

CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, September 13, 2006

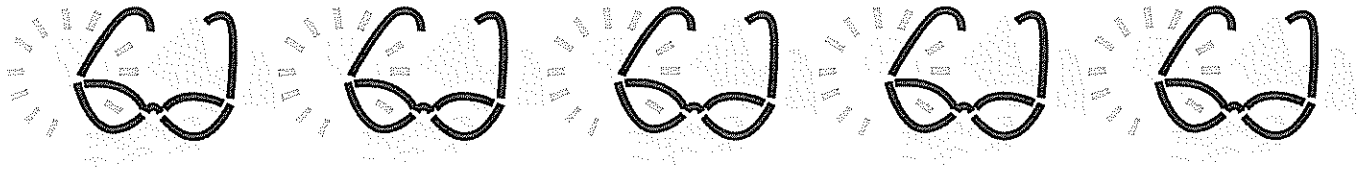
10:00 a.m. – Joint Appropriative and Non-Agricultural Pool Meeting

*AT THE CHINO BASIN WATERMASTER OFFICES
9641 San Bernardino Road
Rancho Cucamonga, CA 91730
(909) 484-3888*

Tuesday, September 18, 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

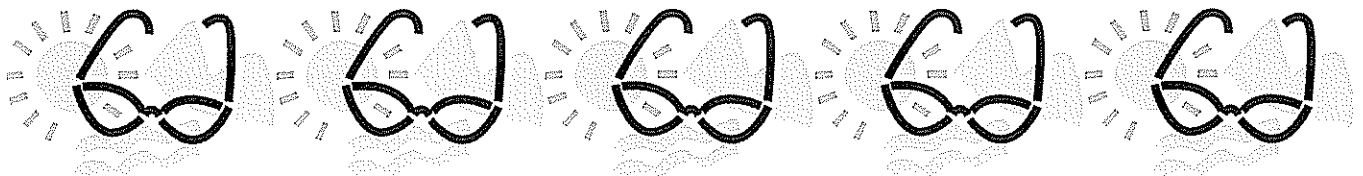
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AGENDA PACKAGE



CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING

10:00 a.m. – September 13, 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 August 15, 2007
(Page 1)

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of August 2007 (Page 13)
2. Watermaster Visa Check Detail (Page 17)
3. Combining Schedule for the Period July 1, 2007 through July 31, 2007 (Page 19)
4. Treasurer's Report of Financial Affairs for the Period July 1, 2007 through July 31, 2007
(Page 21)
5. Profit & Loss Budget vs. Actual July 2007 through July 2007 (Page 23)

II. BUSINESS ITEMS

A. PEACE II LEGAL DOCUMENTS

The Staff Letter and Documentation for this Item will be sent out under separate cover.

B. Dr. SUNDING MICRO-ECONOMIC REPORT

The Staff Letter and Documentation for this Item will be sent out under separate cover.

C. 20-GALLON CHALLENGE

Adopt Resolution No 07-04 Encouraging Residents and Businesses to Help Dough-Proof the Chino Basin by Participating in the *20-Gallon Challenge* for Voluntary Water Conservation in the Chino Basin (Page 25)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Court Approval re Subsidence Long Term Plan

B. ENGINEERING REPORT

1. Status Report on Basin Modeling Work

2. Peace II Project Description and Planning Alternatives Evaluated with the 2007 Watermaster Model

C. FINANCIAL REPORT

1. Water Activity Report Status

D. CEO/STAFF REPORT

1. Legislative Update
2. Recharge Update

IV. INFORMATION

1. Newspaper Articles (*Page 29*)

V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

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

Meeting Adjourn

**CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING**

9:00 a.m. – September 18, 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 August 21, 2007 *(Page 7)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of August 2007 *(Page 13)*
2. Watermaster Visa Check Detail *(Page 17)*
3. Combining Schedule for the Period July 1, 2007 through July 31, 2007 *(Page 19)*
4. Treasurer's Report of Financial Affairs for the Period July 1, 2007 through July 31, 2007 *(Page 21)*
5. Profit & Loss Budget vs. Actual July 2007 through July 2007 *(Page 23)*

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- 2. Recharge Update

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- 1. Newspaper Articles (*Page 29*)

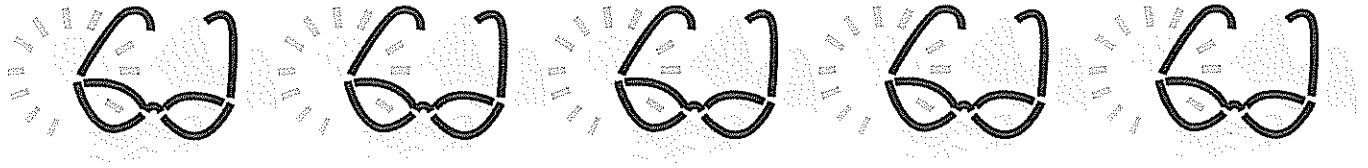
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Meeting Adjourn

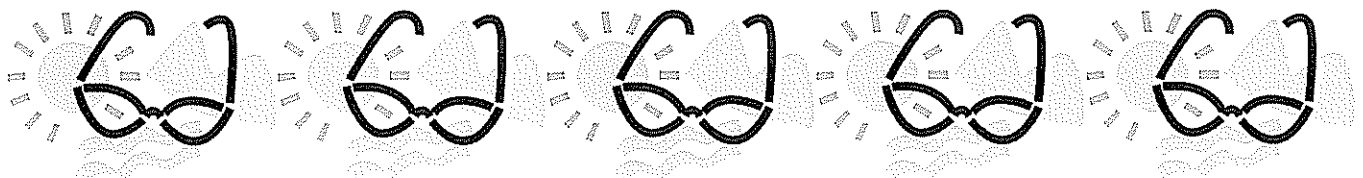


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Joint Appropriative & Non-Agricultural
Pool Meeting – August 15, 2007



Draft Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING
Rescheduled from August 9, 2007 to August 15, 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 August 15, 2007 at 2:30 p.m. which was rescheduled from August 9, 2007.

APPROPRIATIVE POOL MEMBERS PRESENT

| | |
|---------------------|---------------------------------|
| Raul Garibay, Chair | City of Pomona |
| Mark Kinsey | Monte Vista Water District |
| Robert DeLoach | Cucamonga Valley Water District |
| Charles Moorrees | San Antonio 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) |
|------------|--|

Watermaster Board Members Present

| | |
|-------------|----------------------------|
| Sandra Rose | Monte Vista Water District |
|-------------|----------------------------|

Watermaster Staff Present

| | |
|---------------------|---------------------------|
| Sheri Rojo | CFO/Asst. General Manager |
| Gordon Treweek | Project Engineer |
| Danielle Maurizio | Senior Engineer |
| Sherri Lynne Molino | Recording Secretary |

Watermaster Consultants Present

| | |
|--------------|------------------------------|
| Michael Fife | Hatch & Parent |
| Tom McCarthy | Wildermuth Environmental Inc |

Others Present

| | |
|-----------------|---------------------------------|
| Marty Zvirbulis | Cucamonga Valley Water District |
|-----------------|---------------------------------|

Chair Garibay called the rescheduled joint Appropriative and Non-Agricultural Pool meeting to order at 2:34 p.m.

AGENDA - ADDITIONS/REORDER

Mr. Manning noted the Consent Calendar item C will be an intervention into the Overlying Non-Agricultural Pool and not the Agricultural Pool as presented on the July agenda. Mr. Manning stated the Profit and Loss statement that is in the meeting packet has been revised and the new copy is on the back table.

I. CONSENT CALENDAR

A. MINUTES

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

B. FINANCIAL REPORTS

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

Pulled Item C - San Antonio Winery for separate discussion and motion.

C. INTERVENTION – RIBOLI FAMILY/SAN ANTONIO WINERY

Mr. Manning stated this item was on the agenda last month for consideration and was pulled to hold this item for a month for more investigation by Watermaster staff and the City of Ontario. Mr. Manning stated at last month's meeting it was reported that San Antonio Winery reported to Chino Basin Watermaster staff that they had a meter for all of the water that was being used at their facility. As it turns out, they do not have a meter and are in fact using their well for the entire facilities which is a retail establishment. The winery has a wine tasting room, sells wine, and has a small restaurant with bathroom accommodations. Since the last meeting in July staff has determined the best placement for the San Antonio Winery would be to be placed in the Overlying Non-Agricultural Pool based on the water they are using from their production well. Mr. Manning stated at any point in time they decide to begin doing agricultural endeavors, they can then intervene as an Agricultural Pool member as well; we will make them aware of this. Mr. Jeske confirmed that neither the San Antonio Winery nor the Fuji Natural Food Company has a municipal meter. Mr. Jeske stated Consent Calendar Item D, if any person does drive by the facility and not see any fields it is because all their growing is done hydroponically. Mr. Kinsey inquired about all other restaurants in the area that do have a well or wells becoming parties to the Overlying Non-Agricultural Pool. Mr. Manning stated what staff is saying is that there is an existing well that has some history and that if they are going to continue having a well which is being used in the manner that it is now, they are going to have to be intervened into the Judgment; staff wants to categorize them into the correct category and staff does feel the Overlying Non-Agricultural Pool is the correct place. A discussion ensued with regard to this issue.

