



CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

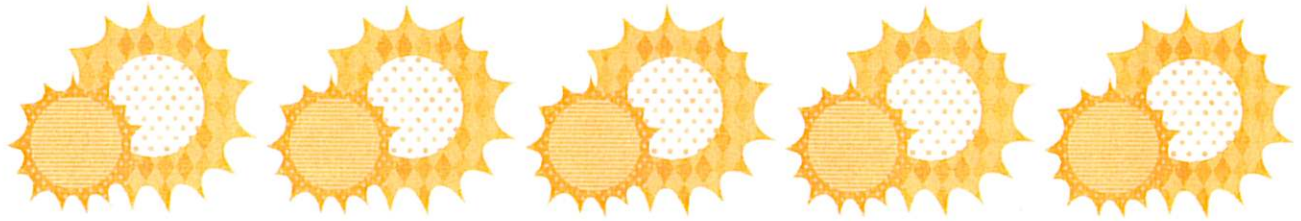
Thursday, July 24, 2008

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

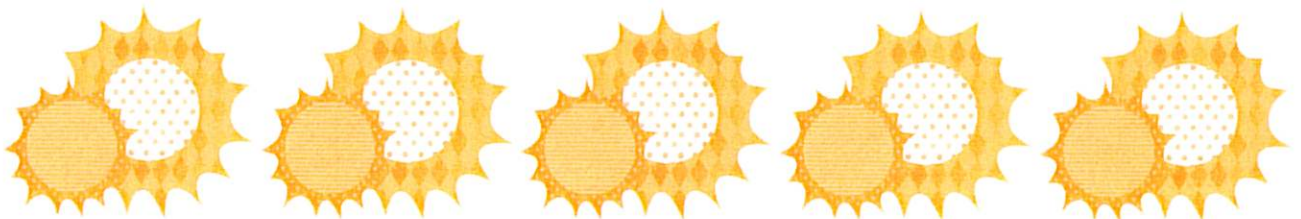
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9:00 a.m. – Advisory Committee Meeting

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AGENDA PACKAGE





**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING**

9:00 a.m. – July 24, 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 June 26, 2008 *(Page 1)*

B. FINANCIAL REPORTS

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

C. INTERVENTION

1. Consider Approval for Intervention into the Agricultural Pool – Michael Y. Park *(Page 25)*

D. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Cucamonga Valley Water District has agreed to lease 4,500 acre-feet of water from the City of Pomona. This lease is to be taken first from the FY 2007/08 allocation from the City of Pomona's net underproduction, if any, with any remainder from Pomona's local storage account. Date of Application: May 9, 2008 *(Page 29)*
2. **Consider Approval for Notice of Sale or Transfer** – Cucamonga Valley Water District (CVWD) has agreed to the transfer of 8,530.000 acre-feet of water from San Antonio Water Company (SAWCO). This transfer is made from SAWCO's annual production right. Date of Application: May 30, 2008 *(Page 43)*
3. **Consider Approval for Notice of Sale or Transfer** – Attachment G of the Chino Basin Watermaster Peace II documents allows for a one-time special water transfer of 8,530.000 acre-feet from Vulcan Materials to San Antonio Water Company (SAWCO). SAWCO is purchasing the transferring 8,530.000 acre-feet of Vulcan Material's water in storage. Date of Application: May 30, 2008 *(Page 53)*

II. BUSINESS ITEMS

A. O&M AGREEMENT

Consider Approval for the Adoption of First Amendment to Attachment 2 to Agreement for Operation and Maintenance of Facilities to Implement the Chino basin Recharge Master Plan to Conform Agreement to Peace II Agreement section 8.1(a) *(Page 65)*

B. HYDRAULIC CONTROL PROGRESS REPORT

Discussion and Possible Action Regarding Hydraulic Control Progress *(Page 71)*

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

- 1. August 21 Hearing
- 2. SWRCB Permit *(Page 77)*

C. CEO/STAFF REPORT

- 1. Legislative Update
- 2. Recharge Update
- 3. August Meetings
- 4. Appropriative Pool Committee Regarding Analysis of Residual Agricultural Pumping

D. INLAND EMPIRE UTILITIES AGENCY

- 1. Status Report on Dry Year (CUP) Activities
- 2. Update on MWD Integrated Water Resources Plan *(Page 111)*
- 3. Recycled Water Newsletter *(Page 127)*
- 4. Monthly Water Conservation Programs Report *(Page 130)*
- 5. Monthly Imported Water Deliveries Report *(Page 137)*
- 6. State and Federal Legislative Report *(Page 143)*
- 7. Community Outreach/Public Relations Report *(Page 171)*

E. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. INFORMATION

- 1. Newspaper Articles *(Page 173)*

V. COMMITTEE MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

September 11, 200	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
September 16, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
September 25, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
September 25, 2007	9:00 a.m.	Advisory Committee Meeting
September 25, 2007	11:00 a.m.	Watermaster Board Meeting

Meeting Adjourn

**CHINO BASIN WATERMASTER
BOARD MEETING**

11:00 a.m. – July 24, 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

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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 June 26, 2008 *(Page 7)*

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1. Legislative Update
2. Recharge Update
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1. Newspaper Articles *(Page 173)*

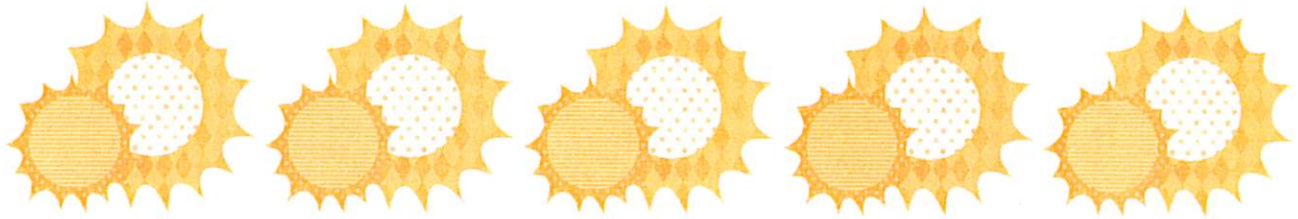
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September 25, 2007	9:00 a.m.	Advisory Committee Meeting
September 25, 2007	11:00 a.m.	Watermaster Board Meeting

Meeting Adjourn

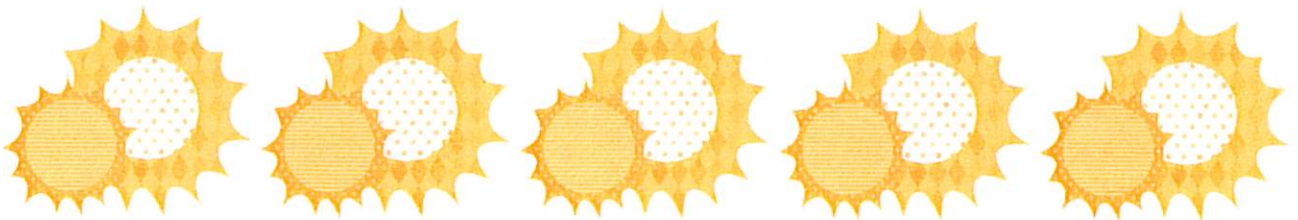


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Advisory Committee Meeting – June 26, 2008





Draft Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

June 26, 2008

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on June 26, 2008 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

Mark Kinsey, Acting Chair
Ken Jeske
Bill Kruger
John Vega
Michelle Lauffer
J. Arnold Rodriguez
Anthony La
Robert Young
Dave Crosley
Charles Moorrees
Raul Garibay

Monte Vista Water District
City of Ontario
City of Chino Hills
Cucamonga Valley Water District
Jurupa Community Services District
Santa Ana River Water Company
City of Upland
Fontana Water Company
City of Chino
San Antonio Water Company
City of Pomona

Non-Agricultural Pool

Bob Bowcock

Vulcan Materials Company (Calmat Division)

Agricultural Pool

Jeff Pierson
Jennifer Novak

Ag Pool, Crops
Department of Justice/CIM

Watermaster Board Members Present

Terry Catlin

Inland Empire Utilities Agency

Watermaster Staff Present

Kenneth R. Manning
Sheri Rojo
Sherri Lynne Molino

Chief Executive Officer
CFO/Asst. General Manager
Recording Secretary

Watermaster Consultants Present

Michael Fife
Tom McCarthy

Brownstein, Hyatt, Farber & Schreck
Wildermuth Environmental Inc.

Others Present

Sandra Rose
Michael Hughes
John Bosler
Gerry Foote
Art Kidman
Steven G. Lee
Martha Davis

Monte Vista Water District
Department of Justice
Cucamonga Valley Water District
Chino Basin Water Conservation District
McCormick, Kidman & Behrens
Reid & Hellyer
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 May 22, 2008

B. FINANCIAL REPORTS

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

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
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
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
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

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

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

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

Mr. Manning stated the revised 2008-2009 Watermaster budget was passed unanimously by the Pools this month and staff is seeking a motion from this committee to pass the budget on to the Watermaster Board. A brief discussion regarding O&M ensued.

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

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

B. CONDITIONS SUBSEQUENT NO. 6

Mr. Manning stated Condition Subsequent No. 6 requires Watermaster to report to the court on the development of standards and criteria by which the Regional Water Quality Control Board (RWQCB) will determine that Hydraulic Control is achieved and maintained. Mr. Manning stated Mr. Thibeault from the RWQCB has written a letter to the court which deals with this issue and will be part of the submittal that Watermaster will make to the court in August. Counsel Fife stated to Condition Subsequent No. 6 it is simply to provide to the court what kind of progress is being made on the development of standards and criteria. A discussion with regard to this matter ensued.

No motion was made regarding this item – discussion item only

D. RECHARGE MASTER PLAN DRAFT OUTLINE SCHEDULE

Mr. Manning stated a filing is required by the court regarding the Recharge Master Plan Outline Schedule. Comments were received at the various Pool meetings and incorporated into the draft outline presented today. Mr. Manning noted the presented draft was approved unanimously by the Pools this month.

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

Moved to approve the Recharge Master Plan draft outline schedule, as presented

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. August 21, 2008 Hearing**

Counsel Fife stated there will be a hearing on August 21, 2008 at 2:00 p.m. This is a consolidated hearing including all of the Condition Subsequents that have been completed, and various filings, including water transactions.

2. Hanson Aggregates Litigation

Counsel Fife stated there is no news to report on this item. This item will be discussed in more detail at the Watermaster Board meeting in closed session.

3. Chino Airport Potential Litigation

Counsel Fife stated there is no news to report on this item. This item will be discussed in more detail at the Watermaster Board meeting in closed session.

4. Recharge Permits

Counsel Fife stated the Chino Basin Watermaster Water Right Permit is on the State Water Resources Control Board's closed session agenda for July 8, 2008. The State Water Resources Control Board normally takes comments on their items for 30 days and then adopts a decision. Counsel will keep the parties apprised.

B. ENGINEERING UPDATES**1. Condition Subsequent No. 5 Recharge Master Plan**

No comment was made regarding this item.

2. Condition Subsequent No. 6 Hydraulic Control

No comment was made regarding this item.

