it is important to note that the reason Monte Vista Water District wanted the supplemental 6,500 acre-feet of water put in every year in 2000 was not because of subsidence; we are now focused on subsidence but six years ago they were looking at nitrate and blending issues. Mr. Wildermuth commented on Mr. Vanden Heuvel's comments and referred to a map to show the members exactly where he was talking about. Mr. Vanden Heuvel inquired about the Re-Operation Plan for the next twenty five years regarding draw down levels in the northern part of the MZ1 area. A discussion ensued with regard to water levels. Mr. Wildermuth stated the report on the Balance of Recharge and Discharge should be out in the September/October time frame. Part of this report is a recommendation on the Supplemental Recharge Water Plan; this is new information that will be distributed in the State of the Basin Report which should be coming out soon. Mr. Wildermuth reviewed a change in storage map in detail from 2003 to 2006. A discussion ensued with regard to Mr. Wildermuth's report.

C. **CEO/STAFF REPORT**

1. Legislative Update

Mr. Manning stated at the hearing on SB 1002, a desire to add "no regrets" Delta projects to the bill was expressed and asked if the author would be willing to do that and bring the bill back to the Assembly of Water, Parks, and Wildlife if necessary. Senator Perata said yes, and further, that he is continuing to work with the administration and Senators Machado, Margett, Steinberg and Cogdill on further amendments. It is a work in progress.

Mr. Manning stated ACWA is opposed to section 83002 which directs \$200 million to groundwater management and clean-up efforts. Further, ACWA opposes the allocation of \$15 million to develop a plan for re-operating the state's water supply and flood control systems that will optimize the use of existing facilities and groundwater storage capacity. The California Groundwater Coalition strongly supports the funding provided for by SB 1002, which will assist local groundwater agencies and public water suppliers to better manage and improve the quality and reliability of our state's local groundwater resources. These investments are entirely consistent with the provisions of Proposition 84, and, are essential to promote conjunctive use of groundwater storage capacity to improve overall water supply and flood system operation.

Mr. Manning stated Metropolitan Water District Legislature Budget Conference Committee had their final meeting and the conference report would be sent to the floor of the Assembly and Senate later this week. It does seem that the budget zeroed out appropriators from Proposition 84. Currently, the budget has passed its statutory deadline of July 1, 2007. SCWC has opposed SB 1002 because the bill emphasizes a statutory obligation to

re-operate existing reservoirs and groundwater storage facilities with the assumption that re-operating will result in greater efficiency and certainty.

2. Recharge Update

Mr. Manning stated the Chino Basin has recharged approximately 200 acre-feet of urban runoff and 12 acre-feet of recycled water last month and the monthly report is available on the back table.

3. Desalter Expansion Update

Mr. Meyerhofer stated the Watermaster Board obtained the services of Carollo Engineers in April, 2007; the purpose of that hire was to facilitate the expansion of the Chino Desalters. The presentation today is to show the parties what has been accomplished in the last three months. Mr. Meyerhofer stated in May the Chino Desalter Alternatives Evaluation Report was completed. Since then meetings have continued with funding agencies, specifically, the Department of Water Resources where Inland Empire Utilities Agency (IEUA) has a \$2.8 million dollar grant. The Stated Water Resources Control Board where Western Municipal Water District has a \$5 million grant. The Desalter Report objectives are as follows; 1) To achieve hydraulic control of the Chino Groundwater Basin overflow to the Santa Ana River, 2) to increase desalter groundwater pumping from the lower Chino Groundwater Basin to 40,000 acre-feet per year, and 3) to provide at least 10 mfg of additional drinking water. The Desalter Report recommendations are for raw water which will consist of constructing a new Chino Creek Well Field (CCWF), connect new CCWF to Chino I Desalter, and to transfer wells I-13, 14, and 15 to Chino II Desalter. Another recommendation for the actual Desalters is to expand Chino II Desalter by 10.5 mgd and to add VOC treatment to Chino I Desalter (when required). The last recommendation is for product water which will consist of new pipelines and pump stations to the City of Ontario, Jurupa Community Services District, and Western Municipal Water District. Mr. Meyerhofer reviewed the recommended facilities map in detail. A timeline chart of the preliminary project schedule was reviewed from 2007 to 2012. Mr. Manning stated this is a really good use of Watermaster's time and effort and we are also coordinating the administrative side. Mr. Manning stated with this large of a group there a number of agreements, contracts that have to be negotiated, and constructed, we are also coordinating those. A meeting was held yesterday with this group and we will be meeting every two weeks. At the meeting yesterday we were made aware that all the parties have signed their cooperative agreement and are moving together; things are moving forward on this project. Mr. Vanden Heuvel stated this was an outstanding report; very encouraging and easily understandable. A brief discussion ensued with regard to Mr. Meyerhofer's presentation.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. BOARD MEMBER COMMENTS

Ms. Rose thanked Mr. Manning for the detailed Board letter that was sent out earlier this week and noted how helpful and insightful it was. Mr. Manning stated this will be a monthly letter sent to the Board members starting this month.

Mr. Vanden Heuvel stated when we negotiated the Peace Agreement and the Peace II deal was basically blessed and then we had some items to be completed, one being the Scalmanini Report and the other was the economic analysis. There was also a third timing item which was a six month delay before Western Municipal Water District was going to move ahead and give opportunity to others who might be interested in participating in the Desalter expansion. Mr. Vanden Heuvel noted that in looking over the nine documents presented by counsel today, he did not see reference to the six month deadline for opting in to participate in the Desalter Expansion. Mr. Vanden Heuvel asked for an explanation, for the record, regarding the six month deadline. Counsel Fife stated in terms of the six month date, in reviewing the nine documents presented to you today we were going to be

putting in a recital into the resolution that the six month term has run its course. Counsel Fife stated the date of expiration will be put into the final document. A discussion regarding the six month term ensued.

VI. OTHER BUSINESS

No comment was made regarding this item.

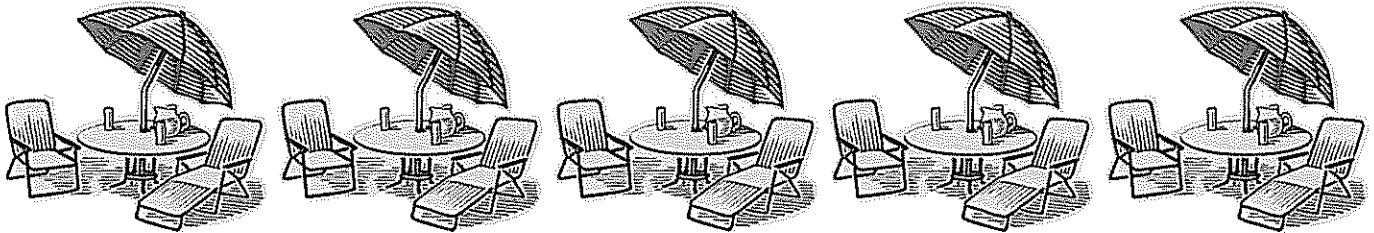
VII. FUTURE MEETINGS

July 24, 2007	9:00 a.m.	GRCC Meeting
July 26, 2007	9:00 a.m.	Advisory Committee Meeting
July 26, 2007	11:00 a.m.	Watermaster Board Meeting
August 9, 2007	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
August 21, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
August 23, 2007	9:00 a.m.	Advisory Committee Meeting
August 23, 2007	11:00 a.m.	Watermaster Board Meeting

The Advisory Committee meeting was dismissed by Chair Willis at 12:15 p.m.

