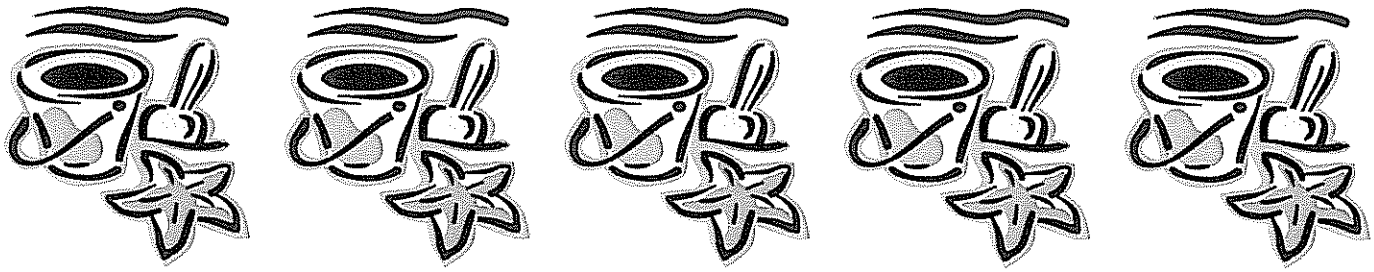


CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

B. 2007/2008 BUDGET

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: **June 14, 2007**
June 19, 2007
June 28, 2007

TO: **Committee Members**
Watermaster Board Members

SUBJECT: **Proposed Fiscal Year 2007/2008 Budget**

SUMMARY

Issue – Annual Budget for Watermaster Administration and OBMP tasks during FY 2007/08.

Recommendations – Staff recommends the Committees and the Board take action to approve/adopt the Proposed FY 2007/08 Budget

Fiscal Impact – The FY 2007/08 Proposed Budget expenses are $7,867,370. The FY 2007/08 Budget, as proposed, anticipates a slight increase in Administrative and OBMP costs, and an increase in OBMP project costs over the prior year "amended" budget

DISCUSSION

For the Administrative costs:

- The draft budget includes anticipated increases in staff salary costs based on the proposed COLA this year of 4%.
- The draft budget includes anticipated increases for Information Services which encompasses costs to maintain developed databases, develop additional databases and to maintain the Watermaster computer network & workstations.

For OBMP General costs:

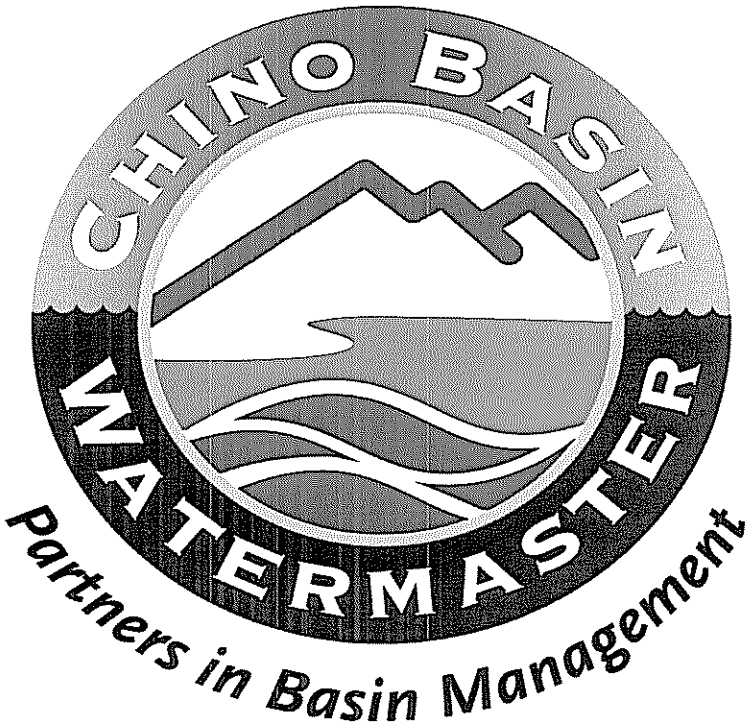
- Attorney-General Manager's meetings, Pool meetings, Advisory Committee and Board meetings.
- Miscellaneous data requests from Appropriators
- Recalibration/Update groundwater model

- Fund Microeconomic study.

Staff has compiled a draft budget for OBMP Project costs:

- Monitoring activities – Groundwater production, groundwater level and quality, surface water discharge and quality, and ground level
- Continued implementation of the recharge improvement project including recharge and well monitoring program – this budget includes $760,000 for Recharge O&M expenses and $1,377,552 for Recharge debt service.
- Support of the Water Quality Committee, including engineering support for mitigation of volatile organic chemicals (VOC) plumes associated with the Ontario International Airport and the Chino Airport. Watermaster is also performing a comprehensive groundwater monitoring program in MZ-3.
- Development of a recharge master plan
- Management of subsidence and related monitoring and analysis
- Continued implementation of the Hydraulic Control Monitoring Program

In summary, the FY 2007/08 Budget, as proposed, anticipates a slight increase in Administrative and OBMP costs and an increase in project costs. Final assessments will be refined when the assessment package is prepared this fall; assessments are dependent on prior year pumping which will affect the final assessment amounts.



CHINO BASIN WATERMASTER

2007 / 2008

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CHINO BASIN WATERMASTER
SUMMARY BUDGET 2007-2008

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	FY 05-06 June Actual	FY 06-07 December Actual	FY 06-07 "Amended" Budget	FY 07-08 Proposed Budget	Current vs. Proposed
Ordinary Income					
4000 Mutual Agency Revenue	$200,139	$0	$138,000	$145,500	$7,500
4110 Appropriative Pool Assessments	4,829,596	5,214,166	7,227,619	7,423,879	196,259
4120 Non-Agricultural Pool Assessments	66,160	0	80,586	116,492	35,906
4730 Prorated Interest Income	334,285	108,305	136,500	181,500	45,000
4900 Miscellaneous Income	42,500	0	0	0	0
Total Income	**5,472,680**	**5,322,471**	**7,582,705**	**7,867,370**	**284,665**
Administrative Expenses					
6010 Salary Costs	491,105	355,627	447,037	477,247	30,210
6020 Office Building Expense	93,227	51,946	102,000	101,580	-420
6030 Office Supplies & Equip.	40,039	22,746	51,500	51,150	-350
6040 Postage & Printing Costs	79,874	46,661	78,500	83,000	4,500
6050 Information Services	89,452	68,809	112,500	132,000	19,500
6060 WM Special Contract Services	48,567	63,175	131,000	117,500	-13,500
6080 Insurance Expense	25,133	15,108	25,210	18,210	-7,000
6110 Dues and Subscriptions	15,677	13,420	16,750	16,750	0
6150 Field Supplies & Equipment	1,003	867	4,000	2,500	-1,500
6170 Vehicle Maintenance Costs	20,299	13,477	19,350	25,000	5,650
6190 Conferences & Seminars	17,245	19,375	22,500	22,500	0
6200 Advisory Committee Expenses	13,964	7,605	15,168	18,931	3,763
6300 Watermaster Board Expenses	42,743	17,164	36,955	41,714	4,759
6500 Education Fund Expenditures	375	375	375	375	0
8300 Appropriative Pool Administration	20,015	10,588	15,918	24,001	8,083
8400 Agricultural Pool Administration	130,684	40,734	95,633	96,004	371
8500 Non-Agricultural Pool Administration	4,100	3,391	6,694	7,328	634
9400 Depreciation Expense	31,714	0	0	0	0
9500 Allocated G&A Expenditures	-380,801	-195,527	-408,749	-419,640	-10,891
Total Administrative Expenses	**784,415**	**555,540**	**772,341**	**816,150**	**43,809**
General OBMP Expenditures					
6900 Optimum Basin Mgmt Program	1,329,336	931,973	1,713,780	1,716,138	2,358
6950 Cooperative Efforts	31,928	10,000	5,000	10,000	5,000
9501 Allocated G&A Expenditures	131,649	68,630	142,015	141,199	-816
Total General OBMP Expenditures	**1,492,913**	**1,010,603**	**1,860,795**	**1,867,337**	**6,542**

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CHINO BASIN WATERMASTER
SUMMARY BUDGET 2007-2008

	FY 05-06 June Actual	FY 06-07 December Actual	FY 06-07 "Amended" Budget	FY 07-08 Proposed Budget	Current vs. Proposed
7000 OBMP Implementation Projects					
7101 Production Monitoring	74,315	47,189	61,565	116,709	55,144
7102 In-Line Meter Installation/Maintenance	58,116	7,775	64,904	37,791	-27,113
7103 Groundwater Quality Monitoring	81,001	73,296	149,713	162,103	12,390
7104 Groundwater Level Monitoring	132,789	80,830	191,953	212,667	20,714
7105 Recharge Basin Water Quality Monitoring	32,181	1,678	32,247	40,553	8,306
7107 Ground Level Monitoring	542,595	80,413	160,984	425,466	264,482
7108 Hydraulic Control Monitoring Program	289,180	99,364	268,258	369,232	100,974
7109 Recharge & Well Monitoring Program	118,328	22,272	146,350	182,827	36,477
7200 OBMP Pgm Element 2 - Comp Recharge	786,392	717,791	1,472,997	1,255,827	-217,170
7300 OBMP Pgm Element 3 & 5 - Water Supply Plan - Desalter	580	325	4,676	159,509	154,833
7400 OBMP Pgm Element 4 - Mgmt Zone Strategies	263,037	88,029	578,762	159,674	-419,088
7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Salt Mgmt	112,150	131,656	310,507	308,533	-1,974
7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use	7,547	10,928	6,698	92,660	85,962
7700 Inactive Well Protection Program	1,304	0	14,921	4,339	-10,582
7690 Recharge Improvement Debt Payment	399,761	608,415	1,358,000	1,377,552	19,552
9502 Allocated G&A Expenditures	249,152	126,896	266,734	278,441	11,707
Total OBMP Implementation Projects	**3,148,429**	**2,096,856**	**5,089,269**	**5,183,883**	**94,614**
Total Expenses	**5,425,756**	**3,663,000**	**7,722,405**	**7,867,370**	**144,965**
Net Ordinary Income	**46,924**	**1,659,472**	**-139,700**	**0**	**139,700**
Other Income					
4210 Approp Pool-Replenishment	6,548,139	369,248	0	0	0
4220 Non-Ag Pool-Replenishment	0	0	0	0	0
4230 Groundwater Recharge Activity	0	0	0	0	0
Total Other Income	**6,548,139**	**369,248**	**0**	**0**	**0**
Other Expense					
5010 Groundwater Recharge	8,989,022	1,535,520	0	0	0
Total Other Expense	**8,989,022**	**1,535,520**	**0**	**0**	**0**
Net Other Income	**-2,440,884**	**-1,166,272**	**0**	**0**	**0**
9800 From / (To) Reserves	**2,393,960**	**-493,199**	**139,700**	**0**	**-139,700**
Net Income	**$0**	**$0**	**$0**	**$0**	**$0**

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CHINO BASIN WATERMASTER
FY 2007/2008
DETAIL BUDGET

	FY 05-06 June Actual	FY 06-07 December Actual	FY 06-07 "Amended" Budget	FY 07-08 Proposed Budget	Current vs. Proposed
Ordinary Income					
Income					
4000 Cooperative Effort Contributions					
4010 Local Agency Subsidies - Other	$0	$0	$138,000	$145,500	$7,500
4013 Local Agency Contr - OBMP	19,551	0	0	0	0
4040 Cooperative Agreement	180,587	0	0	0	0
Total 4000 Mutual Agency Revenue	200,139	0	138,000	145,500	7,500
4110 Appropriative Pool Assessments					
4111 Administrative Assessment	756,678	5,214,166	797,672	629,243	-168,429
4111.2 OBMP Assessment	2,814,398	0	3,628,811	4,121,218	492,407
4112 Ag Pool Reallocation - Administrative	201,097	0	215,009	171,591	-43,418
4113 Ag Pool Reallocation - OBMP	758,572	0	978,127	1,124,274	146,147
4115 Recharge Improvement Revenue	300,000	0	1,608,000	1,377,552	-230,448
4117 P/Y Adjustments & Pool Interest	-1,148	0	0	0	0
Total 4110 Appropriative Pool Assessments	4,829,596	5,214,166	7,227,619	7,423,879	196,259
4120 Non-Agricultural Pool Assessments					
4123 Administrative Assessment	25,559	0	14,522	15,316	794
4124 OBMP Assessment	39,453	0	66,064	101,176	35,112
4127 P/Y Adjustments	1,148	0	0	0	0
Total 4120 Non-Agricultural Pool Assessments	66,160	0	80,586	116,492	35,906
4730 Prorated Interest Income					
4731 Interest - Agricultural Pool	16,957	10,797	12,000	18,500	6,500
4732 Interest - Appropriative Pool	307,788	93,756	120,000	158,000	38,000
4733 Interest - Non-Agricultural Pool	9,462	3,705	4,500	5,000	500
4739 Interest - Education Fund	79	47	0	0	0
Total 4730 Prorated Interest Income	334,285	108,305	136,500	181,500	45,000
4900 Miscellaneous Income	42,500	0	0	0	0
Total Income	**5,472,680**	**5,322,471**	**7,582,705**	**7,867,370**	**284,665**

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CHINO BASIN WATERMASTER
FY 2007/2008
DETAIL BUDGET

	FY 05-06 June Actual	FY 06-07 December Actual	FY 06-07 "Amended" Budget	FY 07-08 Proposed Budget	Current vs. Proposed
Administrative Expenses					
6010 Salary Costs					
6011 WM Staff Salaries & Payroll Burden	514,258	350,456	444,640	474,644	30,004
6012 Payroll Services	2,516	1,323	2,400	2,600	200
6013 Human Resources Services	0	10,096	0	0	0
6016 New Employee Search Costs	5,000	0	0	0	0
6017 Temporary Services	0	0	0	0	0
Subtotal Wages	521,775	361,875	447,040	477,244	30,204
6018 Fringe Benefits	-30,670	-6,248	452,102	497,044	44,942
60199 Payroll Burden Allocated	0	0	-452,105	-497,041	-44,936
Total 6010 Salary Costs	491,105	355,627	447,037	477,247	30,210
6020 Office Building Expense					
6021 Office Lease	57,560	26,172	61,000	64,080	3,080
6022 Telephone	11,840	5,773	14,000	10,000	-4,000
6024 Building Repairs & Janitorial	16,172	20,001	16,000	27,500	11,500
6026 Security Services	0	0	1,000	0	-1,000
6027 Other Expense	7,655	0	10,000	0	-10,000
Total 6020 Office Building Expense	93,227	51,946	102,000	101,580	-420
6030 Office Supplies & Equip.					
6031 Office Supplies	20,715	17,509	21,500	46,500	25,000
6038 Other Office Equipment	4,781	273	12,000	0	-12,000
6039 Office Expenses	11,575	2,925	11,500	0	-11,500
6141 Meeting Expenses	2,968	2,040	6,500	4,650	-1,850
Total 6030 Office Supplies & Equip.	40,039	22,746	51,500	51,150	-350
6040 Postage & Printing Costs					
6042 Postage	12,513	8,623	9,500	15,000	5,500
6043 Copy Machine Lease & Maintenance	65,190	35,901	60,000	60,000	0
6044 Postage Meter Lease	1,923	977	2,000	2,000	0
6045 Outside Printing	248	1,160	7,000	6,000	-1,000
Total 6040 Postage & Printing Costs	79,874	46,661	78,500	83,000	4,500

CHINO BASIN WATERMASTER
FY 2007/2008
DETAIL BUDGET

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	FY 05-06 June Actual	FY 06-07 December Actual	FY 06-07 "Amended" Budget	FY 07-08 Proposed Budget	Current vs. Proposed
6050 Information Services					
6052 Consultants	55,125	37,754	56,500	72,500	16,000
6053 Internet Services	19,787	10,762	20,000	21,000	1,000
6054 Computer Software	-6,844	1,612	11,000	11,000	0
6055 Computer Hardware	19,048	18,436	25,000	27,500	2,500
Total 6050 Information Services	89,452	68,809	112,500	132,000	19,500
6060 WM Special Contract Services					
6061 Contract Services	46,365	34,032	60,000	51,500	-8,500
6062 Audit Services	0	0	6,000	6,000	0
6063 Public Relations Consultant	0	10,421	45,000	40,000	-5,000
6067 General Counsel	2,202	18,722	20,000	20,000	0
Total 6060 WM Special Contract Services	48,567	63,175	131,000	117,500	-13,500
6080 Insurance Expense					
6085 Business Insurance Package	25,133	15,108	25,000	18,000	-7,000
6086 Position Bond Insurance	0	0	210	210	0
Total 6080 Insurance Expense	25,133	15,108	25,210	18,210	-7,000
6110 Dues and Subscriptions					
6111 Membership Dues	14,891	13,145	16,000	16,000	0
6112 Subscriptions	786	275	750	750	0
Total 6110 Dues and Subscriptions	15,677	13,420	16,750	16,750	0
6150 Field Supplies & Equipment					
6151 Small Tools & Equipment	95	410	2,000	1,500	-500
6154 Uniforms	909	456	2,000	1,000	-1,000
Total 6150 Field Supplies & Equipment	1,003	867	4,000	2,500	-1,500
6170 Vehicle Maintenance Costs					
6170 Travel & Transportation	0	3,951	0	4,000	4,000
6171 Vehicle Allowance	6,025	3,900	6,000	8,400	2,400
6173 Mileage Reimbursements	1,140	719	1,350	1,400	50
6175 Vehicle Fuel	2,873	1,079	3,500	3,200	-300
6177 Vehicle Repairs & Maintenance	10,262	3,827	8,500	8,000	-500
Total 6170 Travel & Transportation	20,299	13,477	19,350	25,000	5,650

CHINO BASIN WATERMASTER
FY 2007/2008
DETAIL BUDGET

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	FY 05-06 June Actual	FY 06-07 December Actual	FY 06-07 "Amended" Budget	FY 07-08 Proposed Budget	Current vs. Proposed
6190 Conferences & Seminars					
6191 Conferences & Seminars	16,638	18,090	20,000	20,000	0
6192 Training & Continuing Education	608	1,285	2,500	2,500	0
Total 6190 Conferences & Seminars	17,245	19,375	22,500	22,500	0
6200 Advisory Committee Expenses					
6201 WM Staff Salaries	13,370	6,500	14,368	16,431	2,063
6212 Meeting Expense	594	1,105	800	2,500	1,700
Total 6200 Advisory Committee Expenses	13,964	7,605	15,168	18,931	3,763
6300 Watermaster Board Expenses					
6301 WM Staff Salaries	16,649	7,354	15,655	19,914	4,259
6311 Board Member Compensation	20,125	8,250	18,500	18,500	0
6312 Meeting Expense	5,711	1,560	2,500	3,000	500
6313 Board Members' Expenses	258	0	300	300	0
Total 6300 WM Board Expenses	42,743	17,164	36,955	41,714	4,759
6500 Education Fund Expenditures	375	375	375	375	0
8300 Appropriative Pool Administration					
8301 WM Staff Salaries	19,815	10,479	15,168	23,251	8,083
8312 Meeting Expenses	200	109	750	750	0
Total 8300 Appropriative Pool Administration	20,015	10,588	15,918	24,001	8,083
8400 Agricultural Pool Administration					
8401 WM Staff	17,029	8,663	15,333	20,604	5,271
8411 Compensation	1,950	825	1,500	1,600	100
8412 Meeting Expenses	49	0	300	300	0
8456 IEUA RTS Meter Charge	1,904	637	1,500	1,500	0
8467 Ag-Pool Legal Service	92,796	21,976	60,000	55,000	-5,000
8467.1 Frank B & Associates	5,905	3,083	5,000	5,000	0
8470 Ag Pool Meeting Special Compensation	11,050	5,550	12,000	12,000	0
Total 8400 Agricultural Pool Admin	130,684	40,734	95,633	96,004	371

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CHINO BASIN WATERMASTER
FY 2007/2008
DETAIL BUDGET

	FY 05-06 June Actual	FY 06-07 December Actual	FY 06-07 "Amended" Budget	FY 07-08 Proposed Budget	Current vs. Proposed
8500 Non-Agricultural Pool Administration					
8501 WM Staff	3,924	3,282	6,494	7,128	634
8512 Meeting Expense	175	109	200	200	0
Total 8500 Non-Agricultural Pool Admin	4,100	3,391	6,694	7,328	634
9400 Depreciation Expense	31,714	0	0	0	0
9500 Allocated G&A Expenditures	-380,801	-195,527	-408,749	-419,640	-10,891
Total Administrative Expenses	**784,415**	**555,540**	**772,341**	**816,150**	**43,809**
General OBMP Expenses					
6900 Optimum Basin Mgmt Program					
6901 OBMP - Staff	153,080	79,803	223,370	234,138	10,768
6906 OBMP - Engineering	315,197	291,698	285,820	395,000	109,180
6906.4 OBMP - CEQA	0	0	590,800	452,000	-138,800
6906.7 OBMP - DataX	137,204	26,659	70,450	10,000	-60,450
6906.8 OBMP - Reports	0	0	73,340	140,000	66,660
6907 OBMP - Legal					
6907.1 Ellison & Schneider	112,217	95,333	50,000	60,000	10,000
6907.2 Ludorff & Scalmanini	37,990	66,857	15,000	20,000	5,000
6907.3 WM Legal Counsel	562,449	342,396	350,000	350,000	0
6909 OBMP - Other Expense	11,200	29,227	55,000	55,000	0
Total 6900 OBMP	1,329,336	931,973	1,713,780	1,716,138	2,358
Total 6950 Cooperative Efforts	31,928	10,000	5,000	10,000	5,000
9501 Allocated G&A Expenditures	131,649	68,630	142,015	141,199	-816
Total General OBMP Expenses	**1,492,913**	**1,010,603**	**1,860,795**	**1,867,337**	**6,542**

CHINO BASIN WATERMASTER
FY 2007/2008
DETAIL BUDGET

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	FY 05-06 June Actual	FY 06-07 December Actual	FY 06-07 "Amended" Budget	FY 07-08 Proposed Budget	Current vs. Proposed
7000 OBMP Implementation Projects					
7100 OBMP Pgm Element 1 - Comp Monitoring Program					
7101 Production Monitoring					
7101.1 Production Monitoring - WM Staff	36,795	21,491	32,175	64,479	32,304
7101.3 Production Monitoring - Engineering Services	36,771	25,323	28,640	51,480	22,840
7101.4 Production Monitoring - Computer Services	750	375	750	750	0
Total 7101 Production Monitoring	74,315	47,189	61,565	116,709	55,144
7102 In-Line Meter Installation/Maintenance					
7102.1 In-Line Meter - WM Staff	5,381	442	12,154	2,541	-9,613
7102.4 In-Line Meter - Contract Services	150	0	7,500	0	-7,500
7102.5 In-Line Meter - Maintenance & Repair	4,104	1,230	15,000	4,000	-11,000
7102.6 In-Line Meter - Supplies	0	63	250	0	-250
7102.7 In-Line Meter - In-Line Meters	23,527	1,570	7,500	5,000	-2,500
7102.8 In-Line Meter - Calibration & Testing	24,954	4,470	22,500	26,250	3,750
Total 7102 In-Line Meter Installation/Maintenance	58,116	7,775	64,904	37,791	-27,113
7103 Groundwater Quality Monitoring					
7103.1 Grdwtr Quality - WM Staff	24,828	23,746	66,403	74,600	8,197
7103.3 Grdwtr Quality - Engineering Services	32,387	49,172	60,560	70,577	10,017
7103.4 Grdwtr Quality - Contract Services	13,893	0	0	0	0
7103.5 Grdwtr Quality - Laboratory Services	9,059	0	20,000	14,177	-5,824
7103.6 Grdwtr Quality - Supplies	85	3	2,000	2,000	0
7103.7 Grdwtr Quality - Computer Services	750	375	750	750	0
Total 7103 Groundwater Quality Monitoring	81,001	73,296	149,713	162,103	12,390
7104 Groundwater Level Monitoring					
7104.1 Grdwtr Level - WM Staff	75,601	34,260	81,383	87,137	5,754
7104.3 Grdwtr Level - Engineering Services	32,034	44,331	84,570	103,730	19,160
7104.4 Grdwtr Level - Contract Services	0	1,567	10,000	11,500	1,500
7104.6 Grdwtr Level - Supplies	2,417	671	2,000	2,500	500
7104.7 Grdwtr Level - Capital Equipment	22,737	0	14,000	7,800	-6,200
Total 7104 Groundwater Level Monitoring	132,789	80,830	191,953	212,667	20,714

