



# CHINO BASIN WATERMASTER



## NOTICE OF MEETINGS

**Thursday, September 25, 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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## AGENDA PACKAGE





**CHINO BASIN WATERMASTER  
ADVISORY COMMITTEE MEETING**

9:00 a.m. – September 25, 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 July 24, 2008 *(Page 1)*

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of July 2008 *(Page 21)*
2. Watermaster Visa Check Detail *(Page 25)*
3. Combining Schedule for the Period July 1, 2007 through June 30, 2008 *(Page 27)*
4. Treasurer's Report of Financial Affairs for the Period June 1, 2008 through June 30, 2008 *(Page 28)*
5. Budget vs. Actual July 2007 through June 2008 *(Page 31)*
6. Cash Disbursements for the month of August 2008 *(Page 33)*
7. Watermaster Visa Check Detail *(Page 37)*
8. Combining Schedule for the Period July 1, 2008 through July 31, 2008 *(Page 39)*
9. Treasurer's Report of Financial Affairs for the Period July 1, 2008 through July 31, 2008 *(Page 41)*
10. Budget vs. Actual July 2007 through July 2008 *(Page 43)*

**C. INTERVENTION**

1. Consider Approval for Intervention into the Overlying (Non-Agricultural Pool) – City of Ontario (as an Overlying Non-Agricultural Party) *(Page 45)*

**II. BUSINESS ITEMS**

**A. SEMI-ANNUAL STATUS REPORT**

Consider Approval for the Semi-Annual Status Report *(Page 51)*

**B. BUDGET AMENDMENT**

Consider Approval for the Proposed Budget Amendment Request for \$151,594.00 *(Page 61)*

**C. INLAND EMPIRE UTILITIES AGENCY DRY YEAR YIELD REPORT BY IEUA STAFF**

Discussion and Possible Action I *(Page 65)*

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Santa Ana River Water Right Final Decision
2. LRP Funding Agreement *(Page 97)*
3. Report on the Issue of Governance
4. Status of Judge Selection
5. MOU of Water Accounting Procedures in Chino Basin *(Page 125)*

**B. ENGINEERING REPORT**

1. Oral Progress Report on Engineering Activities, July – August 2008

**C. CEO/STAFF REPORT**

1. Legislative Update
2. Financial Audit Update
3. Recharge Update
4. MWD Groundwater Conjunctive Use Study
5. Report on Anticipated Board Closed Session Items
6. Strategic Planning Conference Update
7. Regional Board Meeting on Max Benefit
8. November and December Meeting Dates

**D. INLAND EMPIRE UTILITIES AGENCY**

1. Drought and MWD IRP/5 Year Supply Plan Update *(Page 137)*
2. Water Softener Rebate Program *(Page 151)*
3. Final Water Demand and Supply Forecasts for Chino Basin Dry Year Yield Expansion Program CEQA Analysis *(Page 165)*
4. Recycled Water Newsletter *(Page 171)*
5. Monthly Water Conservation Programs Report *(Page 197)*
6. Monthly Imported Water Deliveries Report
7. State and Federal Legislative Report *(Page 207)*
8. Community Outreach/Public Relations Report *(Page 239)*

**E. OTHER METROPOLITAN MEMBER AGENCY REPORTS**

**IV. INFORMATION**

1. Chino Basin Recycled Water Groundwater Recharge Program Quarterly Monitoring Report for April Through June 2008 *(Page 247)*
2. Senator Dianne Feinstein Secures Senate Committee Approval of Key Water Supply Legislation for the Chino Basin *(Page 279)*
3. Newspaper Articles *(Page 281)*

**V. COMMITTEE MEMBER COMMENTS**

**VI. OTHER BUSINESS**

**VII. FUTURE MEETINGS**

September 25, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
September 25, 2008	9:00 a.m.	Advisory Committee Meeting
September 25, 2008	11:00 a.m.	Watermaster Board Meeting
September 28-30, 2008		Strategic Planning Conference, Lake Arrowhead Resort
October 9, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
October 21, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA



