

CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, August 19, 2006

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

AT THE CHINO BASIN WATERMASTER OFFICES

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

Tuesday, August 21, 2006

9:00 a.m. – Agricultural Pool Meeting

AT THE INLAND EMPIRE UTILITIES AGENCY OFFICES

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



CHINO BASIN WATERMASTER

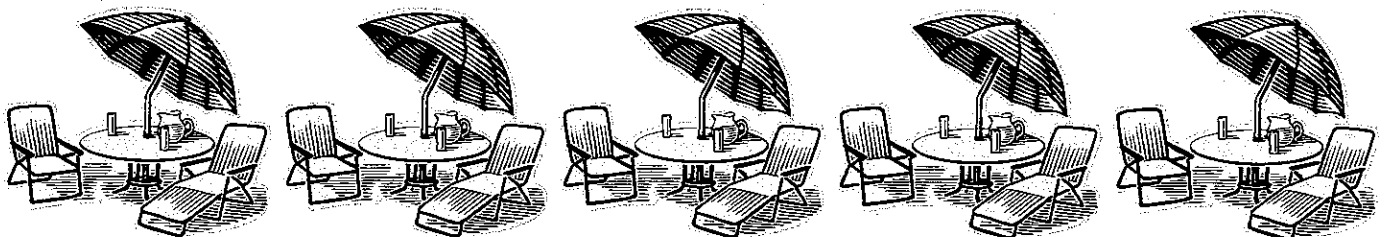
Thursday, August 9, 2007

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

Tuesday, August 21, 2007

9:00 a.m. – Agricultural Pool Meeting

AGENDA PACKAGE



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

10:00 a.m. – August 9, 2007

At The Offices Of

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. MINUTES

1. Minutes of the Joint Appropriative and Non-Agricultural Pool Meeting held July 12, 2007
(Page 1)

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of July 2007 (Page 11)
2. Watermaster Visa Check Detail (Page 15)
3. Combining Schedule for the Period July 1, 2006 through June 30, 2007 (Page 17)
4. Treasurer's Report of Financial Affairs for the Period June 1, 2007 through June 30, 2007
(Page 19)
5. Profit & Loss Budget vs. Actual July 2006 through June 2007 (Page 21)

C. INTERVENTION – RIBOLI FAMILY/SAN ANTONIO WINERY

Intervention into Chino Basin Watermaster as an Agricultural Pool Party (Page 23)

D. INTERVENTION – FUJI NATURAL FOOD INC.

Intervention into Chino Basin Watermaster as an Agricultural Pool Party (Page 27)

II. BUSINESS ITEMS

A. LEGAL INSTRUMENTS

Further Review and Discussion of Legal Instruments

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. MZ1 Filing
2. Hanson Aggregates

B. ENGINEERING REPORT

1. State of the Basin Report Update

C. CEO/STAFF REPORT

1. Legislative Update
2. Recharge Update
3. Assessment Package Update

IV. INFORMATION

1. Newspaper Articles (*Page 33*)

V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

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

Meeting Adjourn

**CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING**

9:00 a.m. – August 21, 2007
At The Offices Of
Inland Empire Utilities Agency
6075 Kimball Ave, Bldg. A, Board Room
Chino, CA 91710

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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A. MINUTES

1. Minutes of the Agricultural Pool Meeting held July 17, 2007 *(Page 7)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of July 2007 *(Page 11)*
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II. BUSINESS ITEMS

A. LEGAL INSTRUMENTS

Further Review and Discussion of Legal Instruments

B. AGRICULTURAL PORTION OF MIDDLE SANTA ANA WATERSHED TMDL STUDY

Consider funding of the Agricultural Portion of the Middle Santa Ana Watershed TMDL study *(Page 31)*

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2. Hanson Aggregates

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1. Legislative Update
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August 23, 2007	11:00 a.m.	Watermaster Board Meeting

Meeting Adjourn

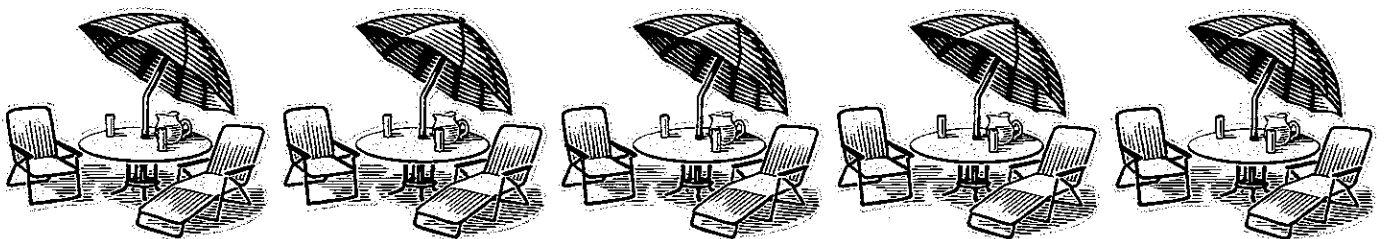


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Joint Appropriative & Non-Agricultural Pool Meeting – July 12, 2007



Draft Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING
July 12, 2007

The Joint Appropriative and Non-Agricultural Pool Meeting were held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on July 12, 2007 at 10:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Raul Garibay, Chair	City of Pomona
Marty Zvirbulis	Cucamonga Valley Water District
Dave Crosley	City of Chino
Mark Kinsey	Monte Vista Water District
Mike McGraw	Fontana Water Company
Ken Jeske	City of Ontario
J. Arnold Rodriguez	Santa Ana River Water Company

NON-AGRICULTURAL POOL MEMBERS PRESENT

Kevin Sage	Vulcan Materials Company (Calmat Division)
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Watermaster Board Members Present

Sandra Rose	Monte Vista Water District
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Watermaster Staff Present

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

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Andy Malone	Wildermuth Environmental Inc.
Joe LeClaire	Wildermuth Environmental Inc.

Others Present

David De Jesus	Three Valleys Municipal Water District
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Chair Garibay called the joint Appropriative and Non-Agricultural Pool meeting to order at 10:00 a.m.

AGENDA - ADDITIONS/REORDER

Mr. Manning noted an item will be added to the Engineering reporting section regarding the Balance of Recharge and Discharge; that report will be given by Andy Malone.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Joint Appropriative and Non-Agricultural Pool Meeting held June 14, 2007

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of June 2007
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2006 through May 31, 2007

- 4. Treasurer’s Report of Financial Affairs for the Period April 1, 2007 through May 31, 2007
- 5. Profit & Loss Budget vs. Actual July 2006 through May 2007

Mr. Kinsey inquired about several checks for item No. 2 in the Financial Reports section and these checks descriptions were discussed in detail.

C. WATER TRANSACTION

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

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

Item D. was pulled from the Consent Calendar:

D. INTERVENTION – This item was pulled off the Consent Calendar

The intervention into Chino Basin Watermaster as an Agricultural Pool Party will be brought back on the August agenda.

Mr. Crosley inquired as to what amount of water this party has historically used. Mr. Manning stated approximately 2 acre-feet per year. A lengthy discussion ensued with regard to this item. Mr. Manning stated it is staff’s recommendation to leave this party in the Agricultural Pool. It was noted this item would be brought back for future for action/discussion with additional information as can be put together for the committee members to make a decision.

II. BUSINESS ITEMS

A. Volume Vote – Non-Agricultural Pool Only

Mr. Manning stated the revised volume vote was presented to the Appropriative Pool last month and was approved unanimously. Watermaster Staff is asking the Non-Agricultural Pool approve the same method that the Appropriative Pool approved so staff only has one calculation built into the database.

Motion by Kevin Sage

Moved to approve aligning the Volume Vote with the Appropriative Pools Volume Vote, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Micro-Economic Analysis Update

Counsel Fife stated Dr. Sunding is moving ahead with the Economic Analysis and appears to be on schedule to complete his report by August. Dr. Sunding is speaking on a fairly frequent basis to the other economic consultants hired by the other parties.

2. MZ1 Court Submittal Update

Counsel Fife stated the Watermaster Board approved filing the MZ1 pleading which was in the meeting packet last month. One of the board members, Mr. Vanden Heuvel, did request that in addition to the pleading that Watermaster recap the costs that Watermaster has expended on subsidence including the extensometers, engineering, other consultant time and Watermaster staff time. It was suggested it would be helpful in the pleading to add a foot note to give the court an indication about how much money the parties have spent on subsidence. Staff is compiling that information presently which is why the pleading has not yet been filed with the court. Once the data is compiled, counsel will file the pleading with the court; a court date is unknown at this time. Counsel Fife stated Watermaster has been ordered by the court, in the last court order, to set a hearing date in November on all of the Peace II documentation. Counsel Fife noted with regard to the November date, counsel was directed by the court to have all of the Peace II documentation up for approval in November. This time frame was shown on the "timeline" schedule which was provided to all board members. Mr. Kinsey inquired if Mr. Vanden Heuvel's comments were included in the action taken by the board. Mr. Manning stated it was part of the motion. Counsel Fife stated it is not a substantive change and does not change any of the positions being taken in the pleading; it is just another point that supports the arguments that are made.

Chair Garibay inquired as to the status of the City of Chino Hills with regard to the MZ1 issue. Counsel Fife stated the City of Chino Hills was going to present some sort of suggestion for a Water Supply Plan for them in order to comply with the Guidance Criteria. Counsel Fife stated staff has asked the City of Chino Hills to provide a proposal and their staff has indicated they will be providing a proposal; this is only for the Water Supply Plan. Counsel Fife stated the MZ1 Long Term Plan was approved by the Pools, Advisory Committee, and the Watermaster Board and that is what will be going to the court which does not involve or include the Alternate Water Supply Plan.