3. Analysis of Residual Agricultural Pumping

Mr. Manning stated there is a letter from Wildermuth Environmental regarding the analysis that was done on the residual pumping for Agricultural along with a chart that shows the minimum/maximum aggregate production from the Agricultural pool at build-out, a memo from Scott Slater regarding the Monte vista stipulation, and several charts regarding Agricultural production at build-out. Mr. Jeske commented on the timing of getting all this information. Counsel Slater summarized his memo and the Monte Vista stipulation. Mr. Kidman offered comment regarding the decline in safe yield. Mr. Kinsey offered comment on the intent of the stipulation submitted by Monte Vista Water District regarding safe yield. A lengthy discussion regarding this subject ensued. The committee agreed to form a committee to further review this matter and then report back through the Watermaster process. It was decided to receive the information pursuant to the stipulation and not state it was complete or incomplete. No action will be taken on the information as far as forwarding it to the court or having the Appropriate Pool establish a working group to review and discuss this matter.

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

Moved to receive the information as an information item only, note that no action be taken on the information presented, and to establish a committee to review and report back through the Watermaster process, as presented

C. CEO/STAFF REPORT

1. Legislative Update

No comment was made regarding this item.

2. Recharge Update

Mr. Manning stated there was a late year storm in May which allowed for the capture of about 1,000 acre-feet of storm water. The Recharge handout is available on the back table for review.

3. Agreement for O&M of Facilities to Improve the Recharge Master Plan

Mr. Manning stated this item was on the Pools agenda but was asked to be held over until next month in order to give other parties a chance to review the agreement.

4. Personnel Matter

Mr. Manning stated in April, 2008 Gordon Treweek had retired and the vacant position of Project Engineer was placed in several publications for approximately four weeks. A screening committee was formed and the panel interviewed several candidates. One candidate stood out and was approached with an offer of employment at Watermaster. Mr. Ben Pak who is currently employed with Inland Empire Utilities Agency and will be starting at Watermaster on July 7, 2008 and staff is looking forward to working with him as our new Senior Project Engineer.

5. Strategic Planning Conference

Mr. Manning stated the next Strategic Planning Conference has been scheduled for September 28-30, 2008, at the Lake Arrowhead Resort. The format will mirror the Strategic Planning Conference of 2006; however, we will be focusing on the Recharge Master Plan this time. A golf tournament will be held on Sunday afternoon and a kick-off reception will be held Sunday evening. Monday will be a full day of meetings and Tuesday will be a half day of meetings. Mark your calendars for this upcoming conference.

D. INLAND EMPIRE UTILITIES AGENCY

1. MWD Drought Action Alert/Regional Conservation Actions

Ms. Davis offered comment on the Metropolitan Water District's Water Alert. Inland Empire Utilities Agency will be working with various agencies on the drought action plan. Ms. Davis noted MWD has not seen a great response from the many ads placed in papers and on several radio stations regarding the conservation message for water usage.

2. 3-Year Recycled Water Business Plan Update

No comment was made regarding this item.

3. Recycled Water Newsletter

Ms. Davis noted a copy of the Recycled Water Newsletter is in the meeting packet.

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

Ms. Davis offered comment on AB2270 bill which is regarding the use of water softeners and noted this bill has passed through the assembly and is well on its way to the governor's office. This is very good news!

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. IEUA Supports Governor's Emergency Drought Declaration

No comment was made regarding this item.

2. Newspaper Articles

No comment was made regarding this item.

V. COMMITTEE MEMBER COMMENTS

Mr. Kinsey offered comment regarding the Monte Vista Water District's ASR wells.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

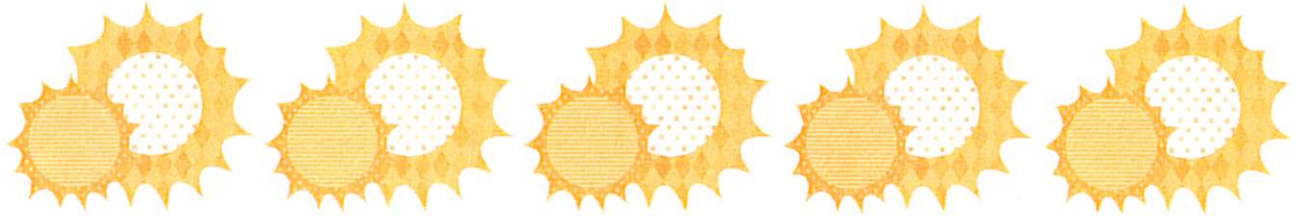
June 19, 2008	3:00 p.m.	Personnel Committee Meeting
June 26, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
June 26, 2007	9:00 a.m.	Advisory Committee Meeting
June 26, 2007	11:00 a.m.	Watermaster Board Meeting
July 10, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
June 15, 2008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

The Advisory Committee meeting was dismissed by Mr. Kinsey at 10:22 a.m.

Secretary: _____

Minutes Approved: _____

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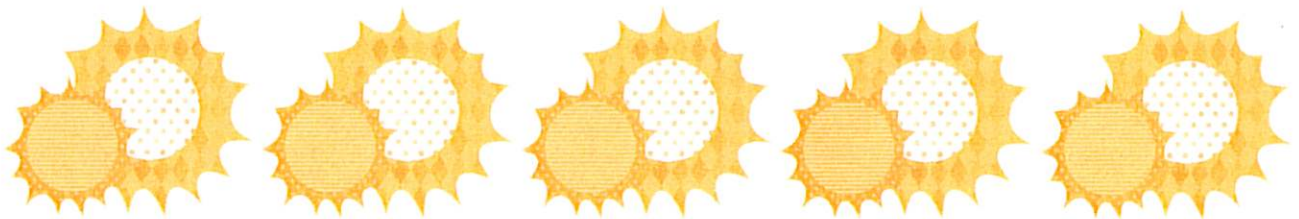


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Watermaster Board Meeting – June 26, 2008





Draft Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

June 26, 2008

The Annual Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on June 26, 2008 at 11:00 a.m.

WATERMASTER BOARD MEMBERS PRESENT

Bob Kuhn, Vice-Chair	Three Valleys Municipal Water District
Jim Curatalo	Cucamonga Valley Water District
Anthony La	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
Jeff Pierson/Paul Hofer	Agricultural Pool
Geoffrey Vanden Heuvel	Agricultural Pool

Watermaster Staff Present

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

Watermaster Consultants Present

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

Others Present

Dave Crosley	City of Chino Basin Watermaster
David DeJesus	Three Valleys Municipal Water District
Michelle Lauffer	Jurupa Community Services District
Gerry Foote	Chino Basin Water Conservation District
John Vega	Cucamonga Valley Water District
Sandra Rose	Monte Vista Water District
Hank Stoy	Visitor
Raul Garibay	City of Pomona
Mark Kinsey	Monte Vista Water District
Ken Jeske	City of Ontario
Jennifer Novak	Department of Justice/CIM
Michael Hughes	Department of Justice/CIM

The Watermaster Board Meeting was called to order by acting Vice-Chair Kuhn 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 May 22, 2008

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2008
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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 or 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

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

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

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

Mr. Manning noted this item was on the agenda last month and the recommendations made by the Appropriative and Non-Agricultural Pools at the May meeting along with recommendations made at the Budget Workshop and Ad-Hoc Board Budget meeting were incorporated in the budget being presented today. Ms. Rojo gave the revised 2008-2009 budget presentation. A discussion regarding the revised budget ensued.

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

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

B. CONDITION SUBSEQUENT NO. 6

Mr. Manning stated Condition Subsequent No. 6 requires Watermaster to report to the court on the development of standards and criteria by which the Regional Water Quality Control Board (RWQCB) will determine that Hydraulic Control is achieved and maintained. Mr. Manning stated Mr. Thibeault from the RWQCB has written a letter to the court which deals with this issue and will be part of the submittal that Watermaster will make to the court in August. Mr. Vanden Heuvel asked that Watermaster staff put together an update on how we are progressing on the Condition Subsequents to be given at the next Watermaster Board meeting. A discussion with regard to this matter ensued.

No motion was made regarding this item – discussion item only

C. RECHARGE MASTER PLAN DRAFT OUTLINE SCHEDULE

Mr. Manning stated a filing is required by the court regarding the Recharge Master Plan Outline Schedule. Comments were received at the various Pool meetings and were incorporated into the draft outline presented today. Mr. Manning noted the presented draft was approved unanimously by the Pools this month. A discussion regarding the draft ensued.

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

Moved to approve the Recharge Master Plan draft outline schedule, as presented

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. August 21, 2008 Hearing**

Counsel Slater stated there will be a hearing on August 21, 2008 at 2:00 p.m. This is a consolidated hearing including all of the Condition Subsequents that have been completed, and various filings, including water transactions.

Counsel Slater summarized his memo and the Monte Vista stipulation. Counsel Slater reviewed the motion made by the Advisory Committee earlier today where the Advisory Committee agreed to form a committee to further review this matter and then report back through the Watermaster process. It was decided to receive the information pursuant to the stipulation and not state whether it was complete or incomplete. No action will be taken on the information as far as forwarding it to the court or having the Appropriate Pool establish a working group to review and discuss this matter. A discussion regarding this matter ensued.

2. Hanson Aggregates Litigation

No comment was made regarding this item. This item will be discussed in closed session.

3. Chino Airport Potential Litigation

No comment was made regarding this item. This item will be discussed in closed session.

4. Recharge Permits

Counsel Slater stated there will be a hearing on August 21, 2008 at 2:00 p.m. This is a consolidated hearing including all of the Condition Subsequents that have been completed, and various filings, including water transactions.

B. ENGINEERING UPDATES**1. Condition Subsequent No. 5 Recharge Master Plan**

Mr. McCarthy stated Condition Subsequent No. 5 is still being worked on by both Wildermuth Environmental, legal counsel, and the parties that will be filed with the court.

2. Condition Subsequent No. 6 Hydraulic Control

Mr. McCarthy reviewed the contents of Condition Subsequent No. 6 and gave an update on the status of each requirement within Condition Subsequent No. 6. Wildermuth Environmental staff has had several discussions with the Regional Board regarding the word "robustness" and how it affects Hydraulic Control.

3. Analysis of Residual Agricultural Pumping

Mr. Manning stated there is a letter from Wildermuth Environmental regarding the analysis that was done on the residual pumping for Agricultural along with a chart that shows the minimum/maximum aggregate production from the Agricultural pool at build-out, a memo from Scott Slater regarding the Monte vista stipulation, and several charts regarding Agricultural production at build-out. Mr. McCarthy stated this item pertains to the requirement stemming from Monte Vista Water District's stipulation regarding the analysis

of residual agricultural pumping. Mr. McCarthy noted a working committee is going to be formed by the Appropriative Pool parties to review this item further. A discussion regarding Agricultural pumping ensued.

C. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning commented on AB2046/Jones which is regarding eliminating the use of impaired water sources for use in Urban Water Management Plans. Mr. Manning commented on AB2270/Laird which is sponsored by Inland Empire Utilities Agency and is moving through the legislature presently relates to water softener issues.

2. Recharge Update

Mr. Manning stated there was a late year storm in May which allowed for the capture of about 1,000 acre-feet of storm water. The Recharge handout is available on the back table for review.

3. Agreement for O&M of Facilities to Improve the Recharge Master Plan

Mr. Manning stated this item was on the Pool agendas but was asked to be held over until next month in order to give other parties a chance to review the agreement.

4. Personnel Matter

Mr. Manning stated in April, 2008 Gordon Treweek had retired and the vacant position of Project Engineer was placed in several publications for approximately four weeks. A screening committee was formed and the panel interviewed several candidates. One candidate stood out and was approached with an offer of employment at Watermaster. Mr. Ben Pak who is currently employed with Inland Empire Utilities Agency and will be starting at Watermaster on July 7, 2008 and staff is looking forward to working with him as our new Senior Project Engineer.

