

CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

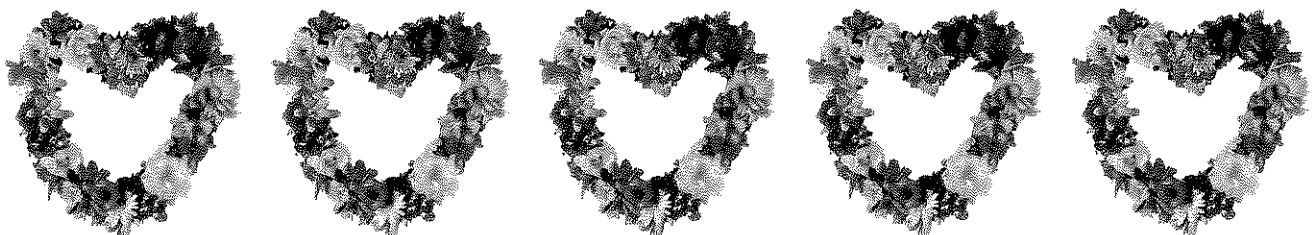
Thursday, February 28, 2008

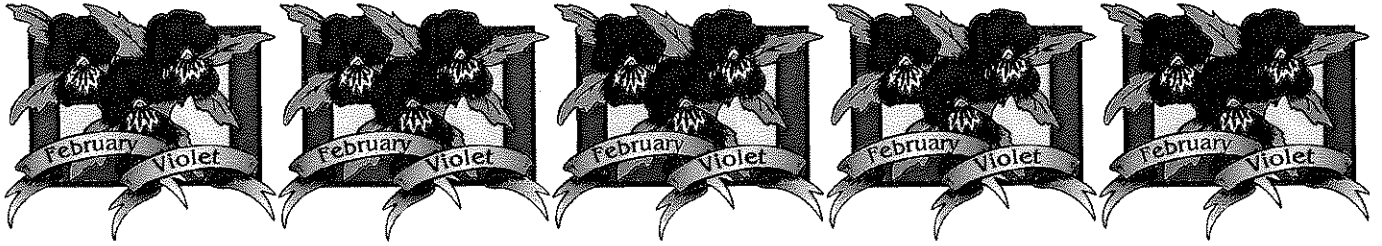
9:00 a.m. – Advisory Committee Meeting
11:00 a.m. – Watermaster Board Meeting

(Lunch will be served)

AT THE CHINO BASIN WATERMASTER OFFICES

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





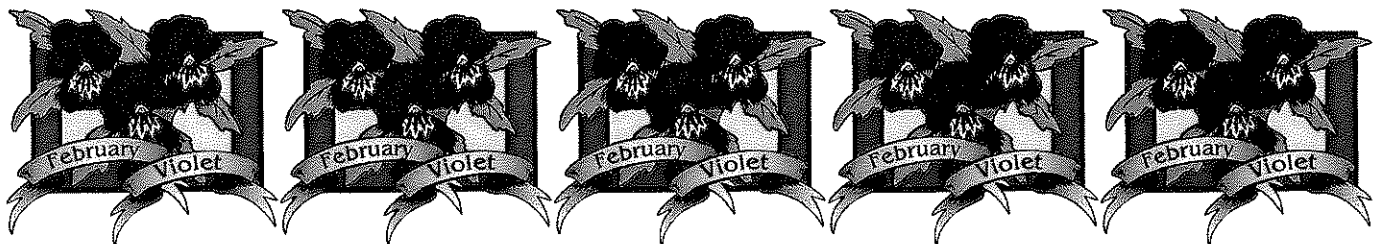
CHINO BASIN WATERMASTER

Thursday, February 28, 2008

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

(Lunch will be served)

AGENDA PACKAGE



**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING**

9:00 a.m. – February 28, 2008

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 Annual Advisory Committee Meeting held January 24, 2008 (page 1)

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of January 2008 (page 15)
2. Watermaster Visa Check Detail (page 19)
3. Combining Schedule for the Period July 1, 2007 through December 31, 2007 (page 21)
4. Treasurer's Report of Financial Affairs for the Period December 1, 2007 through December 31, 2007 (page 23)
5. Budget vs. Actual July 2007 through December 2007 (page 25)

II. BUSINESS ITEMS

A. BUDGET AMENDMENT, BUDGET TRANSFER, AND PURCHASING POLICIES

Consider Approval for the Budget Amendment and Budget Transfer, and Purchasing Policies (page 27)

B. CAROLLO ENGINEERS CONTRACT

Consider Approval for the Extension to the Contract with Carollo Engineers for Gary Meyerhofer's Services and Budget Amendment (page 37)

C. WILDERMUTH ENVIRONMENTAL INC. CONTRACT

Consider Approval for the Contract between Chino Basin Watermaster and Wildermuth Environmental Inc. (page 43)

D. BUDGET AMENDMENT/TRANSFER ACTION ITEMS

Consider Approval for the Proposed Budget Transfer Request (page 61)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

- 1. Temporary Urgency Application to SWRCB Regarding Santa Ana River from San Bernardino Valley Municipal Water District and Western Municipal Water District
- 2. Chino Basin Water Supply Assessment Committee
- 3. March 1, 2008 Court Filing

B. ENGINEERING UPDATES

- 1. Regional Board Letter
- 2. Monitoring Status to Date
- 3. March 1, 2008 Conditions Subsequent

C. FINANCIAL REPORT

- 1. Review of Consultant Services

D. CEO/STAFF REPORT

- 1. Legislative Update
- 2. Recharge Update
- 3. Semi-Annual Status Report (page 73)
- 4. Personnel Committee Update
- 5. Prop 218 Opinion

E. INLAND EMPIRE UTILITIES AGENCY

- 1. MWD Drought Update – Oral Rich Atwater
- 2. Groundwater Recharge Activities – Oral Rich Atwater
- 3. Recycled Water Newsletter (page 93)
- 4. Monthly Water Conservation Programs Report (page 97)
- 5. Monthly Imported Water Deliveries Report (page 107)
- 6. State and Federal Legislative Report (page 113)
- 7. Community Outreach/Public Relations Report (page 133)

IV. INFORMATION

- 1. Newspaper Articles

V. COMMITTEE MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

February 28, 2007	9:00 a.m.	Advisory Committee Meeting
February 28, 2007	11:00 a.m.	Watermaster Board Meeting
March 13, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
March 18, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
March 27, 2007	9:00 a.m.	Advisory Committee Meeting
March 27, 2007	11:00 a.m.	Watermaster Board Meeting

Meeting Adjourn

**CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING**

11:00 a.m. – February 28, 2008

At The Offices Of

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

AGENDA

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

PUBLIC COMMENTS

I. CONSENT CALENDAR

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A. MINUTES

1. Minutes of the Annual Watermaster Board Meeting held January 24, 2008 (page 9)

B. FINANCIAL REPORTS

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Consider Approval for the Contract between Chino Basin Watermaster and Wildermuth Environmental Inc. (page 43)

D. BUDGET AMENDMENT/TRANSFER ACTION ITEMS

Consider Approval for the Proposed Budget Transfer Request (page 61)

E. CHINO BASIN WATERMASTER OFFICE ASSISTANT AND OFFICE SPECIALIST POSITIONS

Consider Approval for the New Chino Basin Watermaster Office Assistant and Office Specialist Positions (page 65)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

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B. ENGINEERING UPDATES

- 1. Regional Board Letter
- 2. Monitoring Status to Date
- 3. March 1, 2008 Conditions Subsequent

C. FINANCIAL REPORT

- 1. Review of Consultant Services

D. CEO/STAFF REPORT

- 1. Legislative Update
- 2. Recharge Update
- 3. Semi-Annual Status Report (page 73)
- 4. Personnel Committee Update
- 5. Prop 218 Opinion

IV. INFORMATION

- 1. Newspaper Articles (page 135)

V. BOARD MEMBER COMMENTS

VI. OTHER BUSINESS

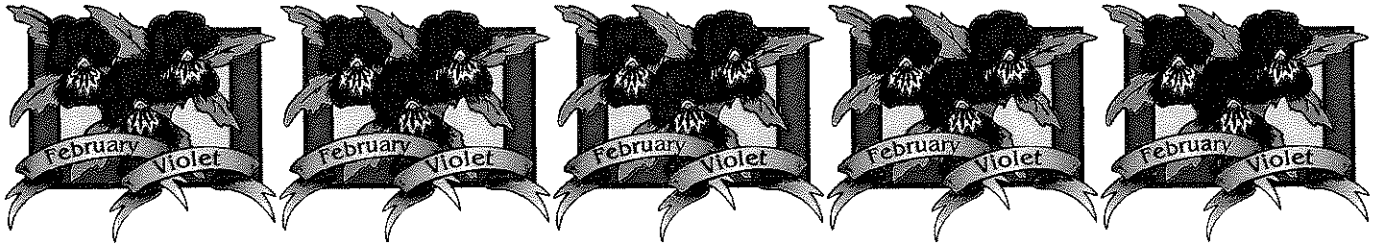
VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session will be held during the Watermaster Board meeting for the purpose of discussion and possible action regarding Hansen Aggregates Litigation.

VIII. FUTURE MEETINGS

February 28, 2007	9:00 a.m.	Advisory Committee Meeting
February 28, 2007	11:00 a.m.	Watermaster Board Meeting
March 13, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
March 18, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
March 27, 2007	9:00 a.m.	Advisory Committee Meeting
March 27, 2007	11:00 a.m.	Watermaster Board Meeting

Meeting Adjourn

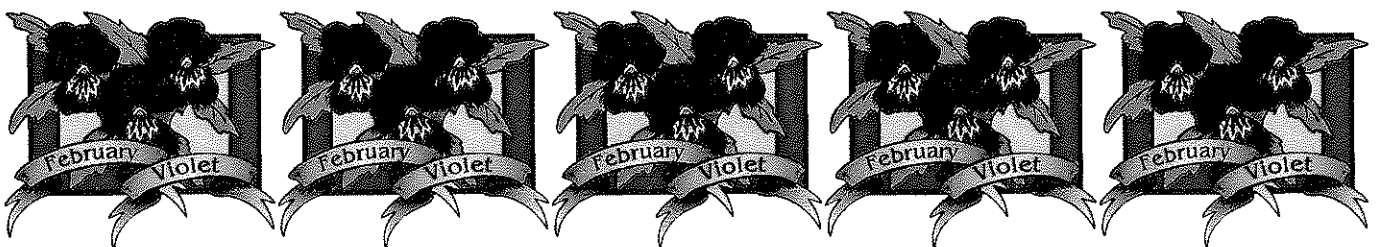


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Advisory Committee Meeting – January 24, 2008



Draft Minutes
CHINO BASIN WATERMASTER
ANNUAL ADVISORY COMMITTEE MEETING

January 24, 2008

The Annual Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on January 24, 2008 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

Robert DeLoach, Chair	Cucamonga Valley Water District
Mohamad El-Amamy	City of Ontario
Robert Young	Fontana Union Water Company
Mike McGraw	Fontana Water Company
Mark Kinsey	Monte Vista Water District
Dave Crosley	City of Chino
Charles Moorrees	San Antonio Water Company
Raul Garibay	City of Pomona
J. Arnold Rodriguez	Santa Ana River Water Company

Non-Agricultural Pool

Bob Bowcock, Chair	Vulcan Materials Company (Calmat Division)
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Agricultural Pool

Jeff Pierson	Ag Pool, Crops
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Watermaster Board Members Present

Charles Field	Western Municipal Water District
Ken Willis	City of Upland

Watermaster Staff Present

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

Watermaster Consultants Present

Michael Fife	Brownstein, Hyatt, Farber & Schreck
Mark Wildermuth	Wildermuth Environmental Inc.
Tom McCarthy	Wildermuth Environmental, Inc.

Others Present

Marty Zvirbulis	Cucamonga Valley Water District
Tom Crowley	Western Municipal Water District
Gerry Foote	Chino Basin Water Conservation District
Robert Tock	Jurupa Community Services District
Jennifer Novak	State of California

Chair DeLoach called the Advisory Committee meeting to order at 9:15 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. INTRODUCTIONS OF THE ADVISORY COMMITTEE OFFICERS, CALENDAR YEAR 2008

<u>Robert DeLoach</u>	Chair	(Appropriative Pool) – (Non-Ag passed on chair position)
<u>Bob Feenstra</u>	Vice-Chair	(Agricultural Pool)
<u>Mark Kinsey</u>	Second Vice-Chair	(Appropriative Pool)
<u>Ken Manning</u>	Secretary/Treasurer	(Chief Executive Officer)

INTRODUCTIONS OF THE NEW BOARD MEMBERS, CALENDAR YEAR 2008**Calendar Year 2008 Pool Representation on the Watermaster Board**

Based on the Court-adopted Rotation Schedule for Representatives to the Watermaster, during calendar year 2008, the following will represent the Appropriative Pool on the Watermaster Board.

Cucamonga Valley Water District – New Member: James Curatalo Jr.
 Alternate: Kathy Tiegs

II. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Advisory Committee Meeting December 20, 2007

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of December 2007
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2007 through November 30, 2007
4. Treasurer's Report of Financial Affairs for the Period November 1, 2007 through November 30, 2007
5. Budget vs. Actual July 2007 through November 2007

C. CHINO BASIN WATERMASTER INVESTMENT POLICY

Resolution 08-01 – Resolution of the Chino Basin Watermaster, San Bernardino County, California, re-authorizing the Watermaster's Investment Policy

D. LOCAL AGENCY INVESTMENT FUND

Resolution 08-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF)

E. LEVYING REPLENISHMENT & ADMINISTRATIVE ASSESSMENTS

Resolution 08-03 – Resolution of the Chino Basin Watermaster Levying Replenishment and Administrative Assessments for Fiscal Year 2007-2008

F. NOTICE OF INTENT

Annual Filing of Notice of Intent Regarding the Determination of Operating Safe Yield

Motion by Rodriguez, second by Kinsey, and by unanimous vote

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

III. BUSINESS ITEMS**A. IEUA CONTRACT FOR TECHNICAL SERVICES FOR DRY YEAR YIELD**

Mr. Manning stated this item pertains to a contract between Chino Basin Watermaster and Inland Empire Utilities Agency (IEUA) for technical services to provide the services of Wildermuth Environmental Inc. for the purposes of working on the Dry Year Yield (DYY) study. Mr. Manning stated originally this contract was going to come under the contract with Black & Veatch. However, Watermaster is working on developing a new contract with Wildermuth

Environmental for Watermaster that will have some language regarding Wildermuth's relationships with other parties within the basin in order to protect Watermaster and Wildermuth. This contract as it is presented today, will allow that to occur. IEUA has taken this contract before their board and it was approved. Staff is asking for approval of the agreement and to also approve, the financial budget changes to reflect the income and the expenditure. A discussion ensued with regard to a fee schedule and Mr. Manning noted the Wildermuth Contract is being brought forward as an informational item this month and will be brought back for approval next month along with a fee schedule and other language changes as needed.

Motion by Kinsey, second by Moorrees, and by unanimous vote

Moved to approve the contract for services for Dry Year Yield and to amend the 2007/2008 Watermaster budget for receipt of revenue from Inland Empire Utilities Agency and the expenditure of a similar amount for services by Wildermuth Environmental, Inc., as presented

B. WATERMASTER RESPONSE TO CONDITIONS SUBSEQUENT FROM THE COURT ORDER GRANTING WATERMASTER'S MOTION FOR APPROVAL OF PEACE II DOCUMENTS

Chair DeLoach noted this item was discussed and approved by the Appropriative and Non-Agricultural Pool members at a special meeting this morning. Mr. Manning stated there are two different tables available on the back table. One matrix lists all of the items that are included in the court order and some of the translations from the Special Referee's dates. The second item is the New Technical Reports pursuant to the court order and this was put together by Mr. Wildermuth. Counsel Fife stated the filing corresponds to the courts December 21, 2007 order; the court gave Watermaster nine conditions on the approval of the Peace II documents. Reports on the first two items are due by February 1, 2008. Counsel will be making minor wording changes prior to court submission, however, if there are any substantive changes the document will need to go through the Watermaster process again. The two conditions that are being responded to in the pleading are the reporting on the Non-Agricultural Pool elements of the Peace II documents which includes the purchase and sale agreement, the amendment to the exhibit G, and the provision to the Peace Agreement allowing intervention into the Non-Agricultural Pool. That condition is not something subject to court approval; counsel was asked to provide a clearer explanation and answer the questions listed in the Special Referee's preliminary report. The second condition was to provide a corrected initial schedule for the use of the controlled overdraft water; that is included as Table 1 to the pleading. This is an item that is being submitted for court approval; the pleading does notice a hearing for May 1, 2008 at 2:00 p.m. and was set by the court order.

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

Moved to approve and submit to the court a brief to explain the amendments to the Judgment paragraph 8 and exhibit "G" and corrected initial schedule to replace resolution No. 07-05 attachment "E," together with an explanation of the corrections made, as presented

IV. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Peace II Order

Counsel Fife stated Watermaster now has an order and we are moving on the conditions in that order. Counsel Fife noted there is a matrix on the back table prepared by Mr. Manning which contains the nine conditions and their due dates.

2. SWRCB Order re Permit 19895

Counsel Fife stated a copy of this order is in the meeting packet. Several months ago Watermaster received a strange order from the State Board revoking permit 19895 for failure to proceed with diligence on the project; even though the project is complete. A petition for reconsideration was immediately filed and we got a favorable filing from the State Board and they did acknowledge there were many factual inconsistencies within their

own order; the petition for reconsideration was granted. The State Board has contacted Watermaster staff and counsel and would like to schedule a meeting to sit down and talk about the project. Chair DeLoach asked counsel to give some background on this item. Counsel Fife stated permit 19895 was originally issued to the Flood Control District in connection with the San Sevaine Project. There were actually two permits during this time, one for the San Sevaine Project and one for the Day Creek Project. At some point in time the Flood Control District put Watermaster on the permit so that Watermaster and the Flood Control were joint permittees and then eventually the Flood Control ceded its interest over to Watermaster. When the Flood Control District controlled the permit they were not always consistent in their reporting. When reports were distributed regarding the progress, the permit numbers were either put in incorrect or there were other typographical errors made which confused the State Board staff greatly causing them to revoke the permit. A lengthy discussion ensued with regard to this matter.

