



CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, May 22, 2007

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

(Lunch will be served)

AT THE CHINO BASIN WATERMASTER OFFICES

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





CHINO BASIN WATERMASTER

Thursday, May 22, 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. – May 22, 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 Advisory Committee Meeting held on April 24, 2008 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of April 2008 *(Page 13)*
2. Watermaster Visa Check Detail *(Page 17)*
3. Combining Schedule for the Period July 1, 2007 through March 31, 2008 *(Page 19)*
4. Treasurer's Report of Financial Affairs for the Period March 1, 2008 through March 31, 2008 *(Page 21)*
5. Budget vs. Actual July 2007 through March 2008 *(Page 23)*

C. KCO, LLC ("KOLL") INTERVENTION

1. Consider Approval of Application of Intervention by KCO, LLC ("Koll") to become a Member of the Overlying Non-Agricultural Pool *(Page 25)*

D. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The Cucamonga Valley Water District has an agreement with West Valley Water District, formerly known as West San Bernardino County Water District, whereby Cucamonga Valley Water District will purchase 500 acre-feet of West valley Water District's stored Chino Basin groundwater. Date of Application: March 13, 2008 *(Page 47)*
2. **Consider Approval for Notice of Sale or Transfer** – Sunkist Growers ("Transferor") hereby permanently transfers to KCO, LLC – "Koll" ("Transferee") the quantity of 22.000 acre-feet per year of corresponding Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment. Date of Application: March 4, 2008 *(Page 63)*

II. BUSINESS ITEMS

A. WATERMASTER 2008-2009 BUDGET

Discussion and Possible Action to Consider Approval for the Chino Basin Watermaster 2008-2009 Budget (*Page 69*)

B. CHINO CREEK WELL FIELD COSTS

Consider Approval to Request to Take Active Role in the Litigation and Remediation of VOC Plume Emanating from the Chino Airport (*Page 99*)

C. AGREEMENT WITH IEUA FOR REIMBURSEMENT FOR CEQA COSTS

Consider Approval for the Agreement with Inland Empire Utilities Agency for Reimbursement for CEQA Costs (*Page 103*)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. July 24, 2008 Hearing
2. Santa Ana River Permits

B. ENGINEERING UPDATES

1. Conditions Subsequent 5 and 6 Update
2. Changes in the Characteristics in the Santa Ana River Flow

C. CEO/STAFF REPORT

1. Legislative Update
2. Recharge Update
3. OIA Update

D. INLAND EMPIRE UTILITIES AGENCY

1. MWD Water Alert Presentation
2. Recycled Water 3-Year Budget Presentation (*Page 111*)
3. Recycled Water Newsletter (*Page 123*)
4. Monthly Water Conservation Programs Report (*Page 129*)
5. Monthly Imported Water Deliveries Report (*Page 133*)
6. State and Federal Legislative Report (*Page 139*)
7. Community Outreach/Public Relations Report (*Page 173*)

E. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. INFORMATION

1. Newspaper Articles (*Page 175*)

V. COMMITTEE MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

May 22, 2008	9:00 a.m.	Advisory Committee Meeting
May 22, 2008	11:00 a.m.	Watermaster Board Meeting
May 29, 2008	10:00 a.m.	Recharge Master Plan Meeting
June 12, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
June 17, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
June 26, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
June 26, 2007	9:00 a.m.	Advisory Committee Meeting
June 26, 2007	11:00 a.m.	Watermaster Board Meeting

Meeting Adjourn

**CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING**

11:00 a.m. – May 22, 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 Watermaster Board Meeting held on April 24, 2008 *(Page 7)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of April 2008 *(Page 13)*
2. Watermaster Visa Check Detail *(Page 17)*
3. Combining Schedule for the Period July 1, 2007 through March 31, 2008 *(Page 19)*
4. Treasurer's Report of Financial Affairs for the Period March 1, 2008 through March 31, 2008 *(Page 21)*
5. Budget vs. Actual July 2007 through March 2008 *(Page 23)*

C. KCO, LLC ("KOLL") INTERVENTION

1. Consider Approval of Application of Intervention by KCO, LLC ("Koll") to become a Member of the Overlying Non-Agricultural Pool *(Page 25)*

D. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The Cucamonga Valley Water District has an agreement with West Valley Water District, formerly known as West San Bernardino County Water District, whereby Cucamonga Valley Water District will purchase 500 acre-feet of West valley Water District's stored Chino Basin groundwater. Date of Application: March 13, 2008 *(Page 47)*
2. **Consider Approval for Notice of Sale or Transfer** – Sunkist Growers ("Transferor") hereby permanently transfers to KCO, LLC – "Koll" ("Transferee") the quantity of 22.000 acre-feet per year of corresponding Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment. Date of Application: March 4, 2008 *(Page 63)*

II. BUSINESS ITEMS

A. WATERMASTER 2008-2009 BUDGET

Discussion and Possible Action to Consider Approval for the Chino Basin Watermaster 2008-2009 Budget *(Page 69)*

B. CHINO CREEK WELL FIELD COSTS

Consider Approval to Request to Take Active Role in the Litigation and Remediation of VOC Plume Emanating from the Chino Airport *(Page 99)*

C. AGREEMENT WITH IEUA FOR REIMBURSEMENT FOR CEQA COSTS

Consider Approval for the Agreement with Inland Empire Utilities Agency for Reimbursement for CEQA Costs *(Page 103)*

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. July 24, 2008 Hearing
2. Santa Ana River Permits

B. ENGINEERING UPDATES

1. Conditions Subsequent 5 and 6 Update
2. Changes in the Characteristics in the Santa Ana River Flow

C. CEO/STAFF REPORT

1. Legislative Update
2. Recharge Update
3. OIA Update

IV. INFORMATION

1. Newspaper Articles *(Page 175)*

V. BOARD MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

May 22, 2008	9:00 a.m.	Advisory Committee Meeting
May 22, 2008	11:00 a.m.	Watermaster Board Meeting
May 29, 2008	10:00 a.m.	Recharge Master Plan Meeting
June 12, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
June 17, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
June 26, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
June 26, 2007	9:00 a.m.	Advisory Committee Meeting
June 26, 2007	11:00 a.m.	Watermaster Board Meeting

Meeting Adjourn



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Advisory Committee Meeting – April 24, 2008



Draft Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING
April 24, 2008

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

ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

Robert DeLoach, Chair	Cucamonga Valley Water District
Mark Kinsey	Monte Vista Water District
Ken Jeske	City of Ontario
Ron Craig	City of Chino Hills
Robert Young	Fontana Union Water Company
Mike McGraw	Fontana Water Company
J. Arnold Rodriguez	Santa Ana River Water Company
Anthony La	City of Upland
Dave Crosley	City of Chino
Charles Moorrees	San Antonio Water Company
Raul Garibay	City of Pomona
Robert Tock	Jurupa Community Services District

Non-Agricultural Pool

Bob Bowcock, Chair	Vulcan Materials Company (Calmat Division)
--------------------	--

Agricultural Pool

Jeff Pierson	Ag Pool, Crops
Jennifer Novak	State of California – Department of Justice

Watermaster Board Members Present

Terry Catlin	Inland Empire Utilities Agency
--------------	--------------------------------

Watermaster Staff Present

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

Watermaster Consultants Present

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

Others Present

Dan Bott	Orange County Water District
Dave Penrice	ACM
Eunice Ulloa	Chino Basin Water Conservation District
Sandra Rose	Monte Vista Water District
Marty Zvirbulis	Cucamonga Valley Water District
Tom Crowley	Western Valley Water District
Steven G. Lee	Reid & Hellyer
Rich Atwater	Inland Empire Utilities Agency
Martha Davis	Inland Empire Utilities Agency
Mike Sovich	Three Valleys Municipal Water District

Chair DeLoach called the Advisory Committee meeting to order at 9:08 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting held March 27, 2008
2. Minutes of the Watermaster Board/Advisory Committee Conference Call held March 31, 2008

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2008
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2007 through February 29, 2008
4. Treasurer's Report of Financial Affairs for the Period February 1, 2008 through February 29, 2008
5. Budget vs. Actual July 2007 through January 2008

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

Moved to approve consent calendar items A and B as presented

II. BUSINESS ITEMS

A. PROPOSED BUDGET TRANSFER REQUEST

Mr. Manning stated this item was presented last month and at that Appropriative and Non-Agricultural Pool meeting staff was directed to hold the item over until a conversation could be held between members of the Appropriative Pool and the Agricultural Pool. That meeting did take place and no recommendation was received as a result of that meeting. A motion was made at the March Agricultural Pool which designated \$50,000 for the budget transfer. Since that meeting staff has reviewed the Agricultural Pool Legal and Technical invoices that have been submitted to Watermaster and have analyzed them going forward to the end of the year and staff believes \$35,000 is an appropriate amount to seek approval for a budget transfer at this time. Mr. Manning stated all Pools have agreed to the new projected amount.

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

Moved to approve the budget transfer request in the amount of \$35,000 for the Agricultural Pool legal and technical expenses, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Hanson Aggregates

Counsel Fife stated this item is regarding the discharge of silt into the Lower Day Basin. As a result, a complaint has been filed by Chino Basin Watermaster and served on Hanson Aggregates. A mediation session was held last week which did not produce a settlement. A case management conference took place on April 18, 2008 and at the conference the judge instructed the parties to move into the discovery process and scheduled another case conference for a few months out. Considering what happens between now and the case conference the judge will consider scheduling a trial date last this year or the beginning of next year. A discussion regarding this matter ensued.

2. May 1st 2008 Hearing and Associated Pleadings

Counsel Fife stated there was a draft Watermaster pleading which was sent out yesterday. There is a copy of that draft pleading on the back table. Counsel would like direction from the parties today as to the filing of that pleading in order to meet deadlines. Counsel Fife stated a copy of a proposed stipulation is being handed out right now that legal counsel and staff have been in discussions with Monte Vista Water District (MVWD) over the past few days. This draft stipulation attempts to settle the MVWD issues. Counsel and staff are willing to recommend this so the Advisory Committee and Watermaster Board for adoption. MVWD will need to advise on their position on the stipulation. Fife reviewed the Watermaster stipulation regarding resolving MVWD's issues. A discussion regarding this matter ensued. The Advisory Committee decided to take a 10 minute break to discuss the stipulation between Watermaster and Monte Vista Water District. After the conclusion of the break a motion was made to add this item to the agenda.

Motion by Jeske, second by La, and by unanimous vote

Moved to add this item to the agenda, as presented

A brief discussion regarding this item ensued.

Motion by Jeske, second by Crosley, and by unanimous vote

Moved to authorize the stipulation to be forwarded to the Watermaster Board and allow counsel and/or staff to make corrections that are not substantive in content, as presented

B. ENGINEERING UPDATES

1. Hydraulic Control Monitoring Program Report
No comment was made regarding this item.

2. Chino Creek Well Field, Test Well Site
No comment was made regarding this item.

3. Conditions Subsequent No. 3, 5, and 6
No comment was made regarding this item.

C. FINANCIAL REPORT

1. Financial Update

Ms. Rojo stated a Budget Ad-Hoc Committee meeting was held recently and the participants included board members and pool members. The budget categories were reviewed and discussed for the next fiscal year. The scheduling of work, and who performs what tasks and the budgeted costs of the categories was reviewed in detail. It was noted that Watermaster appeared to be on task and that another meeting does not need to be scheduled. The Watermaster Budget Workshop has been scheduled for April 29, 2008 at 10:00 a.m.

D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated he went to Sacramento yesterday and met with the GRA and the California Groundwater Collation. Mr. Manning was able to speak with several legislators regarding recycling bills and noted the discussions went very well.

2. Recharge Update

No comment was made regarding this item.

Added Comment:

Mr. Manning stated the most current documents regarding Peace II are now available on the back table for parties to add into the small three ring Watermaster binders. Watermaster is making extra copies of binders for the Agricultural Pool who stated they don't currently have updated copies. Mr. Manning noted the recharge spread sheet is available on the back table for review.

E. INLAND EMPIRE UTILITIES AGENCY

1. Santa Ana River Watermaster
Mr. Atwater discussed recycled water and its usages in detail.
2. Monthly Water Conservation Programs Report
No comment was made regarding this item.
3. Monthly Imported Water Deliveries Report
No comment was made regarding this item.
4. State and Federal Legislative Report
Ms. Davis commented on bill 802270, which is a bill that would give local agencies the authority to regulate water softeners. Ms. Davis discussed the bill in detail.
5. Community Outreach/Public Relations Report
No comment was made regarding this item.
6. Recycled Water Program Newsletter – April 2008
No comment was made regarding this item.

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

No comment was made regarding this item.

IV. INFORMATION

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

V. COMMITTEE MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

April 10, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
April 15, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
April 24, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
April 24, 2008	9:00 a.m.	Advisory Committee Meeting
April 24, 2008	11:00 a.m.	Watermaster Board Meeting
April 24, 2008	1:00 p.m.	Recharge Master Plan Meeting
April 29, 2008	10:00 a.m.	CBWM Budget Workshop
* May 15, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
May 20, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
May 22, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
May 22, 2008	9:00 a.m.	Advisory Committee Meeting
May 22, 2008	11:00 a.m.	Watermaster Board Meeting

* Note: App & Non-Ag Meeting has changed from May 8, 2008 to May 15, 2008

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

Secretary: _____

Minutes Approved: _____

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Watermaster Board Meeting – April 24, 2008



Draft Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING
April 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 April 24, 2008 at 11:00 a.m.

WATERMASTER BOARD MEMBERS PRESENT

Ken Willis, Chair	City of Upland
David DeJesus	Three Valleys Municipal Water District
John Rossi	Western Municipal Water District
Jim Bowman	City of Ontario
Kathy Tiegs	Cucamonga Valley Water District
Terry Catlin	Inland Empire Utilities Agency
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
Eunice Ulloa	Chino Basin Water Conservation District
Robert Tock	Jurupa Community Services District
Jeff Pierson	Ag Pool – Crops
Sandra Rose	Monte Vista Water Company
Jennifer Novak	Ag Pool – State of California
Raul Garibay	City of Pomona
Ken Jeske	City of Ontario
Dan Bott	Orange County Water District

The Watermaster Board Meeting was called to order by Chair Willis at 11:05 a.m.

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Watermaster Board Meeting held March 27, 2008
2. Minutes of the Watermaster Board/Advisory Committee Conference Call held March 31, 2008

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2008
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2007 through February 29, 2008
4. Treasurer's Report of Financial Affairs for the Period February 1, 2008 through February 29, 2008
5. Budget vs. Actual July 2007 through January 2008

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

Moved to approve consent calendar items A and B as presented

II. BUSINESS ITEMS**A. PROPOSED BUDGET TRANSFER REQUEST**

Mr. Manning stated this item was presented last month and that the Appropriative and Non-Agricultural Pool meeting staff was directed to hold the item over until a conversation could be held between members of the Appropriative Pool and the Agricultural Pool. That meeting did take place and no recommendation was received as a result of that meeting. A motion was made at the March Agricultural Pool which designated \$50,000 for the budget transfer. Since that meeting staff has reviewed the Agricultural Pool Legal and Technical invoices that have been submitted to Watermaster and have analyzed them going forward to the end of the year and staff believes \$35,000 is an appropriate amount to seek approval for a budget transfer at this time. Mr. Manning stated all Pools have agreed to the new projected amount.

Motion by Vanden Heuvel, second by Catlin, and by unanimous vote

Moved to approve the budget transfer request in the amount of \$35,000 for the Agricultural Pool legal and technical expenses, as presented

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. Hanson Aggregates**

Counsel Slater stated this item is regarding the discharge of silt into the Lower Day Basin. As a result, a complaint has been filed by Chino Basin Watermaster and served on Hanson Aggregates. A mediation session was held last week which did not produce a settlement. A case management conference took place on April 18, 2008 and at the conference the judge instructed the parties to move into the discovery process and scheduled another case conference for a few months out. Considering what happens between now and the case conference the judge will consider scheduling a trial date last this year or the beginning of next year. A discussion regarding this matter ensued and it was decided further discussion regarding this item will take place at the closed session scheduled at the end of the meeting.

2. May 1st 2008 Hearing and Associated Pleadings

Counsel Slater stated there is a court ordered hearing scheduled for May 1, 2008. That hearing was scheduled in the court's December 21, 2007 order of proving the Peace II measures. The purpose of the hearing is to verify the adequacy of Watermaster's filings. A report was prepared by the Special Referee with regard to those filings; who appears to be satisfied with the filings. The Special Referee did make an observation regarding a discrepancy in a table and suggested that Watermaster prepare a new and independent motion in order to have the conditions approved on May 1, 2008. The Special Referee made some comments with regard to the CEQA process. Watermaster has prepared a

draft pleading which has been circulated and counsel is receiving comments on that pleading. Counsel Slater reviewed the draft pleading. A discussion ensued with regard to this matter and it was decided line 6 through 8 of the pleading would be removed. Counsel Slater asked that the members make a motion to add this item to the agenda so that a motion can be made regarding this change.

Motion by Vanden Heuvel, second by DeJesus, and by unanimous vote
Moved to add this item to the agenda, as presented

Motion by Vanden Heuvel, second by DeJesus, and by unanimous vote
Moved to remove lines 6 through 8 on the pleading, as presented

Counsel Slater reviewed Monte Vista Water District's (MVWD) pleading that was filed regarding conditions subsequent 3 and 4. Counsel Slater stated counsel and staff have drafted a stipulation with regard to MVWD's pleading. Counsel Slater reviewed Watermaster's stipulation and a discussion ensued with regard to the situation. It was decided that Counsel Slater, Mr. Kidman, and Mr. Kinsey would be dismissed from the Watermaster Board meeting to discuss and come to a conclusion regarding the language of the stipulation. Counsel Slater commented on the motion made by the Advisory Committee's meeting this morning. Counsel Slater read the changes made to the stipulation which was agreed upon to by MVWD and their counsel.

Motion by Vanden Heuvel, second by Willis, and by unanimous vote
Moved to add this item to the agenda, as presented

A lengthy discussion regarding this issue ensued.

Motion by Vanden Heuvel, second by DeJesus, and by unanimous vote
Moved to authorize the changes agreed to by Monte Vista Water District to the Watermaster stipulation regarding the MVWD pleading filed on conditions subsequent 3 and 4, as presented

B. ENGINEERING UPDATES

1. Hydraulic Control Monitoring Program Report

Mr. Wildermuth stated one of the items budgeted in the Watermaster budget is for Hydraulic Control; last month there was a presentation on the current monitoring status. On April 15, 2008 the results were filed with the Regional Water Quality Control Board. Along with filing that report, a meeting took place to discuss reducing the scope of that monitoring. The Regional Board asked for a proposal to extend the time frame of filing that report so that it is not done every year but maybe every other year or even every few years. This will reduce to costs for this monitoring program.

