



CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, June 26, 2008

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

(Lunch will be served)

AT THE CHINO BASIN WATERMASTER OFFICES

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





CHINO BASIN WATERMASTER

Thursday, June 26, 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. – June 26, 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 May 22, 2008 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2008 *(Page 11)*
2. Watermaster Visa Check Detail *(Page 15)*
3. Combining Schedule for the Period July 1, 2007 through April 30, 2008 *(Page 17)*
4. Treasurer's Report of Financial Affairs for the Period April 1, 2008 through April 30, 2008 *(Page 19)*
5. Budget vs. Actual July 2007 through April 2008 *(Page 21)*

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 2,000 acre-feet of water from San Antonio Water Company's storage account to Monte Vista Water District. This lease is made first from SAWC's net underproduction, if any, in Fiscal Year 2007-08, with any remainder to be captured from storage. Date of Application: April 25, 2008 *(Page 23)*
2. **Consider Approval for Notice of Sale or Transfer** – The one-year lease of 3,135 acre-feet of water from the City of Chino's annual production rights to the City of Ontario. Date of Application: May 2, 2008 *(Page 39)*
3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 2,862 acre-feet of water from the City of Chino. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City's net under-production in Fiscal Year 2007-08, with any remainder to be recaptured from storage. Date of Application: May 2, 2008 *(Page 58)*

4. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,000 acre-feet of water from the Santa Ana River Water Company. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from SARWC's net under-production in fiscal Year 2007-2007. Date of Application: May 9, 2008 *(Page 73)*

II. BUSINESS ITEMS

A. WATERMASTER 2008-2009 BUDGET

Consider Approval for the Chino Basin Watermaster 2008-2009 Budget *(Page 85)*

B. CONDITIONS SUBSEQUENT NO. 6

Discussion and Possible Action for Conditions Subsequent No. 6 *(Page 117)*

C. RECHARGE MASTER PLAN DRAFT OUTLINE SCHEDULE

Consider Approval of Outline of Recharge Master Plan Update and Schedule Regarding Completion of Update *(Page 123)*

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. August 21, 2008 Hearing
2. Hanson Aggregates Litigation
3. Chino Airport Potential Litigation
4. Recharge Permits

B. ENGINEERING UPDATES

1. Condition Subsequent No. 5 Recharge Master Plan
2. Condition Subsequent No. 6 Hydraulic Control
3. Analysis of Residual Agricultural Pumping

C. CEO/STAFF REPORT

1. Legislative Update
2. Recharge Update
3. Agreement for O&M of Facilities to Implement the Recharge Master Plan
4. Personnel Matter
5. Strategic Planning Conference

D. INLAND EMPIRE UTILITIES AGENCY

1. MWD Drought Action Alert/Regional Conservation Actions *(Page 135)*
2. 3-Year Recycled Water Business Plan Update
3. Recycled Water Newsletter *(Page 149)*
4. Monthly Water Conservation Programs Report *(Page 155)*
5. Monthly Imported Water Deliveries Report *(Page 158)*
6. State and Federal Legislative Report *(Page 163)*
7. Community Outreach/Public Relations Report *(Page 201)*

E. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. INFORMATION

1. IEUA Supports Governor's Emergency Drought Declaration *(Page 203)*
2. Newspaper Articles *(Page 205)*

V. COMMITTEE MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

June 19, 2008	3:00 p.m.	Personnel Committee Meeting
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
July 10, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
June 15, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
July 24, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
July 24, 2007	9:00 a.m.	Advisory Committee Meeting
July 24, 2007	11:00 a.m.	Watermaster Board Meeting

Meeting Adjourn

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**CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING**

11:00 a.m. – June 26, 2008

At The Offices Of

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

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 May 22, 2008 *(Page 7)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2008 *(Page 11)*
2. Watermaster Visa Check Detail *(Page 15)*
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C. WATER TRANSACTION

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II. **BUSINESS ITEMS**

A. **WATERMASTER 2008-2009 BUDGET**

Consider Approval for the Chino Basin Watermaster 2008-2009 Budget (*Page 85*)

B. **CONDITIONS SUBSEQUENT NO. 6**

Discussion and Possible Action for Conditions Subsequent No. 6 (*Page 117*)

C. **RECHARGE MASTER PLAN DRAFT OUTLINE SCHEDULE**

Consider Approval of Outline of Recharge Master Plan Update and Schedule Regarding Completion of Update (*Page 123*)

III. **REPORTS/UPDATES**

A. **WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. August 21, 2008 Hearing
2. Hanson Aggregates Litigation
3. Chino Airport Potential Litigation
4. Recharge Permits

B. **ENGINEERING UPDATES**

1. Condition Subsequent No. 5 Recharge Master Plan
2. Condition Subsequent No. 6 Hydraulic Control
3. Analysis of Residual Agricultural Pumping

C. **CEO/STAFF REPORT**

1. Legislative Update
2. Recharge Update
3. Agreement for O&M of Facilities to Implement the Recharge Master Plan
4. Personnel Matter
5. Strategic Planning Conference

IV. **INFORMATION**

1. IEUA Supports Governor's Emergency Drought Declaration (*Page 203*)
2. Newspaper Articles (*Page 205*)

V. **BOARD MEMBER COMMENTS**

VI. **OTHER BUSINESS**

VII. **CONFIDENTIAL SESSION - POSSIBLE ACTION**

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session will be held during the Watermaster Board meeting for the purpose of discussion and possible action regarding three items:

1. Hansen Aggregates Litigation
2. Potential litigation re Chino Airport VOC plume
3. Personnel Matters

VII. FUTURE MEETINGS

June 19, 2008	3:00 p.m.	Personnel Committee Meeting
June 26, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
June 26, 2007	9:00 a.m.	Advisory Committee Meeting
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July 10, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
June 15, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
July 24, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
July 24, 2007	9:00 a.m.	Advisory Committee Meeting
July 24, 2007	11:00 a.m.	Watermaster Board Meeting

Meeting Adjourn

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Advisory Committee Meeting – May 22, 2008



Draft Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

May 22, 2008

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on May 22, 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
Bill Kruger	City of Chino Hills
Mike McGraw	Fontana Water Company
Anthony La	City of Upland
Dave Crosley	City of Chino
Charles Moorrees	San Antonio Water Company
Raul Garibay	City of Pomona

Non-Agricultural Pool

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

Jeff Pierson	Ag Pool, Crops
Pete Hall	State of California - CIM

Watermaster Staff Present

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

Watermaster Consultants Present

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

Others Present

Dan Bott	Orange County Water District
Rick Rees	Geomatrix Consultants, Inc./CIM
Mohamed El-Amamy	City of Ontario
Gil Aldaco	City of Chino
Eunice Ulloa	Chino Basin Water Conservation District
Marty Zvirbulis	Cucamonga Valley Water District
Steven G. Lee	Reid & Hellyer
Rich Atwater	Inland Empire Utilities Agency

Mr. Kinsey, acting chair called the Advisory Committee meeting to order at 9:15 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting held on April 24, 2008

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of April 2008
2. Watermaster Visa Check Detail
3. Combining Schedule 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. Budget vs. Actual July 2007 through March 2008

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

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
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

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

Moved to approve consent calendar items A through D, as presented

II. BUSINESS ITEMS**A. WATERMASTER 2008-2009 BUDGET**

Mr. Manning stated the draft budget presentation was given at all Pool meetings and noted at the Appropriative and Non-Agricultural Pool meeting the members suggested and approved Watermaster staff to change the budget to reflect a reduction of 25% in the 6907 category for legal fees. With that 25% reduction in the budget, in November the budget would be revisited with more refined numbers for the 6907 category. The budget will be updated and reflected in the next Assessment Package. The Agricultural Pool agreed with the Appropriative and Non-Agricultural Pools motion for the 25% reduction in the 6907 category. Mr. Manning noted if this committee agrees with the Pools motions, it will then be taken to the Watermaster Board for approval and be brought back through the Watermaster process in June for final approval. A discussion regarding the budget ensued.

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

Moved to approve the Chino Basin Watermaster 2008-2009 budget, as presented

B. CHINO CREEK WELL FIELD COSTS

Mr. Manning stated letters were received from Western Municipal Water District, the City of Ontario, and Jurupa Community Services District regarding their plans to expand desalter production to 40,000 acre-feet while at the same time achieving Hydraulic Control in the southern portion of the basin. Mr. Manning stated Watermaster is requesting direction from the Advisory Committee and the Watermaster Board regarding Watermaster taking the lead position in litigation and in assuming responsibility for costs associated to this task. This item has gone to the Pools and has had unanimous approval. Counsel Fife stated counsel will provide additional information regarding current discussions with the parties and the County at future meetings.

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

Moved to approve the request to take an active role in the litigation and remediation of the VOC plume emanating from the Chino Airport, as presented

Mr. Kinsey, acting chair, turned the meeting to chair, DeLoach

C. AGREEMENT WITH IEUA FOR REIMBURSEMENT FOR CEQA COSTS

Mr. Manning stated the proposed agreement provides Inland Empire Utilities Agency (IEUA) as the lead agency for the CEQA review associated with the Peace II Agreement and that Watermaster will agree to reimburse IEUA for the costs of this review. The proposed scope of work estimates the costs of analysis at \$63,000. Mr. Manning noted this amount is within the \$200,000 allocated in Watermaster's proposed budget. Mr. Manning stated this item has gone to the Pools and has had unanimous approval. Staff is recommending approval of this agreement.