3. Hanson Aggregate Litigation

Counsel Fife stated things are moving forward with Hanson Aggregate; conversations are taking place and they appear to want to settle the case. Counsel Fife stated discussions regarding non-binding mediation are in progress. A discussion ensued with regard to costs incurred as well as lost opportunity costs.

B. ENGINEERING UPDATES

1. Engineering Update

Mr. Wildermuth referenced a handout and stated the handout is a summary of the technical work required by the conditions subsequent in the December 21, 2007 court order. Mr. Wildermuth reviewed the chart and the section titled; "New Technical Report" that completes the record for the Peace II order. The next section titled; "Annual Report of the Quantification of New Yield" provided an annual accounting of the new storm water and SAR recharge into the Chino Basin. This will be used to annually refine the re-operation schedule, assessment package determinations and to compute replenishment. He then reviewed the next section titled; "Hydraulic Control Articulation and Compliance Report" that formalizes the quantitative definition of hydraulic control and demonstrate concurrence of the Regional Water Quality Control Board. Lastly he reviewed the section titled; "Recharge Master Plan Process" that purposes to periodically update the Recharge Master Plan and clearly map out how Watermaster will implement plans to meet future replenishment demands. A discussion ensued with regard to this item and information given on the sections.

C. FINANCIAL REPORT

1. Budget Update

Ms. Rojo stated the Assessment Package was approved last month and the invoices have been mailed out. Ms. Rojo stated the Watermaster's budget preparation process is starting for the 2008/2009 year which begins by working with consultants and in going through the projects that they work on annually. The figures and/or updates for the various projects are reviewed quarterly with Wildermuth staff; an update is now available for your review. This handout has been updated since the Appropriative Pool meeting. Ms. Rojo reviewed the Status of Engineering Tasks cost categories in detail. Ms. Rojo referred to the handout regarding potential policies that Watermaster might adopt. This item will be brought back as an action item next month. Ms. Rojo asked that the committee members to review the policy handouts and to get back to her with any feedback as quickly as possible. Ms. Rojo stated the first policy is a budget transfers and amendments policy and the second is a purchasing policy. Ms. Rojo reviewed the handouts in detail. A discussion regarding this item ensued.

D. CEO/STAFF REPORT1. Legislative Update

Mr. Manning stated because this is a presidential election year Washington's normal events have pretty much come to a halt. Mr. Manning stated the ACWA Conference is coming up in February which is always interesting but with it being a presidential election year, the conference will be especially interesting. At the state level the governor's budget is prepared and is almost ready to be given to the legislature and in the governor's recent speech he did talk a lot about water. Some of his speech talked about a possible reduction in staff which was confusing because most of the field agencies are running without field positions filled and it does not appear there would be much savings in doing that. Mr. Manning stated he will be going to meeting later this month that will be discussing bond measures and he will keep the parties up to date on what is going on.

2. Recharge Update

Mr. Treweek stated there is an updated supplemental and storm water recharge handout now available which summarizes the first six months of recharge. 4,000 acre-feet of storm water has been captured. Staff has calculated the storm in January and it appears approximately 2,000 acre-feet of storm water was captured then which is a very good number. Mr. Treweek stated he feels this high number of storm water capture is due to all the improvements made to the basins over the summer and our reactions to storms when they come in.

3. Wildermuth Contract

Mr. Manning stated Watermaster staff is working with Wildermuth staff to put together a draft contract; a copy of the first draft is now available. This will allow staff to be able to have in a formal contract for the work that is done with Wildermuth Environmental. Mr. Manning noted one of the biggest changes that will be taking place will be management of projects by task number and managing by task order will allow staff to have greater management control.

4. CBWM Web Site

Mr. Manning stated there is a handout regarding the Watermaster web site depicting web site hits from November 16, 2007 to December 16, 2007. This counter will give staff information as to where people are located that are entering the Watermaster web site. During the dates noted, the web site had 481 hits and it was interesting that some of the hits came from other countries.

5. National Research Council

Mr. Manning stated the National Research Council recently came out with a new study titled, "The Prospects for Managed Underground Storage for Recoverable Water." Watermaster received an advance copy because Chino Basin Watermaster is one of the sponsors of this study along with the USGS, Cal-Fed, the City of Phoenix, Inland Empire Utilities Agency, and the Sanitations Districts of Los Angeles County. Mr. Manning stated this is a very informative publication and has some interesting conclusions and recommendations in it.

6. Replenishment Water Purchase

Mr. Manning stated there have been internal staff discussions about how Watermaster is going to meet the replenishment obligations for this year. Watermaster has an outstanding obligation of approximately 3,900 acre-feet of water that needs to be replenished. Metropolitan Water District is not making water available for replenishment. Mr. Manning stated staff is looking at purchasing water out of storage accounts from producers in the basin. Please let staff know if you have water that you would consider selling to Watermaster. A letter regarding this same announcement will be going out shortly.

E. INLAND EMPIRE UTILITIES AGENCY1. MWD Water Rates

Mr. Atwater stated a meeting regarding the drought plan and Dry Year Yield activities took place this morning at 8:00 a.m. here at the Watermaster office. Mr. Atwater stated he is anticipating the Metropolitan Water District Board will approve a Regional Drought Allocation Plan on February 12, 2008. There are still some slight changes in those plans that are being worked on. Once the plan is administered, IEUA will hold a workshop. Mr. Atwater noted the recent rain storms have been wonderful and has helped the drought situation, but it is still too early in the storm season to get actual numbers. It would be great if the storms could continue throughout the season and then we will be able to put off the drought plan for this year. Mr. Atwater stated the MWD rates will be rising over the next couple years significantly and they are holding a public hearing on February 11, 2008 with regard to this issue.

2. Drought Planning Update/DYY Implementation

This item was discussed previously.

3. Recharge Phase II Project Status

Mr. Love stated 50% of this project is funded from the DWR grant with the balance provided by jointly providers by IEUA and Watermaster. Additional project partners are the Conservation District and the Flood Control District. Phase II is for enhancements and improvements to our existing recharge basins. A critical milestone coming up which is the Rialto Pipeline shutdown starting on February 4, 2008. During that shutdown while MWD is working on repairs to the pipeline IEUA is going to be improving CB14 which will include increasing the capacity. IEUA will also be adding a new replenishment connection called CB20 in the City of Upland. In working with the City of Upland, IEUA is trying to utilize the storm drain system to get the water flowing into the 7th and 8th Street Basins so that we can get imported water to those facilities. As of today no imported water can go into those basins; these are significant improvements to the recharge project.

4. Regional Recycled Water Program – 3 Year Business Plan Status

Mr. Love stated the focus for the Regional Recycled Water Program will have annual usage goals, metrics, and requirements for monthly progress reports. The plan will be revised and updated monthly. The goals of the plan will be to have 50,000 acre-feet per year to connected customers in the IEUA regional system by June 2010. Workshops and presentations will be scheduled for full review on this plan. Mr. Love reviewed the updates to this plan since his last presentation.

5. Monthly Water Conservation Programs Report

No comment was made regarding this item.

6. Draft FY 07/08 Regional Water Conservation Programs Budget

No comment was made regarding this item.

7. Monthly Imported Water Deliveries Report

No comment was made regarding this item.

8. State and Federal Legislative Report

No comment was made regarding this item.

9. Community Outreach/Public Relations Report

No comment was made regarding this item.

10. Phase II Chino Basin Facilities Improvement Program Report

No comment was made regarding this item.

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

No comment was made regarding this item.

V. INFORMATION

- 1. Hatch & Parent Merger with Brownstein, Hyatt, Farber, and Schreck, January 2008 and Amendments to Agreement for Legal Services

Counsel Fife stated Brownstein, Hyatt, Farber, and Schreck is now a 200 person firm with offices throughout the United States and is the largest water law firm in the United States.

- 2. Newspaper Articles

No comment was made regarding this item.

VI. COMMITTEE MEMBER COMMENTS

No comment was made regarding this item.

VII. OTHER BUSINESS

No comment was made regarding this item.

VIII. FUTURE MEETINGS

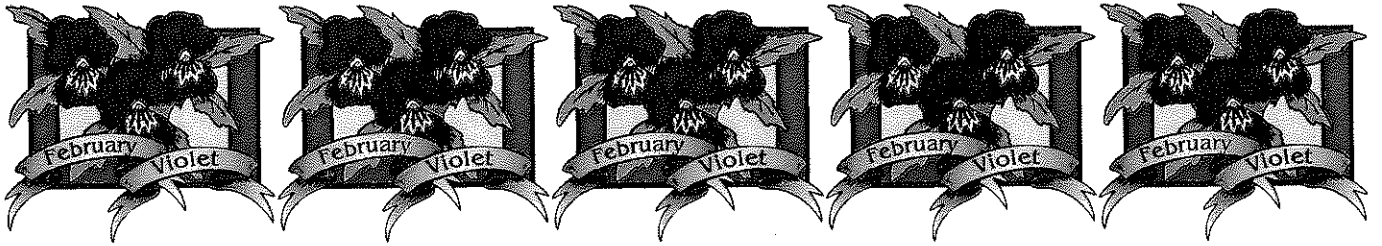
January 23, 2007	9:00 a.m.	GRCC Meeting
January 23, 2007	8:50 a.m.	Special Appropriative Pool Meeting
January 24, 2007	9:00 a.m.	Annual Advisory Committee Meeting
January 24, 2007	11:00 a.m.	Annual Watermaster Board Meeting
February 12, 2008	9:00 a.m.	Water Quality Committee Meeting
February 14, 2008	8:00 a.m.	MZ1 Technical Committee Meeting
February 14, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
February 19, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
February 28, 2008	9:00 a.m.	Advisory Committee Meeting
February 28, 2008	11:00 a.m.	Watermaster Board Meeting

The Watermaster Advisory meeting was dismissed by Chair DeLoach at 10:30 a.m.

Secretary: _____

Minutes Approved: _____

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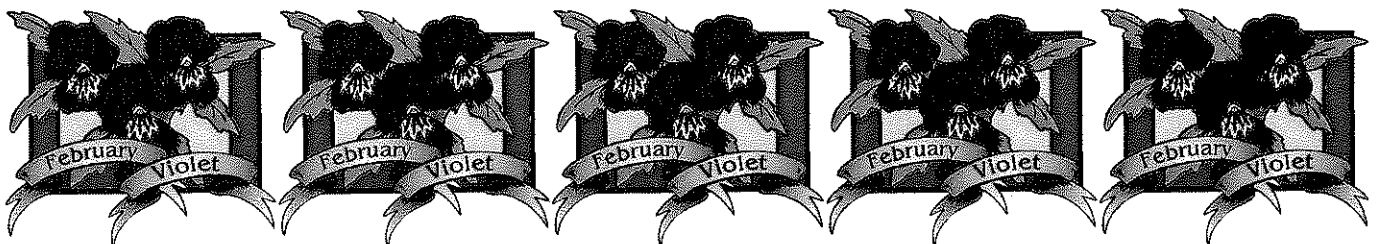


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Watermaster Board Meeting – January 24, 2008



Draft Minutes
CHINO BASIN WATERMASTER
ANNUAL WATERMASTER BOARD MEETING

January 24, 2008

The Annual Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on January 24, 2008 at 11:00 a.m.

WATERMASTER BOARD MEMBERS PRESENT

Ken Willis, Chair	City of Upland
Bob Kuhn	Three Valleys Municipal Water District
Charles Field	Western Municipal Water District
Jim Bowman	City of Ontario
Terry Catlin	Inland Empire Utilities Agency
Jim Curatalo	Cucamonga Valley Water District
Bob Bowcock	Vulcan Materials Company
Paul Hofer	Agricultural Pool
Geoffrey Vanden Heuvel	Agricultural Pool

Watermaster Staff Present

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

Watermaster Consultants Present

Scott Slater	Brownstein, Hyatt, Farber & Schreck
Michael Fife	Brownstein, Hyatt, Farber & Schreck
Mark Wildermuth	Wildermuth Environmental, Inc.
Tom McCarthy	Wildermuth Environmental, Inc.

Others Present

Dave Crosley	City of Chino Basin Watermaster
Mark Kinsey	Monte Vista Water District
Mohamad El-Amamy	City of Ontario
Bob Feenstra	Ag Pool – Dairy
Jeff Pierson	Ag Pool – Crops
Sandra Rose	Monte Vista Water Company
Robert DeLoach	Cucamonga Valley Water District
Marty Zvirbulis	Cucamonga Valley Water District
Jennifer Novak	Ag Pool – State of California
Rosemary Hoerning	City of Upland
Gerry Foote	Chino Basin Water Conservation District
David DeJesus	Three Valleys Municipal Water District
Raul Garibay	City of Pomona
Tom Crowley	Western Municipal Water District
Bob Lemons	RBF/Chino Hills

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

PLEDGE OF ALLEGIANCE**AGENDA - ADDITIONS/REORDER**

There were no additions or reorders made to the agenda.

INTRODUCTIONS - CALENDAR YEAR 2008 WATERMASTER BOARD MEMBERS

Bob Bowcock	Non-Agricultural Pool
Jim W. Bowman	City of Ontario
Terry Catlin	Inland Empire Utilities Agency
James Curatalo	Cucamonga Valley Water District
Charles Field	Western Municipal Water District
Paul Hofer	Agricultural Pool (Crops)
Bob Kuhn	Three Valleys Municipal Water District
Geoffrey Vanden Heuvel	Agricultural Pool (Dairy)
Ken Willis	City of Upland

I. CALENDAR YEAR 2008 OFFICERS – Action**A. ELECTION OF OFFICERS**

1. Nominations will be heard for Watermaster Board Chair
Mr. Ken Willis from the City of Upland was voted in as the 2008 Watermaster Board Chair
2. Nominations will be heard for Watermaster Board Vice-Chair
Mr. Bob Kuhn from Three Valleys Municipal Water District was voted in as the 2008 Watermaster Board Vice-Chair
3. Nominations will be heard for Watermaster Board Secretary/Treasurer
Mr. Jim Curatalo from Cucamonga Valley Water District was voted in as the 2008 Watermaster Board Secretary

II. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Watermaster Board Meeting December 20, 2007
2. Minutes of the Watermaster Board Conference Call December 31, 2007

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of December 2007
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2007 through November 30, 2007
4. Treasurer's Report of Financial Affairs for the Period November 1, 2007 through November 30, 2007
5. Budget vs. Actual July 2007 through November 2007

C. CHINO BASIN WATERMASTER INVESTMENT POLICY

Resolution 08-01 – Resolution of the Chino Basin Watermaster, San Bernardino County, California, re-authorizing the Watermaster's Investment Policy

D. LOCAL AGENCY INVESTMENT FUND

Resolution 08-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF)

E. LEVYING REPLENISHMENT & ADMINISTRATIVE ASSESSMENTS

Resolution 08-03– Resolution of the Chino Basin Watermaster Levying Replenishment and Administrative Assessments for Fiscal Year 2007-2008

F. NOTICE OF INTENT

Annual Filing of Notice of Intent Regarding the Determination of Operating Safe Yield

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

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

III. BUSINESS ITEMS**A. IEUA CONTRACT FOR TECHNICAL SERVICES FOR DRY YEAR YIELD**

Mr. Manning stated this item pertains to a contract between Chino Basin Watermaster and Inland Empire Utilities Agency (IEUA) for technical services to provide the services of Wildermuth Environmental Inc. for the purposes of working on the Dry Year Yield (DYY) study. Mr. Manning stated originally this contract was going to come under the contract with Black & Veatch. However, Watermaster is working on developing a new contract with Wildermuth Environmental for Watermaster that will have some language regarding Wildermuth's relationships with other parties within the basin in order to protect Watermaster and Wildermuth. This contract as it is presented today, will allow that to occur. IEUA has taken this contract before their board and it was approved. Staff is asking for approval and to also approve, which was initiated by the Appropriate Pool, the financial budget changes to reflect the income and the expenditure; the Pools and Advisory Committee approved this item unanimously.

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

Moved to approve the contract for services for Dry Year Yield and to amend the 2007/2008 Watermaster budget for receipt of revenue from Inland Empire Utilities Agency and the expenditure of a similar amount for services by Wildermuth Environmental, Inc., as presented

B. WATERMASTER RESPONSE TO CONDITIONS SUBSEQUENT FROM THE COURT ORDER GRANTING WATERMASTER'S MOTION FOR APPROVAL OF PEACE II DOCUMENTS

Mr. Manning stated there are two different tables available. One matrix lists all of the items that are included in the court order and some of the translations from the Special Referee's report. The second item is the New Technical Report put together by Mr. Wildermuth. Counsel Slater stated the nature of this report is also embodied in our filing. The order from the Court included two conditions subsequent that needed to be filed with the court on February 1, 2008.

The first condition is a brief to the court explaining the amendments to judgment Paragraph 8 and Judgment "G" relating to the transfer of Non-Agricultural Pool water. Counsel has prepared a brief which is responsive to that request and further summarizes the responses to the questions that were raised in the underlying Special Referee report. The second condition subsequent related to the preparation and submittal to the court for approval of a corrected initial schedule to replace Resolution No. 07-05, Attachment "E", with an explanation of the changes.

Mr. Wildermuth explained the necessity for the new initial schedule. He went on to mention that this initial schedule will not be the final schedule. He reiterated this is the best prediction from what we know today and it will need to be revised again by the end of 2008. Counsel Slater stated that once a discussion ensues between Western Municipal Water District and the Appropriate Pool regarding the ultimate drawdown the schedule may need to be changed to reflect any negotiated changes. Counsel and staff feels Watermaster has complied with the courts directions with regard to the initial schedule

Mr. Vanden Heuvel commented on the Special Referee's report regarding the new yield induced from the Santa Ana River that included an overstated amount for storm water and new yield. He inquired as to when and where these issues will be addressed. Counsel Slater stated the 400,000 acre-feet is not available to address other accounting issues; the 400,000 acre-feet is available for the specific purpose of being deployed for production from the desalters. Counsel Slater reiterated that the overstated amount is a real issue, although, the court chosen to defer

the Watermaster response until the end of the year, giving the Watermaster an opportunity to take into consideration a comprehensive approach to offsetting circumstances in the accounting.