2. Chino Creek Well Field, Test Well Site

Mr. Wildermuth stated Watermaster staff has assisted the parties to establish where those well sites should be located. That effort has been completed in early April and there are some discussions about moving the well fields. Mr. Manning offered comment on the locations of the new test well fields and noted a 30 day extension has been placed on this project for parties to have more input.

3. Conditions Subsequent No. 5 and 6

Mr. Wildermuth stated condition subsequent no. 5 is the preparation of a report that is submitted to the court that describes the Recharge Master Plan update. On March 28, 2008, the inaugural meeting of the group took place to develop a scope and content of that update. A strawman proposal was prepared and distributed to the parties for review. A meeting will be held today to discuss the Strawman proposal. Mr. Wildermuth stated conditions subsequent no. 6 deals with the definition of Hydraulic Control which is being

requested by the court to provide some clarity. This is a technical question and staff has had a few meetings with the Regional Board staff and a Strawman report needs to be prepared for them. A discussion regarding this matter ensued. Mr. Wildermuth stated he will come back at another meeting with a clearer graphical form to more clearly explain the process.

C. **FINANCIAL REPORT**

1. Financial Update

Ms. Rojo stated a Budget Ad-Hoc Committee meeting was held recently and the participants included board members and pool members. The budget categories were reviewed and discussed for the next fiscal year. The scheduling of work, and who performs what tasks and the budgeted costs of the categories was reviewed in detail. It was noted that Watermaster appeared to be on task and that another meeting does not need to be scheduled. The Watermaster Budget Workshop has been scheduled for April 29, 2008 at 10:00 a.m. Mr. Vanden Heuvel offered comment on the recent Budget Ad-Hoc Committee meeting.

D. **CEO/STAFF REPORT**

1. Legislative Update

Mr. Manning stated he went to Sacramento yesterday and met with the GRA and the California Groundwater Collation. Mr. Manning was able to speak with several legislators regarding recycling bills and noted the discussions went very well.

2. Recharge Update

Mr. Manning noted the recharge spread sheet is available on the back table for review.

Added Comment:

Mr. Manning stated the most current add-ons regarding Peace II are now available on the back table and in your meeting folders to add into your small three ring Watermaster binder. Watermaster is making extra copies of full binders for the Agricultural Pool who stated they never received them. Mr. Manning stated there is a Recharge Master Plan meeting scheduled for today directly after lunch and noted the due date to submit this plan is July 1, 2008.

IV. **INFORMATION**

1. Newspaper Articles

No comment was made regarding this item.

V. **BOARD MEMBER COMMENTS**

Mr. Hofer offered comment on the current prison system.

VI. **OTHER BUSINESS**

No comment was made regarding this item.

The regular Board meeting was dismissed at 12:15 p.m. to convene the Confidential Session

VII. **CONFIDENTIAL SESSION - POSSIBLE ACTION**

No comment was made regarding this item.

VIII. **FUTURE MEETINGS**

April 10, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
April 15, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
April 24, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
April 24, 2008	9:00 a.m.	Advisory Committee Meeting
April 24, 2008	11:00 a.m.	Watermaster Board Meeting

April 24, 2008	1:00 p.m.	Recharge Master Plan Meeting
April 29, 2008	10:00 a.m.	CBWM Budget Workshop
* May 15, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
May 20, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
May 22, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
May 22, 2008	9:00 a.m.	Advisory Committee Meeting
May 22, 2008	11:00 a.m.	Watermaster Board Meeting

*** Note:** App & Non-Ag Meeting has changed from May 8, 2008 to **May 15, 2008**

The Watermaster Board meeting was dismissed by Chair Willis at 12:35 p.m.

Secretary: _____

Minutes Approved: _____

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

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





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: May 15, 2008
May 20, 2008
May 22, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – April 2008

SUMMARY

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

Recommendation – Staff recommends the Cash Disbursements for April 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 April 2008 were \$397,014.53. The most significant expenditures during the month were Inland Empire Utilities Agency, in the amount of \$190,000.00, Brownstein, Hyatt, Farber & Schreck in the amount of \$66,398.80, and Ellison, Schneider & Harris, LLP in the amount of \$5,822.05.

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
April 2008

Type	Date	Num	Name	Amount
Apr 08				
General Journal	4/5/2008	080403	PAYROLL	-7,770.60
General Journal	4/5/2008	080403	PAYROLL	-24,870.78
Bill Pmt -Check	4/7/2008	12210	ACWA	-850.00
Bill Pmt -Check	4/7/2008	12211	APPLIED COMPUTER TECHNOLOGIES	-3,701.30
Bill Pmt -Check	4/7/2008	12212	BOWCOCK, ROBERT	-125.00
Bill Pmt -Check	4/7/2008	12213	BOWMAN, JIM	-125.00
Bill Pmt -Check	4/7/2008	12214	CAL CPA	-375.00
Bill Pmt -Check	4/7/2008	12215	COMPUTER NETWORK	-1,069.19
Bill Pmt -Check	4/7/2008	12216	DE BOOM, NATHAN	-250.00
Bill Pmt -Check	4/7/2008	12217	DURRINGTON, GLEN	-375.00
Bill Pmt -Check	4/7/2008	12218	FEENSTRA, BOB	-875.00
Bill Pmt -Check	4/7/2008	12219	HETTINGA, PETER	-375.00
Bill Pmt -Check	4/7/2008	12220	HSBC BUSINESS SOLUTIONS	-320.37
Bill Pmt -Check	4/7/2008	12221	HUITSING, JOHN	-375.00
Bill Pmt -Check	4/7/2008	12222	INLAND EMPIRE UTILITIES AGENCY	-127.31
Bill Pmt -Check	4/7/2008	12223	JAMES JOHNSTON	-900.00
Bill Pmt -Check	4/7/2008	12224	KOOPMAN, GENE	-375.00
Bill Pmt -Check	4/7/2008	12225	PARK PLACE COMPUTER SOLUTIONS, INC.	-5,100.00
Bill Pmt -Check	4/7/2008	12226	PAYCHEX	-194.82
Bill Pmt -Check	4/7/2008	12227	PIERSON, JEFFREY	-1,000.00
Bill Pmt -Check	4/7/2008	12228	PRINTING RESOURCES	-203.07
Bill Pmt -Check	4/7/2008	12229	PUMP CHECK	-890.00
Bill Pmt -Check	4/7/2008	12230	PURCHASE POWER	-2,018.99
Bill Pmt -Check	4/7/2008	12231	SAFETY CLEAN JANITORIAL SERVICES	-590.00
Bill Pmt -Check	4/7/2008	12232	VANDEN HEUVEL, GEOFFREY	-250.00
Bill Pmt -Check	4/7/2008	12233	CITISTREET	-3,095.66
Bill Pmt -Check	4/7/2008	12234	VERIZON	-409.22
Bill Pmt -Check	4/7/2008	12235	W.C. DISCOUNT MOBILE AUTO DETAILING	-75.00
Bill Pmt -Check	4/7/2008	12236	WILLIS, KENNETH	-125.00
Bill Pmt -Check	4/7/2008	12237	YUKON DISPOSAL SERVICE	-142.88
Bill Pmt -Check	4/7/2008	12238	CITISTREET	-3,095.66
Bill Pmt -Check	4/7/2008	12239	INLAND EMPIRE UTILITIES AGENCY	-190,000.00
Bill Pmt -Check	4/16/2008	12240	HOPPERS	-3,337.02
General Journal	4/19/2008	080405	PAYROLL	-7,774.94
General Journal	4/19/2008	080405	PAYROLL	-24,728.82
Bill Pmt -Check	4/21/2008	12241	HOPPERS	-3,337.02
Bill Pmt -Check	4/22/2008	12242	A & R TIRE	-220.37
Bill Pmt -Check	4/22/2008	12243	AMERICAN GROUND WATER TRUST	-250.00
Bill Pmt -Check	4/22/2008	12244	AWWA	-1,350.00
Bill Pmt -Check	4/22/2008	12245	BANC OF AMERICA LEASING	-3,186.17
Bill Pmt -Check	4/22/2008	12246	BANK OF AMERICA	-2,958.76
Bill Pmt -Check	4/22/2008	12247	BOWCOCK, ROBERT	-125.00
Bill Pmt -Check	4/22/2008	12248	BOWMAN, JIM	-125.00
Bill Pmt -Check	4/22/2008	12249	BROWNSTEIN HYATT FARBER SCHRECK	-66,398.80
Bill Pmt -Check	4/22/2008	12250	COMPUTER NETWORK	-3,442.62
Bill Pmt -Check	4/22/2008	12251	CUCAMONGA VALLEY WATER DISTRICT	-5,495.00
Bill Pmt -Check	4/22/2008	12252	ELLISON, SCHNEIDER & HARRIS, LLP	-5,822.05
Bill Pmt -Check	4/22/2008	12253	FEENSTRA, BOB	-125.00
Bill Pmt -Check	4/22/2008	12254	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	4/22/2008	12255	KIWANIS CLUB OF ONTARIO	-250.00
Bill Pmt -Check	4/22/2008	12256	KUHN, BOB	-125.00
Bill Pmt -Check	4/22/2008	12257	MAYER HOFFMAN MC CANN P.C.	-95.00
Bill Pmt -Check	4/22/2008	12258	MCI	-1,169.95
Bill Pmt -Check	4/22/2008	12259	OFFICE DEPOT	-545.64
Bill Pmt -Check	4/22/2008	12260	PIERSON, JEFFREY	-125.00
Bill Pmt -Check	4/22/2008	12261	PITNEY BOWES CREDIT CORPORATION	-38.60
Bill Pmt -Check	4/22/2008	12262	PRE-PAID LEGAL SERVICES, INC.	-103.60
Bill Pmt -Check	4/22/2008	12263	PREMIERE GLOBAL SERVICES	-145.67
Bill Pmt -Check	4/22/2008	12264	PUMP CHECK	-5,127.50
Bill Pmt -Check	4/22/2008	12265	REID & HELLYER	-5,900.43
Bill Pmt -Check	4/22/2008	12266	RICOH BUSINESS SYSTEMS-Maintenance	-49.00
Bill Pmt -Check	4/22/2008	12267	SAFEGUARD DENTAL & VISION	-13.85
Bill Pmt -Check	4/22/2008	12268	STANDARD INSURANCE CO.	-591.61
Bill Pmt -Check	4/22/2008	12269	STATE COMPENSATION INSURANCE FUND	-741.45
Bill Pmt -Check	4/22/2008	12270	UNION 76	-98.98
Bill Pmt -Check	4/22/2008	12271	UNITED PARCEL SERVICE	-433.18
Bill Pmt -Check	4/22/2008	12272	VANDEN HEUVEL, GEOFFREY	-125.00
Bill Pmt -Check	4/22/2008	12273	VERIZON WIRELESS	-430.62

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
April 2008

Type	Date	Num	Name	Amount
Bill Pmt -Check	4/22/2008	12274	W.C. DISCOUNT MOBILE AUTO DETAILING	-155.00
Bill Pmt -Check	4/22/2008	12275	WESTERN DENTAL SERVICES, INC.	-49.75
Bill Pmt -Check	4/22/2008	12276	WILLIS, KENNETH	-125.00
Bill Pmt -Check	4/22/2008	12277	RICOH BUSINESS SYSTEMS-Lease	-888.94
Bill Pmt -Check	4/24/2008	12278	PETTY CASH	-509.34
Bill Pmt -Check	4/30/2008	12279	CLASSIC BLINDS	-325.00
Apr 08				<u><u>-397,014.53</u></u>

4:38 PM
05/08/08

CHINO BASIN WATERMASTER
Check Detail
April 2008

Type	Num	Date	Name	Account	Paid Amount
Bill Pmt -Check	12246	4/22/2008	BANK OF AMERICA	1012 · Bank of America Gen'l Ckg	
Bill	102442...	3/31/2008		6191 · Conferences	-2,319.66
				6031.7 · Other Office Supplies	-299.62
				6312 · Meeting Expenses	-139.15
				6141.3 · Admin Meetings	-80.22
				6212 · Meeting Expense	-120.11
TOTAL					-2,958.76

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2007 THROUGH MARCH 31, 2008

WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION AND SPECIAL PROJECTS			GROUNDWATER OPERATIONS		GRAND TOTALS	BUDGET 2007-2008
		POOL APPROPRIATIVE	AGRICULTURAL NON-AGRIC.	POOL	GROUNDWATER REPLENISHMENT	SB222 FUNDS		
Administrative Revenues								
Administrative Assessments		7,480,691		122,298			7,602,989	\$7,540,370
Interest Revenue		118,983	17,019	3,305			139,360	181,500
Mutual Agency Project Revenue	41,667						41,667	145,500
Grant Income								0
Miscellaneous Income								0
Total Revenues	41,667	7,599,674	17,019	125,603			7,784,016	7,867,370
Administrative & Project Expenditures								
Watermaster Administration	334,183						334,183	627,797
Watermaster Board-Advisory Committee	44,421						44,421	60,645
Pool Administration		15,375	104,987	5,107			125,469	127,333
Optimum Basin Mgmt Administration	2,040,868						2,040,868	1,857,337
OBMP Project Costs	3,342,032						3,342,032	5,183,883
Education Funds Use						375	375	375
Mutual Agency Project Costs	10,000						10,000	10,000
Total Administrative/OBMP Expenses	5,392,900	15,375	104,987	5,107		375	5,897,348	7,867,370
Net Administrative/OBMP Income	(378,604)							
Allocate Net Admin Income To Pools	378,604							
Allocate Net OBMP Income To Pools		288,828	82,338	7,438				
Agricultural Expense Transfer		4,082,329	1,163,774	105,130				
Total Expenses	1,340,040	1,340,040	(1,340,040)					
Net Administrative Income	5,726,572	11,059	117,675	7,928		375	5,897,348	7,867,370
	1,873,102	5,960				(322)	1,886,668	
Other Income/(Expense)								
Replenishment Water Assessments					3,402,393		3,402,393	0
MZ1 Supplemental Water Assessments								0
Water Purchases								0
MZ1 Imported Water Purchase								0
Groundwater Replenishment					(2,328,727)		(2,328,727)	0
Net Other Income					1,073,666		1,073,666	0
Net Transfers To/(From) Reserves		1,873,102	5,960	7,928	1,073,666	(322)	2,960,334	-
Working Capital, July 1, 2007	4,222,862	475,604	156,528	294,397	158,251	1,655	5,309,297	
Working Capital, End Of Period	6,095,964	481,564	164,456	1,368,063	158,251	1,333	8,269,631	
06/07 Assessable Production	130,826,204	37,295,410	3,369,080				171,490,694	
06/07 Production Percentages	76.288%	21.748%	1.965%				100.000%	

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
MARCH 1 THROUGH MARCH 31, 2008**

DEPOSITORIES:			
Cash on Hand - Petty Cash	\$	500	
Bank of America			
Governmental Checking-Demand Deposits	\$	200,042	
Zero Balance Account - Payroll			
Local Agency Investment Fund - Sacramento			
			<u>5,054,987</u>
TOTAL CASH IN BANKS AND ON HAND	\$	5,255,529	3/31/2008
TOTAL CASH IN BANKS AND ON HAND		5,309,898	2/29/2008
PERIOD INCREASE (DECREASE)	\$	(54,369)	

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable	\$	(38,644)
Assessments Receivable		468,199
Prepaid Expenses, Deposits & Other Current Assets		(120,186)
Accounts Payable		(17,520)
Accrued Payroll, Payroll Taxes & Other Current Liabilities		6,721
Transfer to/(from) Reserves		(352,939)
	\$	(54,369)

	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
\$	500	\$ 904,411	\$ -	\$ 4,404,987	\$ 5,309,898
	-	349,013			349,013
	-	(714,348)	64,348	650,000	-
	-	(339,034)	(64,348)	-	(403,382)
\$	500	\$ 200,042	\$ -	\$ 5,054,987	\$ 5,255,529
\$	-	\$ (704,369)	\$ -	\$ 650,000	\$ (54,369)

SUMMARY OF FINANCIAL TRANSACTIONS:

Balances as of 2/29/2008		
Deposits		
Transfers		
Withdrawals/Checks		
Balances as of 3/31/2008		
PERIOD INCREASE OR (DECREASE)		

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
MARCH 1 THROUGH MARCH 31, 2008**

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
3/10/2008	Deposit	L.A.I.F.	\$ 900,000				
3/28/2008	Withdrawal	L.A.I.F.	\$ (250,000)				
TOTAL INVESTMENT TRANSACTIONS			\$ 650,000	-			

* The earnings rate for L.A.I.F. is a daily variable rate; 4.18% was the effective yield rate at the Quarter ended March 31, 2008.