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

Moved to approve the agreement with Inland Empire Utilities Agency for reimbursement for CEQA costs, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. July 24, 2008 Hearing

Counsel Fife stated there was a hearing scheduled in May, however, the court moved that hearing date to July, and has now delayed the hearing a second time to August 21, 2008. Counsel Fife stated a few of the administrative items to be heard at the May hearing were the recent interventions and the Watermaster Thirtieth Annual Report and a very brief hearing might be set prior to the August 21st hearing to move those few items through the court system in a more timely manner.

2. Santa Ana River Permits

Counsel Fife stated on Tuesday the State Board unanimously approved the City of Riverside's Waste Water Change Petition. This was the first of many needed approvals coming out of last May's hearing on the Santa Ana River Permits. Counsel Fife stated he heard that our anticipated permits will be drafted within the next 30 to 60 days. Counsel Fife noted he has received some calls from the State Board staff asking minor details; showing they are in the process of drafting Watermaster's permit. A discussion regarding the original permit ensued.

B. ENGINEERING UPDATES

1. Conditions Subsequent 5 and 6 Update

No comment was made regarding this item.

2. Changes in the Characteristics in the Santa Ana River Flow

No comment was made regarding this item.

C. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated there is a detailed legislative update provided by IEUA in the meeting packet for review. The governor has submitted a number of items that did not show up in the May revise that were of interest to water agencies. Mr. Manning reviewed several bills relevant to the water industry. Mr. Manning noted the Farm Bill did pass which has some implications for the water industry but, that bill was then vetoed by President. Mr. Manning noted there were enough votes in the senate and house to override the President's veto; more details will follow when additional information is released.

2. Recharge Update

Mr. Manning stated the most recent recharge update is on the back table. Mr. Manning noted 260 acre-feet of mostly recycled water was recharged in April.

3. OIA Update

Mr. Manning stated at a recent meeting Mr. Treweek advised the group that GeoTrans is working on behalf of the parties involved in the plume and that they were working on drilling four monitoring wells in the Chino Basin in order to provide more information as to their involvement within the Ontario Airport plume. The drilling of those wells has already started and staff will keep the parties apprised as to the progress of those wells and the information the wells provide.

D. INLAND EMPIRE UTILITIES AGENCY

1. MWD Water Alert Presentation

Mr. Atwater commented on the MWD drought plan. Mr. Atwater noted there will be a Landscape Alliance workshop today at IEUA. A discussion regarding conservation matters ensued.

2. Recycled Water 3-Year Budget Presentation

Mr. Atwater noted the Recycled Water 3-Year Budget presentation is in the meeting package for review. Mr. Atwater commented on the use of recycled water on fire trucks. A discussion regarding recycled water usage ensued.

3. Recycled Water Newsletter

No comment was made regarding this item.

4. Monthly Water Conservation Programs Report

No comment was made regarding this item.

5. Monthly Imported Water Deliveries Report

No comment was made regarding this item.

6. State and Federal Legislative Report

Mr. Atwater stated he would appreciate any letters of support written regarding AB2270 on water softeners. This has been a very big campaign for all of us. Mr. Atwater gave details about what damage water softeners can do to our water supply.

7. Community Outreach/Public Relations Report

No comment was made regarding this item.

E. 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

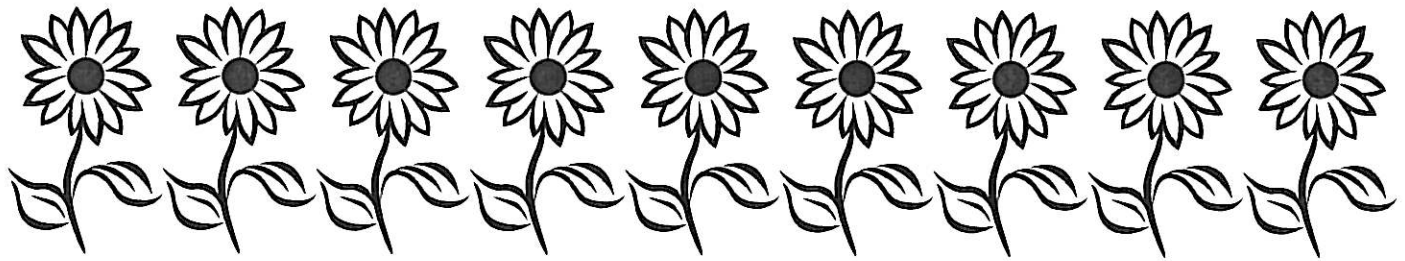
May 22, 2008	9:00 a.m.	Advisory Committee Meeting
May 22, 2008	11:00 a.m.	Watermaster Board Meeting
May 29, 2008	10:00 a.m.	Recharge Master Plan Meeting
June 12, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
June 17, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
June 26, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
June 26, 2007	9:00 a.m.	Advisory Committee Meeting
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The Advisory Committee meeting was dismissed by Chair DeLoach at 9:45 a.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Watermaster Board Meeting – May 22, 2008



Draft Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

May 22, 2008

The Annual Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on May 22, 2008 at 11:00 a.m.

WATERMASTER BOARD MEMBERS PRESENT

Jim Curatalo, Acting Chair	Cucamonga Valley Water District
David DeJesus	Three Valleys Municipal Water District
Tom Thomas	City of Upland
Jim Bowman	City of Ontario
Charles Field	Western Municipal 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
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.

Others Present

Dave Crosley	City of Chino Basin Watermaster
Eunice Ulloa	Chino Basin Water Conservation District
Robert DeLoach	Cucamonga Valley Water District
Jeff Pierson	Ag Pool – Crops
Bob Feenstra	Ag Pool - Dairy
Sandra Rose	Monte Vista Water District
Hank Stoy	Visitor
Rick Rees	Geomatrix Consultants, Inc./CIM
Jack Safely	Western Municipal Water District
Raul Garibay	City of Pomona
Mark Kinsey	Monte Vista Water District
Ken Jeske	City of Ontario

The Watermaster Board Meeting was called to order by acting Chair Curatalo at 11:00 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 on April 24, 2008

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

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

Moved to approve consent calendar items A through D, as presented

A. WATERMASTER 2008-2009 BUDGET

Ms. Rojo gave a presentation on the 2008-2009 budget. Mr. Manning stated the Pools and Advisory Committee all approved unanimously reducing budget category no. 6907 for legal fees by 25%. The 25% reduction in the budget would be approved through the Watermaster process in June, and then in November the budget would be revisited with more refined numbers in the 6907 category. The budget will be updated before the finalization of the Assessment Package. A discussion regarding the requested reduction and the special referee ensued. It was noted to reduce category 6907 by 25% and bring it back in June for final approval.

No action was taken on this item.

B. CHINO CREEK WELL FIELD COSTS

Mr. Manning stated letters have been received from Western Municipal Water District, the City of Ontario, and Jurupa Community Services District regarding their plans to expand desalter production to 40,000 acre-feet while at the same time achieving Hydraulic Control in the southern portion of the basin and noted that this item has gone to the Pools and Advisory Committee and has had unanimous approval. Mr. Manning stated Watermaster is requesting direction from the Watermaster Board regarding Watermaster taking the lead position in any litigation and in assuming responsibility for costs associated to this task. A discussion regarding this item ensued.

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

Moved to approve the request to take an active role in the litigation and remediation of the VOC plume emanating from the Chino Airport, as presented

C. AGREEMENT WITH IEUA FOR REIMBURSEMENT FOR CEQA COSTS

Mr. Manning stated the proposed agreement provides Inland Empire Utilities Agency (IEUA) as the lead agency for the CEQA review associated with the Peace II Agreement and that Watermaster will agree to reimburse IEUA for the costs of this review. The proposed scope of work estimates the costs of analysis at \$63,000. Mr. Manning noted this amount is within the \$200,000 allocated in Watermaster's proposed budget. Mr. Manning stated this item has gone to the Pools and Advisory Committee and has had unanimous approval. Staff is recommending approval of this agreement.

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

Moved to approve the agreement with Inland Empire Utilities Agency for reimbursement for CEQA costs, as presented

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. July 24, 2008 Hearing**

Counsel Slater stated there was a hearing scheduled in May, however, the court moved that hearing date to July, and has now delayed the hearing a second time to August 21, 2008. Counsel Slater stated a few of the administrative items to be heard at the May hearing were the recent interventions and the Watermaster filing of the Thirtieth Annual Report and a very brief hearing might be set prior to the August 21st hearing to move those few items through the court system more timely.

2. Santa Ana River Permits

Counsel Slater stated on Tuesday the State Board unanimously approved the City of Riverside's Waste Water Change Petition. This was the first of many needed approvals coming out of last May's hearing on the Santa Ana River Permits. Counsel Slater stated it was anticipated permits will be drafted for other related applications within the next 30 to 60 days.

B. ENGINEERING UPDATES**1. Conditions Subsequent 5 and 6 Update**

Mr. Wildermuth stated excellent progress has been made on both Conditions Subsequent 5 and 6. Condition Subsequent no. 5 is the preparation of a detailed outline to do a recharge master plan update; this must be filed with the court by July 1, 2008. Subsequent no. 6 is a request directed by the court to have staff go to the Regional Board and get clarification on what is meant by Hydraulic Control. Staff has been working with the Regional Board on this item. A definitive statement will be coming from the Regional Board on Hydraulic Control shortly which will be filed with the court. A discussion regarding Hydraulic Control ensued.

2. Changes in the Characteristics in the Santa Ana River Flow

Mr. Wildermuth reviewed the chart regarding Baseflow changes and the characteristics in the Santa Ana River flow in detail. Mr. Wildermuth reviewed the surface water monitoring locations which included the HCMP surface water sampling sites, USGS gauging stations, and recycled water discharge locations in detail. A discussion regarding Mr. Wildermuth's presentation ensued.