CHINO BASIN WATERMASTER
FY 2007/2008
DETAIL BUDGET

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	FY 05-06 June Actual	FY 06-07 December Actual	FY 06-07 "Amended" Budget	FY 07-08 Proposed Budget	Current vs. Proposed
7105 Recharge Basin Water Quality Monitoring					
7105.1 Recharge Basin Water Quality - WM Staff	5,071	1,678	30,747	36,053	5,306
7105.3 Recharge Basin Water Quality - Engineering Services	6,093	0	0	0	0
7105.4 Recharge Basin Water Quality - Laboratory Services	20,781	0	0	3,500	3,500
7105.6 Recharge Basin Water Quality - Supplies	236	0	1,500	1,000	-500
Total 7105 Recharge Basin Water Quality Monitoring	32,181	1,678	32,247	40,553	8,306
7107 Ground Level Monitoring					
7107.1 Ground Level - WM Staff	4,098	2,270	1,044	3,173	2,129
7107.2 Ground Level - Engineering Services	129,652	30,643	46,740	152,093	105,353
7107.3 Ground Level - Synthetic Aperture Radar	25,000	12,500	30,000	27,000	-3,000
7107.5 Ground Level - Laboratory Services	0	0	0	1,100	1,100
7107.6 Ground Level - Contract Services	81,631	35,000	83,200	242,100	158,900
7107.7 Ground Level - Piezometer at Ayala Park	302,213	0	0	0	0
Total 7107 Ground Level Monitoring	542,595	80,413	160,984	425,466	264,482
7108 Hydraulic Control Monitoring					
7108.1 Hydraulic Control Monitoring - WM Staff	2,276	353	2,088	13,545	11,457
7108.2 Hydraulic Control Monitoring - Temporary Services	20,964	16,427	0	0	0
7108.3 Hydraulic Control Monitoring - Engineering Services	173,551	82,584	162,970	215,787	52,817
7108.4 Hydraulic Control Monitoring - Laboratory Services	41,302	0	88,200	97,020	8,820
7108.5 Hydraulic Control Monitoring - Construction	0	0	0	0	0
7108.9 Hydraulic Control Monitoring - Contract Services	51,087	0	15,000	42,880	27,880
Total 7108 Hydraulic Control Monitoring	289,180	99,364	268,258	369,232	100,974
7109 Recharge & Well Monitoring					
7109.3 Recharge & Well Monitoring - Engineering Services	70,181	22,272	44,850	71,177	26,327
7109.4 Recharge & Well Monitoring - Laboratory Services	48,146	0	101,500	111,650	10,150
Total 7109 Recharge & Well Monitoring	118,328	22,272	146,350	182,827	36,477

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	FY 05-06 June Actual	FY 06-07 December Actual	FY 06-07 "Amended" Budget	FY 07-08 Proposed Budget	Current vs. Proposed
7200 OBMP Pgm Element 2 - Comp Recharge					
7201 Comp Recharge - WM Staff	119,569	56,565	159,727	128,327	-31,400
7202 Comp Recharge - Engineering Services	42,595	15,424	40,270	14,340	-25,930
7202.1 Comp Recharge - Recharge Master Plan	78,651	0	0	317,660	317,660
7203 Comp Recharge - Contract Services	26,432	10,214	20,000	28,000	8,000
7204 Comp Recharge - Supplies	5,798	2,406	10,000	5,000	-5,000
7206 Comp Recharge - Basin Program O&M	510,000	616,505	1,233,000	760,000	-473,000
7207 Comp Recharge - Legal	3,348	0	10,000	2,500	-7,500
7208 Hansen Aggregate Damages	0	16,677	0	0	0
Total 7200 Comprehensive Recharge	786,392	717,791	1,472,997	1,255,827	-217,170
7300 OBMP Pgm Element 3 & 5 - Water Supply Plan - Desalter					
7301 OBMP - WM Staff	580	325	4,676	23,909	19,233
7303 OBMP - Engineering Services	0	0	0	135,600	135,600
Total 7300 OBMP Elements 3 & 5 Water Supply Plan	580	325	4,676	159,509	154,833
7400 OBMP Pgm Element 4 - Mgmt Zone Strategies					
7401 OBMP - WM Staff	5,594	2,363	13,762	11,667	-2,095
7402 OBMP - Engineering Services	243,166	70,559	169,000	147,457	-21,543
7403 OBMP - Contract Services	1,589	14,845	396,000	0	-396,000
7404 OBMP - Supplies	2,751	44	0	100	100
7405 OBMP - Other Expenses	9,937	217	0	450	450
Total 7400 OBMP Element 4 - Mgmt Zone Strategies	263,037	88,029	578,762	159,674	-419,088
7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Salt Mgmt					
7501 OBMP - WM Staff	2,906	0	3,507	3,783	276
7502 OBMP - Engineering Services	100,424	117,280	307,000	269,750	-37,250
7503 OBMP - Contract Services	8,820	0	0	0	0
7506 OBMP - CO-OP Legal	0	14,376	0	35,000	35,000
Total 7500 OBMP Element 6 & 7 - Coop Efforts/Salt Mgmt	112,150	131,656	310,507	308,533	-1,974

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	FY 05-06 June Actual	FY 06-07 December Actual	FY 06-07 "Amended" Budget	FY 07-08 Proposed Budget	Current vs. Proposed
7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use					
7601 OBMP - WM Staff	7,547	4,060	6,698	9,660	2,962
7602 OBMP - Engineering Services	0	0	0	62,500	62,500
7603 OBMP - Contract Services	0	6,868	0	20,000	20,000
7605 OBMP - Other Expenses	0	0	0	500	500
Total 7600 OBMP Element 8 & 9 Storage Mgmt/Conj Use	7,547	10,928	6,698	92,660	85,962
7700 Inactive Well Protection Program					
7701 Inactive Well Protection Program - WM Staff	0	0	5,171	2,839	-2,332
7702 Inactive Well Protection Program - Engineering Services	0	0	1,000	0	-1,000
7703 Inactive Well Protection Program - Contract Services	1,304	0	8,750	1,500	-7,250
Total 7700 Inactive Well Protection Program	1,304	0	14,921	4,339	-10,582
7690 Recharge Improvement Debt Payment	399,761	608,415	1,358,000	1,377,552	19,552
9502 Allocated G&A Expenditures	249,152	126,896	266,734	278,441	11,707
Total OBMP Implementation Projects	**3,148,429**	**2,096,856**	**5,089,269**	**5,183,883**	**94,614**
Total General OBMP & Implementation Projects	**4,641,341**	**3,107,459**	**6,950,064**	**7,051,220**	**101,156**
Total Expenses	**5,425,756**	**3,663,000**	**7,722,405**	**7,867,370**	**144,965**
Net Ordinary Income	**46,924**	**1,659,472**	**-139,700**	**0**	**139,700**

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	FY 05-06 June Actual	FY 06-07 December Actual	FY 06-07 "Amended" Budget	FY 07-08 Proposed Budget	Current vs. Proposed
Other Income					
Water Replenishment Assessments					
4210 Approp Pool-Replenishment					
4211 15% Gross Assessments	891,531	0	0	0	0
4212 85% Net Assessments	5,052,010	0	0	0	0
4213 100% Net Assessments	235,349	0	0	0	0
4214 Prior Year Adjustment	369,248	369,248	0	0	0
Total 4210 Approp Pool-Replenishment	6,548,139	369,248	0	0	0
4220 Non-Ag Pool-Replenishment					
4223 Net Replenishment	0	0	0	0	0
Total 4220 Non-Ag Pool-Replenishment	0	0	0	0	0
4230 Groundwater Recharge Activity					
4230 Groundwater Recharge	0	0	0	0	0
4231 MZ1 Assigned Water Sales	0	0	0	0	0
Total 4230 Groundwater Recharge Activity	0	0	0	0	0
Total Other Income	**6,548,139**	**369,248**	**0**	**0**	**0**
Other Expense					
5010 Groundwater Recharge					
5011 Replenishment Water	8,619,003	1,290,960	0	0	0
5012.4 MZ1 Interim Imported Water Purchase	0	0	0	0	0
5014 Vector Control	2,860	0	0	0	0
5015 OC-59 Use Fees	41,107	26,142	0	0	0
5015.1 OC-59 Use Fees - Other	0	6,175	0	0	0
5016.1 CBWCD Basin Maintenance	0	0	0	0	0
5017 IEUA Surcharges	326,052	212,243	0	0	0
Total 5010 Groundwater Recharge	8,989,022	1,535,520	0	0	0
Total Other Expense	**8,989,022**	**1,535,520**	**0**	**0**	**0**
Net Other Income	**-2,440,884**	**-1,166,272**	**0**	**0**	**0**
(To) / From Reserves	**2,393,960**	**-493,199**	**139,700**	**0**	**-139,700**
Net Income	**$0**	**$0**	**$0**	**$0**	**$0**

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CHINO BASIN WATERMASTER
2007-2008 BUDGET
LINE ITEM JUSTIFICATION

Budget Line Number	Comments	
ORDINARY INCOME/EXPENSE		
4000 COOPERATIVE EFFORT CONTRIBUTIONS		
4010	Local Agency Subsidies - Other	This account represents funds which are to be received from Metropolitan Water District to offset our costs related to administering the Dry Year Yield Program.
4110 APPROPRIATIVE POOL ASSESSMENTS		
4111	Administrative Assessment	Appropriative Pool Assessments equal the Pool's share of all General Administrative Expenses levied to the Appropriators on a per acre-foot basis levied based on the prior year's production.
4111.2	OBMP Assessment	Appropriative Pool Assessments equal the Pool's share of all Optimum Management costs levied to the Appropriators on a per acre-foot basis based on the prior year's production.
4112	Agricultural Pool Reallocation-Administrative Assessment	The Appropriative Pool and the Overlying Agricultural Pool agreed that the unproduced portion of Ag Pool's annual share of safe yield (82,800 acre-feet) would be immediately reallocated to the Appropriative Pool members provided the Appropriative Pool would pay the Agricultural Pool's share of Administrative and Special Project expenses.
4113	Agricultural Pool Reallocation- OBMP Assessment	With separate assessments levied for General Administration and Optimum Basin Management Plan and Implementation Costs, the Agricultural Pool costs charged through the reallocation levy have been separated to differentiate between the revenues from the two levies.
4115	Recharge Improvement Revenue	This line item covers funds required to pay the budgeted debt service payment and the operating & maintenance expenses.
4117	P/Y Adjustments	Consists of adjustments related to prior years, if any.
4120 NON-AGRICULTURAL POOL ASSESSMENTS		
4123	Administrative Assessment	Non-Agricultural Pool Assessments equal the Pool's share of all General Administrative Expenses levied to the Non-Agricultural Pool based on the prior year's production.
4124	OBMP Assessment	Non-Agricultural Pool Assessments equal the Pool's share of all Optimum Basin Management costs levied to the Pool members based on the prior year's production.
4127	P/Y Adjustments	Consists of adjustments related to prior years, if any.
4730 PRORATED INTEREST INCOME		Interest is prorated between the Pools and the Education Fund using formula approved by the Advisory Committee and Pools several years ago.
4900 MISCELLANEOUS INCOME		Miscellaneous income, such as fees collected for data requests, rebates, etc.
6010 SALARY COSTS		
6011	WM Staff Salaries & Payroll Burden	Expenses related to administrative staff hours and costs not related to a particular project.
6012	Payroll Services	Expenses related to processing of bi-weekly payroll and preparation of quarterly and annual tax returns, including year end W-2 processing.
6016	Employee Search Costs	Costs cover "help wanted" advertisements, pre-employment physicals & non-staff or consultant interviewer's time (if applicable).
6018	Fringe Benefits	Benefits paid to employees such as medical, dental, vacation, sick leave & holidays.
60199	Payroll Burden Allocated	Fringe benefits allocated to salary costs.
6020 OFFICE BUILDING EXPENSE		
6021	Office Lease	Lease for Watermaster office.
6022	Telephone	Telephone expense includes office telephone system, cellular phones for management & field staff along with conference call service.
6024	Building Repair & Maintenance	This line item covers monthly housekeeping & maintenance requests to the office.
6026	Security Services	This line item covers the office alarm system.
6027	Other Expense	Expenses to this line include office building improvements.
6030 OFFICE SUPPLIES & EQUIPMENT		
6031	Office Supplies	Office supplies include: copy paper, stationary, envelopes, checks and other miscellaneous office supplies.
6038	Office Equipment	This Budget line covers the cost of office equipment not included in office supplies referenced in account 6031.
6039	Office Expense	This line covers the costs of items not covered under any of the above #6030 lines including file management consulting fees.
6141	Meeting Expenses	Expenses charged to this line include administrative meeting expenses.

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CHINO BASIN WATERMASTER
2007-2008 BUDGET
LINE ITEM JUSTIFICATION

Budget Line Number	Comments	
6040 POSTAGE & PRINTING COSTS		
6042	Postage	Postage reflected here covers the cost of mailing or shipping all meeting notices and agendas; correspondence; Annual Reports; outgoing bills and payments, etc. Charges include Fedex and United Parcel Service costs as well as postage.
6043	Copy Machine Lease	This line covers the cost of leasing copy machines as well as the costs for copies exceeding the minimum number per month/year as stipulated in the lease agreements.
6044	Postage Meter Lease	Postage meter costs includes the annual lease fees, quarterly reset fees and postage meter ink cartridge replacements.
6045	Printing	Printing costs covered here are those done by outside printers and include the Annual Report, blueprints, special area street maps, color prints, emergency printing when copiers are down for repairs, etc. Color brochures and annual financial statements will be printed.
6050 WATERMASTER INFORMATION SERVICES		
6052	Computer Consultant Support Services	Watermaster uses consultants to maintain its computer network & workstations as well as to develop & maintain databases.
6053	Internet Services	Website maintenance costs & T-1 internet connection.
6054	Computer Software	Costs include new software, software upgrades, textbooks, manuals, etc.
6055	Computer Hardware	Costs include new and upgraded computer hardware such as workstations, servers, printers, backup power supplies, etc.
6057	Computer Maintenance	Computer maintenance includes parts for breakdowns and routine maintenance.
6060 WATERMASTER SPECIAL CONTRACT SERVICES		
6061	Other Contract Services	Watermaster retains consultants to develop and implement strategic plans and develop brochures and the Annual Report.
6062	Audit Services	This line item budgets funds to pay for the required annual financial statement audit.
6063	Public Relations Consultant	Watermaster retains outside consultants on a per contract basis as our Public Relations Consultant, to keep us up to date regarding relevant legislative issues.
6067	Legal Services - General Counsel	Watermaster's general counsel expenses related to personnel and non-project specific matters.
6080 INSURANCES		
6085	Business Insurance Package	All insurance policies are now included under Business Insurance Package, including auto & general liability.
6086	Position Bond Insurance	Insures key positions for risk of misappropriation and/or fraud.
6110 DUES & SUBSCRIPTIONS		
6111	Membership Dues	Watermaster memberships include: American Water Works Assoc Research Foundation, Association of California Water Agencies, Association of Ground Water Agencies.
6112	Subscriptions	Watermaster subscribes to the periodicals and trade journals.
6150 FIELD SUPPLIES & EQUIPMENT		
6151	Small Tools & Equipment	Small tools include: any tool which might be required while work in the field.
6154	Uniforms & Safety Shoes	T-shirts, hats & jackets are provided to staff with Watermaster's logo to wear while in the field and while representing Watermaster. This line item also includes work boots for field staff.
6170 TRAVEL & TRANSPORTATION		
6170	Travel & Transportation	Travel & Transportation costs related to Watermaster business, not related to conferences & seminars.
6171	Vehicle Allowances	Employment agreement allows the Chief Executive Officer a vehicle allowance of $650 per month.
6173	Mileage Reimbursements	Reimbursements paid to Watermaster employees' for use of personal vehicles for Watermaster business at the federally approved rate per mile.
6175	Vehicle Fuel	Fuel expenses for Watermaster owned vehicles.
6177	Vehicle Repairs	Covers repairs & maintenance to Watermaster's vehicles.
6179	Vehicle Purchase	This item includes purchases of additional vehicles.

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CHINO BASIN WATERMASTER
2007-2008 BUDGET
LINE ITEM JUSTIFICATION

Budget Line Number		Comments
6190 CONFERENCES & SEMINARS		
6191	Conferences & Seminars	Staff attends conferences for information, training, or making presentations regarding the Chino Basin Watermaster activities.
6192	Training & Continuing Education	Attendance at training & continuing education for staff.
6200 ADVISORY COMMITTEE		
6201	WM Staff Salaries	Salary and burden costs of WM staff in attending and preparing for Advisory Committee meetings.
6212	Meeting Expenses	Advisory Committee meetings are normally scheduled to cover the lunch hour so that members are absent from their normal jobs the least amount of time possible. To accommodate the members, a luncheon or refreshments are served and those costs are reflected here.
6300 WATERMASTER BOARD EXPENSES		
6301	WM Staff Salaries	Salary and burden costs of WM staff in preparing for and attending Watermaster Board Meetings.
6311	Member Compensation	Board Members are entitled to, but may waive, compensation for each day of service. Those who have not waived, receive $125 per day served at various meetings including Board meetings, Committee meetings and other water agency meetings, including conference calls.
6312	Meeting Expenses	Board and Committee meetings may be scheduled to cover the lunch hour so that attendees are absent from their normal jobs the least amount of time possible. If this occurs, a luncheon or refreshments are served and those costs are reflected here.
6313	Board Member's Expenses	Board Members are entitled to receive reimbursement for expenses incurred on behalf of Watermaster. Upon request, mileage is reimbursed to any Board Member using a personal vehicle on Watermaster business.
6500 EDUCATION FUND EXPENDITURES		This account disburses funds from the educational account as directed.
8300 APPROPRIATIVE POOL ADMINISTRATION AND SPECIAL PROJECTS		
8301	WM Staff Salaries	Salary and burden costs of WM staff in attending and preparing for Pool Meetings, and any other Appropriative Pool administrative activity.
8312	Meeting Expenses	This item covers meeting expenses, including the cost of refreshments.
8400 AGRICULTURAL POOL ADMINISTRATION AND SPECIAL STUDIES		
8401	WM Staff Salaries	Salary and burden costs of WM staff in attending and preparing for Pool Meetings, and any other Agricultural Pool administrative activity.
8411	Compensation - AG Pool Members	AG Pool Members are reimbursed $25 for each Pool, Committee or Board Meeting attended. Ag Pool voted to increase reimbursement to $125 per meeting with the extra $100 to be paid out of Ag Pool accumulated interest. This additional $100 is shown under account #8470.
8412	Meeting Expenses	This item covers meeting expenses, including the cost of refreshments.
8456	IEUA RTS Meter Charge	Inland Empire Utilities Agency implemented a 'readiness to serve' charge against Watermaster for future provision of service to the land in the Agricultural preserve.
8467	Agri-Pool Legal Services	The Agricultural Pool retains its own legal council to represent them in all Watermaster matters.
8467.1	Frank B & Associates	The Agricultural Pool has contracted with a water management consultant to assist them in following Watermaster activities important to the Agricultural Pool.
8470	Ag Pool Meeting Special Compensation	See account #8411 for details of this line item.
8500 NON-AGRICULTURAL POOL ADMINISTRATION AND SPECIAL PROJECTS		
8501	WM Staff Salaries	Salary and burden costs of WM staff in attending and preparing for Pool Meetings and any other Non-Agricultural Pool administrative activity.
8512	Meeting Expense	This item covers meeting expenses, including the cost of refreshments.
9500	ALLOCATED G&A EXPENDITURES	Administrative Overhead is allocated to OBMP & Project jobs as a percentage of total Watermaster salaries.
6900 OPTIMUM BASIN MANAGEMENT PROGRAM		
6900	OPTIMUM BASIN MANAGEMENT PROGRAM - GENERAL ENGINEERING	This work includes general engineering services requested by Watermaster to support implementation of the OBMP. The current budget request includes general, non-project specific as well as ad hoc requests for services and data requests promoting the ongoing efforts to implement the OBMP Items include CEQA work as required for the Peace II process including basic CEQA processing, recalibrating the groundwater model, preparing documentation, and peer review and forecasting; Dr. Sunding's Microeconomic Study as part of the Peace II process; the design, modification, and maintenance of the DataX program (half of the total expense for this project is budgeted, as the other half will be paid by IEUA); and all aspects of preparing reports as required by the OBMP, including the State of the Basin Report bi-annually.

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2007-2008 BUDGET
LINE ITEM JUSTIFICATION

Budget Line Number	Comments	
6950	COOPERATIVE EFFORTS	On an ad hoc basis, Watermaster and other agencies agree to share the costs of various projects that will benefit both parties.
6953	TDS/Nitrogen Study - SAWPA	This is an on-going study managed through SAWPA with many contributors and participants. The amount budgeted is one-half the previous Watermaster commitment as was budgeted for Phase 2B. It is to finalize the Basin Plan Update with the RWQCB.
6956	CBWCD-Turner Basin Development	This represents funds expended for development within the Turner Basin.
6959	Public Awareness Campaign/Legislative Updates	This is a project that began as a result of the State of California's electric supply problems. It has subsequently evolved to include public awareness campaigns, along with updates regarding legislative activities.
9501	ALLOCATED G&A EXPENDITURES	Administrative Overhead is allocated to OBMP & Project jobs as a percentage of total Watermaster salaries.
7000	OPTIMUM BASIN MANAGEMENT PROGRAM IMPLEMENTATION PROJECTS	
7101	PRODUCTION MONITORING	Watermaster staff collects and processes production information for the approximately 670 wells within the Basin, including approximately 220 Appropriator wells and approximately 450 private wells. Consultant staff reads the meters for the private wells, while the Appropriators report their meter readings to Watermaster. The data are inputted into a production database that is updated quarterly, and that is used at the end of the fiscal year to provide essential data for the Assessment Package. Computer services are for the subscription for parcel lot information (split 50/50 with 7103--Groundwater Quality Monitoring).
7102	IN-LINE METER INSTALLATION	Approximately 350 in-line flow meters are now installed on the previously unmetered private wells. Approximately 150 meters must be calibrated each year and other maintenance and repairs are required. Each calibration is expected to cost $175. Eight more meters are expected to be installed this fiscal year, as these wells are expected to remain for at least another 12 months.
7103	GROUNDWATER QUALITY MONITORING	Pursuant to the OBMP & Peace Agreement, Program Element 1 includes the development and implementation of a comprehensive groundwater quality monitoring program. Previously, Watermaster annually collected water quality data from approximately 200 private wells and obtained other water quality data from other cooperators so that approximately one-third of the active wells were sampled every third year. Other cooperators include members of the appropriative and overlying non-agricultural pools, the Regional Water Quality Control Board, the Department of Toxic Substances Control, the United States Geological Survey, the Orange County Water District and others. The key well monitoring program has now been implemented. Approximately 115 wells are included within the water quality key well program, with approximately 60 wells being sampled and analyzed each year. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use. The ad hoc Water Quality Committee oversees the surface water and groundwater quality programs to ensure that necessary data are collected to effectively manage the Basin. Required supplies for this line item include sampling equipment such as piping and valving. Computer services are for the subscription for parcel lot information (split 50/50 with 7101--Production Monitoring).
7104	GROUNDWATER LEVEL MONITORING PROJECT	Pursuant to the OBMP & Peace Agreement, Program Element 1 includes the development and implementation of a comprehensive groundwater-level monitoring program. Previously, Watermaster staff measured all the private wells in the agricultural area that could be measured - once in the fall and once in the spring. Groundwater level data was also obtained from cooperators for other wells. Cooperators include members of the appropriative and overlying non-agricultural pools, Regional Water Quality Control Board (RWQCB), Department of Toxic Substances Control (DTSC), United States Geological Survey, Orange County Water District, and others. The key well monitoring program has now been implemented. Desalter/HCMP wells are now measured monthly and an additional approximately 380 are now measured semi-annually. Contract services for this item include the construction of aluminum covers for transducers not otherwise enclosed in structures and ground-level surveys of well reference points. Required supplies for this line item include sounder replacement lines, rubber gloves, distilled water, and fittings for installing transducers. Capital equipment for this line item include transducers and transducer download cables.
7105	BASIN WATER QUALITY MONITORING	Pursuant to the OBMP & Peace Agreement, Program Element 1 also includes the surface water quality monitoring program. Work in this line item includes measuring water quality at recharge and flood retention basins within the Chino Basin. This was typically done during the rainy season only; approximately 3-4 samplings per basin per year. However, with the start of more recycled water and imported water recharge, sampling is expected to increase significantly. Flow and water quality data will also be collected from cooperators including IEUA, WR, JCSD, Cities of Corona and Riverside, Regional Water Quality Control Board, United States Geological Survey, Orange County Water District and others. This information is necessary to determine the quality of stormwater recharge, which is subsequently used to estimate salt offsets for recycled and imported water recharge. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use. Required supplies for this line item include rubber gloves, sample bags, tools, and field lab equipment.