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of July 2007
2. Watermaster Visa Check Detail
3. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2006 through July 30, 2007
4. Treasurer's Report of Financial Affairs for the Period June 1, 2007 through June 30, 2007
5. Profit & Loss Budget vs. Actual July 2006 through June 2007





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: August 9, 2007
August 21, 2007
August 23, 2007

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – July 2007

SUMMARY

Issue – Record of cash disbursements for the month of July 2007.

Recommendation – Staff recommends the Cash Disbursements for July 2007 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2006-07 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 July 2007 were \$3,555,055.18. The most significant expenditures during the month were Inland Empire Utilities Agency in the amount of \$3,039,321.91, Wildermuth Environmental Inc. in the amount of \$241,844.32, and Hatch and Parent in the amount of \$83,058.98.

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
July 2007

Type	Date	Num	Name	Amount
Jul 07				
General Journal	7/1/2007	07/07/04	PAYROLL	-6,857.86
General Journal	7/1/2007	07/07/04	PAYROLL	-22,145.08
Bill Pmt -Check	7/10/2007	11509	ACWA SERVICES CORPORATION	-236.63
Bill Pmt -Check	7/10/2007	11510	AGWA	-1,000.00
Bill Pmt -Check	7/10/2007	11511	APPLIED COMPUTER TECHNOLOGIES	-3,066.10
Bill Pmt -Check	7/10/2007	11512	BOWCOCK, ROBERT	-250.00
Bill Pmt -Check	7/10/2007	11513	BOWMAN, JIM	-250.00
Bill Pmt -Check	7/10/2007	11514	COMPUTER NETWORK	-275.00
Bill Pmt -Check	7/10/2007	11515	DE BOOM, NATHAN	-375.00
Bill Pmt -Check	7/10/2007	11516	DURRINGTON, GLEN	-250.00
Bill Pmt -Check	7/10/2007	11517	FEENSTRA, BOB	-750.00
Bill Pmt -Check	7/10/2007	11518	Hettinga, Peter	-250.00
Bill Pmt -Check	7/10/2007	11519	HSBC BUSINESS SOLUTIONS	-271.51
Bill Pmt -Check	7/10/2007	11520	HUITSING, JOHN	-250.00
Bill Pmt -Check	7/10/2007	11521	KOOPMAN, GENE	-250.00
Bill Pmt -Check	7/10/2007	11522	KUHN, BOB	-250.00
Bill Pmt -Check	7/10/2007	11523	LA, ANTHONY	-125.00
Bill Pmt -Check	7/10/2007	11524	MEDIA JIM	-975.00
Bill Pmt -Check	7/10/2007	11525	MONTE VISTA WATER DIST	-250.00
Bill Pmt -Check	7/10/2007	11526	NORDBAK'S PROMOTIONAL PRODUCTS	-342.69
Bill Pmt -Check	7/10/2007	11527	OFFICE DEPOT	-795.16
Bill Pmt -Check	7/10/2007	11528	PARK PLACE COMPUTER SOLUTIONS, INC.	-4,275.00
Bill Pmt -Check	7/10/2007	11529	PAYCHEX	-191.02
Bill Pmt -Check	7/10/2007	11530	PIERSON, JEFFREY	-500.00
Bill Pmt -Check	7/10/2007	11531	REID & HELLYER	-5,980.91
Bill Pmt -Check	7/10/2007	11532	SAFEGUARD DENTAL & VISION	-13.32
Bill Pmt -Check	7/10/2007	11533	SOFTCHOICE	-11,644.06
Bill Pmt -Check	7/10/2007	11534	SOURCE 1 PRINTING, PACKAGING & MEDIA	-7,226.60
Bill Pmt -Check	7/10/2007	11535	STATE COMPENSATION INSURANCE FUND	-718.88
Bill Pmt -Check	7/10/2007	11536	U S POSTMASTER	-20.00
Bill Pmt -Check	7/10/2007	11537	UNION 76	-196.11
Bill Pmt -Check	7/10/2007	11538	VANDEN HEUVEL, GEOFFREY	-125.00
Bill Pmt -Check	7/10/2007	11539	VELASQUEZ JANITORIAL	-1,200.00
Bill Pmt -Check	7/10/2007	11540	VERIZON	-395.89
Bill Pmt -Check	7/10/2007	11541	YUKON DISPOSAL SERVICE	-134.72
Bill Pmt -Check	7/12/2007	11542	ARGENT COMMUNICATIONS GROUP	-545.00
Bill Pmt -Check	7/12/2007	11543	LIATTI & ASSOCIATES	-4,000.00
Bill Pmt -Check	7/12/2007	11544	SAN MARINO ENVIRONMENTAL ASSOCIATES	-12,436.41
Bill Pmt -Check	7/12/2007	11545	TELECOM SERVICES	-308.75
Bill Pmt -Check	7/12/2007	11546	THE FURMAN GROUP, INC.	-2,540.00
Bill Pmt -Check	7/12/2007	11547	UNITED PARCEL SERVICE	-763.23
Bill Pmt -Check	7/12/2007	11548	VERIZON WIRELESS	-405.62
Bill Pmt -Check	7/12/2007	11549	W.C. DISCOUNT MOBILE AUTO DETAILING	-72.00
General Journal	7/14/2007	07/07/6	PAYROLL	-7,367.93
General Journal	7/14/2007	07/07/6	PAYROLL	-23,591.39
Bill Pmt -Check	7/16/2007	11550	CREATIVE BENEFITS, INC.	-12,700.00
Bill Pmt -Check	7/18/2007	11551	BANK OF AMERICA	-1,937.31
Bill Pmt -Check	7/18/2007	11552	BERKELEY ECONOMIC CONSULTING, INC.	-7,102.30
Bill Pmt -Check	7/18/2007	11553	CALPERS	-3,058.44
Bill Pmt -Check	7/18/2007	11554	CAROLLO ENGINEERS	-7,533.00
Bill Pmt -Check	7/18/2007	11555	COMPUTER NETWORK	-4,600.93
Bill Pmt -Check	7/18/2007	11556	DE BOOM, NATHAN	-125.00
Bill Pmt -Check	7/18/2007	11557	DURRINGTON, GLEN	-125.00
Bill Pmt -Check	7/18/2007	11558	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	7/18/2007	11559	HATCH AND PARENT	-81,058.98
Bill Pmt -Check	7/18/2007	11560	Hettinga, Peter	-125.00
Bill Pmt -Check	7/18/2007	11561	HUITSING, JOHN	-125.00
Bill Pmt -Check	7/18/2007	11562	MCI	-822.18
Bill Pmt -Check	7/18/2007	11563	PIERSON, JEFFREY	-125.00
Bill Pmt -Check	7/18/2007	11564	PRE-PAID LEGAL SERVICES, INC.	-103.60
Bill Pmt -Check	7/18/2007	11565	PUMP CHECK	-1,635.00
Bill Pmt -Check	7/18/2007	11566	RICOH BUSINESS SYSTEMS-Lease	-4,480.25
Bill Pmt -Check	7/18/2007	11567	RICOH BUSINESS SYSTEMS-Maintenance	-1,046.00
Bill Pmt -Check	7/18/2007	11568	STAULA, MARY L	-136.61
Bill Pmt -Check	7/18/2007	11569	TELECOM SERVICES	-1,428.00
Bill Pmt -Check	7/18/2007	11570	VANDEN HEUVEL, ROB	-125.00
Bill Pmt -Check	7/18/2007	11571	WESTERN DENTAL SERVICES, INC.	-23.25
Bill Pmt -Check	7/18/2007	11572	WILDERMUTH ENVIRONMENTAL INC	-241,844.32