C. CEO/STAFF REPORT**1. Legislative Update**

Mr. Manning stated there is a detailed legislative update provided by IEUA in the meeting packet for review. The governor has submitted a number of items that did not show up in the May revise that were of interest to water agencies. Mr. Manning reviewed several bills relevant to the water industry. Mr. Manning noted the Farm Bill did pass which has some implications for the water industry, but that bill was then vetoed by President. Mr. Manning

noted there were enough votes in the senate and house to override the President's veto; more details will follow when additional information is released.

2. Recharge Update

Mr. Manning stated the most recent recharge update is on the back table. Mr. Manning noted 260 acre-feet of mostly recycled water was recharged in April.

3. OIA Update

Mr. Manning stated at a recent meeting Mr. Treweek advised the group that GeoTrans is working on behalf of the parties involved in the plume and that they were working on drilling four monitoring wells in the Chino Basin in order to provide more information as to their involvement within the Ontario Airport plume. The drilling of those wells has already started and staff will keep the parties apprised as to the progress of those wells and the information the wells provide.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. BOARD MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

The regular Board meeting was dismissed at 12:07 p.m. to convene the Confidential Session

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session will be held during the Watermaster Board meeting for the purpose of discussion and possible action regarding two items:

- 1. Hansen Aggregates Litigation
- 2. Potential litigation re Chino Airport VOC plume

No comment was made regarding this item.

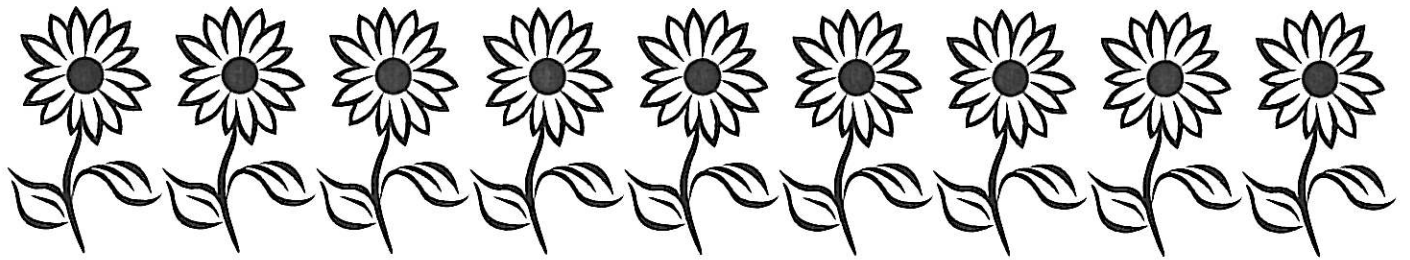
VII. FUTURE MEETINGS

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

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

Secretary: _____

Minutes Approved: _____

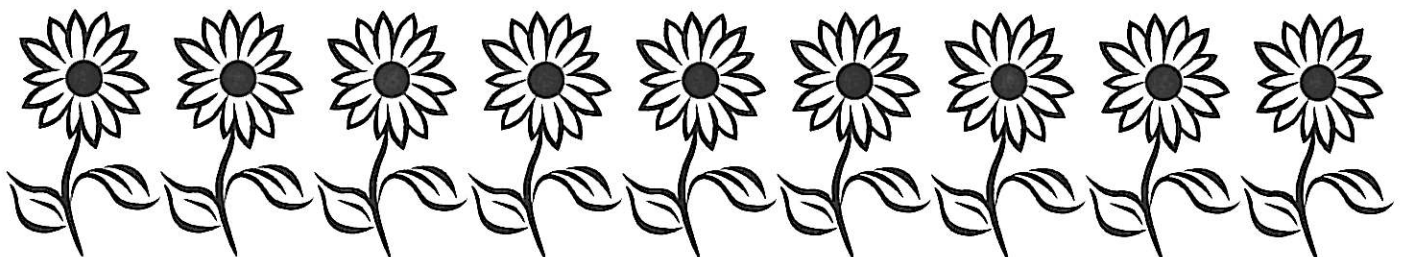


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2008
2. Watermaster Visa Check Detail
3. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2007 through April 30, 2008
4. Treasurer's Report of Financial Affairs for the Period April 1, 2008 through April 30, 2008
5. Profit & Loss Budget vs. Actual July 2007 through April 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: June 12, 2008
June 17, 2008
June 26, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – May 2008

SUMMARY

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

Recommendation – Staff recommends the Cash Disbursements for May 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 May 2008 were \$580,891.04. The most significant expenditures during the month were Wildermuth Environmental Inc. in the amount of \$268,763.00 and Brownstein, Hyatt, Farber & Schreck in the amount of \$142,240.83.

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
May 2008

Type	Date	Num	Name	Amount
May 08				
General Journal	5/3/2008	080503	PAYROLL	-7,508.52
General Journal	5/3/2008	080503	PAYROLL	-24,418.88
Bill Pmt -Check	5/7/2008	12280	APPLIED COMPUTER TECHNOLOGIES	-3,701.30
Bill Pmt -Check	5/7/2008	12281	ARROWHEAD MOUNTAIN SPRING WATER	-43.43
Bill Pmt -Check	5/7/2008	12282	BOWCOCK, ROBERT	-250.00
Bill Pmt -Check	5/7/2008	12283	BOWMAN, JIM	-250.00
Bill Pmt -Check	5/7/2008	12284	CALPERS	-4,029.38
Bill Pmt -Check	5/7/2008	12285	CAROLLO ENGINEERS	-8,699.00
Bill Pmt -Check	5/7/2008	12286	COMPUTER NETWORK	-753.17
Bill Pmt -Check	5/7/2008	12287	CUCAMONGA VALLEY WATER DISTRICT	0.00
Bill Pmt -Check	5/7/2008	12288	DAN VASILE	-105.00
Bill Pmt -Check	5/7/2008	12289	DIRECTV	-76.98
Bill Pmt -Check	5/7/2008	12290	FEENSTRA, BOB	-125.00
Bill Pmt -Check	5/7/2008	12291	FISH WINDOW CLEANING	-110.00
Bill Pmt -Check	5/7/2008	12292	GLOBAL PRESENTER.COM	-301.71
Bill Pmt -Check	5/7/2008	12293	HSBC BUSINESS SOLUTIONS	-275.29
Bill Pmt -Check	5/7/2008	12294	INLAND EMPIRE UTILITIES AGENCY	-127.31
Bill Pmt -Check	5/7/2008	12295	JAMES JOHNSTON	-900.00
Bill Pmt -Check	5/7/2008	12296	KONICA MINOLTA BUSINESS SOLUTIONS	-562.77
Bill Pmt -Check	5/7/2008	12297	KUHN, BOB	-250.00
Bill Pmt -Check	5/7/2008	12298	LOS ANGELES TIMES	-44.40
Bill Pmt -Check	5/7/2008	12299	OFFICE CHAIRS.COM	-349.00
Bill Pmt -Check	5/7/2008	12300	OFFICE DEPOT	-696.62
Bill Pmt -Check	5/7/2008	12301	PAYCHEX	-241.05
Bill Pmt -Check	5/7/2008	12302	PREMIERE GLOBAL SERVICES	-373.74
Bill Pmt -Check	5/7/2008	12303	PUMP CHECK	-1,785.00
Bill Pmt -Check	5/7/2008	12304	QUILL	-146.37
Bill Pmt -Check	5/7/2008	12305	RAUCH COMMUNICATION CONSULTANTS, LLC	-6,546.03
Bill Pmt -Check	5/7/2008	12306	REID & HELLYER	-5,587.84
Bill Pmt -Check	5/7/2008	12307	SAFETY CLEAN JANITORIAL SERVICES	-678.20
Bill Pmt -Check	5/7/2008	12308	SOFTCHOICE	-1,987.53
Bill Pmt -Check	5/7/2008	12309	STATE COMPENSATION INSURANCE FUND	-388.67
Bill Pmt -Check	5/7/2008	12310	STAULA, MARY L	-136.61
Bill Pmt -Check	5/7/2008	12311	THE STANDARD INSURANCE COMPANY	-156.56
Bill Pmt -Check	5/7/2008	12312	UNION 76	-196.16
Bill Pmt -Check	5/7/2008	12313	UNITED PARCEL SERVICE	-492.86
Bill Pmt -Check	5/7/2008	12314	VANDEN HEUVEL, GEOFFREY	-250.00
Bill Pmt -Check	5/7/2008	12315	VERIZON	-428.53
Bill Pmt -Check	5/7/2008	12316	VISION SERVICE PLAN	-36.11
Bill Pmt -Check	5/7/2008	12317	W.C. DISCOUNT MOBILE AUTO DETAILING	-75.00
Bill Pmt -Check	5/7/2008	12318	WILDERMUTH ENVIRONMENTAL INC	-153,820.33
Bill Pmt -Check	5/7/2008	12319	WILLIS, KENNETH	-125.00
Bill Pmt -Check	5/7/2008	12320	YUKON DISPOSAL SERVICE	-142.88
Bill Pmt -Check	5/7/2008	12321	RANCHO GLASS & MIRRORS	-147.23
Bill Pmt -Check	5/9/2008	12322	A & R TIRE	-400.99
Bill Pmt -Check	5/9/2008	12323	MATHIS & ASSOCIATES	-1,180.00
Bill Pmt -Check	5/9/2008	12324	PARK PLACE COMPUTER SOLUTIONS, INC.	-3,375.00
Bill Pmt -Check	5/9/2008	12325	PUMP CHECK	-1,330.00
Bill Pmt -Check	5/9/2008	12326	STATE COMPENSATION INSURANCE FUND	-743.70
Bill Pmt -Check	5/9/2008	12327	W.C. DISCOUNT MOBILE AUTO DETAILING	-75.00
Bill Pmt -Check	5/9/2008	12328	SOURCE 1 PRINTING, PACKAGING & MEDIA	-6,757.02
Bill Pmt -Check	5/13/2008	12329	PETTY CASH	-594.91
General Journal	5/17/2008	080505	PAYROLL	-6,868.33
General Journal	5/17/2008	080505	PAYROLL	-21,724.68
Bill Pmt -Check	5/21/2008	12330	BROWNSTEIN HYATT FARBER SCHRECK	-142,240.83
Bill Pmt -Check	5/21/2008	12331	WILDERMUTH ENVIRONMENTAL INC	-114,942.67
Bill Pmt -Check	5/21/2008	12332	ACWA SERVICES CORPORATION	-260.51
Bill Pmt -Check	5/21/2008	12333	BANC OF AMERICA LEASING	-3,186.17
Bill Pmt -Check	5/21/2008	12334	BANK OF AMERICA	-1,946.34
Bill Pmt -Check	5/21/2008	12335	GLOBAL PRESENTER.COM	-516.12
Bill Pmt -Check	5/21/2008	12336	SAFEGUARD DENTAL & VISION	-13.85
Bill Pmt -Check	5/21/2008	12337	VERIZON WIRELESS	-431.16
Bill Pmt -Check	5/21/2008	12338	WESTERN DENTAL SERVICES, INC.	-36.50
Bill Pmt -Check	5/21/2008	12339	A & R TIRE	-220.39
Bill Pmt -Check	5/21/2008	12340	ACWA SERVICES CORPORATION	-260.51
Bill Pmt -Check	5/21/2008	12341	CALPERS	-3,636.23
Bill Pmt -Check	5/21/2008	12342	CITISTREET	-3,095.66
Bill Pmt -Check	5/21/2008	12343	COMPUTER NETWORK	-1,324.00