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LINE ITEM JUSTIFICATION

Budget Line Number	Comments	
7107	GROUND LEVEL MONITORING	Pursuant to the OBMP & Peace Agreement, Program Element 1 also includes the development and implementation of a ground level monitoring program. Watermaster is interested in determining how much, if any, subsidence has occurred in the Basin and in monitoring the effectiveness of the OBMP in minimizing it. Data will be collected from a network of ground elevation stations (surveys), from a multi-piezometer and from a dual borehole extensometer in the subsidence-prone area (mainly Management Zone 1). Satellite imagery (InSAR) also will be collected and analyzed for subsidence. Watermaster is implementing these efforts as part of the monitoring program associated with the MZ1 interim management plan. A web page for real-time water level reading at the PA-7 Piezometer (Ayala Park) will be implemented, which is a requirement of the MZ-1 Long-Term Management Plan. A new Central MZ1 piezometer is also planned; as well as is an extensive ground-level survey to determine reference points for several wells near the piezometer.
7108	HYDRAULIC CONTROL MONITORING PROGRAM	As part of the Basin Plan, a monitoring plan to evaluate the state of hydraulic control in the southern end of the basin has been developed. Hydraulic control will be used to maximize the safe yield of the basin. Watermaster, OCWD and the Regional Board have developed a monitoring plan to assess the state of hydraulic control to provide information to Watermaster to manage future production and recharge. Samples are collected from seven stations along the SAR every-other-week for water quality analyses. Stream flow measurements are also collected from five stations along the SAR. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use. Two new nested monitoring wells are also planned, that will be located near the OIA VOC plume and near the former IEUA Co-Composter Facility.
7109	RECHARGE AND WELL MONITORING PROGRAM	Pursuant to the OBMP & Peace Agreement, Program Element 1 also includes the surface water quality monitoring program. Work in this line item includes measuring water quality at recharge and flood retention basins within the Chino Basin. Lysimeter samples will be collected and analyzed at recycled water recharge basins. Also, monitoring well samples will be collected and analyzed at recycled water recharge basins. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use. Reports prepared under this line item include Quarterly and Annual Reports, Start-up Reports for Brooks and 8th Street Basins, and the Tracy Study at Brooks Basin Report.
7200	OBMP PROGRAM ELEMENT 2 -- COMPREHENSIVE RECHARGE PROGRAM	Watermaster and IEUA will continue to improve the new recharge facilities by enhancing the SCADA system, hardening and heightening the internal conservation berms, installing ground water monitoring wells and lysimeters, adding reclaimed water turnouts, and conducting new basin feasibility studies. This line item includes the development and revision of the Recharge Master Plan.
7300	OBMP PROGRAM ELEMENTS 3 & 5 – WATER SUPPLY PLAN - DESALTER	Pursuant to the OBMP & Peace Agreement, Watermaster assisted in the formation of the Chino Basin Desalter Authority (CDA) to expand the Chino I Desalter and to construct Chino II Desalter. The work in this line item includes engineering services for the technical review of non-Watermaster consultant work products for consistency with OBMP and other Watermaster interests. Work in this line item also includes the design and implementation of the proposed Chino Creek Desalter well field.
7400	OBMP PROGRAM ELEMENT 4 - MANAGEMENT ZONE MANAGEMENT STRATEGIES	Pursuant to the OBMP & Peace Agreement, Watermaster has begun the process of developing management plans for MZ1 & MZ3. Producers in the known subsidence area in MZ1 agreed to an MZ1 Interim Management Plan. Watermaster will be collecting and reporting data gathered from the piezometer and extensometer installed in FY 02/03 and data from ground level survey stations. Data collected will be presented and discussed at the MZ1 Technical Group meetings. In Management Zone 3, Watermaster will conduct a thorough ground water quality survey to locate contaminant plumes which might impact appropriator wells. Plans include quarterly sampling and analyses of two new "sentry" wells to provide on-going monitoring of plume management.
7500	OBMP PROGRAM ELEMENTS 6 & 7 – COOPERATIVE EFFORTS AND SALT MANAGEMENT	Pursuant to the OBMP & Peace Agreement, Watermaster will complete specific activities to improve water quality monitoring and analyze the effectiveness of the OBMP to accomplish its goals. The work in this line item included coordinating with RWQCB and DTSC, and participating in the TMDL process for Santa Ana River, Chino and Mill Creeks.
7600	OBMP PROGRAM ELEMENTS 8 & 9 – STORAGE MANAGEMENT AND CONJUNCTIVE USE PROGRAMS	Pursuant to the OBMP & Peace Agreement, Watermaster will complete specific activities to implement storage management and to develop storage and recovery programs.
7700	INACTIVE WELL PROTECTION PROGRAM	Pursuant to the OBMP & Peace Agreement, Watermaster has compiled a list of inactive wells that have not been properly abandoned. Watermaster equips inactive wells with devices that meet the requirement of well abandonment to protect the integrity of the groundwater. These devices also allow for access to the well for monitoring purposes, if necessary. This fiscal year, approximately three more inactive wells will be equipped with such devices.
7690	RECHARGE IMPROVEMENT DEBT PAYMENT	Repayment of debt as agreed to in contract with Inland Empire Utilities Agency for improvement of recharge basins within the Chino Basin, to be paid by the Appropriators.
9502	ALLOCATED G&A EXPENDITURES	Administrative Overhead is allocated to OBMP & Project jobs as a percentage of total Watermaster salaries.

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CHINO BASIN WATERMASTER
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LINE ITEM JUSTIFICATION

Budget Line Number	Comments	
SUPPLEMENTAL & REPLENISHMENT WATER INCOME AND EXPENSES		
		Water rights were assigned in the Judgment entered in 1978. It established the terms and conditions regarding replenishment water and how the assessments would be levied to cover the water for each pool. No amounts are budgeted in this category as Watermaster is unable to determine what the overproduction will be at year, if any. Replenishment water is a "pass-thru" expense meaning all amounts overproduced by an agency are billed to them at the rate Watermaster pays for the cost of the water.
4210	App Pool Replenishment Assessments	Certain Appropriators under the Judgment have 15% of the cost of replenishment water required by their group and 85% of the cost is paid by the appropriator overproducing water in the prior year. Other Appropriators have the obligation to pay 100% of the costs of replacing any overproduced water.
4211	15% Gross Assessments	Costs levied against the 15%/85% group for replacing water.
4212	85% Gross Assessments	Costs levied against the 15%/85% group for replacing water.
4213	100% Net Assessments	Costs levied against those subject to 100% assessments for replacing water.
4220	Non-Ag Pool Replenishment	Non-Ag members (primarily industrial producers) are required to replace any water produced which exceeds their assigned water rights.
4230	Net Replenishment Assessments	Costs levied against those subject to 100% assessments for replacing.
5010	GROUNDWATER RECHARGE	Costs of Replenishment or Supplemental Water.
5011	Replenishment Water	This line covers the costs of purchasing replenishment water from MWD at $233/AF.
5012.4	MZ1 Interim Imported Water Purchase	This line covers the costs of purchasing water @ $233/AF.
5014	Vector Control	Vector control at Recharge Basins.
5015	OC-59 Use Fees	Connection Fees.
5017	IEUA Surcharges	Inland Empire Utilities Agencies charges a fee for water delivered.

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CHINO BASIN WATERMASTER
ASSESSMENT CALCULATION
FISCAL YEAR 2007-2008
**ESTIMATED, BASED ON PREVIOUS YEARS ASSESSMENT PACKAGE

	MEMO ONLY FISCAL YEAR 2007-2008 BUDGET TOTALS		ASSESSMENT	APPROPRIATIVE POOL		AGRICULTURAL POOL		NON-AG POOL	
PRODUCTION BASIS									
2004-05 Production & Exchanges in Acre-Feet			164,588.252	127,810.967	77.655%	34,450.449	20.931%	2,326.836	1.414%
2005-06 Production & Exchanges in Acre-Feet			161,240.932	124,315.140	77.099%	33,899.960	21.024%	3,025.832	1.877%
BUDGET				General Administration	OBMP	General Administration	OBMP	General Administration	OBMP
Administration, Advisory Committee & Watermaster Board (1)		$816,150	$816,150	$629,243		$171,591		$15,316	
OBMP & Implementation Projects(1)		5,673,668	5,673,668		$4,374,341		$1,192,855		$106,472
General Admin & OBMP Assessments		6,489,818	6,489,818	629,243	4,374,341	171,591	1,192,855	15,316	106,472
TOTAL BUDGET			6,489,818	629,243	4,374,341	171,591	1,192,855	15,316	106,472
Less Budgeted Interest Income		(181,500)	(181,500)		(140,944)		(37,990)		(2,566)
Contributions from Outside Agencies		(145,500)	(145,500)		(112,179)		(30,591)		(2,730)
CASH DEMAND			6,162,818	629,243	4,121,218	171,591	1,124,274	15,316	101,176
OPERATING RESERVE									
Administrative	0%	0	$0	$0		$0		$0	
OBMP	0%	0	0		$0		$0		$0
Less: Funds On Hand Utilized for Assessments		0	0		0		0		0
FUNDS REQUIRED TO BE ASSESSED			$6,162,818	$629,243	$4,121,218	$171,591	$1,124,274	$15,316	$101,176
Proposed Assessments									
General Administration Assessments			Per Acre-Foot	**$5.06**	**$33.15**	**$5.06**	**$33.16**	**$5.06**	**$33.44**
Minimum Assessments			Per Producer	**$5.00**				**$5.00**	
Prior Year Assessments (For Information Only)			Per Acre-Foot	$6.23	$34.49	$6.23	$34.49	$6.23	$34.49

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

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II. BUSINESS ITEMS

D. REVISED VOLUME VOTE

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: **June 14, 2007**

TO: **Appropriative Pool Members**

SUBJECT: **Volume Vote**

SUMMARY

Issue – The Appropriative Pool Volume Vote method of calculation.

Recommendation – Discuss and consider approval of amended Volume Vote.

Fiscal Impact – None.

BACKGROUND

Each year, the Appropriative Pool Committee adopts a Volume Vote for potential use at a Pool meeting. According to the Judgment, Exhibit "H", paragraph 3,

> *"The total voting power on the Pool Committee shall be 1,000 votes. Of these, 500 votes shall be allocated in proportion to decreed percentage shares in Operating Safe Yield. The remaining 500 votes shall be allocated proportionally on the basis of assessments paid to Watermaster during the preceding year."*

During the formation of the assessment package database, it became apparent that the Volume Vote calculation should be a part of that database. In researching past volume vote calculations, it became clear that in prior years, there were inconsistent methods of calculating the volume vote. On March 9, 2006, several different options for calculating the assessment package were presented to the committee. It was the committee's decision to take no action on this item at that time.

On April 12, 2007, a Volume Vote was presented and approved by the group that excluded replenishment water purchases from the assessment portion of the calculation. A question was posed as to whether or not the exclusion of replenishment water purchases was appropriate. The decision to solicit input from the parties in the Appropriative Pool resulted in the referral of this item to the Budget Advisory Committee by the Pool Chairman.

The Budget Advisory Committee met and reviewed several different options and their related methodology for calculating the Volume Vote.

DISCUSSION

Two main items were discussed at the Budget Advisory Committee, the methodology for calculating the Volume Vote and the effective time period of the adopted Volume Vote. The discussions centered around the intent of the Judgment and its effort to fairly give weight to each parties vote. It was understood that the intention of the use of "assessments paid to Watermaster" for calculating the Volume Vote was an attempt to equitably offer a vote to those who may be producers in the basin and paying the related assessments but not receiving a vote on the same pro-rata amount as their Operating Safe Yield (OSY). After discussing the matter and considering the different options, it was the opinion of the Budget Advisory Committee that the using 50% OSY and 50% of the prior year's production would capture the essence of the intent of the judgment while removing the variables related to the different types of assessments that should be included and/or excluded from the calculation.

As a result, it was the committee's recommendation to modify the past Volume Vote that was approved April 12, 2007 and offer a consistent methodology for calculating future Volume Votes which would be based on 50% OSY and 50% of the prior year's production. The Volume Vote would be generated following the adoption of each Assessment Package and it would remain in force until superseded by the Volume Vote adopted in the following year.

If there are any questions regarding this matter, please contact Ms. Sheri Rojo at 909-484-3888 or by email at srojo@cbwm.org prior to the June meeting.

APPROPRIATIVE POOL

ALLOCATION OF VOLUME VOTE
50% Prior Year Production & 50% OSY

Fiscal Year 2006-2007 (Based on 2005-2006 Production)

	2005-2006 Assessable Production	Assmt. Vote	O S Y Vote	Allocated Vote
Arrowhead Mtn Spring Water Co *	259 794	1 04	0 00	1 04
Chino Hills. City of	2.839 018	11 42	19 25	30 67
Chino. City of	4.761 913	19 15	36 79	55 94
Cucamonga Valley Water District	14.458 036	58 15	33 01	91 16
Desalter Authority	0 000	0 00	0 00	0 00
Fontana Union Water Company	0 000	0 00	58 29	58 29
Fontana Water Company	15.137 240	60 88	0 01	60 89
Golden State Water Company*	438 343	1 76	3 75	5 51
Inland Empire Utilities Agency*	0 675	0 00	0 00	0 00
Jurupa Community Services District	17.557 881	70 62	18 80	89 42
Los Serranos Country Club	0 000	0 00	0 00	0 00
Marygold Mutual Water Company*	136 390	0 55	5 98	6 53
Metropolitan Water Dist of So Calif	1 000	0 00	0 00	0 00
Monte Vista Irrigation Co *	0 000	0 00	6 17	6 17
Monte Vista Water District	16.837 713	67 72	43 99	111 71
Niagara Bottling Company. LLC*	762 584	3 07	0 00	3 07
Nicholson Trust*	0 000	0 00	0 03	0 03
Norco. City of*	0 000	0 00	1 84	1 84
Ontario. City of	29.627 444	119 16	103 71	222 87
Pomona. City of	14.029 281	56 43	102 27	158 70
Santa Ana River Water Company	1.837 317	7 39	11 87	19 26
San Antonio Water Company*	12 640	0 05	13 74	13 79
San Bernardino County (Shooting Park)*	415 129	1 67	0 00	1 67
Upland. City of	5.202 744	20 93	26 01	46 94
West End Consolidated Water Co*	0 000	0 00	8 64	8 64
West Valley Water District*	0 000	0 00	5 88	5 88
* Indicates Minor Rep	124.315 142	500 00	500 00 499.99	999 99 999.99

Motion:____by _____. 2nd by _____. _____ vote_____

_____

_____

Date:_____

Quorum: 50% of voting power or 7 members to give affirmative action

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III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Santa Ana River Hearing Closing Brief

Chino Basin Watermaster Santa Ana River Hearing Closing Brief

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Attorneys for Applicant
CHINO BASIN WATERMASTER

BEFORE THE STATE WATER RESOURCES

CONTROL BOARD

In the Matter of Water Right Applications 31165 and 31370 of San Bernardino Valley Municipal Water District and Western Municipal Water District of Riverside County; Application 31174 of Orange County Water District; Application 31369 of Chino Basin Watermaster; Application 31371 of San Bernardino Valley Water Conservation District; and Application 31372 and Wastewater Change Petition WW-0045 of the City of Riverside	**CHINO BASIN WATERMASTER CLOSING BRIEF**

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I. INTRODUCTION

The Santa Ana River Applications present the State Water Resources Control Board ("State Board") with a unique situation. The Santa Ana River already has a well-developed and complex system for the integrated regional management of the watershed, and for the administration of the water rights to use the River and its tributaries. This system has evolved over many decades in response to the particular needs of the local region, and today is a model of integrated and comprehensive water resource management.

The State Board is thus faced with the choice of whether it will recognize and encourage integrated planning by acknowledging the existing system and tailoring the permits to work within that system, or whether it will choose to regard the existing system as secondary and create a new and separate system of water rights administration for the watershed. (RT Vol. I, 99:11-22.)

The Chino Basin Watermaster encourages the State Board to take this opportunity to aid in the evolution of integrated planning in the Santa Ana Watershed by tailoring its order and the resulting permits in such a way that the State Board will become a valuable new component to an already highly functional system. The discussion in this closing brief, and the proposed permit attached here as Exhibit "A," are intended to suggest ways in which the State Board can accomplish this goal in a manner facilitating the State Board's exercise of its statutory and common law duties.

II. HEARING BACKGROUND

A. Procedural History of Application 31369

On July 3, 2002, the State Board held a hearing on various Petitions for a Limited Revision of the Declaration of Fully Appropriated Stream Status of the Santa Ana River. State Board Order 2002-0006 amended the Declaration of Fully Appropriated Stream Status for the purpose, inter alia, of accepting the Chino Basin Watermaster's ("Watermaster") water right application. Watermaster's application was noticed by the State Board on July 31, 2003.

Application 31369 was protested by four entities: the California Department of Fish & Game, the United States Forest Service, the Cucamonga Valley Water District, and the East Valley Water District. All of these protests were resolved prior to the hearing.

Also prior to the hearing, Watermaster received stipulations from all non-applicant parties

that such parties would not present any evidence concerning Application 31369, nor would they cross-examine any witness offered in support of Application 31369. These stipulating parties were: the Center for Biological Diversity, Southern California Edison, United States Forest Service, East Valley Water District, City of Chino, and the Santa Ana River Mainstem Project Local Sponsors. Watermaster submitted these stipulations to the State Board via letter dated April 17, 2007.

B. Hearing Key Issues

On February 16, 2007, the State Board issued a Notice of Public Hearing. The Notice of Public Hearing specified six issues for consideration at the hearing:

1. Is there water available for appropriation by each of the applicants? If so, when is water available and under what circumstances?

2. Will approval of any of the applications or the petition result in any significant adverse impacts to water quality, the environment or public trust resources? If so, what adverse impact or impacts would result from the project or projects? Can these impacts be avoided or mitigated to a level of non-significance? If so, how? What conditions, if any, should the State Board adopt to avoid or mitigate any potential adverse impacts on fish, wildlife, or other public trust resources that would otherwise occur as a result of approval of the applications and petition?

3. Is each of the proposed projects in the public interest? If so, what conditions, if any, should the State Board adopt in any permits that may be issued on the pending applications, or in any order that may be issued on the wastewater change petition, to best serve the public interest?

4. Will any of the proposed appropriations by the applicants and/or the proposed change in treated wastewater discharge by the petitioner cause injury to the prior rights of other legal users of water?

5. What should be the relative priority of right assigned to any permits that may be issued on the pending applications?

6. What effect, if any, will the projects have on groundwater and/or movement of any contaminated groundwater plumes? Can the effects be mitigated? If so, how?

C. Additional Question Presented at the Hearing Relevant to Application 31369

At the hearing, input was requested from the parties as to how the State Board should administer its permitting authority where stream flows are erratic and flashy. Watermaster submitted responsive information to the State Board along with suggested permit terms addressing the erratic hydrology within the Chino Basin watershed. (CBWM Exh. 7-1.) These issues are further addressed in this closing brief.

D. Stipulation of Applicants Regarding Key Issues 4 and 5

On April 5, 2007, the applicants presented the State Board with a stipulation constituting a

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full resolution of Key Issues 4 and 5. An executed copy of this stipulation is attached to this closing brief as Exhibit "B." The stipulation contains a recitation of the water rights adjudication judgments pertaining to the Santa Ana River Watershed and the subsequent agreements that have been entered into pursuant to those judgments. The stipulation explains how these judgments and agreements work together to constitute a full resolution of the relative priorities to the water of the Santa Ana Watershed, and how the judgments and agreements provide satisfactory protections to all legal users of water in the watershed.

At the April 5, 2007 Pre-Hearing Conference, the Hearing Officer ordered that any party who objected to the stipulation should submit its objection within seven days, by April 12, 2007 at 5:00 pm. If no objections were received, then Key Issues 4 and 5 would be eliminated as issues from the hearing. The Hearing Officer subsequently issued a letter ruling dated April 10, 2007, confirming this ruling.

No party objected to the stipulation and no party presented evidence concerning Key Issues 4 and 5. (RT Vol. I, 2:21-24.)

III. DESCRIPTION OF THE PROJECT (APPLICATION 31369)

A. Watermaster's Project is an Implemented Project that Uses Pre-Existing Facilities Primarily Constructed for Flood Control Purposes.

Application 31369 seeks the right to appropriate to underground storage 68,500 acre-feet per year ("AFY") of ephemeral storm flows from four creek systems tributary to the Santa Ana River.[1] (CBWM Ex. 1-1, page 2 lines 8-17.) These creek systems include the San Antonio Creek System (including San Antonio Creek and Chino Creek), the Cucamonga Creek System (including Cucamonga Creek and Deer Creek), the Day Creek System, and the San Sevaine Creek System (including San Sevaine Creek, and Etiwanda Creek). (Id., CBWM Ex. 1-2 and 1-3.) This requested appropriation is in addition to two currently permitted appropriations under Permits 19895

[1] Watermaster withdrew without prejudice that portion of Application 31369 concerning 28,500 acre-feet of recycled water. As stated at the hearing, while Watermaster could not know in 2000 how the recycled water program in the Chino Basin would operate, the actual program as implemented does not involve any issues that would invoke the State Board's jurisdiction. Control over the water is maintained at all times, and to the extent that recycled water is placed in the channels, those channels are used merely as a means of conveyance under Water Code § 7044. (RT Vol. I, 167:5-169:9; 180:13-181:5.)

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(Application 28473) for 15,000 AFY, and 20753 (Application 28996) for 27,000 AFY, for a total appropriation by Watermaster of 110,500 AFY.

The area from which the water will be appropriated, and the place of use for the water appropriated, is the jurisdictional area of the Chino Basin Watermaster as defined in Exhibit A (by map) and Exhibit K (by legal description) of the stipulated judgment in the case *Chino Basin Municipal Water District v. City of Chino*, San Bernardino Superior Court Case No. RCV 51010. (CBWM Ex. 1-5; App. Joint Ex. 2-11; CBWM Ex. 1-2.)