5. Strategic Planning Conference

Mr. Manning stated the next Strategic Planning Conference has been scheduled for September 28-30, 2008, at the Lake Arrowhead Resort. The format will mirror the Strategic Planning Conference of 2006; however, we will be focusing on the Recharge Master Plan this time. A golf tournament will be held on Sunday afternoon and a kick-off reception will be held Sunday evening. Monday will be a full day of meetings and Tuesday will be a half day of meetings. Mark your calendars for this upcoming conference.

IV. INFORMATION

1. IEUA Supports Governor's Emergency Drought Declaration

No comment was made regarding this item.

2. Newspaper Articles

No comment was made regarding this item.

V. COMMITTEE MEMBER COMMENTS

A discussion regarding holding Chino Basin Watermaster summer meetings ensued. Mr. Manning stated he would review the agenda items for August to see if they can be held over to the September agenda.

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 three items:

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

No comment was made regarding item 1 and 2.

3. Personnel Matters

This item was for the parties to review the CEO evaluation and to discuss the extension of the existing contract with Mr. Ken Manning.

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

Moved to approve extension of the Chief Executive Officer of Chino Basin Watermaster for Ken Manning to include the increase of the vehicle allowance and the salary increases according to the schedule outline, as presented

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

The Watermaster Board meeting was dismissed by Vice-Chair Kuhn at 12:30 p.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of June 2008
2. Watermaster Visa Check Detail
3. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2007 through May 31, 2008
4. Treasurer's Report of Financial Affairs for the Period May 1, 2008 through May 31, 2008
5. Profit & Loss Budget vs. Actual July 2007 through May 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: July 10, 2008
July 15, 2008
July 24, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report

SUMMARY

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

Recommendation – Staff recommends the Cash Disbursements for June 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 June 2008 were \$1,035,721.25. The most significant expenditures during the month were the City of Chino in the amount of \$738,396.00, Brownstein, Hyatt, Farber & Schreck in the amount of \$61,501.61 and Ellison, Schneider & Harris, LLP in the amount of \$17,834.24.

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
June 2008

Type	Date	Num	Name	Amount
Jun 08				
Bill Pmt -Check	6/4/2008	12354	APPLIED COMPUTER TECHNOLOGIES	-2,467.55
Bill Pmt -Check	6/4/2008	12355	ARROWHEAD MOUNTAIN SPRING WATER	-66.21
Bill Pmt -Check	6/4/2008	12356	CAROLLO ENGINEERS	-8,482.50
Bill Pmt -Check	6/4/2008	12357	COMPUTER NETWORK	-1,928.73
Bill Pmt -Check	6/4/2008	12358	CUCAMONGA VALLEY WATER DISTRICT	-5,495.00
Bill Pmt -Check	6/4/2008	12359	DIRECTV	-76.98
Bill Pmt -Check	6/4/2008	12360	ELLISON, SCHNEIDER & HARRIS, LLP	-17,834.24
Bill Pmt -Check	6/4/2008	12361	GRAINGER	-199.07
Bill Pmt -Check	6/4/2008	12362	HOPPERS	-210.11
Bill Pmt -Check	6/4/2008	12363	HSBC BUSINESS SOLUTIONS	-240.70
Bill Pmt -Check	6/4/2008	12364	INLAND EMPIRE UTILITIES AGENCY	-127.31
Bill Pmt -Check	6/4/2008	12365	JAMES JOHNSTON	-900.00
Bill Pmt -Check	6/4/2008	12366	KONICA MINOLTA BUSINESS SOLUTIONS	-589.73
Bill Pmt -Check	6/4/2008	12367	MAACO	-1,450.00
Bill Pmt -Check	6/4/2008	12368	MATHIS & ASSOCIATES	-1,125.00
Bill Pmt -Check	6/4/2008	12369	NAKANO, JUSTIN	-2,000.00
Bill Pmt -Check	6/4/2008	12370	OFFICE DEPOT	-469.35
Bill Pmt -Check	6/4/2008	12371	PARK PLACE COMPUTER SOLUTIONS, INC.	-5,325.00
Bill Pmt -Check	6/4/2008	12372	PAYCHEX	-198.44
Bill Pmt -Check	6/4/2008	12373	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-5,596.67
Bill Pmt -Check	6/4/2008	12374	PURCHASE POWER	-2,018.99
Bill Pmt -Check	6/4/2008	12375	R&D PEST SERVICES	-85.00
Bill Pmt -Check	6/4/2008	12376	CUCAMONGA VALLEY WATER DISTRICT	-5,495.00
Bill Pmt -Check	6/4/2008	12377	HOPPERS	-2,103.82
Bill Pmt -Check	6/4/2008	12378	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-5,700.47
Bill Pmt -Check	6/4/2008	12379	STANDARD INSURANCE CO.	-515.09
Bill Pmt -Check	6/4/2008	12380	TELECOM SERVICES	-95.00
Bill Pmt -Check	6/4/2008	12381	THE STANDARD INSURANCE COMPANY	-156.56
Bill Pmt -Check	6/4/2008	12382	VERIZON	-438.97
Bill Pmt -Check	6/4/2008	12383	VISION SERVICE PLAN	-36.11
Bill Pmt -Check	6/4/2008	12384	W.C. DISCOUNT MOBILE AUTO DETAILING	-75.00
Bill Pmt -Check	6/4/2008	12385	YUKON DISPOSAL SERVICE	-142.88
Bill Pmt -Check	6/4/2008	12386	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-5,700.47
Bill Pmt -Check	6/4/2008	12387	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-5,700.55
Bill Pmt -Check	6/4/2008	12388	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	0.00
Bill Pmt -Check	6/10/2008	12389	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-5,270.33
Bill Pmt -Check	6/10/2008	12390	CITISTREET	-3,095.66
Bill Pmt -Check	6/10/2008	12391	CITISTREET	-2,595.66
Bill Pmt -Check	6/10/2008	12392	CITISTREET	-2,595.66
Bill Pmt -Check	6/10/2008	12393	CITISTREET	-2,595.66
Bill Pmt -Check	6/10/2008	12394	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-4,964.34
Bill Pmt -Check	6/10/2008	12395	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-4,964.34
General Journal	6/14/2008	08/06/03	PAYROLL	-6,483.80
General Journal	6/14/2008	08/06/03	PAYROLL	-22,090.08
Bill Pmt -Check	6/17/2008	12396	ACWA SERVICES CORPORATION	-7.76
Bill Pmt -Check	6/17/2008	12397	BANC OF AMERICA LEASING	-3,186.17
Bill Pmt -Check	6/17/2008	12398	BANK OF AMERICA	-3,832.90
Bill Pmt -Check	6/17/2008	12399	BOWCOCK, ROBERT	-125.00
Bill Pmt -Check	6/17/2008	12400	BOWMAN, JIM	-125.00
Bill Pmt -Check	6/17/2008	12401	CITY OF RANCHO CUCAMONGA	-25.00
Bill Pmt -Check	6/17/2008	12402	COMPUTER NETWORK	-91.59
Bill Pmt -Check	6/17/2008	12403	OFFICE DEPOT	-118.47
Bill Pmt -Check	6/17/2008	12404	PREMIERE GLOBAL SERVICES	-52.39
Bill Pmt -Check	6/17/2008	12405	RANCHO GLASS & MIRRORS	-66.78
Bill Pmt -Check	6/17/2008	12406	REID & HELLYER	-9,160.07
Bill Pmt -Check	6/17/2008	12407	SAFEGUARD DENTAL & VISION	-13.85
Bill Pmt -Check	6/17/2008	12408	SAFETY CLEAN JANITORIAL SERVICES	-590.00
Bill Pmt -Check	6/17/2008	12409	SOUTHERN CALIFORNIA WATER COMMITTEE	-850.00
Bill Pmt -Check	6/17/2008	12410	STATE COMPENSATION INSURANCE FUND	-649.41
Bill Pmt -Check	6/17/2008	12411	STAULA, MARY L	-136.61
Bill Pmt -Check	6/17/2008	12412	UNION 76	-186.42
Bill Pmt -Check	6/17/2008	12413	UNITED PARCEL SERVICE	-362.24
Bill Pmt -Check	6/17/2008	12414	VANDEN HEUVEL, GEOFFREY	-125.00
Bill Pmt -Check	6/17/2008	12415	VERIZON WIRELESS	-430.95
Bill Pmt -Check	6/17/2008	12416	WESTERN DENTAL SERVICES, INC.	-36.50
Bill Pmt -Check	6/18/2008	12417	LAKE ARROWHEAD RESORT	-3,000.00
Bill Pmt -Check	6/25/2008	12418	A & R TIRE	-724.48
Bill Pmt -Check	6/25/2008	12419	CALPERS	-2,735.55

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
June 2008

Type	Date	Num	Name	Amount
Bill Pmt -Check	6/25/2008	12420	CHINO, CITY OF - FINANCE DEPT	-738,396.00
Bill Pmt -Check	6/25/2008	12421	COMPUTER NETWORK	-1,461.55
Bill Pmt -Check	6/25/2008	12422	ELLISON, SCHNEIDER & HARRIS, LLP	-7,029.22
Bill Pmt -Check	6/25/2008	12423	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	6/25/2008	12424	INLAND EMPIRE UTILITIES AGENCY	-127.31
Bill Pmt -Check	6/25/2008	12425	MCI	-1,169.95
Bill Pmt -Check	6/25/2008	12426	MWH LABORATORIES	-117.00
Bill Pmt -Check	6/25/2008	12427	PETTY CASH	-727.96
Bill Pmt -Check	6/25/2008	12428	PRE-PAID LEGAL SERVICES, INC.	-103.60
Bill Pmt -Check	6/25/2008	12429	RICOH BUSINESS SYSTEMS-Lease	-888.94
Bill Pmt -Check	6/25/2008	12430	STANDARD INSURANCE CO.	-484.06
Bill Pmt -Check	6/25/2008	12431	STATE COMPENSATION INSURANCE FUND	-614.77
Bill Pmt -Check	6/25/2008	12432	THE STANDARD INSURANCE COMPANY	-156.56
Bill Pmt -Check	6/25/2008	12433	VISION SERVICE PLAN	-36.11
Bill Pmt -Check	6/25/2008	12434	W.C. DISCOUNT MOBILE AUTO DETAILING	-50.00
Bill Pmt -Check	6/25/2008		WILDERMUTH ENVIRONMENTAL INC	0.00
Bill Pmt -Check	6/25/2008	12436	RICOH BUSINESS SYSTEMS-Lease	-888.94
Bill Pmt -Check	6/25/2008	12437	CAROLLO ENGINEERS	-10,028.50
Bill Pmt -Check	6/25/2008	12438	DIRECTV	-76.98
Bill Pmt -Check	6/25/2008	12439	LOS ANGELES TIMES	-44.40
General Journal	6/28/2008	08/06/05	PAYROLL	-6,692.50
General Journal	6/28/2008	08/06/05	PAYROLL	-25,684.23
Bill Pmt -Check	6/30/2008	12440	ARROWHEAD MOUNTAIN SPRING WATER	-58.14
Bill Pmt -Check	6/30/2008	12441	BROWNSTEIN HYATT FARBER SCHRECK	-61,501.61
Bill Pmt -Check	6/30/2008	12442	CUCAMONGA VALLEY WATER DISTRICT	-5,495.00
Bill Pmt -Check	6/30/2008	12443	HOPPERS	-2,103.82
Bill Pmt -Check	6/30/2008	12444	PARK PLACE COMPUTER SOLUTIONS, INC.	-4,800.00
Bill Pmt -Check	6/30/2008	12445	PRINTING RESOURCES	-204.14
Bill Pmt -Check	6/30/2008	12446	COMPUTER NETWORK	-958.97
Bill Pmt -Check	6/30/2008	12447	HSBC BUSINESS SOLUTIONS	-267.34
Bill Pmt -Check	6/30/2008	12448	JAMES JOHNSTON	-900.00
Bill Pmt -Check	6/30/2008	12449	PAYCHEX	-194.48
Jun 08				-1,035,721.25