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
July 2007

Type	Date	Num	Name	Amount
Bill Pmt -Check	7/18/2007	11573	INLAND EMPIRE UTILITIES AGENCY	-2,230,948.91
Bill Pmt -Check	7/24/2007	11574	CITY OF RANCHO CUCAMONGA	-500.00
Bill Pmt -Check	7/26/2007	11575	INLAND EMPIRE UTILITIES AGENCY	-808,373.00
Bill Pmt -Check	7/26/2007	11576	EL TORITO	-222.90
Bill Pmt -Check	7/27/2007	11577	AUTOMOBILE CLUB OF SOUTHERN CALIFORNIA	-47.00
Bill Pmt -Check	7/27/2007	11578	BLACK & VEATCH CORPORATION	-3,165.00
Bill Pmt -Check	7/27/2007	11579	CITY OF RANCHO CUCAMONGA	-90.00
Bill Pmt -Check	7/27/2007	11580	CREATIVE BENEFITS, INC.	-1,857.60
Bill Pmt -Check	7/27/2007	11581	CUCAMONGA VALLEY WATER DISTRICT	-5,340.00
Bill Pmt -Check	7/27/2007	11582	ELLISON, SCHNEIDER & HARRIS, LLP	-4,572.09
Bill Pmt -Check	7/27/2007	11583	ETIWANDA GARDENS	-1,000.00
Bill Pmt -Check	7/27/2007	11584	LOS ANGELES TIMES	-42.40
Bill Pmt -Check	7/27/2007	11585	MATHIS & ASSOCIATES	-375.00
Bill Pmt -Check	7/27/2007	11586	OFFICE DEPOT	-443.81
Bill Pmt -Check	7/27/2007	11587	OFFICE FURNITURE.COM	-2,189.60
Bill Pmt -Check	7/27/2007	11588	PITNEY BOWES CREDIT CORPORATION	-468.72
Bill Pmt -Check	7/27/2007	11589	R&D PEST SERVICES	-85.00
Bill Pmt -Check	7/27/2007	11590	RICOH BUSINESS SYSTEMS-Maintenance	-26.31
Bill Pmt -Check	7/27/2007	11591	SIERRA LAKES GOLF CLUB	-200.00
Bill Pmt -Check	7/27/2007	11592	STANDARD INSURANCE CO.	-591.13
Bill Pmt -Check	7/27/2007	11593	THE STANDARD INSURANCE COMPANY	-156.56
Bill Pmt -Check	7/27/2007	11594	VISION SERVICE PLAN	-36.11
Bill Pmt -Check	7/27/2007	11595	W.C. DISCOUNT MOBILE AUTO DETAILING	-72.00
				-3,555,055.18

Jul 07

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CHINO BASIN WATERMASTER
Check Detail
July 2007

Type	Num	Date	Name	Account	Paid Amount
Bill Pmt -Check	11551	7/18/2007	BANK OF AMERICA	1012 · Bank of America Gen'l Ckg	
Bill		6/30/2007		6909.1 · OBMP Meetings	-307.29
				6191 · Conferences	-1,373.27
				6212 · Meeting Expense	-101.79
				6312 · Meeting Expenses	-101.79
				6031.7 · Other Office Supplies	-53.17
TOTAL					-1,937.31

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CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2006 THROUGH JUNE 30, 2007

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION AND SPECIAL PROJECTS APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER OPERATIONS GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2006-2007
Administrative Revenues										
Administrative Assessments			7,800,290		123,212				7,923,502	\$7,308,205
Interest Revenue			232,105	15,893	8,225			88	256,311	136,500
Mutual Agency Project Revenue		142,149							142,149	138,000
Grant Income		-							-	0
Miscellaneous Income									-	0
Total Revenues	-	142,149	8,032,395	15,893	131,437	-	-	88	8,321,962	7,582,705
Administrative & Project Expenditures										
Watermaster Administration	775,821								775,821	601,598
Watermaster Board-Advisory Committee	51,554								51,554	52,123
Pool Administration			21,947	90,413	6,053				118,413	118,245
Optimum Basin Mgmt Administration		2,373,383							2,373,383	1,855,795
OBMP Project Costs		5,234,522							5,234,522	5,089,269
Education Funds Use								375	375	375
Mutual Agency Project Costs	10,000								10,000	5,000
Total Administrative/OBMP Expenses	837,375	7,607,905	21,947	90,413	6,053	-	-	375	8,564,068	7,722,405
Net Administrative/OBMP Income	(837,375)	(7,465,756)								
Allocate Net Admin Income To Pools	837,375		645,608	176,053	15,714				-	0
Allocate Net OBMP Income To Pools		7,465,756	5,756,023	1,569,631	140,102				-	0
Agricultural Expense Transfer			1,825,248	(1,825,248)					-	0
Total Expenses	8,248,825	8,248,825	8,248,825	10,850	161,869	-	-	375	8,564,068	7,722,405
Net Administrative Income			(216,430)	5,043	(30,432)			(287)	(242,106)	(139,700)
Other Income/(Expense)										
Replenishment Water Purchases						2,690,983			2,690,983	0
MZ1 Supplemental Water Assessments									-	0
Water Purchases									-	0
MZ1 Imported Water Purchase									-	0
Groundwater Replenishment						(3,536,201)			(3,536,201)	0
Net Other Income						(845,218)			(845,218)	0
Net Transfers To/(From) Reserves			(216,430)	5,043	(30,432)	(845,218)		(287)	(1,087,324)	(139,700)
Working Capital, July 1, 2006			4,439,157	470,561	186,984	1,139,615	158,251	1,942	6,396,510	
Working Capital, End Of Period			4,222,727	475,604	156,552	294,397	158,251	1,655	5,309,186	
05/06 Assessable Production			124,315,140	33,899,960	3,025,832				161,240,932	
05/06 Production Percentages			77.099%	21.024%	1.877%				100.000%	