The points of diversion are existing recharge basins spread throughout the Chino Basin, and built primarily for flood control purposes. (CBWM Ex. 1-1, page 2, lines 20-23.) Watermaster presented evidence at the hearing that the points of diversion are the same as those listed in Attachment 3b and Attachment 13 to Application 31369. (CBWM Ex. 1-3.)

The storm water recharge project described by Application 31369 is one component of Watermaster's Recharge Master Plan. (CBWM Ex. 1-1, pages 6-8; CBWM Ex. 1-11 and 1-12.) The Recharge Master Plan implements Program Element Two of Watermaster's Optimum Basin Management Program. (CBWM Ex. 1-1, page 4; CBWM Ex. 1-7 and 1-10; RT Vol. I, 133:19 – 134:12.) Implementation of the Recharge Master Plan was called the Chino Basin Facilities Improvement Project ("CBFIP"). (CBWM Ex. 1-13.) The cost of the CBFIP was approximately $44 million, and construction was completed in December 2005. (CBWM Ex. 1-15, page 2-1.)

B. <u>CEQA Compliance</u>

Watermaster's Optimum Basin Management Program ("OBMP"), inclusive of all the OBMP Program Elements including Program Element Two and the storm water recharge project, was analyzed in the OBMP Programmatic Environmental Impact Report ("OBMP PEIR"). (CBWM Ex. 3-3.) The OBMP PEIR was certified by the Inland Empire Utilities Agency ("IEUA") on July 13, 2000, two months prior to the submittal of Application 31369. (CBWM Ex. 3-1, page 2, line 3 and page 4, line 2.) Project level analysis for the CBFIP was conducted through the Initial Study for the Implementation of Storm Water and Imported Water Recharge at 20 Recharge Basins in the Chino Basin. (CBWM Ex. 3-4.) This Initial Study supported the adoption of a Finding of Consistency by IEUA on October 3, 2001. (CBWM Ex. 3-5.) The written testimony of Mr. Dodson

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says that he performed supplemental investigations of the facts contained in the PEIR and the Initial Study, and that while these analyses were performed a number of years ago, the findings made in the PEIR and Initial Study are still accurate and can serve as a basis for decision with respect to Application 31369. (CBWM Ex. 3-1, page 13.) There was no objection to this testimony.

As additional background information, Watermaster submitted additional CEQA analyses that were prepared prior to the Initial Study for those recharge basins that were constructed post-CEQA. (CBWM Exhibits 3-6 through 3-14.)

C. Operation of the Facilities

The operation of the facilities is governed by a complex set of procedures described in the document titled Chino Basin Recharge Facilities Operation Procedures dated March 2006 ("Operation Manual"). (CBWM Ex. 1-15.) The Operation Manual is a collaborative work of the Chino Basin Groundwater Recharge Coordinating Committee ("GRCC") composed of the Chino Basin Watermaster, the Chino Basin Water Conservation District, the Inland Empire Utilities Agency, and the San Bernardino County Flood Control District. (CBWM Ex. 1-15, page 1-1.)

In general, the pattern of operations of the facilities for water conservation purposes involves the diversion and retention of as much storm water as possible into the facilities. (RT Vol. II, 12:17-18; 15:20.) Because of variability in the weather and the priority of the flood control function of the basins, it sometimes happens that water that is diverted is not able to be recharged. (Id., 16:1-9.) Any water that is diverted but which is not able to be recharged returns to the system. (Id., 16:13-20.) While for planning purposes Watermaster uses an average number of 18,000 acre-feet per year of water recharged, this number is an *average* and depends on Watermaster having the flexibility to divert and recharge as much of the storm water as possible. (CBWM Ex. 2-1, page 7, lines 3-6; RT Vol. II, 12:18; RT Vol. I, 143:6; RT Vol. I, 162:21-163:7.)

IV. WATER AVAILABILITY

When considering whether to approve an application to appropriate water, the State Board must determine whether unappropriated water is available to supply the project described in an application. (Water Code § 1375, subd. (d).) Unappropriated water includes water that has not been either previously appropriated or diverted for riparian use. (Water Code §§ 1201, 1202.))

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A. Physical Availability

Watermaster provided unequivocal and uncontested evidence that water is available to supply the project. Watermaster's hydrologist, Mr. Wildermuth, presented testimony as to his model analysis regarding water availability. The model used for this analysis is known as the "waste load allocation model" because it is the model used by the Santa Ana Regional Water Quality Control Board in setting waste load allocations for the watershed, and was the model used by the Regional Board in formulating the 2004 Basin Plan Amendments. (CBWM Ex. 2-1, page 4, lines 14-20; RT Vol. II, 4:22-5:20.)

This analysis simulated the amount of water that would be available to Watermaster's points of diversion over a 50-year period using historical precipitation and 1993 land use conditions. (CBWM Ex. 2-1, page 4, line 25 through page 5, line 3.) According to this analysis, the maximum amount of water that would be available at the points of diversion is approximately 160,000 acre-feet. (CBWM Ex. 2-1, figure 6; RT Vol. II, 6:24.) This amount is well in excess of the amount requested by Application 31369, and well in excess of the 110,500 acre-feet requested by Application 31369 in combination with Watermaster's existing two permits. Watermaster's evidence shows that under its simulated conditions, in five out of the last 50 years, more than 110,500 acre-feet would have been available to Watermaster's facilities. (RT Vol. II, 9:20-24.) Watermaster's evidence further shows that had current (rather than 1993) land-use conditions been used, the analysis would have shown even more water available at the points of diversion. (CBWM Ex. 2-1, page 6, lines 13-17; RT Vol. II, 10:17-20.)

There was no opposition to any of the evidence presented by Watermaster, nor were any contrary facts entered into the record by any party.

B. Beneficial Use in an Erratic and Flashy System

At the hearing, the Hearing Officer asked the applicants to address permitting issues as they relate to the erratic nature of stream flows in the Santa Ana Watershed. One aspect of this question concerns the ability to make beneficial use of the available water.

The erratic nature of the flow of the creek systems in the Chino Basin does not create an impediment to the beneficial use of the water appropriated because the Chino Basin contains

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substantial groundwater storage assets, and all water diverted is intended to be recharged to underground storage.

Groundwater storage is an important component of the management of the Chino Basin. It is so important that two of the nine OBMP Program Elements concern groundwater storage management. (CBWM Ex. 1-7, Program Elements Eight and Nine.) The 1978 Chino Basin Judgment gives Watermaster the authority to control and regulate all use of the storage capacity of the Chino Basin. (CBWM Ex. 1-5, pp. 8-9.) The groundwater storage resources of the Chino Basin allow Watermaster to store any water recharged for use in subsequent years. All storm water recharged will be put to beneficial use by the parties to the Chino Basin Judgment.

Watermaster's evidence shows that with the completion of the (CBFIP) the facilities have the capacity to recharge the full amount of water requested under Application 31369 as well as its two existing permits. (RT Vol. I, 141-142; CBWM Ex. 1-13.) Construction of the CBFIP was completed in December 2005. (CBWM Ex. 1-15, page 2-1.) The evidence shows that after the completion of the CBFIP the capacity of the basins in total was anticipated to be 123,195 acre-feet per year. (Applicants Joint Ex. 2-19, Table ES-1; RT Vol. I, 141:20-142:16.) During the 05-06 storm season, the Groundwater Recharge Coordinating Committee began to learn about the operational capabilities of the improved recharge basins and were able to finalize the Operation Manual. (CBWM Ex. 1-15.) The Operation Manual states that the initial performance of the facilities is likely to be less than anticipated, but as the facilities come in to full use, the duration of the maintenance cycles of the facilities is decreased, and "experience is gained towards optimizing the operation of these basins," the recharge capacity will increase and exceed the amount originally anticipated.[2] (CBWM Ex. 1-15, page 2-1.) The procedures described in the Operation Manual have not yet been fully tested since there has been almost no storm flow in the 06-07 storm season. (CBWM Ex. 1-16.)

Because of the flashy and erratic nature of the storm flow in the Chino Basin, the only

[2] Note that the Operation Manual plans for the use of the recharge basins under average conditions and so allocates the recharge capacity between the three types of water to be recharged: storm water, recycled water, and imported supplemental water. However, in wet years when more storm water is available, Watermaster will reduce the amount of supplemental water that is imported and dedicate the recharge capacity to storm water with the goal of maximizing the recharge of storm water. (CBWM Ex. 1-1, 6:11-22.)

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practical method of use for the water is as recharge to underground storage. However, storm water recharge always presents operational challenges because public safety considerations inherent in the flood control functions will always take precedence over recharge. While the erratic nature of the flows in the Chino Basin may thus create operational challenges for Watermaster, there is no reason why they should present a beneficial use limitation on the issuance of a permit for the full amount requested by Watermaster. In fact, Watermaster's evidence shows that any limitation on Watermaster's ability to divert storm flows when available will inhibit the ability to put the available water to beneficial use by recharging it in to the groundwater basin. (CBWM Ex. 2-1, page 7, lines 3-6; RT Vol. II, 12:18; RT Vol. I, 143:6; RT Vol. I, 162:21-163:7.)

C. Previous State Board Decisions

While the Santa Ana River watershed's flashy hydrology may be unique in relation to the perennial stream flows prevalent in northern California, the issue of high variability of available water is not. The State Board has dealt with the issue in its permitting capacity in many past decisions. In addressing the issue, however, the State Board has not constrained itself from permitting applications in such circumstances.

For example:

> The available information relating to the applications and protests points to the conclusion that the flow of the sources from which the applicants seek to appropriate is erratic and uncertain, that unappropriated water nevertheless exists therein frequently and that such water, when it exists, may be taken and used beneficially in the manner proposed by the applicants, without injury to downstream users. . . . the applications should therefore be approved and permits issued, subject to the usual terms and conditions.

(In the matter of Application 16326 by Crossley and Application 16327 by Crossley to appropriate water from two Unnamed Streams tributary to Secret Ravine in Placer County (1958) State Board 902, slip copy at p. 10.)

Similarly, in Decision 1642, the State Board addressed the Monterey County Water Resources Agency's application to increase its storage rights in Nacimiento Reservoir. (*In the Matter of Application 30532* (2001) State Board D-1642.) The State Board found that water was available for the project in eight of the 43 years that the project had been in operation, and that in

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those eight years there were 611 days when water in storage exceeded the licensed amount. (Id., slip copy at p. 10.) On this basis, the State Board found sufficient water available to supply the project. (Id., slip copy at p. 13; see also *In the Matter of Application 22980 of Western Lake Properties, Inc., to Appropriate from Big Creek in Tuolumne County* (1968) State Board D-1320, slip copy at p. 6 [surplus water would be available in 6 out of 42 years].)

In Decision 1613, the State Board addressed an application by University Exchange Corporation to appropriate 490 acre-feet for use as a residential supply. (*In the Matter of Application 26813* (1986) State Board D-1613.) The Goleta Water District protested the application on public interest grounds, alleging that there may be inadequate water available in dry years. The State Board found that the amount of water available for appropriation would be inadequate for the proposed uses in many years, and would be dependant on a supplemental water supply. (Id §4.2.) Even with a supplemental supply, the State Board found that the volume of water needed by the proposed residential developments could only be met in 96% of the years, and that in the other 4% of the years the applicant would depend on a groundwater supply that would cause overdraft to the groundwater basin. (Id.) The State Board found that these factors were not significant and granted the permit for the full requested amount.

As the evidence at the hearing demonstrated, in order to achieve its average storm water recharge to underground storage, Watermaster must divert storm water whenever it is available. (CBWM Ex. 2-1, page 7, lines 3-6; RT Vol. II, 12:18; RT Vol. I, 143:6; RT Vol. I, 162:21-163:7.) The appropriation of storm water when available, though its reliability may be unpredictable, should be allowed despite the inability to rely on that supply for a firm amount of water in each year. (See *In the Matter of Application 22980 of Western Lake Properties, Inc., to Appropriate from Big Creek in Tuolumne County* (1968) State Board D-1320, slip copy at p. 4 ["In a proper case, the Board can approve an application to divert from a source with no firm yield remaining above diversions authorized in existing permits, when there is a reasonable expectation that variations in either the supply or the needs of prior rights will leave unappropriated water in the source in some months or some years, which water the applicant will be able to use, whenever it occurs."].)

D. Other Appropriations

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Downstream from Watermaster's points of diversion there are no other legal users of water other than the Orange County Water District ("OCWD"). Thus, so long as OCWD's rights are satisfied, there will be no water rights limitation on the availability of water. In this regard, OCWD's rights with respect to the Chino Basin are defined by the 1969 Stipulated Judgment in *Orange County Water District v. City of Chino*, Orange County Superior Court Case No. 117628. (Applicants Joint Ex. 2-1.)

Watermaster has historically appropriated as much storm water as it could, consistent with the 1969 Judgment. This, in fact, is the right decreed to the Chino Basin by that Judgment. The 1969 Judgment says that the Upper Area parties have the right, ". . . to divert, pump, extract, conserve, store and use all surface and ground water supplies originating within Upper Area without interference or restraint by Lower Area claimants so long as the Lower Area receives the water to which it is entitled under this Judgment and there is compliance with all of its provisions." (Applicants Joint Ex. 2-1, page 10.)

So long as OCWD receives the water to which it is entitled under the 1969 Judgment and so long as there is compliance with all of the Judgment's provisions, OCWD's rights do not act as a limitation on the availability of water for appropriation by Watermaster.

It is important to emphasize that within the parameters of the 1969 Judgment as quoted above, Watermaster's right to divert storm flows within the Chino Basin is defined not by a limit on the number of acre-feet that may be utilized, but rather as a duty to deliver a certain minimum quantity of water to downstream users. The specification through Application 31369 of a specific acre-foot number to which Watermaster will be limited is thus, in itself, the imposition of a condition on Watermaster that does not exist under the 1969 Judgment. As discussed below, there are no resource-based justifications for the imposition of any conditions on Watermaster's activities. The only justification for even the condition of a defined acre-foot right is that such a condition is a necessary feature of the Water Code's water right system that Watermaster has accepted as an unavoidable consequence of making use of the State Board's services.

V. PUBLIC TRUST

Watermaster presented uncontested and unequivocal evidence that its project will have no

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impact on public trust resources and that there are no limiting conditions that can be put in to Watermaster's permit that will have any benefit to public trust resources. As discussed below, this lack of impact is the result of the particular physical setting of the Chino Basin: all of the channels in the Chino Basin are concrete lined, and the only impact of the project outside of the Chino Basin is a small reduction in flow in and near Prado Basin, an area of the Santa Ana Watershed which has no shortage of water.

A. Flow Analysis

Watermaster diverts water from four creek systems that are tributary to the Santa Ana River. There is no natural base flow to these creeks, and so the only time water is present is during and immediately following storm events. (RT Vol. II, 108.) The travel time for water entering the four creek channels at the base of the San Gabriel mountains until it discharges to the Santa Ana River is about three to four hours. (RT Vol. II, 108:21.) The operation of the facilities can have the effect of delaying this travel time to between 12 to 24 hours, after which time the flow in the channels becomes negligible. (RT Vol. II, 108:8-11.) The reason for these short travel times is that the channels are concrete-lined with steep gradients. (RT Vol. II, 108:23-109:4.) Apart from these ephemeral flows, water in the channels is composed of some urban dry weather flow and treated waste water that is discharged below Watermaster's points of diversion. (RT Vol. II, 108:8-12.)

Watermaster's hydrologist provided testimony on flow duration curves for each of the four creek systems in the Chino Basin, as well as for the Santa Ana River mainstem. These flow duration curves are composite representations of the daily flows of each of the creek systems based upon 50 years of daily data. (CBWM Ex. 2-1 Figures 7-10; RT Vol. II, 110:12-111:1.) These flow duration curves simulate the impacts that Watermaster's proposed appropriation would have had over the last 50 years of historical flow. According to Watermaster's testimony, the changes in flow are generally small and infrequent. (CBWM Ex. 2-1, page 10, lines 15-21; RT Vol. II, 111:23-112:7; Id. at 112:22-24; Id. at 113:3-5.)

Watermaster also provided evidence that even these small changes in flow would be eliminated under ultimate land use conditions since urbanization downstream of Watermaster's points of diversion will result in higher flows reaching the Santa Ana River and that these higher

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flows will offset the amount that Watermaster recharges into the groundwater basin. (RT Vol. II, 12:7-11.)

Finally, Watermaster provided evidence about the cumulative effect of its appropriations in combination with other Upper Basin applicants' diversions. Flow duration curves were presented which simulated the change in flow at Riverside Narrows and at Prado Dam. (CBWM Ex. 2-1 Figures 11-12; CBWM Ex. 2-9.) The flow duration curve at Prado Dam simulates the impact of the diversions by Muni/Western, the City of Riverside, and the Chino Basin Watermaster. (CBWM Ex. 2-9; RT Vol. II, 115:21-24.) These impacts were characterized as not significant within the context of the overall flow of the Santa Ana River. (CBWM Ex. 2-1, page 10, lines 22-24; RT Vol. II, 116:13-16.)

There was no opposition to any of the evidence presented by Watermaster, nor were any contrary facts entered into the record by any party.

B. CEQA Analysis

Watermaster's storm water recharge project was analyzed by the OBMP PEIR and found to have no negative impacts. Subsequently a project level Initial Study was performed that resulted in a Finding of Consistency for the project.

With respect to public trust resources, both the OBMP PEIR and the Initial Study found that the channels in the Chino Basin are primarily concrete-lined flood control channels so that there are no public trust resources in this area to consider. (CBWM Ex.3-1 page 5:14; CBWM Ex. 3-3 pp. 4-308 to 4-344 (section 4.8); CBWM Ex. 3-1 page 7:5-10; CBWM Ex. 3-4.) Because of this, the analysis of public trust impacts of the recharge project focused on potential impacts at Prado reservoir. (CBWM Ex 3-1 page 5:16.) The analysis found that Watermaster will divert substantially less than the projected increased flows reaching Prado, so that the net effect will merely be a smaller increase in flows than would otherwise be the case, with no adverse impact on public trust resources. (CBWM Ex.3-1 page 5:17-23; CBWM Ex. 3-3 pp. 4-308 to 4-344 (section 4.8).)

There was no opposition to the written testimony concerning Watermaster's CEQA compliance. Because there were no questions to be put to Watermaster's witness concerning such compliance, at the April 20, 2007 Pre-Hearing Conference Call the Hearing Officer permitted

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Watermaster to rely solely on the written testimony of this witness. There was no opposition to this by any party.

C. Supplemental Analysis Regarding Special Species of Concern

For the purpose of the hearing on Application 31369, Watermaster performed supplemental analyses with regard to special status species that seemed of particular interest to the State Board and other hearing parties. Watermaster presented the testimony of the leading experts familiar with the species of concern in the areas that might be affected by the diversions under Application 31369: the four creek systems as they pass through the Chino Basin, Reach Three of the Santa Ana River and the Prado Wetlands.

With respect to the four creek systems as they pass through the Chino Basin, Watermaster's evidence demonstrated that there is no habitat for any species within the stream channels from which Watermaster diverts. There is neither riparian habitat nor habitat for the Santa Ana sucker within these areas. (CBWM Ex. 4-1, 3:7-12; RT Vol. II, 146:10-23; CBWM Ex. 6-1, 3:13-23; RT Vol. II, 154:5-14, 156:13-16.) Furthermore, the United States Fish and Wildlife Service's designation of critical habitat for the San Bernardino Kangaroo Rat within the northern portion of the Chino Basin specifically excludes Watermaster's northernmost diversion facilities, and there is no designated critical habitat for any species south of this point. (CBD Ex. 2; RT Vol. II, 148:7-149-5.) Watermaster presented evidence that there is no potential for Watermaster's appropriations to impact habitat upstream from its points of diversion. (RT Vol. II, 149:6-11.) There was no opposition to this evidence, nor were any contrary facts entered in to the record by any party.

1. Riparian Habitat and Avian Species

With respect to Reach Three and Prado Wetlands, Mr. Tony Bomkamp testified that Watermaster's diversions will have no impact on riparian habitat. (CBWM Ex. 4-1, 8:21-10:4; RT Vol. II, 150:24.) Mr. Bomkamp performed a water budget analysis which calculated the amount of water required by the riparian species within Reach Three and Prado Wetlands and then compared this amount with the amount of water actually available in these areas. (RT Vol. II, 122:10 – 124:23.) This methodology was utilized by Mr. Bomkamp for his analysis of both the City of Riverside's project and well as for the Chino Basin in order to provide an analysis of the cumulative

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effect of both of these projects. (RT Vol. II, 144:18-21; 149:19-23.)

The analysis focused on the water needs of the willow because the water needs of this species are larger than any other relevant species in the study area. (RT Vol. II, 145:18-146:1.) It also focused on the habitat needs of the Least Bell's vireo with respect to this riparian habitat because the vireo serves as an umbrella species for all other avian species of concern in the study area. (RT Vol. II, 145:5-14.) The evidence shows that in the area of Reach Three above the Prado Wetlands, there is approximately 18 times more water present than is required by the riparian habitat. (RT Vol. II, 124:21-23.) With respect to the Prado Wetlands, the evidence shows that even with both the Riverside and the Chino Basin diversions, there is still, on average, more than 260,000 acre-feet of water in excess of that needed by the riparian habitat. (RT Vol. II, 126:6-13.) Consequently, Watermaster's proposed project will have no impact on the Least Bell's vireo nor any other special status avian species. (RT Vol. II, 126:16-19; 145:2-146:9.) Because there is such a large amount of treated effluent in the Santa Ana River system, the timing of the storm flows does not have a significant effect on this analysis. (RT Vol. II, 151:11-22.)

The evidence shows that the conclusion regarding lack of impacts will be true even when Watermaster's appropriations reach the full amount requested. This is because when there is increased water available in the Chino Basin, there is also increased water throughout the Santa Ana Watershed, and even though Watermaster's appropriations may increase, the flows in Reach Three and Prado will also be increasing and Watermaster's percentage impact on the overall flows will actually decrease. (RT Vol. II, 150:6-24.) Similarly, in dry years Watermaster's appropriations will have a decreased percentage impact because in such years the flows in Reach Three and Prado are fed almost exclusively by wastewater discharges. (RT Vol. II, 151:2-22.)

Watermaster's evidence shows that even if Watermaster were to divert and recharge all of the flows in the creek systems, that there will be no adverse impact on Reach Three or the Prado Wetlands. (RT Vol. II, 151:23-152:14.) Watermaster's evidence shows that there are no limitations that can be placed on Watermaster's appropriations that will have any benefit to riparian habitat or avian species. (Id.)

There was no opposition to any of this evidence, nor were there any questions from staff.

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(RT Vol. II, 157:24 – 158:4.) No party introduced any contrary evidence in to the record.

2. Santa Ana Sucker

With respect to the Santa Ana Sucker, Reach Three and the Prado Wetlands do not provide suitable habitat. (CBWM Ex. 6-1, 3:24-4:1; RT Vol. II, 157:2-14.) Dr. Jonathan Baskin testified that Reach Three was generally poor habitat for the Santa Ana Sucker because it is more than 90% sand substrate. (RT Vol. II, 141:11-16.) Dr. Baskin further testified that flows in Reach Three are currently higher than is suitable for the Santa Ana Sucker. (RT Vol. II, 142:6-16.) Prado Basin is also not suitable habitat because of the predominance of standing water which is contrary to the habitat needs of the sucker. (RT Vol. II, 139:20-22.)

Dr. Jeffrey Beehler, administrator of the Santa Ana Watershed Project Authority's Santa Ana Sucker Conservation Team, testified that Watermaster's project will not cause any direct impact to the Santa Ana Sucker by, for example, drawing suckers in to Watermaster's diversion facilities. (RT Vol. II, 153:20-154:8.) This is because the sucker does not inhabit the concrete channels within the Chino Basin. (Id.)