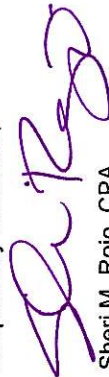
**INVESTMENT STATUS
March 31, 2008**

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 5,054,987			
TOTAL INVESTMENTS	\$ 5,054,987			

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 2007 through March 2008

	<u>Jul '07 - Mar 08</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				
4110 · Admin Asmnts-Approp Pool	7,480,691	7,423,878	56,813	100.77%
4120 · Admin Asmnts-Non-Agri Pool	122,298	116,492	5,806	104.98%
4700 · Non Operating Revenues	139,360	181,500	-42,140	76.78%
Total Income	7,784,016	7,867,370	-83,354	98.94%
Gross Profit	7,784,016	7,867,370	-83,354	98.94%
Expense				
6010 · Salary Costs	358,956	477,247	-118,291	75.21%
6020 · Office Building Expense	71,253	101,580	-30,327	70.15%
6030 · Office Supplies & Equip.	18,619	46,500	-27,881	40.04%
6040 · Postage & Printing Costs	64,644	83,000	-18,356	77.88%
6050 · Information Services	96,590	132,000	-35,410	73.17%
6060 · Contract Services	62,453	117,500	-55,047	53.15%
6080 · Insurance	4,160	18,210	-14,050	22.85%
6110 · Dues and Subscriptions	14,855	16,750	-1,895	88.69%
6140 · WM Admin Expenses	1,740	4,650	-2,910	37.42%
6150 · Field Supplies	116	2,500	-2,384	4.63%
6170 · Travel & Transportation	11,743	25,000	-13,257	46.97%
6190 · Conferences & Seminars	18,153	22,500	-4,347	80.68%
6200 · Advisory Comm - WM Board	13,724	18,931	-5,207	72.49%
6300 · Watermaster Board Expenses	30,698	41,714	-11,016	73.59%
8300 · Appr PI-WM & Pool Admin	15,375	24,001	-8,626	64.06%
8400 · Agri Pool-WM & Pool Admin	18,396	24,004	-5,608	76.64%
8467 · Ag Legal & Technical Services	75,531	95,000	-19,469	79.51%
8470 · Ag Meeting Attend -Special	11,059	12,000	-941	92.16%
8500 · Non-Ag PI-WM & Pool Admin	5,107	7,328	-2,221	69.69%
6500 · Education Funds Use Expens	375	375		100.0%
9500 · Allocated G&A Expenditures	-389,097	-419,640	30,543	92.72%
Subtotal Administrative Expenses	504,448	851,150	-346,702	59.27%
6900 · Optimum Basin Mgmt Plan	1,898,474	2,711,138	-812,664	70.03%
6950 · Mutual Agency Projects	10,000	10,000		100.0%
9501 · G&A Expenses Allocated-OBMP	142,394	141,199	1,195	100.85%
Subtotal OBMP Expenses	2,050,868	2,862,337	-811,469	71.65%
7101 · Production Monitoring	73,193	101,709	-28,516	71.96%
7102 · In-line Meter Installation	14,352	17,791	-3,439	80.67%
7103 · Grdwtr Quality Monitoring	87,125	117,104	-29,979	74.4%
7104 · Gdwtr Level Monitoring	140,987	182,667	-41,680	77.18%

	<u>Jul '07 - Mar 08</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7105 · Sur Wtr Qual Monitoring	6,849	15,553	-8,704	44.04%
7107 · Ground Level Monitoring	194,469	270,465	-75,996	71.9%
7108 · Hydraulic Control Monitoring	173,571	199,232	-25,661	87.12%
7109 · Recharge & Well Monitoring Prog	18,842	102,827	-83,985	18.32%
7200 · PE2- Comp Recharge Pgm	664,816	945,827	-281,011	70.29%
7300 · PE3&5-Water Supply/Desalte	77,205	159,509	-82,304	48.4%
7400 · PE4- Mgmt Plan	131,819	159,674	-27,855	82.56%
7500 · PE6&7-CoopEfforts/SaltMgmt	85,128	138,533	-53,405	61.45%
7600 · PE8&9-StorageMgmt/Conj Use	65,090	82,660	-17,570	78.74%
7690 · Recharge Improvement Debt Pymt	1,368,373	1,377,552	-9,179	99.33%
7700 · Inactive Well Protection Prgm	295	4,339	-4,044	6.8%
9502 · G&A Expenses Allocated-Projects	239,918	278,441	-38,523	86.17%
Subtotal Implementation Project Expenses	3,342,032	4,153,883	-811,851	80.46%
Total Expense	5,897,347	7,867,370	-1,970,023	74.96%
Net Ordinary Income	1,886,669		1,886,669	100.0%
Other Income/Expense				
Other Income				
4210 · Approp Pool-Replenishment	3,393,137			
4220 · Non-Ag Pool-Replenishment	9,256			
Total Other Income	3,402,393			
Other Expense				
5010 · Groundwater Replenishment	2,328,727			
9999 · To/(From) Reserves	2,960,335			
Total Other Expense	5,289,062			
Net Other Income	-1,886,669			
Net Income				



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. INTERVENTION

KCO, LLC (“KOLL”) Intervention



March 4, 2008

VIA FEDERAL EXPRESS

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

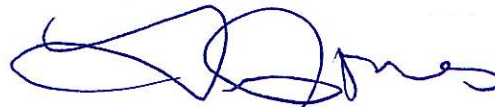
Re: Request to Intervene in *Chino Basin Municipal Water
District v. City of Chino, et al.*, San Bernardino Superior Court
Case No. RCV 51010 (Formerly Case No. 164327)

Dear Watermaster:

Our office represents KCO, LLC (“Koll”) and Sunkist Growers, Inc. (“Sunkist”). We are enclosing for your consideration Koll’s request to intervene in the above-referenced action as a member of the overlying non-agricultural pool.

Please feel free to call me if you have any questions or comments.

Very truly yours,



Tammy L. Jones
WESTON, BENSHOOF,
ROCHEFORT, RUBALCAVA & MacCUISH LLP

TLJ/ysr
Enclosure

cc: Michael Fife, Esq.
(w/encl.)

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION



The Koll Company
4343 Von Karman Avenue
Suite 150
Newport Beach, CA 92660
(949) 833-3030
(949) 250-4344 Fax

February 22, 2008

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

Re: Request to Intervene in *Chino Basin Municipal Water District v. City of Chino, et al.*, San Bernardino Superior Court
Case No. RCV 51010 (Formerly Case No. 164327)

Dear Watermaster:

KCO, LLC, a Delaware limited liability company ("Koll") hereby submits this request to intervene in the above-referenced action (the "Judgment") as a member of the overlying non-agricultural pool. Koll's request is based on the following facts:

A. The Judgment allocates water rights based on each party's land ownership. As an owner of real property overlying the Chino Groundwater Basin ("Basin"), Sunkist Growers, Inc. ("Sunkist") was provided under the Judgment with 2,393 afy of adjudicated groundwater rights when the Judgment was first entered in 1989. The real property held by Sunkist at that time included the real property described in the next paragraph.

B. In 2006, Sunkist sold a portion (*i.e.*, 15 acres) of its real property (the "Koll Property") overlying the Basin to Koll. Under the terms of the purchase and sale agreement, Sunkist reserved all of its adjudicated water rights for use on the remaining portion of its real property overlying the Basin. The Judgment does not prohibit a party from selling a portion of its land to a third party. The Judgment also does not specify that a party who sells a portion of its land to a third party loses any of its adjudicated water rights.

C. Now, Sunkist wishes to transfer 22 afy of its adjudicated rights to Koll for use on the Koll Property. A copy of Sunkist's Application to Transfer Annual Production Right or Safe Yield is attached as Exhibit "A".

D. Because Koll is not a party to the Judgment, Koll must be permitted to intervene in the Judgment. While not filed, a draft Motion to Intervene is attached as Exhibit "B" and can be filed with the court if deemed necessary by the Watermaster.

E. Koll will use the groundwater extracted for the use authorized in the Judgment, namely Koll will use the water solely for industrial and commercial purposes on its overlying Koll Property. Accordingly, Koll should be deemed a member of the overlying non-agricultural pool.

F. The transfer from Sunkist to Koll does not involve any additional groundwater extractions not provided for under the Judgment. As a result, the transfer will not result in any "material physical injury" to any party.

Based on the foregoing, Koll respectfully requests that the Watermaster approve its request to intervene in the Judgment and Sunkist's request to transfer 22 afy of overlying groundwater rights to Koll on the following terms and conditions:

1. The transfer will apply solely to the 22 afy of Sunkist's overlying rights transferred to Koll.
2. Koll will use any and all groundwater extracted solely for industrial and commercial purposes on the Koll Property.
3. Koll shall comply with all provisions of the Judgment.
4. The Judgment shall be binding on Koll's "respective heirs, executors, administrators, successors, assigns, lessees and licensees and upon the agents, employees and attorneys in fact of all such persons" as provided under Paragraph 63 of the Judgment.

Chino Basin Watermaster
February 22, 2008
Page 3

If you have any questions regarding the foregoing, please feel free to contact me.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "G.O. Yahr", with a long horizontal flourish extending to the right.

Gerald O. Yahr
Managing Principal of Development
KCO, LLC

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

EXHIBIT A

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

**APPLICATION
TO
TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD**

Effective March 2008, Sunkist Growers, Inc. ("Transferor") hereby transfers to KCO, LLC ("Transferee") the quantity of 22 acre-feet per year of corresponding Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of "*CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.*" RCV 51010 (formerly Case No. SCV 164327).

Said Transfer shall be conditioned upon:

- (1) Transferee shall exercise said right under the terms of the Judgment and the Peace Agreement. The first water produced in any year shall be that produced pursuant to carry-over rights defined in the Judgment. After production of its carry-over rights, if any, the next (or first if no carry-over rights) water produced by Transferee from the Chino Basin shall be that produced hereunder.
- (2) Transferee shall put all waters utilized pursuant to said Transfer to reasonable beneficial use.
- (3) Transferee shall pay all Watermaster assessments on account of the water production hereby Transferred.
- (4) Any Transferee not already a party must intervene and become a party to the Judgment.

TO BE EXECUTED by both Transferor and Transferee, and to be accompanied by a general description of the area where the Transferred water was to be Produced and use prior to the Transfer, and where it will be Produced and used after the Transfer. This general description can be in the form of a map.

WATER QUALITY AND WATER LEVELS

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

There will be no impact on water quality or water levels as this is a transfer or ownership and will not remove the water from the existing property.

MATERIAL PHYSICAL INJURY

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

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

ADDITIONAL INFORMATION ATTACHED Yes [] No [X]

<p><i>John Ayers</i></p> <p>Transferor John Ayers Manufacturing Director Sunkist Growers, Inc.</p>	<p>Gerald O. Yahr</p> <p>Transferee Gerald O. Yahr Managing Principal of Development KCO, LLC</p>
--	---

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

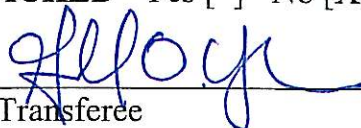
MATERIAL PHYSICAL INJURY

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

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

ADDITIONAL INFORMATION ATTACHED Yes [] No [X]

Transferor
Ted Leaman
Vice President, Citrus Juice and Oil
Business Unit, Sunkist Growers, Inc.



Transferee
Gerald O. Yahr
Managing Principal of Development
KCO, LLC

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

THE PROPERTY IS DESCRIBED AS FOLLOWS:

Real property in the City of Ontario, County of San Bernardino, State of California, described as follows:

PARCEL A:

LOTS 7, 8, 9, 10, 11, 12, 13 AND 14, BLOCK 1, STAR TRACT, IN THE CITY OF ONTARIO, AS PER PLAT RECORDED IN BOOK 16 OF MAPS, PAGE 98, RECORDS OF SAID COUNTY.

PARCEL B:

LOTS 11, 12, 13, 14, 15, 16 AND 17, BLOCK 2, STAR TRACT, IN THE CITY OF ONTARIO, AS PER PLAT RECORDED IN BOOK 16 OF MAPS, PAGE 98, RECORDS OF SAID COUNTY.

PARCEL C:

PARCELS 1 AND 2 OF PARCEL MAP NO. 8579, AS SHOWN BY MAP ON FILE IN BOOK 117, PAGES 42 THROUGH 44, INCLUSIVE, OF PARCEL MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL D:

LOTS 6, 7, 8, 9, 10, 11, 12 AND 13 OF MC KIBBON'S SUBDIVISION, IN THE CITY OF ONTARIO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP THEREOF, RECORDED IN BOOK 18, PAGE 3 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 1049-202-01-0-000 (Affects : A portion of Parcel A), 1049-202-02-0-000 (Affects : A portion of Parcel A), 1049-202-03-0-000 (Affects : A portion of Parcel A), 1049-202-04-0-000 (Affects : A portion of Parcel A), 1049-202-05-0-000 (Affects : A portion of Parcel A), 1049-201-28-0-000 (Affects : A portion of Parcel B), 1049-211-05-0-000 (Affects : A portion of Parcel C), 1049-211-06-0-000 (Affects : A portion of Parcel C), 1049-202-16-0-000 (Affects : A portion of Parcel D), 1049-202-17-0-000 (Affects : A portion of Parcel D), 1049-202-18-0-000 (Affects : A portion of Parcel D), 1049-202-19-0-000 (Affects : A portion of Parcel D), 1049-202-20-0-000 (Affects : A portion of Parcel D)

EXHIBIT B

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

1 EDWARD J. CASEY (State Bar No. 119571)
2 TAMMY L. JONES (State Bar No. 232693)
3 **WESTON, BENSHOOF, ROCHEFORT,**
4 **RUBALCAVA & MacCUISH LLP**
5 333 South Hope Street
6 Sixteenth Floor
7 Los Angeles, California 90071
8 Telephone: (213) 576-1000
9 Facsimile: (213) 576-1100

10 Attorneys for Intervenor
11 **KCO, LLC**

12 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
13 **FOR THE COUNTY OF SAN BERNARDINO**

14 CHINO BASIN MUNICIPAL WATER
15 DISTRICT,

16 Plaintiff,

17 v.

18 CITY OF CHINO, et al.,

19 Defendants.

Case No.: RCV 51010
(Formerly Case No. 164327)

[Assigned for all Purposes to The
Honorable J. Michael Gunn]

MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
MOTION FOR LEAVE TO INTERVENE

Date: Date
Time: Time
Dept.: R08

WESTON BENSHOOF ROCHEFORT RUBALCAVA MACCUISH LLP
333 South Hope Street, Sixteenth Floor
Los Angeles, California 90071

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 KCO, LLC, a Delaware limited liability company, files this Motion for Leave
4 to Intervene as a party to the above-entitled action. On October 26, 1989, a judgment was
5 entered that adjudicated water rights and imposed a physical solution for the Chino
6 Groundwater Basin (“Chino Basin”). That physical solution involves allocating the amount
7 of water each groundwater user can pump from the Chino Basin annually. Koll is not a party
8 to the Court judgment; however, in 2006 Koll purchased real property overlying the Chino
9 Basin from Sunkist Growers, Inc. (“Sunkist”), a party to the judgment. Because Koll seeks
10 to use groundwater for industrial and commercial purposes, Koll and Sunkist entered into an
11 agreement in 2007 by which Sunkist agrees to transfer a portion of its adjudicated
12 groundwater rights to Koll. That agreement is conditioned on this Court granting Koll’s
13 Motion to Intervene and on the Court-appointed Watermaster approving the transfer of
14 Sunkist’s rights to Koll. Once intervention is allowed, the transfer from Sunkist to Koll falls
15 squarely within the transfer provisions set forth in a “Peace Agreement” entered into
16 between the parties to the Judgment in 2000.

17 Because the transfer does not involve any additional groundwater extractions
18 than those already provided for under the Judgment, the transfer will not result in any
19 material physical injury to any party to the Judgment. Further, the transfer will not expand,
20 redetermine or otherwise affect any adjudicated water rights under the Judgment. For these
21 reasons, in addition to the fact the requirements for intervention have been satisfied pursuant
22 to both the California Code of Civil Procedure and the Judgment, this Motion should be
23 granted.

24 **II. FACTUAL AND PROCEDURAL BACKGROUND**

25 **A. Terms of the Judgment**

26 As briefly mentioned above, in 2000 the parties entered into an agreement
27 further modifying the terms of the original judgment (the “2000 Peace Agreement”). Both
28 the original Court judgment and the 2000 Peace Agreement are referred collectively

1 throughout this Motion as the “Judgment”. The provisions of Judgment most relevant to this
2 Motion are as follows:

- 3 • The Judgment developed a physical solution to address the fact that more water
4 was being pumped out of the Chino Basin than was replaced naturally by
5 rainfall and other means (a condition referred to as “overdraft”).
- 6 • In order to balance the need to alleviate the overdraft with the need to allow all
7 water users dependent on the Chino Basin to pump sufficient groundwater, the
8 Court divided the users into three “pools”: 1) an overlying agricultural pool; 2)
9 an overlying non-agricultural pool; and 3) an appropriative pool.
- 10 • This Motion concerns the overlying non-agricultural pool. That pool is defined
11 under the Judgment as those producers who produce water for industrial or
12 commercial purposes on the producers’ overlying land.
- 13 • The Judgment gives each member of the three pools a quantified right to
14 extract groundwater from the Chino Basin. Thus, as applied to the non-
15 agricultural pool, any groundwater extractions by a member of that pool are
16 limited to use on that member’s overlying land. Further, because the Judgment
17 eliminated unexercised rights of all overlying landowners, those overlying
18 landowners that are given an adjudicated right are limited to pump solely that
19 groundwater as provided for under the Judgment.
- 20 • While the Judgment enjoins non-parties from extracting groundwater, the
21 Judgment does provide for a process by which non-parties may intervene in the
22 Judgment with Court approval.
- 23 • The Judgment does not prohibit a party from selling a portion of its land to a
24 third party. The Judgment also does not specify that a party who sells a portion
25 of its land to a third party loses any of its adjudicated water rights. Therefore,
26 an adjudicated rights holder retains its full allotment of water rights for use on
27 the remaining portion of its real property even if a portion of that property is
28 sold to a third party.

- To administer the three pools, the Court appointed a “Watermaster.” The Watermaster is responsible to administer the general pattern of operations for each of the three pools, to develop a water management program for the Chino Basin and to approve water transfers between parties to the Judgment.
- The Judgment (as modified by the 2000 Peace Agreement) provides that members of the overlying non-agricultural pool may transfer rights within the pool upon Watermaster approval. The transfer of such rights; however, are limited to members of the pool and not to non-parties.

B. Sunkist as a Member of the Overlying Non-Agricultural Pool, and Koll, as the Intervening Party.

In 2006, Sunkist sold 15 acres of its property to Koll. The land sold by Sunkist to Koll was part of Sunkist’s land holdings at the time the original Judgment was entered. As a party to the Judgment, Sunkist is provided with 2393 afy of adjudicated groundwater rights. Under the terms of the purchase and sale agreement, however, Sunkist reserved all of its adjudicated water rights. Sunkist now wishes to transfer a portion of those rights to Koll. Accordingly, Sunkist and Koll have entered into a Water Rights Transfer Agreement (the “Transfer Agreement”) by which Sunkist will transfer 22 afy of water rights to Koll.

While Sunkist is a party to the Judgment, Koll is not a party. Accordingly, concurrently with this Motion, an application to transfer 22 afy of Sunkist’s rights to Koll has been filed with the Watermaster overseeing the Judgment. Upon the Court’s approval of this Motion, the Watermaster may approve the transfer of Sunkist’s rights to Koll in accordance with the terms of the Judgment.

The groundwater extracted by Koll will be for the same use (i.e., industrial or commercial) as that currently used by Sunkist. The groundwater will also be used on the property previously owned by Sunkist and sold to Koll in 2004. Thus, there will be no change or expansion in the existing use and as a result, there will be no unreasonable interference or material harm caused to any other party to the Judgment. In addition, there will be no overall change in the amount of groundwater currently extracted under the

1 Judgment.

2 **III. KOLL'S INTERVENTION IS AUTHORIZED BY THE CODE OF CIVIL**
3 **PROCEDURE**

4 The Court is authorized pursuant to Code of Civil Procedure ("C.C.P.") section
5 387 to approve Koll's intervention because Koll's application is timely and because the
6 Transfer Agreement gives Koll a direct interest in the adjudication.