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**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
JUNE 1 THROUGH JUNE 30, 2007**

DEPOSITORIES:

Cash on Hand - Petty Cash		\$	500
Bank of America			
Governmental Checking-Demand Deposits	\$	509,011	
Zero Balance Account - Payroll		-	509,011
Local Agency Investment Fund - Sacramento			4,325,449
TOTAL CASH IN BANKS AND ON HAND	6/30/2007		\$ 4,834,960
TOTAL CASH IN BANKS AND ON HAND	5/31/2007		5,378,841
PERIOD INCREASE (DECREASE)			\$ (543,881)

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable		\$	(217,041)
Assessments Receivable			37,929
Prepaid Expenses, Deposits & Other Current Assets			(2,026,022)
(Decrease)/Increase in Liabilities: Accounts Payable			1,796,231
Accrued Payroll, Payroll Taxes & Other Current Liabilities			36,091
Transfer to/(from) Reserves			(171,069)
PERIOD INCREASE (DECREASE)			\$ (543,881)

SUMMARY OF FINANCIAL TRANSACTIONS:

	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Balances as of 5/31/2007	\$ 500	\$ 252,892	\$ -	\$ 5,125,449	\$ 5,378,841
Deposits	-	414,078	-	-	414,078
Transfers	-	741,994	58,006	(800,000)	-
Withdrawals/Checks	-	(899,953)	(58,006)	-	(957,959)
Balances as of 6/30/2007	\$ 500	\$ 509,011	\$ -	\$ 4,325,449	\$ 4,834,960
PERIOD INCREASE OR (DECREASE)	\$ -	\$ 256,119	\$ -	\$ (800,000)	\$ (543,881)

CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
JUNE 1 THROUGH JUNE 30, 2007

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
6/19/2007	Withdrawal	L.A.I.F.	\$ 800,000				
TOTAL INVESTMENT TRANSACTIONS			\$ 800,000	-			

* The earnings rate for L.A.I.F. is a daily variable rate; 5.23% was the effective yield rate at the Quarter ended June 30, 2007

INVESTMENT STATUS
June 30, 2007

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 4,325,449			
TOTAL INVESTMENTS	\$ 4,325,449			

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

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

Respectfully submitted,



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

CHINO BASIN WATERMASTER
Profit & Loss Budget vs. Actual
July 2006 through June 2007

	<u>Jul '06 - Jun 07</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 · Local Agency Subsidies	142,150	138,000	4,150	103.01%
4110 · Admin Asmnts-Approp Pool	7,800,290	7,227,619	572,671	107.92%
4120 · Admin Asmnts-Non-Agri Pool	123,212	80,586	42,626	152.9%
4700 · Non Operating Revenues	256,310	136,500	119,810	187.77%
Total Income	<u>8,321,962</u>	<u>7,582,705</u>	<u>739,257</u>	<u>109.75%</u>
Gross Profit	8,321,962	7,582,705	739,257	109.75%
Expense				
6010 · Salary Costs	584,436	447,037	137,399	130.74%
6020 · Office Building Expense	102,192	102,000	192	100.19%
6030 · Office Supplies & Equip.	38,737	45,000	-6,263	86.08%
6040 · Postage & Printing Costs	96,898	78,500	18,398	123.44%
6050 · Information Services	129,556	112,500	17,056	115.16%
6060 · Contract Services	126,521	131,000	-4,479	96.58%
6080 · Insurance	15,338	25,210	-9,872	60.84%
6110 · Dues and Subscriptions	21,362	16,750	4,612	127.53%
6140 · WM Admin Expenses	2,945	6,500	-3,555	45.32%
6150 · Field Supplies	1,215	4,000	-2,785	30.37%
6170 · Travel & Transportation	24,312	19,350	4,962	125.65%
6190 · Conferences & Seminars	26,448	22,500	3,948	117.55%
6200 · Advisory Comm - WM Board	15,451	15,168	283	101.87%
6300 · Watermaster Board Expenses	36,103	36,955	-852	97.7%
8300 · Appr PI-WM & Pool Admin	21,947	15,918	6,029	137.88%
8400 · Agri Pool-WM & Pool Admin	21,170	18,633	2,537	113.62%
8467 · Ag Legal & Technical Services	58,393	65,000	-6,607	89.84%
8470 · Ag Meeting Attend -Special	10,850	12,000	-1,150	90.42%
8500 · Non-Ag PI-WM & Pool Admin	6,053	6,694	-641	90.43%
6500 · Education Funds Use Expens	375	375	0	100.0%
9400 · Depreciation Expense	29,118	0	29,118	100.0%
9500 · Allocated G&A Expenditures	<u>-423,257</u>	<u>-408,749</u>	<u>-14,508</u>	<u>103.55%</u>
Subtotal G&A Expenditures	946,164	772,341	173,823	122.51%
6900 · Optimum Basin Mgmt Plan	2,212,979	1,713,780	499,199	129.13%
6950 · Mutual Agency Projects	10,000	5,000	5,000	200.0%
9501 · G&A Expenses Allocated-OBMP	<u>160,405</u>	<u>142,015</u>	<u>18,390</u>	<u>112.95%</u>
Subtotal OBMP Expenditures	2,383,383	1,860,795	522,588	128.08%
7101 · Production Monitoring	88,082	61,565	26,517	143.07%
7102 · In-line Meter Installation	30,561	64,904	-34,343	47.09%
7103 · Grdwtr Quality Monitoring	173,674	149,713	23,961	116.01%
7104 · Gdwtr Level Monitoring	218,912	191,953	26,959	114.04%
7105 · Sur Wtr Qual Monitoring	44,515	32,247	12,268	138.04%
7107 · Ground Level Monitoring	136,769	160,984	-24,215	84.96%
7108 · Hydraulic Control Monitoring	350,397	268,258	82,139	130.62%
7109 · Recharge & Well Monitoring Prog	169,645	146,350	23,295	115.92%
7200 · PE2- Comp Recharge Pgm	1,486,755	1,472,997	13,758	100.93%
7300 · PE3&5-Water Supply/Desalte	11,513	4,676	6,837	246.22%

CHINO BASIN WATERMASTER
Profit & Loss Budget vs. Actual
July 2006 through June 2007