The testimony analyzed the mouths of the four creek systems where the concrete-lined portions end, and found that none of them offer suitable sucker habitat. Chino Creek and Cucamonga Creek both are low gradient, rip-rapped channels with silty bottoms that empty directly into Prado Basin. (RT Vol. II, 155:8-13.) Prado Basin acts as a barrier against the suckers because it is standing water that is habitat for a number of invasive species which prey on the sucker. (RT Vol. II, 155:12-16.) This testimony is consistent with the analysis provided by Dr. Baskin. (RT Vol. II 142:17-24.) The short unlined area at the mouth of Day Creek was also shown to be relatively flat and silty, with unreliable flows. (RT Vol. II, 155:20 -156:4.) Similarly, the short unlined area at the mouth of San Sevaine Creek was also shown to be flat, sandy and containing large barriers to fish movement. (RT Vol. II, 156:6-12.)

Watermaster's project will not adversely affect the sucker in Reach Three itself. (CBWM Ex. 6-1, 4:8-10; RT Vol. II, 156:13-157:14.) This is because the limiting factor for the sucker within the Santa Ana River is sufficient habitat and not the availability of adequate flows, and Watermaster's project will not affect the availability of habitat. (CBWM Ex. 6-1, 4:3-7; RT Vol. II,

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156:20-22, 157:6-14.)

Based on the lack of impacts from Watermaster's appropriations under Application 31369, Watermaster's evidence shows that there are no limitations that can be placed on Watermaster's appropriations that will have any benefit to the Santa Ana Sucker. (RT Vol. II 157:15-19.)

There was no opposition to any of this evidence, nor were there any questions from staff. (RT Vol. II, 157:24 – 158:4.) No party introduced any contrary evidence into the record.

D. Public Trust in an Erratic and Flashy System

One aspect of the Hearing Officer's concern over the erratic and flashy nature of the system was how to formulate permit terms that would be protective of the public trust. (RT Vol. I, 254:1-23.) This concern is founded on the assumption that some measure of limitation on the appropriation by the permittee may be appropriate in order to protect public trust values; the difficulty of formulating a permit term in an erratic system only manifests itself if it is necessary to find a way to define how much water *cannot* be diverted. As shown by Watermaster's evidence, this issue does not arise in the Chino Basin. In any given year, Watermaster can divert and recharge all of the storm water in the system, and this activity will not harm public trust values, and may even create a public trust benefit. Since there are no permit terms that will be protective of the public trust with respect to the Chino Basin, the issue of how to formulate such terms with regard to the erratic nature of the stream flows does not arise.

VI. PUBLIC INTEREST

The State Board is to allow the appropriation for beneficial purposes of unappropriated water under such terms and conditions as in its judgment will best develop, conserve, and utilize in the public interest the water sought to be appropriated. (Water Code § 1253.) In determining whether an appropriation of water is in the public interest, the State Board shall give consideration to any general or coordinated plan looking toward the control, protection, development, utilization and conservation of the water resources of the State. (Water Code § 1256.)

The storm water recharge project described in Application 31369 is one component of Watermaster's Recharge Master Plan. (CBWM Ex. 1-1, pp. 6-7.) The Recharge Master Plan implements Program Element Two of Watermaster's OBMP. The OBMP is a comprehensive and

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integrated groundwater management program for the Chino Basin that functions as the Physical Solution under the 1978 Judgment. When implementation of the OBMP began in 2000, the Santa Ana Watershed Project Authority named the program "Integrated Project of the Year." (CBWM Ex. 1-1, p. 5.)

As its name indicates, the purpose of the OBMP is to provide a management program for the Chino Basin that will optimize the use of the Basin for the wide variety of beneficial uses there. The water appropriated under Application 31369 will be recharged into the Chino Basin and put to use for municipal, agricultural and industrial uses by the 800,000 people who live and work in the Basin area. (RT Vol. II, 21:24-22:8.)

In addition, in acting upon an application to appropriate water, the State Board shall consider water quality control plans which have been established pursuant to Division Seven of the Water Code. (Water Code § 1258.)

On September 30, 2004, the State Board approved the most recent set of amendments to the Santa Ana Region Basin Plan. These amendments included an innovative program to encourage the use of recycled water in selected places within the Santa Ana Watershed, most notably in the Chino Basin. The central feature of these amendments is the inclusion of what are known as the "Maximum Benefit Standards" which provide for greater assimilative capacity in the Chino Basin thereby allowing for increased recycled water use and recharge. (CBWM Ex. 1-8: Attachment to Resolution No. R8-2004-0001, pp.52-53; CBWM Ex. 1-1. pp.5:10-6:22.) In exchange for the ability to utilize the Maximum Benefit Standards, the parties in the Chino Basin committed to implement a suite of water quality improvement measures. One of the measures specifically identified is the storm water recharge project that is the subject of Application 31369. (CBWM Ex. 1-8: Attachment to Resolution No. R8-2004-0001, page 58, item numbered "5"; *see also* Water Code § 1257). In order to recharge recycled water, Watermaster must recharge a prescribed amount of storm water to meet blending requirements. (CBWM Ex. 1-1, p. 6; CBWM Ex. 1-8; CBWM Ex. 2-7; CBWM Ex. 2-4; RT Vol. III, 23:22-24:7.) Without the recharge of storm water, Watermaster's recharge of recycled water will be limited unless Watermaster can import an amount of water that will have an equivalent function as a dilutant. Such a scenario will require additional importation of

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water from the Bay-Delta through the State Water Project. (CBWM Ex. 1-1, p. 9; RT Vol. III, 22:17-23-:1; see CBWM Ex. 2-1, p. 11.) It cannot be in the public interest to compel a community to unnecessarily forego the use of available local resources and to instead increase its reliance on imported supplies whose reliability may be in question.

Watermaster provided unequivocal evidence that any permit conditions that limit Watermaster's flexibility will have a negative impact on the public interest values of Watermaster's project. (RT Vol. III, 22:17-23:1; 24:8-14.) There was no opposition to any of this evidence. No party introduced contrary evidence into the record.

VII. GROUNDWATER QUALITY

A. Watermaster's Project Will Have a Beneficial Impact on Groundwater Quality in the Chino Basin

Watermaster presented uncontested and unequivocal evidence that Watermaster's recharge of increased amounts of storm water to the Chino Basin will improve groundwater quality within the Basin. (CBWM Ex. 1-1, p. 7; CBWM Ex. 1-12, p. ES-2.) The Initial Study for the storm water recharge project found that the recharge of high quality storm water into the Chino Basin will have a beneficial impact on the groundwater quality in the Basin. (CBWM Ex. 3-4, page 49; CBWM Ex. 3-1, page 6, line 16.) Watermaster's extensive water quality monitoring activities have demonstrated this to be the case. (CBWM Ex. 3-1, p. 11; see CBWM Ex. 2-7, p. 6-1.)

B. Watermaster's Project Will Not Have Any Effect on the Movement of any Contaminated Groundwater Plumes

Watermaster presented uncontested and unequivocal evidence that its recharge of storm water under Application 31369 will not cause the plumes of contamination in the Chino Basin to move differently than they are already moving. Watermaster has conducted extensive modeling of the movement of the contaminant plumes within Chino Basin. (CBWM Ex. 2-1, p. 18, Figures 14, 15; CBWM Ex. 2-3; RT Vol. III, 71:9-20.) This analysis demonstrates that plume movement within the Basin will be virtually the same with or without Watermaster's anticipated recharge under Application 31369. (CBWM Ex. 2-1, pp. 18, 19; RT Vol. III, 75:19-22, 78:14-19.)

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C. Watermaster and the RWQCB Are Already Addressing All the Plumes in the Chino Basin.

Pursuant to Program Element Six of the OBMP, Watermaster works closely with the RWQCB to address the plumes of contamination in the Chino Basin. (RT Vol. III, 77:5-78:13.) In addition to Watermaster's oversight of these plumes pursuant to the OBMP, the remediation of each plume in the Basin is the subject of remediation effort under additional state or federal supervision. (CBWM Ex. 7-1, Exhibit "B"; see also CBWM Ex. 2-1, pp. 12-18.) A summary of efforts currently underway to remediate the plumes in the Chino Basin was attached as Exhibit "B" to CBWM Ex. 7-1. A copy is also attached to this closing brief as Exhibit "C."

VIII. PROPOSED FINDINGS

1. There is adequate water available for appropriation under Application 31369 in combination with Watermaster's existing Permits 19895 and 20753.

2. There is no water availability basis for limiting or conditioning Watermaster's appropriation.

3. The appropriated water will be put to beneficial use.

4. There is no beneficial use basis for limiting or conditioning Watermaster's appropriation.

5. The water is available year round, though it occurs in the greatest quantities during the winter and spring months. The conditions under which the water is available for appropriation relate almost exclusively to precipitation conditions, though also to flood control operations.

6. There is no basis for limiting Watermaster's season of use.

7. Approval of Application 31369 will not result in any adverse impacts to water quality, the environment or public trust resources.

8. There is no public trust basis for limiting or conditioning Watermaster's appropriation.

9. The project proposed by Application 31369 is in the public interest, and any limitations imposed on Watermaster's ability to divert and recharge storm water will detract from the public interest.

10. The rights of other users of water and the priority of those rights are fully defined in the judgments and agreements described in the Stipulation of Applicants on file with the State Board.

11. The Santa Ana Watershed has a well-developed and complex system for the integrated

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regional management of the Santa Ana River, and for the administration of the rights of the parties of the watershed to use the River and its tributaries.

12. In the Santa Ana Watershed, the most effective manner by which the State Board can fulfill its statutory and common law duties is to give a high level of deference to the existing judgments and agreements.

13. The project proposed by Application 31369 will have a beneficial impact on the groundwater of the Chino Basin.

14. The project proposed by Application 31369 will not have any negative impact on the movement of any contaminated groundwater plumes.

15. There is no water quality basis in the record for limiting or conditioning Watermaster's appropriation.

16. Continued implementation of OBMP Program Element Six is adequate to provide water quality protections within the Chino Basin.

17. Because of the erratic nature of storm flows in the Santa Ana Watershed, it is appropriate to utilize a modified approach to defining the period of development and use.

18. The Optimum Basin Management Program constitutes an integrated and comprehensive management plan for the water resources of the Chino Basin.

IX. PROPOSED PERMIT TERMS

Attached to this closing brief as Exhibit "A," is a proposed permit that is based on the discussion contained in this closing brief and upon the model provided by Watermaster's two existing permits. The proposed permit is composed primarily of standard State Board permit terms, though in some respects these standard permit terms have been modified in an attempt to tailor the permit to the particular conditions of the Santa Ana Watershed and in an attempt to integrate the permit in to the existing integrated regional management of the watershed. The discussion below provides an explanation for each of the areas where the proposed permit deviates from standard State Board permit terms.

A. Deference to the Existing Integrated Regional Management of the Santa Ana Watershed (Proposed Permit Terms 12 and 13)

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1. Policy Background

Pursuant to the California Supreme Court's decision in *National Audubon Society v Superior Court* (1983) 33 Cal.3d 419, superior courts and the State Board have concurrent original jurisdiction in cases involving water issues. (*Id.* at 451.) However, under the rule of exclusive concurrent jurisdiction, when two tribunals have concurrent jurisdiction over the subject matter and all parties involved in litigation, the first to assume jurisdiction has exclusive and continuing jurisdiction over the subject matter and all parties involved until such time as all necessary related matters have been resolved. (See *Plant Instruction Co. v. Fibreboard Corp.* (1990) 224 Cal.App.3d 781, 786-87 In the present case the Superior Court, through the 1969 Judgment, retained this "exclusive and continuing jurisdiction."

Any decision of the State Board as to the Applications at issue in this proceeding may not conflict with the provisions of the 1969 Judgment. In *Environmental Defense Fund Inc. v. East Bay Municipal Utility District* (1980) 26 Cal.3d 183, the Supreme Court faced a situation on the American River where both a Superior Court and the State Board were exercising jurisdiction. In that case the court held that even though the State Board had retained jurisdiction to consider the diversion point of an appropriation, the Superior Court could exercise jurisdiction over claims involving reasonable use of water under Article X, Section 2 of the California Constitution. (*Id.* at 199-200.) Here even though the State Board has authority to permit applications to appropriate surface waters, it can not deprive the Superior Court of its exclusive retained jurisdiction over the allocation of waters between the parties to the 1969 Judgment.

In the judicial adjudication involving all of the waters of Putah Creek, the State Board has addressed the issue of how to exercise its jurisdiction concurrently with the Superior Court. In *In the Matter of Modification of Appropriative Water Rights Subject to Condition 12* (1996) State Board Order WR 96-002, the State Board faced a situation on Putah Creek where the Superior Court was adjudicating the water rights of over 2,000 water users. After months of negotiations, the parties reached an agreement as to how to exercise their water rights. The State Board found that:

> In the coordinated actions in the Sacramento County Superior Court, both the SWRCB and the court have concurrent jurisdiction over the post-1914 appropriative water rights issued by the SWRCB. The

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> SWRCB is requested to amend the terms and conditions in appropriative rights to give effect to the terms of the Agreement...
>
> In order to avoid the possibility that post-1914 appropriative rights could be subjected to inconsistent mandates from the SWRCB and the court, the SWRCB should review any and all orders of the court implementing the provisions of the Agreement. If it appears that the order of the court and the SWRCB impose inconsistent mandates on appropriative water rights, the SWRCB should consider amending the requirements set forth by this order. (*Id.* at 48-49.)

In the present matter, as the existing framework created by the 1969 Judgment has served the parties well in the nearly 40 years since its issuance, the State Board's decision as to the applications at issue should be consistent with the terms of the 1969 Judgment.

As the Board noted in Solano Irrigation Districts v. All Appropriative Water Rights Holders in Upper Basin (1994) Cal. Env. Lexis 8, June 2, 1994, a matter also involving Putah Creek, it is a difficult situation where both the State Board and a court have jurisdiction over a stream system. However, the State Board added:

> Having expressed this reservation, the SWRCB hastens to add that it is also sensitive to the problem presented by its concurrent jurisdiction with the Court and will make earnest effort to avoid conflict with the decision of the Court whenever possible. (*Id.* at 61.)

2. Permit Terms Recognizing Existing Institutional Framework

The April 5, 2007 Stipulation of the Applicants represents a summation of the complex and highly developed institutional framework that exists in the Santa Ana Watershed for the administration of water rights. This system has been evolving over several decades and integrates the management of both surface and groundwater. The system also incorporates water quality considerations in to the water rights decision-making process.

This system, administered by three separate watermaster bodies, forms the foundation upon which Integrated Regional Water Management ("IRWM") in the Santa Ana Watershed occurs. Joint testimony was presented on behalf of all applicants that the State Board should take this opportunity to demonstrate its support for IRWM by encouraging the process that has evolved in the Santa Ana Watershed. (Joint Exhibit 1-1, pp. 9-10; RT Vol. I, 99:11-22.)

The State Board should recognize and encourage the system that has developed in the Santa Ana Watershed through the inclusion in all permits of Standard Permit Terms 23 and/or 24, and N.

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PERMIT TERM 23 *Adjudicated Rights*

When Used: *If diversion is from an adjudicated source.*

Term:
Rights under this permit are, and shall be, specifically subject to existing rights determined by the Adjudication, Superior Court, ___ County, No. __ insofar as said adjudicated rights are maintained.
(0000023)

PERMIT TERM 24 *Private Agreement*

When Used: *As necessary.*

Term:
Permittee shall comply with the following provisions which are derived from the agreement between permittee and _____ executed on ____ and filed with the State Water Resources Control Board:

1.
2.
etc.

Inclusion in this permit of certain provisions of the referenced agreement shall not be construed as disapproval of other provisions of the agreement or as affecting the enforceability, as between the parties, of such other provisions insofar as they are not inconsistent with the terms of this permit.
(0000024)

PERMIT TERM N *Subject to Watermaster*

When Used: *In adjudicated areas where a watermaster supervises distribution of water.*

Term:
Diversion of water under this permit shall be subject to regulation by the watermaster appointed to enforce the terms of the ___ Decree.
(000000N)

These standard permit terms demonstrate a clear precedent for the State Board to recognize and incorporate existing arrangements between the parties in the fulfillment of its statutory duties.

Standard Permit Term 23 allows the State Board to incorporate the terms of the three judgments in the Santa Ana Watershed governing water rights as between the parties. In fact, the State Board has done exactly this on two prior occasions with regard to Watermaster's two existing permits. Watermaster's Permit 19895 (Application 28473) Term 14, and Permit 20753 (Application 28996) Term 13 both state:

Rights under this permit are, and shall be, specifically subject to existing rights determined by the judgment in Chino Basin Municipal Water District v. City of Chino, Superior Court, San

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Bernardino County No. 164327[3]*, and the stipulated judgment in Orange County Water District v. City of Chino Case No. 117628, insofar as such adjudicated rights are maintained.*

Standard Permit Term 24 allows the State Board to incorporate private agreements among the parties. The State Board should utilize both these approaches and incorporate the April 5, 2007 stipulation in its entirety and as an operative term into each of the parties' permits.

Finally, under Permit Term N, the State Board should acknowledge that the Santa Ana River Watermaster, and the two additional local Watermasters, already administer a complex system of water rights. Permit Term N recognizes that in adjudicated areas such administration can serve as a logical and efficient extension of the administration by the State Board. The State Board should take advantage of this precedent and become, as Mr. Dendy testified, a "partner" in the existing process in the Santa Ana Watershed. (RT Vol. I, 11-22.) The State Board should acknowledge the primary responsibility for administration of water rights in the watershed by the three existing Watermaster entities and should reserve for itself an oversight role that will come in to play only if the existing system should somehow fail.

Proposed Permit Terms 12 and 13 accomplish this goal by incorporating the Stipulation of the Parties in to the permit as an operative element, and by establishing the Santa Ana Watermaster as the primary entity to which the permitees will report. Watermaster recommends that these permit elements be incorporated into each of the Applicant's permits.

B. Incorporation of Existing OBMP Program Elements (Proposed Permit Terms 10, 11 and 13)

Permit terms included in Watermaster's existing two permits require the installation of adequate measuring devices prior to the diversion of water (Permit 19895, Term 15; Permit 20753, Term 14) and specify that allowed diversions under the permits may be altered if necessary in order to meet the water quality objectives contained in a water quality control plan (Permit 19895 Term 13; Permit 20753, Term 12).

As described in the written testimony of Mr. Malone, Watermaster has an extensive monitoring program under OBMP Program Element One through which Watermaster gathers a

[3] Case No. 164327 has subsequently been renumbered by the San Bernardino Superior Court as Case No. RCV 51010.

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wide variety of types of data about all aspects of the water resources of the Chino Basin. (CBWM Ex. 5-1.) Watermaster already has a detailed set of monitoring activities relating to the diversion and recharge of water at the recharge basins. (CBWM Ex. 5-1, pp. 19-22.) These monitoring activities include both water quantity and water quality parameters.

OBMP Program Element Six (Develop and Implement Cooperative Programs with the Regional Board and Other Agencies to Improve Basin Management) relates directly to water quality issues, and specifically relates to the Regional Board Water Quality Control Board. Additionally, as described at length above, the storm water recharge project described by Application 31369 is specifically identified in the most recent Basin Plan for the Santa Ana Region as a mitigation measure for the use of recycled water. Since a management program already exists, it will be more effective for the permit to simply reference these existing activities rather than trying to create something new.

The State Board can rely upon these existing management elements without involving itself in enforcement issues because ultimately enforcement of the OBMP commitments remains with the court overseeing Watermaster. (RT Vol. I, 133:8-14; CBWM Ex. 1-5; CBWM Ex. 1-9; CBWM Ex. 1-10.)

C. Permit Terms Responsive to Erratic and Flashy Nature of Creek System

1. Diversion Quantity (Proposed Permit Term 5)

The evidence shows that Watermaster is capable of diverting and recharging the storm water when it is available. Watermaster's testimony demonstrated the overwhelming positive features of recharging as much of the available storm water as possible. However, the number of variables involved in predicting how much of any given storm event will be able to be recharged is virtually impossible. The permit should acknowledge this reality and not attempt to define limits beyond the gross quantity of water to be diverted and the potential diversion rate of the facilities. Beyond this, Watermaster should be left with the flexibility to make best efforts to recharge as much of this water as possible. This is true especially since any water that is not able to be recharged simply returns to the channel from which it was diverted a very short time later. (RT Vol. II, 108:17-109:11.)

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2. Modified Period of Use and Development (Proposed Permit Term 7)

The question of the erratic and flashy nature of the Santa Ana Watershed was put to the hearing participants in the context of a challenge with regard to the formulation of permitting terms. With respect to the Chino Basin, the issue of the erratic nature of the flows should not pose an issue with regard to the formulation of a permit because there are neither beneficial use nor public trust concerns with Watermaster's diversion activities, even if Watermaster is simply given the discretion and the flexibility to divert and recharge as much water as it can, whenever it is available. Rather, the challenge of the erratic availability of water presents a challenge with regard to defining the manner in which Watermaster may perfect its permit into a license.

In a more traditional stream system, an applicant receives a permit and then proceeds to construct a project to appropriate water. A limited period of development and use is imposed on the applicant so that water resources are not inappropriately tied-up and kept from being put to maximum beneficial use. With respect to the Chino Basin, this concern does not exist. Watermaster's project is a project proposed on behalf of the universe of potential water users, and it is a project that has already been implemented.

Application 31369 requests the ability to divert and recharge 68,500 acre-feet per year. This amount, when combined with Watermaster's existing permits, will give Watermaster the right to divert and recharge 110,500 acre-feet per year. Watermaster did not apply for the maximum amount that its evidence shows will be available. (CBWM Ex. 2-1, Figure 6.) Rather, Watermaster formulated its request based on a reasonable expectation about the capacity of its facilities and a reasonable expectation about precipitation conditions. However, it is impossible to know when there will again be sufficient water available in the system to allow Watermaster to appropriate the full amount of its permit and subsequently apply for a license for the full permitted amount. Watermaster should not be held subject to the vagaries of the weather patterns when there is no benefit that will be derived from such a limitation.

Proposed Permit Term 7 resolves this problem by allowing Watermaster to request a license on its permit when it can make a credible demonstration that the facilities have the capacity to appropriate the full amount of the permit. Because it is likely that such a demonstration will require

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some level of operation during high flow periods, the proposed permit term gives Watermaster a 50-year period in which to make this demonstration. 50 years was chosen because this is the statistical period modeled in Watermaster's water availability analysis, which analysis showed that over the course of such a period there is a 10% chance that water will be available in sufficient quantity to satisfy the full amount of Watermaster's requested appropriation.

3. Administration of Rights and Coordination Between Legal Users of Water (Proposed Permit Term 12)

Ultimately, the incorporation of the existing system of management and administration is the best way for the State Board to craft permit terms that take account of the flashy and erratic nature of the system. (*See* Water Code § 380.) The existing system evolved in response to the particular conditions in the Santa Ana Watershed, including the erratic and flashy nature of the River and its tributaries. This system can be incorporated into the permit by incorporation of the Stipulation of the Applicants as an operative terms as recommended in Proposed Permit Term 12.

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X. CONCLUSION

Watermaster's Application 31369 should be granted as requested without conditions except as discussed herein.

Dated: June 6, 2007

HATCH & PARENT

By: /s/ Michael T. Fife
MICHAEL T. FIFE
BRADLEY J. HERREMA
Attorneys for Attorneys For
CHINO BASIN WATERMASTER

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Exhibit A (Proposed Permit)

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State of California

State Water Resources Control Board
DIVISION OF WATER RIGHTS

PERMIT FOR DIVERSION AND USE OF WATER

PERMIT _____

Application 31369 of the Chino Basin Watermaster (9641 San Bernardino Road, Rancho Cucamonga, CA 91730) filed on September 21, 2000, has been approved by the State Water Resources Control Board subject to the limitations and conditions of this Permit.