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CHINO BASIN WATERMASTER
Check Detail
June 2008

Type	Num	Date	Name	Account	Paid Amount
Bill Pmt -Check	12398	6/17/2008	BANK OF AMERICA	1012 · Bank of America Gen'l Ckg	
Bill	4024...	5/30/2008		7204 · Comp Recharge-Supplies	-274.62
				6054 · Computer Software	-245.00
				6212 · Meeting Expense	-151.80
				6312 · Meeting Expenses	-151.81
				6031.7 · Other Office Supplies	-150.83
				6191 · Conferences	-2,577.04
				6192 · Training & Seminars	-249.00
				6909.1 · OBMP Meetings	-32.80
TOTAL					-3,832.90

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

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL APPROPRIATE	AGRICULTURAL NON-AGRIC.	POOL PROJECTS	GROUNDWATER REPLENISHMENT	GROUNDWATER OPERATIONS SB222	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									-	0
Miscellaneous Income			35,023		41				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	414,545								414,545	627,797
Watermaster Board-Advisory Committee	51,288								51,288	60,645
Pool Administration			18,654	124,661	6,096				149,411	162,333
Optimum Basin Mgmt Administration		2,348,900							2,348,900	2,852,337
OBMP Project Costs		3,881,538							3,881,538	4,153,883
Education Funds Use								375	375	375
Mutual Agency Project Costs		10,000							10,000	10,000
Total Administrative/OBMP Expenses	465,833	6,240,438	18,654	124,661	6,096			375	6,856,057	7,867,370
Net Administrative/OBMP Income	(465,833)	(6,198,771)							-	-
Allocate Net Admin Income To Pools			355,373	101,308	9,152					
Allocate Net OBMP Income To Pools			4,728,896	1,348,095	121,780					
Agricultural Expense Transfer			1,563,005	(1,563,005)						
Total Expenses			6,665,928	11,059	137,028			375	6,856,057	7,867,370
Net Administrative Income			968,769	5,960	(11,384)			(322)	963,023	-
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			968,769	5,960	(11,384)	1,073,666		(322)	2,036,669	-
Working Capital, July 1, 2007			4,222,862	475,604	156,528	294,397	158,251	1,655	5,309,297	
Working Capital, End Of Period			5,191,631	481,564	145,144	1,368,063	158,251	1,333	7,345,986	
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%	

Prepared by Sheri Rojo, Chief Financial Officer /Assistant General Manager

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

Ordinary Income/Expense	<u>Jul '07 - May 08</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
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	419,417	477,247	(57,830)	87.88%
6020 · Office Building Expense	92,129	101,580	(9,451)	90.7%
6030 · Office Supplies & Equip.	32,543	46,500	(13,957)	69.99%
6040 · Postage & Printing Costs	83,736	83,000	736	100.89%
6050 · Information Services	116,580	132,000	(15,420)	88.32%
6060 · Contract Services	80,822	117,500	(36,678)	68.78%
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	2,487	4,650	(2,163)	53.48%
6150 · Field Supplies	459	2,500	(2,041)	18.34%
6170 · Travel & Transportation	14,794	25,000	(10,206)	59.17%
6190 · Conferences & Seminars	23,608	22,500	1,108	104.93%
6200 · Advisory Comm - WM Board	15,922	18,931	(3,009)	84.1%
6300 · Watermaster Board Expenses	35,366	41,714	(6,348)	84.78%
8300 · Appr PI-WM & Pool Admin	18,654	24,001	(5,347)	77.72%
8400 · Agri Pool-WM & Pool Admin	23,323	24,004	(681)	97.16%
8467 · Ag Legal & Technical Services	90,279	95,000	(4,721)	95.03%
8470 · Ag Meeting Attend -Special	11,059	12,000	(941)	92.16%
8500 · Non-Ag PI-WM & Pool Admin	6,096	7,328	(1,232)	83.19%
6500 · Education Funds Use Expens	375	375	-	100.0%
9500 · Allocated G&A Expenditures	(471,052)	(419,640)	(51,412)	112.25%
Subtotal Administrative Expenditures	<u>615,619</u>	<u>851,150</u>	<u>(235,531)</u>	<u>72.33%</u>
6900 · Optimum Basin Mgmt Plan	2,221,226	2,711,138	(489,912)	81.93%
6950 · Mutual Agency Projects	10,000	10,000	-	100.0%
9501 · G&A Expenses Allocated-OBMP	165,185	141,199	23,986	116.99%
Subtotal OBMP Expenditures	<u>2,396,412</u>	<u>2,862,337</u>	<u>(465,925)</u>	<u>83.72%</u>
7101 · Production Monitoring	97,024	101,709	(4,685)	95.39%
7102 · In-line Meter Installation	17,345	17,791	(446)	97.49%
7103 · Grdwtr Quality Monitoring	90,684	117,104	(26,420)	77.44%
7104 · Gdwtr Level Monitoring	171,349	182,667	(11,318)	93.8%
7105 · Sur Wtr Qual Monitoring	7,858	15,553	(7,695)	50.52%

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

	<u>Jul '07 - May 08</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7107 · Ground Level Monitoring	222,436	270,465	(48,029)	82.24%
7108 · Hydraulic Control Monitoring	182,633	199,232	(16,599)	91.67%
7109 · Recharge & Well Monitoring Prog	29,587	102,827	(73,240)	28.77%
7200 · PE2- Comp Recharge Pgm	922,304	945,827	(23,523)	97.51%
7300 · PE3&5-Water Supply/Desalte	103,070	159,509	(56,439)	64.62%
7400 · PE4- Mgmt Plan	139,358	159,674	(20,316)	87.28%
7500 · PE6&7-CoopEfforts/SaltMgmt	105,639	138,533	(32,894)	76.26%
7600 · PE8&9-StorageMgmt/Conj Use	86,989	82,660	4,329	105.24%
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	299,081	278,441	20,640	107.41%
Subtotal Project Expenditures	<u>3,844,026</u>	<u>4,153,883</u>	<u>(309,857)</u>	<u>92.54%</u>
Total Expense	<u>6,856,057</u>	<u>7,867,370</u>	<u>(1,011,313)</u>	<u>87.15%</u>
Net Ordinary Income	963,023		963,023	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	2,036,689			
Total Other Expense	<u>4,365,416</u>			
Net Other Income	<u>(963,022)</u>			
Net Income	<u><u>-</u></u>		<u><u>-</u></u>	<u><u>0.0%</u></u>

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

DEPOSITORIES:		
Cash on Hand - Petty Cash	\$	500
Bank of America		
Governmental Checking-Demand Deposits	\$	391,678
Zero Balance Account - Payroll		-
Local Agency Investment Fund - Sacramento		<u>6,643,631</u>
TOTAL CASH IN BANKS AND ON HAND		\$ 7,035,809
TOTAL CASH IN BANKS AND ON HAND		7,616,399
		<u>\$ (580,590)</u>

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:	\$	-
Accounts Receivable		-
Assessments Receivable		(3)
Prepaid Expenses, Deposits & Other Current Assets		(218,880)
(Decrease)/Increase in Liabilities		(44,530)
Accounts Payable		(317,177)
Accrued Payroll, Payroll Taxes & Other Current Liabilities		-
Transfer to/(from) Reserves		-
PERIOD INCREASE (DECREASE)		<u>\$ (580,590)</u>

SUMMARY OF FINANCIAL TRANSACTIONS:

	Petty Cash	Gov't'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Balances as of 3/31/2008	\$ 500	\$ 972,268	\$ -	\$ 6,643,631	\$ 7,616,399
Deposits	-	-	-	-	-
Transfers	-	(89,094)	89,094	-	-
Withdrawals/Checks	-	(491,496)	(89,094)	-	(580,590)
Balances as of 4/30/2008	\$ 500	\$ 391,678	\$ -	\$ 6,643,631	\$ 7,035,809
PERIOD INCREASE OR (DECREASE)	-	(580,590)	-	-	(580,590)

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

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
TOTAL INVESTMENT TRANSACTIONS							
			\$	-			

* 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
May 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			

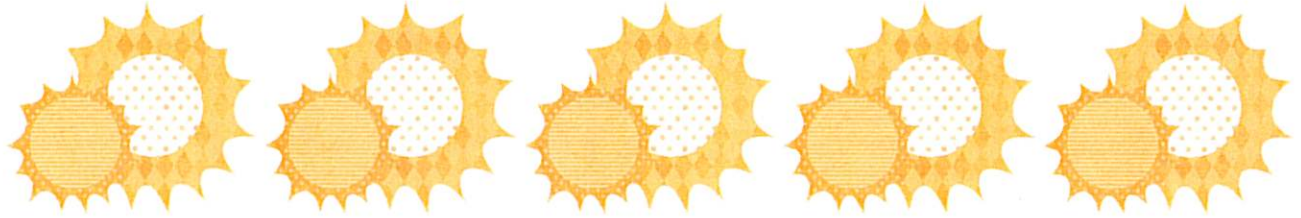
Funds on hand are sufficient to meet all foreseen and planned Administrative and project expenditures during the next six months.

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

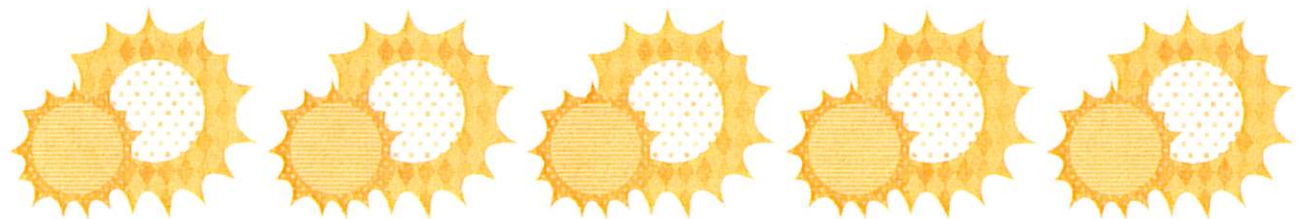


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. INTERVENTION

1. Intervention into the Agricultural Pool – Michael Y. Park intervention







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: July 10, 2008
July 15, 2008
July 24, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: Intervention into Agricultural Pool

SUMMARY

Recommendation – Staff recommends approval of the intervention of Michael Y. Park into the Agricultural Pool.

BACKGROUND

According to Paragraph 60 of the Judgment:

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

According to Watermaster's Rules and Regulations section 2.27:

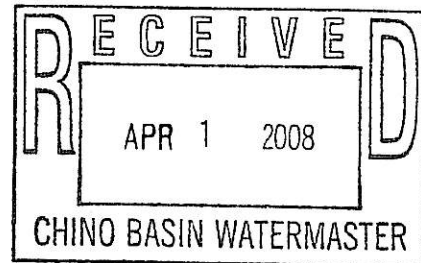
"Watermaster will receive and make recommendations regarding petitions for intervention and accumulate them for filing with the Court from time to time (Judgment paragraph. 60 and Order re Intervention Procedures, July 14, 1978.)"