October 23, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
October 23, 2008	9:00 a.m.	Advisory Committee Meeting
October 23, 2008	11:00 a.m.	Watermaster Board Meeting

**Meeting Adjourn**

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**CHINO BASIN WATERMASTER  
BOARD MEETING**

11:00 a.m. – September 25, 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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**A. MINUTES**

1. Minutes of the Watermaster Board Meeting held July 24, 2008 *(Page 7)*
2. Minutes of the Watermaster Board Conference Call held August 8, 2008 *(Page 13)*
3. Minutes of the Watermaster Board Conference Call held August 13 & 14, 2008 *(Page 17)*

**B. FINANCIAL REPORTS**

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**III. REPORTS/UPDATES**

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**V. BOARD MEMBER COMMENTS**

**VI. OTHER BUSINESS**

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

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

1. Hanson Aggregates Litigation
2. Tongva American Indian Possible Litigation
3. OIA / Chino Airport Possible Litigation

**VIII. FUTURE MEETINGS**

September 25, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
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October 9, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
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October 23, 2008	11:00 a.m.	Watermaster Board Meeting

**Meeting Adjourn**





# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Advisory Committee Meeting – July 24, 2008



**Draft Minutes**  
**CHINO BASIN WATERMASTER**  
**ADVISORY COMMITTEE MEETING**

*July 24, 2008*

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

**ADVISORY COMMITTEE MEMBERS PRESENT**

**Appropriative Pool**

Robert DeLoach, Chair	Cucamonga Valley Water District
Mohamad El-Amamy	City of Ontario
Bill Kruger	City of Chino Hills
Robert Tock	Jurupa Community Services District
J. Arnold Rodriguez	Santa Ana River Water Company
Anthony La	City of Upland
Mike McGraw	Fontana Water Company
Robert Young	Fontana Union Water Company
Dave Crosley	City of Chino
Charles Moorrees	San Antonio Water Company
Raul Garibay	City of Pomona

**Non-Agricultural Pool**

Bob Bowcock	Vulcan Materials Company (Calmat Division)
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**Agricultural Pool**

Jeff Pierson	Ag Pool, Crops
Jennifer Novak	Department of Justice/CIM
Pete Hall	State of California/CIM
Nathan Mackamul	State of California/CIW

**Watermaster Board Members Present**

Terry Catlin	Inland Empire Utilities Agency
Ken Willis	City of Upland

**Watermaster Staff Present**

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

**Watermaster Consultants Present**

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

**Others Present**

Gary Meyerhofer	Carollo Engineers
Gerald Thibeault	Regional Water Quality Control Board
John Rossi	Western Municipal Water District
Tom Crowley	Western Municipal Water District
Jack Safely	Western Municipal Water District
Michael Hughes	Department of Justice
Scott Burton	City of Ontario



Eldon Horst	Jurupa Community Services District
Eric Schoenen	City of Pomona
Ron Craig	RBF Consulting/Chino Hills
Bob Lemons	RBF Consulting/Chino Hills
Michael Hughes	Department of Justice/CIM
Pat Shields	Inland Empire Utilities Agency
Eunice Ulloa	Chino Basin Water Conservation District
Rick Rees	Geomatrix Consultants, Inc.
Steven G. Lee	Reid & Hellyer
Martha Davis	Inland Empire Utilities Agency

Mr. DeLoach, chair, called the Advisory Committee meeting to order at 9:07 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 June 26, 2008