Motion by Jeske, second by DeLoach, and by unanimous vote – Non-Ag concurred
Moved to approve entering San Antonio Winery into the Overlying Non-Agricultural Pool, as presented

D. INTERVENTION – FUJI NATURAL FOOD INC.

Intervention into the Chino Basin Watermaster as an Agricultural Pool Party

Motion by DeLoach, second by Kinsey, and by unanimous vote – Non-Ag concurred
Moved to approve Consent Calendar Items A, B, and D, as presented

II. BUSINESS ITEMS

A. LEGAL INSTRUMENTS – Discussion Only

Mr. Manning stated Chino Basin Watermaster has held its first workshop regarding the Legal Instruments and at that workshop staff mentioned we were going to open up a discussion regarding the legal instruments at the next Appropriative Pool meeting. Based on the comments staff receives today on those documents, there will be an amended set of legal instruments available at the second workshop which is going to be held on August 16, 2007, this was the reason for rescheduling this pool meeting today instead of another later date after the scheduled workshop. A few parties have submitted comments in writing and those comments are available on the back table. Counsel Fife stated the documents on the back table are four separate documents; a document that was handed out at the workshop from Monte Vista Water District, we have since received another set of comments from Richards, Watson, Gershon on behalf of the City of Upland, there are some email comments from Tom Bunn on behalf of the City of Pomona, and a proposed revision to the Non-Agricultural Pool Judgment Amendment by Bob Bowcock on behalf of Vulcan Materials. The intention today was to have further discussions on the documents. The discussion at the workshop tomorrow will be on the newly revised documents which incorporate all written comments received and any comments received at today's meeting. Mr. Kinsey inquired about the quantity of water which is considered pre-

allocated by Vulcan to San Antonio. A brief discussion ensued with regard to Vulcan water in storage. Mr. Jeske stated since the members just received some of this paperwork today comments will be given at the workshop tomorrow after further review. Chair Garibay inquired about the timeline for the Peace II process. Counsel Fife stated the court has ordered us to have a hearing on the Peace II documents in November. Counsel has asked the court to schedule the hearing for November 15, 2007 and as to date we have not heard back from the court if that is a set date. The goal is to conduct the discussion of the documents and perform whatever work needs to be done on them both this month and then the first part of September with the goal that we would then take the documents to the Pools in September, then on to the Advisory Committee and Watermaster Board. With the approval of the parties, counsel will be able to file the final documents with the court in the first part of October and that would give us the 30 day notice period that we need; with the hearing in the middle of November. Counsel Fife noted no action is needed today. A discussion ensued with regard to the item.

B. HANSON AGGREGATES

Mr. Manning stated over a year ago during the period of time that staff thought we were getting snow melt coming down following some heavy rains of the previous winter, staff noticed we were receiving into our Lower Day Basin a quality of water that was not the quality that we would normally get during a non-rain event and/or snow melt. With some investigation working with Inland Empire Utilities Agency (IEUA), staff followed the trail of debris back to Hanson Aggregates and immediately notified them that their ponds had breached and that their debris was finding its way into our Lower Day Basins. Water was shut off going into those basins, however; enough of the silt from Hanson Aggregates clogged the basins and we were not able to recharge any water from that point forward. Staff and counsel have been working with Hanson Aggregates, the County of San Bernardino to some degree, and a number of different agencies. It is staff's understanding that the District Attorneys office is in the position of filing something against Hanson Aggregates in the future. In speaking with IEUA, staff has discussed that it would be prudent to file action against Hanson Aggregates since they are making no overtures about wanting to settle this issue. Mr. Manning stated it is important that this be moved quickly to get some sort of resolve in a timely manner. Counsel Fife stated IEUA's Counsel Mr. Cihigoyenatche is the lead attorney on this issue on behalf of IEUA because they are the party that owns the basin and who also paid for the clean up; Watermaster would be on the pleading as a co-plaintiff with IEUA. Counsel Fife stated staff is asking for action today since IEUA is ready to file the complaint and Watermaster will still have to go through the Watermaster process and seek the courts approval to file against a non-party to the Judgment. A discussion ensued with regard to the filing of the complaint and the total costs this will include.

*Motion by DeLoach, second by Rodriguez, and by unanimous vote – Non-Ag concurred
Moved to approve filing of the complaint against Hanson Aggregates, as presented*

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. MZ1 Filing

Counsel Fife stated the MZ1 Pleading was filed with the court and there is a hearing set for September 13, 2007 regarding this pleading.

Added Comment:

Counsel Fife stated there is another filing on the back table; this was handed out for the first time at the recent Legal Instrument Workshop. It is called a Supplemental Filing regarding the May 24, 2007 order. Counsel has gone back and reviewed the May 24, 2007 court order from the last conference that was held with the judge and Watermaster was ordered within 30 days of that hearing to provide an explanation of the connection between Hydraulic Control and the Basin Plan Amendments. Counsel Fife stated it was an oversight that this was not responded to and counsel and staff is now rectifying this with this supplemental filing; there will not be a hearing on this filing.

2. Hanson Aggregates
This item was moved to Business Item "B".

*Motion by Jeske, second by DeLoach, and by unanimous vote – Non-Ag concurred
Moved to approve moving Hanson Aggregates from Reports/Updates and enter it as
Business Item "B", as presented*

B. ENGINEERING REPORT

1. State of the Basin Report Update

Mr. McCarthy stated copies of the new State of the Basin Report (SOB) will be available to all the parties shortly. A full presentation on the SOB will be given by Mr. Wildermuth at the Advisory Committee and Watermaster Board meetings. Chair Garibay inquired as to how often the SOB is published and at what cost. Mr. McCarthy stated every two years with costs being in the hundreds of thousands because of combining everything that transpires within those two years into one report. A brief discussion ensued with regard to the timing of this report and whether or not this report could be generated at longer intervals such as five years because not a whole lot changes in the two years. Counsel Fife stated he believes this may be a Peace Agreement item that was agreed to by Watermaster to do every two years. Mr. Kinsey stated it is a court requirement and that possibly after Peace II is incorporated and we are at a status quo we can approach the court and extend the requirement from every two years to every five years.

C. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated the State of California is in a budget stalemate, they are one vote short from having a budget and that vote is in the Senate which is now seven weeks overdue. There does not appear to be any action going on publicly about making the changes that the Republicans are demanding before they will vote. All the effort is being made by the Governor to try and get the budget approved and he stated he will use his veto power to eliminate the expenses the Republicans have complained about. A real struggle for power is taking place in Sacramento presently.

2. Recharge Update

Mr. Manning stated there is no recharge taking place other than some minor water that finds its way into our basins.

3. Assessment Package Update

Ms. Rojo stated invoices were sent out recently to bill for one half of the prior year's assessment. As far as tying out the numbers that go into the Assessment Package this year, staff is all but finished with the land use conversions and the assignments. Staff has entered almost all of the production from each of the parties and the water activity reports will hopefully be able to be sent out to the parties by the end of the month. Staff does need the 85/15 sales figures that are being waited on from some of the parties; we have received about half to date. Ms. Rojo stated all in all the assessment process has been moved up several months, but as a result of the Peace II discussions, the Assessment Package will not be finalized for a while.

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

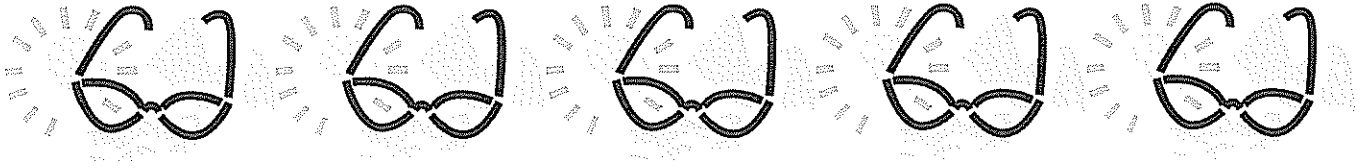
| | | |
|-----------------|------------|---|
| August 9, 2007 | 10:00 a.m. | Appropriative & Non-Agricultural Pool Meeting |
| August 21, 2007 | 9:00 a.m. | Agricultural Pool Meeting @ IEUA |
| August 23, 2007 | 9:00 a.m. | Advisory Committee Meeting |
| August 23, 2007 | 11:00 a.m. | Watermaster Board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

The rescheduled Appropriative and Non-Agricultural Pool committee meeting was dismissed at 3:10 p.m.

Secretary: _____

Minutes Approved: _____

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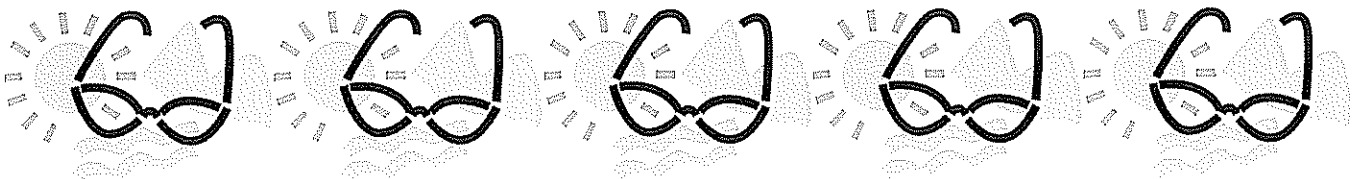


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Agricultural Pool Meeting – August 21, 2007



Draft Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
August 21, 2007

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on August 21, 2007 at 9:00 a.m.

Agricultural Pool Members Present

| | |
|---------------------|-------------------------|
| Bob Feenstra, Chair | Dairy |
| Rob Vanden Heuvel | Milk Producers Council |
| Jeff Pierson | Crops |
| Glen Durrington | Crops |
| John Huitsing | Dairy |
| Pete Hettinga | Dairy |
| Edward Gonsman | State of California CIM |
| Dan Hostetler | Cal Poly |

Watermaster Board Members Present

| | |
|------------------------|----------------------------|
| Sandra Rose | Monte Vista Water District |
| Paul Hofer | Crops |
| Geoffrey Vanden Heuvel | Dairy |

Watermaster Staff Present

| | |
|---------------------|-------------------------|
| Kenneth R. Manning | Chief Executive Officer |
| Gordon Treweek | Project Engineer |
| Danielle Maurizio | Senior Engineer |
| Sherri Lynne Molino | Recording Secretary |

Watermaster Consultants Present

| | |
|--------------|----------------|
| Michael Fife | Hatch & Parent |
|--------------|----------------|

Others Present

| | |
|---------------|------------------------|
| Steven Lee | Reid & Hellyer |
| Rick Rees | Geomatrix for CIM |
| Pat Boldt | Milk Producers Council |
| Gayle Learned | SB County Farm Bureau |
| Bruce Scott | San Jacinto |

Chair Feenstra called the Agricultural Pool meeting to order at 9:06 a.m.

AGENDA - ADDITIONS/REORDER

Mr. Manning noted the Consent Calendar item C will be an intervention into the Non-Agricultural Pool and not the Agricultural Pool as presented on the July agenda

I. CONSENT CALENDAR

A. MINUTES

- 1 Minutes of the Agricultural Pool Meeting held July 17, 2007

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of July 2007
2. Watermaster Visa Check Detail

3. Combining Schedule for the Period July 1, 2006 through June 30, 2007
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Item C and D were pulled for a more detailed discussion.