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

Moved to approve and submit to the court a brief to explain the amendments to the Judgment paragraph 8 and exhibit "G" and corrected initial schedule to replace resolution No. 07-05 attachment "E," together with an explanation of the corrections made, as presented

IV. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Peace II Order

Counsel Slater stated Watermaster now has an order and we are moving on the conditions in that order. Counsel Slater noted there is a matrix on the back table prepared by Mr. Manning which contains the nine conditions and their due dates.

2. SWRCB Order re Permit 19895

Counsel Slater stated a copy of this order is in the meeting packet. Several months ago Watermaster received an order from the State Board revoking permit 19895 for failure to proceed with diligence on the project; even though the project is complete. A petition for reconsideration was immediately filed and we got a favorable filing from the State Board and they did acknowledge there were many factual inconsistencies within their own order; the petition for reconsideration was granted. The State Board has contacted Watermaster staff and counsel and would like to schedule a meeting to sit down and talk about the project.

3. Hanson Aggregate Litigation

Counsel Slater stated things are moving forward with Hanson Aggregate; conversations are taking place and they appear to want to settle the case. Counsel Fife stated discussions regarding non-binding mediation are in progress.

B. ENGINEERING UPDATES

1. Engineering Update

Mr. Wildermuth referenced a handout and stated the handout is a summary of the technical work required by the conditions subsequent in the December 21, 2007 court order. Mr. Wildermuth reviewed the chart and the section titled; "New Technical Report" that completes the record for the Peace II order. The next section titled; "Annual Report of the Quantification of New Yield" provided an annual accounting of the new storm water and SAR recharge into the Chino Basin. This will be used to annually refine the re-operation schedule, assessment package determinations and to compute replenishment. He then reviewed the next section titled; "Hydraulic Control Articulation and Compliance Report" that formalizes the quantitative definition of hydraulic control and demonstrates concurrence of the Regional Water Quality Control Board. Lastly he reviewed the section titled; "Recharge Master Plan Process" that purposes to periodically update the Recharge Master Plan and clearly map out how Watermaster will implement plans to meet future replenishment demands.

C. FINANCIAL REPORT

1. Budget Update

Ms. Rojo stated the Assessment Package was approved last month and the invoices have been mailed out. Ms. Rojo stated the Watermaster's budget preparation process is starting for the 2008/2009 year which begins by working with consultants and in going through the projects that they work on annually. The figures and/or updates for the various projects are reviewed quarterly with Wildermuth staff; an update is now available for your review. This handout has been updated since the Appropriative Pool meeting. Ms. Rojo reviewed the Status of Engineering Tasks cost categories in detail. Ms. Rojo referred to the handout

regarding potential policies that Watermaster might adopt. This item will be brought back as an action item next month. Ms. Rojo asked that the committee members to review the policy handouts and to get back to her with any feedback as quickly as possible. Ms. Rojo stated the first policy is a budget transfers and amendments policy and the second is a purchasing policy. Ms. Rojo reviewed the handouts in detail. A discussion regarding this item ensued.

D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated because this is a presidential election year Washington's normal events have pretty much come to a halt. Mr. Manning stated the ACWA Conference is coming up in February which is always interesting but with it being a presidential election year, the conference will be especially interesting. At the state level the governor's budget is prepared and is almost ready to be given to the legislature and in the governor's recent speech he did talk a lot about water. Some of his speech talked about a possible reduction in staff which was confusing because most of the field agencies are running without field positions filled and it does not appear there would be much savings in doing that. Mr. Manning stated he will be going to meeting later this month that will be discussing bond measures and he will keep the parties up to date on what is going on.

2. Recharge Update

Mr. Treweek stated there is an updated supplemental and storm water recharge handout now available which summarizes the first six months of recharge. 4,000 acre-feet of storm water has been captured. Staff has calculated the storm in January and it appears approximately 2,000 acre-feet of storm water was captured then which is a very good number. Mr. Treweek stated he feels this high number of storm water capture is due to all the improvements made to the basins over the summer and our reactions to storms when they come in.

3. Wildermuth Contract

Mr. Manning stated Watermaster staff is working with Wildermuth staff to put together a draft contract; a copy of the first draft is now available. This will allow staff to be able to have in a formal contract for the work that is done with Wildermuth Environmental. Mr. Manning noted one of the biggest changes that will be taking place will be management of projects by task number and managing by task order will allow staff to have greater management control.

4. CBWM Web Site

Mr. Manning stated there is a handout regarding the Watermaster web site depicting web site hits from November 16, 2007 to December 16, 2007. This counter will give staff information as to where people are located that are entering the Watermaster web site. During the dates noted, the web site had 481 hits and it was interesting that some of the hits came from other countries.

5. National Research Council

Mr. Manning stated the National Research Council recently came out with a new study titled, "The Prospects for Managed Underground Storage for Recoverable Water." Watermaster received an advance copy because Chino Basin Watermaster is one of the sponsors of this study along with the USGS, Cal-Fed, the City of Phoenix, Inland Empire Utilities Agency, and the Sanitations Districts of Los Angeles County. Mr. Manning stated this is a very informative publication and has some interesting conclusions and recommendations in it.

6. Replenishment Water Purchase

Mr. Manning stated there have been internal staff discussions about how Watermaster is going to meet the replenishment obligations for this year. Watermaster has an outstanding

obligation of approximately 3,900 acre-feet of water that needs to be replenished. Metropolitan Water District is not making water available for replenishment. Mr. Manning stated staff is looking at purchasing water out of storage accounts from producers in the basin. Please let staff know if you have water that you would consider selling to Watermaster. A letter regarding this same announcement will be going out shortly.

7. Personnel Committee Meeting

Mr. Manning stated a Personnel Committee meeting will be scheduled for February with the newly appointed chair heads to discuss Watermaster personnel issues.

V. INFORMATION

1. Hatch & Parent Merger with Brownstein, Hyatt, Farber, and Schreck, January 2008 and Amendments to Agreement for Legal Services
No comment was made regarding this item.

2. Newspaper Articles
No comment was made regarding this item.

VI. COMMITTEE MEMBER COMMENTS

No comment was made regarding this item.

VII. OTHER BUSINESS

No comment was made regarding this item.

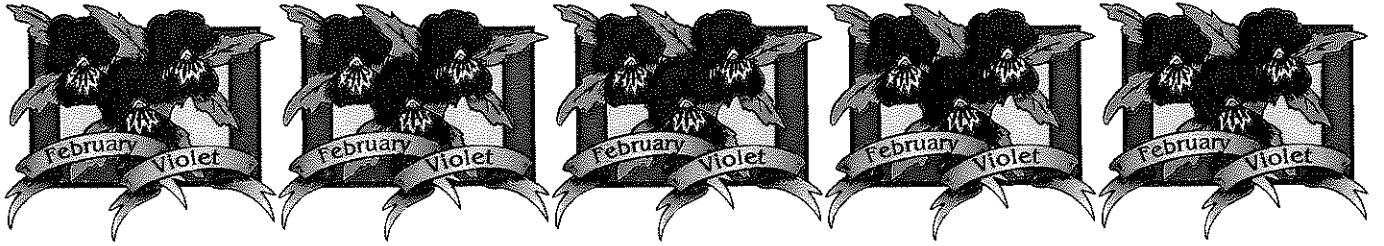
VIII. FUTURE MEETINGS

January 23, 2007	9:00 a.m.	GRCC Meeting
January 23, 2007	8:50 a.m.	Special Appropriative Pool Meeting
January 24, 2007	9:00 a.m.	Annual Advisory Committee Meeting
January 24, 2007	11:00 a.m.	Annual Watermaster Board Meeting
February 12, 2008	9:00 a.m.	Water Quality Committee Meeting
February 14, 2008	8:00 a.m.	MZ1 Technical Committee Meeting
February 14, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
February 19, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
February 28, 2008	9:00 a.m.	Advisory Committee Meeting
February 28, 2008	11:00 a.m.	Watermaster Board Meeting

The Watermaster Board meeting was dismissed by Chair Willis at 12:00 p.m.

Secretary: _____

Minutes Approved: _____

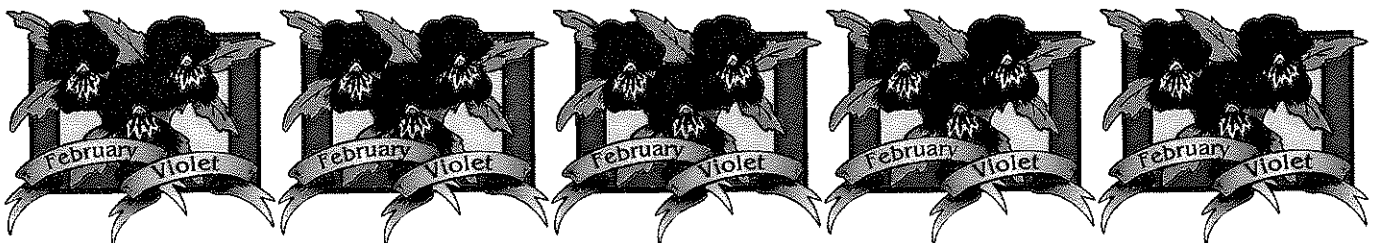


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of January 2008
2. Watermaster Visa Check Detail
3. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2007 through December 31, 2007
4. Treasurer's Report of Financial Affairs for the Period December 1, 2007 through December 31, 2007
5. Profit & Loss Budget vs. Actual July 2007 through December 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: February 14, 2008
February 19, 2008
February 28, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – January 2008

SUMMARY

Issue – Record of cash disbursements for the month of January 2008.

Recommendation – Staff recommends the Cash Disbursements for January 2008 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 January 2008 were \$1,358,060.56. The most significant expenditures during the month were Inland Empire Utilities Agency in the amount of \$940,000.00, Wildermuth Environmental Inc. in the amount of \$99,725.24, Brownstein, Hyatt, Farber & Schreck in the amount of \$73,551.15, and Ellison, Schneider & Harris, LLP in the amount of \$35,672.25.

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
January 2008

Type	Date	Num	Name	Amount
Jan 08				
General Journal	1/2/2008	08/01/3	PAYROLL	-8,245.28
General Journal	1/2/2008	08/01/3	PAYROLL	-23,814.27
Bill Pmt -Check	1/9/2008	11979	APPLIED COMPUTER TECHNOLOGIES	-3,066.10
Bill Pmt -Check	1/9/2008	11980	ARROWHEAD MOUNTAIN SPRING WATER	-25.85
Bill Pmt -Check	1/9/2008	11981	BLACK & VEATCH CORPORATION	-5,082.50
Bill Pmt -Check	1/9/2008	11982	BOWCOCK, ROBERT	-125.00
Bill Pmt -Check	1/9/2008	11983	BOWMAN, JIM	-250.00
Bill Pmt -Check	1/9/2008	11984	CITISTREET	-2,862.09
Bill Pmt -Check	1/9/2008	11985	COMPUTER NETWORK	-330.17
Bill Pmt -Check	1/9/2008	11986	DE BOOM, NATHAN	-375.00
Bill Pmt -Check	1/9/2008	11987	DIRECTV	-74.98
Bill Pmt -Check	1/9/2008	11988	DURRINGTON, GLEN	-375.00
Bill Pmt -Check	1/9/2008	11989	FEENSTRA, BOB	-500.00
Bill Pmt -Check	1/9/2008	11990	HETTINGA, PETER	-375.00
Bill Pmt -Check	1/9/2008	11991	HOSTETLER, DAN	-125.00
Bill Pmt -Check	1/9/2008	11992	HUITSING, JOHN	-375.00
Bill Pmt -Check	1/9/2008	11993	INLAND EMPIRE UTILITIES AGENCY	-127.31
Bill Pmt -Check	1/9/2008	11994	JAMES JOHNSTON	-900.00
Bill Pmt -Check	1/9/2008	11995	KONICA MINOLTA BUSINESS SOLUTIONS	-429.97
Bill Pmt -Check	1/9/2008	11996	KOOPMAN, GENE	-375.00
Bill Pmt -Check	1/9/2008	11997	KUHN, BOB	-250.00
Bill Pmt -Check	1/9/2008	11998	LOS ANGELES TIMES	-44.40
Bill Pmt -Check	1/9/2008	11999	MONTE VISTA WATER DIST	-375.00
Bill Pmt -Check	1/9/2008	12000	OFFICE DEPOT	-219.75
Bill Pmt -Check	1/9/2008	12001	PAYCHEX	-183.36
Bill Pmt -Check	1/9/2008	12002	PIERSON, JEFFREY	-875.00
Bill Pmt -Check	1/9/2008	12003	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-7,000.71
Bill Pmt -Check	1/9/2008	12004	PURCHASE POWER	-416.94
Bill Pmt -Check	1/9/2008	12005	RAUCH COMMUNICATION CONSULTANTS, LLC	-742.50
Bill Pmt -Check	1/9/2008	12006	REID & HELLYER	-7,364.68
Bill Pmt -Check	1/9/2008	12007	SAFEGUARD DENTAL & VISION	-13.32
Bill Pmt -Check	1/9/2008	12008	SAFETY CLEAN JANITORIAL SERVICES	-454.00
Bill Pmt -Check	1/9/2008	12009	STANDARD INSURANCE CO.	-565.89
Bill Pmt -Check	1/9/2008	12010	STATE COMPENSATION INSURANCE FUND	-715.65
Bill Pmt -Check	1/9/2008	12011	THE STANDARD INSURANCE COMPANY	-156.56
Bill Pmt -Check	1/9/2008	12012	THREE VALLEYS MUNICIPAL WATER DIST	-30.00
Bill Pmt -Check	1/9/2008	12013	TLC STAFFING	-1,508.87
Bill Pmt -Check	1/9/2008	12014	VANDEN HEUVEL, GEOFFREY	-500.00
Bill Pmt -Check	1/9/2008	12015	VERIZON	-386.33
Bill Pmt -Check	1/9/2008	12016	VISION SERVICE PLAN	-36.11
Bill Pmt -Check	1/9/2008	12017	W.C. DISCOUNT MOBILE AUTO DETAILING	-125.00
Bill Pmt -Check	1/9/2008	12018	WESTERN DENTAL SERVICES, INC.	-23.25
Bill Pmt -Check	1/9/2008	12019	WHEELER METER MAINTENANCE	-300.00
Bill Pmt -Check	1/9/2008	12020	WILLIS, KENNETH	-250.00
Bill Pmt -Check	1/9/2008	12021	YUKON DISPOSAL SERVICE	-142.88
Bill Pmt -Check	1/9/2008	12022	INLAND EMPIRE UTILITIES AGENCY	-190,000.00
Bill Pmt -Check	1/9/2008	12023	INLAND EMPIRE UTILITIES AGENCY	-750,000.00
Bill Pmt -Check	1/9/2008	12024	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-7,000.71
Bill Pmt -Check	1/9/2008	12025	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-7,000.71
Bill Pmt -Check	1/9/2008	12026	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-5,452.01
Bill Pmt -Check	1/9/2008	12027	CAROLLO ENGINEERS	-16,977.00
General Journal	1/12/2008	08/01/5	PAYROLL	-10,679.27
General Journal	1/12/2008	08/01/5	PAYROLL	-27,276.62
Bill Pmt -Check	1/14/2008	12028	ACWA SERVICES CORPORATION	-257.27
Bill Pmt -Check	1/14/2008	12029	CALIFORNIA PUBLIC EMPL RETIREMENT SYSTEM	-336.00
Bill Pmt -Check	1/14/2008	12030	INLAND EMPIRE UTILITIES AGENCY	-40.00
Bill Pmt -Check	1/14/2008	12031	PARK PLACE COMPUTER SOLUTIONS, INC.	-3,525.00
Bill Pmt -Check	1/14/2008	12032	PREMIERE GLOBAL SERVICES	-101.38
Bill Pmt -Check	1/14/2008	12033	RICOH BUSINESS SYSTEMS-Lease	-977.84
Bill Pmt -Check	1/14/2008	12034	SOUTHERN CALIFORNIA WATER COMMITTEE	-60.00
Bill Pmt -Check	1/14/2008	12035	THREE VALLEYS MUNICIPAL WATER DIST	-15.00
Bill Pmt -Check	1/14/2008	12036	UNITED PARCEL SERVICE	-528.31
Bill Pmt -Check	1/14/2008	12037	INLAND EMPIRE UTILITIES AGENCY	-10,000.00
Bill Pmt -Check	1/22/2008	12038	A & R TIRE	-71.54
Bill Pmt -Check	1/22/2008	12039	BANC OF AMERICA LEASING	-3,186.17
Bill Pmt -Check	1/22/2008	12040	CALIFORNIA PUBLIC EMPL RETIREMENT SYSTEM	-200.00
Bill Pmt -Check	1/22/2008	12041	COMPUTER NETWORK	-644.35
Bill Pmt -Check	1/22/2008	12042	CUCAMONGA VALLEY WATER DISTRICT	-5,495.00

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
January 2008

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
Bill Pmt -Check	1/22/2008	12043	ELLISON, SCHNEIDER & HARRIS, LLP	-35,672.25
Bill Pmt -Check	1/22/2008	12044	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	1/22/2008	12045	MCI	-1,169.95
Bill Pmt -Check	1/22/2008	12046	PETTY CASH	-490.09
Bill Pmt -Check	1/22/2008	12047	PIERSON, JEFFREY	-125.00
Bill Pmt -Check	1/22/2008	12048	PITNEY BOWES CREDIT CORPORATION	-468.72
Bill Pmt -Check	1/22/2008	12049	PRE-PAID LEGAL SERVICES, INC.	-103.60
Bill Pmt -Check	1/22/2008	12050	PUMP CHECK	-1,587.50
Bill Pmt -Check	1/22/2008	12051	STAULA, MARY L	-136.61
Bill Pmt -Check	1/22/2008	12052	TLC STAFFING	-131.20
Bill Pmt -Check	1/22/2008	12053	UNION 76	-179.15
Bill Pmt -Check	1/22/2008	12054	VANDEN HEUVEL, GEOFFREY	-125.00
Bill Pmt -Check	1/22/2008	12055	VERIZON WIRELESS	-445.66
Bill Pmt -Check	1/22/2008	12056	BANK OF AMERICA	-1,698.36
Bill Pmt -Check	1/22/2008	12057	CUCAMONGA VALLEY WATER DISTRICT	-25.00
Bill Pmt -Check	1/24/2008	12058	BROWNSTEIN HYATT FARBER SCHRECK	0.00
Bill Pmt -Check	1/24/2008	12059	CALPERS	-3,243.09
Bill Pmt -Check	1/24/2008	12060	GEOTECHNICAL SERVICES	-37.72
Bill Pmt -Check	1/24/2008	12061	KONICA MINOLTA BUSINESS SOLUTIONS	-314.07
Bill Pmt -Check	1/24/2008	12062	OFFICE DEPOT	-169.53
Bill Pmt -Check	1/24/2008	12063	STANDARD INSURANCE CO.	-565.89
Bill Pmt -Check	1/24/2008	12064	THE FURMAN GROUP, INC.	-2,500.00
Bill Pmt -Check	1/24/2008	12065	VANDEN HEUVEL, ROB	-125.00
Bill Pmt -Check	1/24/2008	12066	WILDERMUTH ENVIRONMENTAL INC	-99,725.24
Bill Pmt -Check	1/24/2008	12067	BROWNSTEIN HYATT FARBER SCHRECK	-73,551.15
General Journal	1/26/2008	08/01/7	PAYROLL	-5,207.87
General Journal	1/26/2008	08/01/7	PAYROLL	-19,800.01
Jan 08				-1,358,060.56