7 **A. C.C.P. Section 387 Establishes Permissive Intervention**

8 Pursuant to Code of Civil Procedure section 387, "permissive" intervention is
9 established when certain elements are satisfied. That subsection provides, in part:

10 "Upon timely application, any person, who has an interest in the
11 matter in litigation, or in the success of either of the parties, or an
12 interest against both, may intervene in the action or proceeding."
(Code of Civ. Proc. § 387 (a).)

13 Thus, under Section 387 (a), two elements must be satisfied by the applicant to establish a
14 permissive intervention:

- 15 (1) the application for intervention must be timely; and
16 (2) the applicant must have an interest in the litigation, an interest favoring
17 success of either the plaintiff(s) or defendant(s), or an interest against
18 both.¹

19 **1. Koll's Motion to Intervene Is Timely Pursuant to Both the**
20 **Judgment and Case Law.**

21 Under Paragraph 60 of the Judgment, a non-party may intervene as a party to
22 the Judgment. In particular, Paragraph 60 provides:

23 "Any non-party assignee of the adjudicated appropriative rights
24 of any appropriator, or any person newly proposing to produce
25

26
27 ¹ Section 387 (b) provides for "intervention by right," where the Court is required to
28 grant an application for intervention if certain elements are satisfied. Because in this case
permissive intervention can be established, a thorough discussion of mandatory intervention
is not included in this Motion but can be provided upon the Court's request.

1 water from Chino Basin, may become a party to this judgment
2 upon filing a petition in intervention. Said intervention must be
3 confirmed by order of this Court. Such intervenor shall
4 thereafter be a party bound by this judgment and entitled to the
5 rights and privileges accorded under the Physical Solution herein,
6 through the pool to which the Court shall assign such
7 intervenor.” (Judgment, Paragraph 60 at p. 32) (emphasis
8 added).

9 The premise that an individual can intervene in an action even after a judgment
10 has been entered is consistent with fundamental case law. Appellate courts have recognized
11 that an application to intervene can be timely even if filed after a judgment has been entered.
12 For example, in Mallick v. Superior Court of San Mateo County, 89 Cal. App. 3d 434
13 (1979), the Court determined on writ review that the trial court improperly denied
14 petitioner’s motions to intervene and to remove a class representative. (Id. at 438.) In
15 Mallick, a transportation district had appealed separate judgments entered against it in
16 identical suits, one brought by the petitioner, a class representative, and a second action
17 brought by a county, also a class representative. (Id. at 436.) Petitioner reached a settlement
18 of its suit with the district, conditioned on the county’s acceptance of the same settlement in
19 the second lawsuit. When the county declined to accept the settlement, petitioner moved to
20 intervene in the county’s action against the district and to remove the county as the class
21 representative in that action. The Court of Appeal held that the trial court had jurisdiction to
22 hear the petitioner’s motion, even though a judgment had already been entered in the
23 county’s action. Regarding the timing of intervention under C.C.P. Section 387, the Mallick
24 court held:

25 “Section 387 of the Code of Civil Procedure formerly limited
26 intervention to a time before trial but this limitation was removed
27 by the 1977 amendment to the section, which now reads, ‘Upon
28 timely application’ rather than ‘At any time before trial.’ Thus
intervention is possible, if otherwise appropriate, at any time,
even after judgment.” (Mallick, supra, 89 Cal. App. 3d at 437)
(Emphasis added).

1 Based on the foregoing, there is little dispute Koll's Motion is timely. Koll
2 filed this Motion promptly upon Sunkist and Koll finalizing the Water Transfer Agreement.
3 Thus, Koll has made a good faith effort to obtain court approval to intervene immediately
4 upon acquiring a contingent interest in the subject matter of the Judgment.

5 **2. Koll has a Direct Interest in the Litigation.**

6 Koll's interest in the adjudication is based on its Transfer Agreement with
7 Sunkist. Specifically, Koll seeks to extract groundwater from the Chino Basin, which is
8 governed by the Judgment. In order to extract this groundwater, Koll must do so by an
9 established water right that is provided under the Judgment. But, the Transfer Agreement
10 may not be finalized until this Court approves this Motion and the Watermaster approves the
11 transfer itself. Thus, Koll is prohibited from extracting groundwater unless it is decreed a
12 party to the Judgment and bound by the terms of the Judgment as well as entitled to the
13 rights and privileges afforded under the Judgment's physical solution.

14 In addition to being bound by the terms of the Judgment, no material harm will
15 be caused to any party by virtue of Koll's intervention. The intervention in this case is
16 limited solely to the transfer of 22 afy of Sunkist's adjudicated rights to Koll. Thus, there is
17 no expansion of any rights already allocated under the Judgment and there is no increase in
18 the amount of water as a whole that can be extracted from the Chino Basin. Last, the water
19 will be used solely on that land previously held by Sunkist, a party to the Judgment.

20 **IV. CONCLUSION**

21 Koll's Motion for Leave to Intervene relates only to its status as an overlying
22 landowner, its use of the water for industrial and commercial purposes and the transfer of 22
23 afy from Sunkist to Koll as approved by the Watermaster in accordance with the Judgment.
24 In addition, Koll is authorized by C.C.P. Section 387 (a) as well as by Paragraph 60 of the
25 Judgment to intervene as a party to the Judgment.

26 ///

27 ///

28 ///

1 Koll's intervention will not expand, redetermine or otherwise affect any
2 adjudicated water right under the Judgment. For all of the above reasons, Koll's Motion for
3 Leave to Intervene as a party to the Judgment should be granted.

4 DATED: [DATE]

5 Respectfully submitted,

6 EDWARD J. CASEY
7 TAMMY L. JONES
8 **WESTON, BENSHOOF, ROCHEFORT,**
9 **RUBALCAVA & MacCUISH LLP**

10 _____
11 Tammy L. Jones
12 Attorneys for Intervenor
13 **THE KOLL COMPANY**



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

D. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The Cucamonga Valley Water District has an agreement with West Valley Water District, formerly known as West San Bernardino County Water District, whereby Cucamonga Valley Water District will purchase 500 acre-feet of West valley Water District’s stored Chino Basin groundwater. Date of Application: March 13, 2008 (*Page 23*)

2. **Consider Approval for Notice of Sale or Transfer** – Sunkist Growers (“Transferor”) hereby permanently transfers to KCO, LLC – “Koll” (“Transferee”) the quantity of 22.000 acre-feet per year of corresponding Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment. Date of Application: March 4, 2008



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

March 20, 2008

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: March 13, 2008

Date of this notice: March 20, 2008

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

- A. Notice of Sale or Transfer – The Cucamonga Valley Water District (“CVWD”) has an agreement with West Valley Water District (“WVWD”), formerly known as West San Bernardino County Water District (“WSBCWD”), whereby CVWD will purchase 500 acre-feet of WVWD’s stored Chino Basin groundwater.

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

Appropriative Pool: April 10, 2008

Non-Agricultural Pool: April 10, 2008

Agricultural Pool: April 15, 2008

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: March 20, 2008

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

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION



CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: March 20, 2008
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary -

There does not appear to be a potential material physical injury to a party or to the basin from the proposed transaction as presented.

Issue -

- Notice of Sale or Transfer – The Cucamonga Valley Water District ("CVWD") has an agreement with West Valley Water District ("WVWD"), formerly known as West San Bernardino County Water District ("WSBCWD"), whereby CVWD will purchase 500 acre-feet of WVWD's stored Chino Basin groundwater.

Recommendation –

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

Fiscal Impact –

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

Background

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

Where there is no material physical injury, Watermaster must approve the transaction. Where the request for Watermaster approval is submitted by a party to the Judgment, there is a rebuttable presumption that most of the transactions do not result in Material Physical Injury to a party to the Judgment or the Basin (Storage and Recovery Programs do not have this presumption).

The following application for water transaction is attached with the notice of application.

- Notice of Sale or Transfer – The Cucamonga Valley Water District ("CVWD") has an agreement with West Valley Water District ("WVWD"), formerly known as West San Bernardino County Water District ("WSBCWD"), whereby CVWD will purchase 500 acre-feet of WVWD's stored Chino Basin groundwater.

Notice of the water transaction identified above was mailed on March 20, 2008 along with the materials submitted by the requestors.

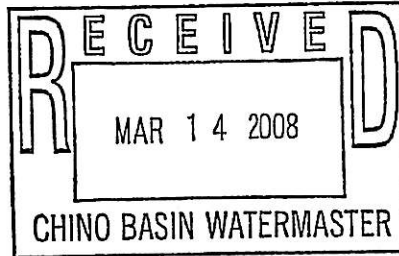
DISCUSSION

Water transactions occur each year and are included as production by the respective entity (if produced) in any relevant analyses conducted by Wildermuth Environmental pursuant to the Peace Agreement and the Rules & Regulations. There is no indication additional analysis regarding this transaction is necessary at this time. As part of the OBMP Implementation Plan, continued measurement of water levels and the installation of extensometers are planned. Based on no real change in the available data, we cannot conclude that the proposed water transaction will cause material physical injury to a party or to the Basin.



10440 Ashford Street • Rancho Cucamonga, CA 91729-0638
P.O. BOX 638 • (909) 987-2591 • Fax (909) 476-8032

Robert A. DeLoach
General Manager
Chief Executive Officer



March 13, 2008

Mr. Ken Manning
Chief Executive Officer
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

Dear Mr. Manning:

The Cucamonga Valley Water District ("CVWD") has an agreement with West San Bernardino County Water District ("WSBCWD") whereby CVWD will purchase 500 acre feet of WSBCWD's stored Chino Basin groundwater. Please credit the 500 acre feet to CVWD's local storage account.

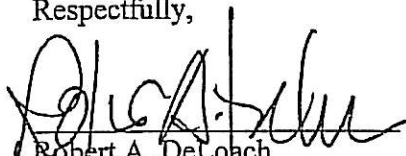
Enclosed please find:

- Form 3 – Application for Sale or Transfer of Right to Produce Water from Storage
- Form 4 – Application or Amendment to Application to Recapture Water in Storage
- Form 5 – Application to Transfer Annual Production Right or Safe Yield Map of CVWD's Chino Basin Wells

CVWD requests that this transfer be agendized for the next available Appropriative Pool meeting.

Should you have any questions, please contact me. Thank you.

Respectfully,



Robert A. DeLoach
General Manager/CEO

Enclosures

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

West San Bernardino County Water District

Name of Party

March 7, 2008

Date Requested

_____ Date Approved

855 W. Baseline Road

Street Address

500 Acre-feet

Amount Requested

_____ Acre-feet

Amount Approved

Rialto

City

CA

State

92376

Zip Code

Telephone: (909) 875-1804

Facsimile: (909) 875-7284

Anthony W. Araiza

Applicant

TRANSFER TO:

Cucamonga Valley Water District

Name of Party

10440 Ashford Street

Street Address

Attach Recapture Form 4

Rancho Cucamonga

City

CA

State

91730

Zip Code

Telephone: (909) 987-2591

Facsimile: (909) 476-8032

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

Yes []

No [X]

WATER QUALITY AND WATER LEVELS

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

Static water levels vary from 434' to 575'. Of the wells routinely pumped, nitrate levels vary from a low of 3.7 ppm to a high of 45 ppm.

MATERIAL PHYSICAL INJURY

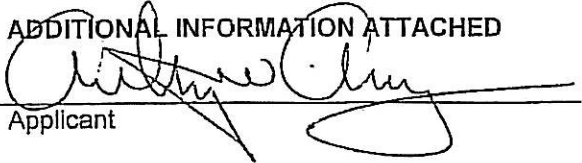
Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application? Yes [] No [X]

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]


Applicant

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

**APPLICATION OR AMENDMENT TO APPLICATION
TO
RECAPTURE WATER IN STORAGE**

APPLICANT

<u>Cucamonga Valley Water District</u>			<u>March 7, 2008</u>	_____
Name of Party			Date Requested	Date Approved
<u>10440 Ashford Street</u>			<u>500</u> Acre-feet	_____ Acre-feet
Street Address			Amount Requested	Amount Approved
<u>Rancho Cucamonga</u>	<u>CA</u>	<u>91730</u>	<u>Varies</u>	<u>July 1, 2007 – June 30, 2008</u>
City	State	Zip Code	Projected Rate of Recapture	Projected Duration of Recapture
Telephone: <u>(909) 987-2591</u>			Facsimile: <u>(909) 476-8032</u>	

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

IDENTITY OF PERSON THAT STORED THE WATER: West San Bernardino County Water District

PURPOSE OF RECAPTURE

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

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

N/A

PLACE OF USE OF WATER TO BE RECAPTURED

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

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

N/A

WATER QUALITY AND WATER LEVELS

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

Static water levels vary from 434' to 575. Of the wells routinely pumped, nitrate levels vary from a
Low of 3.7 ppm to a high of 45 ppm.

MATERIAL PHYSICAL INJURY

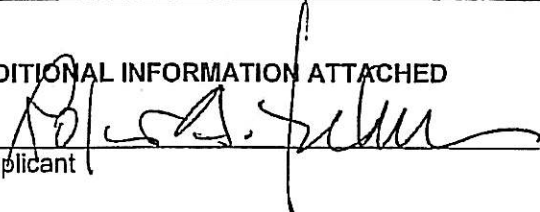
Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application? Yes [] No [X]

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]


Applicant

TO BE COMPLETED BY WATERMASTER

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION
TO
TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2007 - 2008

Commencing on July 1, 2007 and terminating on June 30, 2008, West San Bernardino County Water District ("Transferor") hereby transfers to Cucamonga Valley Water District ("Transferee") the quantity of 500 acre-feet of corresponding Annual Production Right (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.," RCV 51010 (formerly Case No. SCV 164327).

Said Transfer shall be conditioned upon:

- (1) Transferee shall exercise said right on behalf of Transferor under the terms of the Judgment and the Peace Agreement and for the period described above. The first water produced in any year shall be that produced pursuant to carry-over rights defined in the Judgment. After production of its carry-over rights, if any, the next (or first if no carry-over rights) water produced by Transferee from the Chino Basin shall be that produced hereunder.
- (2) Transferee shall put all waters utilized pursuant to said Transfer to reasonable beneficial use.
- (3) Transferee shall pay all Watermaster assessments on account of the water production hereby Transferred.
- (4) Any Transferee not already a party must intervene and become a party to the Judgment.

TO BE EXECUTED by both Transferor and Transferee, and to be accompanied by a general description of the area where the Transferred water was to be Produced and used prior to the Transfer, and where it will be Produced and used after the Transfer. This general description can be in the form of a map.

WATER QUALITY AND WATER LEVELS

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

Static water levels vary from 434' to 575'. Of the wells routinely pumped, nitrate levels vary from a low of 3.7 ppm to a high of 45 ppm.

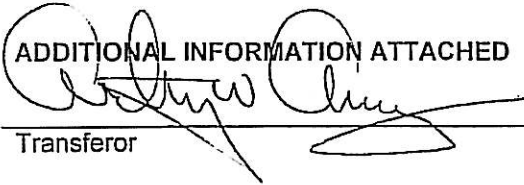
MATERIAL PHYSICAL INJURY

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

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

N/A

ADDITIONAL INFORMATION ATTACHED


Transferor

Yes [] No [X]


Transferee

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

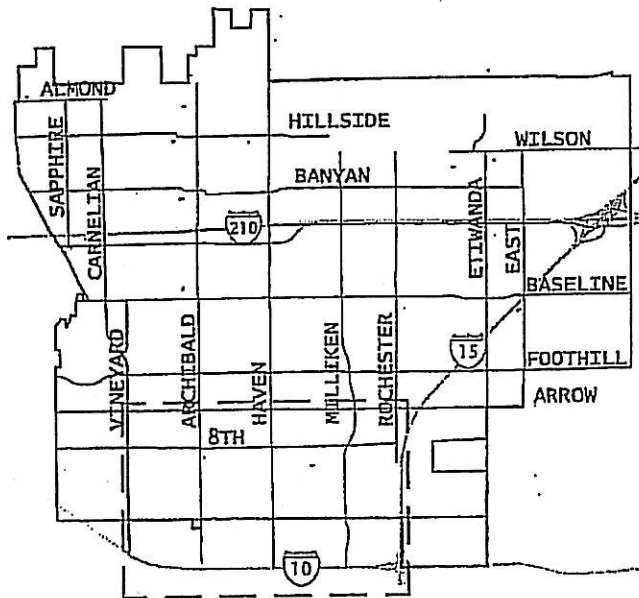
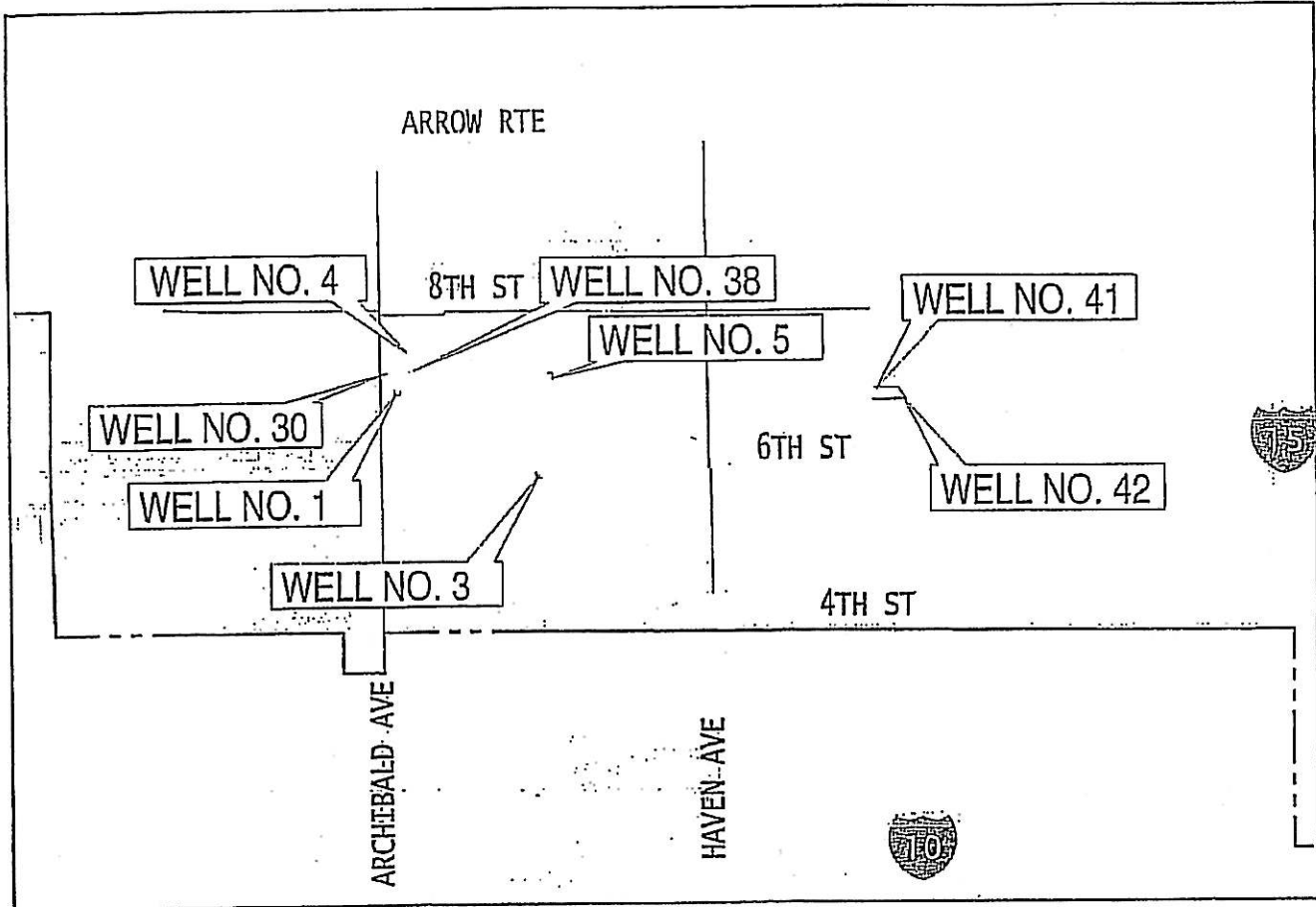
DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____



NOT TO SCALE

Cucamonga Valley
Water District

CHINO BASIN WELLS

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

March 7, 2008

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **March 4, 2008**

Date of this notice: **March 7, 2008**

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

- A. Notice of Sale or Transfer – Sunkist Growers, Inc. (“Transferor”) hereby permanently transfers to KCO, LLC – “KOLL” (“Transferee”) the quantity of 22,000 acre-feet per year of corresponding Safe Yield (Non Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment.