##### **B. FINANCIAL REPORTS**

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

##### **C. INTERVENTION**

1. Consider Approval for Intervention into the Agricultural Pool – Michael Y. Park

##### **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

*Motion by El Amamy, second by Moorrees, and by unanimous vote*

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

#### **II. BUSINESS ITEMS**

##### **A. O&M AGREEMENT**

Mr. Manning stated this item is an amendment to the Operation and Maintenance Agreement which is a four party agreement. This agreement is formalizing the language which was in the Peace II Agreement whereby Inland Empire Utilities Agency would be contributing to the O&M budget based on a percentage of recycled water recharge into the basins. There are a set of documents that discusses O&M and how it is dealt with and those documents will be used as

the basis for separating out the other costs as a percentage as well. Staff is in approval of this agreement and is asking for an approval at this meeting. A meeting with Mr. Atwater regarding application of the O&M amendment will take place next week. A discussion regarding the pro-rata share for recycled water costs ensued. Mr. Manning stated staff will take the spreadsheet used for O&M costs, then the percentage for the total overall that it represents will be calculated, and then that will translate into a cost so that IEUA is paying its proportionate share of the overall cost. Mr. Manning noted that cost breakdown be different than basin by basin; it will be aggregated amongst all of them. A discussion regarding this matter ensued.

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

***Moved to approve the adoption of the first amendment to Attachment 2 to the agreement for operation and maintenance of facilities to implement the Chino Basin Recharge Master Plan to conform with the agreement to the Peace II agreement section 8.1(a), as presented***

#### **B. HYDRAULIC CONTROL PROGRESS REPORT**

Mr. Manning noted this item will be a three part presentation first; a background on this item will be given by me, Mr. Meyerhofer will give a presentation on the Chino Desalters, and finally, Counsel Slater will address the legal aspects of this item in relation to Peace II. Mr. Thibeault is also available to offer comment and/or answer questions. Mr. Manning stated as part of the Peace II adoption the court asked as condition subsequent no. 6 that clarification be made with the Regional Water Quality Control Board on what it is that the RWQCB use as the definition of the creation of Hydraulic Control. This question was presented to the RWQCB and CBWM asked that their reply be made in the form of a letter; that letter was received by Watermaster. In that letter, a request was made by the RWQCB asking for updated schedules and a request to the court that the RWQCB become more involved and active in the processes. A revised schedule was presented to the RWQCB and the revised schedule was reviewed in detail by Mr. Manning. Mr. Manning noted with the changes made on the revised schedule, a one year loss of time is anticipated and the RWQCB was not satisfied with this one year loss. A hearing was scheduled for September 5, 2008 for IEUA and CBWM to go to the RWQCB and explain the change in schedule and other difficulties with this project in greater detail. Mr. Manning referenced a letter from Western Municipal Water District regarding their inclusion into the CDA was received recently. In that letter from WMWD it was stated that if the inclusion of WMWD into the CDA did not take place, WMWD is prepared to move on their own with the expansion of the desalters. The desalter expansion issue is being dealt with also by the City of Chino and the City of Chino Hills and a list of items that need to be addressed has been received by Watermaster; a meeting regarding this matter is going to be held later this week.

Mr. Meyerhofer gave the Chino Desalter Phase 3 Project presentation. Mr. Meyerhofer reviewed the nine benefits for the desalter expansion in detail. A discussion ensued with regard to Mr. Meyerhofer's presentation.

Counsel Slater stated he is going to describe the penalties if this project fails to proceed and noted this is no trivial matter. The entire Peace II process was predicated on the assumption that we are moving forward on the management strategy which is Hydraulic Control. On that basis, the court authorized a withdrawal of 400,000 acre-feet from the basin in excess of what the Operating Safe Yield is and the court further added a reporting schedule to continue to appraise the court on the progress. If the parties were to fall off schedule they could lose Max Benefit and there is the prospect that the availability of the 400,000 acre-feet which is presently being used to offset existing desalter production would be jeopardized. There is a relationship to existing water in storage and losses at hand. There is a potential litigation issue with Orange County Water District associated with the loss of Max Benefit. Lastly, there are serious creditability issues with the court if we move off schedule. There is a meeting scheduled next week and there is high anticipation that any outstanding issues will be resolved.