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02/06/08

CHINO BASIN WATERMASTER
Check Detail
January 2008

Type	Num	Date	Name	Account	Paid Amount
Bill Pmt -Check	12056	1/22/2008	BANK OF AMERICA	1012 - Bank of America Gen'l Ckg	
Bill	4024420...	12/31/2007		6141.3 - Admin Meetings	-318.82
				6312 - Meeting Expenses	-174.96
				6212 - Meeting Expense	-174.96
				6024 - Building Repair & Maintenance	-65.02
				6191 - Conferences	-515.00
				6191 - Conferences	-449.60
TOTAL					-1,698.36

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CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2007 THROUGH DECEMBER 31, 2007

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATIVE	POOL AGRICULTURAL NON-AGRIC.	POOL REPLENISHMENT	GROUNDWATER OPERATIONS 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		41,667	86,118	12,090	2,469		40	100,717	181,500
Mutual Agency Project Revenue								41,667	145,500
Grant Income									0
Miscellaneous Income									0
Total Revenues	-	41,667	5,225,564	12,090	64,075	-	40	5,343,436	7,867,370
Administrative & Project Expenditures									
Watermaster Administration	242,606							242,606	627,797
Watermaster Board-Advisory Committee	31,610							31,610	60,645
Pool Administration			8,909	79,763	3,298			91,970	127,333
Optimum Basin Mgmt Administration		1,710,744						1,710,744	1,857,337
OBMP Project Costs		1,850,429						1,850,429	5,183,883
Education Funds Use							375	375	375
Mutual Agency Project Costs									10,000
Total Administrative/OBMP Expenses	274,216	3,561,173	8,909	79,763	3,298		375	3,927,734	7,867,370
Net Administrative/OBMP Income	(274,216)	(3,519,506)						-	-
Allocate Net Admin Income To Pools	274,216		211,418	57,652	5,146			-	-
Allocate Net OBMP Income To Pools		3,519,506	2,713,504	739,955	66,047			-	-
Agricultural Expense Transfer			869,412	(869,412)				-	-
Total Expenses	3,803,242		7,959	74,491			375	3,927,734	7,867,370
Net Administrative Income	1,422,322		4,131	(10,416)			(335)	1,415,702	-
Other Income/(Expense)									0
Replenishment Water Purchases									0
MZ1 Supplemental Water Assessments									0
Water Purchases									0
MZ1 Imported Water Purchase									0
Groundwater Replenishment								(2,328,727)	0
Net Other Income								(2,328,727)	0
Net Transfers To/(From) Reserves	1,422,322		4,131	(10,416)			(335)	(913,025)	-
Working Capital, July 1, 2007	4,222,727		475,604	156,552	294,397	158,251	1,655	5,309,186	
Working Capital, End Of Period	5,645,049		479,735	146,136	(2,034,330)	158,251	1,320	4,396,161	

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

DEPOSITORIES:			
Cash on Hand - Petty Cash		\$	500
Bank of America			
Governmental Checking-Demand Deposits		\$	124,262
Zero Balance Account - Payroll			124,262
Local Agency Investment Fund - Sacramento			<u>3,748,401</u>
TOTAL CASH IN BANKS AND ON HAND	12/31/2007	\$	3,873,163
TOTAL CASH IN BANKS AND ON HAND	11/30/2007		<u>4,384,506</u>
PERIOD INCREASE (DECREASE)		\$	<u>(511,343)</u>

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:	Accounts Receivable		
	Assessments Receivable	\$	(12,457)
	Prepaid Expenses, Deposits & Other Current Assets		(20,885)
(Decrease)/Increase in Liabilities	Accounts Payable		(187,050)
	Accrued Payroll, Payroll Taxes & Other Current Liabilities		(760)
	Transfer to/(from) Reserves		<u>(290,191)</u>
PERIOD INCREASE (DECREASE)		\$	<u>(511,343)</u>

	Petty Cash	Gov't'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
\$	500	129,735	\$ -	4,254,271	\$ 4,384,506
	-	-		44,130	44,130
	-	489,573	60,427	(550,000)	-
	-	(495,046)	(60,427)	-	(555,473)
\$	500	124,262	\$ -	3,748,401	\$ 3,873,163
PERIOD INCREASE OR (DECREASE)	-	(5,473)	-	(505,870)	(511,343)

SUMMARY OF FINANCIAL TRANSACTIONS:

Balances as of 11/30/2007		
Deposits		
Transfers		
Withdrawals/Checks		
Balances as of 12/31/2007		
PERIOD INCREASE OR (DECREASE)		

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

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
12/18/2007	Withdrawal	L.A.I.F.	\$ 550,000				
TOTAL INVESTMENT TRANSACTIONS			\$ 550,000				

* The earnings rate for L.A.I.F. is a daily variable rate; 4.96% was the effective yield rate at the Quarter ended December 31, 2007

**INVESTMENT STATUS
December 31, 2007**

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 3,748,401			
TOTAL INVESTMENTS	\$ 3,748,401			

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,



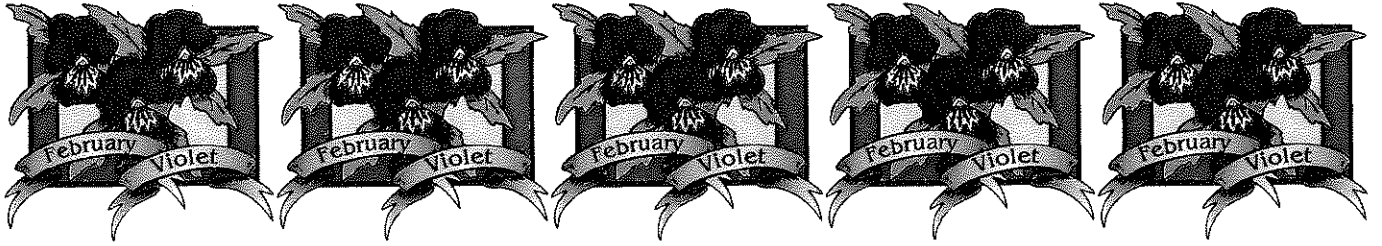
Sheri M. Rojo, CPA
Chief Financial Officer & Assistant General Manager
Chino Basin Watermaster

CHINO BASIN WATERMASTER
Budget vs. Actual
July through December 2007

	<u>Jul - Dec 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	28.64%
4100 · Administrative Assessments	5,201,052	0	5,201,052	100.0%
4110 · Admin Asmnts-Approp Pool	0	7,423,878	-7,423,878	0.0%
4120 · Admin Asmnts-Non-Agri Pool	0	116,492	-116,492	0.0%
4700 · Non Operating Revenues	100,716	181,500	-80,784	55.49%
Total Income	<u>5,343,435</u>	<u>7,867,370</u>	<u>-2,523,935</u>	<u>67.92%</u>
Gross Profit	5,343,435	7,867,370	-2,523,935	67.92%
Expense				
6010 · Salary Costs	244,691	477,247	-232,556	51.27%
6020 · Office Building Expense	48,074	101,580	-53,506	47.33%
6030 · Office Supplies & Equip.	14,636	46,500	-31,864	31.48%
6040 · Postage & Printing Costs	48,670	83,000	-34,330	58.64%
6050 · Information Services	75,448	132,000	-56,552	57.16%
6060 · Contract Services	39,608	117,500	-77,892	33.71%
6080 · Insurance	4,160	18,210	-14,050	22.85%
6110 · Dues and Subscriptions	12,734	16,750	-4,016	76.03%
6140 · WM Admin Expenses	1,177	4,650	-3,473	25.32%
6150 · Field Supplies	116	2,500	-2,384	4.63%
6170 · Travel & Transportation	7,131	25,000	-17,869	28.52%
6190 · Conferences & Seminars	9,272	22,500	-13,228	41.21%
6200 · Advisory Comm - WM Board	9,108	18,931	-9,823	48.11%
6300 · Watermaster Board Expenses	22,502	41,714	-19,212	53.94%
8300 · Appr PI-WM & Pool Admin	8,909	24,001	-15,092	37.12%
8400 · Agri Pool-WM & Pool Admin	10,074	24,004	-13,930	41.97%
8467 · Ag Legal & Techninical Services	61,730	60,000	1,730	102.88%
8470 · Ag Meeting Attend -Special	7,959	12,000	-4,041	66.33%
8500 · Non-Ag PI-WM & Pool Admin	3,298	7,328	-4,030	45.0%
6500 · Education Funds Use Expens	375	375		100.0%
9500 · Allocated G&A Expenditures	-263,111	-419,640	156,529	62.7%
	<u>366,560</u>	<u>816,150</u>	<u>-449,590</u>	<u>44.91%</u>
6900 · Optimum Basin Mgmt Plan	1,605,296	1,716,138	-110,842	93.54%
6950 · Mutual Agency Projects	0	10,000	-10,000	0.0%
9501 · G&A Expenses Allocated-OBMP	105,449	141,199	-35,750	74.68%
	<u>1,710,744</u>	<u>1,867,337</u>	<u>-156,593</u>	<u>91.61%</u>
7101 · Production Monitoring	47,963	116,709	-68,746	41.1%
7102 · In-line Meter Installation	6,628	37,791	-31,163	17.54%
7103 · Grdwtr Quality Monitoring	42,950	162,104	-119,154	26.5%
7104 · Gdwtr Level Monitoring	84,077	212,667	-128,590	39.53%
7105 · Sur Wtr Qual Monitoring	5,524	40,553	-35,029	13.62%
7107 · Ground Level Monitoring	101,281	425,465	-324,184	23.81%
7108 · Hydraulic Control Monitoring	88,725	369,232	-280,507	24.03%
7109 · Recharge & Well Monitoring Prog	16,363	182,827	-166,464	8.95%
7200 · PE2- Comp Recharge Pgm	421,883	1,255,827	-833,944	33.59%

CHINO BASIN WATERMASTER
 Budget vs. Actual
 July through December 2007

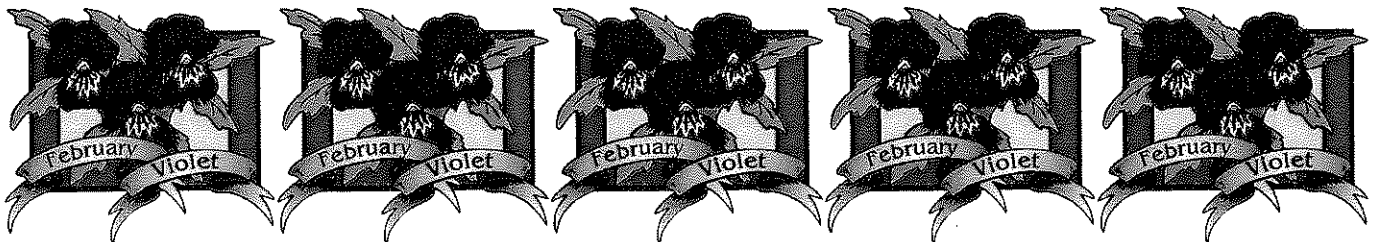
	<u>Jul - Dec 07</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7300 · PE3&5-Water Supply/Desalte	72,831	159,509	-86,678	45.66%
7400 · PE4- Mgmt Plan	94,355	159,674	-65,319	59.09%
7500 · PE6&7-CoopEfforts/SaltMgmt	68,180	308,533	-240,353	22.1%
7600 · PE8&9-StorageMgmt/Conj Use	30,419	92,660	-62,241	32.83%
7690 · Recharge Improvement Debt Pymt	618,373	1,377,552	-759,179	44.89%
7700 · Inactive Well Protection Prgm	0	4,339	-4,339	0.0%
9502 · G&A Expenses Allocated-Projects	150,877	278,441	-127,564	54.19%
	<u>1,850,429</u>	<u>5,183,883</u>	<u>-3,333,454</u>	<u>35.7%</u>
Total Expense	<u>3,927,734</u>	<u>7,867,370</u>	<u>-3,939,637</u>	<u>49.92%</u>
Net Ordinary Income	1,415,702		1,415,702	100.0%
Other Income/Expense				
Other Expense				
5010 · Groundwater Replenishment	2,328,727			
9999 · To/(From) Reserves	<u>-913,025</u>			
Total Other Expense	<u>1,415,702</u>			
Net Other Income	<u>-1,415,702</u>			
Net Income				



CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

A. BUDGET AMENDMENT/TRANSFER AND PURCHASING POLICIES





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: February 14, 2008
February 19, 2008
February 28, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: Proposed Budgeting and Purchasing Policies

SUMMARY

Recommendation – Staff recommends approval the proposed Budgeting and Purchasing Policies

DISCUSSION:

In an effort to maintain prudent fiscal oversight, Staff is requesting approval of the proposed Budget and Purchasing Policies and related procedures that identify, control and address budget expenditures and adjustments.

Currently, Watermaster Staff generates a monthly Budget vs. Actual Report and distributes the report to the Pools, Advisory Committee, and Board for approval. Following the completion of fiscal year 2006/2007, the Budget vs. Actual report noted that several different categories had budget overages. Watermaster does not currently have an adopted Budget Monitoring or Purchasing Policy. Therefore, Staff recommends the development of a policy and related procedures using guidance from Paragraph 30 of the Judgment and Paragraph 2.20 of the Rules and Regulations:

“... The administrative budget shall set forth budgeted items in sufficient detail as necessary to make a proper allocation of the expense among the several pools, together with Watermaster’s proposed allocation. The budget shall contain such additional comparative information or explanation as the Pools, Advisory Committee, and/or Board may recommend from time to time. Expenditures within budgeted items may thereafter be made by Watermaster in the exercise of powers herein granted, as a matter of course. Any budget transfer in excess of 20% of a budget category during any budget year or modification of such administrative budget during any year shall be first submitted to the Pools, Advisory Committee, and Board for review and recommendation.”

ATTACHMENTS:

1. Proposed Budget Transfers and Amendments Policy and Procedures
 - 1a. Budget Transfer
 - 1b. Amendment form

2. Proposed Purchasing Policy
 - 2a. Purchase Order form



CHINO BASIN WATERMASTER

Date: February, 2008

SUBJECT: BUDGET TRANSFERS AND AMENDMENT POLICY AND PROCEDURES

I. PURPOSE

This document defines the policies and procedures for budget transfers and amendments for the Chino Basin Watermaster.

The Chino Basin Watermaster budget has four main budget categories:

- General & Administrative Expenses
- Optimal Basin Management Program Expenses
- Project Expenditures
- Other Income/Expenses

II. BUDGET TRANSFERS AND AMENDMENT POLICIES AND GUIDELINES

Transfers:

The CEO has authority to transfer funds within the main budget categories up to \$25,000 without Board approval. However, to allow for full transparency in the process, the Pools, Advisory Committee, and the Board will be informed of all budget transfers less than \$25,000.

Budget transfers greater than \$25,000 *within the same categories* must be formally approved by the Pools, the Advisory Committee, and then by the Board.

If there are in sufficient funds within same category, the CEO may propose a transfer from one main category to another. All budget transfers from one main category to another, regardless of the amount, require approval by the Pools, the Advisory Committee, and then by the Board.

Amendments:

If there are no budgeted funds available to transfer to the line item, the CEO will submit a Budget Amendment request to the Pools, Advisory Committee, and then to the Board for approval.

III. TRANSFER AND AMENDMENT PROCEDURES

Budget Transfers (Attachment 1a):

A Budget Transfer form for transfers under \$25,000, within the same category, will be completed and presented to the Pools, Advisory Committee, and the Board for informational purposes.

A Budget Transfer form for transfers greater than \$25,000, within the same category, will be completed by staff and approved by the CEO. The transfer is then presented to the Pools, Advisory Committee, and the Board for formal approval.

Budget transfers from one main category to another, regardless of the amount, will be approved by the CEO and then presented to the Pools, Advisory Committee, and the Board for formal approval.

All budget transfers are processed in and recorded in the accounting system.

Budget Amendments (Attachment 1b):

All budget amendments will be presented to the Pools, Advisory Committee, and the Board for formal approval. The budget amendment should indicate the anticipated source of funding for the approved increase.

All budget amendments are processed in and recorded in the accounting system.