Watermaster has received a petition in intervention from Michael Y. Park who pumps water for use on his agricultural operation. It is staffs' understanding that this production has been ongoing, but its existence has only recently come to Watermaster's attention. Mr. Park operates a tree/plant nursery and vegetable farm on nine acres. The estimated annual water production is five acre-feet.

Staff recommends approval of the intervention into the Agricultural Pool.

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Date: 3-26-08



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

Subject: Intervention into Chino Basin Watermaster

Dear Mr. Manning:

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

Number of wells: 1

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

11552 MONTE VISTA AV. CHINO, CA 91710
01031918
1N 8E 34

Property Owner (Well Owner) Information:

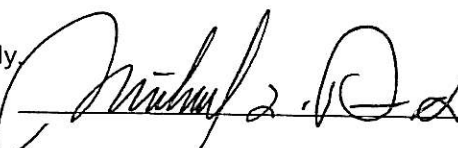
Name: MICHAEL Y. PARK
Address: 11552 MONTE VISTA AV. CHINO, CA 91710
Phone: (909) 628-8424 Email: _____

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

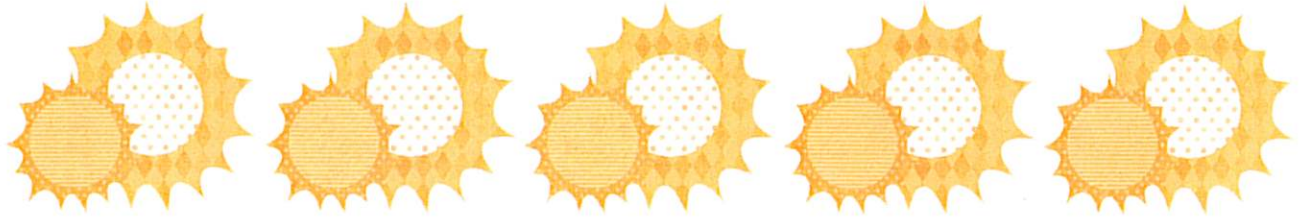
Name: _____
Address: _____
Phone: _____ Email: _____

Representative Handling Intervention:

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

Sincerely,
Signed:  Printed: MICHAEL Y. PARK,

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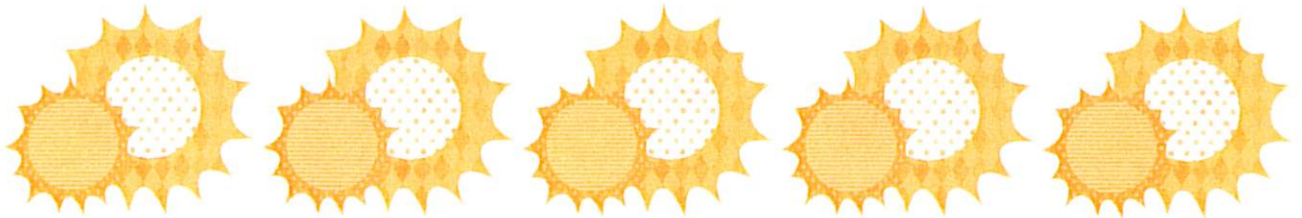


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

D. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer –** Cucamonga Valley Water District has agreed to lease 4,500 acre-feet of water from the City of Pomona. This lease is to be taken first from the FY 2007/08 allocation from the City of Pomona's net underproduction, if any, with any remainder from Pomona's local storage account. Date of Application: May 9, 2008
2. **Consider Approval for Notice of Sale or Transfer –** Cucamonga Valley Water District (CVWD) has agreed to the transfer of 8,530.000 acre-feet of water from San Antonio Water Company (SAWCO). This transfer is made from SAWCO's annual production right. Date of Application: May 30, 2008
3. **Consider Approval for Notice of Sale or Transfer –** Attachment G of the Chino Basin Watermaster Peace II documents allows for a one-time special water transfer of 8,530.000 acre-feet from Vulcan Materials to San Antonio Water Company (SAWCO). SAWCO is purchasing the transferring 8,530.000 acre-feet of Vulcan Material's water in storage. Date of Application: May 30, 2008





CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

June 6, 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 9, 2008**

Date of this notice: **June 6, 2008**

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

- A. Notice of Sale or Transfer – Cucamonga Valley Water District has agreed to lease 4,500 acre-feet of water from the City of Pomona. This lease is to be taken first from the FY 2007/08 allocation from the City of Pomona's net underproduction, if any, with any remainder from Pomona's local storage account.

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

Appropriative Pool: June 12, 2008

Non-Agricultural Pool: June 12, 2008

Agricultural Pool: June 17, 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: June 6, 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: June 6, 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** – Cucamonga Valley Water District has agreed to lease 4,500 acre-feet of water from the City of Pomona. This lease is to be taken first from the FY 2007/08 allocation from the City of Pomona's net underproduction, if any, with any remainder from Pomona's local storage account.

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 – Cucamonga Valley Water District has agreed to lease 4,500 acre-feet of water from the City of Pomona. This lease is to be taken first from the FY 2007/08 allocation from the City of Pomona's net underproduction, if any, with any remainder from Pomona's local storage account.

Notice of the water transaction identified above was mailed on June 6, 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.

THE CITY OF POMONA

Utility Services Department

HENRY PEPPER
Utility Services Director

Sent via Federal Express and
Telefax (909) 941-8069



May 9, 2008

Mr. Robert DeLoach
General Manager
Cucamonga Valley Water District
10440 Ashford Street
Rancho Cucamonga, CA 91730-2799

RE: Lease of Stored Water in the Chino Basin – Fiscal Year 2007-08

Dear Mr. DeLoach:


The purpose of this letter is to confirm the agreement between the Cucamonga Valley Water District (CVWD) and the City of Pomona regarding the lease of 4,500 acre-feet of water from the City of Pomona by CVWD. The lease is to be taken first from the FY 2007/08 allocation from the City of Pomona's net underproduction, if any, with any remainder from Pomona's local storage account in the Chino Groundwater Basin for a total cost of [REDACTED] per acre-foot). Payment by CVWD is due and payable by CVWD within 30 calendar days from Watermaster Approval.

If the terms of this agreement are acceptable, please indicate by signing below and returning a copy as soon as possible. Please note that the completed Chino Basin Watermaster Forms 3, 4 and 5 have been included here to expedite the process. As discussed, please sign and return these forms as is appropriate, and the City will forward the necessary paperwork with a cover letter to the Watermaster. If you have any questions, please contact me at (909) 620-2283.

Sincerely,


Henry Pepper
Utility Services Director

Accepted.


for Robert A. DeLoach, General Manager
Cucamonga Valley Water District

Enclosure: *Application for Sale or Transfer of Right to Produce Water*

cc: Meg McWade, Utility Business Services Manager
Jim Taylor, Water and Wastewater Operations Manager

I:\Utility Services\Bus Svcs Draft Folder\Water Purchases and Exchanges\CVWD Lease of Water 07 08.doc

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Form 3

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # 15, 15.1, 15.2, 15.3, 15.4

Name of Party

CITY OF POMONA

Street Address

505 South Garey Avenue

City

CA

State

91766

Zip Code

Telephone: (909) 620-2283

May 7, 2008

Date Requested

Date Approved

4,500 Acre-feet

Amount Requested

Acre-feet

Amount Approved

Facsimile: (909) 620-2030

Applicant: Henry Pepper, Utility Services Director

TRANSFER TO:

Attach Recapture Form 4

Cucamonga Valley Water District

Name of Party

10440 Ashford Street

Street Address

Rancho Cucamonga

City

CA

State

91730-2799

Zip Code

Telephone: (909) 987-2591

Facsimile: (909) 476-8032

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

WATER QUALITY AND WATER LEVELS

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

Static water levels vary from 432' to 569'. Of the wells routinely pumped, nitrate levels may vary from a low of 34 ppm to a high of 113 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?

Not Applicable

Form 3 (cont.)

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

Cucamonga Valley Water District
Name of Party

May 7, 2008
Date Requested

Date Approved

10440 Ashford Street
Street Address

4,500 Acre-feet
Amount Requested

Acre-feet
Amount Approved

Rancho Cucamonga CA 91730
City State Zip Code

Varies
Projected Rate of
Recapture

July 1, 2007- June 30 2008
Projected Duration of
Recapture

Telephone: (909) 987-2591

Facsimile: (909) 476-8032

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 Pomona

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

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

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

N/A

WATER QUALITY AND WATER LEVELS

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

Static water levels vary from 432' to 569'. Of the wells routinely pumped, nitrate levels may vary from a low of 34 ppm to a high of 113 ppm.

MATERIAL PHYSICAL INJURY

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

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]


Applicant

TO BE COMPLETED BY WATERMASTER

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION
TO
TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2007 - 2008

Commencing on July 1, 2007 and terminating on June 30, 2008, City of Pomona ("Transferor") hereby transfers to Cucamonga Valley Water District ("Transferee") the quantity of 4,500 acre-feet of corresponding Annual Production Right (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.," RCV 51010 (formerly Case No. SCV 164327).

Said Transfer shall be conditioned upon:

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

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

WATER QUALITY AND WATER LEVELS

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

Static water levels vary from 432' to 569'. Of the wells routinely pumped, nitrate levels may vary from a low of 34 ppm to a high of 113 ppm.

MATERIAL PHYSICAL INJURY

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

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes No

Howard M. for HP
Transferor

[Signature]
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:

June 6, 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 30, 2008**

Date of this notice: **June 6, 2008**

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

- A. Notice of Sale or Transfer – Cucamonga Valley Water District (CVWD) has agreed to the transfer of 8,530,000 acre-feet of water from San Antonio Water Company (SAWCO). This transfer is made from SAWCO's annual production right.

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

Appropriative Pool: June 12, 2008

Non-Agricultural Pool: June 12, 2008

Agricultural Pool: June 17, 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: June 6, 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: June 6, 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 –** Cucamonga Valley Water District (CVWD) has agreed to the transfer of 8,530,000 acre-feet of water from San Antonio Water Company (SAWCO). This transfer is made from SAWCO's annual production right.

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 – Cucamonga Valley Water District (CVWD) has agreed to the transfer of 8,530.000 acre-feet of water from San Antonio Water Company (SAWCO). This transfer is made from SAWCO's annual production right.

Notice of the water transaction identified above was mailed on June 6, 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.



Cucamonga Valley
Water District

Service You
Can Depend On

Robert A. DeLoach
General Manager
Chief Executive Officer

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

May 30, 2008

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

RE: Water Transfer from San Antonio Water Company to Cucamonga Valley Water District

Dear Mr. Manning:

This letter is to notify Watermaster that Cucamonga Valley Water District (CVWD) is transferring 8,530,000 acre-feet of water from San Antonio Water Company (SAWCO). This transfer is made from SAWCO's annual production right. Please place this water into CVWD's Excess Carryover account.

An executed Form 5 (Application to Transfer Annual Production Right or Safe Yield) is attached.

Sincerely,

Martin E. Zvirbulis
Deputy General Manager

Attachment: Form 5 (Application to Transfer Annual Production Right or Safe Yield)

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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, San Antonio Water Company ("Transferor") hereby transfers to Cucamonga Valley Water District ("Transferee") the quantity of 8,530,000 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?

Static water levels vary from 432' to 569'. Of the wells routinely pumped, nitrate levels may vary from a low of 34 ppm to a high of 113 ppm.

MATERIAL PHYSICAL INJURY

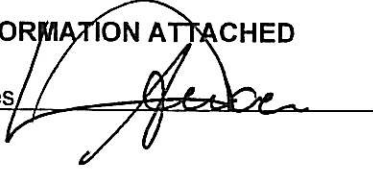
Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application? Yes [] No [X]

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?