A discussion regarding Counsel Slater's noted penalties and issues with WMWD joining the CDA ensued.

Mr. Thibeault commented on the two airport plumes. Mr. Thibeault noted a new order was issued to the county because the first one was not clear enough for the county to proceed on clean up.

A discussion regarding Hydraulic Control, potential penalties, and grants associated with this item ensued. A discussion regarding a possible conference call to discuss the progress on the CDA issue ensued. It was decided a conference call will be held on August 8, 2008.

*No motion was made regarding this item; it was presented as information only*

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. August 21 Hearing

Counsel Slater stated there are a variety of items that will be heard at this upcoming hearing. This hearing has been rescheduled a couple times due to various reasons from the court. The majority of the items being presented are routine, however, there is another element that could be much different regarding the Monte Vista Water District's issues with potential effects of decline in Operating Safe Yield over a number of years. The court has been made aware of the status of the Max Benefit and the Hydraulic Control issues and staff and counsel are hopeful that a resolution to that issue will be reported to the court at that August 21, hearing. There was a filing made by Cucamonga Valley Water District regarding the status of the special referee and joinders have been filed in support of CVWD's filing. Watermaster staff and counsel view this issue as a subject which involves governance and court process; consequently counsel is providing no recommendation and is waiting direction from the board on how to proceed.

2. SWRCB Permit

Counsel Slater stated there is a draft order which has been published by the State Water Resource Control Board proposing to grant Watermaster's application for a 68,000 acre-foot entitlement in the form of a permit.

**B. CEO/STAFF REPORT**

1. Legislative Update

Mr. Manning stated there is no budget yet and that is the main focus for all parties involved. Mr. Manning noted starting on page 143 of the meeting packet is the legislative update from IEUA which provides more detailed information on bills and legislative information.

2. Recharge Update

Mr. Manning stated the updated recharge update spreadsheet is provided as a handout on the back table.

3. August Meetings

Mr. Manning stated the three Pools agreed that Watermaster can go dark in the month of August for their meetings.

4. Appropriative Pool Committee Regarding Analysis of Residual Agricultural Pumping

Mr. Manning stated Monte Vista Water District had some issues related to the analysis of residual agricultural pumping as it relates to the loss of safe yield and had Watermaster staff put together, as part of the stipulation, some information. That was done and the Appropriative Pool asked that a sub-committee be established to review this issue to see if there could be resolution before the August 21<sup>st</sup> court hearing. The first meeting of that committee which is made up of sub-committee members Robert Tock, Ken Jeske, Anthony

La, Dave Crosley, Raul Garibay, and Mark Kinsey, is to be held on August 6, 2008 from 1:00 p.m. to 4:00 p.m.

**C. INLAND EMPIRE UTILITIES AGENCY**

1. Status Report on Dry Year (CUP) Activities

Mr. Atwater stated the DYY meeting from this morning went very well. There are two CEQA documents being worked on presently by IEUA and Tom Dodson. The first one is from Watermaster's Peace II Agreement and the other one is the expansion of the desalters.

2. Update on MWD Integrated Water Resources Plan

Mr. Atwater stated the background information was included in the meeting packet. Water supply assessments are being discussed within the parties. The plan at MWD is to update their Integrated Water Resources Plan and have their board approve that in less than a year from now; the target date is June, 2009. Mr. Manning and I participated with many other agencies throughout Southern California as part of the IRP Update which will contain four workshops. Mr. Atwater noted that recommendations regarding funding should come out of those workshops. Over the next year there is a lot of opportunity to look at our recourses to augment our supplies.

3. Recycled Water Newsletter

No comment was made regarding this item.

4. Monthly Water Conservation Programs Report

No comment was made regarding this item.

5. Monthly Imported Water Deliveries Report

No comment was made regarding this item.

6. State and Federal Legislative Report

No comment was made regarding this item

7. Community Outreach/Public Relations Report

No comment was made regarding this item.