Chino Basin Watermaster is hereby authorized to divert and use water as follows:

1. Source:

San Antonio Creek System (including San Antonio Creek and Chino Creek), Cucamonga Creek System (including Cucamonga Creek, West Cucamonga Creek and Deer Creek), Day Creek System, San Sevaine Creek System (including San Sevaine Creek, West Fontana Channel, Declez Channel, and Etiwanda Creek).

All creeks are tributary to the Santa Ana River.

2. Location of Points of Diversion:

SEE ADDENDUM

Counties of San Bernardino and Riverside.

3. Purpose of use:

Recharge to storage in the Chino Groundwater Basin for the purpose of supply augmentation and for blending with recycled water. End uses of recharged water include: Municipal, Irrigation, Stockwatering, and Industrial

4. Place of use:

The jurisdictional area of the Chino Basin Watermaster as defined in Exhibit A (by map) and Exhibit K (by legal description) of the stipulated judgment in the case *Chino Basin Municipal Water District v. City of Chino*, San Bernardino Superior Court Case No. RCV 51010.

5. The water appropriated shall be limited to a quantity of 68,500 acre-feet per year at a maximum rate of 115,570 cubic feet per second distributed throughout the points of diversion as described in the ADDENDUM, from January 1 to December 31. Watermaster will make best efforts to recharge all water appropriated into the Chino Groundwater Basin.

6. The amount authorized for appropriation may be reduced in the license if investigation warrants.

7. Chino Basin Watermaster may request a license to be issued when Watermaster is able to demonstrate that operationally and physically the facilities have the capability to appropriate the full amount of the permit. Such a demonstration shall not depend on an actual appropriation of that amount of water so long as the reason such an appropriation has not occurred is solely because of precipitation conditions or flood control operational decisions. Chino Basin Watermaster shall complete this demonstration within 50 years of the issuance of this permit.

8. Progress reports shall be submitted promptly by Chino Basin Watermaster when requested by the State Water Resources Control Board until a license is issued.

9. Chino Basin Watermaster shall allow representatives of the State Water Resources Control Board and other parties as may be authorized from time to time by said Board, reasonable access to project works to determine compliance with the terms of this permit.

10. Pursuant to California Water Code Sections 100 and 275, and the common law public trust doctrine, all rights and privileges under this permit and under any license issued pursuant thereto, including method of diversion, method of use, and quantity of water diverted, are subject to the continuing authority of the State Water Resources Control Board in accordance with law and in the public interest of the public welfare to protect public trust uses and to prevent waste, unreasonable use, unreasonable method of use or unreasonable method of diversion of said water.

The continuing authority of the State Water Resources Control Board may be exercised by imposing specific requirements over and above those contained in this permit with a view to eliminating waste of water and to meeting the reasonable water requirements of the Chino Basin without unreasonable draft on the source. The Chino Basin Watermaster may be required to implement or facilitate the implementation of a water conservation plan, and operate efficient water measuring devices to assure compliance with the quantity limitations of this permit and to determine accurately water use as against reasonable water requirements for the authorized project. It is recognized by this permit that such measures are already underway by the Chino Basin Watermaster, the parties to the stipulated judgment in the case *Chino Basin Municipal Water District v. City of Chino*, San Bernardino Superior Court Case No. RCV 51010, and pursuant to the Chino Basin Watermaster's Optimum Basin Management Program ("OBMP"). No action will be taken pursuant to this paragraph unless the State Water Resources Control Board

determines, after notice to the affected parties and opportunity for hearing, that such specific requirements are physically and financially feasible and are appropriate to the particular situation.

The continuing authority of the State Water Resources Control Board may be exercised by imposing further limitations on the diversion and use of water by the Chino Basin Watermaster in order to protect public trust uses. No action will be taken pursuant to this paragraph unless the Board determines, after notice to the affected parties and opportunity for hearing, that such action is consistent with California Constitution Article X, section 2; is consistent with the public interest and is necessary to preserve or restore the uses protected by the public trust.

11. The Chino Basin Watermaster shall continue to implement its water quality program under OBMP Program Element Six (Develop and Implement Cooperative Programs with the Regional Board and Other Agencies to Improve Basin Management).

This permit shall be construed to allow the Chino Basin Watermaster to comply with the terms of the 2004 Santa Ana Regional Water Quality Control Board's resolution R802004-0001 that amended the Water Quality Control Plan for the Santa Ana Region with respect to the requirement to recharge stormwater into the groundwater basin and as reflected in permit R8-2005-0033 Water Recycling Requirements for Inland Empire Utilities Agency and Chino Basin Watermaster, Phase I Chino Basin Recycled Water Groundwater Recharge Project, and similar permits that may be issued regarding the recharge of recycled water and as these permits may from time to time be amended.

12. Rights under this permit are, and shall be, specifically subject to existing rights determined by the judgments and agreements as described by that "Stipulation of the Applicants" on file with the State Water Resources Control Board and made a part of the official record relating to this permit through submission to the State Water Resources Control Board by Watermaster, et al. on April 5, 2007.

Diversion of water under this permit shall be subject to regulation by the court maintaining continuing jurisdiction over the case *Chino Basin Municipal Water District v. City of Chino*, San Bernardino Superior Court Case No. 51010, and by the watermaster appointed to enforce the terms of the stipulated judgment in the case *Orange County Water District v. City of Chino*, Orange County Superior Court Case No. 117628.

The terms of this permit shall be construed as consistent with the judgments and agreements as described in the Stipulation of the Applicants, and as those judgments and agreements may be amended from time to time. Provided, however, that enforcement of such judgments and agreements shall be solely the responsibility of the watermasters and courts associated with such judgments and agreements.

13. The Chino Basin Watermaster shall continue to implement its comprehensive monitoring program under Program Element One of the OBMP. Watermaster shall provide its recharge and production monitoring data to the Santa Ana Watermaster on an

annual basis. Watermaster will ensure that if the State Water Resources Control Board requires the reporting of any such data either under this permit or under any license granted based on this permit, that such reporting is provided to the Board by the Santa Ana River Watermaster.

14. This permit is issued and permittee takes it subject to the following provisions of the Water Code:

Section 1390. A permit shall be effective for such time as the water actually appropriated under it is used for a useful and beneficial purpose in conformity with this division (of the Water Code), but no longer.

Section 1391. Every permit shall include the enumeration of conditions therein which in substance shall include all of the provisions of this article and the statement that any appropriator of water to whom a permit is issued takes it subject to the conditions therein expressed.

Section 1392. Every permittee if he accepts a permit, does so under the conditions precedent that no value whatsoever in excess of the actual amount paid to the State therefore shall at any time be assigned to or claimed for any permit granted or issued under the provisions of this division (of the Water Code), or for any rights granted or acquired under the provisions of this division (of the Water Code). In respect to the regulation by any competent public authority of the services or the price of the services to be rendered by any permittee or by the holder of any rights granted or acquired under the provisions of this division (of the Water Code) or in respect to any valuation for purposes of the sale to or purchase, whether through condemnation proceedings or otherwise, by the State or any city, city and county, municipal water district, irrigation district, lighting district, or any political subdivision of the State, of the rights and property of any permittee, or the possessor of any rights granted, issued, or acquired under the provisions of this division (of the Water Code).

Addendum to Exhibit A (Chart of Points of Diversion)

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CHINO BASIN WATERMASTER
APPLICATION 31369 POINTS OF DIVERSION

Spreading Facility	Basin Type[1]	Diversion Name	Easting[2]	Northing[2]	Point is Within	Section	Township	Range	Base and Meridian	Diversion Name	Conduit	Stormwater Recharge Rate of Diversion (cfs)	Annual Amount (acre-ft/yr)	Spreading Area (Acres)
Chino Creek (San Antonio Creek) System														
College Heights	FB	San Antonio Creek Inlet	6653870	1861320.7	NW 1/4 of NW 1/4 of	11	01S	08W	S.B.B.M.	San Antonio Creek Inlet	3 - 5' x 5' reinforced concrete culvert, 150 ' long, 2% slope	290	420	10
Upland Basin	FT	Misc Existing Urban Storm Drains	Varies	Varies						Misc Existing Urban Storm Drains	varies	690	2,500	32
Montclair 1	Both	San Antonio Creek Inlet	6652040.1	1855855.9	NE 1/4 of NE 1/4 of	15	01S	08W	S.B.B.M.	San Antonio Creek Inlet	48" reinforced concrete pipe, 80% slope	1,400	1,870	9
		Misc Existing Urban Storm Drains	Varies	Varies						Misc Existing Urban Storm Drains				
Montclair 2	FT	Outlet from Montclair 1	6651927.8	1854846.5	NE 1/4 of NE 1/4 of	15	01S	08W	S.B.B.M.	Outlet from Montclair 1	Concrete spillway	2,220	1,300	13
		Misc Existing Urban Storm Drains	Varies	Varies						Misc Existing Urban Storm Drains	varies			
Montclair 3	Both	San Antonio Creek Inlet	6651423.5	1853334.9	NW 1/4 of SE 1/4 of	15	01S	08W	S.B.B.M.	San Antonio Creek Inlet (proposed)	3 - 5 ' x 5' reinforced concrete culver, 150' long, 2% slope	2,390	680	5
		Outlet from Montclair 2	6651675.5	1853570.8	NW 1/4 of NE 1/4 of	15	01S	08W	S.B.B.M.	Outlet from Montclair 2	Concrete spillway			
		Misc Existing Urban Storm Drains	Varies	Varies						Misc Existing Urban Storm Drains	varies			
Montclair 4	FT	Outlet from Montclair 3	6651331	1852355.3	NW 1/4 of SE 1/4 of	15	01S	08W	S.B.B.M.	Outlet from Montclair 1	Concrete spillway	2,400	1,070	8
		Misc Existing Urban Storm Drains	Varies	Varies						Misc Existing Urban Storm Drains	varies			
Brooks	FT	San Antonio Creek Inlet	6647789.6	1845097.3	NW 1/4 of NW 1/4 of	27	01S	08W	S.B.B.M.	San Antonio Creek Inlet (proposed)	Trapezoidal channel, b=4', z = 1, d=6', .5% slope, diverted completely	1,860	3,660	14
		Misc Existing Urban Storm Drains	Varies	Varies						Misc Existing Urban Storm Drains	varies			
Cucamonga Creek System														
8th Street	FT	Misc Existing Urban Storm Drains	6673019.3	1856071.8	NE 1/4 of NE 1/4 of	17	01S	07W	S.B.B.M.	West Cucamonga Creek Inlet	varies	2,910	2,680	19
7th Street	FT	Outlet from 8th Street Basin	6673030.1	1854975	NE 1/4 of NE 1/4 of	17	01S	07W	S.B.B.M.	Outlet from 8th Street Basin	50' wide spillway & 3 - 10' x 5' reinforced concrete culvert, 110' long	2,880	370	8
Ely Basin	FT	West Cucamonga Creek Inlet	6676982.7	1835570.1	SW 1/4 of SE 1/4 of	33	01S	07W	S.B.B.M.	West Cucamonga Creek Inlet	Trapezoidal Channel, b = 36', z = 16', .5% slope, diverted comple	6,030	5,770	43
		Misc Existing Urban Storm Drains	Varies	Varies						Misc Existing Urban Storm Drains	varies			
Grove Street	FT	Misc Existing Urban Storm Drains	Varies	Varies	SW 1/4 of SE 1/4 of	33	01S	07W	S.B.B.M.	Misc Existing Urban Storm Drains	varies	1,140	1,530	17
Turner No. 1	FB	Cucamonga Creek Inlet	6682542.5	1850672.8	NW 1/4 of NE 1/4 of	22	01S	07W	S.B.B.M.	Cucamonga Creek Inlet	8' x 4 reinforced concrete culvert, 40' long, 5% slope	310	1,210	10
Turner No. 2,3,4	Both	Deer Creek Inlet	6684634.1	1850133.6	NE 1/4 of NE 1/4 of	22	01S	07W	S.B.B.M.	Deer Creek Inlet (proposed)	3 - 5' x 5' reinforced concrete culvert, 150 long 2% slope	650	2,450	30
		Outlet from Turner 589								Misc Existing Urban Storm Drains				
Turner No. 5,8,9	Both	Deer Creek Inlet	6686169	1850180.3	NE 1/4 of nw 1/4 of	23	01S	07W	S.B.B.M.	Deer Creek Inlet (proposed)	3 - 5' x 5' reinforced concrete culvert, 150 long 2% slope	630	3,780	
		Misc Existing Urban Storm Drains	Varies	Varies						Misc Existing Urban Storm Drains	varies			26
Day Creek System														
Lower Day	Both	Day Creek Inlet	6700373.3	1871850	NE 1/4 of NE 1/4 of	31	01N	06W	S.B.B.M.	Day Creek Inlet	96" reinforced concrete pipe, 360' long, 4% slope	140	920	
		Misc Existing Urban Storm Drains	Varies	Varies						Misc Existing Urban Storm Drains	varies			18
Etiwanda Percolation Ponds (aka Etiwanda Basins)	FT	Misc Existing Urban Storm Drains	Varies	Varies						Misc Existing Urban Storm Drains	varies	1,560	2,540	20
Wineville	FT	Day Creek Inlet	6700368.6	1838840.8	SE 1/4 of NE 1/4 of	31	01S	06W	S.B.B.M.	Day Creek Inlet	60' wide concrete channel diverted completely into basin	12,000	4,100	70
		Misc Existing Urban Storm Drains	Varies	Varies						Misc Existing Urban Storm Drains	varies			
Riverside	FT	Wineville Outlet	6699249.7	1837568	SE 1/4 of NE 1/4 of	31	01S	06W	S.B.B.M.	Wineville Outlet	104' wide spillway & 72' RCP diverted completely into basin	4,440	4,800	59
		Misc Existing Urban Storm Drains	Varies	Varies						Misc Existing Urban Storm Drains	varies			
Etiwanda Debris Basin	FT	Outlet from Etiwanda Spreading Area	6709726	1877535.3	SW 1/4 of SE 1/4 of	21	01N	06W	S.B.B.M.	Outlet from Etiwanda Spreading Area	Natural channel diverted completely through basin	4,620	2,300	40
San Sevaine Creek System														
San Sevaine No. 1	FT	San Sevaine Creek Inlet	6715443.4	1877470.9	NE 1/4 of NE 1/4 of	27	01N	06W	S.B.B.M.	San Sevaine Creek Inlet	Natural channel diverted completely through basin	6,750	1,860	20
San Sevaine No. 2	FT	Outlet from San Sevaine 1	6715805.1	1876823.8	NE 1/4 of NE 1/4 of	27	01N	06W	S.B.B.M.	Outlet from San Sevaine 1	150' wide spillway	6,630	250	12
Rich Basin	FT	Misc Existing Urban Storm Drains	Varies	Varies						Misc Existing Urban Storm Drains	varies	3,420	1,340	8
San Sevaine No 3	FT	Outlet from Rich Basin	6719551.8	1880432	SW 1/4 of NE 1/4 of	23	01N	06W	S.B.B.M.	Outlet from Rich Basin	Concrete channel diverted completely into basin	11,010	1,760	12
		Outlet from San Sevaine 2	6715774.2	1876134.1	SE 1/4 of NE 1/4 of	27	01N	06W	S.B.B.M.	Outlet from San Sevaine 2	150' wide spillway			
		Misc Existing Urban Storm Drains	Varies	Varies						Misc Existing Urban Storm Drains	varies			
San Sevaine No. 4	FT	Outlet from San Sevaine 3	6715757.2	1875498.7	SE 1/4 of NE 1/4 of	27	01N	06W	S.B.B.M.	Outlet from San Sevaine 3	150' wide spillway	10,630	300	6
San Sevaine No. 5	FT	Outlet from San Sevaine 4	6715023.9	1874877.6	SE 1/4 of NE 1/4 of	27	01N	06W	S.B.B.M.	Outlet from San Sevaine 4	150' wide spillway	10,800	500	127
Victoria Basin	Both	Inlet from Etiwanda Creek	6711701.1	1870738.9	SW 1/4 of NW of	34	01N	06W	S.B.B.M.	Inlet from Etiwanda Creek	2 - 5' x 5' reinforced concrete culvert, 120' long 2% slope	740	2,000	15
		Misc Existing Urban Storm Drains	Varies	Varies						Misc Existing Urban Storm Drains				
Banana Basin	FT	Misc Existing Urban Storm Drains	Varies	Varies						Misc Existing Urban Storm Drains	varies	1,230	1,560	8
Hickory Basin	FT	Outlet from Banana Basin	6713257.7	1857072.2	SE 1/4 of SW 1/4 of	10	01S	06W	S.B.B.M.	Outlet from Banana Basin	varies	1,200	1,980	11
Jurupa Basin	Both	Inlet from San Sevaine Channel	6708521.7	1841430.5	SW 1/4 of SE 1/4 of	28	01S	05W	S.B.B.M.	Inlet form San Sevaine Channel	3 - 5' x 5' reinforced concrete culvert, 150' long, 2% slope	3,000	7,600	50
		Misc Existing Urban Storm Drains	Varies	Varies						Misc Existing Urban Storm Drains				
Former RP3 Site	FT	Inlet from Declez Channel	6721780.9	1838204.8	SE 1/4 of NE 1/4 of	35	01S	06W	S.B.B.M.	Inlet form Declez Channel	25' wide concrete channel diverted completely into basin	3,300	3,573	30
Declez Basin	FT	Inlet from Declez Channel	6713196.3	1834901.3	NE 1/4 of NW 1/4 of	3	02S	06W	S.B.B.M.	Inlet form Declez Channel	25' wide concrete channel diverted completely into basin	3,240	1,787	9
Totals												115,570	68,500	

Note (1) -- FT is a flow-through basin where all inflows are unregulated and completely diverted into the basin, FB is a flow-by basin where inflows are controlled by either manageable inlet works or by flow magnitude, Both is a combination flow-through and flow-by basin.

Note (2) -- Eastings/Northings are California Stateplane coordinates (Units: Feet, Zone: 6, Datum: NAD83)

Note (1) - Misc existing storm drains consists of reinforced concrete bores, reinforced Concrete pipes and corrugate

Exhibit B (Stipulation of Applicants)

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STATE WATER RESOURCES CONTROL BOARD

San Bernardino Valley Municipal Water District, Western Municipal Water District of Riverside County, Orange County Water District, Chino Basin Watermaster, San Bernardino Valley Water Conservation District, and City of Riverside, Applicants.	WATER RIGHT HEARING ON APPLICATION NOS. 31165, 31370, 31174, 31369, 31371, 31372 **STIPULATION OF APPLICANTS** Date: May 2, 2007 Time: 9:00 a.m. Dept: Cal EPA Building, Coastal Hearing Room

Applicants San Bernardino Valley Municipal Water District ("Muni") and Western Municipal Water District of Riverside County ("Western") (Application Nos. 31165 and 31370), Orange County Water District ("OCWD") (Application No. 31174), Chino Basin Watermaster (Application No. 31369), San Bernardino Valley Water Conservation District ("Conservation District") (Application No. 31371), and City of Riverside (Application No. 31372 and Wastewater Change Petition WW-0045) (collectively, the "Parties"), hereby enter the following Stipulation to resolve Issue Numbers 4 and 5, as set forth on page 10 of the February 16, 2007 Notice of Public Hearing and Pre-hearing Conference on Water Right Applications and Wastewater Change Petition:

1. The priority of rights as among all legal users of water from the Santa Ana River, including all applicants in the current proceedings, was the subject of several cases, all litigated and resolved as set forth below.

2 The first such case was *Orange County Water District v. City of Chino* et al. (Orange County Superior Court No. 117628) (the "*Orange County* Judgment"), in which judgment was entered on April 17, 1969. A general description of the case and the key elements

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of that judgment, which is excerpted from the 35th Annual Report of the Santa Ana River Watermaster dated April 30, 2006, is attached hereto as Exhibit A; reference should be made to the actual *Orange County* Judgment on file with the Orange County Superior Court for particular details of the case and rights and obligations of the parties thereunder.

3. The continuing vitality of the *Orange County* Judgment has been recognized and reaffirmed in various documents which also served as the vehicles by which any upstream diverters which had concerns over OCWD's application either agreed not to protest or dismissed their protests against OCWD's application. Those agreements are:

(a) *Memorandum of Understanding to Affirm and Preserve Existing Rights in the Santa Ana River Watershed*, between and among Inland Empire Utilities Agency, Orange County Water District, San Bernardino Valley Municipal Water District and Western Municipal Water District of Riverside County, November 16, 1999;

(b) *Santa Ana River and Chino Basin Water Right Accord*, September 15, 2000.

(c) *Agreement Between Orange County Water District and City of San Bernardino Concerning Water Rights*, September 1, 2004;

(d) *Agreement Between Orange County Water District and East Valley Water District Concerning Water Rights*, June 23, 2006; and

(e) *Agreement Between Orange County Water District and City of Riverside Concerning Water Rights*, July 24, 2006.

4. The second such case was *Western Municipal Water District of Riverside County* et al. *v. East San Bernardino County Water District*, et al. (Riverside County Superior Court No. 78426) (the "*Western* Judgment"), in which judgment was also entered on April 17, 1969, simultaneously and in conjunction with the *Orange County* Judgment. A general description of the case and the key elements of that judgment is attached hereto as Exhibit B; reference should be made to the actual *Western* Judgment on file with the Riverside County Superior Court for particular details of the case and rights and obligations of the parties thereunder.

5 The third such case was *Big Bear Municipal Water District v. North Fork Water Company*, et al. (San Bernardino County Superior Court No. 165493) (the "*Big Bear* Judgment"), in which judgment was entered on February 7, 1977.

6. Certain of the Parties have also entered into settlement agreements to clarify their respective priorities to use the waters of the Santa Ana River:

(a) *Settlement Agreement Relating to the Diversion of Water from the Santa Ana River System*, dated July 21, 2004 (the "Seven Oaks Accord"); and

(b) *Settlement Agreement Among San Bernardino Valley Water Conservation District, San Bernardino Valley Municipal Water District and Western Municipal Water District of Riverside County*, dated August 2005 (the "Conservation District Agreement")

7 The fourth such case was *Chino Basin Municipal Water District v. City of Chino* et al. (San Bernardino County Superior Court Case No. RCV 51010) (the "*Chino Basin* Judgment"), in which judgment was entered on January 30, 1978.

8. The effect of the *Orange County* Judgment was to divide the waters of the Santa Ana River between the Lower Area and the Upper Area, as those areas were defined in the *Orange County* Judgment, in the manner set forth in that judgment

9. The effect of the *Western* Judgment was to allocate the waters of the San Bernardino Basin, Colton Basin and Riverside Basin Areas, i.e., the "Upper Area" except for Chino Basin, consistent with the requirements of the *Orange County* Judgment.

10 The effect of the *Big Bear* Judgment was to implement a physical solution that allows for the maintenance of high levels of water in Big Bear Lake for recreational purposes without interfering with downstream water rights.

11. The effect of the *Chino Basin* Judgment was to allocate the waters of the Chino Basin among the parties to that judgment, which are all located within that basin, consistent with the requirements of the *Orange County* Judgment.

12. The relative priority of OCWD to divert water from the Santa Ana River is established by the *Orange County* Judgment and affirmed in the agreements identified in paragraph 3 above.

13. The relative priority of Chino Basin Watermaster to divert water from the Chino Basin is established by Inland Empire Utilities Agency's rights and obligations under the *Orange County* Judgment, the *Chino Basin* Judgment, and the agreements identified in paragraphs 3(a) and 3(b) above.

14. The relative priority of the City of Riverside to change the point of discharge, place of use and purpose of use of its wastewater discharge is established by the *Orange County* Judgment, the *Western* Judgment, and the agreement identified in paragraph 3(e) above.