B. ENGINEERING REPORT

1. Water Quality/Plume Updates

Mr. LeClaire stated he would be giving an update on the activities of the Ontario International Airport and the Chino Airport VOC plumes. Mr. LeClaire stated with regard to the Ontario Airport plume in May, 2007, the companies submitted the well installation and sampling work plan and Watermaster prepared comments to be submitted to the Regional Board which should be sent to them this week. In June, Geo Trans initiated work towards securing property access to install the four proposed monitoring wells and began developing plans and technical specifications for drilling and well construction. Access and permit packages will be submitted in July, 2007. Mr. LeClaire reviewed a detailed map of both VOC plumes. Mr. LeClaire stated with regard to the Chino plume, Tetra Tech initiated an offsite plume characterization in early 2007. Watermaster needs to move forward with sighting and drilling of test wells for future desalter wells to achieve hydraulic control. Watermaster and the County are working on a cost-sharing agreement for a well field and treatment facilities to cleanup VOC contamination and also achieve hydraulic control. A brief discussion ensued with regard to the two VOC plumes and Agricultural wells. Mr. Jeske inquired to a statement made by Mr. LeClaire regarding Deer Creek. Mr. LeClaire stated staff is recommending sampling going up further or adding a subsequent well in the Deer Creek area. Mr. Crosley inquired into the location of the wells for the purposes of testing hypothesis related to the source of the contaminants and asked what consideration is being given to locating some century wells between the leading edge of the VOC plume and the CDA production wells. Mr. LeClaire stated staff has not yet considered that Mr. LeClaire went on to report that the PRP's are trying to disprove whether they are responsible for the contamination. Mr. Manning stated locating century wells would be the next logical step for us to better job of understanding when the CDA wells would be receiving VOC's. A lengthy discussion ensued with regard to this matter.

Added: Balance of Recharge and Discharge Report

2. Balance of Recharge and Discharge

Mr. Manning stated the Peace Agreement calls for the report of Balance of Recharge and Discharge to be previewed or be available in July every other year. Mr. Malone is here today and is one of the people working on the report to give an update on the status of that report. Mr. Malone stated the reason why the report is not ready because the model is going to be calibrated in August and at that point in time Wildermuth staff will be performing the model runs to evaluate the balance of recharge and discharge. Mr. Malone stated it should be out in the September/October time frame. Part of this report is a recommendation on the Supplemental Recharge Water Plan; this is new information that will be distributed in the State of the Basin Report which should be coming out soon. Mr. Malone reviewed a change in storage map in detail from 2003 to 2006. A discussion ensued with regard to Mr. Malone's report.

C. CEO/STAFF REPORT1. Legislative Update

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

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

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

2. Recharge Update

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

3. Desalter Expansion Update

Mr. Manning stated Mr. Meyerhofer will be giving a full report at the Advisory Committee and Watermaster Board meeting regarding the progress on the Desalter Expansion later this month.

IV. INFORMATION1. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

July 12, 2007	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
July 17, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
July 24, 2007	9:00 a.m.	GRCC Meeting
July 26, 2007	9:00 a.m.	Advisory Committee Meeting
July 26, 2007	11:00 a.m.	Watermaster Board Meeting

The Appropriative and Non-Agricultural Pool committee meeting was dismissed at 10:50 a.m.

Secretary: _____

Minutes Approved: _____

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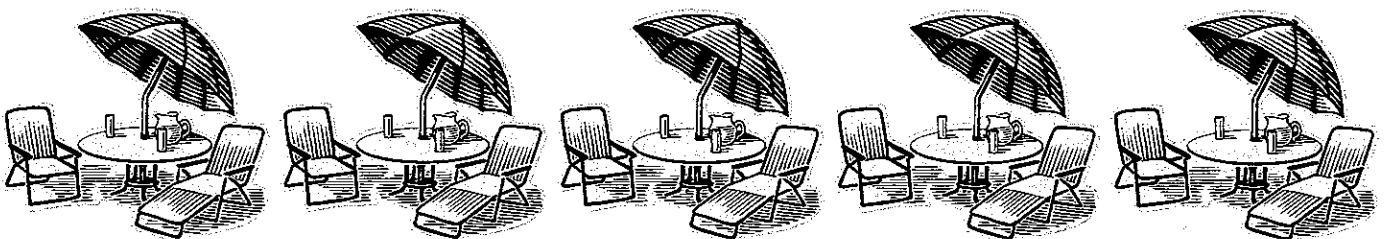


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Agricultural Pool Meeting – July 17 2007



Draft Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
July 17, 2007

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on July 17, 2007 at 9:00 a.m.

Agricultural Pool Members Present

Bob Feenstra, Chair	Dairy
Gene Koopman	Milk Producers Council
Jeff Pierson	Crops
Glen Durrington	Crops
John Huitsing	Dairy
Pete Hettinga	Dairy
Edward Gonsman	State of California CIM

Watermaster Board Members Present

Sandra Rose	Monte Vista Water District
Paul Hofer	Crops

Watermaster Staff Present

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

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Andy Malone	Wildermuth Environmental Inc.
Kevin Moore	Wildermuth Environmental Inc.

Others Present

Steven Lee	Reid & Hellyer
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Chair Feenstra called the Agricultural Pool meeting to order at 9:05 a.m.

AGENDA - ADDITIONS/REORDER

Mr. Manning noted an item will be added to the Engineering reporting section regarding the Balance of Recharge and Discharge; that report will be given by Andy Malone.

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A. MINUTES

1. Minutes of the Agricultural Pool Meeting held June 19, 2007

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

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

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

Item D. was pulled from the Consent Calendar.

D. INTERVENTION – This item was pulled of the Consent Calendar

Mr. Manning stated this item went to the Appropriative & Non-Agricultural Pool last week and in their discussions it was asked that this item be pulled from the calendar to be held for further investigations into this matter. This item is in regard to San Antonio Winery and is located on Milliken Avenue. We are estimating they are using a little less than 2 acre-feet a year. A lengthy discussion ensued with regard to the intervention and the placement of the San Antonio Winery into the Agricultural Pool.

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**1. Micro-Economic Analysis Update

Counsel Fife stated Dr. Sunding is moving ahead with the Economic Analysis and appears to be on schedule to complete his report by August. Dr. Sunding is speaking on a fairly frequent basis to the other economic consultants hired by the other parties.

2. MZ1 Court Submittal Update

Counsel Fife stated the Watermaster Board approved filing the MZ1 pleading which was in the meeting packet last month. One of the board members, Mr. Vanden Heuvel, did request that in addition to the pleading that Watermaster recap the costs that Watermaster has expended on subsidence including the extensometers, engineering, other consultant time and Watermaster staff time. It was suggested it would be helpful in the pleading to add a foot note to give the court an indication about how much money the parties have spent on subsidence. Staff is compiling that information presently which is why the pleading has not yet been filed with the court. Once the data is compiled, counsel will file the pleading with the court; a court date is unknown at this time. Counsel Fife stated Watermaster has been ordered by the court, in the last court order, to set a hearing date in November on all of the Peace II documentation. Counsel Fife noted with regard to the November date, counsel was directed by the court to have all of the Peace II documentation up for approval in November. This time frame was shown on the "timeline" schedule which was provided to all board members. Counsel Fife stated it is not a substantive change and does not change any of the positions being taken in the pleading; it is just another point that supports the arguments that are made.

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Mr. Moore gave an update on the activities of the Ontario International Airport and the Chino Airport VOC plumes. Mr. Moore stated with regard to the Ontario Airport plume in May,

2007, the companies submitted the well installation and sampling work plan and Watermaster prepared comments to be submitted to the Regional Board which should be sent to them this week. In June Geo Trans initiated work towards securing property access to install the four proposed monitoring wells and began developing plans and technical specifications for drilling and well construction. Access and permit packages will be submitted to appropriate agencies in July, 2007. Mr. Moore reviewed a detailed map of both VOC plumes. Mr. Moore stated with regard to the Chino plume, Tetra Tech initiated an offsite plume characterization in early 2007. Watermaster needs to move forward with sighting and drilling of test wells for future desalter wells to achieve hydraulic control. and the County are working on a cost-sharing agreement for a well field and treatment facilities to cleanup VOC contamination and achieve hydraulic control. A lengthy discussion ensued with regard to the plumes and the PRP's.

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C. CEO/STAFF REPORT

1. Legislative Update

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2. Recharge Update

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3. Desalter Expansion Update

Mr. Manning stated Mr. Meyerhofer will be giving a full report at the Advisory Committee and Watermaster Board meeting regarding the progress on the Desalter Expansion later this month.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

July 12, 2007	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
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July 24, 2007	9:00 a.m.	GRCC Meeting
July 26, 2007	9:00 a.m.	Advisory Committee Meeting
July 26, 2007	11:00 a.m.	Watermaster Board Meeting

The Agricultural Pool committee meeting was dismissed by Chair Feenstra at 10:10 a.m.

Secretary: _____

Minutes Approved: _____

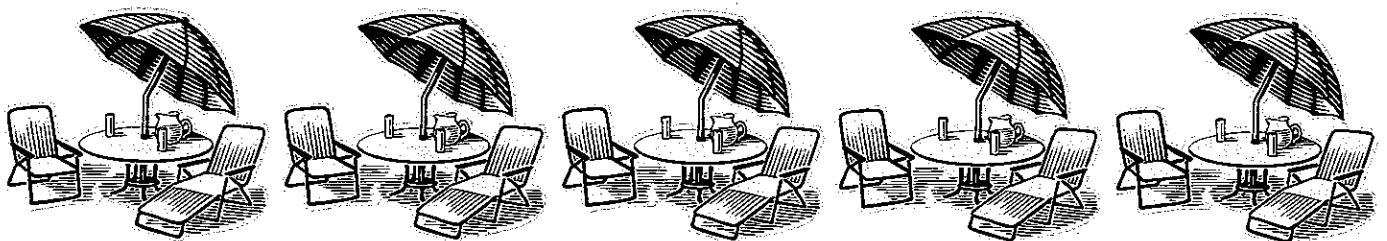


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

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





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

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

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – July 2007

SUMMARY

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

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

Fiscal Impact – Funds disbursed were included in the FY 2006-07 Watermaster Budget.

BACKGROUND

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

DISCUSSION

Total cash disbursements during the month of July 2007 were \$3,555,055.18. The most significant expenditures during the month were Inland Empire Utilities Agency in the amount of \$3,039,321.91, Wildermuth Environmental Inc. in the amount of \$241,844.32, and Hatch and Parent in the amount of \$83,058.98.