	<u>Jul '06 - Jun 07</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7400 · PE4- Mgmt Plan	583,651	578,762	4,889	100.85%
7500 · PE6&7-CoopEfforts/SaltMgmt	298,846	310,507	-11,661	96.24%
7600 · PE8&9-StorageMgmt/Conj Use	19,936	6,698	13,238	297.64%
7690 · Recharge Improvement Debt Pymt	1,358,415	1,358,000	415	100.03%
7700 · Inactive Well Protection Prgm	0	14,921	-14,921	0.0%
9502 · G&A Expenses Allocated-Projects	262,852	266,734	-3,882	98.55%
Subtotal Implementation Project Expenses	<u>5,234,521</u>	<u>5,089,269</u>	<u>145,252</u>	<u>102.85%</u>
Total Expense	<u>8,564,068</u>	<u>7,722,405</u>	<u>841,663</u>	<u>110.9%</u>
Net Ordinary Income	-242,106	-139,700	-102,406	173.3%
Other Income/Expense				
Other Income				
4210 · Approp Pool-Replenishment	2,683,974	0	2,683,974	100.0%
4220 · Non-Ag Pool-Replenishment	7,009	0	7,009	100.0%
Total Other Income	<u>2,690,983</u>	<u>0</u>	<u>2,690,983</u>	<u>100.0%</u>
Other Expense				
5010 · Groundwater Replenishment	3,536,201	0	3,536,201	100.0%
9999 · To/(From) Reserves	-1,087,324	-139,700	-947,624	778.33%
Total Other Expense	<u>2,448,877</u>	<u>-139,700</u>	<u>2,588,577</u>	<u>-1,752.95%</u>
Net Other Income	<u>242,106</u>	<u>139,700</u>	<u>102,406</u>	<u>173.3%</u>
Net Income	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The lease of 3,500 acre feet, to be taken first from the FY 2006/2007 allocation from the City of Pomona’s net underproduction, if any, with any remainder from Pomona’s local storage account in the Chino Basin, to be transferred to the Cucamonga Valley Water District storage account.

2. **Consider Approval for Notice of Sale or Transfer** – The City of Pomona has agreed to purchase from the City of Upland a portion of Upland’s water in storage in the amount of 893 acre feet for fiscal year 2006/2007.

3. **Consider Approval for Notice of Sale or Transfer** – The 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 2006/2007



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

June 20, 2007

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **June 7, 2007**

Date of this notice: **June 20, 2007**

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

- A. Notice of Sale or Transfer – The lease of 3,500 acre feet, to be taken first from the FY 2006/2007 allocation from the City of Pomona’s net underproduction, if any, with any remainder from Pomona’s local storage account in the Chino Basin, to be transferred to the Cucamonga Valley Water District storage account.

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

Appropriative Pool:	July 12, 2007
Non-Agricultural Pool:	July 12 2007
Agricultural Pool:	July 17, 2007

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: June 20, 2007

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

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CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: June 20, 2007
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 lease of 3,500 acre feet, to be taken first from the FY 2006/2007 allocation from the City of Pomona's net underproduction, if any, with any remainder from Pomona's local storage account in the Chino Basin, to be transferred to the Cucamonga Valley Water District storage account.

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 lease of 3,500 acre feet, to be taken first from the FY 2006/2007 allocation from the City of Pomona's net underproduction, if any, with any remainder from Pomona's local storage account in the Chino Basin, to be transferred to the Cucamonga Valley Water District storage account.

Notice of the water transaction identified above was mailed on June 20, 2007 along with the materials submitted by the requestors.

DISCUSSION

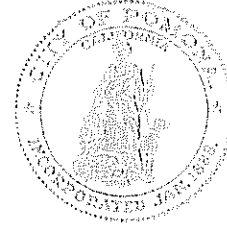
Water transactions occur each year and are included as production by the respective entity (if produced) in any relevant analyses conducted by Wildermuth Environmental pursuant to the Peace Agreement and the Rules & Regulations. There is no indication additional analysis regarding this transaction is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

THE CITY OF
POMONA

Utility Services Department

HENRY PEPPER
Utility Services Director

VIA TELEFAX (909) 484-3890 AND US MAIL



June 7, 2007

Mr. Kenneth Manning
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

RE: Lease of Water in the Chino Basin, FY 2006/2007

Dear Mr. Manning:

This letter is to notify Watermaster of the lease of 3,500 acre feet, to be taken first from the FY 2006/2007 allocation from the City's net underproduction, if any, with any remainder from Pomona's local storage account in the Chino Basin, to be transferred to the Cucamonga Valley Water District storage account. Since the appropriate forms have been delivered to your office, please agendize the proposed purchase at the earliest possible opportunity.

If you have any questions or require additional information concerning this matter, please contact me at (909) 620-2283. Thank you.

Sincerely,

Henry Pepper
Utility Services Director

HP:gc

cc: Robert DeLoach, General Manager, Cucamonga Valley Water District
Meg McWade, Utility Business Services Manager
Jim Taylor, Water/Wastewater Operations Manager

I:\usadmin\Henry\KM Lease of Water in CB FY 06-07

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

City of Pomona

May 14, 2007

Date Requested

_____ Date Approved

505 S. Garvey Avenue

3500 Acre-feet

Street Address Amount Requested

_____ Acre-feet

Amount Approved

Pomona

CA

91766

City

State

Zip Code

Telephone: (909) 620-2283

Facsimile: (909) 620-2030

Henry Pepper, Utility Services Director
Applicant

TRANSFER TO:

Cucamonga Valley Water District

Attach Recapture Form 4

Name of Party

10440 Ashford Street

Street Address

Rancho Cucamonga

CA

91730

City

State

Zip Code

Telephone: (909) 987-2591

Facsimile: (909) 476-8032

Have any other transfers been approved by Watermaster between these parties covering the same fiscal year?

Yes []

No [X]

WATER QUALITY AND WATER LEVELS

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

Static water levels vary from 432' to 569'. Of the wells routinely pumped, nitrate levels vary from a low of 3.8 ppm to a high of 29 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?

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]


Henry Pepper, Utility Services Director
Applicant City of Pomona

6/7/07

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION OR AMENDMENT TO APPLICATION
TO
RECAPTURE WATER IN STORAGE

APPLICANT

Cucamonga Valley Water District
Name of Party

May 14, 2007
Date Requested

Date Approved

10440 Ashford Street
Street Address

3500 Acre-feet
Amount Requested

Acre-feet
Amount Approved

Rancho Cucamonga CA 91730
City State Zip Code

Varies
Projected Rate of
Recapture

July 1, 2006 – June 30, 2007
Projected Duration of
Recapture

Telephone: (909) 987-2591

Facsimile: (909) 476-8032

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

IDENTITY OF PERSON THAT STORED THE WATER: City of Pomona

PURPOSE OF RECAPTURE

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

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

N/A

PLACE OF USE OF WATER TO BE RECAPTURED

Within Cucamonga Valley Water District's service area (see attached map) Management Zone 2

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

N/A

WATER QUALITY AND WATER LEVELS

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

Static water levels vary from 432' to 569. Of the wells routinely pumped, nitrate levels vary from a
Low of 3.8 ppm to a high of 26 ppm.

MATERIAL PHYSICAL INJURY

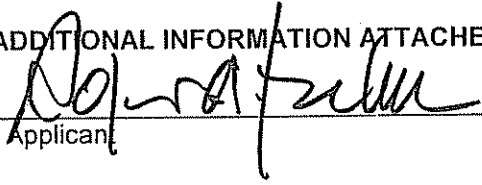
Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application? Yes [] No [X]

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?