**CHINO BASIN WATERMASTER
BUDGET TRANSFERS**

Fiscal Year _____
Trans # _____

To: **All Parties**

From: _____ Date: _____

Describe reason for the transfer between budget categories here:

Budgetary account reduction		
<i>Line Item Description</i>	<i>Account Number</i>	<i>Amount</i>

Budgetary account addition		
		\$ -

Should be zero

Transfer Procedure	Finance Use Only
<p>1. Staff brings the transfer request to the Appropriate Pool for information purposes if the transfer is under \$25,000. Transfers over \$25,000 within the same budget category require Pools, Advisory Committee and Board approval. Transfers between budget categories, regardless of amount must be approved by the Pools, Advisory Committee and Board</p> <p>2. Once the form has been completed by the CFO, and approved by the board if required, the Chief Financial Officer will prepare and process the budget transfer in the accounting system.</p> <p>3. A log will be maintained by the CFO detailing the transfer.</p> <p>4. A fiscal year file will also be kept to hold all budget amendment forms for auditor review.</p>	<p>Date Board Approved _____</p> <p>Finance Log # _____</p> <p>Date Posted _____</p> <p>Posted By _____</p> <p>Approved by _____</p> <p>Date approved _____</p>



CHINO BASIN WATERMASTER BUDGET AMENDMENT

To: **All Parties**

Fiscal Year 2007-08

From : _____ Date: _____

Describe reason for the budget amendment here:

Expenditure Amendment		
<i>Line Item Description</i>	<i>Account Number</i>	<i>Amount</i>
TOTAL:		\$ -

Revenue Source		
<i>Line Item Description</i>	<i>Account Number</i>	<i>Amount</i>
TOTAL:		\$ -

<p style="text-align: center; margin: 0;">Amendment Procedure</p> <ol style="list-style-type: none"> 1. Staff takes amendment requests to the Pools, Advisory Committee & Board for approval. 2. The Chief Financial Officer will prepare and process the budget entry. 4. A log will be maintained by the Finance Department detailing the adjustment. 5. A fiscal year file will also be kept to hold all budget amendment forms for auditor review. 	<p style="text-align: center; margin: 0;">Finance Use Only</p> <p>Date Board Approved _____</p> <p>Entered into System By _____</p> <p>Finance Log # _____</p> <p>Date Posted _____</p> <p>Approved By _____</p> <p>Date Approved _____</p>
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CHINO BASIN WATERMASTER

Date: February, 2008

SUBJECT: PURCHASING POLICY AND PROCEDURES

I. PURPOSE

This document defines the policies and procedures for the procurement of supplies, equipment, and services for the Chino Basin Watermaster.

II. PURCHASING POLICIES AND GUIDELINES

The basic purchasing policy of the Chino Basin Watermaster is to obtain quality supplies, services, vehicles and equipment needed for the proper operation of its various operations at the lowest possible cost. This will be accomplished through the use of quotes and competitive bidding when feasible. Purchasing functions are to be conducted by the appropriate staff member, or as designated by the CEO, except as provided for herein. The purchasing function shall be supervised by the Chief Financial Officer.

A. Ethics and Standards of Behavior

All purchasing functions will be conducted with absolute integrity. The very highest ethical standards will be maintained in all material activities and the CFO will remain constantly aware of the responsibilities in spending public funds.

B. Purchasing Authority

There are three levels of authority for normal purchases: supervising staff, CEO, and the Board. Generally, authority is established by the dollar amount of the purchase.

Except as permitted by Section 3 regarding "Exceptions," a formal purchase order, signed by the requesting staff and the Chief Financial Officer, is required for all purchases where any single item exceeds \$1,000. For purchases exceeding \$1,000, but where no single item exceeds \$1,000, a formal purchase order is not required. However, purchase orders may be issued regardless of amount when

required by the vendor, or when the complexity of the contract demands a formal document for clarity.

1. **CEO Award: up to \$10,000.**

When seeking goods or services exceed \$1,000, the requesting supervisor will complete the purchase requisition form and submit it, including specifications, quotes and other supporting data, to the finance department for review. Upon approval by the CFO and CEO, a purchase order will be issued.

Purchases up to \$10,000 must be approved by the CEO prior to issuance of a purchase order.

2. **Board Award: over \$10,000.**

The board will approve purchases, contracts, or agreements of more than \$10,000 as follows:

a. Specifications and other relative data shall be sent to the CEO, or his authorized representative, for approval. When possible, a formal bid process is to be used for these purchases.

3. **Exceptions to Standard Purchasing Procedures**

a. *Emergency Conditions*

An emergency is defined as a breakdown in machinery, equipment, or facilities resulting in the interruption of an essential service, or a distinct threat to public health, safety, or welfare. In the case of an emergency requiring the immediate purchase of supplies, materials, equipment or contractual services, the CEO may authorize the Chief Financial Officer or his designee to secure in the open market, at the lowest obtainable price, any supplies, materials, equipment, or contractual services required, regardless of the amount of the expenditure.

During an emergency condition, supplies, materials, equipment, or contractual services may be purchased. After the CEO or designee has concluded that the purchase is essential to prevent delays which may affect the life, health, or safety of citizens. As soon as possible, the supervisor will provide a completed purchase requisition to the Chief Financial Officer or designee, as well as a full written explanation of the circumstances. In the case of a disaster or for civil defense, nothing contained in this document shall limit the authority of the CFO and/or the CEO to make purchases and take such other emergency steps as are, or may be, authorized by the Board.

C. Record Keeping

The Finance Department is responsible for the maintenance of purchasing records. During the course of a Contract Watermaster will maintain supporting documentation and records. At the conclusion of the Contract, the original bids, specifications, and other pertinent data will be forwarded, along with the request for final payment, to the Finance Department.

III. PURCHASING PROCEDURES

A. Requisition

When a purchase order is required, the request shall be presented to the Finance Department in written form (Attachment 2a). The requisition must contain sufficient information to insure acquisition of the correct item(s). Requests that will put an account over-budget must be accompanied by a Budget Transfers form (Attachment 1a) if there is to be a budget transfer of funds from other accounts within the same classification. If there are no funds available for transfer, a Budget Amendment form (Attachment 1a) must be approved by the Pools, Advisory Committee, and the Board. Original quotes or bids, specifications, and other documentation are to accompany the request.

B. Open Purchase Order

Open purchase orders are entered into with vendors that are expected to supply products or services to the Watermaster on an ongoing and/or regular basis throughout the year. Open purchase orders are closed at the conclusion of each fiscal year.

C. Receiving of Goods/Equipment

1. **Acceptance**

When goods have been received or a project has been completed to the satisfaction of the staff ordering or overseeing the project or product, the packing slip and/or other completion documentation shall be signed-off by the receiver.

PURCHASE ORDER

ATTACHMENT 1b, page 1

Chino Basin Watermaster
 9641 San Bernardino Road
 Rancho Cucamonga, CA 91730
 Tel: (909) 484-3888 Fax: (909) 484-3890

DATE:	WHEN NEEDED (DATE)?
-------	---------------------

Check the appropriate box below

- Credit card request
- Check request
- Reimbursement
- Vendor will send bill

REQUESTED BY: _____

RECOMMENDED VENDOR:

PURCHASE JUSTIFICATION:

LINE	ITEM DESCRIPTION	TO BE USED FOR	BUDGET CODE	QUANTITY	ITEM COST	TOTAL COST
1						\$0.00
2						\$0.00
3						\$0.00
4						\$0.00
5						\$0.00
6						\$0.00
7						\$0.00
8						\$0.00
9						\$0.00
10						\$0.00
11						\$0.00
12						\$0.00
TOTAL						\$0.00

 REQUISITIONER SIGNATURE

 DATE

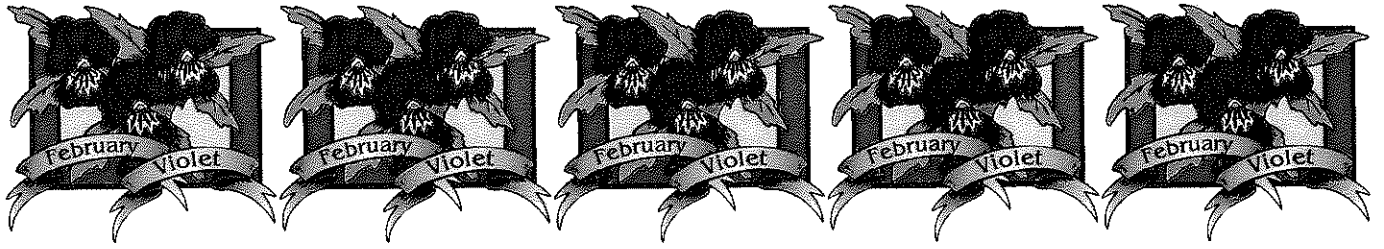
 CFO SIGNATURE

 DATE

 CEO SIGNATURE

 DATE

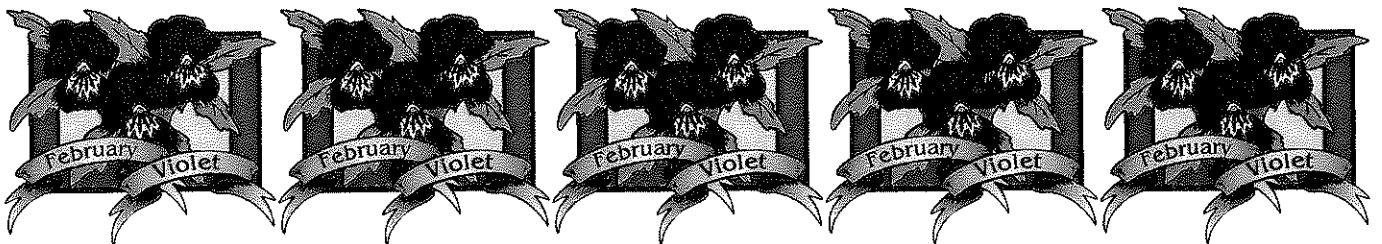
Requisitioner must complete all the above information, except for total cost, please include a line for estimated shipping and sales tax if applicable



CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

B. CAROLLO ENGINEERING CONTRACT





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: February 14, 2008
February 19, 2008
February 28, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: Extension of Contract for Project Facilitator for Chino Basin Desalters

SUMMARY

Issue – Extend the contract for the Project Facilitator to coordinate tasks relating to the implementation of the next increment of desalter capacity.

Recommendation – Approve extension of contract with Carollo Engineers to provide professional services at competitive rates for an amount not to exceed \$50,000.00, and approve Budget Amendment #A-08-02-01.

Fiscal Impact – No fiscal impact on the Watermaster Budget. All costs are being reimbursed by Western MWD.

Background

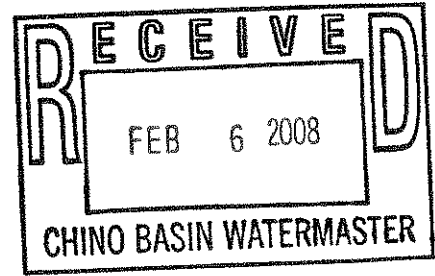
In April, the Board approved a contract with Carollo Engineers to provide the services of Gary Meyerhofer to act as the Project Facilitator for the expansion of the Chino Basin Desalters. That original agreement was for an amount not to exceed \$75,000 and Watermaster will be reimbursed for that same amount by IEUA, Western MWD and Three Valley's MWD. Those funds will be fully utilized by the end of February but the work is not yet complete.

Western MWD has approached Watermaster about extending the contract with Carollo for an additional \$50,000 with Western committing to reimburse Watermaster for that same amount. It is anticipated that when the Chino Desalter Authority (CDA) votes to include Western MWD into the JPA, that the contract with Carollo will be shifted to the CDA to administer.

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Engineers...Working Wonders With Water™



February 5, 2008
7757A.00

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

Attention: Mr. Ken Manning

Subject: Amendment No. 1 for Project Facilitation of Chino Basin Desalters

Dear Mr. Manning:

This letter serves as an amendment to our existing contract to provide Project Facilitation services for the Chino Desalters. This contract amendment of \$50,000 would cover approximately twenty-five percent of my time over the next four to five months.

If this amendment meets your approval, please sign below and return a copy for our files. Please call me if you have any questions.

Sincerely,

CAROLLO ENGINEERS, P.C.

Gary Meyerhofer, P.E.

GM:tba

Approved

Date

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CHINO BASIN WATERMASTER BUDGET AMENDMENT

To: **All Parties**

Fiscal Year 2007-08

From : Sheri Rojo, CPA

Date: February, 2008

Amendment # A-08-02-01

Describe reason for the budget amendment here: To record funds received from WMWD for Carollo Engineering contracted work and increase budgeted by same amount.

Expenditure Amendment

<i>Line Item Description</i>	<i>Account Number</i>	<i>Amount</i>
Water Supply/Desalter	7303	\$ 50,000
TOTAL:		\$ 50,000

Revenue Source

<i>Line Item Description</i>	<i>Account Number</i>	<i>Amount</i>
Western Municipal Water District	7303	\$ 50,000
TOTAL:		\$ 50,000

Amendment Procedure

1. Staff takes amendment requests to the Pools, Advisory Committee & Board for approval.
2. The Chief Financial Officer will prepare and process the budget entry.
4. A log will be maintained by the Finance Department detailing the adjustment.
5. A fiscal year file will also be kept to hold all budget amendment forms for auditor review.

Finance Use Only

Date Board Approved _____

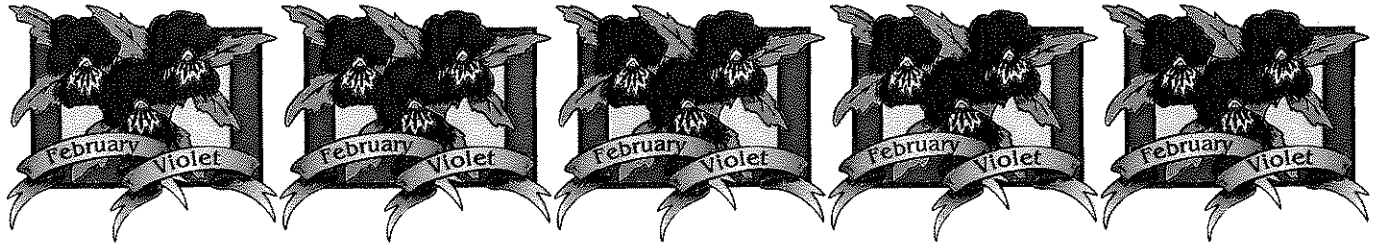
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Date Posted _____

Approved By _____

Date Approved _____

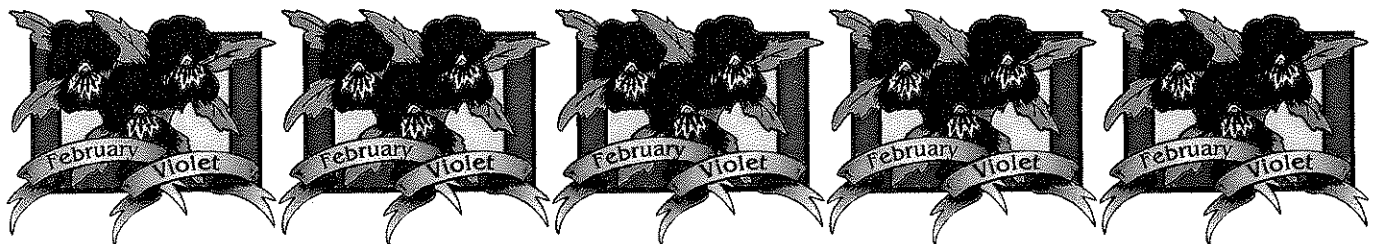
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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

C. WILDERMUTH ENVIRONMENTAL INC. CONTRACT





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: February 14, 2008
February 19, 2008
February 28, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: Technical Services Contract with Wildermuth Environmental, Inc.

SUMMARY

Recommendation – Approve the proposed technical services contract

Fiscal Impact – None. Adoption of the contract merely describes the terms under which Wildermuth Environmental, Inc. will perform its existing budgeted services for Watermaster. The contract does not increase the level of service.

BACKGROUND

Wildermuth Environmental, Inc. (“WEI”) performs a wide variety of hydrological services for Chino Basin Watermaster. These services are provided on an as-needed basis and heretofore there has been no contract with Watermaster that described the terms under which those services were to be provided.

Watermaster staff initiated discussions with WEI on this subject and the two parties have developed the subject contract.

The contract describes the terms for the performance of services by WEI, specifying such matters as the acceptability of the work product from WEI and logistical matters such as insurance coverage. Of particular note, the contract describes the terms under which WEI may perform services for parties in the Chino Basin other than Watermaster.

Under paragraph 8 of the contract, WEI will advise Watermaster of any services that it proposes to perform for other parties to the Chino Basin Judgment and shall receive written consent from the Watermaster CEO prior to engaging in such services. Any services contract between WEI and a party to the Judgment shall contain a provision providing for the termination of the services should a conflict develop between the services and the services provided by WEI to Watermaster. However, WEI will not provide services to any party to the Judgment on a matter that will later be subject to Watermaster review.

Furthermore, WEI will not provide services to the Inland Empire Utilities Agency, nor to the Three Valleys Municipal Water District and Western Municipal Water District to the extent that such services would involve matters within the Chino Basin, except through a services contract with Watermaster and those entities.

Paragraphs 8 through 14 of the contract describes the extent to which the work product by WEI shall be considered proprietary. In general, any work product that has been paid for by Watermaster shall be owned by Watermaster. In particular, this includes the Chino Basin Groundwater Model. Anything that has been developed internally by WEI that was not paid for by Watermaster, remains proprietary to WEI. These paragraphs also address liability issues concerning the release of any work product.

The contract included here shows redline changes that were proposed by the Agricultural Pool. These include changing the words "digital file" and "data file" to "work product" in paragraphs 12 through 14. The term "work product" is more general and encompasses anything produced by WEI, even if it is not an electronic file. Paragraph 23 was also changed to specify that in the event of termination of the contract, all work product that belongs to Watermaster shall be delivered to Watermaster within 60 days of termination.

**CONTRACT NUMBER 1
FOR
WATERMASTER ENGINEERING SERVICES**

THIS CONTRACT (the "Contract"), is made and entered into this 1st day of January 2008, by and between the Chino Basin Watermaster (hereinafter referred to as "Watermaster"), and, Wildermuth Environmental Incorporated, of Lake Forest, California (hereinafter referred to as "Consultant"), for professional engineering services in support the Watermaster. As this is a continuation of an earlier agreement, the terms and conditions in this Contract will control all of the services rendered during the earlier agreement and this Contract both of which shall be collectively referred to as ("Contract").