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
May 2008

Type	Date	Num	Name	Amount
Bill Pmt -Check	5/21/2008	12344	CUCAMONGA VALLEY WATER DISTRICT	-5,495.00
Bill Pmt -Check	5/21/2008	12345	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	5/21/2008	12346	MCI	-1,169.95
Bill Pmt -Check	5/21/2008	12347	PRE-PAID LEGAL SERVICES, INC.	-103.60
Bill Pmt -Check	5/21/2008	12348	PUMP CHECK	-1,010.00
Bill Pmt -Check	5/21/2008	12349	RANCHO GLASS & MIRRORS	-180.88
Bill Pmt -Check	5/21/2008	12350	STAULA, MARY L	-136.61
Bill Pmt -Check	5/21/2008	12351	W.C. DISCOUNT MOBILE AUTO DETAILING	-75.00
Bill Pmt -Check	5/21/2008	12352	WHEELER METER MAINTENANCE	-600.00
Bill Pmt -Check	5/21/2008	12353	OFFICE DEPOT	-941.09
General Journal	5/31/2008	080507	PAYROLL	-6,789.70
General Journal	5/31/2008	080507	PAYROLL	-21,784.18
May 08				-580,891.04

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CHINO BASIN WATERMASTER
Check Detail
May 2008

Type	Num	Date	Name	Account	Paid Amount
Bill Pmt -Check	12334	5/21/2008	BANK OF AMER...	1012 · Bank of America Gen'l Ckg	
Bill	4024...	4/30/2008		6031.7 · Other Office Supplies	-376.86
				6191 · Conferences	-155.86
				6141.1 · Meeting Supplies	-89.58
				6141.3 · Admin Meetings	-561.42
				6909.1 · OBMP Meetings	-114.67
				6312 · Meeting Expenses	-132.91
				6212 · Meeting Expense	-104.70
				6141.2 · Committee Meetings	-60.34
				6016 · New Employee Search Costs	-350.00
TOTAL					-1,946.34

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CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2007 THROUGH APRIL 30, 2008

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER REPLENISHMENT	GROUNDWATER OPERATIONS SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2007-2008
Administrative Revenues										
Administrative Assessments			7,480,691		122,298				7,602,989	\$7,540,370
Interest Revenue			118,983	17,019	3,305			53	139,360	181,500
Mutual Agency Project Revenue		41,667							41,667	145,500
Grant Income					41					0
Miscellaneous Income			35,023						35,064	0
Total Revenues		41,667	7,634,697	17,019	125,644			53	7,819,080	7,867,370
Administrative & Project Expenditures										
Watermaster Administration	385,018								385,018	627,797
Watermaster Board-Advisory Committee	48,569								48,569	60,645
Pool Administration			17,126	112,654	5,636				135,416	162,333
Optimum Basin Mgmt Administration		2,239,847							2,239,847	2,852,337
OBMP Project Costs		3,719,655							3,719,655	4,153,883
Education Funds Use								375	375	375
Mutual Agency Project Costs		10,000							10,000	10,000
Total Administrative/OBMP Expenses	433,587	5,969,502	17,126	112,654	5,636			375	6,538,860	7,867,370
Net Administrative/OBMP Income	(433,587)	(5,927,835)							-	-
Allocate Net Admin Income To Pools			330,773	94,296	8,518					
Allocate Net OBMP Income To Pools			4,522,205	1,289,172	116,457					
Agricultural Expense Transfer		5,927,835	1,485,063	(1,485,063)						
Total Expenses			6,355,167	11,059	130,612			375	6,538,860	7,867,370
Net Administrative Income			1,279,530	5,960	(4,968)			(322)	1,280,200	-
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			1,279,530	5,960	(4,968)	1,073,666		(322)	2,353,866	-
Working Capital, July 1, 2007			4,222,862	475,604	156,528	294,397		1,655	5,309,297	
Working Capital, End Of Period			5,502,392	481,564	151,560	1,368,063		1,333	7,663,163	
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%	

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**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
APRIL 1 THROUGH APRIL 30, 2008**

DEPOSITORIES:		
Cash on Hand - Petty Cash	\$	500
Bank of America		
Governmental Checking-Demand Deposits	\$	972,268
Zero Balance Account - Payroll		-
Local Agency Investment Fund - Sacramento		6,643,631
		<u>972,268</u>
		<u>6,643,631</u>
TOTAL CASH IN BANKS AND ON HAND		\$ 7,616,399
TOTAL CASH IN BANKS AND ON HAND		5,255,529
		3/31/2008
		2/29/2008
PERIOD INCREASE (DECREASE)		\$ 2,360,870

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:		
Accounts Receivable	\$	38,644
Assessments Receivable		2,683,936
Prepaid Expenses, Deposits & Other Current Assets		(1,478)
Accounts Payable		239,183
Accrued Payroll, Payroll Taxes & Other Current Liabilities		7,739
Transfer to/(from) Reserves		(607,154)
		<u>38,644</u>
		<u>2,683,936</u>
		<u>(1,478)</u>
		<u>239,183</u>
		<u>7,739</u>
		<u>(607,154)</u>
PERIOD INCREASE (DECREASE)		\$ 2,360,870

	Petty Cash	Gov't'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
\$	500	\$ 200,042	\$ -	\$ 5,054,987	\$ 5,255,529
Balances as of 3/31/2008		2,969,241		38,644	3,007,885
Deposits		(1,615,335)	65,335	1,550,000	-
Transfers		(581,680)	(65,335)	-	(647,015)
Withdrawals/Checks					
Balances as of 4/30/2008	500	\$ 972,268	\$ -	\$ 6,643,631	\$ 7,616,399
PERIOD INCREASE OR (DECREASE)	-	\$ 772,226	\$ -	\$ 1,588,644	\$ 2,360,870

SUMMARY OF FINANCIAL TRANSACTIONS:

Balances as of 3/31/2008	\$	5,255,529
Deposits		3,007,885
Transfers		-
Withdrawals/Checks		(647,015)
Balances as of 4/30/2008	\$	7,616,399
PERIOD INCREASE OR (DECREASE)		\$ 2,360,870

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
APRIL 1 THROUGH APRIL 30, 2008**

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
4/15/2008	Interest	L.A.I.F.	\$ 38,644				
4/7/2008	Withdrawal	L.A.I.F.	\$ (250,000)				
4/25/2008	Deposit	L.A.I.F.	\$ 800,000				
4/30/2008	Deposit	L.A.I.F.	\$ 1,000,000				
TOTAL INVESTMENT TRANSACTIONS			\$ 1,588,644	-			

* 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	\$ 6,643,631			
TOTAL INVESTMENTS	\$ 6,643,631			

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,



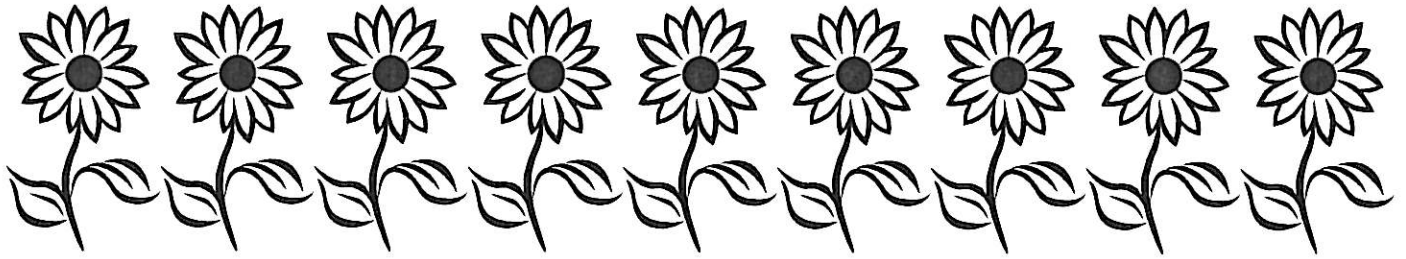
Sheri M. Rojo, CPA
Chief Financial Officer & Assistant General Manager
Chino Basin Watermaster