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
July 2007

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

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
July 2007

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
Bill Pmt -Check	7/18/2007	11573	INLAND EMPIRE UTILITIES AGENCY	-2,230,948.91
Bill Pmt -Check	7/24/2007	11574	CITY OF RANCHO CUCAMONGA	-500.00
Bill Pmt -Check	7/26/2007	11575	INLAND EMPIRE UTILITIES AGENCY	-808,373.00
Bill Pmt -Check	7/26/2007	11576	EL TORITO	-222.90
Bill Pmt -Check	7/27/2007	11577	AUTOMOBILE CLUB OF SOUTHERN CALIFORNIA	-47.00
Bill Pmt -Check	7/27/2007	11578	BLACK & VEATCH CORPORATION	-3,165.00
Bill Pmt -Check	7/27/2007	11579	CITY OF RANCHO CUCAMONGA	-90.00
Bill Pmt -Check	7/27/2007	11580	CREATIVE BENEFITS, INC.	-1,857.60
Bill Pmt -Check	7/27/2007	11581	CUCAMONGA VALLEY WATER DISTRICT	-5,340.00
Bill Pmt -Check	7/27/2007	11582	ELLISON, SCHNEIDER & HARRIS, LLP	-4,572.09
Bill Pmt -Check	7/27/2007	11583	ETIWANDA GARDENS	-1,000.00
Bill Pmt -Check	7/27/2007	11584	LOS ANGELES TIMES	-42.40
Bill Pmt -Check	7/27/2007	11585	MATHIS & ASSOCIATES	-375.00
Bill Pmt -Check	7/27/2007	11586	OFFICE DEPOT	-443.81
Bill Pmt -Check	7/27/2007	11587	OFFICE FURNITURE.COM	-2,189.60
Bill Pmt -Check	7/27/2007	11588	PITNEY BOWES CREDIT CORPORATION	-468.72
Bill Pmt -Check	7/27/2007	11589	R&D PEST SERVICES	-85.00
Bill Pmt -Check	7/27/2007	11590	RICOH BUSINESS SYSTEMS-Maintenance	-26.31
Bill Pmt -Check	7/27/2007	11591	SIERRA LAKES GOLF CLUB	-200.00
Bill Pmt -Check	7/27/2007	11592	STANDARD INSURANCE CO.	-591.13
Bill Pmt -Check	7/27/2007	11593	THE STANDARD INSURANCE COMPANY	-156.56
Bill Pmt -Check	7/27/2007	11594	VISION SERVICE PLAN	-36.11
Bill Pmt -Check	7/27/2007	11595	W.C. DISCOUNT MOBILE AUTO DETAILING	-72.00
Jul 07				-3,555,055.18

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CHINO BASIN WATERMASTER
Check Detail
July 2007

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

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

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

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

DEPOSITORIES:

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

CHANGE IN CASH POSITION DUE TO:

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

SUMMARY OF FINANCIAL TRANSACTIONS:

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

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

INVESTMENT TRANSACTIONS

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

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

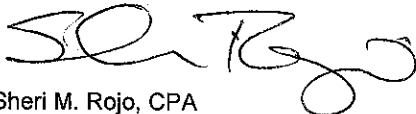
**INVESTMENT STATUS
June 30, 2007**

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

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

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

Respectfully submitted,



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

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

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

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

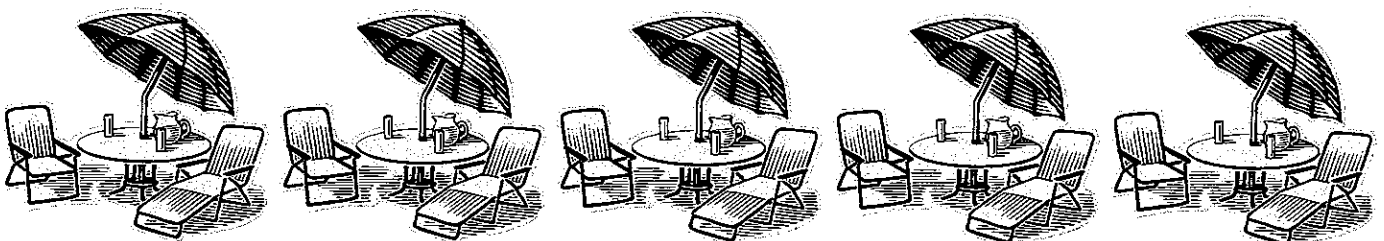
	<u>Jul '06 - Jun 07</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7400 · PE4- Mgmt Plan	583,651	578,762	4,889	100.85%
7500 · PE6&7-CoopEfforts/SaltMgmt	298,846	310,507	-11,661	96.24%
7600 · PE8&9-StorageMgmt/Conj Use	19,936	6,698	13,238	297.64%
7690 · Recharge Improvement Debt Pymt	1,358,415	1,358,000	415	100.03%
7700 · Inactive Well Protection Prgm	0	14,921	-14,921	0.0%
9502 · G&A Expenses Allocated-Projects	<u>262,852</u>	<u>266,734</u>	<u>-3,882</u>	<u>98.55%</u>
Subtotal Implementation Project Expenses	5,234,521	5,089,269	145,252	102.85%
Total Expense	<u>11,893,615</u>	<u>10,355,541</u>	<u>1,538,074</u>	<u>114.85%</u>
Net Ordinary Income	-3,571,653	-2,772,836	-798,817	128.81%
Other Income/Expense				
Other Income				
4210 · Approp Pool-Replenishment	2,683,974	0	2,683,974	100.0%
4220 · Non-Ag Pool-Replenishment	<u>7,009</u>	<u>0</u>	<u>7,009</u>	<u>100.0%</u>
Total Other Income	2,690,983	0	2,690,983	100.0%
Other Expense				
5010 · Groundwater Replenishment	3,536,201	0	3,536,201	100.0%
9999 · To/(From) Reserves	<u>-1,087,324</u>	<u>-139,700</u>	<u>-947,624</u>	<u>778.33%</u>
Total Other Expense	2,448,877	-139,700	2,588,577	-1,752.95%
Net Other Income	<u>242,106</u>	<u>139,700</u>	<u>102,406</u>	<u>173.3%</u>
Net Income	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. INTERVENTION – RIBOLI FAMILY SAN ANTONIO WINERY





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

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

TO: Committee Members
Watermaster Board Members

SUBJECT: Intervention into Non-Agricultural Pool

SUMMARY

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

BACKGROUND

According to Paragraph 60 of the Judgment:

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

According to Watermaster’s Rules and Regulations section 2.27:

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

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

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

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Date: June 15, 2007

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

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

Dear Mr. Manning:

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

Number of wells: 1

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

At 2802 South Milliken Ave, Ontario
APN 0218091160000
San Antonio Winery

Property Owner (Well Owner) Information:

Name: The Risoli Family / San Antonio Winery

Address: 737 Lamar Street, Los Angeles, CA 90031

Phone: 323-223-1401 x24 Email: Steve.Risoli@SanAntonioWinery.com

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

Name: _____

Address: _____

Phone: _____ Email: _____

Representative Handling Intervention:

Name: Steve Risoli Title: owner

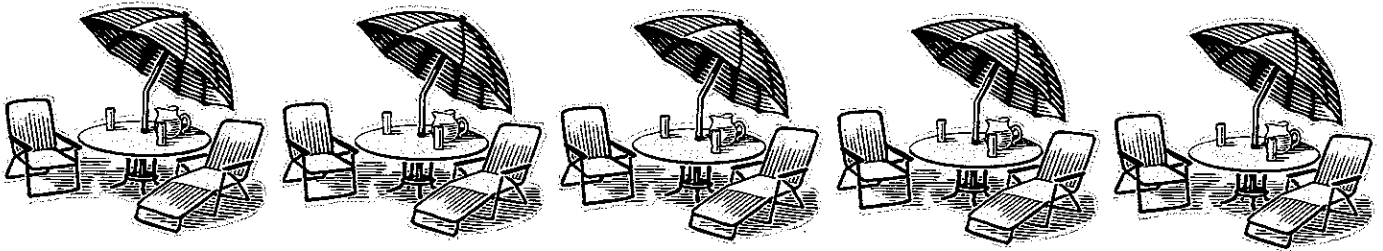
Address: _____

Phone: _____ Email: _____

Sincerely,

Signed: [Signature] Printed: Steve Risoli

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

I. CONSENT CALENDAR

C. INTERVENTION – FUJI NATURAL FOOD INC.





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

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

TO: Committee Members
Watermaster Board Members

SUBJECT: Intervention into Agricultural Pool

SUMMARY

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

BACKGROUND

According to Paragraph 60 of the Judgment:

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

According to Watermaster's Rules and Regulations section 2.27:

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

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

Staff recommends approval of the intervention into the Agricultural Pool.

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KM, JH, DM, JN

Date: 7-13-07

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

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

Dear Mr. Manning:

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

Number of wells: 4

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

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

Property Owner (Well Owner) Information:

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

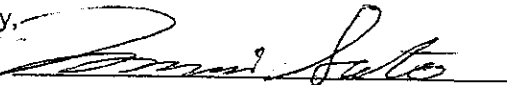
Property Occupant (Well User) Information (if different from Owner):

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

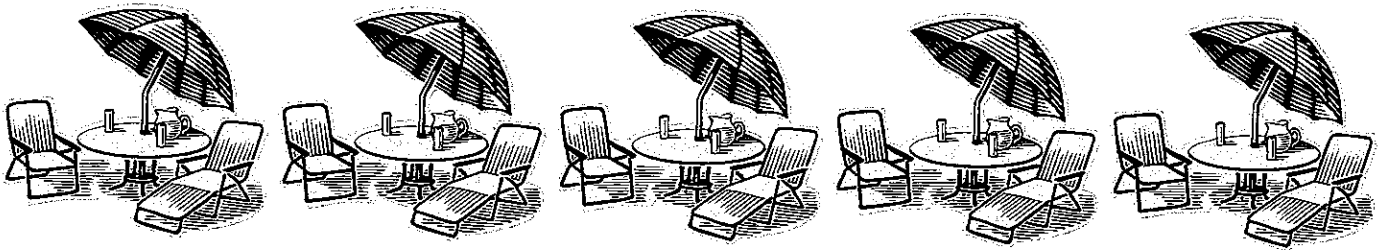
Representative Handling Intervention:

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

Sincerely,

Signed:  Printed: SATO MASANORI

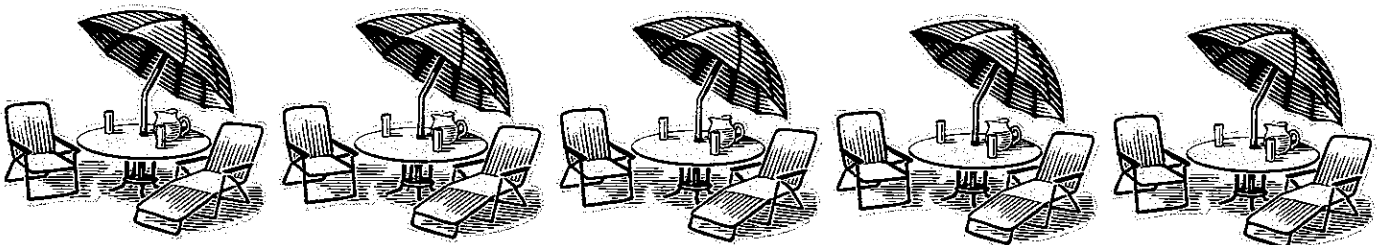
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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS – AG POOL ONLY

B. AGRICULTURAL PORTION OF MIDDLE SANTA ANA WATERSHED TMDL STUDY





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: August 21, 2007

TO: Agricultural Pool Members

SUBJECT: Funding of the farming portion of the Middle Santa Ana Watershed TMDL study.