C. INTERVENTION – RIBOLI FAMILY/SAN ANTONIO WINERY

Mr. deBoom stated he was not at the last Agricultural Pool meeting and wanted to get more information on what is being asked for both interventions. Mr. Manning stated this item was on the agenda last month for consideration and was pulled to hold this item for a month for more investigation by Watermaster staff and the City of Ontario. Mr. Manning stated at last month's Appropriative and Non-Agricultural Pool meeting it was reported that San Antonio Winery reported to Chino Basin Watermaster staff that they had a meter for all of the water that was being used at their facility. As it turns out, they do not have a meter and are in fact using their well for the entire facilities which is a retail establishment. The winery has a wine tasting room, sells wine, and has a small restaurant with bathroom accommodations. Since the last meeting in July staff has determined the best placement for the San Antonio Winery would be to be placed in the Overlying Non-Agricultural Pool based on the water they are using from their production well. Mr. Manning stated at any point in time they decide to begin doing agricultural endeavors, they can then intervene as an Agricultural Pool member as well; we will make them aware of this. Mr. Manning stated that Mr. Jeske from the City of Ontario confirmed that neither the San Antonio Winery nor the Fuji Natural Food Company has a municipal meter and also that if any person drives by Fuji Food Company and does not see any fields it is because all their growing is done hydroponically. Mr. Manning stated what staff is saying is that there is an existing well that has some history and that if they are going to continue having a well which is being used in the manner that it is now, they are going to have to be intervened into the Judgment; staff wants to categorize them into the correct category and staff does feel the Overlying Non-Agricultural Pool is the correct place. A brief discussion ensued with regard to this issue.

D. INTERVENTION – FUJI NATURAL FOOD INC.

Mr. Manning stated while Fuji Natural Food does not grow things in the ground they are still growing hydroponically which is still considered Agricultural use of the water. That would make them a part of the Agricultural Pool. Mr. deBoom inquired into possibly having the Agricultural Pool chair and Chino Basin Watermaster send them a letter welcoming them into the Agricultural Pool and invite them to attend the Pool meetings. Chair Feenstra and Mr. Manning stated that was a good idea. Chair Feenstra asked that Watermaster take the lead on writing this letter to them.

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

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

II. BUSINESS ITEMS

A. LEGAL INSTRUMENTS – Discussion Only

Mr. Manning stated Chino Basin Watermaster has held its first workshop regarding the Legal Instruments and at that workshop staff mentioned we were going to open up a discussion regarding the legal instruments at the next Appropriative Pool meeting. Based on the comments staff receives today on those documents, there will be an amended set of legal instruments available at the second workshop which is going to be held on August 16, 2007; this was the reason for rescheduling this pool meeting today instead of another later date after the scheduled workshop. A few parties have submitted comments in writing, one was from Monte Vista Water District, we have since received another set of comments from Richards, Watson, Gershon on behalf of the City of Upland, there are some email comments from Tom Bunn on behalf of the City of Pomona, and a proposed revision to the Non-Agricultural Pool Judgment Amendment by Bob Bowcock on behalf of Vulcan Materials. The intention today was to have further discussions on the legal instrument documents. Counsel Fife stated the court has ordered us to have a

hearing on the Peace II documents in November. Counsel has asked the court to schedule the hearing for November 15, 2007 and as to date we have not heard back from the court if that date is confirmed. The goal is to conduct the discussion of the documents and perform whatever work needs to be done on them both this month and then the first part of September with the goal that we would then take the documents to the Pools in September, then on to the Advisory Committee and Watermaster Board. With the approval of the parties counsel will be able to file the final documents with the court in the first part of October and that would give us the 30 day notice period that we need; with the hearing in the middle of November. Counsel Fife recognized Mr. Hofer and Mr. Vanden Heuvel's attendance at today's meeting and stated they might want to offer comments to the committee members regarding this matter. Counsel Fife noted no action is needed today. Mr. Vanden Heuvel stated the legal documents that are before us are really the implementation tools for Peace II and are very important. Mr. Vanden Heuvel noted the Agricultural Pool had a huge role to play in the negotiations and decisions that led up to what is now known as the Peace Agreement. The attorney manager process for the Peace II discussions envisioned a management of the Chino Basin around a concept called Hydraulic Control. The early estimates were that we would require approximately 650,000 acre-feet of mining in order to obtain Hydraulic Control and that number was of concern to the Agricultural community. The parties entered into a lot of discussions and there was a lot more engineering work that was done and after further negotiations the documents presented today reflect many updates to the original proposal. Peace II had a couple principles that were imbedded in it; one was that we would do no more mining than that which was necessary to obtain Hydraulic Control that was supported by the Wildermuth model which is constantly being updated and will be fine tune the model runs. Locating the places where the pumping needed to take place was also achieved. Mr. Vanden Heuvel stated a key point was that this amount of mined water would be used as an incentive to make sure that the investments in additional pumping that can maintain Hydraulic Control would go in the most efficient locations. The conflict is the most efficient to the Basin to obtain Hydraulic Control and the most efficient place for those who are going to build the pumps and delivery the water is not the same which causes conflict. By creating a bank of water that can be used to offset replenishment costs, we created the financial incentive to put the pumping in the correct place. Parties also asked for some verification of the Wildermuth model take place by someone qualified to review it and Joe Scalmanini performed that task. The model was reviewed and the answer that came back was that Wildermuth's model was adequate for planning purposes. There was also another study which was done by Dr. Sunding with regards to the economic side of this. Mr. Vanden Heuvel stated he has reviewed the legal instrument documents and was able to participate in workshops and discussions. His review found them to be very faithful to the deal which was constructed. The other item that came out of Peace II was the likely builder of the wells to achieve Hydraulic Control who was Western Municipal Water District. There were some other parties in the Chino Basin that said maybe they would also want to participate. The Peace II process a year ago gave notice to all of the parties that they had six months to opt into taking the lead on this endeavor and if when the six months expires and there are no takers then we would then move ahead with Western. In the last couple of weeks, the staff at Chino Basin Watermaster has stated the six month period has expired and that Western will be in the lead to implement the deal. Mr. Vanden Heuvel stated he feels this is a fine piece of work done by our staff and legal team and he can recommend and assure the Agricultural Pool, to the extent he is able, we can feel comfortable moving forward with Peace II. A lengthy discussion ensued with regard to this matter and Mr. Vanden Heuvel's comments

B. AGRICULTURAL PORTION OF MIDDLE SANTA ANA WATERSHED TMDL STUDY

Chair Feenstra stated Mr. Vanden Heuvel and he have been in conversations about the TMDL studies and what is going to be required or suggested by the Regional Quality Control Board. In our discussions, Mr. Vanden Heuvel felt this should be an agenda item today. Mr. Vanden Heuvel stated one of the requirements of the Federal government is that watersheds and impaired watersheds have to conduct a total maximum daily load study to determine who is loading what when a watershed is impaired. The Santa Ana Watershed, the middle Santa Ana, is the Chino Basin area and has been identified as an impaired area and there are a number in

different elements that are out of compliance. A TMDL study has been initiated by the Regional Board in compliance with Federal law. What they do is identify all the potential contributors of this particular constituent to the water body. In the case of the middle Santa Ana, the major contributors to potential contaminants would be the Flood Control Districts because they are directly discharging into the river, sewer plants, and the cities which cover the major portion of the watershed. Agricultural has also been identified as a potential contributor. This is a fairly expensive process to do this kind of a study and the cities, Flood Control Districts, and sewer plants went to the state and got a significant grant to help them. Mr. Vanden Heuvel went on to say that the Milk Producers Counsel (MPC) which takes the lead for dairy in the Chino Basin recognizes somehow this particular issue did not get on their radar screen. The Farm Bureau was kind of watching this in general. Pat Boldt who is present today has been working for the San Jacinto parties that have their own TMDL process going on and was aware of this and did inquire to the MPC when she came on board as to where Agricultural community was at on this process. Pat Boldt was successful in including the Agricultural community to the existing study because the study had not commenced yet. The urban parties got a \$650,000 grant from the State to help them with this study. It was a great move to add Agricultural community to the study; where we could share in the overhead at a fairly minimal cost. The Dairy Producer Environmental Foundation has agreed to pay for the dairy portion and we are now approaching the Agricultural Pool to pay for the farming portion. The farming portion will cost from \$15,000 to \$20,000. We are also asking if the Agricultural Pool could designate one of its members to work with Pat from MPC in the oversight of that study. A discussion ensued with regard to Mr. Vanden Huevel's comments. Ms. Boldt stated in the Basin Plan Amendment the requirement for Agricultural is that there be a bacterial source indicator assessment that is in the plan/study to which Mr. Vanden Heuvel referred. The TMDL study for the Chino Basin area is for pathogens only. The two requirements that are due to the Regional Board by November 30, 2007 are the Bacterial Source Indicator Assessment Plan and a QAPP Monitoring Plan. The QAPP is a quality assurance type plan that goes with a monitoring plan. Once the monitoring plan and QAPP are developed there will also be some watershed monitoring on an annual basis that is required. A lengthy discussion ensued with regard to this matter and the matter of funding this endeavor with the Agricultural Pool funds. Mr. Rees stated more information and on a timelier manner needs to given to items that are on the agendas or added to the agendas so that parties have time to take items to the decision makers for their input prior to meeting days. Mr. Rees asked that this notation be placed in the meeting records.

*Motion by deBoom, second by Hettinga, and by majority vote – State of California abstained
Moved to approve not to exceed \$20,000 for the TMDL Study and to appoint a farm
representative to represent the dairy/farm industry at the meetings, as presented*

C. HANSON AGGREGATES

Mr. Manning stated over a year ago during the period of time that staff thought we were getting snow melt coming down following some heavy rains of the previous winter, staff noticed we were receiving into our Lower Day Basin a quality of water that was not the quality that we would normally get during a non-rain event and/or snow melt. With some investigation working with Inland Empire Utilities Agency (IEUA), staff followed the trail of debris back to Hanson Aggregates and immediately notified them that their ponds had breached and that their debris was finding its way into our Lower Day Basins. Water was shut off going into those basins, however; enough of the silt from Hanson Aggregates clogged the basins and we were not able to recharge any water from that point forward. Staff and counsel have been working with Hanson Aggregates, the County of San Bernardino to some degree, and a number of different agencies. It is staffs understanding that the District Attorneys office is in the position of filing something against Hanson Aggregates in the future. In speaking with IEUA, staff has discussed that it would be prudent to file action against Hanson Aggregates since they are making no ovations about wanting to settle this issue. Mr. Manning stated it is important that this be moved on quickly to get some sort of resolve in a timely manner. Counsel Fife stated IEUA Counsel Mr. Cihigoyenatche is the lead attorney on this issue on behalf of IEUA because they are the party that owns the basin and who also paid for the clean up; Watermaster would be on the

pleading as a co-plaintiff with IEUA Counsel Fife stated staff is asking for action today since IEUA is ready to file the complaint and Watermaster will still have to go through the Watermaster process and seek the courts approval to file against a non-party to the Judgment Mr Rees stated more information and on a timelier manner needs to given to items that are on the agendas or added to the agendas so that parties have time to take items to the decision makers for their input prior to meeting days. Mr. Rees asked that this notation be placed in the meeting records.