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]


Applicant

TO BE COMPLETED BY WATERMASTER

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION
TO
TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2006 - 2007

Commencing on July 1, 2006 and terminating on June 30, 2007, City of Pomona ("Transferor") hereby transfers to Cucamonga Valley Water District ("Transferee") the quantity of 3500 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?

Static water levels vary from 432' to 569'. Of the wells routinely pumped, nitrate levels vary from a low of 3.8 ppm to a high of 29 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?

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

[Signature] 6/7/07
Transferor

[Signature]
Transferee

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

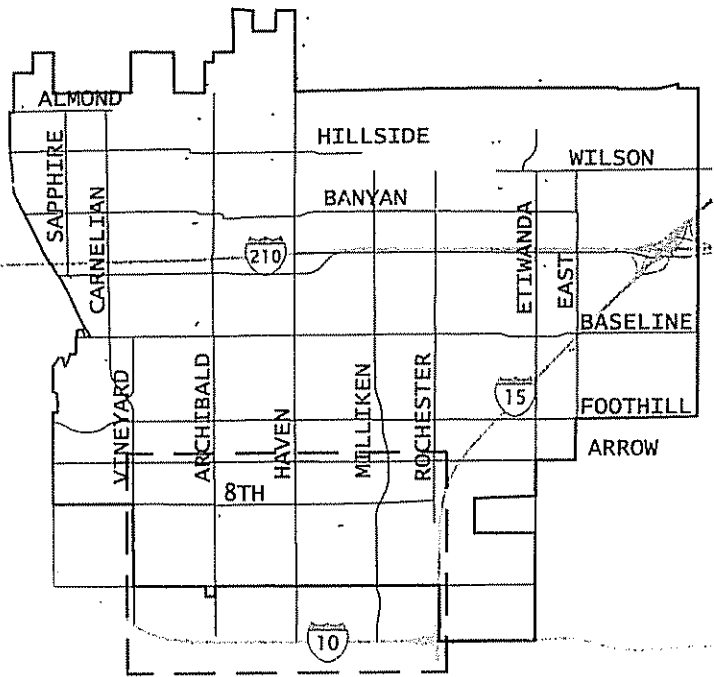
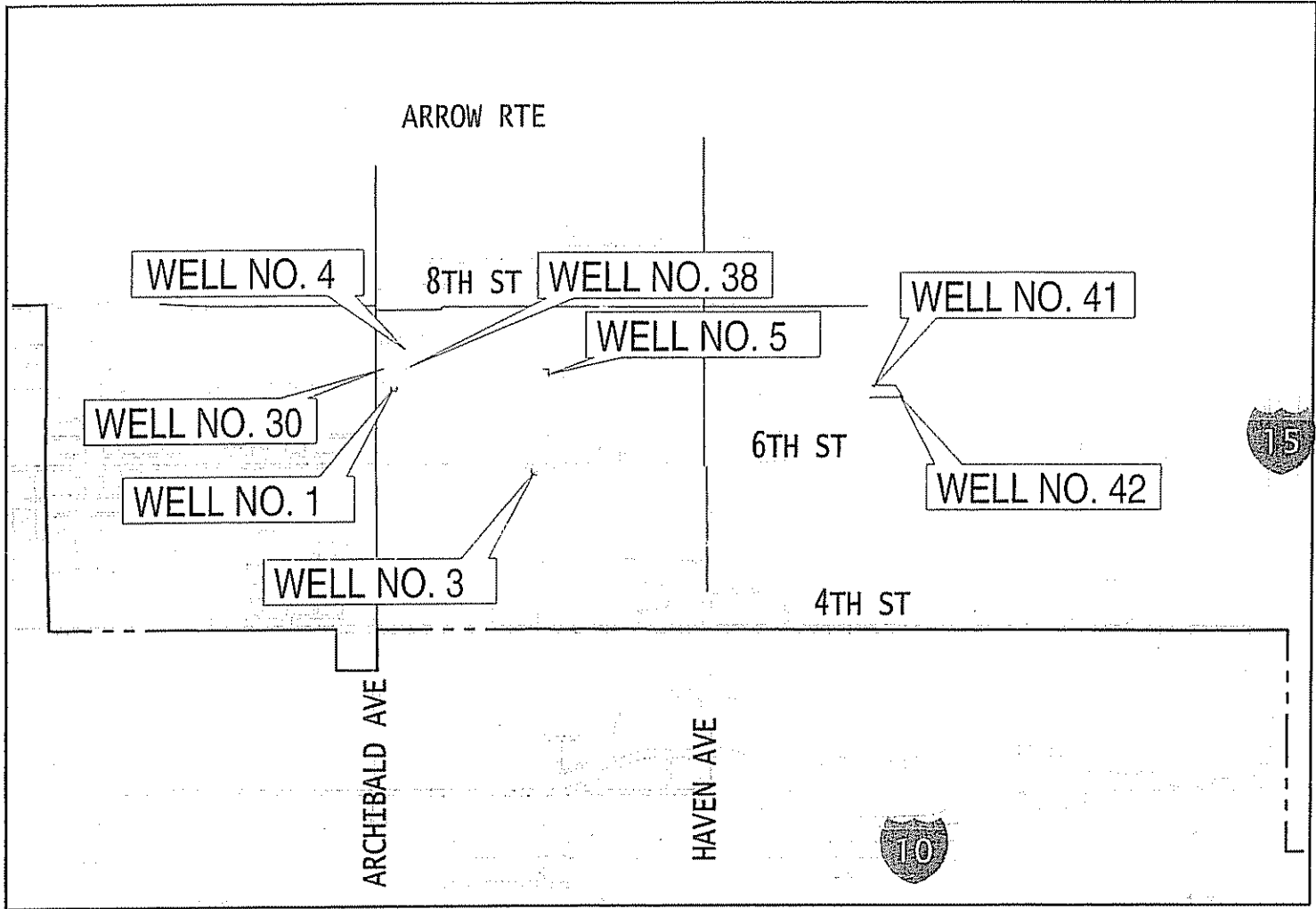
DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

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DATE OF BOARD APPROVAL: _____ Agreement # _____



Cucamonga Valley
Water District

CHINO BASIN WELLS

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

June 20, 2007

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **June 7, 2007**

Date of this notice: **June 20, 2007**

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

- A. Notice of Sale or Transfer – The City of Pomona (Pomona) has agreed to purchase from the City of Upland (Upland) a portion of Upland’s water in storage in the amount of 893 acre-feet for fiscal year 2006/2007.

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

Appropriative Pool:	July 12, 2007
Non-Agricultural Pool:	July 12 2007
Agricultural Pool:	July 17, 2007

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: June 20, 2007

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

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CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: June 20, 2007
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 City of Pomona (Pomona) has agreed to purchase from the City of Upland (Upland) a portion of Upland's water in storage in the amount of 893 acre feet for Fiscal Year 2006/2007.