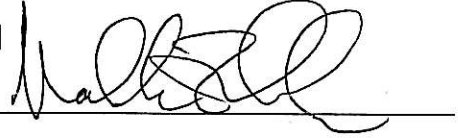
ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

Charles A. Moorrees
Transferor



Marty Zvirbulis
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:

June 6, 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 30, 2008**

Date of this notice: **June 6, 2008**

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

- A. Notice of Sale or Transfer – Attachment G of the Chino Basin Watermaster Peace II documents allows for a one-time special water transfer of 8,530,000 acre-feet from Vulcan Materials to San Antonio Water Company (SAWCO). SAWCO is purchasing the transferring 8,530,000 acre-feet of Vulcan Material's water in storage.

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

Appropriative Pool: June 12, 2008

Non-Agricultural Pool: June 12, 2008

Agricultural Pool: June 17, 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: June 6, 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: June 6, 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** – Attachment G of the Chino Basin Watermaster Peace II documents allows for a one-time special water transfer of 8,530.000 acre-feet from Vulcan Materials to San Antonio Water Company (SAWCO). SAWCO is purchasing the transferring 8,530.000 acre-feet of Vulcan Material's water in 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 – Attachment G of the Chino Basin Watermaster Peace II documents allows for a one-time special water transfer of 8,530.000 acre-feet from Vulcan Materials to San Antonio Water Company (SAWCO). SAWCO is purchasing the transferring 8,530.000 acre-feet of Vulcan Material's water in storage.

Notice of the water transaction identified above was mailed on June 6, 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.



San Antonio Water Company

Incorporated October 25, 1882

Serving the original Ontario Colony Lands

(Communities of Ontario - San Antonio Heights - Upland)

May 30, 2008

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

RE: Peace II special water transfer from Vulcan Materials to San Antonio Water Company

Dear Mr. Manning:

Attachment G of the Chino Basin Watermaster Peace II documents allows for a one-time special water transfer of 8,530,000 acre-feet from Vulcan Materials to San Antonio Water Company (SAWCO).

This letter is to notify Watermaster that SAWCO is now purchasing the transferring 8,530,000 acre-feet of Vulcan Material's water in storage. An executed Form 3 (Application for Sale or Transfer of Right to Produce Water from Storage) is attached. Please note that Form 4 (Application or Amendment to Application to Recapture Water in Storage) is not attached because SAWCO intends to immediately transfer the water rather than produce it.

Sincerely,

Charles Moorrees
General Manager

Attachment: Form 3 (Application for Sale or Transfer of Right to Produce Water from Storage)

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Form 3

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

Vulcan Materials

Name of Party

405 North Indian Hill Boulevard

Street Address

Claremont CA 91711

City State Zip Code

Telephone: 909-621-1266

[Signature] Applicant

05/30/08

Date Requested

Date Approved

7,530 Acre-feet

Amount Requested

Acre-feet

Amount Approved

Facsimile: 909-621-1196

TRANSFER TO:

San Antonio Water Company

Name of Party

139 North Euclid Avenue

Street Address

Upland CA 91786

City State Zip Code

Telephone: 909-982-4107

Attach Recapture Form 4

NOTE: Form 4 is not attached because SAWCO intends to immediately resell the water.

Facsimile: 909-920-3047

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. SAWCO intends to immediately resell the water.

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 mitigation measures.

Form 3 (cont.)

ADDITIONAL INFORMATION ATTACHED Yes [] No [X]

Leri Layton (for Charles Moores)
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, Vulcan Materials ("Transferor") hereby transfers to San Antonio Water Company ("Transferee") the quantity of 8,530,000 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 will be immediately re-transferred.

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]

Robert W. Bowcock
Transferor

Charles A. Moorrees
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: _____

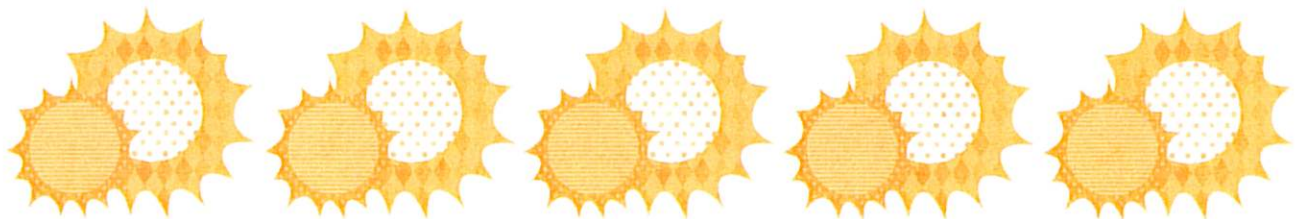
DATE OF BOARD APPROVAL: _____ Agreement # _____



CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

A. Operation & Maintenance of Facilities to Implement the Chino Basin Recharge Master Plan





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: July 10, 2008
July 15, 2008
July 24, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: O&M Agreement

Summary – Adoption of First Amendment to Attachment 2 to Agreement for Operation and Maintenance of Facilities to Implement the Chino Basin Recharge Master Plan to conform Agreement to Peace II Agreement section 8.1(a).

Recommendation - Approve the Amendment

Fiscal Impact – Amendment is a conforming action of Agreement to Peace II Agreement

BACKGROUND

In or about December 2002, the Chino Basin Watermaster, Inland Empire Utilities Agency and others entered in to an Agreement entitled Agreement for Operation and Maintenance of Facilities to Implement the Chino Basin Recharge master Plan. Attachment 2 to that Agreement describes the budgeting, funding and payment process for that project.

Section 8.1(a) of the Peace II Agreement modifies Attachment 2 of the Agreement and thus requires a First Amendment to that Attachment. The Amendment inserts the language of Peace Agreement II verbatim into the Agreement.

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**FIRST AMENDMENT TO
ATTACHMENT NUMBER 2 TO AGREEMENT
FOR OPERATION AND MAINTENANCE
OF FACILITIES TO IMPLEMENT THE
CHINO BASIN RECHARGE MASTER PLAN**

This First Amendment to Attachment Number 2 to Agreement for Operation and Maintenance of Facilities to Implement the Chino Basin Recharge Master Plan is entered into on this the ____ day of May, 2008, by and between the San Bernardino County Flood Control District, the Chino Basin Water Conservation District, the Chino Basin Watermaster, and the Inland Empire Utilities Agency.

I.

RECITALS

WHEREAS, in or about December 2002, the parties hereto entered into that certain agreement entitled Agreement for Operation and Maintenance of Facilities to Implement the Chino Basin Master Recharge Plan including, Attachment Number 2 thereof; and

WHEREAS, in or about December 2007, the Superior Court for the County of San Bernardino, approved, with conditions, that document entitled Peace II Agreement: Party Support for Watermaster's OBMP Implementation Plan – Settlement and Release of Claims regarding future Desalters (Peace II); and

WHEREAS, certain terms and provisions of Peace II will affect the budgeting, funding and payment process set forth in Attachment Number 2 making amendment to Attachment Number 2 necessary;

NOW THEREFORE, the parties hereto agree to amend Attachment Number 2 as follows:

1. Section A of Attachment Number 2 shall be amended to read as follows:

“A. Budgeting and Funding Process. In order to facilitate the timely review and approval by Watermaster of the Consolidated Budget and Planning Budget, called for in Paragraph 18 of the Agreement, the parties will each submit individual budgets for Additional Costs for the ensuing fiscal year to IEUA, with copies to the other parties, no later than February 1 of each fiscal year. IEUA will then prepare a Consolidated Budget and Planning Budget and circulate such budgets for review and comment by March 1. IEUA will consult with GRCC as part of the preparation process. IEUA will use its best efforts to resolve any questions or concerns of the parties during such review. IEUA will submit the Consolidated Budget and Planning Budget, with any changes, to Watermaster by April 1. Watermaster will adopt a final consolidated budget and planning budget on or before June 1 of each year. Watermaster shall supply a copy of said Consolidated Budget and Planning Budget to the parties on or before June 15. Any amendment to the Consolidated Budget shall be submitted to the parties for review and comment at least thirty days prior to action thereon by Watermaster. The Consolidated Budget for Additional Costs for the ensuing fiscal year will be the sum of the amounts approved by Watermaster for IEUA, CBWCD, and SBCFCD plus the amount budgeted by Watermaster for its own costs. Quarterly, in advance, Watermaster will pay to IEUA the portion, as shown by the Consolidated Budget, of the estimated amount needed to fund the portion of the total budget to be extended during the quarter. IEUA will place the amount received into a Recharge O&M Account. If the Consolidated Budget is amended during the fiscal year, and the result of such amendment is to increase appropriations, such increased amounts will be paid quarterly over the remaining fiscal year.

All future operations and maintenance costs attributable to all recharge facilities utilized for recharge of recycled water in whole or in part unfunded from third party sources, will be paid by the IEUA and Watermaster. The contribution by IEUA will be determined annually on the basis of the relative proportion of recycled water recharged bears to the total recharge from all

sources in the prior year. For example, if thirty-five percent of total recharge in a single year is from recycled water, then IEUA will bear thirty-five percent of the operations and maintenance costs. All remaining unfunded costs attributable to the facilities used by Watermaster will be paid by Watermaster.

The methodology for calculating all future operations and maintenance costs to be allocated between the parties shall be in accordance with that Pro-Rata Cost Sharing Methodology for GWR O&M Budget Based on Peace II Language which is attached hereto as Exhibit "A" and incorporated herein by this reference."

2. All remaining provisions of Attachment 2 shall remain unchanged and in full force and effect.

APPROVED AS TO FORM AND CONTENT:

DATED: May ____, 2008

INLAND EMPIRE UTILITIES AGENCY

By: _____

Title: _____

DATED: May ____, 2008

CHINO BASIN WATER CONSERVATION DISTRICT

By: _____

Title: _____

DATED: May ____, 2008

SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT

By: _____

Title: _____

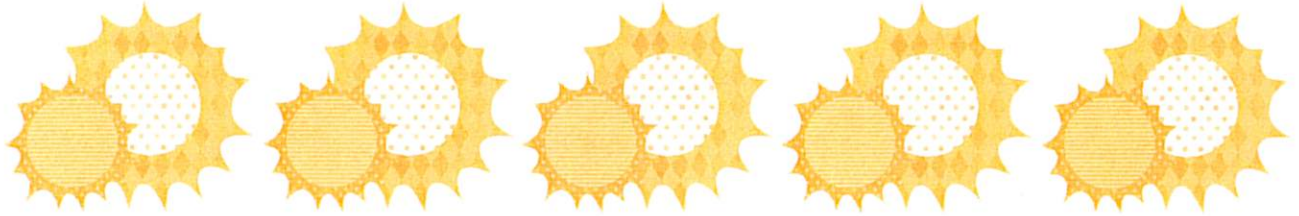
DATED: May ____, 2008

CHINO BASIN WATERMASTER

By: _____

Title: _____

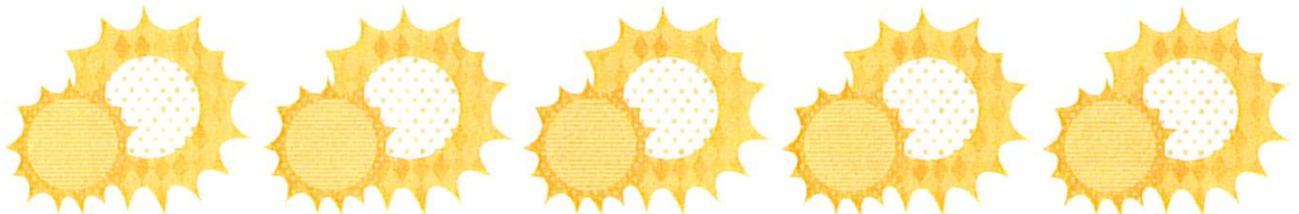
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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

B. Hydraulic Control Progress Report





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: July 24, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: Report on Status of Hydraulic Control and the Expansion of the Chino Creek Well Field

SUMMARY

Issue – Condition Subsequent #6 of the Court's December 21, 2007 Order approving the Peace II Measures required that:

"By July 1, 2008, Watermaster shall report to the Court on the development of standards and criteria by which the RWQCB will determine that hydraulic control is achieved and maintained."