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

1. WATERMASTER CONTRACT MANAGER ASSIGNMENT: All technical direction related to this Contract shall come from the designated Watermaster Contract Manager. Details of the Watermaster's assignment are listed below:

Watermaster Contract Manager: Kenneth R. Manning
Chief Executive Officer
Chino Basin Watermaster
Address: 9641 San Bernardino Road
Rancho Cucamonga, CA 91730
Telephone: (909) 484-3888
Facsimile: (909) 484-3890
Email: kmanning@cbwm.org

2. CONSULTANT CONTRACT MANAGER ASSIGNMENT: Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

Consultant Contract Manager: Mark J. Wildermuth
President
Wildermuth Environmental, Inc.
Address: 23692 Birtcher
Lake Forest, California 92630
Telephone: (949) 420-3030
Facsimile: (949) 420-4040
Email: mwildermuth@wildermuthenvironmental.com

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3. **ORDER OF PRECEDENCE:** The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:
 1. Task Orders for specific work assignments issued pursuant to Contract No. 1.
 2. Amendments to Contract No. 1
 3. Contract Number 1, General Terms and Conditions.
4. **SCOPE OF WORK, SCHEDULE AND SERVICES:** Consultant Scope of Work, Schedule, and Services shall be in accordance with specific Task Orders that are issued pursuant to this Contract. Each Task Order will contain a scope of work, description of the deliverables, schedule, fee and the naming of a specific project manager for each Task Order.
5. **TERM:** The term of this Contract shall extend from January 1, 2008, and terminate on December 31, 2012, and will continue thereafter until one party elects to terminate with 90 days written notice.
6. **COMPENSATION:** Watermaster shall pay Consultant's properly executed monthly invoices, approved by the Watermaster Contract Manager, within thirty (30) days following receipt of the invoice. Payment will be withheld for any service, which does not meet Watermaster requirements or have proven unacceptable until such service is revised, resubmitted, and accepted by the Watermaster Contract Manager.

The Consultant will submit monthly invoices for each Task Order. Each invoice shall include a cost breakdown, billing message describing the work done during the monthly billing period, itemized material cost and reasonable and customary expenses, including that of other parties retained by Consultant and shall include the current monthly amount, and the cumulative amount invoiced to date. Material cost and reasonable expenses shall be submitted with receipts, and will be reimbursed at cost with no markup. Invoices shall not be submitted in advance.

In compensation for the work represented by this Contract, Watermaster shall pay Consultant's invoices up to the total fee established in each Task Order. Consultant shall not be paid for any amount exceeding the Task Order authorized fee, without an amendment to the Task Order.

Watermaster may, at any time, make changes to the scope of work in a Task Order, including additions, reductions, and changes to any or all of the work, as directed in writing by the Watermaster. Such changes shall be

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made by a written amendment to the Task Order. The Task Order authorized fee and schedule shall be equitably adjusted to account for such changes, and shall be set forth in the written amendment.

7. CONTROL OF THE WORK: Consultant shall perform the work described in each Task Order. If performance of the work falls behind schedule, the Consultant shall use best efforts to accelerate the work to comply with the schedule in the Task Order. If the Consultant is unable to accelerate the work, the Consultant shall promptly notify the Watermaster Contract Manger of the delay, the causes of the delay, and submit a proposed revised completion schedule.

8. SERVICES FOR OTHER PARTIES: Consultant shall advise the Watermaster CEO of any services that Consultant proposes to perform for other parties to the Chino Basin Judgment and shall receive written consent from the Watermaster CEO prior to engaging in such services. Any services contract between Consultant and a party to the Judgment shall contain a provision providing for the termination of the services should a conflict develop between the services and the services provided by Consultant to Watermaster. Notwithstanding the foregoing, Consultant shall not provide services to any party to the Judgment on a matter that will later be subject to Watermaster review. Furthermore, Consultant shall not provide services to the Inland Empire Utilities Agency, nor to the Three Valleys Municipal Water District and Western Municipal Water District to the extent that such services would involve matters within the Chino Basin, except through a services contract with Watermaster and those entities.

9. FITNESS FOR DUTY:
 - A. Fitness: Consultant shall institute steps to attempt to make certain that Consultant's personnel on the Jobsite:
 1. shall report for work in a manner fit to do their job;
 2. shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and

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3. shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of Watermaster.
10. **INSURANCE:** During the term of this Contract, the Consultant shall maintain at Consultant's sole expense, the following insurance.
- A. **Minimum Scope of Insurance:**
 1. **General Liability:** \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location, or the general aggregate limit shall be twice the required occurrence limit.
 2. **Automobile Liability:** \$1,000,000 combined single limit per accident for bodily injury and property damage.
 3. **Workers' Compensation and Employers Liability:** Workers' compensation limits as required by the Labor Code of the State of California and employers Liability limits of \$1,000,000 per accident.
 4. **Professional Liability insurance** in the amount of \$1,000,000 per occurrence with a \$2,000,000 policy aggregate.
 - B. **Deductibles and Self-Insured Retention:** Any deductibles or self-insured retention, different from those generally available at reasonable cost, must be declared to and approved by the Watermaster.
 - C. **Other Insurance Provisions:** The policies are to contain, or be endorsed to contain, the following provisions:
 1. **General Liability and Automobile Liability Coverage**
 - a. The Watermaster, its officers, officials, employees and volunteers are to be covered as insureds, endorsements as respects: liability arising out of activities performed by or on behalf of the Consultant, products and completed operations of the Consultant, premises owned, occupied or used by the Consultant, or automobiles owned, leased, hired or borrowed by

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the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the Watermaster, its officers, officials, employees or volunteers.

- b. The Consultant's insurance coverage shall be primary insurance as respects the Watermaster, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Watermaster, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Watermaster, its officers, officials, employees or volunteers.
- d. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. The Consultant may satisfy the limit requirements in a single policy or multiple policies. Any such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. All Coverages

Each insurance policy required by this contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Watermaster.

- D. Acceptability of Insurers: With the exception of Professional Liability Insurance, all insurance is to be placed with insurers with a Best's rating of no less than A:VII. Professional Liability Insurance is to be placed with insurers with a Best's rating of no less than B:VII.
- E. Verification of Coverage: Consultant shall furnish the Watermaster with certificates of insurance and with original endorsements effecting coverage required by the Watermaster for themselves and all

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subcontractors prior to commencing work or allowing any subcontractor to commence work under any subcontract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be approved by the Watermaster before work commences. The Watermaster reserves the right to require complete, certified copies of all required insurance policies, at any time.

- F. Submittal of Certificates: Consultant shall submit all required certificates and endorsements to the following:

Sherri Rojo
Chief Financial Officer
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

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11. LEGAL RELATIONS AND RESPONSIBILITIES

- A. Professional Responsibility: The Consultant shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.
- B. Status of Consultant: The Consultant is retained as an independent Consultant only, for the sole purpose of rendering the services described herein, and is not an employee of the Watermaster.
- C. Observing Laws and Ordinances: The Consultant shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Consultant shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the Watermaster, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Consultant or its employees.
- D. Subcontract Services: Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Watermaster Contract Manager.
- E. Indemnification: The Consultant agrees to protect, defend, indemnify and hold harmless the Watermaster, its officers, directors, agents, employees, servants, and volunteers free and harmless from liability, claims, judgments, costs and demands, including demands arising from injuries or death of persons (including employees of the Watermaster and the Consultant) and damage to property, directly or indirectly out of the obligations herein undertaken or out of the operations conducted by the Consultant, its employees, agents, representatives or subcontractors under or in connection with this Contract, to the extent due to Consultant's negligence or willful misconduct. The Consultant further agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands or suit at the sole expense of the Consultant.

The Watermaster agrees to protect, defend, indemnify and hold harmless the Consultant, its officers, directors, agents, employees,

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servants, and volunteers free and harmless from liability, claims, judgments, costs and demands, including demands arising from injuries or death of persons (including employees of the Watermaster and the Consultant) and damage to property, directly or indirectly out of the obligations herein undertaken or out of the operations conducted by the Watermaster, its employees, agents, representatives or subcontractors under or in connection with this Contract, to the extent due to the Watermaster's negligence or willful misconduct. The Watermaster further agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands or suit at the sole expense of the Watermaster.

Notwithstanding anything to the contrary in this Contract, any suit, arbitration, claim, demand, indemnification, or any other remedy against the Consultant shall be limited to the scope of the insurance coverage and limits currently in force for the Consultant. Such insurance shall be only the workers compensation and employers liability, general liability, and errors and omissions insurance. The scope of the insurance coverage and limits in such policies may change over time with changes by the insurance companies or the Consultant and such changed policies shall become the available insurance currently in force for the Consultant; and, the Consultant shall not be required to provide notice of any such changes after the earlier of final payment, the completion of services performed by the Consultant under this Contract, or the termination of the Contract. In no event shall any employee, agent, officer, director or shareholder of Consultant have any individual liability.

Notwithstanding anything to the contrary in this Contract, any suit, arbitration, claim, demand, indemnification, or any other remedy against the Watermaster shall be limited to the scope of the insurance coverage and limits currently in force for the Watermaster. Such insurance shall be only the workers compensation and employers liability, general liability, and errors and omissions insurance. The scope of the insurance coverage and limits in such policies may change over time with changes by the insurance companies or the Watermaster and such changed policies shall become the available insurance currently in force for the Watermaster. In no event shall any employee, agent, officer, director or member of Watermaster have any individual liability.

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- F. Conflict of Interest: No official of the Watermaster who is authorized in such capacity and on behalf of the Watermaster to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.
- G. Equal Opportunity: During the performance of this Contract, the Consultant shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin.
- H. Non-Conforming Work and Warranty: Consultant represents and warrants that the deliverables provided in each Task Order shall be adequate to serve the purposes described in each Task Order issued pursuant to the Contract. For a period of not less than one (1) year after completion of a Task Order, Consultant shall, at no additional cost to Watermaster, correct any and all errors in the deliverable. Upon request of Watermaster, Consultant shall correct any such error deemed important by Watermaster in its sole discretion to Watermaster's continued use of the Task Order deliverable pursuant to a schedule jointly agreed to by the Watermaster and the Consultant. The Consultant will use best efforts to correct all errors in a timely manner.
- I. Disputes:
1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Consultant shall pursue the work to completion in accordance with the instruction of the Watermaster's Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq, or their successor. Both Watermaster and Consultant waive trial by jury and any appeal except as the appeal is provided below.

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2. In the event of arbitration, the parties hereto agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:
 - a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Consultant to be appointed as Arbitrator. The Watermaster shall determine if any of the names submitted by Consultant are acceptable and, if so, such person will be designated as Arbitrator. The Watermaster shall have seven (7) calendar days in which to determine if one such person is acceptable.
 - b. In the event that none of the names submitted by Consultant are acceptable to Watermaster, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Watermaster shall submit to Consultant a list of five names of persons acceptable to the Watermaster for appointment as Arbitrator. The Consultant shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.
 - c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration, including but not limited to reasonable attorneys' fees, shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et. seq., or their successor, the costs of arbitration shall also include court costs associated with such appeals, including but not limited to reasonable attorneys' fees which shall be recoverable by the prevailing party. If either Watermaster or Consultant desires to appeal the ruling of the arbitrator, then it may utilize this procedure to have a retired appellate judge to decide those issues being appealed in which case the party appealing shall pay the fees and costs of the arbitrator hearing the appeal and each party shall pay its own attorneys fees and costs for the appeal.

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4. Joinder in Mediation/Arbitration: The Watermaster may join the Consultant in mediation or arbitration commenced by a contractor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the Watermaster's representative to the Consultant.

J. Attorneys' Fees: In the event an action is commenced by a party to this Contract against the other to enforce its rights or obligations arising from this Contract, the prevailing party in such action, in addition to any other relief and recovery ordered by the court or arbitration, shall be entitled to recover all statutory costs, plus reasonable attorneys' fees.

12. Watermaster shall own all work product created pursuant to work which was or will be billed to Watermaster by Consultant. This includes, but is not limited to, current and future iterations of the Chino Basin Groundwater Model.

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13. The work product that remains proprietary to Consultant includes, but is not limited to the relational database called "Database and Visual Explanation" also known as "DaVE" and its supporting software, including the DaVE graphic user interface (GUI), the database structure (tables and relationships), the DaVE web services, and relational software tools. However, Consultant shall provide a license to Watermaster to use DaVE without cost to Watermaster.

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14. Watermaster shall not release to any third party for any reason any work product that is proprietary to Consultant without prior written permission from Consultant.

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15. Before Watermaster releases any work product owned by Watermaster to any third party, it shall receive written releases of liability in favor of both Watermaster and Consultant prior to such release.

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16. PUBLIC RECORDS POLICY: The Watermaster shall use its best efforts to notify Consultant of any requests for disclosure of any documents pertaining to Consultant.

In the event of litigation concerning disclosure of information Consultant considers exempt from disclosure; (e.g., Trade Secret, Confidential, or

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Proprietary) Watermaster shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Watermaster is required to defend an action arising out of a Public Records Act request for any of the information Consultant has marked "Confidential," "Proprietary," or "Trade Secret," Consultant shall, if it decides to pursue such exemption from disclosure, defend and indemnify Watermaster from all liability, damages, costs, and expenses, including attorneys' fees, in any action or proceeding arising under the Public Records Act.

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17. TITLE AND RISK OF LOSS:

- A. Documentation: Except as pertains to proprietary work product of the Consultant or stated otherwise in each Task Order, title to the Documentation (Work Products) created in a Task Order shall pass to Watermaster when prepared; however, a copy may be retained by Consultant for its records and internal use.

The Work Products shall not be changed or used for purposes other than those set forth in the Task Order without the prior written approval of Consultant. If Watermaster releases the Work Products to a third party without Consultant's prior written consent, or changes or uses the Work Products other than as intended hereunder, Watermaster shall do so at its sole risk and discretion, and Watermaster shall indemnify the Consultant against any and all claims and/or damages resulting from or connected with the release of or any third party's use of the Work Products.

- B. Material: Unless stated otherwise in each Task Order, title to all Material, field or research equipment, and laboratory models, procured or fabricated under the Contract shall pass to Watermaster when procured or fabricated, and such title shall be free and clear of any and all encumbrances. Consultant shall have risk of loss of any Material or Watermaster-owned equipment of which it has custody. Watermaster shall indemnify the Consultant against any and all claims and/or damages resulting from or connected with the use of all Material, field or research equipment, and laboratory models, procured or fabricated under the Contract that are subsequently used by the Watermaster or by third parties.

- C. Disposition: Consultant shall dispose of items to which Watermaster has title as directed in writing by the Watermaster Contract Manager.

18. NOTICES: Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Watermaster: Sherri Rojo,
Chief Financial Officer
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

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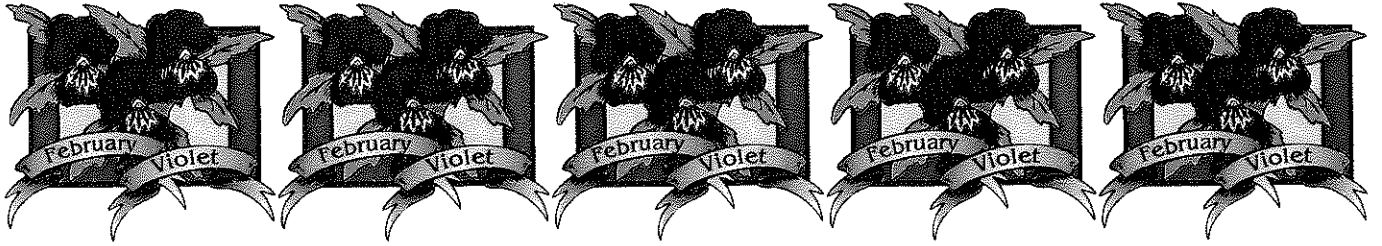
Consultant: Dr. Joseph LeClaire
Chief Operating Officer
Wildermuth Environmental, Inc.
23692 Birtcher
Lake Forest, California 92630

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

19. SUCCESSORS AND ASSIGNS: All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Watermaster, the Consultant, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Consultant under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Watermaster; except that it may be assigned without such consent to a related entity, an affiliate or wholly owned subsidiary of Consultant; and, any such purported or attempted assignment, transfer or disposal without the prior written consent of the Watermaster shall be null, void and of no legal effect whatsoever.
20. RIGHT TO AUDIT: The Watermaster reserves the right to review and/or audit all Consultant's records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Consultant. The Consultant shall make all records and related documentation available at the place of business of Consultant within three (3) working days after said records are requested by the Watermaster. Notwithstanding the foregoing, an adjustment may only be requested and a claim made during the term of each Task Order and for one year following its final payment. Following the termination of the claim period then Consultant may destroy its records for such Task Order.
21. INTEGRATION: The Contract Documents represent the entire Contract of the Watermaster and the Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by the Watermaster and the Consultant.

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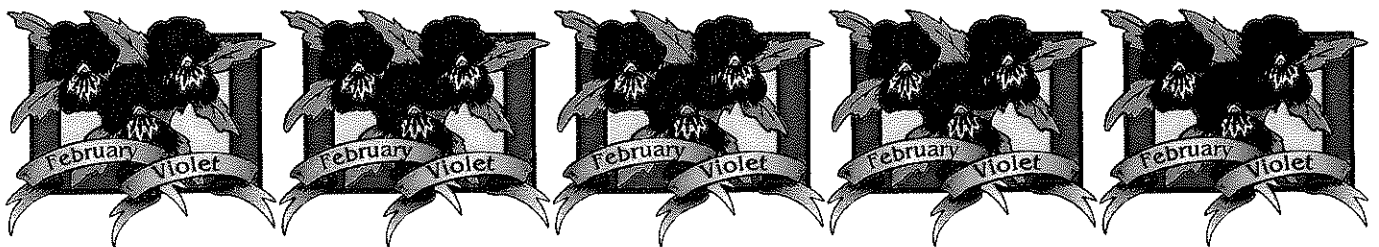
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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

D. BUDGET AMENDMENT/TRANSFER ACTION ITEMS





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: February 14, 2008
February 19, 2008
February 28, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: Proposed Budget Transfer Request

SUMMARY

Recommendation - Staff recommends that the Pools, Advisory Committee, and Board approve the proposed Budget Transfer request.