CHINO BASIN WATERMASTER
Budget vs. Actual
July 2007 through April 2008

	<u>Jul '07 - Apr 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%
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	174,424	181,500	-7,076	96.1%
Total Income	<u>7,819,080</u>	<u>7,867,370</u>	<u>-48,290</u>	<u>99.39%</u>
Gross Profit	7,819,080	7,867,370	-48,290	99.39%
Expense				
6010 · Salary Costs	397,320	477,247	-79,927	83.25%
6020 · Office Building Expense	79,186	101,580	-22,394	77.95%
6030 · Office Supplies & Equip.	27,920	46,500	-18,580	60.04%
6040 · Postage & Printing Costs	77,052	83,000	-5,948	92.83%
6050 · Information Services	108,545	132,000	-23,455	82.23%
6060 · Contract Services	74,372	117,500	-43,128	63.3%
6080 · Insurance	4,160	18,210	-14,050	22.85%
6110 · Dues and Subscriptions	14,864	16,750	-1,886	88.74%
6140 · WM Admin Expenses	2,462	4,650	-2,188	52.95%
6150 · Field Supplies	144	2,500	-2,356	5.75%
6170 · Travel & Transportation	13,121	25,000	-11,879	52.48%
6190 · Conferences & Seminars	18,675	22,500	-3,825	83.0%
6200 · Advisory Comm - WM Board	14,802	18,931	-4,129	78.19%
6300 · Watermaster Board Expenses	33,767	41,714	-7,947	80.95%
8300 · Appr PI-WM & Pool Admin	17,126	24,001	-6,875	71.35%
8400 · Agri Pool-WM & Pool Admin	20,475	24,004	-3,529	85.3%
8467 · Ag Legal & Technical Services	81,119	95,000	-13,881	85.39%
8470 · Ag Meeting Attend -Special	11,059	12,000	-941	92.16%
8500 · Non-Ag PI-WM & Pool Admin	5,636	7,328	-1,693	76.9%
6500 · Education Funds Use Expens	375	375	-	100.0%
9500 · Allocated G&A Expenditures	-432,803	-419,640	-13,163	103.14%
Subtotal G&A Expenditures	<u>569,376</u>	<u>851,150</u>	<u>-281,774</u>	<u>66.9%</u>
6900 · Optimum Basin Mgmt Plan	2,084,669	2,711,138	-626,469	76.89%
6950 · Mutual Agency Projects	10,000	10,000	-	100.0%
9501 · G&A Expenses Allocated-OBMP	155,180	141,199	13,981	109.9%
Subtotal OBMP Expenditures	<u>2,249,849</u>	<u>2,862,337</u>	<u>-612,488</u>	<u>78.6%</u>
7101 · Production Monitoring	87,266	101,709	-14,443	85.8%
7102 · In-line Meter Installation	15,543	17,791	-2,248	87.36%
7103 · Grdwtr Quality Monitoring	93,439	117,104	-23,665	79.79%
7104 · Gdwtr Level Monitoring	171,823	182,667	-10,844	94.06%
7105 · Sur Wtr Qual Monitoring	7,625	15,553	-7,928	49.02%

CHINO BASIN WATERMASTER
Budget vs. Actual
July 2007 through April 2008

	<u>Jul '07 - Apr 08</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7107 · Ground Level Monitoring	198,338	270,465	-72,127	73.33%
7108 · Hydraulic Control Monitoring	188,706	199,232	-10,526	94.72%
7109 · Recharge & Well Monitoring Prog	20,987	102,827	-81,840	20.41%
7200 · PE2- Comp Recharge Pgm	892,832	945,827	-52,995	94.4%
7300 · PE3&5-Water Supply/Desalte	95,729	159,509	-63,780	60.02%
7400 · PE4- Mgmt Plan	135,692	159,674	-23,982	84.98%
7500 · PE6&7-CoopEfforts/SaltMgmt	104,204	138,533	-34,329	75.22%
7600 · PE8&9-StorageMgmt/Conj Use	67,965	82,660	-14,695	82.22%
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	270,837	278,441	-7,604	97.27%
Subtotal Special Project Expenditures	<u>3,719,655</u>	<u>4,153,883</u>	<u>-434,228</u>	<u>89.55%</u>
Total Expense	<u>6,538,880</u>	<u>7,867,370</u>	<u>-1,328,490</u>	<u>83.11%</u>
Net Ordinary Income	1,280,200	0	1,280,200	100.0%
Other Income/Expense				
Other Income				
4210 · Approp Pool-Replenishment	3,393,137			
4220 · Non-Ag Pool-Replenishment	9,256			
Total Other Income	<u>3,402,393</u>			
Other Expense				
5010 · Groundwater Replenishment	2,328,727			
9999 · To/(From) Reserves	2,353,866			
Total Other Expense	<u>4,682,593</u>			
Net Other Income	<u>-1,280,200</u>			
Net Income	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0.0%</u></u>

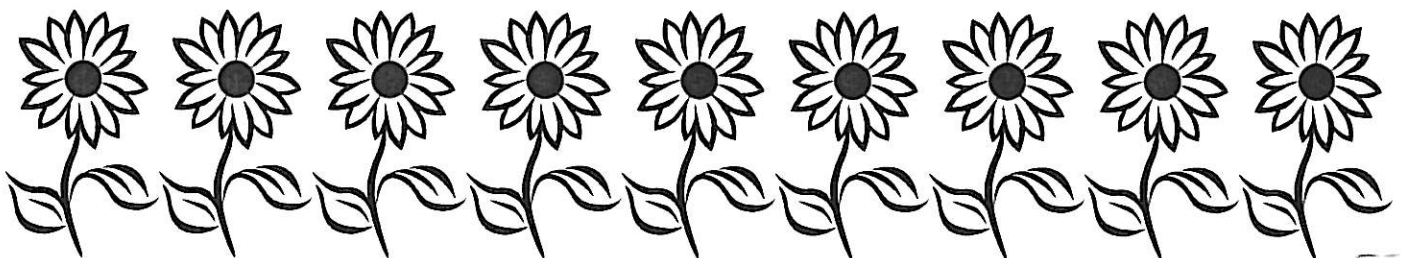


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 2,000 acre-feet of water from San Antonio Water Company's storage account to Monte Vista Water District. This lease is made first from SAWC's net underproduction, if any, in Fiscal Year 2007-08, with any remainder to be captured from storage.
2. **Consider Approval for Notice of Sale or Transfer** – The one-year lease of 3,135 acre-feet of water from the City of Chino's annual production rights to the City of Ontario.
3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 2,862 acre-feet of water from the City of Chino. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City's net under-production in Fiscal Year 2007-08, with any remainder to be recaptured from storage.
4. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,000 acre-feet of water from the Santa Ana River Water Company. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from SARWC's net under-production in Fiscal Year 2007-08



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

April 25, 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 24, 2008**

Date of this notice: **April 25, 2008**

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

- A. Notice of Sale or Transfer – The purchase of 2,000 acre-feet of water from San Antonio Water Company’s storage account to Monte Vista Water District. This lease is made first from SAWC’s net underproduction, if any, in Fiscal Year 2007-08, with any remainder to be captured from storage.

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

- Appropriative Pool: May 15, 2008
- Non-Agricultural Pool: May 15, 2008
- Agricultural Pool: May 20, 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: April 25, 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).

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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: April 25, 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 purchase of 2,000 acre-feet of water from San Antonio Water Company's storage account to Monte Vista Water District. This lease is made first from SAWC's net underproduction, if any, in Fiscal Year 2007-08, with any remainder to be captured from storage.

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 purchase of 2,000 acre-feet of water from San Antonio Water Company's storage account to Monte Vista Water District. This lease is made first from SAWC's net underproduction, if any, in Fiscal Year 2007-08, with any remainder to be captured from storage.

Notice of the water transaction identified above was mailed on April 25, 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.

Monte Vista

Dedicated to Quality,

Service and Innovation

March 24, 2008



Mark N. Kinsey
GENERAL MANAGER

Mr. Ken Manning, Chief Executive Officer
CHINO BASIN WATERMASTER
9641 San Bernardino Road
Rancho Cucamonga, California 91730

Lease of Water Production Rights in the Chino Basin: Fiscal Year 2007-08

Dear Mr. Manning: *Ken*

This letter is to notify Watermaster of the lease and/or purchase of 2,000 acre-feet of water from San Antonio Water Company's storage account. This lease is made first from SAWC's net underproduction, if any, in Fiscal Year 2007-08, with any remainder to be recaptured from storage.

This lease/transfer will be utilized by the District to offset a portion of its projected Fiscal Year 2007-08 replenishment obligation within the Chino Basin. Attached is an executed application for lease or transfer of a right to produce water from storage and a recapture plan for consideration by Watermaster. Please agendaize this item at the earliest possible opportunity.

If you have any questions or require additional information concerning this matter, please call me at 624-0035, extension 170. Thank you.

Sincerely,

Monte Vista Water District

A handwritten signature in black ink, appearing to read "Mark".