*Motion by deBoom, second by Pierson, and by majority vote – State of California abstained
Moved to approve filing of the complaint against Hanson Aggregates, as presented*

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. MZ1 Filing
 No comment was made regarding this item. This item was postponed to be heard at the September Agricultural Pool meeting.
2. Hanson Aggregates
 This item was moved to Business Items "C".

*Motion by deBoom, second by Pierson, and by unanimous vote
Moved to approve moving Hanson Aggregates from Reports/Updates and enter it as Business Item "C", as presented*

B. ENGINEERING REPORT

1. State of the Basin Report Update
 No comment was made regarding this item. This item was postponed to be heard at the September Agricultural Pool meeting.

C. CEO/STAFF REPORT

1. Legislative Update
 No comment was made regarding this item. This item was postponed to be heard at the September Agricultural Pool meeting.
2. Recharge Update
 No comment was made regarding this item. This item was postponed to be heard at the September Agricultural Pool meeting.
3. Assessment Package Update
 No comment was made regarding this item. This item was postponed to be heard at the September Agricultural Pool meeting.

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

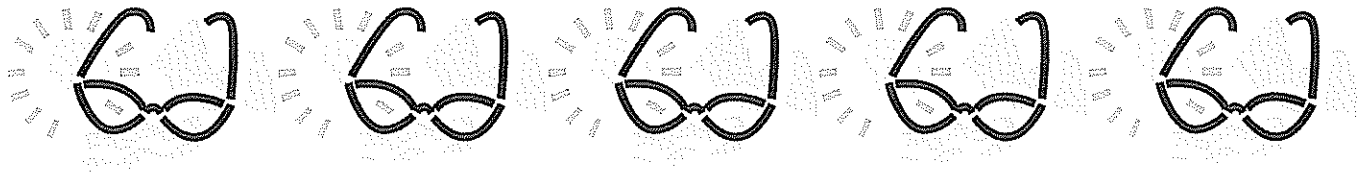
| | | |
|-----------------|-----------|---|
| August 9, 2007 | 10:00 a m | Appropriative & Non-Agricultural Pool Meeting |
| August 21, 2007 | 9:00 a m | Agricultural Pool Meeting @ IEUA |
| August 23, 2007 | 9:00 a m | Advisory Committee Meeting |

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

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

Secretary: _____

Minutes Approved: _____

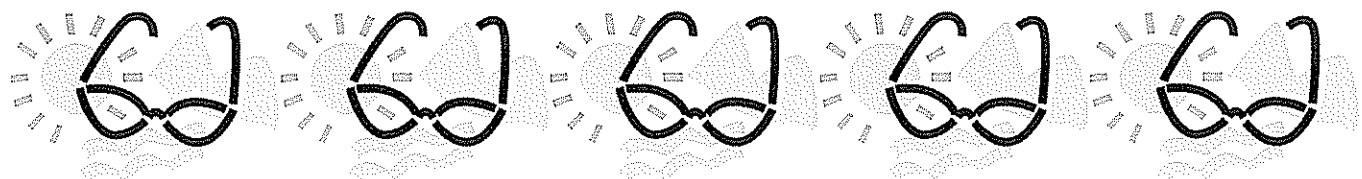


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of August 2007
2. Watermaster Visa Check Detail
3. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2007 through July 31, 2007
4. Treasurer's Report of Financial Affairs for the Period July 1, 2007 through July 31, 2007
5. Profit & Loss Budget vs. Actual July 2007 through July 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: September 13, 2007
September 18, 2007
September 27, 2007

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – August 2007

SUMMARY

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

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

Fiscal Impact – Funds disbursed were included in the FY 2007-08 Watermaster Budget

BACKGROUND

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

DISCUSSION

Total cash disbursements during the month of August 2007 were \$600,718.59. The most significant expenditures during the month were Wildermuth Environmental Inc. in the amount of \$256,771.22, Hatch and Parent in the amount of \$87,027.04, and Berkeley Economic Consulting, Inc. in the amount of \$69,250.00

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
August 2007

| Type | Date | Num | Name | Amount |
|-----------------|-----------|---------|---------------------------------------|------------|
| Aug 07 | | | | |
| Bill Pmt -Check | 8/7/2007 | 11596 | A & R TIRE | -35 77 |
| Bill Pmt -Check | 8/7/2007 | 11597 | APPLIED COMPUTER TECHNOLOGIES | -3,969 15 |
| Bill Pmt -Check | 8/7/2007 | 11598 | ARROWHEAD MOUNTAIN SPRING WATER | -40 21 |
| Bill Pmt -Check | 8/7/2007 | 11599 | BOWCOCK. ROBERT | -125 00 |
| Bill Pmt -Check | 8/7/2007 | 11600 | BOWMAN, JIM | -125 00 |
| Bill Pmt -Check | 8/7/2007 | 11601 | CITISTREET | -3,652 94 |
| Bill Pmt -Check | 8/7/2007 | 11602 | CITY OF RANCHO CUCAMONGA | -75 00 |
| Bill Pmt -Check | 8/7/2007 | 11603 | COMPUTER NETWORK | -1,227 27 |
| Bill Pmt -Check | 8/7/2007 | 11604 | DICK LARSEN - TREASURER/TAX COLLECTOR | -1,407 99 |
| Bill Pmt -Check | 8/7/2007 | 11605 | DIRECTV | -74 98 |
| Bill Pmt -Check | 8/7/2007 | 11606 | GEOTECHNICAL SERVICES | -5,295 19 |
| Bill Pmt -Check | 8/7/2007 | 11607 | INLAND EMPIRE UTILITIES AGENCY | -1,193 22 |
| Bill Pmt -Check | 8/7/2007 | 11608 | JOBS AVAILABLE INC | -30 00 |
| Bill Pmt -Check | 8/7/2007 | 11609 | KUHN, BOB | -125 00 |
| Bill Pmt -Check | 8/7/2007 | 11610 | MEDIA JIM | -900 00 |
| Bill Pmt -Check | 8/7/2007 | 11611 | MONTE VISTA WATER DIST | -375 00 |
| Bill Pmt -Check | 8/7/2007 | 11612 | OFFICE DEPOT | -760 79 |
| Bill Pmt -Check | 8/7/2007 | 11613 | PARK PLACE COMPUTER SOLUTIONS, INC. | -6,750 00 |
| Bill Pmt -Check | 8/7/2007 | 11614 | PAYCHEX | -199 52 |
| Bill Pmt -Check | 8/7/2007 | 11615 | PETTY CASH | -494 61 |
| Bill Pmt -Check | 8/7/2007 | 11616 | PREMIERE GLOBAL SERVICES | -196 87 |
| Bill Pmt -Check | 8/7/2007 | 11617 | PUMP CHECK | -2,872 50 |
| Bill Pmt -Check | 8/7/2007 | 11618 | PURCHASE POWER | -2,070 87 |
| Bill Pmt -Check | 8/7/2007 | 11619 | REID & HELLYER | -3,866 88 |
| Bill Pmt -Check | 8/7/2007 | 11620 | STATE COMPENSATION INSURANCE FUND | -739 51 |
| Bill Pmt -Check | 8/7/2007 | 11621 | THE FURMAN GROUP. INC | -2,520 00 |
| Bill Pmt -Check | 8/7/2007 | 11622 | UNION 76 | -152 17 |
| Bill Pmt -Check | 8/7/2007 | 11623 | VANDEN HEUVEL, GEOFFREY | -250 00 |
| Bill Pmt -Check | 8/7/2007 | 11624 | VELASQUEZ JANITORIAL | -1,200 00 |
| Bill Pmt -Check | 8/7/2007 | 11625 | VERIZON | -390 75 |
| Bill Pmt -Check | 8/7/2007 | 11626 | WILLIS, KENNETH | -250 00 |
| Bill Pmt -Check | 8/7/2007 | 11627 | YUKON DISPOSAL SERVICE | -151 04 |
| Bill Pmt -Check | 8/7/2007 | 11628 | CITISTREET | -3,493 23 |
| General Journal | 8/11/2007 | 07/08/3 | PAYROLL | -7,355 02 |
| General Journal | 8/11/2007 | 07/08/3 | PAYROLL | -23,230 56 |
| Bill Pmt -Check | 8/13/2007 | 11629 | BERKELEY ECONOMIC CONSULTING, INC | -69,250 00 |
| Bill Pmt -Check | 8/13/2007 | 11630 | CARPET CARE CONNECTION | -364 70 |
| Bill Pmt -Check | 8/13/2007 | 11631 | COMPUTER NETWORK | -3,512 65 |
| Bill Pmt -Check | 8/13/2007 | 11632 | DCSE | -5,048 33 |
| Bill Pmt -Check | 8/13/2007 | 11633 | LIATTI & ASSOCIATES | -160 00 |
| Bill Pmt -Check | 8/13/2007 | 11634 | PUBLIC EMPLOYEES' RETIREMENT SYSTEM | -7,456 93 |
| Bill Pmt -Check | 8/13/2007 | 11635 | SAFEGUARD DENTAL & VISION | -13 32 |
| Bill Pmt -Check | 8/13/2007 | 11636 | SAFETY CLEAN JANITORIAL SERVICES | -274 00 |
| Bill Pmt -Check | 8/13/2007 | 11637 | UNITED PARCEL SERVICE | -532 04 |
| Bill Pmt -Check | 8/13/2007 | 11638 | W.C. DISCOUNT MOBILE AUTO DETAILING | -72 00 |
| Bill Pmt -Check | 8/13/2007 | 11639 | WHEELER METER MAINTENANCE | -1,055 17 |
| Bill Pmt -Check | 8/13/2007 | 11640 | PUBLIC EMPLOYEES' RETIREMENT SYSTEM | -7,202 97 |
| Bill Pmt -Check | 8/14/2007 | 11641 | ACWA SERVICES CORPORATION | -262 31 |
| Bill Pmt -Check | 8/14/2007 | 11642 | BANK OF AMERICA | -2,281 66 |
| Bill Pmt -Check | 8/14/2007 | 11643 | CAROLLO ENGINEERS | -9,672 00 |
| Bill Pmt -Check | 8/14/2007 | 11644 | COMPUTER NETWORK | -1,045 18 |
| Bill Pmt -Check | 8/14/2007 | 11645 | FIRST AMERICAN REAL ESTATE SOLUTIONS | -125 00 |
| Bill Pmt -Check | 8/14/2007 | 11646 | MCI | -1,169 95 |
| Bill Pmt -Check | 8/14/2007 | 11647 | RICOH BUSINESS SYSTEMS-Lease | -4,480 25 |
| Bill Pmt -Check | 8/14/2007 | 11648 | VERIZON WIRELESS | -405 33 |
| Check | 8/17/2007 | 11649 | PAULA MOLTER | -972 67 |
| Check | 8/17/2007 | 11650 | PAULA MOLTER | -3,275 84 |
| Bill Pmt -Check | 8/20/2007 | 11651 | A & R TIRE | -220 56 |
| Bill Pmt -Check | 8/20/2007 | 11652 | ADVANCE ORNAMENTAL IRON | -90 00 |
| Bill Pmt -Check | 8/20/2007 | 11653 | COMPUTER NETWORK | -544 14 |
| Bill Pmt -Check | 8/20/2007 | 11654 | ELLISON. SCHNEIDER & HARRIS, LLP | -4,978 60 |
| Bill Pmt -Check | 8/20/2007 | 11655 | HATCH AND PARENT | -87,027 04 |
| Bill Pmt -Check | 8/20/2007 | 11656 | PRE-PAID LEGAL SERVICES, INC | -103 60 |
| Bill Pmt -Check | 8/20/2007 | 11657 | QUILL | -116 11 |
| Bill Pmt -Check | 8/20/2007 | 11658 | RICOH BUSINESS SYSTEMS-Maintenance | -1,130 07 |
| Bill Pmt -Check | 8/20/2007 | 11659 | STAULA, MARY L | -136 61 |
| Bill Pmt -Check | 8/20/2007 | 11660 | WESTERN DENTAL SERVICES, INC. | -23 25 |
| Bill Pmt -Check | 8/23/2007 | 11661 | ALL PRO PLUMBING. HEATING & AIR | -151 00 |