**D. OTHER METROPOLITAN MEMBER AGENCY REPORTS**

Mr. Rossi stated he was at a water policy meeting last night and at that meeting a presentation on a forecast of what next year will look like. Mr. Rossi noted next year looks like it will be the worst year in water history from a water supply standpoint. It appears we will have a 10% state water allocation number in December. Water supply is what everybody is talking about. Mr. Rossi stated the workshops that Mr. Atwater mentioned are extremely important. Part of the goals from these workshops is to educate MET staff, member agencies, and the MET board on groundwater.

**IV. INFORMATION**

1. Newspaper Articles

No comment was made regarding this item.

**V. COMMITTEE MEMBER COMMENTS**

No comment was made regarding this item.

**VI. OTHER BUSINESS**

No comment was made regarding this item.

**IV. INFORMATION**

1. Newspaper Articles

No comment was made regarding this item.

**V. COMMITTEE MEMBER COMMENTS**

No comment was made regarding this item.

**VI. OTHER BUSINESS**

No comment was made regarding this item.

**VII. FUTURE MEETINGS**

September 11, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
September 16, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
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September 25, 2008	9:00 a.m.	Advisory Committee Meeting
September 25, 2008	11:00 a.m.	Watermaster Board Meeting

The Advisory Committee meeting was dismissed by Chair Willis at 9:56 a.m.

Secretary: \_\_\_\_\_

Minutes Approved: \_\_\_\_\_





# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Watermaster Board Meeting – July 24, 2008
2. Watermaster Board Conference Call – August 8, 2008
3. Watermaster Board Conference Call – August 13 & 14, 2008



***Draft Minutes***  
**CHINO BASIN WATERMASTER**  
**WATERMASTER BOARD MEETING**

*July 24, 2008*

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

**WATERMASTER BOARD MEMBERS PRESENT**

Ken Willis, Chair	City of Upland
Bob Kuhn	Three Valleys Municipal Water District
Jim Curatalo	Cucamonga Valley Water District
Jim Bowman	City of Ontario
Charles Field	Western Municipal Water District
Terry Catlin	Inland Empire Utilities Agency
Bob Bowcock	Vulcan Materials Company
Jeff Pierson	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**

Bob Feenstra	Agricultural Pool
Robert DeLoach	Cucamonga Valley Water District
Mohamed El-Amamy	Cucamonga Valley Water District
Marty Zvirbulis	Cucamonga Valley Water District
Rich Atwater	Inland Empire Utilities Agency
Hank Stoy	Visitor
Dave Crosley	City of Chino
David DeJesus	Three Valleys Municipal Water District
Raul Garibay	City of Pomona
Gary Meyerhofer	Carollo Engineers
Gerald Thibeault	Regional Water Quality Control Board
John Rossi	Western Municipal Water District
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Ron Craig	RBF Consulting/Chino Hills
Bob Lemons	RBF Consulting/Chino Hills
Pat Shields	Inland Empire Utilities Agency
Eunice Ulloa	Chino Basin Water Conservation District
Martha Davis	Inland Empire Utilities Agency

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

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

There were no additions or reorders made to the agenda.

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1. Minutes of the Watermaster Board Meeting held June 26, 2008

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**C. INTERVENTION**

1. Consider Approval for Intervention into the Agricultural Pool – Michael Y. Park

**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
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*Motion by Field, second by Catlin, and by unanimous vote*