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

Appropriative Pool: March 13, 2008

Non-Agricultural Pool: March 13, 2008

Agricultural Pool: March 18, 2008

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: March 7, 2008

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

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION



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: March 13, 2008
March 18, 2008
March 27, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: KCO, LLC ("Koll") request for Intervention and approval of Form 5 Application to Transfer Annual Production Right or Safe Yield.

SUMMARY

Issue – On March 4, 2008, Watermaster received a Form 5 Application to Transfer Annual Production Right or Safe Yield from Sunkist Growers, Inc. as Transferor and KCO, LLC ("Koll") as Transferee in the amount of 22,000 AFY. Simultaneous with this Application, Watermaster received a request for intervention into the Overlying (Non-Agricultural) Pool from Koll. This Staff Report provides a summary and analysis of the proposed transfer and intervention.

Recommendation - Staff recommends approval of the Form 5 Application and the request for Intervention.

Fiscal Impact – No fiscal impact on the Watermaster Budget.

DISCUSSION

Background

In the 1978 Judgment, Sunkist Growers, Inc. was adjudicated rights of 1,873.403 acre-feet within the Overlying (Non-Agricultural) Pool. In 2006, Sunkist Growers, Inc. sold a portion (i.e., 15 acres) of its real property to Koll. Under the terms of the purchase and sale agreement, Sunkist reserved all of its adjudicated water rights for use on the remaining portion of its real property overlying the Basin. Now, Sunkist wishes to transfer 22,000 AFY of its adjudicated rights to Koll for use on the Koll Property. Koll will use the groundwater extracted solely for industrial and commercial purposes on its overlying Koll Property.

According to the Judgment, a producer is assigned to the Non-Agricultural Pool if it is an overlying producer who produce water for industrial or commercial purposes. (Judgment para. 43(b). "Any party who changes the character of his use may, by subsequent order of the Court, be reassigned to the proper pool Any non-party producer or any person who may hereafter commence production of water from Chino Basin, and who may become a party to [the] physical solution by intervention, shall be assigned to the proper pool by the order of the Court authorizing such intervention." (Judgment para. 43.)

Under Exhibit G, paragraph 6, of the Judgment: "Rights herein decreed are appurtenant to that land and are only assignable with the land for overlying use thereon; provided however, . . . (b) the members of the Pool shall have the right to Transfer or lease their quantified production rights within the Pool or to Watermaster in conformance with the procedures described in the Peace Agreement between the Parties therein, dated June 29, 2000 for the term of the Peace Agreement." The Peace Agreement and Peace II Agreement thus modified the strict appurtenancy requirement to allow Transfers of the water rights under certain conditions.

Interventions are governed by paragraph 60 of the Judgment: "Any non-party assignee of the adjudicated appropriative rights of any appropriator, or any other person newly proposing to produce water from the Chino Basin, may become a party to this Judgment upon filing a petition in intervention. Said intervention must be confirmed by order of [the] Court. Such intervenor shall thereafter be a party bound by [the] Judgment and entitled to the rights and privileges accorded under the Physical Solution . . . through the pool to which the Court shall assign such intervenor." The limitation at the beginning of paragraph 60 to assignees of appropriative rights does not appear to create a limitation in this instance since these water rights have a history of being assigned to non-parties who intervene into the Judgment. Regardless, this limitation appears to have been eliminated through the Peace Agreement amendment of Exhibit G, paragraph 6.

Watermaster's practice has been to accept interventions informally by way of a letter request and then process the request through the Pools, Advisory Committee and Board. This has been the procedure used for the most recent interventions.

Proposed Transfer

Sunkist and Koll have submitted a Form 5 Application to Transfer Annual Production Right or Safe Yield. The Application indicates that the amount of water rights to be transferred is 22,000 acre-feet. The Application indicates that the transfer will be permanent in nature. According to Koll's request for intervention, the groundwater extracted will solely be used for industrial and commercial purposes on its overlying Koll Property.

The Application indicates that the Applicant is not aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the transfer. It also indicates that no water levels in the area are likely to be affected. Watermaster agrees that under the Transfer as proposed in the Application, there will be no change that will result in Material Physical Injury.

Intervention

Koll has requested Intervention into the Non-Agricultural Pool for the purpose of accepting the Transfer of Sunkist's water rights. There is precedent for this kind of intervention—it is the same the manner in which CCG entered in to the Judgment and acquired its water rights from Kaiser Ventures.

Recommendation

Watermaster staff finds that:

1. The Transfer is consistent with the Judgment;
2. The Transfer will not cause Material Physical Injury;
3. The proposed intervention is consistent with the Judgment.

On this basis, Watermaster staff recommends approval of the Form 5 Application and request for Intervention.



CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

A. CHINO BASIN WATERMASTER 2008-2009 BUDGET





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: May 15, 2008
May 20, 2008
May 22, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: Proposed Fiscal Year 2008/2009 Budget

SUMMARY

Issue – Annual Budget for Watermaster Administration and OBMP tasks during FY 2008/09.

Recommendations – Staff recommends the Committees and the Board consider approval/adoption of the Proposed FY 2008/09 Budget.

Fiscal Impact – The FY 2008/09 Proposed Budget expenses are \$8,388,747. The FY 2008/09 Budget, as proposed, anticipates a slight decrease in Administrative costs, a decrease in OBMP expenditures and an increase in OBMP project costs over the prior year "amended" budget.

DISCUSSION

Each year, Watermaster staff conducts meetings internally and with consultants to discuss upcoming projects and anticipated work flow. As the budget is developed, the related budgeted costs are continually refined. The current version of the budget reflects the discussions with consultants and stakeholders over the last four months.

On April 2, 2008 Watermaster held an Ad-Hoc Budget Committee meeting with Board and Pool Members to discuss the categories of work that will be budgeted by Watermaster. This budget includes work related to regulatory and compliance requirements, as well as agreed upon tasks. Anticipated work flow and timing of work along with budgeted costs was discussed at the meeting as well. The committee acknowledged that Watermaster appears to be on task with the timing and budget of work flow and that no additional meetings were required this year.

On April 29, 2008 Watermaster hosted the annual Budget Workshop and discussed the draft budget in detail and in summary. The categories and accounts that were discussed in detail at the workshop included:

For the Administrative costs:

- The draft budget includes anticipated increases in staff salary costs based on March 2008 CPI of 3.6%.
- The draft budget includes staff salaries of \$967,369 for the approved 11 positions.
- The draft budget includes anticipated increases for Information Services which encompasses costs to maintain developed databases, develop additional databases and to maintain the Watermaster computer network & workstations. Also included in this category is the cost to transition our electronic file management system into a new software system.

For OBMP General costs: (See attached "Budget and Description of Engineering Tasks" for additional detail.)

- Increases in budgeted legal expenses to reflect expected annual costs.
- Annual Engineering Updates including quantification of New Yield and compliance with Condition Subsequent #7.
- Preparation of the Balance of Recharge and Discharge Report.
- Budgeting for CEQA as a result of approving Peace II.

Staff has compiled a draft budget for OBMP Implementation Project costs: (See attached "Budget and Description of Engineering Tasks" for additional detail.)

- In-Line Meter Installation/Maintenance includes budgeted funds to provide meters for newly identified wells or replacement meters and calibration & testing of existing meters.
- Groundwater level and groundwater quality monitoring to comply with the OBMP Implementation Plan, Basin Plan & Max Benefit commitments.
- Continued implementation of the recharge improvement project including recharge and well monitoring program – this budget includes \$450,000 for Recharge O&M expenses and \$1,350,000 for Recharge debt service.
- Development of a recharge master plan update pursuant to Condition Subsequent #5 – which will be budgeted over 2 years.
- Management of subsidence and related monitoring and analysis based upon recommendations from the MZ-1 technical committee.
- Continued implementation of the Hydraulic Control Monitoring Program and collection of water quality data from the Santa Ana River as mandated in the Basin Plan. However, staff will be working with the Regional Water Quality Control Board in an attempt to reduce the future scope of work in this category, thereby reducing future budgeted costs.

In summary, the FY 2008/09 Budget, as proposed, anticipates a slight overall increase in total costs. Final assessments will be refined when the assessment package is prepared this fall; assessments are dependent on prior year pumping which will affect the final assessment amounts.





CHINO BASIN WATERMASTER

DRAFT BUDGET

FY 2008/2009

THIS PAGE
HAS
INTENTIONALLY
BEEN LEFT
BLANK
FOR PAGINATION

**CHINO BASIN WATERMASTER
SUMMARY BUDGET 2008-2009**

DRAFT

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
Ordinary Income					
4000 Mutual Agency Revenue	\$142,150	\$41,667	\$145,500	\$148,410	\$2,910
4110 Appropriative Pool Assessments	7,800,290	5,201,052	7,423,878	7,934,028	510,150
4120 Non-Agricultural Pool Assessments	123,212	0	116,492	131,940	15,448
4730 Prorated Interest Income	256,310	100,716	181,500	174,368	-7,132
Total Income	8,321,962	5,343,435	7,867,370	8,388,747	521,377
Administrative Expenses					
6010 Salary Costs	584,437	244,692	477,247	489,309	12,062
6020 Office Building Expense	102,191	48,074	101,580	102,000	420
6030 Office Supplies & Equip.	41,685	15,813	51,150	50,500	-650
6040 Postage & Printing Costs	96,898	48,670	83,000	87,380	4,380
6050 Information Services	129,556	75,448	132,000	144,000	12,000
6060 WM Special Contract Services	126,521	39,608	117,500	98,000	-19,500
6080 Insurance Expense	15,338	4,160	18,210	17,730	-480
6110 Dues and Subscriptions	21,362	12,734	16,750	16,750	0
6150 Field Supplies & Equipment	1,214	116	2,500	2,500	0
6170 Vehicle Maintenance Costs	24,313	7,131	25,000	24,200	-800
6190 Conferences & Seminars	26,447	9,271	22,500	26,500	4,000
6200 Advisory Committee Expenses	15,451	9,107	18,931	19,620	689
6300 Watermaster Board Expenses	36,104	22,502	41,714	42,397	683
6500 Education Fund Expenditures	375	375	375	375	0
8300 Appropriative Pool Administration	21,947	8,909	24,001	24,440	439
8400 Agricultural Pool Administration	90,413	79,763	131,004	135,260	4,256
8500 Non-Agricultural Pool Administration	6,054	3,298	7,328	7,867	539
9400 Depreciation Expense	29,118	0	0	0	0
9500 Allocated G&A Expenditures	-423,257	-263,111	-419,640	-446,631	-26,991
Total Administrative Expenses	946,167	366,560	851,150	842,197	-8,953
General OBMP Expenditures					
6900 Optimum Basin Mgmt Program	2,212,978	1,605,294	2,711,138	1,987,041	-724,097
6950 Cooperative Efforts	10,000	0	10,000	10,000	0
9501 Allocated G&A Expenditures	160,405	105,449	141,199	135,454	-5,745
Total General OBMP Expenditures	2,383,383	1,710,743	2,862,337	2,132,495	-729,842

**CHINO BASIN WATERMASTER
SUMMARY BUDGET 2008-2009**

	FY 06-07		FY 07-08		FY 07-08		FY 08-09		Current vs. Proposed
	June Actual	December Actual	Amended Budget	Proposed Budget	Proposed Budget	Proposed Budget			
7000 OBMP Implementation Projects									
7101 Production Monitoring	88,082	47,963	101,709	107,492			5,783		
7102 In-Line Meter Installation/Maintenance	30,561	6,628	17,791	87,853			70,062		
7103 Groundwater Quality Monitoring	173,673	42,950	117,104	215,580			98,476		
7104 Groundwater Level Monitoring	218,911	84,076	182,667	342,258			159,591		
7105 Recharge Basin Water Quality Monitoring	44,515	5,524	15,553	46,852			31,299		
7107 Ground Level Monitoring	136,769	101,282	270,466	651,524			381,058		
7108 Hydraulic Control Monitoring Program	350,397	88,725	199,232	743,503			544,271		
7109 Recharge & Well Monitoring Program	169,645	16,363	102,827	0			-102,827		
7200 OBMP Pgm Element 2 - Comp Recharge	1,486,754	421,883	945,826	1,131,086			185,260		
7300 OBMP Pgm Element 3 & 5 - Water Supply Plan - Desalter	11,513	72,832	159,509	148,860			-10,649		
7400 OBMP Pgm Element 4 - Mgmt Zone Strategies	583,651	94,356	159,674	217,825			58,151		
7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Salt Mgmt	298,846	68,180	138,533	216,560			78,027		
7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use	19,936	30,418	82,660	77,201			-5,459		
7700 Inactive Well Protection Program	0	0	4,339	6,284			1,945		
7690 Recharge Improvement Debt Payment	1,358,414	618,373	1,377,552	1,110,000			-267,552		
9502 Allocated G&A Expenditures	262,852	150,877	278,441	311,177			32,736		
Total OBMP Implementation Projects	5,234,519	1,850,430	4,153,883	5,414,055			1,260,172		
Total Expenses	8,564,069	3,927,733	7,867,370	8,388,747			521,377		
Net Ordinary Income	-242,107	1,415,702	0	0			0		
Other Income									
4210 Approp Pool-Replenishment	2,683,975	0	0	0			0		
4220 Non-Ag Pool-Replenishment	7,009	0	0	0			0		
4230 Groundwater Recharge Activity	0	0	0	0			0		
Total Other Income	2,690,984	0	0	0			0		
Other Expense									
5010 Groundwater Recharge	3,536,201	2,328,727	0	0			0		
Total Other Expense	3,536,201	2,328,727	0	0			0		
Net Other Income	-845,217	-2,328,727	0	0			0		
9800 From / (To) Reserves	1,087,324	913,025	0	0			0		
Net Income	\$0	\$0	\$0	\$0			\$0		

CHINO BASIN WATERMASTER

FY 2008/2009

DRAFT

DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
Ordinary Income					
Income					
4000 Cooperative Effort Contributions					
4010 Local Agency Subsidies - Other	\$142,150	\$41,667	\$145,500	\$148,410	\$2,910
Total 4000 Mutual Agency Revenue	142,150	41,667	145,500	148,410	2,910
4110 Appropriative Pool Assessments					
4111 Administrative Assessment	774,519	5,201,052	629,243	642,492	13,249
4111.2 OBMP Assessment	4,287,629	0	4,121,218	4,480,963	359,745
4112 Ag Pool Reallocation - Administrative	211,094	0	171,591	183,159	11,568
4113 Ag Pool Reallocation - OBMP	1,169,048	0	1,124,274	1,277,415	153,141
4115 Recharge Improvement Revenue	1,358,000	0	1,377,552	1,360,000	-27,552
Total 4110 Appropriative Pool Assessments	7,800,290	5,201,052	7,423,878	7,934,028	510,150
4120 Non-Agricultural Pool Assessments					
4123 Administrative Assessment	18,851	0	15,316	16,546	1,230
4124 OBMP Assessment	104,361	0	101,176	115,394	14,218
Total 4120 Non-Agricultural Pool Assessments	123,212	0	116,492	131,940	15,448
4730 Prorated Interest Income					
4731 Interest - Agricultural Pool	17,160	12,090	18,500	17,500	-1,000
4732 Interest - Appropriative Pool	230,994	86,117	158,000	152,000	-6,000
4733 Interest - Non-Agricultural Pool	8,068	2,469	5,000	4,800	-200
4739 Interest - Education Fund	88	40	0	68	68
Total 4730 Prorated Interest Income	256,310	100,716	181,500	174,368	-7,132
Total Income	8,321,962	5,343,435	7,867,370	8,388,747	521,377

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

DRAFT

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
Administrative Expenses					
6010 Salary Costs					
6011 WM Staff Salaries & Payroll Burden	569,851	242,195	474,644	489,316	14,672
6012 Payroll Services	2,836	1,143	2,600	0	-2,600
6013 Human Resources Services	11,186	14,558	0	0	0
6017 Temporary Services	0	10,877	0	0	0
Subtotal Wages	583,873	268,773	477,244	489,316	12,072
6018 Fringe Benefits	564	-24,081	497,044	490,475	-6,569
60199 Payroll Burden Allocated	0	0	-497,041	-490,482	6,559
Total 6010 Salary Costs	584,437	244,692	477,247	489,309	12,062
6020 Office Building Expense					
6021 Office Lease	63,552	32,660	64,080	66,000	1,920
6022 Telephone	12,500	6,189	10,000	12,000	2,000
6024 Building Repairs & Janitorial	23,509	9,225	27,500	24,000	-3,500
6027 Other Expense	2,630	0	0	0	0
Total 6020 Office Building Expense	102,191	48,074	101,580	102,000	420
6030 Office Supplies & Equip.					
6031 Office Supplies	30,302	14,636	46,500	46,500	0
6038 Other Office Equipment	3,193	0	0	0	0
6039 Office Expenses	5,245	0	0	0	0
6141 Meeting Expenses	2,945	1,177	4,650	4,000	-650
Total 6030 Office Supplies & Equip.	41,685	15,813	51,150	50,500	-650
6040 Postage & Printing Costs					
6042 Postage	16,980	8,463	15,000	15,000	0
6043 Copy Machine Lease & Maintenance	70,666	38,767	60,000	63,000	3,000
6044 Postage Meter Lease	1,914	1,440	2,000	2,880	880
6045 Outside Printing	7,338	0	6,000	6,500	500
Total 6040 Postage & Printing Costs	96,898	48,670	83,000	87,380	4,380