Summary

The Santa Ana Regional Board is conducting a study of Total Maximum Daily Loads (TMDL's) within the middle reach of the Santa Ana River as mandated by federal law. Both Farming and Dairy are identified as potential contributors and need to be represented in the proceedings. Each operator is responsible for participation, individually or as a group. Dairy, through the involvement of the Milk Producers Council with funding from the Dairy Producer Environmental Foundation, is represented as a group. It has been suggested by a member of the Agricultural Pool that the AG Pool pay for the farming portion of the study from funds it has on hand. It is estimated that this would be about \$20,000.

Additional information will be available at the Ag Pool meeting on August 21st.

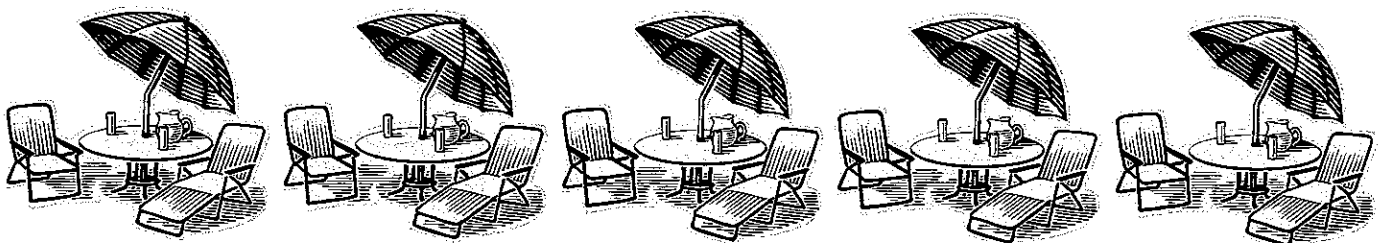
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CHINO BASIN WATERMASTER

IV. INFORMATION

1. Newspaper Articles



Rialto banking on wrong strategy

Our view: City's legal battle over perchlorate just isn't paying off.

Article Launched:07/16/2007 12:00:00 AM PDT

When is enough enough? When should the city pack it in and call in the big dogs? Rialto has been fighting for a decade to get suspected polluters, including major corporations and the Pentagon, to pay the costs of cleaning up perchlorate that has contaminated the city's wells. But the extended legal battle has cost more than \$18 million to date and could edge up a lot higher.

And while Rialto's city attorney seems content to play David to the suspected polluters' Goliath - albeit, with the help of a cadre of top-notch lawyers - it's chiefly customers of the city's water utility that have had to bear the burden, and the brunt of the costs, which roughly equal the Police Department's annual budget.

The city's water agency serves about half of Rialto. Fontana Water Co. and West Valley Water serve the rest. And so, it is about half of Rialto residents who are footing the bill for the city's legal juggernaut. The surcharge on ratepayers' water bills starts at \$6.85 a month, and rises from there.

If Rialto eventually wins its case in court, resident ratepayers will be reimbursed. But that could be a long time in coming. Meanwhile, the total for actual cleanup could amount to \$300 million. As the fight drags on, even the council has become leery, without seeing much in the way of results.

And although the city is entirely justified in wishing to see the actual polluters pay for the cleanup - and ultimately pay back city ratepayers - it is dumbfounding how the city has allowed things to get this far, without calling in the cavalry.

Why won't Rialto ask the feds for help? Why has the city insisted on going it alone, without bringing in the resources of the Environmental Protection Agency? We're sure city ratepayers would like to know the same thing - why Rialto has been so reluctant to do the obvious thing.

"I think going with EPA and the Superfund program is probably the strongest mechanism a city or community has," said Penny Newman, executive director of the Center for Community Action and Environmental Justice. "I'm always amazed that people - communities - shy away from that."

Indeed, Rialto has become almost territorial in pursuing the fight on its own. It's almost as if time and money were no object. But heck, why not, if the ratepayers are paying for it?

The city's attitude is getting perturbing. With the price tag reaching into the millions, it's time to regroup. The city needs to take a more regional approach, and pronto. And spread out the costs.

Rialto, to its credit, initially considered going with the EPA. But after looking at a variety of Superfund projects, and finding that each took 17 to 27 years to start cleanup, the city felt it would take too long, said City Attorney Bob Owen.

So, this is any better? How long does the city expect ratepayers to keep fronting litigation costs? Hopefully, not up to the \$300 million mark of actually cleaning up the perchlorate.

The state Water Resources Control Board plans hearings in August. At that time, it could order three suspected polluters - Goodrich, Pyro Spectaculars and Emhart Industries, parent company of Black and Decker - to remove the contamination.

Then again, those companies all have been fighting long and hard to delay any consequences.

"It's gone from bad to worse, to untenable," said Michael Whitehead, president of the San Gabriel Valley Water Co., which owns Fontana Water Co. Whitehead and Anthony "Butch" Araiza, general manager of the West Valley Water District, both have urged Rialto go with a regional coalition that joins hands with the EPA.

Rialto has been fighting for cleanup of the Rialto-Colton Basin, without regard for pollution of West Valley and Fontana wells. And while a fault separates them, making it more difficult to prove who caused the contamination of the other wells, it's all the more reason for a regional approach.

Yet Rialto persists in its one-sided struggle. "This city's involved in possibly its largest legal battle ever in its history," Owen said as if in self-defense. "Now is not the time to blink."

That strategy is entirely too myopic. Rialto needs to open its eyes, for the sake of city ratepayers. Better to lean on the EPA - and save residents the money, and the aggravation.

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JCSD board declines to respond to Grand Jury findings

By Jesse B. Gill, Special to the Daily Bulletin
Inland Valley Daily Bulletin

Article Launched: 07/10/2007 12:31:34 AM PDT

Several residents Monday night demanded that the Jurupa Community Services District board of directors respond to a Grand Jury report last week stating that the board violated state law in a sale of public land to Rep. Ken Calvert.

The land in question is a 4-acre parcel off Limonite Avenue, which was sold to Calvert, R-Riverside, and his partners for \$1.2 million.

The grand jury cited the district for illegally selling the land without first offering it to other public agencies, such as the Jurupa Area Recreation and Park District. The report also recommended that the district turn over the \$1.2 million gained in the sale to the Park district.

Resident Stephen Anderson criticized the sale of the land, saying it could have been used to construct Little League baseball fields, which do not currently exist in Jurupa.

"What a gravy train you guys have!" Anderson told the board. "What a nice gift for Ken Calvert ... "There is no public service in your name," he continued. "It's all about being strong to hold on for your own self-interest."

The board's vice president, R.M. "Cook" Barela, sought to make a statement regarding the grand jury reports, but was voted down by the rest of the board, who preferred to examine the legal ramifications of such an action.

The board said they plan to release an official statement within the next two weeks.

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The most dry year of 130 on record

By Joe Blackstock
Inland Valley Daily Bulletin

Article Launched: 06/30/2007 11:27:36 PM PDT

Not a drop of rain fell in June this year, meaning the rain season that ended Saturday was the driest in the Inland Valley in the 130 years that records have been kept here.

Of course, that's no surprise to anybody who had to pour water on lawns to keep them green this winter.

Only 4.49 inches have fallen since last July 1 in Pomona, where records have been kept since Rutherford B. Hayes was president, breaking the record low set five years ago of five inches.

Ironically, this dry year comes only two years after the wettest season ever, 2004-05, when 4 feet of rain fell in Pomona.

Throw in the fact we hit 114 degrees one day last July, mix in a sub-30-degree frost and a surprising snowfall this winter, and you gotta ask: What's going on here?

Sure, it's easy to blame all these extremes on El Niño or La Niña, global warming, the ozone layer or some kind of voodoo, but in those 130 years, dry years like these have hardly been unusual.

Take, for instance, the winter of 1924. Agriculture then was dependent on rain and runoff from the mountains. When less than an inch fell in January and February - our two wettest months - people started to panic.

Churches offered prayers. Indians near Banning put on dances and rituals hoping to attract precipitation.

On Feb. 25, ranchers from the west end of San Bernardino County pleaded with the Board of Supervisors to hire rainmaker Charles M. Hatfield, a self-styled "moisture accelerator."

He claimed he could brew up a cauldron of chemicals that when released to the air would bring rain. Nine years earlier in San Diego, he was hired to do his magic, and within a few weeks that area was flooded. At question, of course, was whether it came from his wizardry or maybe he was just lucky.

Despite the urging to do something about the lack of rain, supervisors dragged their feet deciding about Hatfield.

Fortunately, Mother Nature helped the board with its decision when she delivered a belated and wetter-than-normal March and April.

Remember 1977? Southern California was in the throes of a drought, with four straight years of below-average rainfall.

Gov. Jerry Brown asked Californians to voluntarily reduce water use by 25 percent. Ironically, while the south part of the state was hurting, it was places like Marin County, in the usually wetter north, that was worst hit.

A year before, Chino-area dairy farmers began selling off some of their herds because of a shortage of water and feed.

And then, just when people were talking about the "Dust Bowl" conditions, the skies opened up. From January to March of 1978, 31 inches of rain soaked the parched Inland Valley.

This dry winter probably won't require mandatory water rationing, but it's happened a couple of times in our history.

I can remember severe restrictions put in place in 1990 and 1991 in Upland at the tail end of four years of below-average rainfall.

Originally, the city said outdoor watering was allowed only once every five days and never between noon and 4 p.m. You could be fined up to \$1,000 or be jailed for up to six months for three or more violations.

In February 1991, things loosened up a little, allowing watering every other day, but never between 10 a.m. and 6 p.m. The

basic rule: No irrigation could be allowed to flow into street gutters or drains.

Shortly after those eased rules were announced, the rains came. Three years of above-average rainfall made those restrictions just a distant memory.