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

**II. BUSINESS ITEMS****A. O&M AGREEMENT**

Mr. Manning stated this item is an amendment to the Operation and Maintenance Agreement which is a four party agreement. This agreement is formalizing the language which was in the Peace II Agreement whereby Inland Empire Utilities Agency would be contributing to the O&M budget based on a percentage of recycled water recharge into the basins. There are a set of documents that discusses O&M and how it is dealt with and those documents will be used as the basis for separating out the other costs as a percentage as well. Staff is in approval of this agreement and is asking for an approval at this meeting. A meeting with Mr. Atwater regarding application of the O&M amendment will take place next week. A discussion regarding the pro-rata share for recycled water costs ensued. Mr. Manning stated staff will take the spreadsheet used for O&M costs, then the percentage for the total overall that it represents will be calculated, and then that will translate into a cost so that IEUA is paying its proportionate share of the overall cost. Mr. Manning noted that cost breakdown be different than basin by basin; it will be aggregated amongst all of them. A discussion regarding surplus funds ensued. Mr. Manning stated Ms. Rojo will get together with the financial staff at IEUA to figure those costs out. Ms. Rojo stated the understanding if there is a surplus budgeted one year and that amount is not fully utilized it will then be offset the next year. Mr. Manning and Mr. Atwater agreed with the

analogy Ms. Rojo gave on the surplus. Mr. Manning stated a letter regarding surplus will need to be drafted and sent out so that parties in future years will interpret what has been established correctly.

Mr. Vanden Heuvel inquired about the outstanding accounting issue with IEUA. Mr. Manning noted that is a separate issue from this item; however, a committee comprised of two CBWM board members and two IEUA board members held meetings on that issue. From those meetings it was decided to have an audit performed and the results delivered to the committee, which will be discussed by them and an update will be given back to the Watermaster parties.

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

***Moved to approve the adoption of the first amendment to Attachment 2 to the agreement for operation and maintenance of facilities to implement the Chino Basin Recharge Master Plan to conform with the agreement to the Peace II agreement section 8.1(a), as presented***

## **B. HYDRAULIC CONTROL PROGRESS REPORT**

Mr. Manning noted this item will be a three part presentation first; a background on this item will be given by me, Mr. Meyerhofer will give a presentation on the Chino Desalters, and finally, Counsel Slater will address the legal aspects of this item in relation to Peace II. Mr. Thibeault is also available to offer comment and/or answer questions. Mr. Manning stated as part of the Peace II adoption the court asked as condition subsequent no. 6 that clarification be made with the Regional Water Quality Control Board on what it is that the RWQCB use as the definition of the creation of Hydraulic Control. This question was presented to the RWQCB and CBWM asked that their reply be made in the form of a letter; that letter was received by Watermaster. In that letter, a request was made by the RWQCB asking for updated schedules and a request to the court that the RWQCB become more involved and active in the processes. A revised schedule was presented to the RWQCB and the revised schedule was reviewed in detail by Mr. Manning. Mr. Manning noted with the changes made on the revised schedule, a one year loss of time is anticipated and the RWQCB was not satisfied with this one year loss. A hearing was scheduled for September 5, 2008 for IEUA and CBWM to go to the RWQCB and explain the change in schedule and other difficulties with this project in greater detail. Mr. Manning referenced a letter from Western Municipal Water District regarding their inclusion into the CDA was received recently. In that letter from WMWD it was stated that if the inclusion of WMWD into the CDA did not take place, WMWD is prepared to move on their own with the expansion of the desalters. The desalter expansion issue is being dealt with also by the City of Chino and the City of Chino Hills and a list of items that need to be addressed has been received by Watermaster; a meeting regarding this matter is going to be held later this week.

Mr. Meyerhofer gave the Chino Desalter Phase 3 Project presentation. Mr. Meyerhofer reviewed the nine benefits for the desalter expansion in detail. A discussion ensued with regard to Mr. Meyerhofer's presentation.