CHINO BASIN WATERMASTER

FY 2008/2009

DRAFT

DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
6050 Information Services					
6052 Consultants	84,890	42,060	72,500	89,000	16,500
6053 Internet Services	12,780	6,672	21,000	13,000	-8,000
6054 Computer Software	4,271	11,644	11,000	13,000	2,000
6055 Computer Hardware	27,615	15,072	27,500	29,000	1,500
Total 6050 Information Services	129,556	75,448	132,000	144,000	12,000
6060 WM Special Contract Services					
6061 Contract Services	65,073	17,289	51,500	40,000	-11,500
6062 Audit Services	6,850	7,204	6,000	8,000	2,000
6063 Public Relations Consultant	35,876	15,115	40,000	40,000	0
6067 General Counsel	18,722	0	20,000	10,000	-10,000
Total 6060 WM Special Contract Services	126,521	39,608	117,500	98,000	-19,500
6080 Insurance Expense					
6085 Business Insurance Package	15,108	4,000	18,000	17,500	-500
6086 Position Bond Insurance	230	160	210	230	20
Total 6080 Insurance Expense	15,338	4,160	18,210	17,730	-480
6110 Dues and Subscriptions					
6111 Membership Dues	19,082	12,271	16,000	16,000	0
6112 Subscriptions	2,280	463	750	750	0
Total 6110 Dues and Subscriptions	21,362	12,734	16,750	16,750	0
6150 Field Supplies & Equipment					
6151 Small Tools & Equipment	415	0	1,500	1,500	0
6154 Uniforms	799	116	1,000	1,000	0
Total 6150 Field Supplies & Equipment	1,214	116	2,500	2,500	0
6170 Vehicle Maintenance Costs					
6170 Travel & Transportation	5,320	0	4,000	4,000	0
6171 Vehicle Allowance	7,800	3,900	8,400	8,400	0
6173 Mileage Reimbursements	1,628	854	1,400	1,600	200
6174 Public Transportation	23	0	0	0	0
6175 Vehicle Fuel	2,129	727	3,200	3,200	0
6177 Vehicle Repairs & Maintenance	7,413	1,650	8,000	7,000	-1,000
Total 6170 Travel & Transportation	24,313	7,131	25,000	24,200	-800

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

DRAFT

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
6190 Conferences & Seminars					
6191 Conferences & Seminars	24,001	9,271	20,000	20,000	0
6192 Training & Continuing Education	2,446	0	2,500	6,500	4,000
Total 6190 Conferences & Seminars	26,447	9,271	22,500	26,500	4,000
6200 Advisory Committee Expenses					
6201 WM Staff Salaries	14,374	8,079	16,431	17,120	689
6212 Meeting Expense	1,077	1,028	2,500	2,500	0
Total 6200 Advisory Committee Expenses	15,451	9,107	18,931	19,620	689
6300 Watermaster Board Expenses					
6301 WM Staff Salaries	17,002	10,119	19,914	20,597	683
6311 Board Member Compensation	14,875	11,272	18,500	18,500	0
6312 Meeting Expense	4,227	1,111	3,000	3,000	0
6313 Board Members' Expenses	0	0	300	300	0
Total 6300 WM Board Expenses	36,104	22,502	41,714	42,397	683
6500 Education Fund Expenditures	375	375	375	375	0
8300 Appropriate Pool Administration					
8301 WM Staff Salaries	21,519	8,831	23,251	23,940	689
8312 Meeting Expenses	428	78	750	500	-250
Total 8300 Appropriate Pool Administration	21,947	8,909	24,001	24,440	439
8400 Agricultural Pool Administration					
8401 WM Staff	17,458	8,510	20,604	21,460	856
8411 Compensation	2,150	800	1,600	2,000	400
8412 Meeting Expenses	0	0	300	300	0
8456 IEUA RTS Meter Charge	1,562	764	1,500	1,500	0
8467 Ag-Pool Legal Service	57,416	61,730	80,000	80,000	0
8467.1 Frank B & Associates	977	0	15,000	18,000	3,000
8470 Ag Pool Meeting Special Compensation	10,850	7,959	12,000	12,000	0
Total 8400 Agricultural Pool Admin	90,413	79,763	131,004	135,260	4,256

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
8500 Non-Agricultural Pool Administration					
8501 WM Staff	5,870	3,220	7,128	7,667	539
8512 Meeting Expense	184	78	200	200	0
Total 8500 Non-Agricultural Pool Admin	6,054	3,298	7,328	7,867	539
9400 Depreciation Expense	29,118	0	0	0	0
9500 Allocated G&A Expenditures	-423,257	-263,111	-419,640	-446,631	-26,991
Total Administrative Expenses	946,167	366,560	851,150	842,197	-8,953

General OBMP Expenses

6900 Optimum Basin Mgmt Program

6901 OBMP - Staff	186,058	130,505	234,138	222,668	-11,470
6906 OBMP - Engineering	734,389	432,879	395,000	609,389	214,389
6906.4 OBMP - CEQA	0	0	452,000	200,000	-252,000
6906.7 OBMP - DataX	36,943	4,207	10,000	0	-10,000
6906.8 OBMP - Reports	43,499	177,600	140,000	109,984	-30,016
6907 OBMP - Legal					
6907.1 Ellison & Schneider	155,357	213,837	60,000	200,000	140,000
6907.2 Ludorff & Scalmanini	150,308	78,965	20,000	50,000	30,000
6907.3 WM Legal Counsel	611,564	558,489	350,000	575,000	225,000
6907.34 SAR Accord	283,692	0	0	0	0
6909 OBMP - Other Expense	11,168	8,812	1,050,000	20,000	-1,030,000
Total 6900 OBMP	2,212,978	1,605,294	2,711,138	1,987,041	-724,097

Total 6950 Cooperative Efforts

9501 Allocated G&A Expenditures

Total General OBMP Expenses

Total 6950 Cooperative Efforts	10,000	0	10,000	10,000	0
9501 Allocated G&A Expenditures	160,405	105,449	141,199	135,454	-5,745
Total General OBMP Expenses	2,383,383	1,710,743	2,862,337	2,132,495	-729,842

DRAFT

CHINO BASIN WATERMASTER

FY 2008/2009

DRAFT

DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
--	----------------------------	--------------------------------	-------------------------------	--------------------------------	----------------------------

7000 OBMP Implementation Projects
7100 OBMP Pgm Element 1 - Comp Monitoring Program

7101 Production Monitoring

7101.1 Production Monitoring - WM Staff	42,359	35,170	49,479	74,714	25,235
7101.3 Production Monitoring - Engineering Services	44,973	12,418	51,480	32,028	-19,452
7101.4 Production Monitoring - Computer Services	750	375	750	750	0
Total 7101 Production Monitoring	88,082	47,963	101,709	107,492	5,783

7102 In-Line Meter Installation/Maintenance

7102.1 In-Line Meter - WM Staff	2,856	1,064	2,541	27,153	24,612
7102.5 In-Line Meter - Maintenance & Repair	3,430	1,553	4,000	9,000	5,000
7102.7 In-Line Meter - In-Line Meters	3,075	1,266	5,000	8,000	3,000
7102.8 In-Line Meter - Calibration & Testing	21,200	2,745	6,250	43,700	37,450
Total 7102 In-Line Meter Installation/Maintenance	30,561	6,628	17,791	87,853	70,062

7103 Groundwater Quality Monitoring

7103.1 Grdwtr Quality - WM Staff	48,995	19,502	54,600	75,206	20,606
7103.3 Grdwtr Quality - Engineering Services	86,555	23,007	45,577	109,684	64,107
7103.5 Grdwtr Quality - Laboratory Services	37,370	0	14,177	28,440	14,263
7103.6 Grdwtr Quality - Supplies	3	66	2,000	1,500	-500
7103.7 Grdwtr Quality - Computer Services	750	375	750	750	0
Total 7103 Groundwater Quality Monitoring	173,673	42,950	117,104	215,580	98,476

7104 Groundwater Level Monitoring

7104.1 Grdwtr Level - WM Staff	73,308	39,778	87,137	98,046	10,909
7104.3 Grdwtr Level - Engineering Services	141,784	36,431	73,730	202,212	128,482
7104.4 Grdwtr Level - Contract Services	1,567	0	11,500	11,500	0
7104.6 Grdwtr Level - Supplies	1,930	2,572	2,500	2,500	0
7104.7 Grdwtr Level - Capital Equipment	322	5,295	7,800	28,000	20,200
Total 7104 Groundwater Level Monitoring	218,911	84,076	182,667	342,258	159,591

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

DRAFT

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
7105 Recharge Basin Water Quality Monitoring					
7105.1 Recharge Basin Water Quality - WM Staff	4,515	5,524	11,053	42,852	31,799
7105.4 Recharge Basin Water Quality - Laboratory Services	40,000	0	3,500	3,500	0
7105.6 Recharge Basin Water Quality - Supplies	0	0	1,000	500	-500
Total 7105 Recharge Basin Water Quality Monitoring	44,515	5,524	15,553	46,852	31,299
7107 Ground Level Monitoring					
7107.1 Ground Level - WM Staff	2,270	0	3,173	2,814	-359
7107.2 Ground Level - Engineering Services	47,999	42,833	152,093	298,600	146,507
7107.3 Ground Level - Synthetic Aperture Radar	12,500	25,000	27,000	95,000	68,000
7107.5 Ground Level - Laboratory Services	0	0	1,100	10,000	8,900
7107.6 Ground Level - Contract Services	74,000	31,920	87,100	245,110	158,010
7107.7 Ground Level - Piezometer at Ayala Park	0	1,529	0	0	0
Total 7107 Ground Level Monitoring	136,769	101,282	270,466	651,524	381,058
7108 Hydraulic Control Monitoring					
7108.1 Hydraulic Control Monitoring - WM Staff	1,355	5,834	13,545	12,863	-682
7108.3 Hydraulic Control Monitoring - Engineering Services	253,219	45,379	115,787	427,426	311,639
7108.4 Hydraulic Control Monitoring - Laboratory Services	77,823	0	27,020	263,214	236,194
7108.9 Hydraulic Control Monitoring - Contract Services	18,000	37,512	42,880	40,000	-2,880
Total 7108 Hydraulic Control Monitoring	350,397	88,725	199,232	743,503	544,271
7109 Recharge & Well Monitoring					
7109.3 Recharge & Well Monitoring - Engineering Services	86,707	16,363	26,177	0	-26,177
7109.4 Recharge & Well Monitoring - Laboratory Services	82,938	0	76,650	0	-76,650
Total 7109 Recharge & Well Monitoring	169,645	16,363	102,827	0	-102,827

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
7200 OBMP Pgm Element 2 - Comp Recharge					
7201 Comp Recharge - WM Staff	92,550	31,665	128,326	127,022	-1,304
7202 Comp Recharge - Engineering Services	48,196	4,063	14,340	8,100	-6,240
7202.1 Comp Recharge - Recharge Master Plan	0	0	7,660	265,464	257,804
7203 Comp Recharge - Contract Services	10,404	5,304	28,000	22,500	-5,500
7204 Comp Recharge - Supplies	2,464	0	5,000	18,000	13,000
7205 Comp Recharge - Other Expenses	83,453	0	0	0	0
7206 Comp Recharge - Basin Program O&M	1,233,010	380,000	760,000	690,000	-70,000
7207 Comp Recharge - Other	0	0	2,500	0	-2,500
7208 Hansen Aggregate Damages	16,677	851	0	0	0
Total 7200 Comprehensive Recharge	1,486,754	421,883	945,826	1,131,086	185,260
7300 OBMP Pgm Element 3 & 5 - Water Supply Plan - Desalter					
7301 OBMP - WM Staff	11,513	7,181	23,909	23,348	-561
7303 OBMP - Engineering Services	0	65,651	135,600	125,512	-10,088
Total 7300 OBMP Elements 3 & 5 Water Supply Plan	11,513	72,832	159,509	148,860	-10,649
7400 OBMP Pgm Element 4 - Mgmt Zone Strategies					
7401 OBMP - WM Staff	8,670	10,380	11,667	11,833	166
7402 OBMP - Engineering Services	240,829	83,710	147,457	158,892	11,435
7403 OBMP - Contract Services	27,335	0	0	47,000	47,000
7404 OBMP - Supplies	58	15	100	100	0
7405 OBMP - Other Expenses	306,759	251	450	0	-450
Total 7400 OBMP Element 4 - Mgmt Zone Strategies	583,651	94,356	159,674	217,825	58,151
7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Salt Mgmt					
7501 OBMP - WM Staff	974	13,834	3,783	1,664	-2,119
7502 OBMP - Engineering Services	201,628	54,346	99,750	194,896	95,146
7503 OBMP - Contract Services	76,868	0	0	20,000	20,000
7505 OBMP - Other Expenses	5,000	0	0	0	0
7506 OBMP - CO-OP Legal	14,376	0	35,000	0	-35,000
Total 7500 OBMP Element 6 & 7 - Coop Efforts/Salt Mgmt	298,846	68,180	138,533	216,560	78,027

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use					
7601 OBMP - WM Staff	15,610	12,291	9,660	9,733	73
7602 OBMP - Engineering Services	4,326	18,127	62,500	67,468	4,968
7603 OBMP - Contract Services	0	0	10,000	0	-10,000
7605 OBMP - Other Expenses	0	0	500	0	-500
Total 7600 OBMP Element 8 & 9 Storage Mgmt/Conj Use	19,936	30,418	82,660	77,201	-5,459
7700 Inactive Well Protection Program					
7701 Inactive Well Protection Program - WM Staff	0	0	2,839	4,284	1,445
7703 Inactive Well Protection Program - Contract Services	0	0	1,500	2,000	500
Total 7700 Inactive Well Protection Program	0	0	4,339	6,284	1,945
7690 Recharge Improvement Debt Payment	1,358,414	618,373	1,377,552	1,110,000	-267,552
9502 Allocated G&A Expenditures	262,852	150,877	278,441	311,177	32,736
Total OBMP Implementation Projects	5,234,519	1,850,430	4,153,883	5,414,055	1,260,172
Total General OBMP & Implementation Projects	7,617,902	3,561,173	7,016,220	7,546,550	530,330
Total Expenses	8,564,069	3,927,733	7,867,370	8,388,747	521,377
Net Ordinary Income	-242,107	1,415,702	0	0	0

CHINO BASIN WATERMASTER

FY 2008/2009

DRAFT

DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
Other Income					
Water Replenishment Assessments					
4210 Approp Pool-Replenishment					
4211 15% Gross Assessments	544,185	0	0	0	0
4212 85% Net Assessments	1,513,674	0	0	0	0
4213 100% Net Assessments	256,868	0	0	0	0
4214 Prior Year Adjustment	369,248	0	0	0	0
Total 4210 Approp Pool-Replenishment	2,683,975	0	0	0	0
4220 Non-Ag Pool-Replenishment					
4223 Net Replenishment	7,009	0	0	0	0
Total 4220 Non-Ag Pool-Replenishment	7,009	0	0	0	0
Total Other Income	2,690,984	0	0	0	0
Other Expense					
5010 Groundwater Recharge					
5011 Replenishment Water	3,292,980	2,230,822	0	0	0
5015 OC-59 Use Fees	30,715	0	0	0	0
5015.1 OC-59 Use Fees - Other	14,239	0	0	0	0
5017 IEUA Surcharges	198,267	97,905	0	0	0
Total 5010 Groundwater Recharge	3,536,201	2,328,727	0	0	0
Total Other Expense	3,536,201	2,328,727	0	0	0
Net Other Income	-845,217	-2,328,727	0	0	0
(To) / From Reserves	1,087,324	913,025	0	0	0
Net Income	\$0	\$0	\$0	\$0	\$0

CHINO BASIN WATERMASTER
2008-2009 BUDGET
LINE ITEM JUSTIFICATION

DRAFT

Budget Line Number	Comments
ORDINARY INCOME/EXPENSE	
4000 COOPERATIVE EFFORT CONTRIBUTIONS	
4010	Local Agency Subsidies - Other
4110 APPROPRIATIVE POOL ASSESSMENTS	
4111	Administrative Assessment
4111.2	OBMP Assessment
4112	Agricultural Pool Reallocation-Administrative Assessment
4113	Agricultural Pool Reallocation-OBMP Assessment
4115	Recharge Improvement Revenue
4117	P/Y Adjustments
4120 NON-AGRICULTURAL POOL ASSESSMENTS	
4123	Administrative Assessment
4124	OBMP Assessment
4127	P/Y Adjustments
4730 PRORATED INTEREST INCOME	
6010 SALARY COSTS	
6011	WM Staff Salaries & Payroll Burden
6012	Payroll Services
6018	Fringe Benefits
60199	Payroll Burden Allocated
6020 OFFICE BUILDING EXPENSE	
6021	Office Lease
6022	Telephone
6024	Building Repair & Maintenance
6027	Other Expense
6030 OFFICE SUPPLIES & EQUIPMENT	
6031	Office Supplies
6038	Office Equipment
6039	Office Expense
6141	Meeting Expenses

This account represents funds which are to be received from Metropolitan Water District to offset our costs related to administering the Dry Year Yield Program.

Appropriative Pool Assessments equal the Pool's share of all General Administrative Expenses levied to the Appropriators on a per acre-foot basis levied based on the prior year's production.

Appropriative Pool Assessments equal the Pool's share of all Optimum Management costs levied to the Appropriators on a per acre-foot basis based on the prior year's production.

The Appropriative Pool and the Overlaying Agricultural Pool agreed that the unproduced portion of Ag Pool's annual share of safe yield (82,800 acre-feet) would be immediately reallocated to the Appropriative Pool members provided the Appropriative Pool would pay the Agricultural Pool's share of Administrative and Special Project expenses.