Nearly a century earlier, in the late 1890s, sunshine was great for attracting winter visitors, but it didn't help water the crops, especially when we had back-to-back poor rain seasons.

In May 1897, Pomona's Consolidated Water Co. put water consumers on a rationing schedule: Monday, Wednesday and Friday were watering days for houses facing west and south, and Tuesday, Thursday and Saturday for those facing north and east. On Sunday, everyone's taps were rested.

Violators would have their water turned off, costing them \$1 (no small amount back then) to get it turned on again.

And it wasn't just orange trees and garden flowers that suffered - even newfangled electric lights were affected.

By late November of that year, the Pomona Weekly Progress reported streetlights north of the Southern Pacific tracks in Pomona were likely to be shut down due to lack of water in San Antonio Canyon, where one of California's first hydroelectric plants operated.

"The electric light company should make arrangements with the moon to get full when there is a scarcity of water," suggested the Progress.

Joe Blackstock writes on Inland Valley history. He can be reached by e-mail at j_blackstock@dailybulletin.com, or by phone at (909) 483-9382.

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It's time for Rialto to call in the EPA

Article Launched:07/16/2007 12:00:00 AM PDT

When is enough enough? When should Rialto throw in the towel and call in the big dogs?

The city has been fighting for a decade to get suspected polluters, including major corporations and the Pentagon, to pay the costs of cleaning up perchlorate that has contaminated Rialto's wells. But the lawsuits and extended legal battle have cost more than \$18 million so far and could go much higher.

And while Rialto's city attorney seems content to play David to the suspected polluters' Goliath - albeit, with the help of a cadre of top-level lawyers - it's chiefly customers of the city's water utility that have had to bear the burden, and the brunt of the costs, with no quick end in sight. So far, the city has spent the equivalent of its Police Department's budget on the fight.

The city's water agency serves about half of Rialto, with Fontana Water Co. and West Valley Water serving the rest. And so, it is about half of Rialto residents who are footing the bill for the city's legal juggernaut. The surcharge on water bills starts at \$6.85 a month and rises from there.

If Rialto eventually wins its case in court, resident ratepayers will be reimbursed. But that could be a long time in coming. And the total for actual cleanup of the contaminant could be \$300 million.

Besides ratepayers' hefty chunk, the City Council also contributed \$5 million from general fund reserves to escalate the fight last year. But even the council has become leery, without seeing much in the way of results.

Why won't Rialto call in the cavalry and ask the feds for help? We're sure city ratepayers would like to know.

Why is it that the city has insisted on going it alone, without bringing the resources of the U.S. Environmental Protection Agency to bear?

Commenting on Rialto's reluctance to do the logical thing, Penny Newman, executive director of the Center for Community Action and Environmental Justice, said, "I think going with EPA and the Superfund program is probably the strongest mechanism a city or community has. I'm always amazed that people - communities - shy away from that."

Indeed, Rialto has become almost territorial in pursuing the fight on its own. It's almost as if time and money were no object. Let the ratepayers pay it - that seems to be the city's attitude.

But with the pricetag reaching into the millions, it's time to regroup. The city needs to take a more regional approach and spread out the costs.

Rialto initially considered going with EPA. But after looking at a variety of Superfund projects, and finding that each took 17 to 27 years to start cleanup, the city felt it would take too long, said City Attorney Bob Owen.

So, this is any better? How long does the city expect ratepayers to keep fronting litigation costs?

The state Water Resources Control Board, which has taken over from the Santa Ana Regional Water Quality Control Board, plans hearings in August. At that time, it could order three suspected polluters - Goodrich, Pyro Spectaculars and Emhart Industries, parent company of Black and Decker - to remove the contamination.

Then again, those companies all have been fighting long and hard to delay any consequences.

The San Gabriel Valley Water Co., which owns Fontana Water Co., and the West Valley Water District have urged Rialto go with a regional coalition that works with the EPA.

Rialto has been fighting for cleanup of the Rialto-Colton Basin, without regard for pollution of West Valley and Fontana wells.

And while a fault separates the West Valley and Fontana wells from the Rialto-Colton Basin, such that the regional agency has said it can't prove the suspected Rialto-area polluters caused contamination of the other wells, it's all the more reason for a regional approach that takes all of the pollution into account.

Yet Rialto persists in its one-sided struggle.

Better to lean on the EPA - and save residents the aggravation.

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In a dry time, plans for water projects flow

Schwarzenegger and
the state Senate leader
propose competing
bond measures.

By NANCY VOGÈL
Times Staff Writer

SACRAMENTO — Acknowledging the specter of drought, Gov. Arnold Schwarzenegger appealed Monday for a \$6-billion investment in water works, while the Democratic leader of the state Senate called for a \$5-billion water bond measure on next year's ballot.

The maneuverings by the two politicians virtually ensure that

voters will be asked next year to approve billions of dollars in spending for water projects — including, perhaps, two new dams and a canal to siphon the Sacramento River.

Cutbacks are inevitable next year if rain and snow don't fall abundantly this winter, and the dueling announcements by Schwarzenegger and Senate President Pro Tem Don Perata (D-Oakland) kick off what are expected to be several months of wrangling to shape ballot proposals.

The call for more spending comes as lawmakers and bureaucrats weigh how to spend \$10 billion from previous water bonds.

Standing before a wind-swept, largely depleted Central Valley reservoir, Schwarzenegger said a second dry winter "will be catastrophic. It will be a disaster."

"We must get our act together now," he said. "We have to build."

The governor touted his \$6-billion plan to build two reservoirs and boost groundwater storage, rework the plumbing of the Sacramento-San Joaquin Delta, restore rivers and bolster conservation.

Schwarzenegger said his administration "loves conservation." He called it something that "we always have to do," and added that he limits his children to five-minute showers. But conservation alone, he said, will not stretch the state's water supplies enough to match the growth that is expected to add 24 million Californians in the next four decades.

California's audacious water system moves Sierra and Cascade snowmelt hundreds of miles by pump and aqueduct, with the Sacramento-San Joa-

[See Water, Page A14]

Dueling water measures urged

[Water from Page A1] quin Delta at its heart.

Though local water districts have recently built their own dams, the state and federal governments have not significantly expanded their projects in decades. In the meantime, government protection of endangered delta fish and other environmental concerns have crimped deliveries from those major water projects.

Water in arid California engenders bitter politics; depending on the battle, farmers, environmentalists and city water districts may be allies or foes. Recent governors have tended to avoid water policy as thankless, even dangerous terrain.

Schwarzenegger spoke at the San Luis Reservoir near Los Banos, the hub of those federal and state projects. The sun-baked reservoir stores water pumped from the delta for delivery to hundreds of thousands of acres of cropland and 25 million people.

The reservoir now holds only a third of its average storage for July, because of a dry winter and the nine-day shutdown of the delta pumps in May to protect endangered fish.

As Schwarzenegger spoke, Perata released his plan for a \$5-billion bond measure that would give money to regions in the state to solve their own problems. He criticized the governor's proposal as a "top-down solution to a bottom-up problem."

Unlike Schwarzenegger's bond plan, Perata's proposal would not dictate new dams, instead allowing regions to determine the best way to boost supplies. He said his plan would deliver cheaper, quicker fixes "rather than reliving the water wars of the past over false choices like dams and canals."

Schwarzenegger's proposal would invest \$2.5 billion of taxpayer money in two reservoirs and require those who use the additional water to pay an additional \$2 billion.

Schwarzenegger has called for construction of a dam and reservoir 77 miles northwest of Sacramento, and a dam above Millerton Lake on the San Joaquin River north of Fresno. For two years, Republican lawmakers have unsuccessfully pursued bonds to pay for those dams.

Barry Nelson, a senior policy analyst with the Natural Resources Defense Council, said farmers could never afford to pay for the dams, and urban water agencies, which have a much

Trouble on tap

Some of the water challenges facing the state:

- Federal and state water projects have not added a new reservoir in 20 years.
- The state is projected to grow from 36 million to 60 million people by 2050.
- Water districts throughout the state are asking people to cut usage by 10%.
- Another dry winter would be "catastrophic" for California.
- The delta at the hub of the water system is vulnerable to earthquakes and rising sea levels.



DAVID PAUL MORRIS Getty Images

MAKING A SPLASH: Gov. Arnold Schwarzenegger discusses his proposed \$6-billion water bond measure during a news conference at the San Luis Reservoir in Los Banos.

greater ability to raise revenue, have cheaper ways to stretch supplies.

"Nobody is interested in paying for these facilities, and it strikes us as really inappropriate to ask the taxpayers to pay for facilities that have not proven themselves," Nelson said.

Randy McFarland, spokesman for the Friant Water Authority, which represents 15,000 farmers, said another dam on the San Joaquin River could catch Sierra Nevada runoff with no harm to the river downstream, improve water quality and provide flood protection.

But the group hasn't examined sharing the cost of building the dam, he said.

The Metropolitan Water District of Southern California, which serves 18 million people

from Ventura County to San Diego, hasn't studied either dam project in detail, Assistant General Manager Roger Patterson said.

What MWD most needs, he said, is a more reliable supply of water from the Sacramento-San Joaquin Delta.

"Our priority has been to focus on the delta," he said.

Under their water proposals, Schwarzenegger and Perata would put \$1 billion into what they call delta "conveyance," a catch-all term for various proposals to move water more efficiently and with less harm through the delta.

A maze of channels and reclaimed islands between Sacramento and Tracy, the delta is a source of water for two of three Californians and wellspring for the state's \$32-billion agricultural industry.

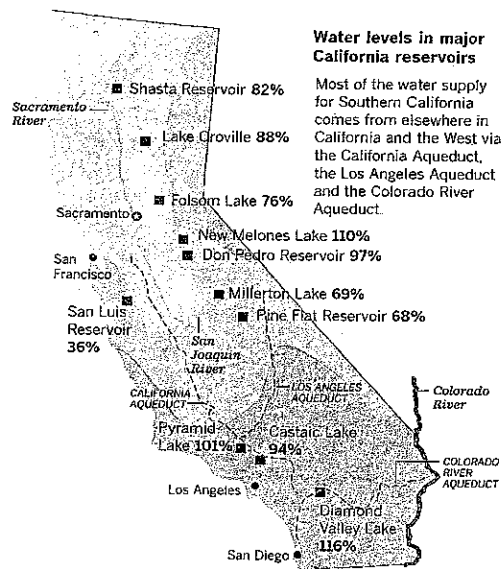
But the pumps that divert water before it can flow to the Pacific Ocean are vulnerable to

Coming water crisis?