15. The effect of the judgments and agreements identified in paragraphs 2, 3(a), 4, 5 and 6 above has been to create, upon action by the State Water Resources Control Board to approve Application Nos. 31165, 31370 and 31371, the following relative priorities among the Parties that divert and use water from the mainstem of the Santa Ana River in the Upper Area, consistent with the requirements of the *Orange County*, *Western*, and *Big Bear* Judgments:

(a) The City of Redlands, East Valley Water District, Bear Valley Mutual Water Company, Lugonia Water Company, North Fork Water Company and Redlands Water Company would have first priority to divert up to 88 cubic feet per second

(b) The Conservation District would have a second priority to divert and spread pursuant to License Nos. 2831 and 2832.

(c) Muni/Western's diversion and storage of water that is the subject of Application No. 31165 would have a third priority.

(d) The Conservation District's diversion of water that is the subject of Application No. 31371 would have a fourth priority.

(e) Muni/Western's diversion and storage of water that is the subject of Application No. 31370 would have a fifth priority.

The priorities described in paragraphs 14(c) through 14(e) above are subject to the provisions of

paragraphs 5(e) and 5(f) of Exhibit A of the Conservation District Agreement.

16. The Parties do not intend this Stipulation to modify or amend the terms of any of the judgments or agreements referenced above. In the event that there is any inconsistency between the terms of those judgments or agreements and the descriptions of those judgments or agreements in this Stipulation, the terms of the judgments or agreements shall control.

17. Given that the foregoing proceedings have included all legal users of water in the Santa Ana River, the above constitutes a full resolution of the water right priorities among the Parties and is fully protective of other legal users of water. Accordingly, the Parties request that the SWRCB accept this stipulation as a full resolution of Issues 4 and 5 concerning relative water rights priorities and protection of other legal users of water at the April 5, 2007 Pre-Hearing Conference.

DATED: April 5, 2007

DOWNEY BRAND LLP

By: _____
David R.E. Aladjem
Attorneys for Applicants
San Bernardino Valley Municipal Water District and Western Municipal Water District of Riverside County

DATED: April 5, 2007

PILLSBURY WINTHROP SHAW PITTMAN LLP

By: _____
Christopher J. McNevin
Attorneys for Applicant
Orange County Water District

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DATED: April 5, 2007

HATCH & PARENT

By: _____
Michael T. Fife
Attorneys for Applicant
Chino Basin Watermaster

DATED: April 5, 2007

RUTAN & TUCKER LLP

By: _____
David B. Cosgrove
Attorneys for Applicant
San Bernardino Valley Water Conservation District

DATED: April 5, 2007

BEST BEST & KRIEGER LLP

By: _____
Jill N. Willis
Attorneys for Applicant
City of Riverside

ORDER

IT IS SO ORDERED:

April ___, 2007

_____
Arthur G. Baggett, Jr
Hearing Officer

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CHAPTER IV

HISTORY AND SUMMARY OF THE JUDGMENT
in the case of
Orange County Water District v City of Chino, et al.
(Case No. 117628-County of Orange)

History of Litigation

The complaint in the case was filed by Orange County Water District on October 18, 1963, seeking an adjudication of water rights against substantially all water users in the area tributary to Prado Dam within the Santa Ana River Watershed, but excluding the area tributary to Lake Elsinore. Thirteen cross-complaints were filed in 1968, extending the adjudication to include substantially all water users in the area downstream from Prado Dam. With some 4,000 parties involved in the case (2,500 from the Upper Area and 1,500 from the Lower Area), it became obvious that every effort should be made to arrive at a settlement and physical solution in order to avoid enormous and unwieldy litigation.

Efforts to arrive at a settlement and physical solution were pursued by public officials, individuals, attorneys, and engineers. Attorneys for the parties organized in order to facilitate settlement discussions and, among other things, provided guidance for the formation and activities of an engineering committee to provide information on the physical facts.

An initial meeting of the engineers representing the parties was held on January 10, 1964. Agreement was reached that it would be beneficial to undertake jointly the compilation of basic data. Liaison was established with the Department of Water Resources, State of California, to expedite the acquisition of data. Engineers representing the parties were divided into subcommittees which were given the responsibility of investigating such things as the boundary of the Santa Ana River Watershed and its subareas, standardization of the terminology, the location and description of wells and diversion facilities, waste disposal and transfer of water between subareas.

In response to a request from the attorneys' committee at a meeting held April 17, 1964, on April 30, 1964, the joint engineering committee prepared a list of preliminary engineering studies directed toward settlement of the Santa Ana River water rights litigation. Special assignments were made to individual engineers on selected items requested by the attorneys' committee.

The attorneys and engineers for the defendants then commenced a series of meetings separate from the representatives of the plaintiffs in order to consolidate their positions and to determine a course of action. On October 7, 1964, engineers for the defendants presented the results of the studies made by the joint engineering committee. The defendants' attorneys requested that additional information be provided on the methods

of measuring flow at Prado Dam, the historical supply and disposal of water passing Prado Dam, segregation of flow into components, and determination of the amount of supply which was usable by the downstream area. On December 11, 1964, the supplemental information was presented to the defendants' attorneys

During 1965, engineers and attorneys for the defendants held numerous conferences and conducted additional studies in an attempt to determine their respective positions in the case. Early in 1966, the plaintiff and defendants exchanged drafts of possible principles for settlement. Commencing March 22 and ending April 13, 1966, four meetings were held by the engineers to discuss the draft of principles for settlement

On February 25, 1968, the defendants submitted a request to the Court that the Order of Reference be issued requesting the California Department of Water Resources to determine the physical facts. On May 9, 1968, the plaintiffs' attorney submitted motions opposing the Order of Reference and requested that a preliminary injunction be issued. In the meantime, every effort was being made to come to an agreement on the Stipulated Judgment. Commencing on February 28, 1968 and extending until May 14, 1968, six meetings were held to determine the scope of physical facts on which agreement could be reached so that if an Order of Reference were to be approved by the Court, the work under the proposed reference would not repeat the extensive basic data collection and compilation which had already been completed and on which engineers for both plaintiffs and defendants had reached substantial agreement. Such basic data were compiled and published in two volumes under date of May 14, 1968 entitled "Appendix A, Basic Data."

On May 21, 1968, an outline of a proposal for settlement of the case was prepared and a committee of attorneys and engineers for the parties commenced preparation of the settlement documents. On June 16, 1968, the Court held a hearing on the motions it had received requesting a preliminary injunction and an Order of Reference. The parties requested that the Court delay the preliminary hearings on these motions in view of the efforts toward settlement that were underway. The plaintiff, however, was concerned regarding the necessity of bringing the case to trial within the statutory limitation and, accordingly, on July 15, 1968, submitted a motion to set the complaint in the case for trial. On October 15, 1968, the trial was commenced and was adjourned after one-half day of testimony on behalf of the plaintiff. Thereafter, the parties filed with the Court the necessary Settlement Documents including a Stipulation for Judgment. The Court entered the Judgment on April 17, 1969, along with Stipulations and Orders dismissing all defendants and cross-defendants except for the four major public water districts overlying, in aggregate, substantially all of the major areas of water use in the watershed. The districts, the locations of which are shown on Plate 1, "Santa Ana River Watershed", are as follows:

(1) Orange County Water District (OCWD), representing all lower basin entities located within Orange County downstream of Prado Dam.

(2) Western Municipal Water District (WMWD), representing middle basin entities located within Riverside County on both sides of the Santa Ana River primarily upstream from Prado Dam.

(3) Inland Empire Utilities Agency (IEUA), formerly Chino Basin Municipal Water District (CBMWD), located in the San Bernardino County Chino Basin area, representing middle basin entities within its boundaries and located primarily upstream from Prado Dam.

(4) San Bernardino Valley Municipal Water District (SBVMWD), representing all entities within its boundaries, and embraced within the upper portion of the Riverside Basin area, the Colton Basin area (being an upstream portion of the middle basin) and the San Bernardino Basin area, being essentially the upper basin.

Summary of Judgment

Declaration of Rights. The Judgment sets forth a declaration of rights. Briefly stated, the Judgment provides that the water users in the Lower Area have rights, as against the water users in the Upper Area, to receive certain average and minimum annual amounts of non-storm flow ("base flow") at Prado Dam, together with the right to all storm flow reaching Prado Dam. The amount of the Lower Area entitlement is variable based on the quality of the water received by the Lower Area. Water users in the Upper Area have the right as against the water users in the Lower Area to divert, pump, extract, conserve, store and use all surface and groundwater supplies originating within the Upper Area, so long as the Lower Area receives the water to which it is entitled under the Judgment and there is compliance with all of its provisions.

Physical Solution. The Judgment also sets forth a comprehensive "physical solution" for satisfying the rights of the Lower Area. To understand the physical solution it is necessary to understand the following terms that are used in the Judgment:

Storm Flow – That portion of the total flow which originates from precipitation and runoff and which passes a point of measurement (either Riverside Narrows or Prado Dam) without having first percolated to groundwater storage in the zone of saturation, calculated in accordance with procedures referred to in the Judgment.

Base Flow - That portion of the total surface flow passing a point of measurement (either Riverside Narrows or Prado Dam) which remains after deduction of storm flow, nontributary flows, exchange water purchased by OCWD, and certain other flows as determined by the Watermaster.

Adjusted Base Flow - Actual base flow in each year adjusted for water quality pursuant to formulas specified in the Judgment. The adjustment of Base Flow for water quality is intended to provide an incentive to the Upper Area to maintain a

better quality of water in the river. When the total dissolved solids (TDS) is lower than a specified value at one of the measuring points, the water quantity obligation is lower. When the TDS is higher than a specified value, the water quantity obligation is higher. This is the first comprehensive adjudication in Southern California in which the quality of water is taken into consideration in the quantification of water rights.

Credits and Debits - Under the accounting procedures provided for in the Judgment, credits accrue to SBVMWD in any year when the Adjusted Base Flow exceeds 15,250 acre-feet at Riverside Narrows and jointly to IEUA and WMWD when the Adjusted Base Flow exceeds 42,000 acre-feet at Prado Dam. Debits accrue in any year when the Adjusted Base Flows falls below those levels. Credits or debits accumulate year to year.

Obligation at Riverside Narrows. SBVMWD has an obligation to assure an average annual Adjusted Base Flow of 15,250 acre-feet at Riverside Narrows, subject to the following:

(1) A minimum Base Flow of 13,420 acre-feet plus one-third of any cumulative debit.

(2) After October 1, 1986, if no cumulative debit exists, the minimum Base Flow shall be 12,420 acre-feet.

(3) Prior to 1986, if the cumulative credits exceed 10,000 acre-feet, the minimum Base Flow shall be 12,420 acre-feet.

(4) All cumulative debits shall be removed by the discharge of a sufficient Base Flow at Riverside Narrows at least once in any ten consecutive years following October 1, 1976. Any cumulative credits shall remain on the books of account until used to offset any subsequent debits or until otherwise disposed of by SBVMWD

(5) The Base Flow at Riverside Narrows shall be adjusted using weighted average annual TDS in such Base Flow in accordance with the formula set forth in the Judgment.

Obligation at Prado Dam. IEUA and WMWD have a joint obligation to assure an average annual Adjusted Base Flow of 42,000 acre-feet at Prado Dam, subject to the following:

(1) Minimum Base Flow at Prado shall not be less than 37,000 acre-feet plus one-third of any cumulative debit.

(2) After October 1, 1986, if no cumulative debit exists, the minimum Base Flow quantity shall be 34,000 acre-feet.

(3) Prior to 1986, if the cumulative credit exceeds 30,000 acre-feet, the minimum Base Flow shall be 34,000 acre-feet.

(4) Sufficient quantities of Base Flow shall be provided at Prado to discharge completely any cumulative debits at least once in any ten consecutive years following October 1, 1976. Any cumulative credits shall remain on the books of account until used to offset any debits, or until otherwise disposed of by IEUA and WMWD.

(5) The Base Flow at Prado during any year shall be adjusted using the weighted average annual TDS in the total flow at Prado (Base Flow plus Storm Flow) in accordance with the formula set forth in the Judgment.

Other Provisions. SBVMWD, IEUA and WMWD are enjoined from exporting water from the Lower Area to the Upper Area, directly or indirectly. OCWD is enjoined from exporting or "directly or indirectly causing water to flow" from the Upper Area to the Lower Area. Any inter-basin acquisition of water rights will have no effect on Lower Area entitlements. OCWD is prohibited from enforcing two prior judgments so long as the Upper Area Districts are in compliance with the physical solution. The composition of the Watermaster and the nomination and appointment process for members are described along with a definition of the Watermaster's duties and a formula for sharing its costs. The court retains continuing jurisdiction over the case. There are provisions for appointment of successor parties and rules for dealing with future actions that might conflict with the physical solution.

History of the Watermaster Committee Membership

The Santa Ana River Watermaster is a committee composed of five members nominated by the parties and appointed by the court. SBVMWD, IEUA (formerly CBMWD), and WMWD nominate one member each and OCWD nominates two. The Watermaster members annually elect a Chairman, Secretary, and Treasurer.

The original five members were appointed at the time of entry of the judgment. They prepared a *pro forma* annual report for the 1969-70 Water Year. The first annual report required by the judgment was prepared for the 1970-71 Water Year and reports have been prepared annually since then.

The membership of the Watermaster has changed over the years. The historical listing of members and officers shown in Table 8 reflects the signatories to each annual report.

TABLE 8

HISTORY OF THE WATERMASTER COMMITTEE MEMBERSHIP

Water Year	SBVMWD	IEUA	WMWD	OCWD	OCWD
1969-70	Clinton O. Henning	William J. Carroll	Albert A. Webb, Secretary	Max Bookman, Chairman	John M. Toups
1970-71 through 1973-74	James C. Hanson	William J. Carroll	Albert A. Webb, Secretary	Max Bookman, Chairman	John M. Toups
1974-75 through 1977-78	James C. Hanson	William J. Carroll	Donald L. Harriger	Max Bookman, Chairman	John M. Toups, Secretary
1978-79 through 1981-82	James C. Hanson	William J. Carroll	Donald L. Harriger	Max Bookman, Chairman	William R. Mills, Jr., Secretary
1982-83 through 1983-84	James C. Hanson	William J. Carroll	Donald L. Harriger	Harvey O. Banks, Chairman	William R. Mills, Jr., Secretary
1984-85 through 1988-89	Robert L. Reiter	William J. Carroll	Donald L. Harriger	Harvey O. Banks, Chairman	William R. Mills, Jr., Secretary
1989-90 through 1994-95	Robert L. Reiter, Secretary/Treasurer	William J. Carroll	Donald L. Harriger	Harvey O. Banks, Chairman	William R. Mills, Jr.
1995-96	Robert L. Reiter, Secretary/Treasurer	William J. Carroll, Chairman	Donald L. Harriger	Bill B. Dendy	William R. Mills, Jr.
1996-97	Robert L. Reiter, Secretary/Treasurer	William J. Carroll	Donald L. Harriger	Bill B. Dendy	William R. Mills, Jr., Chairman
1997-98	Robert L. Reiter, Secretary/Treasurer	Robb D. Quincey	Donald L. Harriger	Bill B. Dendy	William R. Mills, Jr., Chairman
1998-99 through 2000-01	Robert L. Reiter, Secretary/Treasurer	Richard W. Atwater	Donald L. Harriger	Bill B. Dendy	William R. Mills, Jr., Chairman
2001-02 through 2002-03	Robert L. Reiter, Secretary/Treasurer	Richard W. Atwater	Donald L. Harriger, Chairman	Bill B. Dendy	Virginia L. Grebbien
2003-04 through 2004-05	Robert L. Reiter, Chairman/Treasurer	Richard W. Atwater	John V. Rossi	Bill B. Dendy, Secretary	Virginia L. Grebbien

EXHIBIT B

The *Western* Judgment, entered simultaneously with the *Orange County* Judgment, settled rights within the upper SAR watershed in part to ensure that those resources upstream of Riverside Narrows would be sufficient to meet the flow obligations of the *Orange County* Judgment at Riverside Narrows (*Western Municipal Water District of Riverside County v. East San Bernardino County Water District*, Superior Court of Riverside County, Case No. 78426 [April 17, 1969]). Toward this end, the *Western* Judgment generally provides for:

- A determination of safe yield of the San Bernardino Basin Area (SBBA);
- Establishment of specific amounts that can be extracted from the SBBA by plaintiff parties equal in aggregate to 27.95 percent of safe yield;
- An obligation of Muni to provide replenishment for any extractions from the SBBA by non-plaintiffs in aggregate in excess of 72.05 percent of safe yield;
- An obligation of Western to replenish the Colton and Riverside basins if extractions for use in Riverside County in aggregate exceed certain specific amounts; and
- An obligation of Muni to replenish the Colton and Riverside basins if water levels are lower than certain specific water level elevations in specified wells

Like the *Orange County* Judgment, the *Western* Judgment identifies regional representative agencies to be responsible, on behalf of the numerous parties bound thereby, for implementing the replenishment obligations and other requirements of the judgment. The representative entities for the *Western* Judgment are Muni and Western. Muni and Western are principally responsible for providing replenishment of the groundwater basins if extractions exceed amounts specified in the Judgment or as determined by the Watermaster. For purposes of this replenishment obligation, Muni acts on behalf of all defendants dismissed from the *Western* Judgment, and similarly, Western acts on behalf of the Plaintiffs and other dismissed parties within Western. Plaintiff parties with specific rights to produce 27.95 percent of the safe yield from the SBBA are the City of Riverside, Riverside Highland Water Company, Meeks & Daley Water Company, and the Regents of the University of California. The *Western* Judgment is administered by the two-person Western-San Bernardino Watermaster Committee: one person nominated each by Muni and Western, and both appointed by the court.

Like the *Orange County* Judgment, the *Western* Judgment contemplates that the parties to the Judgment will undertake "new conservation" which is defined as any increase in replenishment from natural precipitation which results from operation of works and facilities not in existence as of 1969. The *Western* Judgment specifies that the parties to the Judgment have the right to participate in any new conservation projects and, provided their appropriate shares of costs are paid, rights under the Judgment are increased by the respective shares in new conservation, in proportion to each party's share of the safe yield under the *Western* Judgment.

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Exhibit C (List of Water Quality Remediation Activities)

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Chino Basin Water Quality Anomaly Remediation Activities

Plume: Chino Airport
Character: VOCs
Remediation Status: Subject of RWQCB Cleanup and Abatement Order 90-134. Plume is currently being characterized and a draft remediation plan is expected by the end of 2007.
Oversight Agency: RWQCB

Plume: California Institute for Men
Character: VOCs
Remediation Status: CIM, who is voluntarily performing the cleanup, has been working with the RWQCB to remediate the groundwater contamination. Plume has been characterized and is currently being remediated.
Oversight Agency: RWQCB

Plume: General Electric Flatiron Facility
Character: VOCs
Remediation Status: General Electric, who is voluntarily performing the cleanup, has been working with the RWQCB to remediate the groundwater contamination. No Cleanup and Abatement Order has as of yet been issued. Plume is characterized and remediation is in place to contain it.
Oversight Agency: RWQCB

Plume: General Electric Test Cell Facility
Character: VOCs
Remediation Status: Subject to Hazardous Materials Division of San Bernardino County Environmental Health Services and the DTSC Docket Numbers 88/89-009C0 and 97/98-014, respectively, for soil remediation. Closure was requested on May 11, 2004 with regard to the soil remediation. General Electric, who is voluntarily performing the cleanup, has been working with the RWQCB for the past 8 years, to characterize and remediate the groundwater contamination. No Cleanup and Abatement Order has been issued. The plume is characterized and a draft remediation plan has been submitted to the RWQCB.
Oversight Agencies: San Bernardino County; DTSC; RWQCB

Plume: Kaiser Steel Fontana Site
Character: TDS/TOC
Remediation Status: Subject of RWQCB Cleanup and Abatement Order 87-121, as amended by Order 91-40. Thereafter, Kaiser and the RWQCB entered into a 1993 settlement agreement whereby Kaiser is required to mitigate any adverse impacts caused by its plume on existing and otherwise useable municipal wells. Pursuant to the settlement, the RWQCB rescinded its earlier order 91-40 and Kaiser was granted capacity in the Chino II Desalter to intercept and remove the Kaiser plume from the Chino Basin.
Oversight Agency: RWQCB

Plume: Milliken Sanitary Landfill
Character: VOCs
Remediation Status: Subject of RWQCB Order No. 81-003. Plume has been characterized and no active remediation plan has been developed.
Oversight Agency: RWQCB

Plume: Upland Sanitary Landfill
Character: VOCs
Remediation Status: The closed Upland Landfill is regulated under RWQCB Order No 98-99-07 dated Dec. 7, 1998. In a compliance with the Order, a Post-Closure Monitoring and Maintenance Plan (PCMMP) has been prepared and submitted. The PCMMP was revised in 2001, after completion of the final cover improvements, and is currently in place.
Oversight Agency: RWQCB

Plume: Ontario International Airport (VOC Anomaly – South of Ontario Airport)
Character: VOC
Remediation Status: The plume is currently being voluntarily investigated by a group of potentially responsible parties including Boeing, Aerojet, Northrop Grumman, General Electric and the Department of Defense. Investigative or Cleanup and Abatement Orders will likely be issued in the future. Watermaster is assisting the RWQCB in its preparation of these orders. The remediation of the plume will then likely be accomplished through existing Chino Basin Desalter I facilities, owned by the Chino Desalter Authority.
Oversight Agency: RWQCB.

Plume: Stringfellow NPL Site
Character: VOCs, perchlorate, NDMA, heavy metals
Remediation Status: The Stringfellow Site is the subject of USEPA Records of Decision EPA/ROD/R09-84/007, EPA/ROD/R09-83/005, EPA/ROD/R09-87/016, and EPA/ROD/R09-90/048. Pursuant to these decisions, the original disposal area is sealed; remediation is in progress focusing on source control, installation of pretreatment facilities and groundwater cleanup. There are approximately 70 extraction wells throughout the length of the plume that have been effective in stopping plume migration and removing contamination. DTSC assumed responsibility for the cleanup of the site in 2001. DTSC is currently conducting a supplemental feasibility study to address, in particular, soil remediation in the source area. This study will form the basis for decisions about long term remedies for the site. A risk investigation/feasibility study that is currently being conducted for perchlorate will result in a fifth USEPA Record of Decision. The RWQCB originally initiated orders and studies in the 1970s and 1980s, and gives input as a stakeholder, but the Records of Decision direct clean-up.
Oversight Agencies: USEPA; DTSC; RWQCB

CHINO BASIN WATERMASTER

IV. INFORMATION

1. Newspaper Articles

Fontana Water stands up to mayor's barbs

Michael L Whitehead
San Bernardino County Sun

Article Launched:06/01/2007 12:00:00 AM PDT

In local communities throughout California, safe drinking water consistently tops the list of people's concerns in public-opinion surveys. This is no surprise: A reliable supply of safe drinking water is essential for the public health and safety of a community, the human potential of its citizens, and the forward progress of both.

Rapid growth of the city's population has necessitated that Fontana Water Co. design and construct new infrastructure to make sure that every one of the thousands of new homes and businesses gets hooked up and starts receiving safe and reliable water service to keep pace with the City Council's aggressive growth plans. Fontana Water Co. has responded to this growth in a way that facilitates economic development in this community

This is the true state of affairs in Fontana, and it's curious that the leading contrarian to this optimistic (though quite realistic) point of view would be the mayor of Fontana himself. Ostensibly, he should be the city's leading civic booster.

Contrary to the angry and temperamental assertions of Mayor Mark Nuaimi (re: "How Fontana Water ratepayers got robbed," Point of View, May 3), Fontana Water Co., in operation since the 1920s, has grown up right alongside the city.