Mark N. Kinsey
General Manager

Attachments

Water District

10575 Central Avenue, Post Office Box 71 • Montclair, CA 91763 • (909) 624-0035 • FAX (909) 624-4725 • www.mvwd.org

Sandra S. Rose
PRESIDENT

Maynard B. Lenhart
VICE PRESIDENT

Tony Lopez
DIRECTOR

Philip L. Erwin
DIRECTOR

G. Michael Milhiser
DIRECTOR

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

Transfer from Local Storage Agreement: **3, 3.1, 3.2**

Date Requested: **March 17, 2008**

Transferring Party: **San Antonio Water Company**

Date Approved:

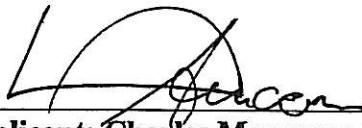
Address: **139 North Euclid Avenue
Upland, California 91786**

Amount Requested (AF): **2,000**

Telephone: **(909) 982-4107**

Amount Approved (AF):

Fax: **(909) 920-3047**



Applicant: Charles Moorrees, General Manager

Attach Recapture Form 4

Receiving Party: **Monte Vista Water District**

Address: **10575 Central Avenue
Montclair, California 91763**

Telephone: **(909) 624-0035**

Fax: **(909) 624-0037**

Have any other transfers been approved by Watermaster between these parties covering the same fiscal year? Yes No

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 range from 504' to 533' below ground levels. Nitrate concentrations range between 19 to 70 ppm.

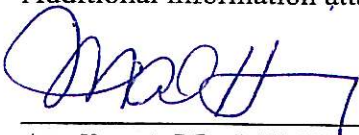
Material Physical Injury:

Is the applicant aware of any potential material physical injury to a part to the Judgment or the Basin that may be caused by the action covered by the application? Yes No

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 part to the Judgment or the Basin?

N/A

Additional information attached? Yes No



Applicant: Mark N. Kinsey, General Manager

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 Number:

APPLICATION OR AMENDMENT TO APPLICATION
TO
RECAPTURE WATER IN STORAGE

APPLICANT

Monte Vista Water District
Name of Party

March 24, 2008
Date Requested

Date Approved

10575 Central Avenue
Street Address

2,000 Acre-feet
Amount Requested

Acre-feet
Amount Approved

Montclair CA 91763
City State Zip Code

500 - 1,000 AF/month
Projected Rate of
Recapture

2-4 months
Projected Duration of
Recapture

Telephone: (909) 624-0035

Facsimile: (909) 624-0037

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: San Antonio Water Company

PURPOSE OF RECAPTURE

- [] Pump when other sources of supply are curtailed
- [X] 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)

Recapture by pumping. _____

PLACE OF USE OF WATER TO BE RECAPTURED

For use within the Monte Vista Water District and City of Chino Hills service areas. _____

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

Recapture to occur at regular production wells. _____

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 range from 504' to 533' below ground levels. Nitrate water quality data for District wells range from 19 to 70 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]

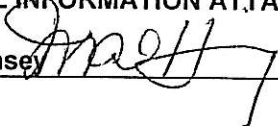
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

No mitigation is required.

ADDITIONAL INFORMATION ATTACHED

Yes [X] No []

Mark N. Kinsey
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 2007-08

Commencing on July 1, 2007 and terminating on June 30, 2008, San Antonio Water Company ("Transferor") hereby transfers to Monte Vista Water District ("Transferee") the quantity of 2,000 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?

Dynamic water levels at District wells range from 538' to 596' below ground level with average drawdown of 40'. Static water levels range from 504' to 533' below ground level. Nitrate concentrations for District wells range between 19-70 ppm.

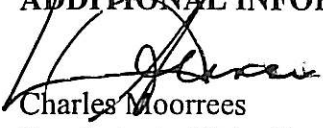
MATERIAL PHYSICAL INJURY

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?

No mitigation is required.

ADDITIONAL INFORMATION ATTACHED Yes [X] No []



Charles Moorrees
San Antonio Water Company

Transferor



Mark N. Kinsey
Monte Vista Water District

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 # _____

MONTE VISTA WATER DISTRICT

Recapture Plan

Location of where the recaptured water will be extracted by the District is within Management Zone 1 of the Chino Basin and will be accomplished by any or all of the 13 wells owned and operated by the District. The approximate daily production capacity of these wells is noted below.

The 2,000 AF transfer will be utilized for delivery to the District's retail customers, for delivery to the City of Chino Hills, or to offset the District's Fiscal Year 2007-08 replenishment obligation.

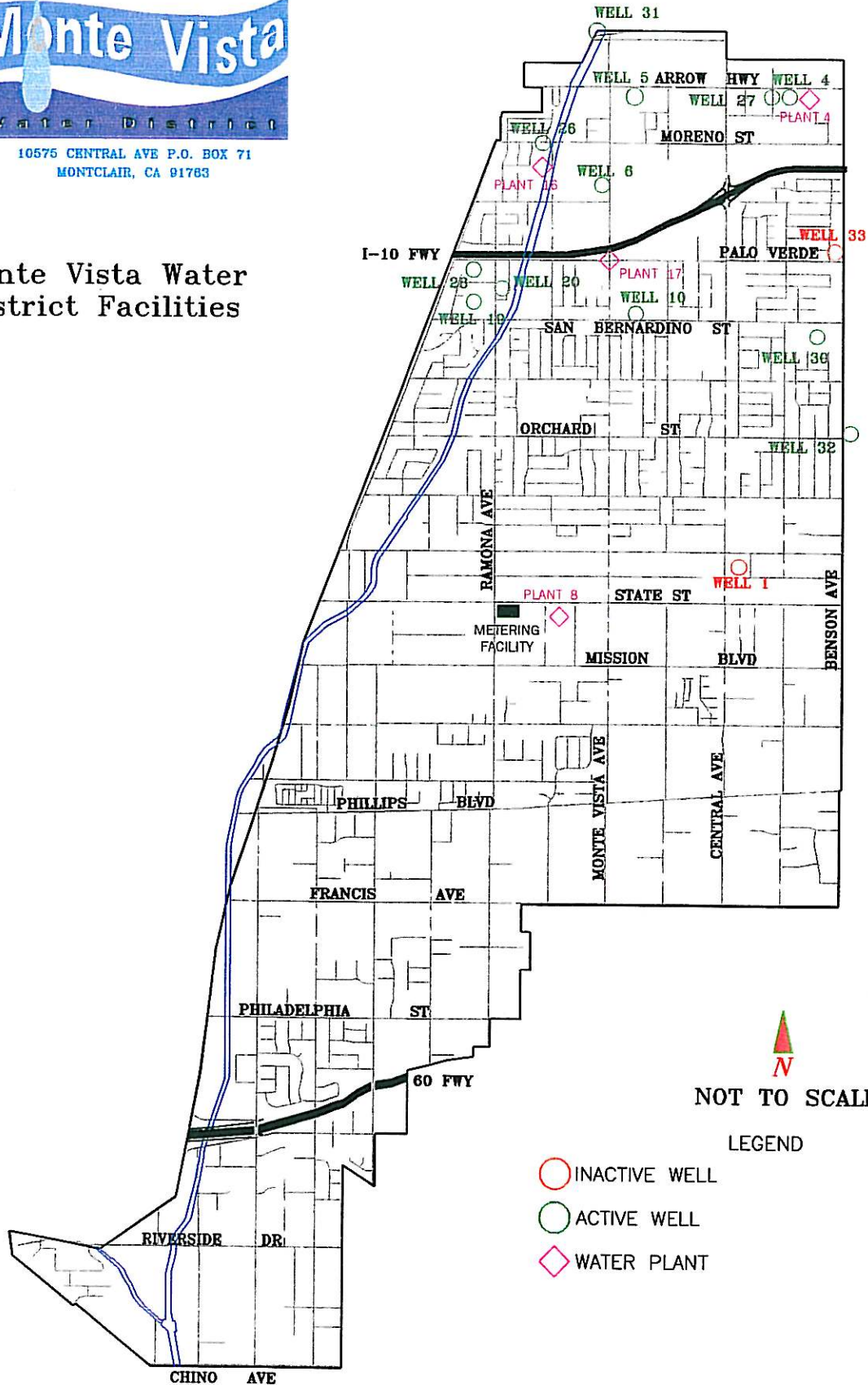
<u>Well</u>	<u>Production Acre-Feet/Day</u>
4	4.2
5	6.1
6	5.2
10	5.2
19	9.0
20	5.8
26	9.0
27	9.0
28	9.0
30	9.0
31	9.0
32	9.0
33	4.5
<hr/>	
Daily Total	94.0

A map showing the location of these wells is attached. The rate of extraction can vary significantly, depending upon system demand and seasonal changes.



10575 CENTRAL AVE P.O. BOX 71
MONTCLAIR, CA 91783

Monte Vista Water District Facilities




NOT TO SCALE

LEGEND

-  INACTIVE WELL
-  ACTIVE WELL
-  WATER PLANT

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

May 2, 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: **April 28, 2008**

Date of this notice: **May 2, 2008**

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

- A. Notice of Sale or Transfer – The one-year lease of 3,135 acre-feet of water from the City of Chino’s annual production rights to the City of Ontario.

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

Appropriative Pool: May 15, 2008

Non-Agricultural Pool: May 15, 2008

Agricultural Pool: May 20, 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: May 2, 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).

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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: May 2, 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 one-year lease of 3,135 acre-feet of water from the City of Chino's annual production rights to the City of Ontario.

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 one-year lease of 3,135 acre-feet of water from the City of Chino's annual production rights to the City of Ontario.

Notice of the water transaction identified above was mailed on May 2, 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.