Recommendation –

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

Fiscal Impact –

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

Background

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

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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.

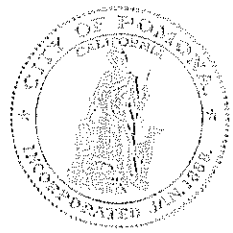
1201 06 2007

THE CITY OF POMONA

Utility Services Department

HENRY PEPPER
Utility Services Director

Via Fax 909-484-3890 and US Mail



June 7, 2007

Mr. Kenneth Manning
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

Subject: Purchase of Water from Upland's Storage: Fiscal Year 2006/2007

Dear Mr. Manning:

The City of Pomona (Pomona) has agreed to purchase from the City of Upland (Upland) a portion of Upland's water in storage in the amount of 893 acre-feet for fiscal year 2006/2007. Water acquired through this transaction is to be placed in Pomona's Local Storage account with the Chino Basin Watermaster (Watermaster). This water is to be held in storage by Pomona for possible production, participation in a storage and recovery program, or for potential resale/exchange with other Basin producers. A Form 4 Recapture Plan will be submitted to the Watermaster if Pomona decides to produce this water from the Basin.

Enclosed is the executed Form 3 application for the sale or transfer of right to produce water from storage for consideration by the Watermaster. Please schedule the proposed purchase on the June 14, 2007 Joint Appropriative and Non-Agricultural Pool meeting agenda and the subsequent meetings thereafter.

Please feel free to contact either Jim Taylor, Water/Wastewater Operations Manager, at (909) 620-2251, or Raul Garibay, Supervising Utility Engineer, at (909) 620-2239, if you should require additional information regarding this issue.

Sincerely,

Henry Pepper
Utility Services Director

Enclosure

cc: Anthony La, City of Upland

I:\usadmin\Henry\KM Purchase water from Upland storage

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

City of Upland
Name of Party

3/22/2007
Date Requested Date Approved

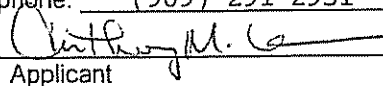
P.O. Box 460
Street Address

893 Acre-feet _____ Acre-feet
Amount Requested Amount Approved

Upland CA 91785
City State Zip Code

Telephone: (909) 291-2931

Facsimile: (909) 931-4274



Applicant

Anthony La, Public Works Director

TRANSFER TO:

City of Pomona
Name of Party
505 South Garey Avenue
Street Address

Attach Recapture Form 4

Pomona CA 91768
City State Zip Code

Telephone: (909) 620-2283

Facsimile: (909) 620-2030

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

WATER QUALITY AND WATER LEVELS

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

N/A

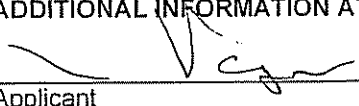
MATERIAL PHYSICAL INJURY

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

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 [XX]



Applicant

Henry Pepper, Utility Services Director

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

CHINO BASIN WATERMASTER

NOTICE
OF
APPLICATION(S)

Received for

WATER TRANSACTIONS – ACTIVITIES

DATE OF NOTICE:

July 6, 2007

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **June 28, 2007**

Date of this notice: **July 6, 2007**

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

- A. Notice of Sale or Transfer – Santa Ana River Water Company lease and assigned Jurupa Community Services District the quantity of 2,000 acre-feet of corresponding annual production right 2006-2007.

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

Appropriative Pool: July 12, 2007

Non-Agricultural Pool: July 12, 2007

Agricultural Pool: July 17, 2007

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: July 06, 2007

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

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CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: July 06, 2007
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 lease and assigned Jurupa Community Services District the quantity of 2,000 acre-feet of corresponding annual production right 2006-2007.

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 lease and assigned Jurupa Community Services District the quantity of 2,000 acre-feet of corresponding annual production right 2006-2007.

Notice of the water transaction identified above was mailed on July 06, 2007 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.

Kenneth J. McLaughlin, President
R.M. "Cook" Barela, Vice-President
Paul E. Hamrick, Director
James C. Huber, Director
Jack E. Smith, Director



June 28, 2007

Ms. Sherrie Rojo
Chino Basin Water Master
9461 San Bernardino Rd.
Rancho Cucamonga, CA 91730

RE: LEASE PURCHASE OF WATER RIGHTS BETWEEN JURUPA CSD AND
SANTA ANA RIVER WATER COMPANY FOR FISCAL 2006-2007

Dear Ms. Rojo:

Attached please find the application for transfer of the annual production rights (safe yield) between JCSD and Santa Ana River Water Company in the amount of 2,000 acre feet for the fiscal year 2006-2007 for approval by Watermaster.

If you have any question please contact me at the number below.

Sincerely,

A handwritten signature in cursive script that reads "Kenneth Waring".

Kenneth Waring
Finance Manager

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Form 3

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

06/12/2007

Santa Ana River Water Company
Name of Party

Date Requested

_____ Date Approved

10530 54th Street
Street Address

2000 Acre-feet
Amount Requested

_____ Acre-feet
Amount Approved

Mira Loma Ca 91752
City State Zip Code

Telephone: 951-685-6503

Facsimile: (951)685-1978 _____


Applicant

J Arnold Rodriguez General Manager

TRANSFER TO:
Jurupa Community Services District

Recapture Plan on file

_____ Name of Party
11201 Harrel Street
_____ Street Address

Mira Loma CA 91752
City State Zip Code

Telephone: 951-685-7434

Facsimile: _951-685-1153

Have any other transfers been approved by
Watermaster between these parties covering the same
fiscal year?

Yes [] No [x]

WATER QUALITY AND WATER LEVELS

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

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

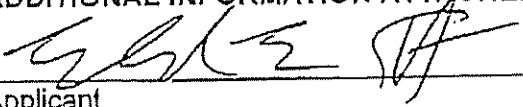
MATERIAL PHYSICAL INJURY

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]

Form 3 (cont.)

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 [X] On file


Applicant

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION
TO
TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2006 - 2007

Commencing on July 1, 2006 and terminating on June 30, 2007, 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) 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?

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

MATERIAL PHYSICAL INJURY

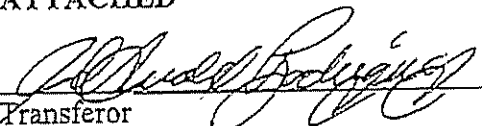
Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application?