The rain season that ended in 2006 was unusually wet, leaving most of California's major reservoirs well-filled. But the rain season that just ended June 30 was extremely dry in most of the state, raising concerns about future water supplies.

Abnormally dry Moderate drought Severe drought Extreme drought

% of normal for time of year



Water levels in major California reservoirs

Most of the water supply for Southern California comes from elsewhere in California and the West via the California Aqueduct, the Los Angeles Aqueduct and the Colorado River Aqueduct.

The chart below compares the precipitation of the 2007 rain season to annual averages during the statewide droughts of 1976-77 and 1987-92 and the Southern California drought of 1998-2002 (in inches).

City	2007	Normal	1976-77	1987-92	1998-02
Eureka	36.5	39.6	25.6	28.2	37.5
Redding	22.7	37.0	21.9	27.6	31.0
San Francisco	11.7	20.3	9.4	13.7	18.3
Sacramento	12.2	18.2	7.4	15.7	18.4
Fresno	6.1	11.0	7.9	9.4	9.4
Santa Barbara	7.2	16.3	11.9	12.4	17.5
Bakersfield	3.1	6.2	4.3	5.2	5.4
Long Beach	2.1	12.1	6.9	8.7	7.0
Los Angeles	3.2	14.9	9.8	11.3	10.8
San Diego	3.8	10.2	8.6	10.2	6.0
Riverside	1.7	10.1	8.3	8.4	5.4
Redlands	3.9	13.4	11.1	11.5	7.4
Death Valley	1.8	2.3	3.1	2.2	1.4

Sources: California Dept. of Water Resources, National Drought Mitigation Center

LESLIE CARLSON Los Angeles Times

regulatory shutdown to protect endangered salmon and smelt, and the earthen levees that channel water are threatened by earthquakes, floods and rising sea levels.

Environmentalists helped defeat a 43-mile "peripheral" canal proposal in 1982, saying that it would allow Southern California to divert an ecologically devastating amount of water from the estuary.

Since then, many scientists and some environmentalists have argued that a canal actually might help fish by isolating them from the powerful effects of the pumps.

Still, any discussion of a delta fix faces close scrutiny by myriad antagonistic interests.

Last year, Schwarzenegger named a blue-ribbon panel to study the best way to protect the delta as a water source and wildlife corridor. The panel's recommendations are due in November. Schwarzenegger has espoused a peripheral canal in recent speeches. But his proposed bond measure, like Perata's, would incorporate whatever recommendation comes from the blue-ribbon panel.

In touting his plan, Schwarzenegger said California leaders could no longer procrastinate on building reservoirs and fixing the delta.

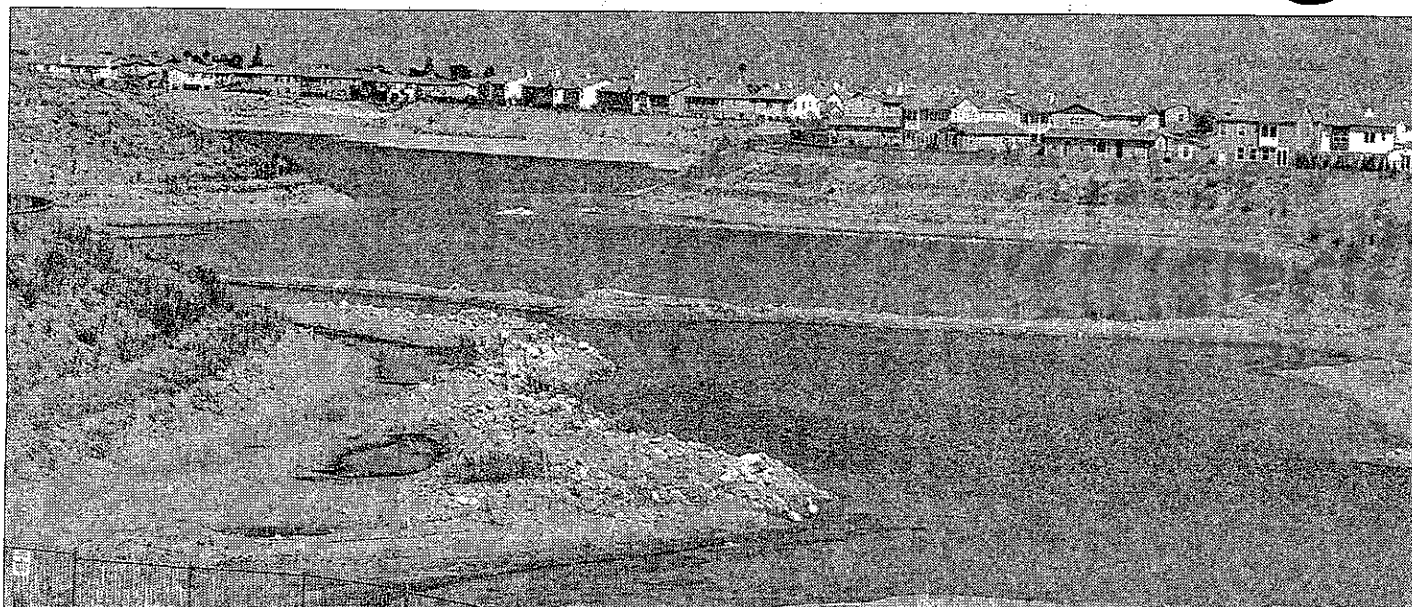
"I was sent to Sacramento to create some action and to get us moving again," he said, "and to make progress on issues that have been swept under the rug for too long."

But some observers say that whether the governor and Legislature succeed in negotiating a bond measure for next year's ballot may depend on a higher power: next winter's precipitation.

"As a general rule in California, we don't solve problems until there's a crisis," said UC Berkeley political scientist Bruce Cain. "The crisis is what forces people to abandon the status quo."

nancy.vogel@latimes.com
Times staff writer Patrick McGreevy contributed to this report.

RESIDENTS URGED TO CONTINUE CONSERVING Watching water usage



Photos by Thomas R. Cordova/Staff Photographer

Water levels are low at the Colonies Reservoir in Upland and the effects are showing during the driest rainfall year for the region in the 130 years that records have been kept.

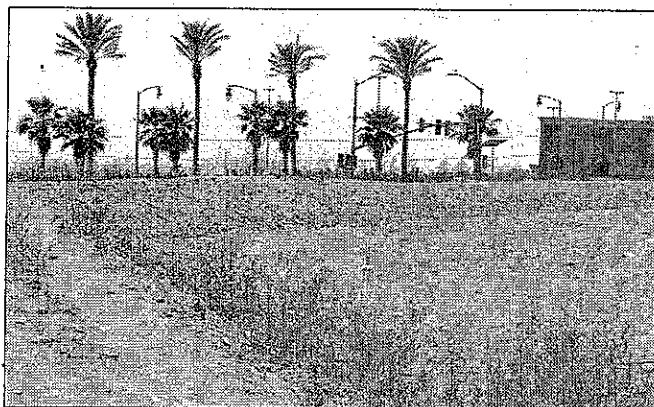
By Will Bigham
Staff Writer

Rainfall this year has been at a record low, and our sources of imported water have been depleted by more than half.

But with the region's improved water conservation methods, the picture for water consumers isn't as bleak as one might expect.

When the region was hit by a drought in the early 1990s, water-rationing policies were temporarily adopted to ban certain uses of water.

Since then, the average person's water use in the region has decreased significantly — from about 220 gallons a day in 1990 to about 150 gallons a day, See **DRY** | Page A4



Only a few weeds can grow on the dry and dusty field at the Colonies in Upland. Because of the region's improved water management and conservation efforts, the current dry spell — which would have resulted in rationing 15 years ago — has led only to a request from water officials to help reduce water use by 10 percent.

The most dry year of 130 on record

Not a drop of rain fell in June this year, meaning the rain season that ended Saturday was the driest in the Inland Valley in the 130 years that records have been kept here.



JOE BLACKSTOCK
Our Past

Of course, that's no surprise to anybody who had to pour water on lawns to keep them green this winter.

Only 4.49 inches have fallen since last July 1 in Pomona, where records have been kept since Rutherford B. Hayes was president,

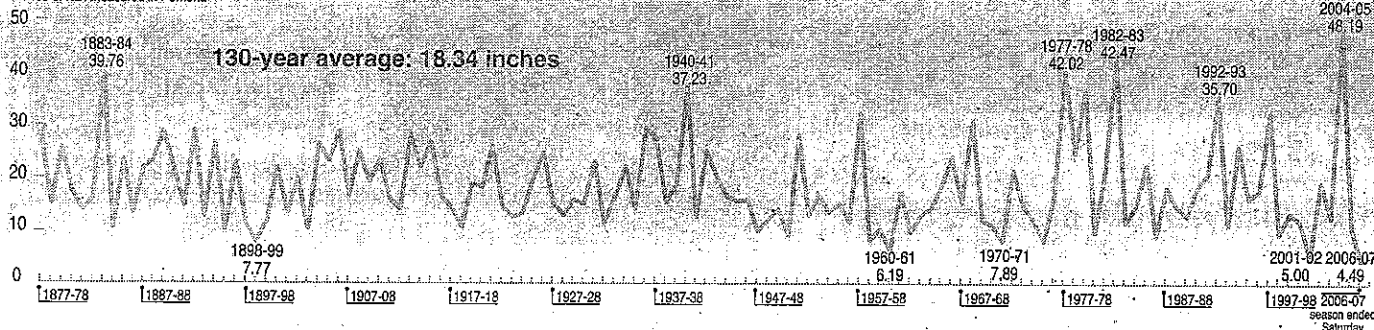
breaking the record low set five years ago of five inches.

Ironically, this dry year comes only two years

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130 years of rain

Inches of rain measured in Pomona



Sources: Pomona Progress-Bulletin, Los Angeles County Department of Public Works and Daily Bulletin weather reports

Staff Graphic

No. 031 / Y18



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according to the Metropolitan Water District of Southern California.

Water officials attribute the decrease in per-capita use to conservation efforts by individuals, the widespread installation of new, more water-friendly appliances and the increased use of recycled water.

"We've done a lot of work to conserve water since (the early 1990s), and that's assisted greatly our ability to avoid any hardship during these droughts," said Richard Atwater, CEO of the Chino-based Inland Empire Utilities Agency.