CITY OF



ONTARIO

PUBLIC WORKS AND
COMMUNITY SERVICES AGENCY

ONTARIO MUNICIPAL SERVICES CENTER

PAUL S. LEON
MAYOR

GREGORY C. DEVEREAUX
CITY MANAGER

JASON ANDERSON
MAYOR PRO TEM

MARY E. WIRTES, MMC
CITY CLERK

ALAN D. WAPNER
SHEILA MAUTZ
JIM W. BOWMAN
COUNCIL MEMBERS

April 28, 2008

JAMES R. MILHISER
TREASURER

KENNETH L. JESKE
PUBLIC WORKS / COMMUNITY
SERVICES DIRECTOR

Mr. Kenneth R. Manning, CEO
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, California 91730

Subject: Annual Lease of Water Rights

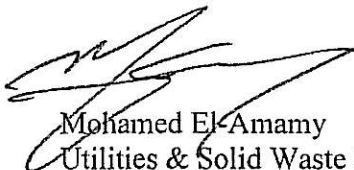
Dear Mr. Manning:

This is to notify Watermaster of the one-year lease of 3,135 acre-feet of water from the City of Chino's annual production rights to the City of Ontario. This lease is made first from Chino's net under-production is Fiscal Year 2007-08, with any remainder to be recaptured from storage.

Executed original Watermaster forms and all supporting documentation shall be provided under separate cover. Please agendaize the proposed purchase for the May meetings.

If you have any questions or require additional information concerning this matter, please call me at 395-2681. Thank you.

Sincerely,



Mohamed El-Amamy
Utilities & Solid Waste Director

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

City of Chino 4/28/2008 _____
Name of Party Date Requested Date Approved

13220 Central Avenue 3,135 Acre-feet _____ Acre-feet
Street Address Amount Requested Amount Approved

Chino CA 91710
City State Zip Code

Telephone: 909-927-7577 Facsimile: 909-591-6829

Yusucco Water Utilities Supervisor - Dave Crosley
Applicant (Dave Crosley, Environmental & Water Manager)

TRANSFER TO:

City of Ontario **Attach Recapture Form 4**
Name of Party

1425 S. Bon View
Street Address

Ontario CA 91761
City State Zip Code

Telephone: 909-395-2681 Facsimile: 909-395-2601

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?

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?

ADDITIONAL INFORMATION ATTACHED

Yes [] No []

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

City Of Ontario April 28, 2008
Name of Party Date Requested Date Approved
1425 S. Bon View Avenue 3,135 Acre-feet
Street Address Amount Requested Amount Approved
Ontario CA 91761 Varies July 1, 2007 - June 30, 2008
City State Zip Code Projected Rate of Recapture Projected Duration of Recapture
Telephone: 909-395-2600 Facsimile: 909-395-2601

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: CITY OF CHINO

PURPOSE OF RECAPTURE

- [] Pump when other sources of supply are curtailed
[X] 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

Management zones 1, 2 and 3

N/A

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

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?

Recapture by Ontario will be accomplished by pumping 23 wells. Static level varies from 270 feet to 530 feet. Of the wells routinely pumped, nitrate levels vary form less than 5 to 40 mg/L.

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?

ADDITIONAL INFORMATION ATTACHED Yes [X] No []



Mohamed El-Amamy, Utilities Director

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, The City of Chino ("Transferor") hereby transfers to The City of Ontario ("Transferee") the quantity of 3,135 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?

None

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]

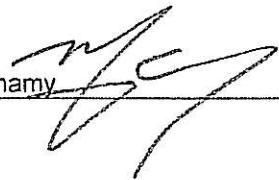
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

Dave Crosley
Transferor

Mohamed El-Amamy
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 # _____

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

Dave Crosley
Transferor

*Attorney for
David Crosley*

Mohamed El-Amamy
Transferee

[Signature]

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

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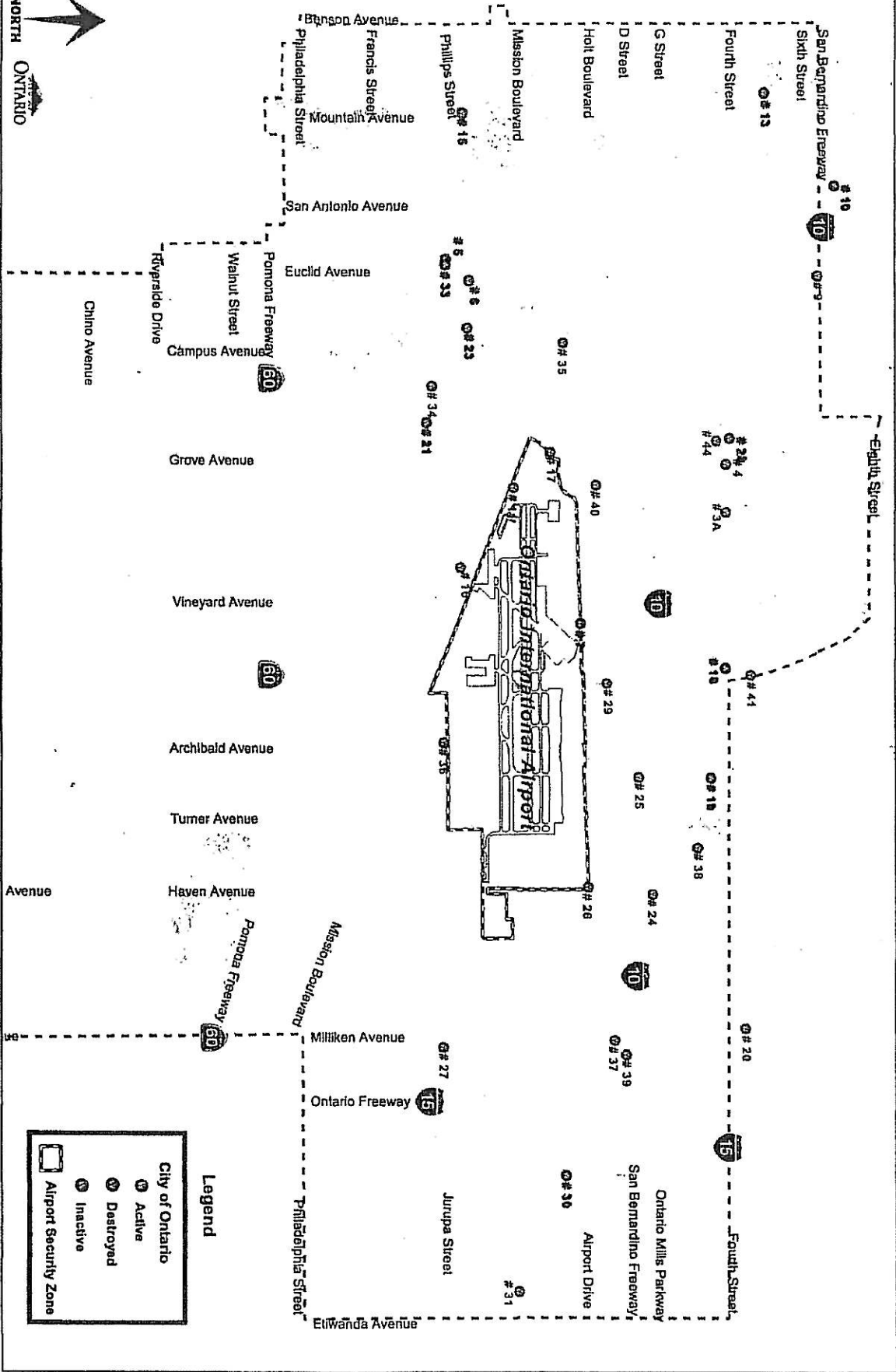
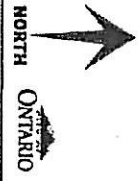
CITY OF ONTARIO Recapture Plan

The subject water is a transfer of stored groundwater from the City of Chino located within Management Zones 2 to the City of Ontario in the amount of 3,135 acre-feet to satisfy a portion of the City's replenishment obligation for FY 2007-2008. Recapture of the stored water is accomplished by the production of any or all of the 20 wells owned and operated by the City with Management Zones 2 or 3 of the Chino Groundwater Basin. The approximate daily production capacity of these wells is as follows.A22

Well No.	Capacity acre-feet/day
9	7.8
16	3.2
17	7.2
18	5.3
19	2.5
20	3.4
24	8.4
25	6.2
26	5.7
27	4.9
29	11.2
30	14.1
31	13.1
35	8.6
36	8.3
37	13.4
38	11.4
39	8.6
40	13.4
41	11.0
167.9	

A map showing the locations of these wells is attached. The rate of extraction can vary significantly, depending upon system demand and seasonal changes.

By From Routes
City of Ontario



Legend

- City of Ontario
- Active
- Destroyed
- Inactive
- Airport Security Zone

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

May 2, 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: **April 18, 2008**

Date of this notice: **May 2, 2008**

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 2,862.000 acre-feet of water from the City of Chino. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City’s net under-production in Fiscal Year 2007-08, with any remainder to be recaptured from storage.

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

Appropriative Pool: May 15, 2008

Non-Agricultural Pool: May 15, 2008

Agricultural Pool: May 20, 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: May 2, 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).

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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: May 2, 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 – Chino Basin Watermaster will purchase 2,862,000 acre-feet of water from the City of Chino. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City's net under-production in Fiscal Year 2007-08, with any remainder to be recaptured from storage.

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 – Chino Basin Watermaster will purchase 2,862.000 acre-feet of water from the City of Chino. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City's net under-production in Fiscal Year 2007-08, with any remainder to be recaptured from storage.

Notice of the water transaction identified above was mailed on May 2, 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.