DISCUSSION:

The adopted budget for the Optimum Basin Management Program (OBMP) included funds to be spent on non-program specific engineering costs such as support of the Peace II process, preparation, and attendance at Pool, Advisory Committee and Watermaster meetings, miscellaneous data and staff requests, development, and maintenance of the Groundwater Model, report preparation, and court ordered work. Also included in the OBMP category budget are costs related to Watermaster General Counsel and the Special Referee and her Technical Assistant. At the time of the budget preparation, it was assumed that Peace II would be resolved before or shortly into the new fiscal year and therefore, the budget reflected an expected decrease in anticipated costs. Peace II took longer to reach a resolution – with significantly more time than was originally budgeted. In addition to increased expenses relating to the Peace II process, Watermaster also incurred unbudgeted costs relating to the Santa Ana River water rights application process. In addition to engineering and legal costs exceeding budget in the OBMP category, the Agricultural Pool's special counsel and technical consultant are exceeding their annual budget amount.

As a result of the unforeseen costs relative to the aforementioned categories, staff recommends the transfer of budgeted funds from accounts listed on the attached Budget Transfer request which are anticipated to come from accounts where expenditures will be deferred to cover the anticipated budget shortfalls.

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**CHINO BASIN WATERMASTER
BUDGET TRANSFERS**

Fiscal Year 2007-2008
T-08-02-01

To: **All Parties**

From: Sheri Rojo Date: February, 2008

Describe reason for the transfer between budget categories here: To transfer funds to cover expected cost overages in accounts referenced below.

Budgetary account reduction

<i>Line Item Description</i>	<i>Account Number</i>	<i>Amount</i>
Production Monitoring	7101	\$ (15,000)
In-Line Meter Installation	7102	\$ (20,000)
Groundwater Water Quality Monitoring	7103	\$ (45,000)
Groundwater Level Monitoring	7104	\$ (30,000)
Surface Water Quality Monitoring	7105	\$ (25,000)
Ground Level Monitoring	7107	\$ (155,000)
Hydraulic Control Monitoring	7108	\$ (170,000)
Recharge & Well Monitoring Program	7109	\$ (80,000)
Comp Recharge Program	7200	\$ (310,000)
Coop Efforts/Salt Management	7500	\$ (170,000)
Storage Management/Conj Use	7600	\$ (10,000)

Budgetary account addition

Ag Legal & Technical	8467	\$ 50,000
Optimum Basin Mgmt Plan	6900	\$ 980,000
		\$ -

Should be zero

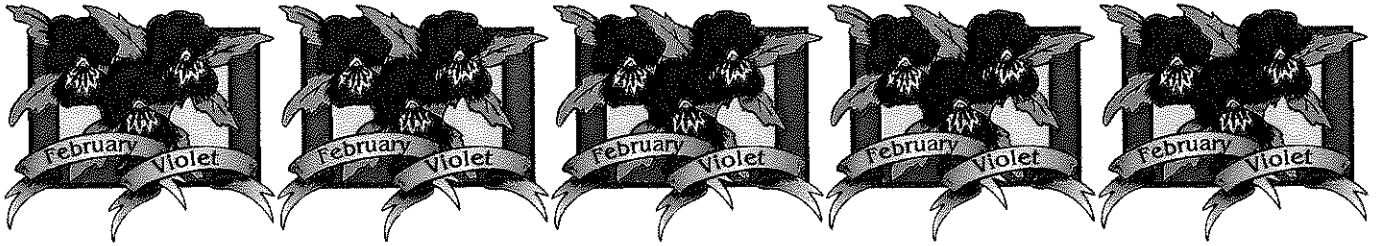
Transfer Procedure

- Staff brings the transfer request to the Appropriate Pool for information purposes if the transfer is under \$25,000. Transfers over \$25,000 within the same budget category require Pools, Advisory Committee and Board approval. Transfers between budget categories, regardless of amount must be approved by the Pools, Advisory Committee and Board
- Once the form has been completed by the CFO, and approved by the board if required, the Chief Financial Officer will prepare and process the budget transfer in the accounting system.
- A log will be maintained by the CFO detailing the transfer.
- A fiscal year file will also be kept to hold all budget amendment forms for auditor review.

Finance Use Only

Date Board Approved _____
Date Posted _____
Posted By _____
Approved by _____
Date approved _____

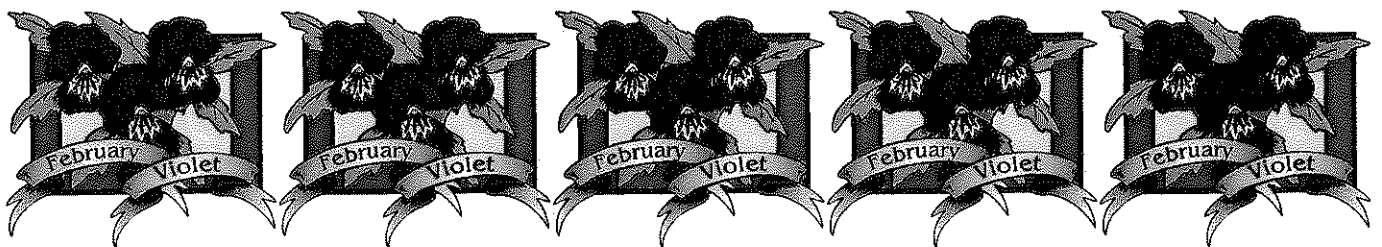
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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

E. CBWM OFFICE ASSISTANT AND OFFICE SPECIALIST POSITIONS





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: February 28, 2008
TO: Watermaster Board Members
SUBJECT: Creation of Positions: Office Specialist and Office Assistant

SUMMARY

Recommendation - Approve creation of the positions of Office Assistant and Office Specialist with salary ranges as recommended by the Personnel Committee. (see attached for both job descriptions and salary range recommendations)

Fiscal Impact – The Board approved budget for 07-08 includes money for the position of Office Specialist. It does not include the money for the Office Assistant position. The CEO only intends on hiring the position of Office Specialist during this fiscal year. An appointment to the Office Assistant position will not occur until it is budgeted in 08-09.

BACKGROUND

In September of 2007 the Board took action to eliminate the position of Secretary II. At the time the CEO mentioned that he was interested in reworking the job description and creating a more workable solution for the organization.

At a meeting of the Personnel Committee on February 6th, the CEO made the recommendation to create two positions that would work in tandem to cover the duties of the front desk and the clerical requirements for the staff other than the CEO. Both positions have salary ranges that are lower than the Secretary II position and when they work together, should provide complete coverage for the organization.

The positions were patterned after the same positions within the City of Ontario.

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Office Assistant

Supervisor: Chief Finance Officer

Status: P

GENERAL DESCRIPTION

Under general supervision, answer incoming telephone calls and direct calls to proper staff; schedule meetings; provide basic clerical support on behalf of designated supervisory, managerial or administrative positions; act as receptionist; and perform other related work as necessary.

TYPICAL DUTIES

The duties listed below are intended as illustrations of the various types of work that may be performed. The omission of specific duties does not exclude them from the position if the work is similar, related or a logical assignment to this class. Duties could include:

1. Answer incoming calls and take messages or route individuals appropriate to staff; assist public and direct to appropriate locations and/or staff.
2. Schedule meetings at the direction of supervisor staff.
3. Assist public at counter/front desk and direct persons to appropriate locations and/or staff.
4. Type and verify information in basic forms and documents.
5. Sort incoming mail and prepare outgoing mail.
6. Enter specific information into computer databases.
7. Copy, fax and distribute documents.
8. Sort, check and file basic records.
9. Order and maintain office supplies.
10. Coordinate development application intake processing. (Planning)
11. Testify in court. (Police)
12. Establish and maintain files for department memos, correspondence, contracts, agreements, City departments, purchase orders, and miscellaneous information.
13. Maintain Conference Room and EOC reservation logbooks. (Fire)

QUALIFICATIONS

- Any combination of experience and training that would likely provide the required knowledge and abilities is qualifying. Typical ways to obtain the knowledge and abilities would be:

Educational Background:

- Equivalent to completion of high school.

Knowledge and Special Skills:

- Six or more months of varied clerical support experience, preferably involving some public contact work. Some experience and/or training in use of Microsoft Office products. Some familiarity with other personnel and information systems and software applications. Office practices, procedures, and equipment. Word processing and spreadsheet applications programs.



Office Assistant

Supervisor: Chief Finance Officer

Status: P

QUALIFICATIONS

License or Certificate:

- Possession of, or ability to obtain, an appropriate, valid California driver's license and clean driving record.

Physical Demands:

- The physical demands described are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform essential functions.

Sustained posture in a seated position.

Normal dexterity of hands and fingers to handle or feel objects, tools or controls.

High use of computer terminal and keyboard.

High to moderate requirements for hand coordination, visual and cognitive abilities.

Reach with arms and hands.

Regularly lift, carry and/or move up to ten pounds and occasionally lift, carry and/or move up to twenty-five pounds at waist high level, all without assistance.

Ability to bend, stoop, stretch, and kneel.

QUALIFICATIONS

- Any combination of experience and training that would likely provide the required knowledge and abilities is qualifying. Typical ways to obtain the knowledge and abilities would be:

Work Environment:

- The work environment characteristics described are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Primary office environment; noise level usually quiet to moderate.



Office Specialist

Supervisor: Chief Executive Officer

Status: P

GENERAL DESCRIPTION

Under general supervision, provide varied secretarial, clerical, accounting, and customer service support on behalf of designated supervisory, managerial or administrative positions within a department; and perform other related work as necessary.

TYPICAL DUTIES

The duties listed below are intended as illustrations of the various types of work that may be performed. The omission of specific duties does not exclude them from the position if the work is similar, related or a logical assignment to this class. Duties could include:

1. Type correspondence, reports, records, applications, and other types of documents.
2. Answer incoming and help desk calls and route individuals to appropriate staff; schedule meetings, assist public at front counter and direct public to appropriate locations and/or staff and answer basic questions regarding department procedures.
3. Prepare and maintain various logs, records, invoices, purchase orders and department files.
4. Enter, update and verify detailed fields of information in department computer database; prepare forms, lists and related summaries.
5. Issue forms and permits and process applications and payments.
6. Operate or relieve personnel at receptionists desk or assist other administrative support personnel in completing tasks.
7. Assist administrative support personnel with varied tasks, including preparation of certain agenda distribution packets.
8. Prepare and distribute incoming and outgoing mail.
9. Coordinate and make travel arrangements for conferences, workshops and other meetings to be attended or administered by managers, supervisors, administrators or other personnel
10. Arrange, assemble and prepare designated information for annual budget.

QUALIFICATIONS

- Any combination of experience and training that would likely provide the required knowledge and abilities is qualifying. Typical ways to obtain the knowledge and abilities would be:

Educational Background:

- Equivalent to completion of high school.

Knowledge and Special Skills:



Office Specialist

Supervisor: Chief Executive Officer

Status: P

QUALIFICATIONS

Knowledge and Special Skills:

- Three years or more of varied office clerical support experience, including some public contact work. Experience and/or training in the use of Microsoft Office products.

Office practices, procedures, and equipment.

Word processing, database and spreadsheet software applications programs.

Basic accounting methods.

Operate personal computer and standard office equipment, including fax machines, computer printers, and copier machines.

Organize, coordinate and complete task to meet scheduled deadlines.

Research and answer basic questions concerning procedures and programs.

Understand and follow oral and written instructions.

Communicate effectively both orally and in writing with co-workers, supervisors, management, public, and other department representatives.

License or Certificate:

- Possession of, or ability to obtain, an appropriate, valid California driver's license and clean driving record.

Physical Demands:

- The physical demands described are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform essential functions.

Sustained posture in a seated position.

Normal dexterity of hands and fingers to handle or feel objects, tools or controls.

High use of computer terminal and keyboard.

High to moderate requirements for hand coordination, visual and cognitive abilities.

Reach with arms and hands.

Regularly lift, carry and/or move up to ten pounds and occasionally lift, carry and/or move up to twenty-five pounds at waist high level, all without assistance.

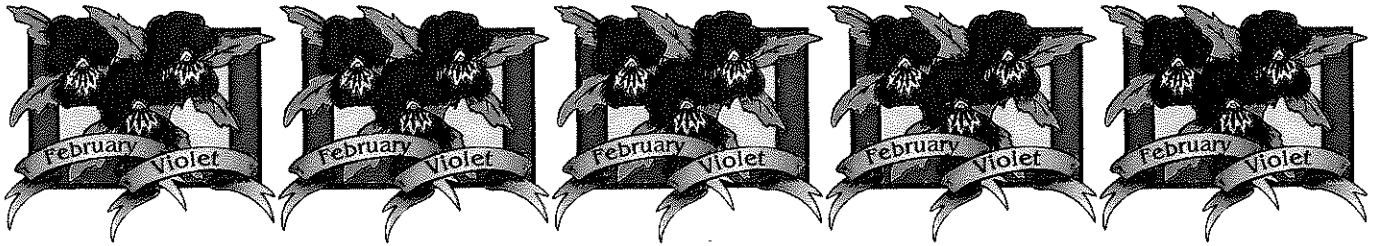
Ability to bend, stoop, stretch, and kneel.

QUALIFICATIONS

- Any combination of experience and training that would likely provide the required knowledge and abilities is qualifying. Typical ways to obtain the knowledge and abilities would be:

CHINO BASIN WATERMASTER BUDGET WORKSHEET							Budgeted 2007/2008 Positions
Including COLA 1.040		SALARY MATRIX 2007/2008 REVISED					
GRADE	STEP	ANNUAL	MONTHLY	BI-WEEKLY	WEEKLY	HOURLY	
W010 - Gordon	A	91,026	7,586	3,501.00	1,750.50	43.76	
Project Engineer	B	95,577	7,965	3,676.05	1,838.03	45.95	
7/21/2003	C	100,356	8,363	3,859.85	1,929.93	48.25	
	D	105,374	8,781	4,052.85	2,026.42	50.66	
	E	110,643	9,220	4,255.49	2,127.74	53.19	X
W009 - Sheri	A	93,735	7,811	3,605.20	1,802.60	45.07	
Chief Financial Officer	B	98,422	8,202	3,785.46	1,892.73	47.32	
12/19/2001	C	103,343	8,612	3,974.73	1,987.37	49.68	
	D	108,510	9,043	4,173.47	2,086.73	52.17	
	E	113,936	9,495	4,382.14	2,191.07	54.78	X
W005 - Janine	A	42,046	3,504	1,617.16	808.58	20.21	
Accountant	B	44,148	3,679	1,698.02	849.01	21.23	
6/30/2000	C	46,356	3,863	1,782.92	891.46	22.29	
	D	48,674	4,056	1,872.06	936.03	23.40	X
	E	51,107	4,259	1,965.67	982.83	24.57	
W011 - Sherri Lynne	A	46,742	3,895	1,797.76	898.88	22.47	
Executive	B	49,079	4,090	1,887.65	943.82	23.60	
Assistant	C	51,533	4,294	1,982.03	991.02	24.78	
12/15/2003	D	54,109	4,509	2,081.13	1,040.57	26.01	
	E	56,815	4,735	2,185.19	1,092.59	27.31	X
W004 -	A	31,200	2,600	1,200.00	600.00	15.00	
Office Specialist	B	32,760	2,730	1,260.00	630.00	15.75	
	C	34,398	2,867	1,323.00	661.50	16.54	
	D	36,118	3,010	1,389.15	694.58	17.36	
	E	37,924	3,160	1,458.61	729.30	18.23	
W006 -3	A	24,960	2,080	960.00	480.00	12.00	
Office Assistant	B	26,208	2,184	1,008.00	504.00	12.60	
	C	27,518	2,293	1,058.40	529.20	13.23	
	D	28,894	2,408	1,111.32	555.66	13.89	
	E	30,339	2,528	1,166.89	583.44	14.59	
W007 - Danni	A	87,337	7,278	3,359.12	1,679.56	41.99	
Senior Engineer	B	91,704	7,642	3,527.08	1,763.54	44.09	
8/12/2003	C	96,289	8,024	3,703.43	1,851.71	46.29	
	D	101,104	8,425	3,888.60	1,944.30	48.61	
	E	106,159	8,847	4,083.03	2,041.52	51.04	X
W008 - Jim	A	61,476	5,123	2,364.48	1,182.24	29.56	
Water Resource	B	64,550	5,379	2,482.70	1,241.35	31.03	
Engineer	C	67,778	5,648	2,606.84	1,303.42	32.59	
7/20/1992	D	71,167	5,931	2,737.18	1,368.59	34.21	
	E	74,725	6,227	2,874.04	1,437.02	35.93	X
W013 - Justin	A	52,475	4,373	2,018.28	1,009.14	25.23	
Environmental Specialist	B	55,099	4,592	2,119.19	1,059.60	26.49	
2/14/2005	C	57,854	4,821	2,225.15	1,112.58	27.81	
	D	60,747	5,062	2,336.41	1,168.21	29.21	X
	E	63,784	5,315	2,453.23	1,226.62	30.67	
W012 - Frank	A	56,152	4,679	2,159.68	1,079.84	27.00	
GIS Specialist	B	58,959	4,913	2,267.66	1,133.83	28.35	
2/14/2005	C	61,907	5,159	2,381.05	1,190.52	29.76	
	D	65,003	5,417	2,500.10	1,250.05	31.25	X
	E	68,253	5,688	2,625.10	1,312.55	32.81	

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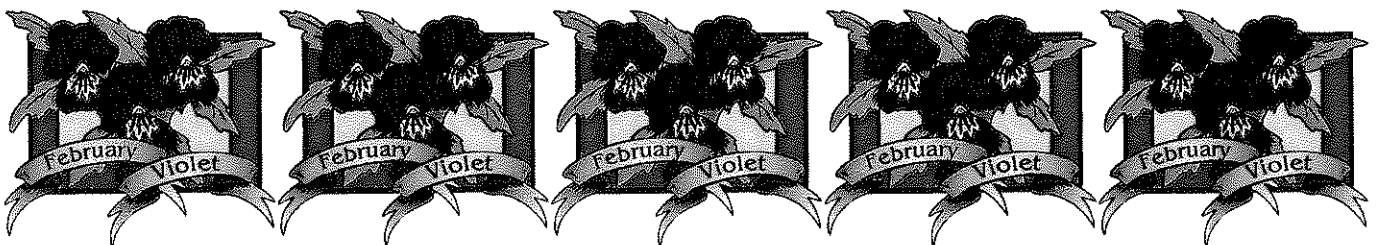


CHINO BASIN WATERMASTER

III. REPORTS/UPDATES

D. CEO/STAFF REPORT

3. Semi-Annual Status Report



Optimum Basin Management Program

Status Report 2007-2: July to December 2007

Introduction

This status report covers the period July 1, 2007 through December 31, 2007. The bulk of this report describes the activities that occurred and status of the work conducted for each program element of the Optimum Basin Management Program (OBMP). However, there are additional significant efforts that occurred during the reporting period to include:

The Wildermuth final report entitled "Optimum Basin Management Program State of the Basin Report – 2006," dated July 2007 was accepted. This annual report documents groundwater production, recharge, quality, and level within the Chino Basin.