With separate assessments levied for General Administration and Optimum Basin Management Plan and Implementation Costs, the Agricultural Pool costs charged through the reallocation levy have been separated to differentiate between the revenues from the two levies.

This line item covers funds required to pay the budgeted debt service payment and the operating & maintenance expenses. Consists of adjustments related to prior years, if any.

Non-Agricultural Pool Assessments equal the Pool's share of all General Administrative Expenses levied to the Non-Agricultural Pool based on the prior year's production. Non-Agricultural Pool Assessments equal the Pool's share of all Optimum Basin Management costs levied to the Pool members based on the prior year's production. Consists of adjustments related to prior years, if any.

Interest is prorated between the Pools and the Education Fund using formula approved by the Advisory Committee and Pools several years ago.

Expenses related to administrative staff hours and costs not related to a particular project.

Expenses related to processing of bi-weekly payroll and preparation of quarterly and annual tax returns, including year end W-2 processing.

Benefits paid to employees such as medical, dental, vacation, sick leave & holidays.

Fringe benefits allocated to salary costs.

Lease for Watermaster office.

Telephone expense includes office telephone system, cellular phones for management & field staff along with conference call service.

This line item covers monthly housekeeping & maintenance requests to the office.

Expenses to this line include office building improvements.

Office supplies include: copy paper, stationary, envelopes, checks and other miscellaneous office supplies.

This Budget line covers the cost of office equipment not included in office supplies referenced in account 6031.

This line covers the costs of items not covered under any of the above #6030 lines including file management consulting fees.

Expenses charged to this line include administrative meeting expenses.

CHINO BASIN WATERMASTER
2008-2009 BUDGET
LINE ITEM JUSTIFICATION

DRAFT

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

CHINO BASIN WATERMASTER
2008-2009 BUDGET
LINE ITEM JUSTIFICATION

DRAFT

Budget Line Number	Comments
<u>5190 CONFERENCES & SEMINARS</u>	
6191	Conferences & Seminars
6192	Training & Continuing Education
<u>6200 ADVISORY COMMITTEE</u>	
6201	WM Staff Salaries
6212	Meeting Expenses
<u>6300 WATERMASTER BOARD EXPENSES</u>	
6301	WM Staff Salaries
6311	Member Compensation
6312	Meeting Expenses
6313	Board Member's Expenses
<u>6500 EDUCATION FUND EXPENDITURES</u>	
<u>8300 APPROPRIATIVE POOL ADMINISTRATION AND SPECIAL PROJECTS</u>	
8301	WM Staff Salaries
8312	Meeting Expenses
<u>8400 AGRICULTURAL POOL ADMINISTRATION AND SPECIAL STUDIES</u>	
8401	WM Staff Salaries
8411	Compensation - AG Pool Members
8412	Meeting Expenses
8456	IEUA RTS Meter Charge
8457	Agri-Pool Legal Services
8457.1	Frank B & Associates
8470	Ag Pool Meeting Special Compensation
<u>8500 NON-AGRICULTURAL POOL ADMINISTRATION AND SPECIAL PROJECTS</u>	
8501	WM Staff Salaries
8512	Meeting Expense
9500	ALLOCATED G&A EXPENDITURES
<u>6900 OPTIMUM BASIN MANAGEMENT PROGRAM</u>	
6900	OPTIMUM BASIN MANAGEMENT PROGRAM - GENERAL ENGINEERING

Staff attends conferences for information, training, or making presentations regarding the Chino Basin Watermaster activities.

Attendance at training & continuing education for staff.

Salary and burden costs of WM staff in attending and preparing for Advisory Committee meetings.

Advisory Committee meetings are normally scheduled to cover the lunch hour so that members are absent from their normal jobs the least amount of time possible. To accommodate the members, a luncheon or refreshments are served and those costs are reflected here.

Salary and burden costs of WM staff in preparing for and attending Watermaster Board Meetings.

Board Members are entitled to, but may waive, compensation for each day of service. Those who have not waived, receive \$125 per day served at various meetings including Board meetings, Committee meetings and other water agency meetings, including conference calls.

Board and Committee meetings may be scheduled to cover the lunch hour so that attendees are absent from their normal jobs the least amount of time possible. If this occurs, a luncheon or refreshments are served and those costs are reflected here.

Board Members are entitled to receive reimbursement for expenses incurred on behalf of Watermaster. Upon request, mileage is reimbursed to any Board Member using a personal vehicle on Watermaster business.

This account disburses funds from the educational account as directed.

8300 APPROPRIATIVE POOL ADMINISTRATION AND SPECIAL PROJECTS

Salary and burden costs of WM staff in attending and preparing for Pool Meetings, and any other Appropriative Pool administrative activity.

This item covers meeting expenses, including the cost of refreshments.

8400 AGRICULTURAL POOL ADMINISTRATION AND SPECIAL STUDIES

Salary and burden costs of WM staff in attending and preparing for Pool Meetings, and any other Agricultural Pool administrative activity.

AG Pool Members are reimbursed \$25 for each Pool, Committee or Board Meeting attended. AG Pool voted to increase reimbursement to \$125 per meeting with the extra \$100 to be paid out of AG Pool accumulated interest. This additional \$100 is shown under account #8470.

This item covers meeting expenses, including the cost of refreshments.

Inland Empire Utilities Agency implemented a 'readiness to serve' charge against Watermaster for future provision of service to the land in the Agricultural preserve.

The Agricultural Pool retains its own legal council to represent them in all Watermaster matters.

The Agricultural Pool has contracted with a water management consultant to assist them in following Watermaster activities important to the Agricultural Pool.

See account #8411 for details of this line item.

8500 NON-AGRICULTURAL POOL ADMINISTRATION AND SPECIAL PROJECTS

Salary and burden costs of WM staff in attending and preparing for Pool Meetings and any other Non-Agricultural Pool administrative activity.

This item covers meeting expenses, including the cost of refreshments.

Administrative Overhead is allocated to OBMP & Project jobs as a percentage of total Watermaster salaries.

6900 OPTIMUM BASIN MANAGEMENT PROGRAM

This work includes general engineering services requested by Watermaster to support implementation of the OBMP. The current budget request includes general, non-project specific as well as ad hoc requests for services and data requests promoting the ongoing efforts to implement the OBMP. Items include all aspects of preparing reports as required by the OBMP including the State of the Basin Report and the conditions subsequent pursuant to Judge Gunn's December 21, 2007 court order approving Peace II.

CHINO BASIN WATERMASTER
2008-2009 BUDGET
LINE ITEM JUSTIFICATION

DRAFT

Budget Line Number	Comments
6950	COOPERATIVE EFFORTS
9501	ALLOCATED G&A EXPENDITURES
7000	OPTIMUM BASIN MANAGEMENT PROGRAM IMPLEMENTATION PROJECTS
7101	PRODUCTION MONITORING
	On an ad hoc basis, Watermaster and other agencies agree to share the costs of various projects that will benefit both parties.
	Administrative Overhead is allocated to OBMP & Project jobs as a percentage of total Watermaster salaries.
	Watermaster staff collects and processes production information for the approximately 640 wells within the Basin, including approximately 200 Appropriator wells and approximately 440 private wells. Consultant staff reads the meters for the private wells, while the Appropriators report their meter readings to Watermaster. The data are inputted into a production database that is updated quarterly, and that is used at the end of the fiscal year to provide essential data for the Assessment Package. Computer services are for the subscription for parcel lot information (split 50/50 with 7103--Groundwater Quality Monitoring).
7102	IN-LINE METER INSTALLATION
	Approximately 340 in-line flow meters are now installed on the previously unmeasured private wells. Approximately 230 meters must be calibrated each year and other maintenance and repairs are required. Each calibration is expected to cost \$190. Ten meters are expected to be replaced this fiscal year, as these wells are expected to remain for at least another 12 months.
7103	GROUNDWATER QUALITY MONITORING
	Pursuant to the OBMP & Peace Agreement, Program Element 1 includes the development and implementation of a comprehensive groundwater quality monitoring program. Previously, Watermaster annually collected water quality data from approximately 200 private wells and obtained other water quality data from other cooperators so that approximately one-third of the active wells were sampled every third year. Other cooperators include members of the appropriative and overlying non-agricultural pools, the Regional Water Quality Control Board, the Department of Toxic Substances Control, the United States Geological Survey, the Orange County Water District and others. The key well monitoring program has now been implemented. Approximately 110 wells are included within the water quality key well program, with approximately 55 wells being sampled and analyzed each year. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use. The ad hoc Water Quality Committee oversees the surface water and groundwater quality programs to ensure that necessary data are collected to effectively manage the Basin.
	Required supplies for this line item include sampling equipment such as piping and valving.
	Computer services are for the subscription for parcel lot information (split 50/50 with 7101--Production Monitoring).
7104	GROUNDWATER LEVEL MONITORING PROJECT
	Pursuant to the OBMP & Peace Agreement, Program Element 1 includes the development and implementation of a comprehensive groundwater-level monitoring program. Groundwater-level measurements are collected and compiled from about 600 wells. Of the 600 wells, about 80 wells are measured monthly, about 275 wells are measured semi-annually, about 50 wells are measured by transducers, about 200 wells are measured by municipal well owners, which are collected by Watermaster staff, and about 100 wells are measured by cooperators, which are collected by Watermaster staff. Cooperators include members of the appropriative and overlying non-ag pools, RWQCB, DTSC, USGS, OCWD, and others. All data are checked for reasonableness with regard to historical data at the well, converted from depth-to-water to groundwater-level elevation, and compiled into a centralized database. The majority of this effort is concentrated in the southern half of the basin to support Desalter/HCMP monitoring programs. These data are analyzed in time series charts and maps annually to support the annual HCMP report and the semi-annual State of the Basin Report.
	Contract services for this item include the construction of aluminum covers for transducers not otherwise enclosed in structures and ground-level surveys of well reference points.
	Required supplies for this line item include sounder replacement lines, rubber gloves, distilled water, and fittings for installing transducers.
	Capital equipment for this line item include transducers and transducer download cables.
7105	BASIN WATER QUALITY MONITORING
	Pursuant to the OBMP & Peace Agreement, Program Element 1 also includes the surface water quality monitoring program. Work in this line item includes measuring water quality at recharge and flood retention basins within the Chino Basin. This was typically done during the rainy season only; approximately 3-4 samplings per basin per year. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use.
	Required supplies for this line item include rubber gloves, sample bags, tools, and field lab equipment.

CHINO BASIN WATERMASTER
2008-2009 BUDGET
LINE ITEM JUSTIFICATION

DRAFT

Budget Line Number	Comments
7107	<p>GROUND LEVEL MONITORING</p> <p>Pursuant to the OBMP & Peace Agreement, Program Element 1 also includes the development and implementation of a ground-level monitoring and testing program. Watermaster is interested in determining how much, if any, subsidence has occurred in the Basin and in monitoring the effectiveness of the OBMP in minimizing it. Data will be collected from a network of ground elevation stations (surveys), from a multi-piezometer and from a dual borehole extensometer in the subsidence-prone area (mainly Management Zone 1). Satellite imagery (InSAR) also will be collected and analyzed for subsidence. A pilot ASR test at a well owned by the City of Chino Hills will be initiated. Watermaster is implementing these efforts as part of the MZ1 Subsidence Management Plan. A web page for real-time water level reading at the PA-7 Piezometer (Ayala Park) will be implemented, which is a requirement of the MZ-1 Long-Term Management Plan.</p> <p>A new Central MZ1 piezometer is also planned, as well as an extensive ground-level survey to determine reference points for several wells near the piezometer.</p> <p>As part of the Basin Plan, a monitoring plan to evaluate the state of hydraulic control in the southern end of the basin has been developed. Hydraulic control will be used to maximize the safe yield of the basin. Watermaster, OCWD and the Regional Board have developed a monitoring plan to assess the state of hydraulic control to provide information to Watermaster to manage future production and recharge. Samples are collected from seven stations along the SAR every-other-week for water quality analyses. Stream flow measurements are also collected from five stations along the SAR. Water discharge and quality data area collected from all POTWS and other non-tributary dischargers between the Riverside Narrows and below Prado dam. This monitoring activity is a requirement for the Chino Basin to receive TDS and Two new nested monitoring wells are also planned, that will be located near the OJA VOC plume and near the former IEUA Co-Composter Facility.</p> <p>Deleted from program and budget</p> <p>This line item includes the recharge master plan update required by Judge Gunn's December 21, 2008 order approving Peace II, GRCC participation, and recharge basin O&M.</p> <p>The work in this line item includes engineering services for the technical review of non-Watermaster consultant work products for consistency with OBMP, Basin Plan and other Watermaster interests. Work in this line item also includes the design support for the proposed Chino Creek Desalter well field.</p> <p>Pursuant to the OBMP & Peace Agreement, Watermaster has developed a long-term management plan for MZ1. Watermaster and the Court approved the MZ1 Subsidence Management Plan in 2007. Watermaster will be implementing the MZ1 Subsidence Management Plan in FY 2008-09 and in years thereafter, and adapting the plan as new data and understanding dictates. Data collected and analyzed will be presented and discussed at the MZ1 Technical Group meetings. New monitoring wells were installed in MZ-3 and monitored during FY 2005/06 and 2006/07. A technical memorandum will be completed this fiscal year and a revised monitoring program will be developed.</p> <p>In Management Zone 3, Watermaster will conduct a thorough ground water quality survey to locate contaminant plumes which might impact appropriator wells. Plans include quarterly sampling and analyses of two new "sentinel" wells to provide on-going monitoring of plume management.</p> <p>Pursuant to the OBMP & Peace Agreement, Watermaster will complete specific activities to improve water quality monitoring and analyze the effectiveness of the OBMP to accomplish its goals. The work in this line item includes coordinating the Water Quality committee activities, coordinating with RWQCB and DTSC on several groundwater plumes - including VOC plumes potentially emanating from the Ontario International Airport and the Chino Airport, and the Stingfellow perchlorate plume, which has now reached the Santa Ana River, the Basin Monitoring Task Force pursuant to Watermaster's Maximum Benefit obligation, and participating in the TMDL process for Santa Ana River, Chino and Mill Creeks.</p> <p>This line item includes Watermaster's effort to expand the existing DYY Program and to develop new groundwater storage programs.</p> <p>Pursuant to the OBMP & Peace Agreement, Watermaster has compiled a list of inactive wells that have not been properly abandoned. Watermaster equips inactive wells with devices that meet the requirement of well abandonment to protect the integrity of the groundwater. These devices also allow for access to the well for monitoring purposes, if necessary. This fiscal year, approximately five more inactive wells will be equipped with such devices.</p> <p>Repayment of debt as agreed to in contract with Inland Empire Utilities Agency for improvement of recharge basins within the Chino Basin, to be paid by the Appropriators.</p> <p>Administrative Overhead is allocated to OBMP & Project jobs as a percentage of total Watermaster salaries.</p>
7108	<p>HYDRAULIC CONTROL MONITORING PROGRAM</p>
7109	<p>RECHARGE AND WELL MONITORING PROGRAM</p>
7200	<p>OBMP PROGRAM ELEMENT 2 - COMPREHENSIVE RECHARGE PROGRAM</p>
7300	<p>OBMP PROGRAM ELEMENTS 3 & 5 - WATER SUPPLY PLAN - DESALTER</p>
7400	<p>OBMP PROGRAM ELEMENT 4 - MANAGEMENT ZONE MANAGEMENT STRATEGIES</p>
7500	<p>OBMP PROGRAM ELEMENTS 6 & 7 - COOPERATIVE EFFORTS AND SALT MANAGEMENT</p>
7600	<p>OBMP PROGRAM ELEMENTS 8 & 9 - STORAGE MANAGEMENT AND CONJUNCTIVE USE PROGRAMS</p>
7700	<p>INACTIVE WELL PROTECTION PROGRAM</p>
7800	<p>RECHARGE IMPROVEMENT DEBT PAYMENT</p>
9502	<p><u>ALLOCATED G&A EXPENDITURES</u></p>

CHINO BASIN WATERMASTER
2008-2009 BUDGET
LINE ITEM JUSTIFICATION

DRAFT

Budget
Line
Number Comments

SUPPLEMENTAL & REPLENISHMENT WATER INCOME AND EXPENSES

Water rights were assigned in the Judgment entered in 1978. It established the terms and conditions regarding replenishment water and how the assessments would be levied to cover the water for each pool. No amounts are budgeted in this category as Watermaster is unable to determine what the overproduction will be at year, if any. Replenishment water is a "pass-thru" expense meaning all amounts overproduced by an agency are billed to them at the rate Watermaster pays for the cost of the water.

Certain Appropriators under the Judgment have 15% of the cost of replenishment water required by their group and 85% of the cost is paid by the appropriator overproducing water in the prior year. Other Appropriators have the obligation to pay 100% of the costs of replacing any overproduced water.

Costs levied against the 15%/85% group for replacing water.

Costs levied against the 15%/85% group for replacing water.

Costs levied against those subject to 100% assessments for replacing water.

Non-Ag members (primarily industrial producers) are required to replace any water produced which exceeds their assigned water rights.

Costs levied against those subject to 100% assessments for replacing.

Costs of Replenishment or Supplemental Water.

This line covers the costs of purchasing replenishment water from MWD at \$233/AF.

This line covers the costs of purchasing water @ \$233/AF.

Vector control at Recharge Basins.

Connection Fees.

Inland Empire Utilities Agencies charges a fee for water delivered.