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
August 2007

| <u>Type</u> | <u>Date</u> | <u>Num</u> | <u>Name</u> | <u>Amount</u> |
|-----------------|-------------|------------|-------------------------------------|--------------------|
| Bill Pmt -Check | 8/23/2007 | 11662 | CALPERS | -3,043 62 |
| Bill Pmt -Check | 8/23/2007 | 11663 | CASA VERDE LANDSCAPE | -748 00 |
| Bill Pmt -Check | 8/23/2007 | 11664 | IDEAL GRAPHICS | -8 62 |
| Bill Pmt -Check | 8/23/2007 | 11665 | OFFICE DEPOT | -77 56 |
| Bill Pmt -Check | 8/23/2007 | 11666 | STANDARD INSURANCE CO | -593 58 |
| Bill Pmt -Check | 8/23/2007 | 11667 | WILDERMUTH ENVIRONMENTAL INC | -256,771 22 |
| General Journal | 8/25/2007 | 70805 | PAYROLL | -7,533 91 |
| General Journal | 8/25/2007 | 70805 | PAYROLL | -24,009 56 |
| Bill Pmt -Check | 8/30/2007 | 11668 | A & R TIRE | -241 09 |
| Bill Pmt -Check | 8/30/2007 | 11669 | ARROWHEAD MOUNTAIN SPRING WATER | -49 00 |
| Bill Pmt -Check | 8/30/2007 | 11670 | BLACK & VEATCH CORPORATION | -1,528 88 |
| Bill Pmt -Check | 8/30/2007 | 11671 | CITISTREET | -3,493 23 |
| Bill Pmt -Check | 8/30/2007 | 11672 | COMPUTER NETWORK | -129 30 |
| Bill Pmt -Check | 8/30/2007 | 11673 | CUCAMONGA VALLEY WATER DISTRICT | -5,340 00 |
| Bill Pmt -Check | 8/30/2007 | 11674 | DIRECTV | -74 98 |
| Bill Pmt -Check | 8/30/2007 | 11675 | W.C. DISCOUNT MOBILE AUTO DETAILING | -75 00 |
| Bill Pmt -Check | 8/30/2007 | 11676 | CITISTREET | -3,493 23 |
| Bill Pmt -Check | 8/30/2007 | 11677 | HSBC BUSINESS SOLUTIONS | -494 19 |
| Bill Pmt -Check | 8/30/2007 | 11678 | INLAND EMPIRE UTILITIES AGENCY | -127 31 |
| Bill Pmt -Check | 8/30/2007 | 11679 | INTERNAL REVENUE SERVICE | -300 00 |
| Bill Pmt -Check | 8/30/2007 | 11680 | PURCHASE POWER | -56 45 |
| Bill Pmt -Check | 8/30/2007 | 11681 | STANTEC CONSULTING. INC | -2,306 88 |
| Bill Pmt -Check | 8/30/2007 | 11682 | STATE COMPENSATION INSURANCE FUND | -1,165 99 |
| Bill Pmt -Check | 8/30/2007 | 11683 | TELECOM SERVICES | -90 00 |
| Bill Pmt -Check | 8/30/2007 | 11684 | THE STANDARD INSURANCE COMPANY | -156 56 |
| Bill Pmt -Check | 8/30/2007 | 11685 | VISION SERVICE PLAN | -36 11 |
| Bill Pmt -Check | 8/30/2007 | 11686 | W C DISCOUNT MOBILE AUTO DETAILING | -25 00 |
| Aug 07 | | | | -600,718.59 |

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09/07/07

CHINO BASIN WATERMASTER
Check Detail
August 2007

| Type | Num | Date | Name | Account | Paid Amount |
|-----------------|--------|-----------|-----------------|----------------------------------|-------------|
| Bill Pmt -Check | 11642 | 8/14/2007 | BANK OF AMERICA | 1012 - Bank of America Gen'l Ckg | |
| Bill | 402442 | 7/31/2007 | | 6141 4 AGWA Meetings | -181 54 |
| | | | | 6141 3 Admin Meetings | -21 67 |
| | | | | 6909 1 OBMP Meetings | -183 85 |
| | | | | 6038 Other Office Equipment | -541 12 |
| | | | | 6031 7 Other Office Supplies | -354 48 |
| | | | | 6112 Subscriptions/Publications | -304 00 |
| | | | | 6191 Conferences | -695.00 |
| TOTAL | | | | | -2.281 66 |

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CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2007 THROUGH JULY 31, 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 2007-2008 |
|---------------------------------------|-------------------------------|--------------------------------|---|----------------------|--------------------|--|----------------|--------------------|-----------------|---------------------|
| Administrative Revenues | | | | | | | | | | |
| Administrative Assessments | | | 5,139,446 | | 61,606 | | | | 5,201,052 | \$7,540,370 |
| Interest Revenue | | | | | | | | | - | 181,500 |
| Mutual Agency Project Revenue | | 41,667 | | | | | | | 41,667 | 145,500 |
| Grant Income | | | | | | | | | - | 0 |
| Miscellaneous Income | | | | | | | | | - | 0 |
| Total Revenues | - | 41,667 | 5,139,446 | - | 61,606 | - | - | - | 5,242,719 | 7,867,370 |
| Administrative & Project Expenditures | | | | | | | | | | |
| Watermaster Administration | 59,531 | | | | | | | | 59,531 | 627,797 |
| Watermaster Board-Advisory Committee | 3,970 | | | | | | | | 3,970 | 60,645 |
| Pool Administration | | | 1,039 | 5,530 | 312 | | | | 6,881 | 127,333 |
| Optimum Basin Mgnt Administration | | 322,425 | | | | | | | 322,425 | 1,857,337 |
| OBMP Project Costs | | 937,509 | | | | | | | 937,509 | 5,183,883 |
| Education Funds Use | | | | | | | | | - | 375 |
| Mutual Agency Project Costs | | | | | | | | | - | 10,000 |
| Total Administrative/OBMP Expenses | 63,501 | 1,259,934 | 1,039 | 5,530 | 312 | | | | 1,330,316 | 7,867,370 |
| Net Administrative/OBMP Income | (63,501) | (1,218,267) | | | | | | | | |
| Allocate Net Admin Income To Pools | 63,501 | | 48,959 | 13,351 | 1,192 | | | | - | |
| Allocate Net OBMP Income To Pools | | 1,218,267 | 939,272 | 256,133 | 22,862 | | | | - | |
| Agricultural Expense Transfer | | | 264,164 | (264,164) | | | | | - | |
| Total Expenses | | | 1,253,433 | 10,850 | 24,366 | - | - | - | 1,330,316 | 7,867,370 |
| Net Administrative Income | | | 3,886,013 | (10,850) | 37,240 | | | | 3,912,403 | - |
| Other Income/(Expense) | | | | | | | | | | |
| Replenishment Water Purchases | | | | | | | | | - | 0 |
| MZ1 Supplemental Water Assessments | | | | | | | | | - | 0 |
| Water Purchases | | | | | | | | | - | 0 |
| MZ1 Imported Water Purchase | | | | | | | | | - | 0 |
| Groundwater Replenishment | | | | | | (2,328,727) | | | (2,328,727) | 0 |
| Net Other Income | | | | | | (2,328,727) | | | (2,328,727) | 0 |
| Net Transfers To/(From) Reserves | | | 3,886,013 | (10,850) | 37,240 | (2,328,727) | | | 1,583,676 | - |

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**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
JULY 1 THROUGH JULY 31, 2007**