- The Wildermuth final report entitled "2007 CBWM Groundwater Model Documentation and Evaluation of the Peace II Project Description," dated November 2007, was accepted. It evaluated the state of hydraulic control and the amount of Re-Operation water required to achieve and maintain hydraulic control. The report also provided a material physical injury analysis for the implementation measures.
- Watermaster received and evaluated the Special Referee's "Preliminary Comments and Recommendations on Motion for Approval of Peace II Documents," dated November 29, 2007. This document recommended that Watermaster conduct further technical analysis and modeling on a range of technical issues, and address certain legal issues related to Peace II implementation.
- Watermaster legal counsel prepared "Watermaster Response to Special Referee's Preliminary Comments and Recommendations on Motion for Approval of Peace II Documents," dated December 14, 2007. This document provided further technical and legal discussion of the issues raised in the Special Referee's preliminary comments and recommendations.
- Watermaster received and evaluated the Special Referee's "Final Report and Recommendations on Motion for Approval of Peace II Documents," dated December 20, 2007. This report recommended that Watermaster submit to the court the Hydraulic Control technical reports, the Recharge Master Plan update and assurances, the Hydraulic Control evaluation standard, the safe yield analysis, and the new equilibrium assurances by the dates specified.
- Watermaster received and accepted the Superior Court's "Order Concerning Motion for Approval of Peace II Documents," dated December 21, 2007. This order adopted the recommendations made in the Special Referee's Final Report, and provided dates certain when Watermaster is to submit various technical reports and legal briefs.

Program Element 1: Develop and Implement a Comprehensive Monitoring Program

Groundwater Level Monitoring

Watermaster has three active groundwater level monitoring programs operating in the Chino Basin: 1) A semiannual basin-wide well monitoring program, 2) A key well monitoring program associated with the Chino I/II Desalter well fields and the Hydraulic Control Monitoring Program (HCMP), and 3) A piezometric monitoring program associated with land subsidence and ground fissuring in Management Zone 1 (MZ-1). The frequency of groundwater level monitoring varies with each program, depending on the needs of the data analyst. These groundwater level monitoring programs also rely on municipal producers, other government agencies, and private entities to supply their groundwater level measurements on a cooperative basis. Watermaster digitizes all these measurements and combines them into a relational database for general usage. During this period, Watermaster purchased and installed pressure



transducers/data loggers at key wells; principally in the northern portions of Chino Basin where more detailed groundwater level data are needed.

Groundwater Quality Monitoring

During this reporting period no additional wells were sampled. Watermaster continues a comprehensive data collection program whereby water quality data from other sources are routinely collected, QA/QC'd, and loaded into Watermaster's database.

Watermaster and the Inland Empire Utilities Agency (IEUA) are working closely with the Appropriative Pool members and their state-certified laboratories to obtain water quality data as an electronic data deliverable (EDD), which can be entered directly into Watermaster's relational database.

Groundwater-Production Monitoring

All active wells (except for minimum user wells) are now metered. Watermaster reads the agricultural production data from the meters on a quarterly basis and enters these data into Watermaster's relational database.

Surface Water Monitoring

Water Quality and Quantity in Recharge Basins. Watermaster measures the quantity and quality of storm and supplemental water entering the recharge basins. Pressure transducers or staff gauges are used to measure water levels during recharge operations. In addition to these quantity measurements, imported water quality values for State Water Project water are obtained from the Metropolitan Water District of Southern California (MWDSC) and recycled water quality values for the RP1 and RP4 treatment plant effluents are obtained from IEUA. Watermaster monitors the storm water quality in the eight major channels (San Antonio, West Cucamonga, Cucamonga, Deer Creek, Day Creek, San Sevaire, West Fontana, and DeClez) usually after each major storm event. Combining the measured flow data with the respective water qualities enables the calculation of the blended water quality in each recharge basin, the "new yield" to the Chino Basin, and the adequate dilution of recycled water.

Surface Water Monitoring in Santa Ana River (SAR). Watermaster measures the discharge of the river and selected water quality parameters to determine those reaches of the SAR that are gaining flow from Chino Basin and/or, conversely, those reaches that are losing flow into the Chino Basin. These bi-weekly flow and water quality measurements are combined with discharge data from permanent USGS and Orange County Water District (OCWD) stream gauges and discharge data from publicly owned treatment works (POTWs). These data are used in groundwater modeling to assess the extent of hydraulic control.

HCMP Annual Report

In January 2004, the RWQCB amended the Water Quality Control Plan (Basin Plan) for the Santa Ana River Basin to incorporate an updated total dissolved solids (TDS) and nitrogen (N) management plan. The Basin Plan Amendment includes both "antidegradation" and "maximum benefit" objectives for TDS and nitrate-nitrogen for the Chino and Cucamonga groundwater management zones. The application of the "maximum benefit" objectives relies on Watermaster and the IEUA's implementation of a specific program of projects and requirements, which are an integral part of the OBMP. On April 15, 2005, the RWQCB adopted resolution R8-2005-0064; thus approving the Surface Water Monitoring Program and Groundwater Monitoring Program in support of maximum benefit commitments in the Chino and Cucamonga Basins. Watermaster and the IEUA completed the 2006 Annual Report, which summarizes the results for those two programs, and submitted it to the RWQCB on April 16, 2007 in partial fulfillment of maximum benefit commitments.

Chino Basin Groundwater Recharge Program

The IEUA, Watermaster, Chino Basin Water Conservation District, and the San Bernardino County Flood Control District jointly sponsor the Chino Basin Groundwater Recharge Program. This is a comprehensive water supply program to enhance water supply reliability and improve the groundwater quality in local drinking water wells throughout the Chino Groundwater Basin by increasing the recharge of storm water, imported water, and recycled water. The recharge program is regulated under RWQCB Order No. R8-2005-0033 and Monitoring and Reporting Program No. R8-2005-0033.



Recharge Activities. On-going recycled water recharge occurred in the, Hickory Basin during this reporting period, and a six month recycled water test recharge program began at the 7th and 8th Street basins in September 2007.

Monitoring Activities. Watermaster and the IEUA collect weekly and bi-weekly water quality samples from basins that are actively recharging recycled water and from lysimeters installed within those basins. During this reporting period, approximately 493 basin and lysimeter samples were collected. Monitoring wells located down gradient of the recharge basins were sampled every two weeks during the reporting period for a total of about 82 samples.

Construction Activities. Lysimeters and monitoring wells associated with the 7th and 8th Street Basins were installed in fiscal year (FY) 2007/08.

Reporting. Watermaster and the IEUA completed the following required reports concerning the recharge program during the reporting period:

- Recycled Water Groundwater Recharge Program Phase I and Phase II Recharge Projects: Operation, Maintenance & Monitoring Plan, August 2007
- Recycled Water Groundwater Recharge Program Phase I and Phase II Recharge Projects: Diluent Water Monitoring Plan, October 2007
- 3Q07 Quarterly Report – November 2007

Land Surface Monitoring

Watermaster developed a multifaceted land surface monitoring program to develop data for a long-term management plan for land subsidence in Management Zone 1 (MZ-1). The monitoring program consisted of three main elements:

- An aquifer system monitoring facility consisting of multiple depth piezometers and a dual bore extensometer.
- The application of synthetic aperture radar interferometry (InSAR) to measure historical land surface deformation.
- Benchmark surveys to measure land surface deformation, “ground truth” the InSAR data, and evaluate effectiveness of the long term management plan.

Following two years of data collection and analysis, Watermaster submitted the MZ-1 Summary Report in October 2005, which contained Guidance Criteria to minimize subsidence and fissuring. The Guidance Criteria included a listing of Managed Wells and their owners subject to the criteria, a map of the so-called Managed Area, an initial threshold water level (Guidance Level) of 245 feet below the top of the PA-7 well casing, and a plan for ongoing monitoring and notification. Since October 2005, the MZ-1 Summary Report and the Guidance Criteria contained therein have been discussed extensively by the parties involved, and were adopted by the Watermaster Board at its May 2006 Meeting . The final MZ-1 Subsidence Management Plan was adopted by the Watermaster Board at its June 2007 Meeting.

The MZ-1 monitoring program continues unabated. Water level monitoring expanded to the central regions of MZ-1 with the installation of transducers/data loggers at selected wells owned by the City of Chino, the Monte Vista Water District, and the City of Pomona. This expansion of the water level monitoring program is the initial effort to better understand the mechanisms behind ongoing land subsidence in Central MZ-1. Watermaster also monitors vertical ground-surface deformation via ground level surveying and InSAR to understand the extent, rate, and spatial distribution of land subsidence in Central MZ-1. Watermaster uses electronic distance measurement (EDM) to monitor horizontal ground surface displacement across the zone of potential ground fissuring near the intersection of Central Avenue and Philadelphia Street.

All the data collected and analyzed during the Interim Monitoring Program (IMP) indicate very little permanent subsidence in the Southeast Area (east of Ayala Park) since the 1990s. However Watermaster monitors vertical ground-surface deformation via ground level surveying and InSAR techniques as part of the same program for the Managed Area. In addition, Watermaster installed pressure transducers/data loggers in 16 existing production and/or monitoring wells to record water levels every 15 minutes.

The data collected and analyzed during the IMP indicate minor but persistent permanent subsidence in the Northeast Area since the early 1990s. Consequently, Watermaster monitors ground-surface deformation via ground level surveying and InSAR techniques as part of the same program conducted in the Managed Area.



During FY 2007/08, Watermaster and the MZ-1 Technical Committee will further evaluate the contribution of pumping in the central and northern portions of MZ-1 on groundwater conditions, continue testing and monitoring to refine the Guidance Criteria, and work with Chino Hills to evaluate their options for producing groundwater from MZ-1. By the end of March 2008, the MZ-1 Technical Committee will have prepared specific scopes of work and detailed cost estimates for the above activities for inclusion in the FY 2008/09 budget.

Program Element 2: Develop and Implement a Comprehensive Recharge Program

Construction on the Chino Basin Facilities Improvement Project (CBFIP) Phase I was completed by December 31, 2005 at a cost of \$38M; 50% from a SWRCB Proposition 13 Grant, and 25% each from Watermaster and the IEUA. A CBFIP Phase II list of projects was developed by Watermaster and the IEUA, including monitoring wells, lysimeters, recycled water connections, SCADA system expansions, three MWDSC turnouts, and berm heightening and hardening. At a cost of approximately \$12M, these Phase II facilities will be financed through a 50% Grant from DWR and 25% each from Watermaster and the IEUA.

In FY 2005/06, the CBFIP Phase I facilities were able to recharge 49,000 AF of storm and supplemental water. With the completion of the Phase II facilities in FY 2007/08, the total recharge capacity will be about 91,000 AF. By the start of FY 2009/10, most of the basins will be able to operate on a 12 months-per-year basis with combinations of storm, imported, and recycled water, with occasional downtime for silt and organic growth removal. Operations and basin planning are coordinated through the Groundwater Recharge Coordinating Committee (GRCC), which met monthly during this reporting period.

Because of the drought and Delta water quality issues, MWDSC has been unable to provide replenishment water to southern California since May 1, 2007. This greatly restricts Watermaster's ability to recharge recycled water, since the California Department of Public Health requires that two parts of diluent water (imported or storm water) be blended with each part of recycled water. For this reporting period, only 4,000 AF of storm and recycled water have been recharged.

Program Element 3: Develop and Implement Water Supply Plan for the Impaired Areas of the Basin; and

Program Element 5: Develop and Implement Regional Supplemental Water Program

Construction on the Chino I Desalter Expansion and the Chino II Desalter facilities was completed in February 2006 and an application has been made for \$1.6 M in Proposition 50 funds to add 8 MGD of ion exchange capacity to the Chino II Desalter. As currently configured, the Chino I Desalter provides 2.6 MGD of treated (air stripping for VOC removal) water from Wells Nos. 1-4, 4.9 MGD of treated (ion exchange for nitrate removal) water from Wells Nos. 5-15, and 6.7 MGD of treated (reverse osmosis for nitrate and TDS removal) water from Wells Nos. 5-15 for a total of 14.2 MGD (16,000 AFY). The Chino II Desalter provides 4.0 MGD of ion exchange treated water and 6.0 MGD of reverse osmosis treated water from 8 additional wells for a total of 10.0 MGD (11,000 AFY).

Negotiations are currently underway between the Chino Desalter Authority and Western Municipal Water District to allow WMWD to join the CDA and to expand the Chino II Desalter by 10.5 mgd (10,600 AFY). Raw water will be drawn from existing CDA II wells, and possible additional new wells if needed. In addition, a new Chino Creek Well Field, required for hydraulic control, will provide additional raw water to the Chino I Desalter, enabling existing Well Nos. 13, 14, and 15 to shift production to the expanded Chino II Desalter facility if needed.

Program Element 4: Develop and Implement a Comprehensive Groundwater Management Plan for Management Zone 1

In October 2005, Watermaster completed the MZ-1 Summary Report, including the Guidance Criteria. Since then the impacted parties have had numerous meetings to transform the Summary Report into a Long-term Management Plan. The Summary Report and the Guidance Criteria were adopted by the Watermaster Board in May 2006, and the Long-term Management Plan was adopted in June 2007.



Program Element 6: Develop and Implement Cooperative Programs with the Regional Water Quality Control Board, Santa Ana Region (Regional Board) and Other Agencies to Improve Basin Management; and

Program Element 7: Develop and Implement a Salt Management Program

A Water Quality Committee meeting was held on July 19, 2007 to discuss the status of the investigations of the three major water quality plumes (Chino Airport, Ontario Airport, and Stringfellow Hazardous Waste site) in the Basin. For the Chino Airport, the consulting engineer for the San Bernardino County Department of Airports has successfully characterized the horizontal extent of TCE contamination, and submitted a work plan on December 10, 2007 to determine the vertical extent of contamination. Their work plan calls for installing 3 wells up to 300' in depth along the plume axis; to be followed by two wells ranging in depth from 100'-200' in order to sample the highest TCE concentrations. The SBCDA proposes to construct the wells in April 2008.

For the Ontario International Airport (OIA) plume, the Potentially Responsible Parties (PRPs) have been working with Watermaster to quantify the depth and extent of the TCE plume. The PRPs submitted a Work Plan in May 2007 for installing and sampling four groundwater monitoring wells, with two wells down gradient of the OIA and two wells down gradient of the Milliken Landfill. Watermaster and the RWQCB approved the Work plan; and the PRPs propose to begin drilling their monitoring wells in March 2008.

At the Stringfellow site, the consultants to the Department of Toxic Substances Control have been investigating whether the perchlorate plume from the site adds to the existing perchlorate levels in the Santa Ana River, or whether the perchlorate plume is diverted towards the Chino II Desalter well field. The results of their investigation, together with further discussion of the Chino Airport and OIA plumes will be the key topics of the Water Quality Committee meeting on February 12, 2008. Lastly, Watermaster continues to monitor the activities of General Electric's (GE) remediation at the Flat Iron facility and their efforts to develop a new location for recharge of their treated effluent.

MZ-3 Monitoring Program

The former Kaiser plume has been incorporated into an overall monitoring program for the MZ-3 area. The MZ-3 monitoring program is also assessing the groundwater quality impairment from total dissolved solids (TDS), nitrate, and perchlorate. The perchlorate may have originated from the Mid-Valley Landfill (in Rialto Basin, across the Rialto-Colton fault) or it may be a non-point source that resulted from the historical application of Chilean fertilizer. Four rounds of quarterly samples have been collected from 22 wells, including former Kaiser wells that Watermaster previously renovated: MP2 and KOFS. The MP2 cluster of wells (four depths) was in the heart of the Kaiser plume when the well was constructed; while KOFS was just beyond the leading edge of the plume. MP2 continues to show an impact from the Kaiser plume and the KOFS well is now impacted. Based on the analytical results, two new monitoring wells were constructed and two quarterly samples taken. Results from the entire monitoring program for MZ-3 will be presented in the final report, to be completed in FY 2007/08.

TDS and Nitrogen Monitoring Pursuant to the 2004 Basin Plan Amendment

Pursuant to the 2004 Basin Plan Amendment and the Watermaster/IEUA permit to recharge recycled water, Watermaster and the IEUA have conducted groundwater and surface water monitoring programs. Quarterly HCMP reports that summarize data collection efforts were submitted to the RWQCB in July and October of 2007. An annual HCMP report for 2007 will be submitted to the RWQCB in April 2008.

Program Element 8: Develop and Implement a Groundwater Storage Management Program; and

Program Element 9: Develop and Implement a Storage and Recovery Program

The existing Watermaster/IEUA/Metropolitan Dry Year Yield (DYY) program continued during the reporting period. As of December 31, 2007, about 88,434 acre-ft had been stored in the Basin in Metropolitan's DYY account. The construction statuses of local facilities included in the DYY program for the participating parties are as follows:



- City of Ontario – Wellhead treatment facility: final design received in October 2007. DYY Wells: Bids received for equipping Well No's 44 and 52; but were rejected in September 2007. New bid opening scheduled for 1Q 2008.
- Cucamonga Valley Water District – Five new wells (Nos. 39-42, and 43): construction completed for Well Nos. 39-42 and contract issued for wellhead equipment and transmission main for Well No. 43.
- City of Upland – New IX treatment facility constructed and online.
- City of Pomona – Expansion of existing IX treatment facility is 95% complete, and a permit to operate has been requested.
- City of Chino Hills – Refurbish Pellisier well and construct new treatment facility: design underway
- Monte Vista Water District – Well No. 31: well construction completed July 2006 and well equipping is scheduled for completion in August 2008. Well No. 32 is substantially complete. Well No. 33 and treatment facility (joint MVWD/Chino project): Well construction is complete and treatment facility construction is underway, with completion scheduled for July 2008.
- Jurupa Community Services District – Expansion of the Teagarden IX facility completed and online.