To get a definitive response for the court Watermaster requested the Regional Board to opine about its view of what standards and criteria it will use to determine that hydraulic control is achieved and maintained. In his response the Executive Officer expressed concerns about the commitment level of the parties to achieving hydraulic control and asked Watermaster to provide an updated schedule on the achievement of hydraulic control by July 15, 2008. In addition, he encouraged the court to require the appropriate parties to report on their compliance with the previously established schedule regarding achieving and maintaining hydraulic control.

At the Board meeting in June, the Board asked that Watermaster prepare a report to the Board as well as the Advisory Committee on the slippage in the previously established schedule distributed to the Court and the Regional Board.

Attached is the letter submitted by Watermaster to the Regional Board on July 15th in compliance of the request and a copy of the revised schedule showing a one year slippage in completion dates. Staff and consultants will present the information requested by the Board to the Advisory Committee and Board.

Recommendation - None

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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

July 15, 2008

Mr. Gerard Thibeault
Executive Officer
Regional Water Quality Control Board
3737 Main Street, Suite 500
Riverside, CA 92501-3339

Subject: Response to your letter regarding "Request Pursuant to Condition Subsequent No. 6" dated May 23, 2008

Dear Mr. Thibeault:

The Chino Basin Watermaster (Watermaster) and the Inland Empire Utilities Agency (IEUA) have received and reviewed your letter of May 23, 2008 regarding *Request Pursuant to Condition Subsequent No. 6*. Your letter was an integral part of the Watermaster's response to the Court regarding Condition Subsequent No. 6 and we thank you for your thoughtful letter. The closing paragraph of your letter includes a request that Watermaster and IEUA to prepare and submit to the RWQCB:

"... updated schedules and progress reports to the Executive Officer quarterly on the 15th day of July, October January and April until hydraulic control is achieved."

This letter constitutes the July 15, 2008 progress report and schedule pursuant to your May 23, 2008 request.

The Watermaster, IEUA, the Chino Desalter Authority (CDA), the city of Ontario, the Jurupa Community Services District (JCSD) and Western Municipal Water District (WMWD) and their consultants have been engaged in detailed planning efforts to expand the desalter program in the Chino Basin and to obtain hydraulic control.

Attached is the July 14, 2008 version: *Schedule A – Pragmatic Schedule for the Planning, Design and Construction of the Chino Creek Well Field*. This schedule is detailed and reflects the very complicated process of developing a new desalter well field in an environmentally sensitive area, obtaining wells sites and easements in this area, and integrating a new water supply into an existing treatment plant. This schedule was originally submitted to you on March 30, 2007. The original Chino Creek Well Field (CCWF) start up date was estimated (in March of 2007) to be November 2012. Watermaster has revised this schedule three times since March 30, 2007 including our February 2008 update provided to the Regional Board. The CCWF schedule has slipped. The estimated start up date for the CCWF slipped

Subject: Response to ... "Request Pursuant to Condition Subsequent No. 6" dated May 23, 2008

about four months during the period March 2007 through February 2008. This slippage occurred due to changes in the project description and changes in the level of participation by CDA members and WMWD. Since February 2008 there has been no significant progress on the project due to institutional challenges regarding WMWD becoming a member of the CDA. WMWD membership in the CDA will come to a vote at the CDA in mid August 2008. If approved the WMWD membership in the CDA will become operational by October 1, 2008. Assuming this occurs, the CCWF start up is projected to occur in November 2013 which is one year later than projected in March 2007.

Subsequent progress reports will include a discussion of the work accomplished in the reporting period and the work to be completed in the subsequent period, and revised projections to complete the CCWF. We would like to meet with you as soon as possible to review these schedules and to further explain the process that we envision to get the CCWF constructed and put into operations in a timely manner.

Please call me if you have any questions or concerns regarding the above. I would be happy to meet with you to go over the desalter program and schedule.

Sincerely,

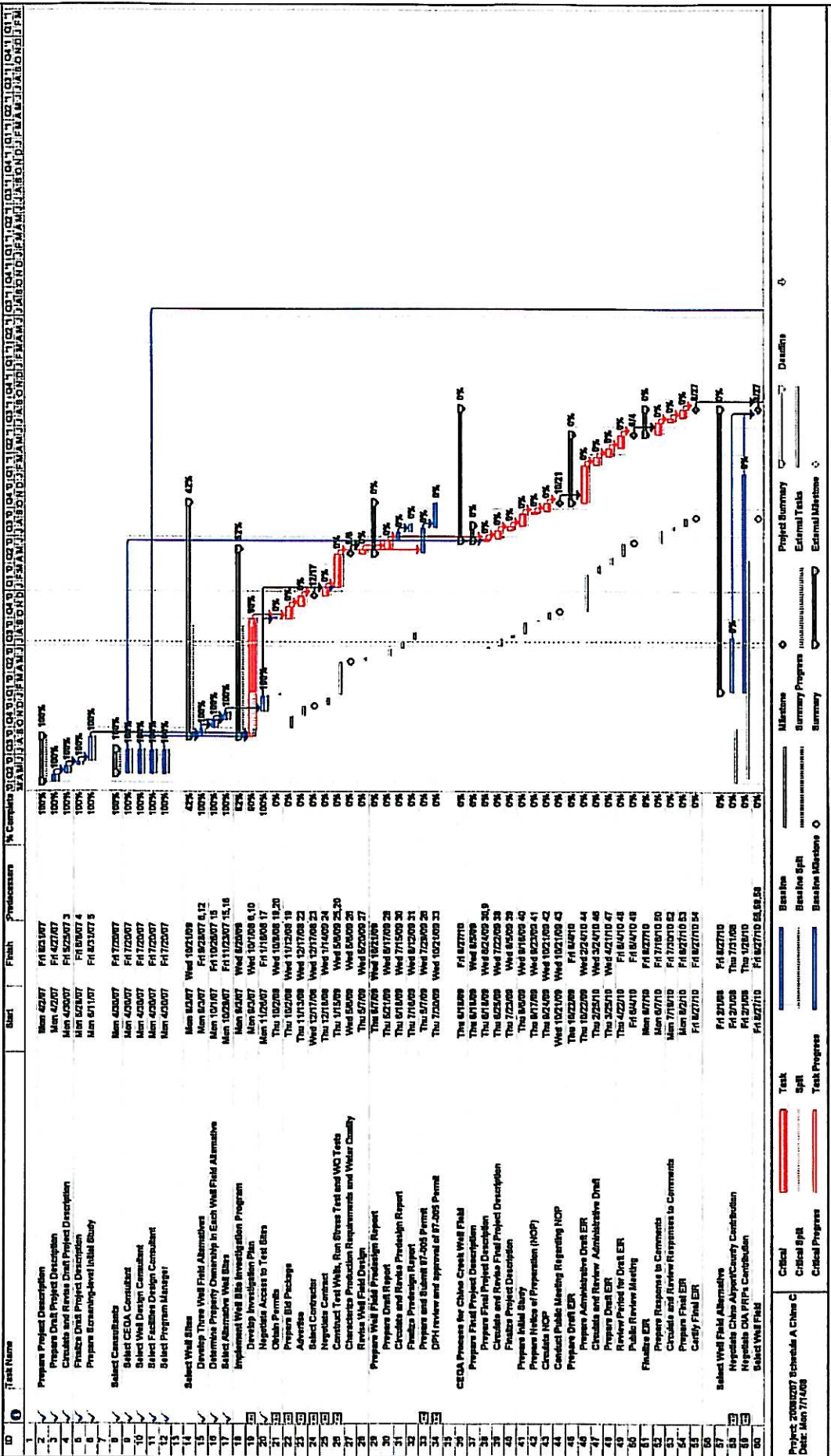
Chino Basin Watermaster



Kenneth Manning
Chief Executive Officer

Encl. – Schedule A

Schedule for the Planning, Design and Construction of the Chino Creek Well Field

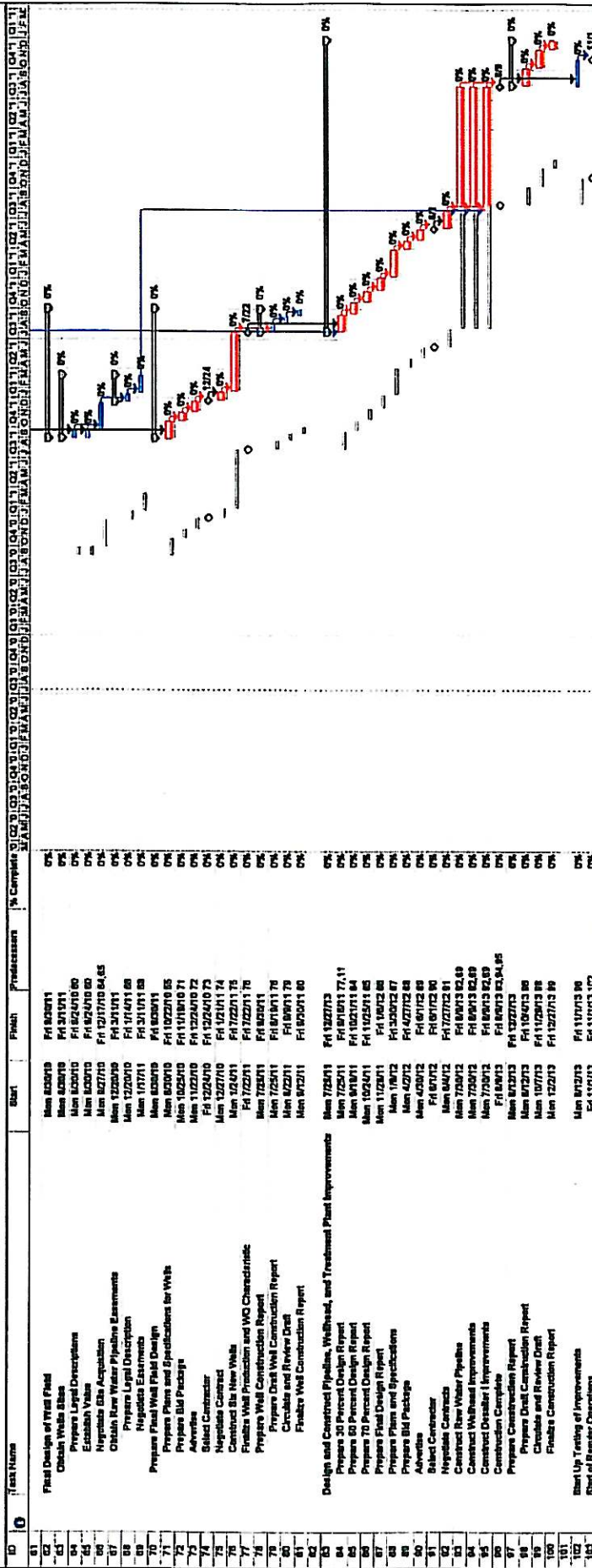


Task Legend:
 Critical Path: Red bar
 Baseline: Blue bar
 Other: Black bar
 Milestone: Diamond symbol
 Summary: Thick black bar
 Summary Progress: Thin black bar
 Baseline Milestone: Diamond symbol
 Baseline Milestone Progress: Thin black bar
 External Milestone: Diamond symbol
 External Milestone Progress: Thin black bar

Project Summary:
 Project: 2006007 Schedule A Chino C
 Date: Mon 7/14/08
 Chino Basin Watermaster
 Inland Empire Utilities Agency

Wilsmuth Environmental, Inc.