DEPOSITORIES:

| | | | |
|---|------------------|---------|------------------------------|
| Cash on Hand - Petty Cash | | \$ | 500 |
| Bank of America | | | |
| Governmental Checking-Demand Deposits | \$ | 910,275 | |
| Zero Balance Account - Payroll | | - | 910,275 |
| Local Agency Investment Fund - Sacramento | | | 1,204,271 |
| TOTAL CASH IN BANKS AND ON HAND | 7/31/2007 | | \$ 2,115,046 |
| TOTAL CASH IN BANKS AND ON HAND | 6/30/2007 | | 4,834,960 |
| PERIOD INCREASE (DECREASE) | | | <u>\$ (2,719,914)</u> |

CHANGE IN CASH POSITION DUE TO:

| | | | |
|--|--|----|------------------------------|
| Decrease/(Increase) in Assets: Accounts Receivable | | \$ | 78,822 |
| Assessments Receivable | | | (4,456,265) |
| Prepaid Expenses, Deposits & Other Current Assets | | | 2,248,402 |
| (Decrease)/Increase in Liabilities: Accounts Payable | | | (2,129,929) |
| Accrued Payroll, Payroll Taxes & Other Current Liabilities | | | (44,622) |
| Transfer to/(from) Reserves | | | 1,583,678 |
| PERIOD INCREASE (DECREASE) | | | <u>\$ (2,719,914)</u> |

SUMMARY OF FINANCIAL TRANSACTIONS:

| | Petty Cash | Govt'l Checking Demand | Zero Balance Account Payroll | Local Agency Investment Funds | Totals |
|--------------------------------------|---------------|---------------------------|------------------------------------|----------------------------------|-----------------------|
| Balances as of 6/30/2007 | \$ 500 | \$ 509,011 | \$ - | \$ 4,325,449 | \$ 4,834,960 |
| Deposits | - | 786,454 | | 78,822 | 865,276 |
| Transfers | - | 3,109,903 | 90,098 | (3,200,000) | 1 |
| Withdrawals/Checks | - | (3,495,093) | (90,098) | - | (3,585,191) |
| Balances as of 7/31/2007 | \$ 500 | \$ 910,275 | \$ - | \$ 1,204,271 | \$ 2,115,046 |
| PERIOD INCREASE OR (DECREASE) | \$ - | \$ 401,264 | \$ - | \$ (3,121,178) | \$ (2,719,914) |

**CHINO BASIN WATERMASTER
 TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
 JULY 1 THROUGH JULY 31, 2007**

INVESTMENT TRANSACTIONS

| Effective Date | Transaction | Depository | Activity | Redeemed | Days to Maturity | Interest Rate(*) | Maturity Yield |
|--------------------------------------|-------------|------------|-----------------------|----------|------------------|------------------|----------------|
| 7/13/2007 | Interest | L.A.I.F. | \$ 78,822 | | | | |
| 7/19/2007 | Withdrawal | L.A.I.F. | \$ (2,500,000) | | | | |
| 7/26/2007 | Withdrawal | L.A.I.F. | \$ (700,000) | | | | |
| TOTAL INVESTMENT TRANSACTIONS | | | \$ (3,121,178) | - | | | |

* 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

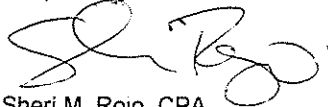
**INVESTMENT STATUS
 July 31, 2007**

| <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 | \$ 1,204,271 | | | |
| TOTAL INVESTMENTS | \$ 1,204,271 | | | |

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,



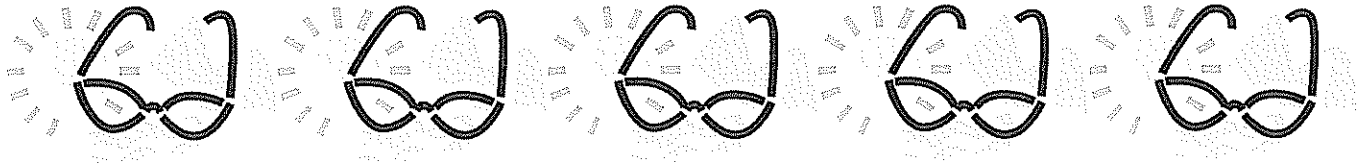
Sheri M. Rojo, CPA
 Chief Financial Officer & Assistant General Manager
 Chino Basin Watermaster

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

| | <u>Jul 07</u> | <u>Budget</u> | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|--|------------------|------------------|-----------------------|--------------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| 4010 · Local Agency Subsidies | 41,667 | 145,500 | -103,833 | 29% |
| 4100 · Administrative Assessments | 5,201,052 | 0 | 5,201,052 | 100% |
| 4110 · Admin Asmnts-Approp Pool | 0 | 7,423,878 | -7,423,878 | 0% |
| 4120 · Admin Asmnts-Non-Agri Pool | 0 | 116,492 | -116,492 | 0% |
| 4700 · Non Operating Revenues | 0 | 181,500 | -181,500 | 0% |
| Total Income | 5,242,719 | 7,867,370 | -2,624,651 | 67% |
| Gross Profit | 5,242,719 | 7,867,370 | -2,624,651 | 67% |
| Expense | | | | |
| 6010 · Salary Costs | 39,446 | 477,247 | -437,801 | 8% |
| 6020 · Office Building Expense | 9,151 | 101,580 | -92,429 | 9% |
| 6030 · Office Supplies & Equip. | 3,653 | 46,500 | -42,847 | 8% |
| 6040 · Postage & Printing Costs | 10,052 | 83,000 | -72,948 | 12% |
| 6050 · Information Services | 29,014 | 132,000 | -102,986 | 22% |
| 6060 · Contract Services | 3,795 | 117,500 | -113,705 | 3% |
| 6080 · Insurance | 4,000 | 18,210 | -14,210 | 22% |
| 6110 · Dues and Subscriptions | 1,346 | 16,750 | -15,404 | 8% |
| 6140 · WM Admin Expenses | 203 | 4,650 | -4,447 | 4% |
| 6150 · Field Supplies | 0 | 2,500 | -2,500 | 0% |
| 6170 · Travel & Transportation | 1,094 | 25,000 | -23,906 | 4% |
| 6190 · Conferences & Seminars | 1,895 | 22,500 | -20,605 | 8% |
| 6200 · Advisory Comm - WM Board | 1,389 | 18,931 | -17,542 | 7% |
| 6300 · Watermaster Board Expenses | 2,581 | 41,714 | -39,133 | 6% |
| 8300 · Appr PI-WM & Pool Admin | 1,039 | 24,001 | -22,962 | 4% |
| 8400 · Agri Pool-WM & Pool Admin | 1,663 | 24,004 | -22,341 | 7% |
| 8467 · Ag Legal & Technical Services | 3,867 | 60,000 | -56,133 | 6% |
| 8470 · Ag Meeting Attend -Special | 0 | 12,000 | -12,000 | 0% |
| 8500 · Non-Ag PI-WM & Pool Admin | 312 | 7,328 | -7,016 | 4% |
| 6500 · Education Funds Use Expens | 0 | 375 | -375 | 0% |
| 9500 · Allocated G&A Expenditures | -44,118 | -419,640 | 375,522 | 11% |
| Subtotal G&A Expenditures | 70,382 | 816,150 | -745,768 | 9% |
| 6900 · Optimum Basin Mgmt Plan | 302,738 | 1,716,138 | -1,413,400 | 18% |
| 6950 · Mutual Agency Projects | 0 | 10,000 | -10,000 | 0% |
| 9501 · G&A Expenses Allocated-OBMP | 19,687 | 141,199 | -121,512 | 14% |
| Subtotal OBMP Expenditures | 322,425 | 1,867,337 | -1,544,912 | 17% |
| 7101 · Production Monitoring | 10,103 | 116,709 | -106,606 | 9% |
| 7102 · In-line Meter Installation | 2,587 | 37,791 | -35,204 | 7% |
| 7103 · Grdwtr Quality Monitoring | 7,301 | 162,104 | -154,803 | 5% |
| 7104 · Gdwtr Level Monitoring | 14,492 | 212,667 | -198,175 | 7% |
| 7105 · Sur Wtr Qual Monitoring | 0 | 40,553 | -40,553 | 0% |
| 7107 · Ground Level Monitoring | 774 | 425,465 | -424,691 | 0% |
| 7108 · Hydraulic Control Monitoring | 8,754 | 369,232 | -360,478 | 2% |
| 7109 · Recharge & Well Monitoring Prog | 2,945 | 182,827 | -179,882 | 2% |
| 7200 · PE2- Comp Recharge Pgm | 193,016 | 1,255,827 | -1,062,811 | 15% |
| 7300 · PE3&5-Water Supply/Desalte | 13,056 | 159,509 | -146,453 | 8% |

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

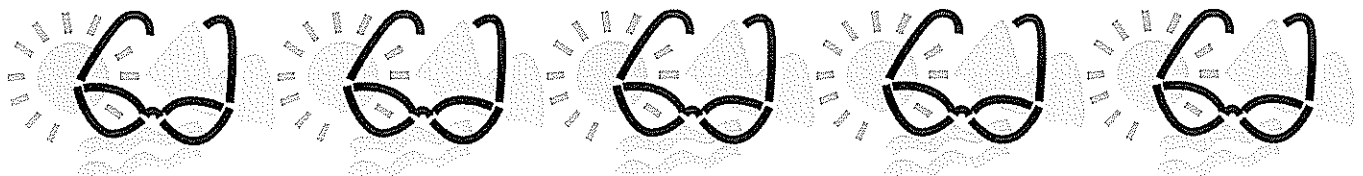
| | <u>Jul 07</u> | <u>Budget</u> | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|--|-------------------|------------------|-----------------------|--------------------|
| 7400 · PE4- Mgmt Plan | 21,714 | 159,674 | -137,960 | 14% |
| 7500 · PE6&7-CoopEfforts/SaltMgmt | 14,095 | 308,533 | -294,438 | 5% |
| 7600 · PE8&9-StorageMgmt/Conj Use | 5,866 | 92,660 | -86,794 | 6% |
| 7690 · Recharge Improvement Debt Pymt | 618,373 | 1,377,552 | -759,179 | 45% |
| 7700 · Inactive Well Protection Prgm | 0 | 4,339 | -4,339 | 0% |
| 9502 · G&A Expenses Allocated-Projects | 24,431 | 278,441 | -254,010 | 9% |
| Subtotal Implementation Project Expenditures | <u>937,507</u> | <u>5,183,883</u> | <u>-4,246,376</u> | <u>18%</u> |
| | | | | |
| Total Expense | <u>1,330,314</u> | <u>7,867,370</u> | <u>-6,537,056</u> | <u>17%</u> |
| | | | | |
| Net Ordinary Income | 3,912,405 | 0 | 3,912,405 | 100% |
| | | | | |
| Other Income/Expense | | | | |
| Other Expense | | | | |
| 5010 · Groundwater Replenishment | 2,328,727 | 0 | 2,328,727 | 100% |
| 9999 · To/(From) Reserves | 1,583,678 | 0 | 1,583,678 | 100% |
| Total Other Expense | <u>3,912,405</u> | <u>0</u> | <u>3,912,405</u> | <u>100%</u> |
| | | | | |
| Net Other Income | <u>-3,912,405</u> | <u>0</u> | <u>3,912,405</u> | <u>100%</u> |
| | | | | |
| Net Income | <u>0</u> | <u>0</u> | <u>0</u> | <u>0%</u> |



CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

C. 20-GALLON CHALLENGE





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: September 13, 2007
September 18, 2007
September 27, 2007

TO: Committee Members
Watermaster Board Members

SUBJECT: 20-Gallon Challenge

SUMMARY

Recommendation – It is recommended that the Watermaster Board adopt Resolution No. 07-04, encouraging residents and businesses to help drought-proof the Chino Basin by participating in the 20-Gallon Challenge for voluntary water conservation.