Yes [] No [X]

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

ADDITIONAL INFORMATION
ATTACHED

Yes [x] No []



Transferor



Transferee

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

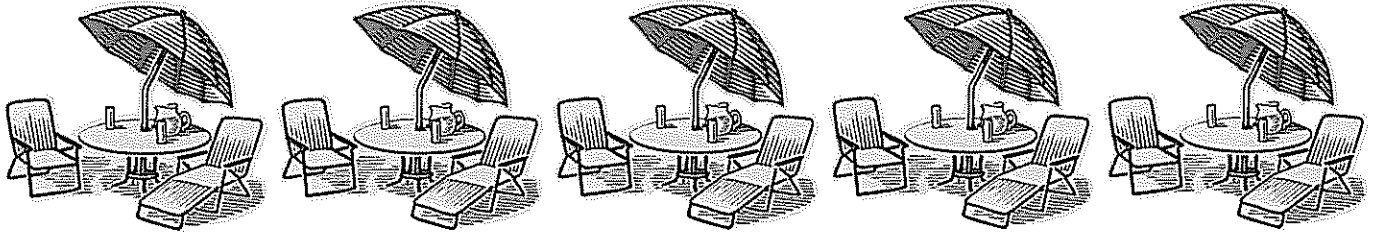
DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

D. INTERVENTION – RIBOLI FAMILY SAN ANTONIO WINERY





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: August 9, 2007
August 21, 2007
August 23, 2007

TO: Committee Members
Watermaster Board Members

SUBJECT: Intervention into Non-Agricultural Pool

SUMMARY

Recommendation – Staff recommends approval of the intervention of the Riboli Family/San Antonio Winery into the Non-Agricultural Pool.

BACKGROUND

According to Paragraph 60 of the Judgment:

"[Any] person newly proposing to produce water from the Chino Basin may become a party to this Judgment upon filing a petition in intervention. Said intervention must be confirmed by order of this Court. Such intervenor shall thereafter be a party bound by this judgment and entitled to the rights and privileges accorded under the Physical Solution herein, through the pool to which the Court shall assign such intervenor."

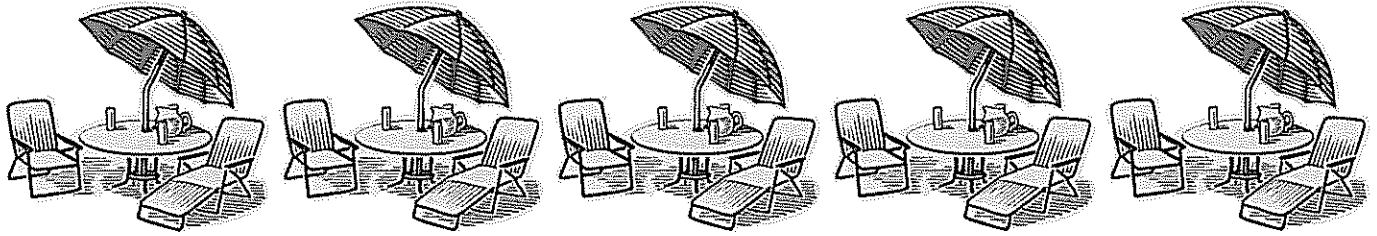
According to Watermaster's Rules and Regulations section 2.27:

"Watermaster will receive and make recommendations regarding petitions for intervention and accumulate them for filing with the Court from time to time (Judgment paragraph. 60 and Order re Intervention Procedures, July 14, 1978.)"

Watermaster has received a petition in intervention from the Riboli Family, owners of the San Antonio Winery. The San Antonio Winery produces water from one well within the City of Ontario, which is used for landscape irrigation and for other uses associated with the location's restaurant in an amount of approximately 2 acre-feet per year. It is staff's understanding that this production has been ongoing, but its existence has only recently come to Watermaster's attention.

Staff recommends approval of the intervention into the Non-Agricultural Pool with no share of the Safe Yield.

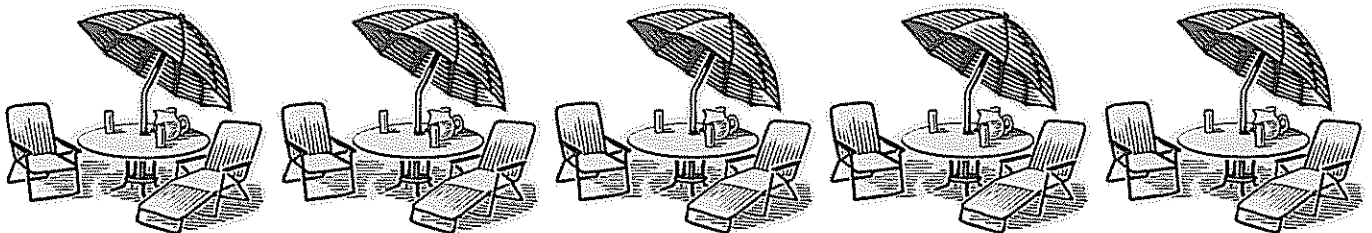
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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

E. INTERVENTION – FUJI NATURAL FOOD INC.





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: August 9, 2007
August 21, 2007
August 23, 2007

TO: Committee Members
Watermaster Board Members

SUBJECT: Intervention into Agricultural Pool

SUMMARY

Recommendation – Staff recommends approval of the intervention of Fuji Natural Foods into the Agricultural Pool.

BACKGROUND

According to Paragraph 60 of the Judgment:

"[Any] person newly proposing to produce water from the Chino Basin may become a party to this Judgment upon filing a petition in intervention. Said intervention must be confirmed by order of this Court. Such intervener shall thereafter be a party bound by this judgment and entitled to the rights and privileges accorded under the Physical Solution herein, through the pool to which the Court shall assign such intervener."

According to Watermaster's Rules and Regulations section 2.27:

"Watermaster will receive and make recommendations regarding petitions for intervention and accumulate them for filing with the Court from time to time (Judgment paragraph. 60 and Order re Intervention Procedures, July 14, 1978.)"

Watermaster has received a petition in intervention from Fuji Natural Foods which pumps water for use on its agricultural operation. It is staffs' understanding that this production has been ongoing, but its existence has only recently come to Watermaster's attention.

Staff recommends approval of the intervention into the Agricultural Pool.

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KM, SK, DM, JTI

Date: 7-13-07

Chino Basin Watermaster
9641 San Bernardino Rd.
Rancho Cucamonga, CA 91730
Attn: Kenneth R. Manning, CEO

Subject: Intervention into Chino Basin Watermaster as an Agricultural Pool Party

Dear Mr. Manning:

I, or the company I represent (see below), request intervention into the Chino Basin Watermaster Judgment as a member of the Agricultural Pool. I/we request that the Watermaster attorneys process the Intervention paperwork through the Court.

Number of wells: 4

Location(s) of wells (including addresses, parcel numbers, and landmarks): _____

BID (A) EAST WELL, WEST WELL
BID (B) NORTH WELL, SOUTH WELL

Property Owner (Well Owner) Information:

Name: Fuji NATURAL FOODS, INC
Address: 13500 MILLIKEN, AVE. ONTARIO CA 91761
Phone: 909-947-1008 Email: _____

Property Occupant (Well User) Information (if different from Owner):

Name: _____
Address: _____
Phone: _____ Email: _____

Representative Handling Intervention:

Name: SATO MASANORI Title: MANAGER
Address: 13500 MILLIKEN AVE ONTARIO CA 91761
Phone: 909-947-1008 Email: _____

Sincerely,

Signed: 

Printed: SATO MASANORI

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