New water storage methods have reduced the region's reliance on imported water as well. In 1991, two-thirds of the region's water was imported from Northern California and the Colorado River. Now the region imports only about half its water supply.

The completion of the Diamond Valley Lake reservoir near Hemet allows for storage of imported water that could supply the region for four months in case of an emergency, Atwater said.

The Inland Empire Utilities Agency now stores nearly three

years' worth of imported water underground in the Chino basin.

"That's a three-year insurance policy that covers us during droughts," Atwater said. "That's a significant investment in local reliability."

Because of the region's improved water management and conservation efforts, the current dry spell — which would have resulted in rationing 15 years ago — has led only to a request from water officials to help reduce water use by 10 percent.

In the past, "we'd probably have water rationing of like 15 percent," Atwater said. "There would be a lot of impacts on the homeowners and industry in our area."

Metropolitan Water District spokesman Rob Hallwachs said that without conservation efforts, with current conditions "we would be in some serious drought."

In the early 1990s, rationing policies were enacted that forced reduction of 50 percent, he said.

"I think it's clear that if we had made none of the achievements that we have in the last decade, we would be in that situation or worse," Hallwachs said.

This year has been the driest in Los Angeles and San Bernardino counties since records were first taken in the 1870s.



Therese Tran/Staff Photographer

Weeds grow near a flooded sign on Vineyard Avenue near the 10 Freeway during the driest rainfall year for the region in 130 years.

The region's main sources of imported water have been depleted by the dry weather as well.

The watershed area of the Colorado River is in its eighth year of drought and is now supplying half the amount of water it did five years ago, said Andy Sienkiewicz, resource implementation manager for the MWD.

The other primary imported-water area, the Sacramento Delta, only provides

60 percent of its normal supply because its source of water, the Sierra Nevada snowpack, is

about a third of its usual size, Atwater said.

"Our general feeling is that we're going to be OK this year. However, it makes sense to reduce as much water as we can so we have water for the upcoming years," Sienkiewicz said. "We're not sure where we're going to be next year if we continue to have these restrictions."

Officials are urging people who haven't already to install low-flush toilets and consider replacing plants that require consistent watering with native, drought-tolerant plants.

Other measures like turning off running faucets while brushing teeth and taking shorter showers are simple ways to save water, officials say.

During the summer in the Inland Valley, 50 percent to 60 percent of water use is devoted to outdoor landscaping, said Martha Davis, executive manager of policy development at the Inland Empire Utilities Agency.

"One of the most important things that people can do is tune up their irrigation systems for the summer," she said.

Residents can prevent outdoor water waste by making sure sprinklers aren't watering concrete driveways, for example, and by programming timed sprinklers to reduce over-watering, officials say.

During the early 1990s, the extended drought prompted local governments to pass water-rationing laws that prohibited people from hosing down driveways and made illegal many other water uses deemed inappropriate during the crisis.

Officials say water rationing is not necessary in response to the current dry spell because it has not lasted long enough to be considered a drought. Local reservoirs remain at high levels because of record-high rainfall in 2005, water officials say.

But if by the end of the year the region still fails to see significant rainfall, rationing policies may again be necessary, said Kirk Howie, assistant general manager at the Claremont-based Three Valleys Municipal Water District.

"There's enough to sustain us during this year without any major concerns, but if this continues we'll be faced with more severe concerns and conditions that will affect the water supply," Howie said. "We need to start now with conserving and saving. That message is very clear."

Unlike temporary conservation requests during events such as routine pipeline-repair shutdowns, the current call for conservation is ongoing because officials cannot predict when dry conditions will end.

"I think we want to have a consistent and ongoing message on the importance of water conservation," said Andy Hui, MWD conservation programs manager.

"We don't want the public to feel that this is something to do — to turn it on, then turn it off," Hui said. "We want them to maintain a persistent approach to conservation."

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RAIN

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after the wettest season ever, 2004-05, when 4 feet of rain fell in Pomona.

Throw in the fact we hit 114 degrees one day last July, mix in a sub-30-degree frost and a surprising snowfall this winter, and you gotta ask: What's going on here?

Sure, it's easy to blame all these extremes on El Niño or La Niña, global warming, the ozone layer or some kind of voodoo, but in those 130 years, dry years like these have hardly been unusual.

Take, for instance, the winter of 1924. Agriculture then was dependent on rain and runoff from the mountains. When less than an inch fell in January and February — our two wettest months — people started to panic.

Churches offered prayers. Indians near Banning put on dances and rituals hoping to attract precipitation.

On Feb. 25, ranchers from the west end of San Bernardino County pleaded with the Board of Supervisors to hire rainmaker Charles M. Hatfield, a self-styled "moisture accelerator."

He claimed he could brew up a cauldron of chemicals that when released to the air would bring rain. Nine years earlier in San Diego, he was hired to do his magic, and within a few weeks that area was flooded. At question, of course, was whether it came from his wizardry or maybe he was just lucky.

Despite the urging to do something about the lack of rain, supervisors dragged their feet deciding about Hatfield.

Fortunately, Mother Nature helped the board with its decision when she delivered a belated and wetter-than-normal March and April.

Remember 1977? Southern California was in the throes of a drought, with four straight years of below-average rainfall.

Gov. Jerry Brown asked Californians to voluntarily reduce water use by 25 percent. Ironically, while the south part of the state was hurting, it was places like Marin County, in the usually wetter north, that was worst hit.

A year before, Chino-area dairy farmers began selling off some of their herds because of a shortage of water and feed.

And then, just when people were talking about the "Dust Bowl" conditions, the skies opened up. From January to March of 1978, 31 inches of rain soaked the parched Inland Valley.

This dry winter probably won't require mandatory water rationing, but it's happened a couple of times in our history.

I can remember severe restrictions put in place in 1990 and 1991 in Upland at the tail end of four years of below-average rainfall.

Originally, the city said outdoor watering was allowed only once every five days and never between noon and

4 p.m. You could be fined up to \$1,000 or be jailed for up to six months for three or more violations.

In February 1991, things loosened up a little, allowing watering every other day, but never between 10 a.m. and 6 p.m. The basic rule: No irrigation could be allowed to flow into street gutters or drains.

Shortly after those eased rules were announced, the rains came. Three years of above-average rainfall made those restrictions just a distant memory.

Nearly a century earlier, in the late 1890s, sunshine was great for attracting winter visitors, but it didn't help water the crops, especially when we had back-to-back poor rain seasons.

In May 1897, Pomona's Consolidated Water Co. put water consumers on a rationing schedule: Monday, Wednesday and Friday were watering days for houses facing west and south, and Tuesday, Thursday and Saturday for those facing north and east. On Sun-

day, everyone's taps were rested.

Violators would have their water turned off, costing them \$1 (no small amount back then) to get it turned on again.

And it wasn't just orange trees and garden flowers that suffered — even newfangled electric lights were affected.

By late November of that year, the Pomona Weekly Progress reported streetlights north of the Southern Pacific tracks in Pomona were likely to be shut down due to lack of water in San Antonio Canyon, where one of California's first hydroelectric plants operated.

"The electric light company should make arrangements with the moon to get full when there is a scarcity of water," suggested the Progress.

Joe Blackstock writes on Inland Valley history. He can be reached by e-mail at j_blackstock@dailybulletin.com, or by phone at (909) 483-9382.

City strategy in lawsuit questioned

By Jason Pesick
Staff Writer

RIALTO — City officials see their fight to clean up perchlorate-contaminated drinking water as a classic underdog story — a modest city going to court to get big corporations and the Pentagon to clean up a mess.

To City Attorney Bob Owen, it's like David and Goliath, with Rialto as David — of course.

It might take more than a slingshot to do the job, though.

It might take \$300 million to clean up contamination discovered in 1997.

Thus Rialto has armed itself with a team of top-tier lawyers to pursue lawsuits against

What is perchlorate?

Perchlorate is used to produce such explosives as fireworks and rocket fuel.

It flows from industrial sites on Rialto's north end through the city and into Colton.

It's not clear how dangerous perchlorate is, but a study by the Centers for Disease Control and Prevention released last year says even low concentrations of perchlorate can affect the thyroid gland. Treatment systems remove perchlorate from the water before it reaches residents.

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PERCHLORATE

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Suspected polluters.

City leaders say they're on a righteous quest, but some water-cleanup experts and others who have dealt with similar challenges call it folly.

Taking on the likes of the Defense Department, Goodrich, and Black and Decker during the past decade has already cost the city the equivalent of the Police Department's annual budget.

Critics want to know what that money has bought beyond constant delays in court and before state regulatory boards. They also want to know why the city didn't seek the help of the U.S. Environmental Protection Agency, as other communities with similar problems have.

"It's just beyond imagination how much money they've spent on this thing," said Anthony "Butch" Araiza, general manager of the West Valley Water District, which also serves water to Rialto residents.

Owen said the city has spent about \$18 million on lawsuits, legal investigators, water treatment, public relations and community meetings.

It sounds good to say the city shouldn't spend so much on attorneys, Owen said, but the city would have to pay much more to clean up the mess.

"Everybody hates lawyers," he said. "We know that."

Residents foot the bill

Rialto's legal battle is funded largely by a surcharge for customers of the city's water utility.

The surcharge starts at \$6.85 a month and rises based on usage. The city water agency serves about half of Rialto, meaning about half the residents fund the formidable perchlorate effort.

West Valley Water and the Fontana Water Company serve the rest.

If Rialto wins its case in court, residents will be reimbursed, Owen said.

The council also has allocated \$5 million from General Fund reserves to escalate the legal effort last year.

Rialto's best hope at getting perchlorate cleaned up quickly is the State Water Resources Control Board, which has planned

August hearings on the contamination.

The board could order three suspected polluters, Goodrich, Pyro Spectaculars and Emhart Industries, which the city says is really Black and Decker, to remove the contamination.

"There's been a wealth of evidence that's been generated as a result of Rialto's litigation," said Kurt Berchtold, assistant executive officer for the Santa Ana Regional Water Quality Control Board and member of the advocacy team that will argue alongside Rialto during the state hearings.

But the companies' legal maneuvers have delayed those hearings numerous times. The state water board took over cleanup efforts because the Santa Ana board couldn't move forward.

"It's gone from bad to worse to untenable," said Michael Whitehead, president of the San Gabriel Valley Water Company, which owns Fontana Water.

Whitehead and Araiza have publicly talked about the benefits of bringing in the EPA to take over the cleanup.

The hearing delays have upset environmentalists as well.