Fiscal Impact – None

BACKGROUND

Southern California is experiencing the direst year on record and may be entering an extended drought that will seriously impact available water supplies to the cities and water agencies over in the Chino Basin. Chino Basin Watermaster is encouraging its residents and businesses to join the San Diego Water Authority and Metropolitan Water District 20-Gallon Challenge for voluntary water conservation. To help people understand how they can save 20 gallons of water a day, Metropolitan Water District and Inland Empire Utilities Agency have created a water conservation media campaign showing conservation tips and the estimated amount of water savings. The 20-gallon Challenge is being promoted by many water agencies and cities throughout the MWD service area in conjunction with other conservation outreach efforts.

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RESOLUTION 07-04

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHINO BASIN
WATERMASTER, ENCOURAGING RESIDENTS AND BUSINESSES TO HELP
DROUGHT-PROOF THE CHINO BASIN BY PARTICIPATING IN THE 20-
GALLON CHALLENGE FOR VOLUNTARY WATER CONSERVATION IN THE
CHINO BASIN

WHEREAS, water conservation has always been a way of life for the residents in the Chino Basin; and

WHEREAS, Southern California is experiencing the driest year on record and may be entering an extended drought that will seriously impact available water supply to the cities and water agencies within the Chino Basin; and

WHEREAS, residents and businesses are encouraged to join the *20-Gallon Challenge* for voluntary water conservation; and

WHEREAS, the more people that start meeting the *20-Gallon Challenge*, the more water we can store to better meet next year's water needs; and

WHEREAS, just a few simple changes, such as fixing a leaky faucet can make a big difference in water savings; and

WHEREAS, NOW IS THE TIME TO GET SERIOUS about water conservation and make every drop count;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors that the Chino Basin Watermaster recognizes that the water supply situation in the Chino Basin is serious and encourages everyone to make a difference and contribute to the drought-proofing the Chino Basin by taking the *20-Gallon Challenge*.

APPROVED by the Advisory Committee this 27th day of September 2007.

ADOPTED by the Watermaster Board on this 27th day of September 2007.

By: _____
Chairman, Watermaster Board

APPROVED:

Chairman, Advisory Committee

ATTEST:

Board Secretary
Chino Basin Watermaster

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

I, Ken Manning, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 07-04, was adopted at a regular meeting of the Chino Basin Watermaster Board by the following vote:

AYES: Unanimous

NOES: 0

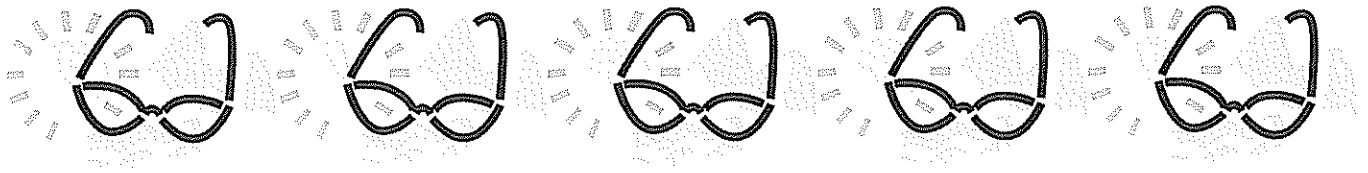
ABSENT: 0

ABSTAIN: 0

CHINO BASIN WATERMASTER

Secretary

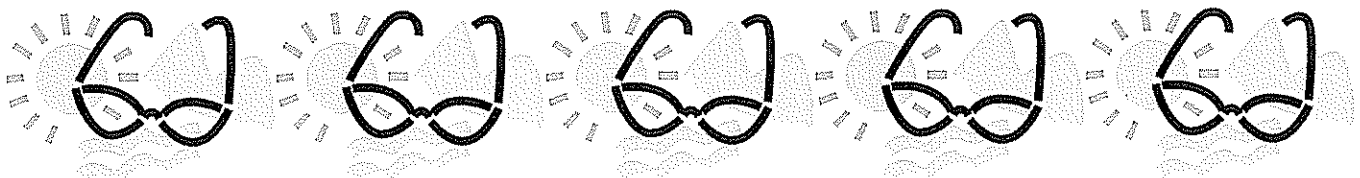
Date: _____



CHINO BASIN WATERMASTER

IV. INFORMATION

1. Newspaper Articles



EPA cites six SoCal dairies for Clean Water Act violations

The Associated Press
News Fuze

Article Launched:08/01/2007 07:45:18 PM PDT

LOS ANGELES—Federal regulators cited six Southern California dairies for violating clean water rules designed to prevent the facilities' animal waste from polluting local water supplies, officials said Wednesday.

The dairies were ordered to repair leaks in waste lagoons, build raised barriers around the lagoons, arrange to remove manure piles and make other changes to comply with the law, U.S. Environmental Protection Agency scientist Glenn Sakamoto said.

Regulators said runoff from the facilities could pollute the Santa Ana River. The dairies were cited for violations of state-issued permits that include failing to contain on-site manure, execute waste management plans, and design and manage manure-containment structures, the EPA said.

The facilities could face fines of up to \$32,500 per day per violation if they don't make needed fixes and as a result pollute streams, rivers or groundwater, Sakamoto said.

"We're hoping and trust that dairymen want to do what's best to protect the environment," Sakamoto said. "If the acts continue and it results in a discharge, we may look at the next step, which would be penalties."

Representatives for the dairies—identified as Legend Dairy #1, Legend Dairy #3, Sun Valley Jersey Dairy #1, Miersma Dairy #1, Tom Alger Dairy and Venegas Dairy—did not return messages or could not be reached for comment.

The orders were issued based on a March 2007 EPA inspection of the dairies, which are located in Chino, Ontario and Mira Loma.

Michael Marsh, who leads the trade group Western United Dairymen, said the organization would work with the dairies to bring them into compliance.

"Dairy producers have got to follow clean water and clean air laws," he said. "We take the business of keeping the environment clean very seriously."

In 2000 and 2001, the EPA fined numerous dairies in the Chino area for similar Clean Water Act violations, officials said.

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Save water now to avoid restrictions

Article Launched:07/29/2007 12:00:00 AM PDT

If you haven't started conserving water yet, what are you waiting for?

Some people may be stalling until an actual water emergency is declared locally, with the mandatory water-use restrictions that might entail. In our view, there is already enough evidence of problems ahead that there is no need to wait. Better to take some small steps now to help make our water last than to get hammered by harsh restrictions sometime next year, or the year after that.

The most recent indicator of the problem is the fact that Gov. Arnold Schwarzenegger declared a state of emergency in Riverside County because agriculture there has been decimated by the lack of rainfall. Riverside received less than 2 inches of precipitation in the rain year that ended June 30 - less than Death Valley got.

Of course, the real problem is that the dry conditions are not a local matter. The aridness reaches high into the Sierra Nevada mountain range as well as across the Colorado River Basin - meaning most of the Southwest.

The Sierra snowpack this spring was about a third of its normal size, resulting in a 40 percent cut in deliveries from the State Water Project. The Colorado River, in its eighth year of drought, is supplying half the water it did five years ago. Los Angeles had the driest year since the first records were kept in the 1870s.

Altogether, it's a triple-whammy that has water officials nervous. The good news is that the 2005-2006 rain year was a wet one, so we came into the dry year that just ended with ample stored supplies. The bad news is that it won't be enough if the year we're just starting is anywhere close to as arid as the last.

And then, scientists are talking about the "medieval megadrought" in the Southwest, which according to tree-ring records lasted from 900 to 1400 A.D. And there are some signs that the warming of the ocean surface near the equator is changing rainfall patterns, shifting the bulk of precipitation farther north and out of the Colorado Basin.

Now, we needn't go all gloom-and-doom. We could have a big rain year that includes plenty of snowfall in the Sierras. That eight-year Colorado Basin drought could break any time. As we all know, the weather can surprise the experts.

But if it doesn't, and the dry conditions continue, the current "suggestion" of a 10 percent use cutback by customers of Southern California water agencies will become something firmer, and perhaps deeper.

So back to our original point: If you haven't already, start conserving water now.

Where to start? Check the Metropolitan Water District's Web site, www.bewaterwise.com, which offers water-saving tips and rebates available for water-saving appliances and irrigation equipment, both household and industrial. Or check the California Urban Water Conservation Council's site, www.h2ouse.org, where the first of the "Top 5 Actions" to save water is simply to check and repair any leaks around your house. You'll find guides for landscaping with plants that aren't so thirsty, allowing you to conserve over the long haul.

Between the two sites, you'll find many ways to save thousands of gallons of water and wads of money. At the same time, you'll be helping Southern California get through the dry times.

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Water forecast discouraging

By Jason Pesick, Staff Writer
Inland Valley Daily Bulletin

Article Launched:07/22/2007 12:17:29 AM PDT

Representatives of local water agencies said they can make it through the dry season but are encouraging people to cut back on their water usage.