Watermaster has a total replenishment obligation (due to overproduction within the Basin) of 13,238.880 AF for Assessment Year 2007-08. Of that total obligation, 9,376.880 AF was pre-purchased from MWD during Fiscal Year 2006-07 due to the expected rate increase. The outstanding obligation is 3,862.000 AF. Due to the fact that MWD does not expect to have replenishment water available this fiscal year and perhaps not next fiscal year either, Watermaster wishes to use the option to purchase water from appropriators to fulfill the replenishment obligation. Watermaster is taking advantage of the City of Chino's offer to sell 2,862.000 AF of water to Watermaster. Watermaster is purchasing the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City's net under-production in Fiscal Year 2007-08, with any remainder to be recaptured from storage. The 85/15 Rule does not apply to this transfer because 85/15 payments and credits were already established in the Assessment Package. This transfer is functioning in a similar manner as Watermaster purchases from MWD/IEUA.



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

March 13, 2008

Dave Crosley
City of Chino
13220 Central Avenue
Chino, CA 91710

RE: Purchase of replenishment water from the City of Chino to Watermaster

Dear Mr. Crosley:

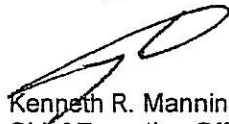
Chino Basin Watermaster has a total replenishment obligation (due to overproduction within the Basin) of 13,238.880 AF for Assessment Year 2007-08. Of that total obligation, 9,376.880 AF was pre-purchased from MWD during Fiscal Year 2006-07 due to the expected rate increase. The outstanding obligation is 3,862.000 AF. Due to the fact that MWD does not expect to have replenishment water available this fiscal year and perhaps not next fiscal year either, Watermaster wishes to use the option to purchase water from appropriators to fulfill the replenishment obligation.

Watermaster would like to take advantage of the City of Chino's offer to sell 2,862.000 AF of water to Watermaster. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City's net under-production in Fiscal Year 2007-08, with any remainder to be recaptured from storage.

Please sign the attached forms (listed below). Once Watermaster has received these completed forms, the transaction will be Noticed and agendized in the same manner that any other water transfer would be handled.

If you have any questions, please feel free to contact myself or Danni Maurizio.

Sincerely,



Kenneth R. Manning,
Chief Executive Officer

Attachments:

- City of Chino's Acceptance of Watermaster's Water Transfer Terms
- 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

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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

March 13, 2008

CITY OF CHINO'S ACCEPTANCE OF WATERMASTER'S WATER TRANSFER TERMS

Chino Basin Watermaster will purchase 2,862,000 AF of water from the City of Chino. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City's net under-production in Fiscal Year 2007-08, with any remainder to be recaptured from storage.

If these terms are acceptable to the City of Chino, please sign below and return to Watermaster at your earliest convenience.

Signature: 
Printed Name: DAVID CROSLBY
Title: WATER & ENVIRONMENTAL MANAGER
Date Signed: 4/10/08

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # -

City of Chino

03/13/08

Name of Party

Date Requested

Date Approved

13220 Central Avenue

2,862.000 Acre-feet

 Acre-feet

Street Address

Amount Requested

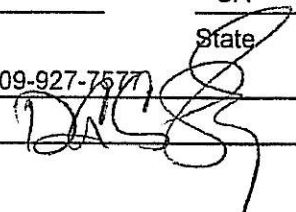
Amount Approved

Chino CA 91710

City State Zip Code

Telephone: 909-927-7577

Facsimile: 909-591-6829

Applicant 

TRANSFER TO:

Chino Basin Watermaster

Attach Recapture Form 4

Name of Party

9641 San Bernardino Road

Street Address

Rancho Cucamonga CA 91730

City State Zip Code

Telephone: 909-484-3888

Facsimile: 909-484-3890

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?

This transfer will have no affect on water quality or water levels. The water has already been pumped from the Basin by overproducers and this transfer will help fulfill Watermaster's replenishment obligation.

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]

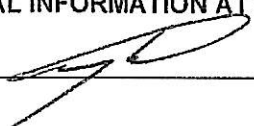
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

-
-
-
-

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>Chino Basin Watermaster</u>			<u>03/13/08</u>	
Name of Party			Date Requested	Date Approved
<u>9641 San Bernardino Road</u>			<u>2,862.000</u> Acre-feet	<u> </u> Acre-feet
Street Address			Amount Requested	Amount Approved
<u>Rancho Cucamonga</u>	<u>CA</u>	<u>91730</u>	<u>N/A</u>	<u>N/A</u>
City	State	Zip Code	Projected Rate of Recapture	Projected Duration of Recapture
Telephone: <u>909-484-3888</u>			Facsimile: <u>909-484-3890</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: City of Chino

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
- [X] Other, explain Watermaster is purchasing from City of Chino to meet its replenishment obligation.

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

The water has already been pumped from the Basin by overproducers located throughout the Basin.

PLACE OF USE OF WATER TO BE RECAPTURED

The water has already been pumped from the Basin by overproducers located throughout the Basin.

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

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?

This transfer will have no affect on water quality or water levels. The water has already been pumped from the Basin by overproducers and this transfer will help fulfill Watermaster's replenishment obligation.

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?

_____ -

_____ -

_____ -

_____ -

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, City of Chino hereby transfers to Chino Basin Watermaster ("Transferee") the quantity of 2,862,000 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?

This transfer will have no affect on water quality or water levels. The water has already been pumped from the Basin by overproducers and this transfer will help fulfill Watermaster's replenishment obligation.

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?

Four horizontal lines for providing mitigation measures, each starting with a hyphen (-).

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

Transferor

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 # _____

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

May 9, 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: **May 8, 2008**

Date of this notice: **May 9, 2008**

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 1,000,000 acre-feet of water from the Santa Ana River Water Company (SARWC). Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made from SARWC's net under-production in Fiscal Year 2007-08.

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

Appropriative Pool: May 15, 2008

Non-Agricultural Pool: May 15, 2008

Agricultural Pool: May 20, 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: May 9, 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).

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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: May 9, 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 – Chino Basin Watermaster will purchase 1,000,000 acre-feet of water from the Santa Ana River Water Company (SARWC). Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made from SARWC's net under-production in Fiscal Year 2007-08.

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 the water transaction is attached with the notice of application.

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 1,000,000 acre-feet of water from Santa Ana River Water Company (SARWC). Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made from SARWC's net under-production in Fiscal Year 2007-08.

Notice of the water transaction identified above was mailed on May 9, 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.

Watermaster has a total replenishment obligation (due to overproduction within the Basin) of 13,238.880 AF for Assessment Year 2007-08. Of that total obligation, 9,376.880 AF was pre-purchased from MWD during Fiscal Year 2006-07 due to the expected rate increase. The outstanding replenishment obligation is 3,862.000 AF. Due to the fact that MWD does not expect to have replenishment water available this fiscal year and perhaps not next fiscal year either, Watermaster wishes to use the option to purchase water from appropriators to fulfill its replenishment obligation. Watermaster is taking advantage of Santa Ana River Water Company's offer to sell 1,000,000 AF of water to Watermaster. The transfer will be made from Santa Ana River Water Company's net under-production in Fiscal Year 2007-08. The 85/15 Rule does not apply to this transfer because 85/15 payments and credits were already established in the Assessment Package. This transfer is functioning in a similar manner as Watermaster purchases from MWD/IEUA.



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

March 14, 2008

Arnold Rodriguez
Santa Ana River Water Company
10530 54th Street
Mira Loma, CA 91752-2331

RE: Purchase of replenishment water from the Santa Ana River Water Company to Watermaster

Dear Mr. Rodriguez:

Chino Basin Watermaster has a total replenishment obligation (due to overproduction within the Basin) of 13,238.880 AF for Assessment Year 2007-08. Of that total obligation, 9,376.880 AF was pre-purchased from MWD during Fiscal Year 2006-07 due to the expected rate increase. The outstanding obligation is 3,862.000 AF. Due to the fact that MWD does not expect to have replenishment water available this fiscal year and perhaps not next fiscal year either, Watermaster wishes to use the option to purchase water from appropriators to fulfill the replenishment obligation.

Watermaster would like to take advantage of the Santa Ana River Water Company's (SARWC's) offer to sell 1,000,000 AF of water to Watermaster. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made from SARWC's net under-production in Fiscal Year 2007-08.

Please sign the attached forms (listed below). Once Watermaster has received these completed forms, the transaction will be Noticed and agendized in the same manner that any other water transfer would be handled.

If you have any questions, please feel free to contact myself or Danni Maurizio.

Sincerely,

Kenneth R. Manning,
Chief Executive Officer

Attachments:

- SARWC's Acceptance of Watermaster's Water Transfer Terms
- Form 5: Application to Transfer Annual Production Right or Safe Yield

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March 14, 2008

SANTA ANA RIVER WATER COMPANY'S ACCEPTANCE OF WATERMASTER'S WATER TRANSFER TERMS

Chino Basin Watermaster will purchase 1,000,000 AF of water from the Santa Ana River Water Company (SARWC). Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made from SARWC's net under-production in Fiscal Year 2007-08.

If these terms are acceptable to SARWC, please sign below and return to Watermaster at your earliest convenience.

Signature: *J. Arnold Rodriguez*
Printed Name: J. ARNOLD RODRIGUEZ
Title: GENERAL MANAGER
Date Signed: MAY 8, 2008

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APPLICATION TO TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2007 - 2008

Commencing on July 1, 2007 and terminating on June 30, 2008, Santa Ana River Water Co. ("Transferor") hereby transfers to Chino Basin Watermaster ("Transferee") the quantity of 1,000,000 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?

This transfer will have no affect on water quality or water levels. The water has already been pumped from the Basin by overproducers and this transfer will help fulfill Watermaster's replenishment obligation.

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?

Four horizontal lines for providing mitigation measures, each with a hyphen (-) centered below it.

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

Transferor

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 # _____