4210 App Pool Replenishment Assessments

4211 15% Gross Assessments

4212 85% Gross Assessments

4213 100% Net Assessments

4220 Non-Ag Pool Replenishment

4230 Net Replenishment Assessments

5010 GROUNDWATER RECHARGE

5011 Replenishment Water

5012.4 MZ1 Interim Imported Water Purchase

5014 Vector Control

5015 OC-59 Use Fees

5017 IEUA Surcharges

**CHINO BASIN WATERMASTER
ASSESSMENT CALCULATION
FISCAL YEAR 2007-2008**

DRAFT

****ESTIMATED, BASED ON PREVIOUS YEARS ASSESSMENT PACKAGE**

MEMO ONLY FISCAL YEAR 2007-2008 BUDGET TOTALS	MEMO ONLY		MEMO ONLY		MEMO ONLY		MEMO ONLY	
	MEMO ONLY	MEMO ONLY	MEMO ONLY	MEMO ONLY	MEMO ONLY	MEMO ONLY	MEMO ONLY	MEMO ONLY
	MEMO ONLY	MEMO ONLY	MEMO ONLY	MEMO ONLY	MEMO ONLY	MEMO ONLY	MEMO ONLY	MEMO ONLY
	MEMO ONLY	MEMO ONLY	MEMO ONLY	MEMO ONLY	MEMO ONLY	MEMO ONLY	MEMO ONLY	MEMO ONLY
PRODUCTION BASIS								
2005-06 Production & Exchanges in Acre-Feet	161,240,932	124,315,140	77.099%	33,899,960	21.024%	3,025,832	1.877%	
2006-07 Production & Exchanges in Acre-Feet	171,490,694	130,826,204	76.288%	37,295,410	21.748%	3,369,080	1.965%	
BUDGET								
Administration, Advisory Committee & Watermaster Board (1)	\$842,197	\$642,492		\$183,159		\$16,546		
OBMP & Implementation Projects(1)	6,196,550	\$4,727,202		183,159		\$1,347,612		\$121,736
General Admin & OBMP Assessments	7,038,747	642,492		183,159		16,546		121,736
TOTAL BUDGET	7,038,747	642,492		183,159		16,546		121,736
Less Budgeted Interest Income	(174,368)							(3,426)
Contributions from Outside Agencies	(148,410)							(2,916)
CASH DEMAND	6,715,969	642,492		183,159		16,546		115,394
OPERATING RESERVE								
Administrative	\$0	\$0		\$0		\$0		\$0
OBMP	0	0		0		0		0
Less: Funds On Hand Utilized for Assessments	0	0		0		0		0
FUNDS REQUIRED TO BE ASSESSED	\$6,715,969	\$642,492	\$4,480,963	\$183,159	\$1,277,415	\$16,546		\$115,394
Proposed Assessments								
General Administration Assessments	\$4.91	\$4.91	\$34.25	\$4.91	\$34.25	\$4.91		\$34.25
Minimum Assessments	\$5.00	\$5.00				\$5.00		\$5.00
Prior Year Assessments (For Information Only)	\$4.50	\$4.50	\$31.80	\$4.50	\$31.80	\$4.50		\$31.80

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

**Chino Basin Watermaster
Budget and Description of Engineering Tasks
Fiscal Year 2008/2009**

DRAFT

6906 – Optimum Basin Management Program: General Engineering
Tasks
<ul style="list-style-type: none"> • Pool, Advisory, Watermaster Meetings • Other General Meetings as Requested • Evaluation of Transfers, Assessment of Supplemental Water Recharge • Miscellaneous Data Requests • Miscellaneous CEO Requests • OBMP Strategic Planning Process • State of the Basin Report. This includes a scoping meeting with the special referee, preparing the following drafts: administrative, draft, and final. • Annual Engineering Updates <ul style="list-style-type: none"> • Quantification of New Yield, Condition Subsequent Number 7. This includes the following subtasks: <ul style="list-style-type: none"> • Develop Definitions, Assumptions and Criteria • Storm Water Quantification • Calculate New Yield from Santa Ana River Due to Past Desalter Replenishment Practices and Reoperation through June 30, 2008 • Revise Reoperation Schedule • Prepare Reports • Prepare the Balance of Recharge and Discharge Report. This includes the following subtasks: <ul style="list-style-type: none"> • Run 20-Year Groundwater Flow Simulation Based on Calibration Above and DYYP Expansion Data • Review Transfers Among the Parties (work done by Watermaster Staff with review by WEI, Watermaster staff time not included) • Prepare Reports (work done by Watermaster Staff with review by WEI, Watermaster staff time not included).
Milestones
<ul style="list-style-type: none"> • Pool, Advisory, Watermaster Meetings • Other General Meetings as Requested • Evaluation of Transfers, Assessment of Supplemental Water Recharge • Miscellaneous Data Requests • Miscellaneous CEO Requests • OBMP Strategic Planning Process • State of the Basin Report • Annual Engineering Updates • Prepare the Balance of Recharge and Discharge Report

7101 – PEI: Groundwater Production Monitoring Program
Tasks
<p><i>Purpose: [Basin Operation] Obtain groundwater production data for private wells. This task is performed jointly by Watermaster and WEI staff.</i></p> <ul style="list-style-type: none"> • Quarterly Meter Reads. This task comprises obtaining quarterly meter reads from about 325 private wells.
Milestones
<ul style="list-style-type: none"> • Quarterly Meter Reads

7103 – PEI: Groundwater Quality Monitoring Program
Tasks
<p><i>Purpose: [Basin Plan and Max Benefit] Obtain groundwater quality information in and adjacent to Chino Basin. These data are required for the triennial ambient water quality update mandated by the Basin Plan and for the</i></p>

DRAFT

Hydraulic Control Monitoring Program – a maximum benefit requirement in the Basin Plan. The data are also used for the Biannual State of the Basin report and estimating influent water quality to desalter wells.

- Obtain Groundwater Quality Data Routinely from about 200 Wells from All Appropriators and Cooperators in and Adjacent to Chino Basin. This represents about 20,000 records in Watermaster's database. Subtasks include:
 - phone calls and meetings with water quality staff
 - uploading hardcopy, spreadsheet, and laboratory electronic data deliverables to Watermaster's database.
- Collect and Analyze Groundwater Quality Samples from About 60 Private Wells. Subtasks include:
 - annual re-evaluation of the key well program due to abandoned and destroyed wells
 - scheduling the field work and coordinating with the analytical laboratory
 - performing the field work
 - uploading field and laboratory data to Watermaster's database.
 - The field work follows the standard operating procedures (SOPs) and the Quality Assurance Project Plan (QAPP) defined in the 2004 HCMP Work Plan.
- Characterize Groundwater Quality Conditions and Trends. Subtasks include:
 - create time-history plots of key water quality constituents, e.g., TDS and nitrate-nitrogen.
 - Create maps showing the spatial distribution of water quality constituents.

Milestones

- Obtain Groundwater Quality Data Routinely from All Appropriators and Cooperators in and Adjacent to Chino Basin
- Collect and Analyze Groundwater Quality Samples from About 60 Private Wells
- Characterize Groundwater Quality Conditions and Trends

7104 – PEI: Groundwater Level Monitoring Program

Tasks

Purpose: [Basin Plan and Max Benefit] Obtain groundwater level information in and adjacent to Chino Basin. These data are required for the triennial ambient water quality update mandated by the Basin Plan and for the Hydraulic Control Monitoring Program – a maximum benefit requirement in the Basin Plan. The data are also used for the Biannual State of the Basin report and for the Chino Basin Groundwater Model.

- Obtain Groundwater Level Data Routinely about 200 Wells from All Appropriators and Cooperators in and Adjacent to Chino Basin. This represents about 3800 records in Watermaster's database. Subtasks include:
 - phone calls and meetings with staff and uploading hardcopy, spreadsheet and electronic data to Watermaster's database.
- Collect and Analyze Groundwater Level Measurements from About 600 Wells. Subtasks include:
 - annual re-evaluation of the key well program due to abandoned and destroyed wells
 - scheduling the field work
 - performing the field work; and uploading manual water level measurements to Watermaster's database
 - download, QC, and upload of transducer data
 - The field work follows the SOPs and the QAPP defined in the 2004 HCMP Work Plan.

DRAFT

<ul style="list-style-type: none"> • Characterize Groundwater Level Conditions and Trends. Subtasks include: <ul style="list-style-type: none"> • create time-history plots of groundwater elevations • create maps showing groundwater elevation contours
Milestones
<ul style="list-style-type: none"> • Obtain Groundwater Level Data Routinely from All Appropriators and Cooperators in and Adjacent to Chino Basin • Collect and Analyze Groundwater Level Measurements from About 600 Wells • Characterize Groundwater Level Conditions and Trends

7107 – PEI: Ground Level Monitoring Program
Tasks
<p><i>Purposes: 1) To verify the protective nature of the current MZ-I Plan with regard to permanent land subsidence and ground fissuring in the Managed Area.</i></p> <p><i>2) To develop a pumping and recharge plan to minimize the risk of future land subsidence and ground fissuring across all of MZ-I.</i></p> <ul style="list-style-type: none"> • Setup and Maintenance of Monitoring Network. Subtasks include: <ul style="list-style-type: none"> • Well recon and installation of 10 transducers in central and southeastern MZ-I • Equipment maintenance at the Ayala Park Extensometer and across entire monitoring network • Perform test of low-cost extensometer at Ayala Park that could be applied in the future to other areas of MZI or other management zones • Aquifer System Monitoring and Testing. Subtasks include: <ul style="list-style-type: none"> • Collection and organization of groundwater-level and groundwater-production data from wells in MZI monitoring network • Conduct one controlled pumping test in the Managed Area • Assess feasibility and develop scope for pumping test east of Riley Barrier • Evaluate feasibility of ASR at Well CH-1B • Ground Level Surveys. Subtasks include: <ul style="list-style-type: none"> • Conduct Fall 2008 ground-level survey and EDMs (horizontal monitoring) across existing network • Conduct Spring 2009 survey (EDMs only) • Replace destroyed benchmarks • Ground Level Surveys - Outside Pro • InSAR – multiple interferograms across entire Chino Basin for 2008-09 • InSAR - Outside Pro • Conduct ASR Pilot Test at CH-1B (contingent task) • Expand ground-level survey network across central MZI (contingent task) • Water Supply Planning (contingent task)
Milestones
<ul style="list-style-type: none"> • Update of MZI database with aquifer system data and ground-level data. Data will be used to (1) assess the protective nature of the current MZI Plan and (2) support the development of future pumping and recharge plan(s) in MZI to minimize the risk of future land subsidence and ground fissuring across all of MZ-I • Evaluation of the possibility of using aquifer injection as a tool to manage water levels and subsidence within the Managed Area • Evaluation of proposed pumping plans of the parties that pump from the Managed Area

DRAFT

7108 – PEI: Hydraulic Control Monitoring Program

Tasks

Purpose: [Basin Plan and Max Benefit] Obtain surface water discharge and water quality data from the Santa Ana River and its tributaries and groundwater quality and level information in and adjacent to Chino Basin. These data are required by the Basin Plan (the surface water stations and frequencies are specified in Table 5-8a) and for the Hydraulic Control Monitoring Program – a maximum benefit requirement in the Basin Plan. The data are also used for the Biannual State of the Basin report and for the Chino Basin Groundwater Model.

- Measure Discharge at Specified Surface Water Stations in the Santa Ana River and Tributaries. Discharge measurements are made at 14 stations every other week (364 discharge measurements). Subtasks include:
 - scheduling the field work
 - performing the field work
 - QA/QC'ing the discharge calculations
 - uploading the discharge data to Watermaster's database.
 - The field work follows the SOPs and the QAPP defined in the 2004 HCMP Work Plan.
- Collect Grab Surface Water Quality Samples at Specified Surface Water Stations in the Santa Ana River and Tributaries. Samples are collected at 14 stations every other week. Samples are also collected from three POTWs. Data from IEUA's POTW discharges are obtained from IEUA. Subtasks include:
 - scheduling the field work and coordinating with the analytical laboratory
 - performing the field work
 - uploading field and laboratory data to Watermaster's database.
- Monitor HCMP, NAWQA, and SARWC Wells. The 2 NAWQA and 2 SARWC wells are sampled monthly. The 21 HCMP wells are sampled quarterly (132 total samples) Subtasks include:
 - scheduling the field work and coordinating with the analytical laboratory
 - performing the field work
 - uploading field and laboratory data to Watermaster's database.
- Interpretation of HCMP Data and Data Analyses/Comparison with Metrics. All data generated in the HCMP, as well as the GWQMP and the GWLMP will be analyzed and used to demonstrate the degree of hydraulic control obtained by basin re-operation and desalter production.
- 2008 Aerial Photograph. Watermaster will purchase a compressed, digital 2008 Aerial Photograph of the Chino Basin Area in support of the HCMP.
- HCMP Monitoring Well Master Plan and Grant Applications. Watermaster and IEUA will develop a master plan of new monitoring wells that will be required to demonstrate hydraulic control in Chino Basin as part of the Maximum Benefit requirement. Approximately two nests of wells are proposed per year. The agencies will endeavor to seek grant funding whenever possible.
- Reports—Compose four quarterly data reports and one annual HCMP report (draft and final).
- Meetings

Milestones

- Measure Discharge at Specified Stations in the Santa Ana River and Tributaries as Mandated by the Basin Plan
- Collect Grab Surface Water Quality Samples at Specified Stations in the Santa Ana River and

DRAFT

- Tributaries as Mandated by the Basin Plan
- HCMP Monitoring Well Master Plan and Grant Applications
- Monitor HCMP, NAWQA, and SARWC Wells
- 2008 Aerial Photograph of the Chino Basin Area in support of the HCMP
- Reports
- Meetings

7202 – PE2: Recharge Master Plan (Conducted over a Two-Year Period) (FY 08/09 and FY 09/10)
Tasks
<p><i>Purpose: December 21, 2007 Court Order, Condition Subsequent No. 5: “By July 1, 2008, Watermaster shall submit to the Court a detail outline of the scope and content of its first Recharge Master Plan Update, and shall report its progress by January 1, 2009 and July 1, 2009. December 21, 2007 Court Order, Condition Subsequent No. 8: “By July 1, 2010, Watermaster shall submit to the Court for approval an updated Recharge Master Plan. The updated Recharge Master Plan shall include all the elements listed in the <u>Special Referee’s Final Report and Recommendations</u>.</i></p> <ul style="list-style-type: none"> • Finalize Work Plan • Kickoff Meeting with Recharge Partners • Finalize Replenishment and Recharge Goals, and Describe Impediments to Goals • Estimate Baseline (2008) and Future Stormwater Recharge • Develop Design Criteria for Spreading Basins and ASR Wells • Develop Unit Cost and Financial Information • Identify Potential Spreading, ASR and Other Related Facility Sites • Develop Environmental and other Site Constraints • Describe Recharge Operations at Each Site • Develop Reconnaissance-Level Designs and Operating Plans • Develop Cost Opinions • Develop Alternative Recharge Project Mixes • Integrate Operational Plans and Describe Performance and Level of Robustness • Describe Implementation Barriers, Process and Schedule • Prepare Final Cost Opinions • Prepare Draft Recharge Master Plan Report • Present Draft Report in Watermaster Process, Boards of CBWCD, IEUA, TVMWD and WMWD, & County • Conduct CEQA • Finalize Recharge Master Plan Report • Adopt Recharge Master Plan
Milestones
<ul style="list-style-type: none"> • Finalize Work Plan • Prepare Task 1 Design Criteria Memorandum • Prepare Task 2 Spreading Basin Memorandum • Prepare Task 3 ASR Well Memorandum • Prepare Cost Opinions • Conduct Two Workshops to Present Concepts and to Respond to Questions

DRAFT

- Prepare Draft Recharge Master Plan Report
- Present Draft Report in Watermaster Process, Boards of CBWCD, IEUA, TVMWD and WMWD, & County
- Conduct CEQA
- Court Approval
- Finalize Recharge Master Plan Report
- Adopt Recharge Master Plan

7303 – PE3/5: Water Supply Plan for Desalter
Tasks
<p><i>Purpose: [Basin Plan and Max Benefit] Plan, site, drill, and construct wells for the Chino Creek Desalter Well Field. This well field is required for hydraulic control in the southwest portion of Chino Basin – hydraulic control is a necessary condition for maximum benefit in the Basin Plan.</i></p> <ul style="list-style-type: none"> • Chino Creek Desalter Well Field. Subtasks include: <ul style="list-style-type: none"> • Coordination with CDA, other agencies, and consultant for desalter well field development. • Conceptual Siting. • Test Well Siting. • Review of lithologic geophysical logs and assist in well design.
Milestones
<ul style="list-style-type: none"> • Chino Creek Desalter Well Field

7402 – PE4: Management Zone Strategies
Tasks
<p><i>Purposes: 1) To verify the protective nature of the current MZ-1 Plan with regard to permanent land subsidence and ground fissuring in the Managed Area.</i></p> <p><i>2) To develop a pumping and recharge plan to minimize the risk of future land subsidence and ground fissuring across all of MZ-1.</i></p> <p><i>3) To assess groundwater quality conditions in Management Zone 3. MZ-3 monitoring program has been on-going for three years. The monitoring program will be completed this fiscal year with the completion of the final report.</i></p> <ul style="list-style-type: none"> • PE4/MZ-1: Task 6. Data Analyses and Reports. Subtasks include: <ul style="list-style-type: none"> • Analysis of production, piezometric, extensometer, ground-level survey, horizontal strain, InSAR, and seismic data • Preparation of MZI Annual Report • Update of MZI Plan • Ground-surface monitoring characterization and scoping study • PE4/MZ-1: Task 7. Meetings • PE4/MZ-3: Task 1. Project Administration and Public Outreach. Subtasks include: <ul style="list-style-type: none"> • preparation of Quarterly Reports to DWR

DRAFT

<ul style="list-style-type: none"> • administering the grant • coordinating with IEUA • PE4/MZ-3: Task 7. Technical Memorandum. The report will include four quarters of monitoring data (collected in FY 2007/08) and is due December 31, 2008.
Milestones
<ul style="list-style-type: none"> • PE4/MZ-1: MZI Annual Report, Update of MZI Plan, Ground-Surface Monitoring Characterization and Scoping Study, Grant application(s) for future MZI efforts • PE4/MZ-1: Scope for FY 2009-10 efforts in MZI • PE4/MZ-3: Task 1. Project Administration and Public Outreach • PE4/MZ-3: Task 7. Technical Memorandum

7502 – PE6/7: Cooperative Efforts/Salt Management
Tasks
<p><i>Purpose: These tasks address special water quality issues that impact Chino Basin.</i></p> <ul style="list-style-type: none"> • Water Quality Committee Meetings. This task assumes four, quarterly meetings with the WQC. • As Needed Investigations (e.g., perchlorate isotopes). This task is for special water quality studies, for example, a perchlorate isotope source study of Hole Lake, and/or a study of low detection limit perchlorate in the Santa Ana River and potential impacts to Chino Basin due to increased desalter and JCSD pumping. • Ontario International Airport VOC Plume. Subtasks include: <ul style="list-style-type: none"> • coordination and negotiation with OIA PRPs • oversight of monitoring well drilling, construction, and testing • Chino Airport VOC Plume. Subtasks include: <ul style="list-style-type: none"> • coordination and negotiation with Chino Airport PRP.
Milestones
<ul style="list-style-type: none"> • Water Quality Committee Meetings • As Needed Investigations (e.g., perchlorate isotopes) • Ontario International Airport VOC Plume • Chino Airport VOC Plume

7602 – PE8/9: Storage Management & Conjunctive Use
Tasks
<ul style="list-style-type: none"> • General Consulting • SDCWA and CLWA Program • Metropolitan
Milestones
<ul style="list-style-type: none"> • General Consulting • SDCWA and CLWA Program • Metropolitan