Importantly, our dedicated employees are from this community and of this community, and we are not going to stand by and be accused falsely of bad conduct by a public official who should know better.

A recent California Public Utilities Commission proceeding highlighted and supported Fontana Water Co.'s significant private investment in new and existing infrastructure to serve local residents and to meet the high cost of local, state and federal government mandates. The costs of providing water service have been rising for years. The issue is not unique to Fontana.

Every day, we work alongside the region's lawmakers at every level of government to support legislation, to design new regulations and to enforce those strict standards already in place to accelerate groundwater cleanup and make polluters pick up the tab for their fair share of the groundwater pollution cleanup. Still, the annual cost to monitor and treat water continues to increase each year

For example, it can cost more than $500,000 a year to treat each well contaminated with perchlorate, a rocket fuel additive. Fontana Water Co.'s water system includes more than 35 wells and 16 water storage reservoirs. Even while Nuaimi called for a lobbying campaign to get state officials to roll back safe drinking-water standards for perchlorate and other pollutants and told the PUC not to approve treatment, the PUC endorsed our plans for more investment in state-of-the-art water treatment infrastructure to remove perchlorate and other contamination from our local water supplies

Unlike publicly owned municipal water companies, Fontana Water Co. does not enjoy taxpayer subsidies and is required by law to publicly disclose all of our expenses and provide detailed accounting for any rate adjustment. We have complied with every regulatory request by all governmental officials. So, contrary to Nuaimi's claim, there is no cost shifting from one bank account to another in order to balance the books. That is pure nonsense.

To this day, I do not know why the mayor makes this assertion, and we have stood ready to answer any questions he or others had to set this matter straight. That's exactly what happened in the recently concluded PUC proceedings. Following months of fact-gathering, sworn testimony during formal public hearings and careful scrutiny, the PUC issued its decision, which found the company's records to be complete and accurate.

The PUC decision addressed all of the issues and reached a balanced result, which serves the public interest. The fact is, our customers see the true cost of providing water service. In return, Fontana Water Co , like any other regulated public utility, is limited in its "profit."

That is why we view with particular concern the mayor's harsh criticism of the PUC, as well as his suggestion that taxpayers would benefit by the use of eminent domain to take over Fontana Water Co 's longstanding company operations and rights without the exercise of due process.

A city-led hostile takeover of the water company by eminent domain is ill conceived. It would be risky, very costly and would imperil economic growth. The city learned the hard way when it tried this in the 1990s - it had no reliable water supply, and its water rates were more than 25 percent higher than Fontana Water Co 's. To make matters worse, it would inevitably siphon money away from providing essential city services such as public safety, road repair and much needed relief from heavy traffic congestion.

A city-owned and operated water company would encourage the sort of empire building, cronyism and political manipulation that we have seen recently in neighboring communities

We can't help but wonder why the mayor is waging his lonely vendetta against our company over imagined grievances, when there is so much left to do together. I am very proud of our longstanding success in working cooperatively with all of the other 17 cities and two counties we serve. But Nuaimi's heated rhetoric, wild exaggerations, outright inaccuracies and accusations of willful wrongdoing drown out the voices of reason calling for continuation of the mutually beneficial relationship between Fontana Water Co. and the citizens of Fontana.

Michael L. Whitehead is president of Fontana Water Co., a division of San Gabriel Valley Water Co.

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From the Los Angeles Times

THE STATE

L.A. urges conserving water in dry spell

By Hector Becerra and David Pierson
Times Staff Writers

June 7, 2007

Los Angeles officials urged residents Wednesday to reduce water consumption by 10% as weather forecasters predicted the region's historic dry spell will combine with a summer of record-setting temperatures

Mayor Antonio Villaraigosa's call for conservation — the first water-reduction goal the city has issued in more than a decade — comes as water agencies across Southern California are trying to deal with the driest season on record

The Metropolitan Water District of Southern California, which supplies water to communities across the region, immediately backed the mayor's conservation push, and officials said they hope residents in the rest of Southern California will follow suit

The agency has embarked on a large water conservation campaign inspired not only by little rainfall but also by unusually small snowpack in the eastern Sierra Nevada and continued drought along the Colorado River basin, which are two key sources of water

Adding to the uncertainty is the state's decision last week to temporarily halt water pumping to the Southland from the Sacramento-San Joaquin Delta in an effort to protect an endangered fish

Jeffrey Kightlinger, the water district's general manager, said that if dry conditions continue, the agency may consider steps such as greatly reducing the amount of water delivered to agricultural businesses and increasing their rates next year

"We have unprecedented dry conditions," Kightlinger said "We know the Colorado River is going to be dry next year And we have the problems with this [Delta fish] species So we could be losing water from both the Colorado River and the State Water Project going into next year "

That could mean more aggressive conservation efforts, including mandatory rationing — something that hasn't occurred in Southern California since 1991

The region imports about half of its water The rest comes from local underground aquifers, which are still in reasonably good shape thanks to the 2005 rainy season, which was the second-wettest on record

Those reserves are giving Southern California some wiggle room this summer, officials said But if the dry conditions continue, the future is expected to be uglier

"If we have another dry year next year, and even the year after, we'll really feel the impact as far as the water supply," said Jayme Laber, a hydrologist for the National Weather Service in Oxnard

Forecasters offer no reassurance A so-called La Niña condition is forming in the Pacific Ocean, suggesting dry, warm conditions could continue into next year, they said

"With this late developing La Niña, that's not good for Southern California or the Colorado River Basin," said Bill Patzert, a climatologist for the Jet Propulsion Laboratory in La Cañada-Flintridge "It could be dry next winter as well "

(Since July 1 of last year, downtown L A has recorded less than 4 inches of rain)

Patzert and others also said this summer is expected to be as hot, if not hotter, than last summer, during which several record-breaking heat waves were blamed for the deaths of more than 100 people across the state

Even if the dry spell continues, water officials said, Southern California is in better shape now than during the drought of the late 1980s and early 1990s

Back then, officials ordered mandatory conservation, requiring a 15% cut in water use

The L A City Council, for example, passed an ordinance that prohibited lawn watering during the middle of the day, automatic serving of water in restaurants and hosing down sidewalks

A crew called the "drought busters" went around the city issuing citations to water customers who violated the ordinance

Since that drought, water agencies have worked to improve reserves and better tap groundwater supplies In addition, many residents have taken steps to conserve, including purchasing more water-efficient toilets and washing machines

"Hopefully if we're all doing our job right, we've planned for this We won't go under in one dry year," said Gina DePinto, a spokeswoman for the Orange County Water District

Water officials have been saying for months that the region could face several years of drought conditions

The mountain snowpack vital to water imports from Northern California is at its lowest level in nearly two decades Several big reservoirs in the Colorado system are half-empty

L A officials didn't suggest to residents specific ways to reduce water consumption

But in general, water agencies recommend taking shorter showers, fixing leaking faucets, using a broom rather than a hose to clean driveways and installing water-conserving sprinklers

"Los Angeles needs to change course and conserve water to steer clear of this perfect storm," Villaraigosa said "The combination of record-low rainfall, the second-lowest snowpack ever recorded and a potentially very hot summer is a perfect storm that could put Los Angeles into a drought "

L A. resident Henrietta Renaux said she heard the mayor's call to conserve water early Wednesday on television and felt compelled to contribute in a small way by sparingly watering her plants outside her Echo Park apartment

"We can all try, I mean, we really need to in this weather," said Renaux, 79, holding the end of her green garden hose "Everyone in L A needs to get behind this "

But it won't be easy She has a soft spot for the yellow roses in her courtyard, which were brown and shriveled and looked as if they were begging for regular watering

"I guess I could take a shower every other day instead," Renaux said

Jewel Thais-Williams said she is already conserving water but hopes the new conservation effort will prompt others to follow suit

The 68-year-old Mid-Wilshire resident said she takes short showers, brushes her teeth with the faucet off and draws water in the sink to rinse her dishes

She also does her laundry in one large load rather than smaller loads and waters her plants with a smaller spout to prevent wasting water around the edges

"We have to protect our city," she said

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Times staff writer Duke Helfand contributed to this report

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Saving water

Here are some water-savings tips from bewaterwise com, a website created by Southern California water agencies:

- **Fix leaky faucets, plumbing joints and the sprinkler system.** *Saves 20 gallons per day for every leak stopped*

- **Install a "smart" sprinkler controller that figures out the right amount of water for the landscape based on information about the plants and garden environment.** *In one study, these new controllers saved 40 gallons per day*

- **Replace part of the lawn with native and Southland-friendly plants.** *Saves 1,000 to 1,800 gallons per month, depending on the climate*

- **Replace an old washing machine with a high-efficiency model.** *Saves 20 to 30 gallons per load*

- **Run only full loads in the washing machine and dishwasher.** *Saves 300 to 800 gallons per month*

- **Use a broom instead of a hose to clean driveways and sidewalks.** *Saves 150 gallons or more each time*

- **Shorten showers.** *Even a one- or two-minute reduction can save up to 700 gallons per month*

- **Don't water the sidewalks, driveway or gutter. Adjust sprinklers so that water lands on the lawn or garden where it belongs — and only there.** *Saves 500 gallons per month*

- **Don't use the toilet as a wastebasket.** *Saves 400 to 600 gallons per month*

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Source: Bewaterwise com<252>

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Farmers, vintners cool to prospect of recycled water for irrigation

By BLEYS W. ROSE
THE PRESS DEMOCRAT

Farmers, vintners, environmentalists and north Sonoma County residents told supervisors Tuesday that they have little use for a $385 million recycled water project that would provide highly treated wastewater for agriculture.

During a 90-minute public hearing on the north county water recycling project, supervisors heard vineyard operators say they are firmly opposed to putting recycled water on their grapes and farmers say they feared it would damage groundwater quality.

Environmental group leaders said they welcome the idea of recycled wastewater, but fear that technology isn't good enough to assure the public on water quality.

Katie Murphy, vice-president of the Alexander Valley Association, said any hint of tainted wastewater being spread on the county's foremost cash crop would send the local economy into a tailspin.

"I am worried that there is a huge backlash on recycled water on our grapes," Murphy said. "I fear negative publicity and that could linger over our wine industry for a long time."

Murphy's comments reflected opinions of many farmers, ranchers and vintners at the public hearing, although Clos du Bois executive Keith Horn said he represented 20 grape growers in the Coalition for Sustainable Agriculture who would welcome recycled, highly treated wastewater.

"The water quality issues can be overcome," Horn said.

The public hearing was one of the last opportunities for comment on the North Sonoma County Agricultural Reuse Project that would create 19 reservoirs and 112 miles of pipeline through the Dry Creek, Alexander and Russian River valleys. Water Agency officials say primary customers are the vineyard operators of some of the county's premier grape growers that comprise almost half the 47,000 acres covered under the project.

Treated wastewater would come from Santa Rosa's pipeline to The Geysers geothermal fields. The city has plans to use much of that water in southeast and southwest Santa Rosa, which led some critics to point out the project may lack supply and demand.

"Santa Rosa wants to get rid of its wastewater for its uncontrolled growth," said Alexander Valley farmer David Fanucchi. "The Water Agency's long-term program is to get water away from the farmers and sell it to the highest bidders."

The water reuse project is part of the Water Agency's effort to convince state regulators that the county is making best use of current supply and, therefore, should gain approval for more water from Lake Sonoma and Lake Mendocino reservoirs. The Water Agency proposed a smaller-scale recycled water project for Sonoma Valley last year, but its water was aimed more at lawns, fields and open space than agriculture.

Water Agency officials say the massive water project would ensure long-term supplies for agriculture, reduce reliance on groundwater, reduce water drawn out of Dry Creek and leave water in reservoirs for management of endangered fish.

David Cuneo, the project environmental review specialist, said state water quality and health

standards allow use of highly treated wastewater on crops, adding "but we do recognize it is an ongoing debate."

Leaders of environmental groups such as Russian River Keeper, the Sierra Club and the Russian River Watershed Protection Committee said using recycled wastewater is a laudable goal, but they could not support the project because there's not enough evidence that treatment plants filter out chemical compounds that could appear in crops and groundwater.

"It is not a high enough quality to pursue this project," said Don McEnhill of Russian River Keeper.

However, Cynthia Murray, president of the North Bay Leadership Council, a business group, said agriculture elsewhere in California is making use of recycled water with no problem.

"We are way behind the curve on use of recycled water," Murray said. "I am very confidant that we can provide a level of protection, but we may need to have more public education."

The Water Agency is accepting written comment on the draft environmental review until Friday. The full 603-page report is available at www.sonomacountywater.org. Supervisors expect to get the final environmental review document back for review this summer along with a financial analysis of the project costs.

You can reach Staff Writer Bleys W. Rose at 521-5431 or bleys.rose@pressdemocrat.com.

Colton leaders seek big bucks in Washington

Stephen Wall, Staff Writer
San Bernardino County Sun

Article Launched:05/01/2007 12:00:00 AM PDT

COLTON - City leaders have descended on the nation's capital this week.

They aren't there to go sightseeing, although they might visit a few monuments and museums in their spare time.

Council members and other city officials have made their annual trek to Washington, D.C., to make their best sales pitch for federal funds for local projects

Mayor Kelly Chastain and Councilmen David Toro and John Mitchell are making the five-day trip, along with City Manager Daryl Parrish, assistant to the city manager Amanda Rhinehart and Public Works Director Amer Jakher.

Colton leaders hope to persuade lawmakers and other federal officials to dole out millions of dollars for transportation improvements, infrastructure projects, recreation programs, library services and other priorities.

Parrish said Colton has brought back at least $15 million in federal money since beginning its lobbying trips five years ago.

"This is not a junket," Parrish said. "We've brought home results. This has definitely been a worthwhile endeavor for the city. If you don't go, you don't get anything."

In past years, Parrish said the city has secured money to build a massive storm drain to alleviate flooding near Arrowhead Regional Medical Center and improve traffic flow on Mount Vernon Avenue.

Colton also has received federal dollars to provide afterschool programs for at-risk children through the city's Police Activities League

Parrish said lobbying efforts have helped the city bring home millions of dollars to clean up drinking water wells contaminated by perchlorate.

On Monday, city officials met with representatives of Sen. Barbara Boxer, D-Calif., and Rep. Jerry Lewis, R-Redlands, to discuss additional money for the storm drain, Interstate 10 improvements and habitat acquisition for the endangered Delhi Sands flower-loving fly.

They also received an update about perchlorate issues from a Defense Department official.

City leaders plan to raise the same issues at a meeting Wednesday with Rep. Joe Baca, D-Rialto.

This is the first year the city has sought money to acquire land to be set aside for fly conservation. In exchange for protecting habitat south of I-10, the city wants to be able to develop land north of the freeway into a large retail center near Arrowhead Regional.

Additional money is being requested to widen the Pepper Avenue bridge over I-10 and expand and realign on- and off- ramps

The city also is seeking federal dollars for Police Activities League programs, literacy projects for children and computer labs for senior citizens.

Chastain said the fierce competition for limited federal dollars makes the lobbying trips a necessity.

"We have so many issues right now on our docket," she said. "We need to continually be in front of (federal officials) to let them know how important these projects are. We don't want them to forget about us."

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Inland agencies eye water

Runoff, wastewater sought; environmentalists object

By Joe Nelson, Staff Writer
Inland Valley Daily Bulletin

Article Launched:05/07/2007 12:00:00 AM PDT

Inland water agencies asking for rights to billions of gallons of future water expected to collect in the Santa Ana River and Seven Oaks Dam near Highland have been testifying before a state board.

Closing arguments are set for Tuesday in Sacramento before the state Water Resources Control Board, which will ultimately decide how the water is allocated, said Randy Van Gelder, general manager for the San Bernardino Municipal Water District.

It's expected that as the Inland Empire continues to grow in population, so will the amount of storm runoff and wastewater from home and business development. Various water agencies are hoping to access that water to diminish the amount they would need to import from the Colorado River. Some want the water for agricultural use, others to replenish groundwater and drinking water supplies.

San Bernardino Municipal Water District and Western Municipal Water District of Riverside, for example, are hoping to divert water from the Seven Oaks Dam and Santa Ana River to store in groundwater basins to serve customers in San Bernardino and Riverside counties, Van Gelder said.

Representatives from the San Bernardino Valley Municipal Water District, the Western Municipal Water District of Riverside County, the Chino Basin Watermaster and the Orange County Water District were among the agencies that submitted testimony last week.

Environmentalists also testified. They are concerned about the impact such water diversion would have on the various plant and wildlife species that thrive in the watershed that flows from Highland to the Orange County coastline.

"One of the things we're concerned about is every endangered species along that river is in a state of collapse or is imperiled," said Adam Keats, an attorney for the Center for Biological Diversity in San Francisco.

An increase in diversions of water from the Santa Ana River would be detrimental to at least 10 federally and state-licensed threatened and endangered species, including the Santa Ana sucker fish, the San Bernardino kangaroo rat and migratory songbirds such as the western yellow-billed cuckoo, the southwestern willow flycatcher, and the Least Bell's vireo, according to testimony presented by Ileene Anderson, an ecologist with the Center for Biological Diversity.

To address the threat to the kangaroo rat and two plant species - the Santa Ana River woollystar and the slender- horned spineflower - the Army Corps of Engineers is putting together a multiple-species habitat management plan, said Jay Field, spokesman for the Army Corps of Engineers in Los Angeles.

That plan, he said, is still in the early stages. Options include directing and spreading the water into overbank areas that would provide the necessary hydrology for the plants and wildlife, much like controlled flooding.

In a policy statement submitted to the state board, Ontario Public Works Director Kenneth Jeske voiced his support for the Chino Basin Watermaster's plan to divert a portion of storm water out of concrete channels and back into recharge basins, which would increase the yield of the basin and improve groundwater quality.

Testimony began Wednesday before a hearing officer. The five-member state board should make a decision as to how the water is allocated by the end of the year.

Contact writer Joe Nelson at (909) 386-3874 or via e-mail at joe.nelson@sbsun.com.

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Water officials bracing for dry weather

By Sahra Susman, Staff Writer
Inland Valley Daily Bulletin

Article Launched:04/30/2007 11:13:10 PM PDT

JURUPA - Tired of constantly replanting the grass in her backyard, Eastvale resident Kathy Bogart decided to tear out her lackluster lawn and replace it with artificial turf

"The backyard sprinkler system didn't seem efficient and we were constantly replacing the grass," Bogart said.

Strategies like Bogart's are applauded by water officials who are concerned about conservation, not backyard aesthetics. As temperatures rise, Southern California remains on track to have one of the driest years on record.

"We are facing a rather interesting situation in Southern California because all of the supply sources the region calls upon are having extremely dry years," said Bob Muir, spokesman for the Metropolitan Water District of Southern California.

Muir said in addition to Southern California's drought, statewide the snow pack is the lowest in 20 years and the Colorado River - a major source of California's imported water - is in its eighth year of drought.

Jurupa Community Services District General Manager Eldon Horst said his agency is gearing up to promote water conservation as summer approaches.

"What we want to do is be a good citizen in the state and ask our customers to conserve water and... to use water as wisely as possible," Horst said.

The district is completing three major projects to help meet increasing demand on the water supply this summer. In the summer of 2005 the district ran out of water and had to import its supply from Ontario

The added capacity of the Roger D. Teagarden Ion Exchange plant, a new water well and wellhead treatment for two additional wells will allow the agency to meet the demand and "assures clean, safe and reliable water supplies," Horst said.

In addition to the increased capacity of the agency's own wells, the district has made provisions to buy water from other agencies if necessary. Currently it has an agreement to buy water from the Rubidoux Community Services District, is renewing past agreements with the city of Norco and is working toward an agreement with Chino Hills.

"We also have water agreements with Ontario to allow us to utilize some of their Chino Desalter II water," Horst said.

Horst said the agency's improvements would allow the agency to use water more wisely and put less pressure on imported water supplies. With the addition of the Chino II Desalter Project coming online last week, a larger of amount of groundwater treated for salt and nitrate impurities will be available.

Aside from additional water sourcing the agency is also encouraging water conservation. Since May is Water Awareness Month, water agencies across the region will promote conservation by participating in the Splash Festival. The family fun event promoting water conservation takes place May 12.

The Jurupa district offers financial incentives on low water-usage appliances and technical and financial assistance for landscape irrigation systems

"We're very happy that residents are taking seriously the rebate issues," Horst said. "However, the biggest savings is in the management of landscape irrigation."

Muir said water conservation is paramount to our future.

"The next era in water conservation will be in the outdoors, where up to 70 percent of water is used," Muir said.

His agency has worked on pilot projects with developers in the Inland Valley to feature California-friendly landscaping, which feature native and drought-tolerant plants, in both model homes or housing tracts

"It can be quite expensive to replace your turf with synthetic turf, so in Southern California we have other water-saving options including the California-friendly plants," he said.

Staff writer Sahra Susman can be reached at sahra.susman@dailybulletin.com or by phone at (909) 483-9356.

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Fifth-graders participate in environmental festival

By Canan Tasci, Staff Writer
Inland Valley Daily Bulletin

Article Launched:04/26/2007 11:00:00 PM PDT

The Cucamonga Valley Water District is working to create a new generation of conservationists.

"Recognition of environmental education is so critical to young people because it is giving them the foundation on how to protect the environment and that will help them become good stewards as they grow into adults," said Kristeen Buxton, public affairs officer at CVWD. "These are the future water users in our community and leaders, so it is important that they are aware of recycling, pollutants and water conservation and what else might be going on."

On April 13, 700 fifth-grade students from the Etiwanda School District participated in the CVWD fourth annual Kids Environmental Festival. Students spent one day, outdoors, at the CVWD offices in Rancho Cucamonga engaged in six hands-on learning stations all geared to teach them about water and environmental issues.

"Some people don't know how to help and so now they know," said Nicole Babich, 11, of Windrows Elementary School. "This place tells kids how to control and conserve water and how water is important because really, some people don't know how to save water."

Austin Young, 10, educated his fellow classmates on how to conserver water.

"Make sure you shut the sink handles tight," Austin said. "And you don't need to take a 30-minute shower because no one is that dirty."

Although the students participated in six stations as a class, there were 16 all together.

"It helps a lot for kids that are kinetic and visual learners because they enjoy being able to create things, like the earth stress ball," said Petrea Perey, fifth-grade teacher at East Heritage Elementary School. "For a lot of kids it really drives the lesson home and puts it in their brain and it helps with retention."

While the stations were educational, they also provided entertainment.

"The water cannon using the soda bottle really motivated the kids to want to know more about water pressure," Perey said. "They were very impressed."

The stations were taught by volunteers from the city, other water agencies, the gas company and employees of CVWD.

"It was very well organized and thought out so that each child was actively allowed to either touch, work or see something new," said Megan Gardner, fifth-grade teacher at West Heritage Elementary School.

Like Perey, Gardner said the visuals helped her students absorb the material they were given.

"Some students may not have any idea of the actual effects of recycling and water conservations, so this opened my students eyes to it first hand," Gardner said. "It wasn't you're typical lecture format and then expecting them to understand the material, because it was interactive they visualized it and now they can remember what they were taught."

While the students learned throughout the day, they received a T-shirt to wear and back pack to keep their lunches in.

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Plant lovers find Harmony in the Garden

Article Launched:05/31/2007 11:00:00 PM PDT

Chino Basin Water Conservation District in Montclair partnered with the University of California Cooperative Extension to provide a workshop full of helpful gardening tips for residents.

On May 19, the two agencies hosted Harmony in the Garden, a daylong event for garden lovers. There were presentations about garden design and care, the master gardener program and composting.

Janet Hartin, a horticulturist at the University of California Cooperative Extension, said the goal of the workshop was to demonstrate and promote water efficient landscaping the re-use of green waste, and how to minimize the use of pesticides The free workshop will become an annual event.

Staff Writer L. Alexis Young can be reached by email at alexis.young@dailybulletin.com, or by phone at (909) 483-9365.

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