While the water purveyors aren't yet in panic mode, a number of factors next year could cause real trouble.

"Next year could be disastrous," said Anthony "Butch" Araza, general manager of the West Valley Water District, which serves Bloomington and portions of Colton, Fontana and Rialto.

The rainy season that just ended was the driest in the history of Los Angeles and one of the driest ever in the Inland Empire, said Jim Ashby, a climatologist with the Western Regional Climate Center in Reno, Nev.

"Water levels are down and have been dropping over the past few years," said Robert Martin, general manager of East Valley Water District, which provides water to Highland and part of San Bernardino.

The area relies on snow melting off the mountains to provide water, but there wasn't much this year.

Martin and Araza said water levels are decent, but they are worried about what will happen next year if there isn't much rain.

"Next year could have to have pretty strong water conservation to make it through," said Randy Van Gelder, general manager of the San Bernardino Valley Municipal Water District, or Muni.

Compounding that problem, an environmental controversy over Delta smelt fish is reducing the amount of water available from the Sacramento-San Joaquin Delta.

Two lawsuits say pumping threatens the endangered species. The dispute means that the San Bernardino area could get 40 percent less water from the delta than it is entitled to and possibly much less than that next year, Van Gelder said.

Another pressure on regional water agencies is the amount of development that siphons water.

Some agencies - such as Colton's and Rialto's, West Valley and the Fontana Water Company - also have to deal with perchlorate, a toxic substance, in their drinking water.

Rialto alone has three wells shut down because of the perchlorate. Muni is launching an advertising campaign to encourage people to conserve water.

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Stand up to polluters

Article Launched:07/26/2007 12:00:00 AM PDT

Perchlorate is an issue that affects everybody in San Bernardino County because of potentially huge costs to local governments' budgets. It is tragic that the Department of Defense and its contractors have denied their responsibility. Frankly, the Bush administration has been derelict on the perchlorate issue.

When I represented Rialto in the state Senate, I personally went to EPA Regional Administrator Wayne Nastri to ask for help. Rialto did not want the plume declared a Superfund site because city officials thought it would stigmatize the area. Yet San Gabriel Valley is a Superfund site and is economically prosperous.

To see effective cleanup, we only need to look to the San Gabriel Valley Water Quality Authority. When I introduced a bill to create an Inland Empire Water Quality Authority five years ago, it was opposed by several local water purveyors. Now is the time for all the agencies affected by perchlorate to find a new spirit of cooperation.

The cleanup effort was thrown into disarray with the Santa Ana Regional Water Quality Control Board's near fatal error in 2002, when they repealed Cleanup and Abatement Orders. Since then I was able to strengthen the law so that the regional board must go after the polluters to get replacement water (SB 1004, 2003).

Now the Santa Ana regional board can right the course and see that the new Cleanup and Abatement orders are enforced. There are hearings starting Aug. 21 in Rialto. I am depending on the state to be strong and stand up to a drove of industry attorneys.

NELL SOTO
Assembly member
61st District

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Water funding OK'd

Panel approves money for perchlorate investigation

Jason Pesick, Staff Writer
San Bernardino County Sun

Article Launched:08/02/2007 12:00:00 AM PDT

Money to investigate perchlorate contamination around Rialto, Fontana and Colton was one of a few projects a congressional committee has approved, Rep. Joe Baca, D-Rialto, announced.

A conference committee made up of members of the House of Representatives and Senate approved a number of water projects for the Inland Empire, including money for the perchlorate investigation. The programs are part of the Water Resources Development Act.

"I think it's a good move," said Rialto Councilman Ed Scott, who is a member of the City Council's perchlorate committee.

Perchlorate, a chemical used in rocket fuels and other explosives, has seeped into Rialto's drinking water from industrial sites in the city's north end. The plume is creeping toward Colton.

Local agencies have either shut down contaminated wells or are treating the water so that no contaminated water is served. Perchlorate, if ingested, can affect the functioning of the thyroid and possibly mental development.

If both houses of Congress and the president sign off on the legislation, the Army Corps of Engineers would investigate the source of the perchlorate around Rialto, Fontana and Colton.

The extent of the contamination is not completely known, and it's not possible to clean it up without first understanding where it is coming from and where it is, Scott said.

The amount of money Baca secured for the project was not available.

"Whatever it is, it's a step in the right direction," Scott said.

The city asked its congressional representatives for almost \$12.7 million for an investigation of the Rialto Basin.

The projects announced Tuesday as part of the Water Resources Development Act included other Inland Empire projects:

Money for the Army Corps of Engineers to improve the Colton Drainage System to prevent flooding and remove storm flows along Valley Boulevard and around Arrowhead Regional Medical Center in Colton.

Funding for Ontario's Francis Street Storm Drain and Connectors Project that Rep. Gary Miller, R-Diamond Bar, also requested money for. The project would help reduce flooding, which could hurt Ontario and Chino's dairy industry.

Money for Rialto to support the Lytle Creek Groundwater Recharge Project to study Lytle Creek and understand both flooding and water-shortage issues in the creek.

The amount of money for these projects was also not available.

On Friday, Baca's office announced the House Appropriations Committee's approval of \$7.5 million as part of the Defense Appropriations Bill. That money included \$2.5 million for perchlorate treatment in the area.

Rialto also asked Congress for \$15 million for the Bunker Hill Water Supply Project to clean water as part of a U.S. Environmental Protection Agency cleanup effort. After the water is cleaned, Rialto and other areas outside San Bernardino would have access to some of it, said Randy Van Gelder, general manager of the San Bernardino Valley Municipal Water District.

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NEWS RELEASE

Association of California Water Agencies
910 K Street, Suite 100 · Sacramento, California 95814-3512
916/441-4545 · FAX 916/441-7893 · <http://www.acwa.com>

FOR IMMEDIATE RELEASE

August 31, 2007

Contact: Tim Quinn, ACWA Executive Director, 916/606-3124 (cell)
Jennifer Persike, ACWA Director of Strategic Coordination and Public Affairs,
916/441-4545, or 916/296-3981 (cell)

Court Ruling to Have Sweeping Water Impacts

Cuts in Deliveries Loom in Wake of Court-Ordered Reduction in Delta Pumping

Sacramento — The Association of California Water Agencies (ACWA) today said court-ordered reductions in deliveries by the State Water Project and federal Central Valley Project would have sweeping impacts across the state.

“The scope of this decision will be felt in nearly every region of California, in some cases within a few weeks,” ACWA Executive Director Timothy Quinn said. “These reductions represent the single largest court-ordered redirection of water in state history. It truly hammers home the serious challenges facing our statewide water system.”

In a highly anticipated ruling today, U.S. District Court Judge Oliver Wanger ordered the two projects to reduce pumping in the Sacramento-San Joaquin River Delta to protect a threatened fish species, the Delta smelt. The reduced pumping translates into a loss of as much as one-third or more of previously available water supplies – or a cut of up to two million acre-feet.

Quinn said the cuts would affect jobs and productivity, especially in the hard-hit agricultural areas from San Joaquin Valley to San Diego. New development in urban areas also could feel the effects in the near term.

“This puts in vivid and real terms the deepening crisis we are seeing in the Delta. It’s an ecological crisis and it’s a water supply crisis. While many factors are affecting the ecosystem, this reinforces the fact that our Delta water infrastructure doesn’t work for the environment or for the state’s economy,” Quinn said.

Wanger’s decision compounds challenges already facing water suppliers this year due to dry conditions. Many agencies have been drawing on emergency or reserve supplies and asking their customers to voluntarily reduce water use. More stringent restrictions – including rationing – are expected as a result of the ruling, and the situation could be dire if dry conditions continue.

“If anyone needed a wake-up call, this is it,” Quinn said. “We need to address fundamental problems in the Delta so we can better protect the environment and the water supplies so critical to our state.”

ACWA is a statewide association of public agencies whose 450 members are responsible for about 90% of the water delivered in California. For more information, visit www.acwa.com

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Environmental groups find fault with state's perchlorate standard proposal

Jason Pesick, Staff Writer
San Bernardino County Sun

Article Launched:08/29/2007 11:54:54 PM PDT

The state is in the final stages of setting a standard dictating how much perchlorate can be in your drinking water.

The cap on the amount of the widespread contaminant that can be in the drinking water could be in place within weeks.

But the proposal of 6 parts per billion is not one that will sit well with the environmental community.

It could also lead to hikes in water rates, as water purveyors are forced to begin cleaning perchlorate from the water they serve.

"We're disappointed that in light of all the accumulating evidence that perchlorate is harmful at levels well below this that California decided to stick with 6 ppb," said Bill Walker, vice president for the Environmental Working Group's West Coast office.

Perchlorate has been discovered in drinking water throughout areas of Southern California used for agricultural, industrial and military purposes.

On Aug. 6, the state Department of Public Health submitted a standard of 6 ppb to the state Office of Administrative Law. Once its review is complete, it will send the regulation to the secretary of state to sign off on.

Since the state began developing the standard, the Centers for Disease Control and Prevention released a study showing that even at low levels, perchlorate can affect hormone levels in a large percentage of women.

The proposed standard is also higher than the 2 ppb set by Massachusetts last year.

Perchlorate is used in the production of explosives like fireworks and rocket fuel.

Chilean fertilizer used in agricultural areas around the Southland is also thought to be responsible for perchlorate contamination.

It can affect the functioning of the thyroid, which is important for metabolism and neurological development.

Between August 2002 and August 2007, 251 wells had reported having perchlorate at a level of 4 ppb or higher in California.

Of those, 114 are in San Bernardino and Riverside counties.

The process of setting a standard began in August last year when the state Office of Environmental Health Hazard Assessment set a public health goal of 6 ppb.

Its task is to only take public health into consideration when setting that goal. Then the Department of Public Health takes into account how practical the proposed standard would be.

A few months after the public health goal was set, the CDC study came out in October.

"This is going to be important information for those people who are setting acceptable levels (for perchlorate)," one of the study's co-authors James Pirkle, said when the study came out.

Massachusetts officials said they came to a level of 2 out of caution and a difference of a opinion with California officials over how much perchlorate people ingest from other sources besides water, like food.

Massachusetts officials said they thought people take in a fair bit of perchlorate from other sources besides water, so they wanted to set a lower standard for perchlorate in water.

While environmentalists aren't satisfied with California's proposed standard, because they see it as too high, some water