"The corporations know how to use the legal system," said Penny Newman, executive director of the Riverside-based Center for Community Action and Environmental Justice, which will be a party in state hearings.

She defended the city's strategy and the amount of money it has spent.

"When you've been harmed, you go after the person who harmed you, which can be difficult for people of limited income," she said.

The idea is simple: Polluters should clean up their messes.

"Is it an Erin Brockovich scenario? You bet," Rialto City Administrator Henry Garcia said at a council meeting.

But "Erin Brockovich" is the wrong movie to emulate because the contamination is too complicated, Whitehead countered. He suggested watching "A Civil

Action," in which the EPA takes over because the case costs too much money to put on in court.

"It's a very conventional legal strategy. It's also a failed legal strategy," Whitehead said.

He and Araiza recommend using the model the San Gabriel Valley used to clean up contaminants including perchlorate: a regional coalition of entities working with the EPA.

Comparing situations

To remove perchlorate discovered in 1997 from Baldwin Park, Whitehead said the San Gabriel Valley Water Company spent less than \$1 million on legal fees. Polluters and the U.S. government paid most of the cost.

Wayne Praskins, an EPA Superfund project manager, said that if a polluter refuses to follow an EPA cleanup order but is found responsible in court, the polluter faces penalties of three times the cleanup cost.

"I think going with EPA and the Superfund program is probably the strongest mechanism a city or community has ... I'm

always amazed that people — communities — shy away from that," Newman said.

But the EPA doesn't have super powers. The San Gabriel Valley was already a Superfund site as early as the mid-1980s, which made it easier and faster to get perchlorate cleaned up.

"It's a tough comparison," Praskins said. "It took a long time to reach agreements in the San Gabriel Valley."

To Owen, the city attorney, comparing the Rialto-Colton Basin cleanup to that of the San Gabriel Valley is like comparing apples to oranges. The EPA started looking at contamination in the San Gabriel Valley in the 1970s. When it was looking at whether to go the EPA route, Rialto looked at a number of Superfund sites, and in every case it took between 17 and 27 years to start cleaning the contamination up, Owen said.

"And that was simply unacceptable to us."

The EPA has followed the case but hasn't yet decided whether to take over, Praskins said.

A combination of factors kept the EPA from taking the lead from the get-go. Rialto thought the EPA would take too long. Owen has also said he was afraid a large Superfund site in the city would create a stigma.

EPA officials also thought state regulatory agencies could handle the case.

Berchtold speculated that Whitehead and Araiza might be pressing for an EPA takeover because the state would probably not order cleanup of some West Valley and Fontana wells.

A fault separates those wells from the Rialto-Colton Basin, and Santa Ana Regional Water Quality Control Board staffers said they can't prove the suspected Rialto-area polluters caused the contamination in those wells.

Whitehead says the board is in over its head.

Despite the fault, Araiza prefers a regional approach and said Rialto is selfish for excluding other water agencies.

"I just don't understand being

that territorial about this."

Owen said he's just looking out for Rialto. He doesn't want to divide money equally because the problem doesn't affect all agencies equally.

Rialto's City Council is getting uncomfortable with the cost. The council called for an audit of how much the city has spent on perchlorate, but members insist there will be no strategy change.

The newest councilman, Joe Baca Jr., thinks there should be.

"I'm concerned about there being a blank check out there for the attorneys," he said.

He said he can't even find out how much the city has spent.

"We have to look at it as a regional approach," he said.

Owen, on the other hand, doesn't want to change course now.

"This city's involved in possibly its largest legal battle ever in its history," he said.

"Now is not the time to blink."

Contact writer Jason Pesick at (909) 386-3861 or via e-mail at jason.pesick@sbsun.com.

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Decision keeps recycled water in local basin

By Melodie Henderson

Water from Chino Valley treatment plants that formerly was released into Orange County's drinking water supply will now be used to recharge wells that serve Chino Valley.

Changes in regulations made by the Santa Ana Regional Water Quality Control Board allow additional groundwater recharge of recycled water into the Chino Groundwater Basin, according to a news release from Inland Empire Utilities Agency.

Phase one of the Groundwater

Recharge Program was begun in April 2005 at two IEUA water treatment plants in the agency's northern service area, recharging groundwater via seven recharge basins.

To date, 3,000 acre-feet of treated water have been recharged into the groundwater supply.

"One acre-foot is enough water to last two families of four for an entire year," said IEUA spokeswoman Sondra Elrod. "In the Chino Water Basin, we get 70 percent of our drinking water from the ground, and that's really important, because the other 30

percent has to be imported," she said.

Phase two of the program will recharge water at six more locations: one in Ontario, one in Montclair, three in Rancho Cucamonga and one in Upland. When both phases are complete, expected by 2015, about 22,000 acre-feet could be recharged into the water supply.

"The water is so highly treated, and meets such high state and federal standards," Ms. Elrod said. "Our water is treated to drinking water standards. Before this it was going into Orange County drinking water."

A natural filtration occurs as the water seeps into the ground, further purifying it before it enters the drinking water supply.

A minimum of six months passes after the water is released until it can make its way into the potable water supply, said Ken Manning, CEO of Chino Basin Watermaster. Often, he said, it can take much longer.

"Here in the Chino Basin it sometimes takes years to get down into the aquifer," he said.

See WATER, Page A4

Water

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Mr. Manning also said that one of the changes that made the Groundwater Recharge Program possible was the ratio at which recycled water has to be mixed with either imported water or rainwater.

"The ratio has changed

from a strictly 80/20 mix to a scientific mix. You know what the recycled water is like going in, and then you test it 75 feet down, so you can tell how much purifying is going on in the soil."

Recycled water tested after filtering down 75 feet, he said, is no different than rainwater.

"You literally can't tell the difference," Mr. Manning said.

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Old pitch for state dams still holds water

The state of California hasn't built a big reservoir in 34 years. The politicians can't agree where or whether to build one. So Senate Democrats this week proposed a sharp shift in state strategy: Punt to local communities.

If some region feels pressed by population growth or agriculture demands and wants a new reservoir, let it finance and put up the multibillion-dollar structure itself. The state could help out, but not be primarily responsible.

This means that local people basically would decide whether and where to build a dam, not

the state. Presumably it would be an off-stream reservoir, like Castaic, Pyramid and Ferris in Southern California, the last major above-ground storage facilities to be built by the state Department of Water Resources.

"The state bureaucracy has a poor track record making water supply and reliability decisions from Sacramento," Senate leader Don Perata (D-Oakland) wrote to Gov. Arnold Schwarzenegger in announcing his proposal.

The senator failed to mention that the bureaucracy takes its orders from politicians.

"Many regions of the state — from San Diego and the Coa-

chella Valley in the south to the Sacramento Valley in the north — are far ahead of the game," Perata continued. "Simply put, they know better than we do what their water needs are and how to meet them."

That's a serious and sad confession.

It is true that regional agencies have outperformed state government in developing new water facilities in the last three decades.

The Metropolitan Water District of Southern California, for example, has added roughly 3 million acre-feet of storage in recent years, enough to supply about 750,000 families annually. That water provides a reserve

supply for dry spells. Two-thirds of it is in underground storage. The MWD also paid for and built the \$2-billion Diamond Valley Lake near Hemet, which it fills with 800,000 acre-feet of water from the Colorado River and State Water Project.

But if the state were to abandon dam-building completely — indeed, all major storage enhancements, including underground — that would mark a dramatic turn from its historic role.

The lionized Gov. Pat Brown, after all, peddled the State Water Project to voters 47 years ago on the thesis that "we're all in this together." It was in Califor-

[See Skelton, Page B8]

Control of water storage is a shared concern for north and south

[Skelton, from Page B1]
nia's larger interest, Brown successfully argued, to unite behind flood control in the north and water deliveries in the south. That has been the state mantra ever since.

Even with this unity pitch and water users paying for the project, it was a tough sell.

Oroville Dam, the indispensable cornerstone of the State Water Project on the Feather River, never would have been built to catch northern snowmelt for San Joaquin Valley farms and L.A.'s population

boom if its construction had depended on Sacramento Valley locals.

For that reason, Republican legislators and the Schwarzenegger administration flatly oppose the Democrats' notion of granting local control over water storage, a philosophical paradox for the party of big centralized government.

"The state must act as the adult responsible for coordinating water movement in the state," says Sen. Dave Cogdill of Modesto, the Republicans' turn-of-man on water, whose party

normally favors local control.

State water Director Lester Snow notes: "We have a statewide system."

Democrats decided to turn over responsibility for new water storage to local agencies, I suspect, because they're tired of fighting Republicans — and among themselves — over whether to build more dams, which their environmental allies hate.

Also, it was "water week" for Schwarzenegger. This has been his pet promotion in recent days. So Perata decided to get in

the act, too, by announcing a proposal. The goal is to negotiate a water deal by mid-September, when the Legislature recesses for the year.

Schwarzenegger wants to build two dams; one off stream in Colusa County, the other upstream of Friant Dam on the San Joaquin River near Fresno. He also hopes to fix the leaky, shaky delta — possibly building a canal that bypasses the estuary — and pay for it all with a \$6-billion bond he'll ask voters to approve next year.

The Perata plan, besides sur-

rendering state power over dams, would allow local agencies to decide about groundwater storage and recycling. They could apply for state grants from a \$2-billion bond kitty, part of a proposed \$5-billion bond issue. There'd also be \$2 billion for a delta fix-up and \$1 billion for "restoration projects" — pork? — on various rivers, including L.A.'s.

And about \$300 million in existing bond money would be spent immediately for delta and groundwater improvements.

Although they reject the regional idea, both Cogdill and Schwarzenegger applaud Perata for at least recognizing the need for another water bond and the potential merits of more off-stream storage. Cogdill sponsored a Schwarzenegger bond-and-dam bill earlier this year that Senate Democrats killed.

"It may seem like a small thing, but now at least they're using the words 'surface water

storage,'" Cogdill says.

"If we're not going to build any more dams on wild and scenic rivers — which we certainly aren't proposing — we don't have a lot of options."

He's optimistic about reaching a water agreement. "Pardon the pun," Cogdill says, "but there's a perfect storm brewing."

It contains concerns about a Katrina-like disaster in the delta, a looming statewide drought, reduced snowfall because of global warming and the fact people keep crowding into California.

Since the state last built any dams, the population has soared from less than 21 million to nearly 38 million — and is headed toward 50 million by 2032.

Sacramento politicians can't punt just because it's storming. They need to get in the game and carry the ball.

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