Schedule for the Planning, Design and Construction of the Chino Creek Well Field



ID	Task Name	Start	Finish	Professionals	% Complete
01	Final Design of Well Field	Mon 8/20/19	Fri 8/23/11		0%
02	Obtain Well Bids	Mon 8/20/19	Fri 3/1/11		0%
03	Prepare Legal Descriptions	Mon 8/20/19	Fri 8/24/10		0%
04	Establish Value	Mon 8/20/19	Fri 8/24/10		0%
05	Negotiate Bids Acquisition	Mon 8/27/19	Fri 7/17/10		0%
06	Obtain New Water Pipeline Easements	Mon 8/27/19	Fri 3/1/11		0%
07	Prepare Legal Descriptions	Mon 12/20/19	Fri 1/14/11		0%
08	Negotiate Easements	Mon 1/17/11	Fri 3/1/11		0%
09	Prepare Final Well Field Design	Mon 8/20/19	Fri 8/23/11		0%
10	Prepare Plans and Specifications for Wells	Mon 8/20/19	Fri 10/23/10		0%
11	Prepare Bid Package	Mon 10/25/10	Fri 11/19/10		0%
12	Advertise	Mon 11/22/10	Fri 12/24/10		0%
13	Solicit Contractor	Mon 12/28/10	Fri 1/21/11		0%
14	Negotiate Contract	Mon 1/25/11	Fri 2/22/11		0%
15	Finalize Well Production and WO Characteristics	Mon 7/28/11	Fri 8/26/11		0%
16	Prepare Well Construction Report	Mon 7/28/11	Fri 8/26/11		0%
17	Prepare Draft Well Construction Report	Mon 8/23/11	Fri 8/26/11		0%
18	Circular and Review Draft	Mon 8/23/11	Fri 8/26/11		0%
19	Finalize Well Construction Report	Mon 8/23/11	Fri 8/26/11		0%
20	Design and Construct Pipelines, Wellhead, and Treatment Plant Improvements	Mon 7/28/11	Fri 12/27/13		0%
21	Prepare SO Record Design Report	Mon 7/28/11	Fri 8/10/11		0%
22	Prepare 70 Record Design Report	Mon 10/25/11	Fri 11/25/11		0%
23	Prepare Final Design Report	Mon 11/22/11	Fri 11/25/11		0%
24	Prepare Plans and Specifications	Mon 1/19/12	Fri 3/30/12		0%
25	Advertise	Mon 4/23/12	Fri 4/27/12		0%
26	Solicit Contractor	Mon 4/23/12	Fri 6/1/12		0%
27	Negotiate Contracts	Mon 6/4/12	Fri 6/1/12		0%
28	Construct Raw Water Pipeline	Mon 7/28/12	Fri 8/24/12		0%
29	Construct Wellhead Improvements	Mon 7/28/12	Fri 8/24/12		0%
30	Construct Dissair (Improvements)	Mon 7/28/12	Fri 8/24/12		0%
31	Construction Complete	Fri 8/24/12	Fri 8/24/12		0%
32	Prepare Construction Report	Mon 8/27/12	Fri 12/27/13		0%
33	Prepare Draft Construction Report	Mon 8/27/12	Fri 10/26/12		0%
34	Circular and Review Draft	Mon 10/26/12	Fri 11/29/12		0%
35	Finalize Construction Report	Mon 12/27/13	Fri 12/27/13		0%
36	Start Up Testing of Improvements	Mon 8/27/13	Fri 11/27/13		0%
37	Start of Regular Operations	Fri 11/27/13	Fri 11/27/13		0%

Project: 2008207 Schedule A Chino C
 Date: Mon 7/1/08

Chino Basin Watermaster
 Inland Empire Utilities Agency

Webbmath Environmental, Inc.



CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

July 15, 2008

Mr. Gerard Thibeault
Executive Officer
Regional Water Quality Control Board
3737 Main Street, Suite 500
Riverside, CA 92501-3339

Subject: Response to your letter regarding "Request Pursuant to Condition Subsequent No. 6" dated May 23, 2008

Dear Mr. Thibeault:

The Chino Basin Watermaster (Watermaster) and the Inland Empire Utilities Agency (IEUA) have received and reviewed your letter of May 23, 2008 regarding *Request Pursuant to Condition Subsequent No. 6*. Your letter was an integral part of the Watermaster's response to the Court regarding Condition Subsequent No. 6 and we thank you for your thoughtful letter. The closing paragraph of your letter includes a request that Watermaster and IEUA to prepare and submit to the RWQCB:

"... updated schedules and progress reports to the Executive Officer quarterly on the 15th day of July, October January and April until hydraulic control is achieved."

This letter constitutes the July 15, 2008 progress report and schedule pursuant to your May 23, 2008 request.

The Watermaster, IEUA, the Chino Desalter Authority (CDA), the city of Ontario, the Jurupa Community Services District (JCSD) and Western Municipal Water District (WMWD) and their consultants have been engaged in detailed planning efforts to expand the desalter program in the Chino Basin and to obtain hydraulic control.

Attached is the July 14, 2008 version: *Schedule A – Pragmatic Schedule for the Planning, Design and Construction of the Chino Creek Well Field*. This schedule is detailed and reflects the very complicated process of developing a new desalter well field in an environmentally sensitive area, obtaining wells sites and easements in this area, and integrating a new water supply into an existing treatment plant. This schedule was originally submitted to you on March 30, 2007. The original Chino Creek Well Field (CCWF) start up date was estimated (in March of 2007) to be November 2012. Watermaster has revised this schedule three times since March 30, 2007 including our February 2008 update provided to the Regional Board. The CCWF schedule has slipped. The estimated start up date for the CCWF slipped

Subject: Response to ... "Request Pursuant to Condition Subsequent No. 6" dated May 23, 2008

about four months during the period March 2007 through February 2008. This slippage occurred due to changes in the project description and changes in the level of participation by CDA members and WMWD. Since February 2008 there has been no significant progress on the project due to institutional challenges regarding WMWD becoming a member of the CDA. WMWD membership in the CDA will come to a vote at the CDA in mid August 2008. If approved the WMWD membership in the CDA will become operational by October 1, 2008. Assuming this occurs, the CCWF start up is projected to occur in November 2013 which is one year later than projected in March 2007.

Subsequent progress reports will include a discussion of the work accomplished in the reporting period and the work to be completed in the subsequent period, and revised projections to complete the CCWF. We would like to meet with you as soon as possible to review these schedules and to further explain the process that we envision to get the CCWF constructed and put into operations in a timely manner.

Please call me if you have any questions or concerns regarding the above. I would be happy to meet with you to go over the desalter program and schedule.

Sincerely,

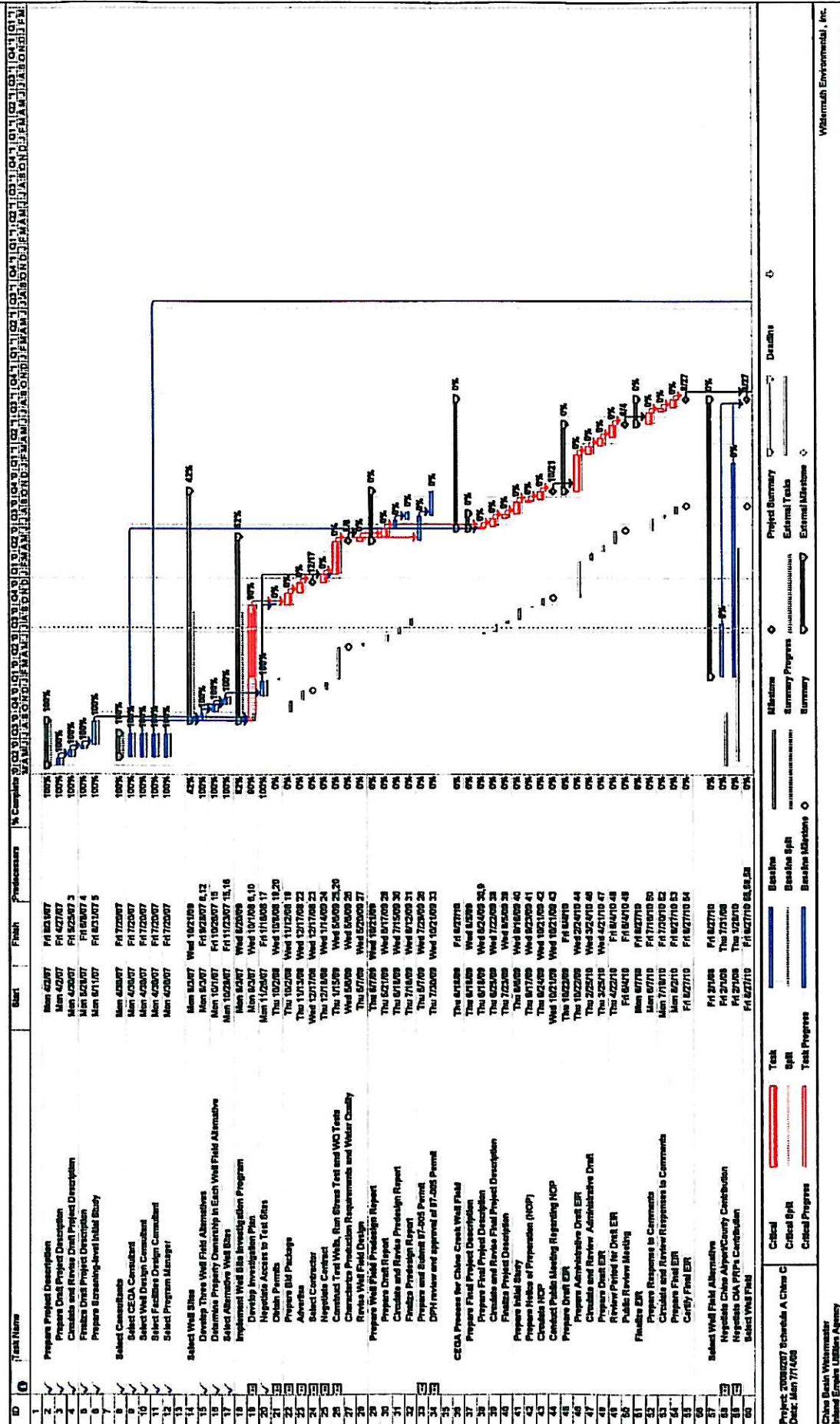
Chino Basin Watermaster



Kenneth Manning
Chief Executive Officer

Encl. – Schedule A

Schedule for the Planning, Design and Construction of the Chino Creek Well Field



Project: 20030207 Schedule A Chino C
 Dear: Mon 7/1/03

Chino Basin Watermaster
 Inland Empire Utilities Agency

Watermath Environmental, Inc.