Counsel Slater stated he is going to describe the penalties if this project fails to proceed and noted this is no trivial matter. The entire Peace II process was predicated on the assumption that we are moving forward on the management strategy which is Hydraulic Control. On that basis, the court authorized a withdrawal of 400,000 acre-feet from the basin in excess of what the Operating Safe Yield is and the court further added a reporting schedule to continue to appraise the court on the progress. If the parties were to fall off schedule they could lose Max Benefit and there is the prospect that the availability of the 400,000 acre-feet which is presently being used to offset existing desalter production would be jeopardized. There is a relationship to existing water in storage and losses at hand. There is a potential litigation issue with Orange County Water District associated with the loss of Max Benefit. Lastly, there are serious creditability issues with the court if we move off schedule. There is a meeting scheduled next week and there is high anticipation that any outstanding issues will be resolved.



A discussion regarding Counsel Slater's noted penalties and issues with WMWD joining the CDA ensued.

Mr. Thibeault commented on the two airport plumes. Mr. Thibeault noted a new order was issued to the county because the first one was not clear enough for the county to proceed on clean up.

A discussion regarding Hydraulic Control, potential penalties, and grants associated with this item ensued. A discussion regarding a possible conference call to discuss the progress on the CDA issue ensued. It was decided a conference call will be held on August 8, 2008.

*No motion was made regarding this item; it was presented as information only*

### III. REPORTS/UPDATES

#### A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

##### 1. August 21 Hearing

Counsel Slater stated there are a variety of items that will be heard at this upcoming hearing. This hearing has been rescheduled a couple times due to various reasons from the court. The majority of the items being presented are routine, however, there is another element that could be much different regarding the Monte Vista Water District's issues with potential effects of decline in Operating Safe Yield over a number of years. The court has been made aware of the status of the Max Benefit and the Hydraulic Control issues and staff and counsel are hopeful that a resolution to that issue will be reported to the court at that August 21, hearing. There was a filing made by Cucamonga Valley Water District regarding the status of the special referee and joinders have been filed in support of CVWD's filing. Watermaster staff and counsel view this issue as a subject which involves governance and court process; consequently counsel is providing no recommendation and is waiting direction from the board on how to proceed. A lengthy discussion regarding the special referee issue ensued.

*Motion by Vanden Heuvel, second by Catlin, and by majority vote, Mr. Curatalo abstained  
**Moved to have Watermaster staff and/or legal counsel take no action or position, until further direction from the Watermaster Board, regarding the special referee removal or modified direction, as presented***

##### 2. SWRCB Permit

Counsel Slater stated there is a draft order which has been published by the State Water Resource Control Board proposing to grant Watermaster's application for a 68,000 acre-foot entitlement in the form of a permit.

#### B. CEO/STAFF REPORT

##### 1. Legislative Update

Mr. Manning stated there is no budget yet and that is the main focus for all parties involved. Mr. Manning noted starting on page 143 of the meeting packet is the legislative update from IEUA which provides more detailed information on bills and legislative information.

##### 2. Recharge Update

Mr. Manning stated the updated recharge update spreadsheet is provided as a handout on the back table.

##### 3. August Meetings

Mr. Manning stated the three Pools and Advisory Committee agreed that Watermaster can go dark in the month of August for their meetings. A notice of cancellation will be sent out if the Board members decide a meeting is not necessary.



- 4. Appropriative Pool Committee Regarding Analysis of Residual Agricultural Pumping  
 Mr. Manning stated Monte Vista Water District had some issues related to the analysis of residual agricultural pumping as it relates to the loss of safe yield and had Watermaster staff put together, as part of the stipulation, some information. That was done and the Appropriative Pool asked that a sub-committee be established to review this issue to see if there could be resolution before the August 21<sup>st</sup> court hearing. The first meeting of that committee which is made up of sub-committee members Robert Tock, Ken Jeske, Anthony La, Dave Crosley, Raul Garibay, and Mark Kinsey, is to be held on August 6, 2008 from 1:00 p.m. to 4:00 p.m.

**IV. INFORMATION**

- 1. Newspaper Articles

No comment was made regarding this item.

**V. COMMITTEE MEMBER COMMENTS**

No comment was made regarding this item.

**VI. OTHER BUSINESS**

A discussion regarding the CDA ensued. It was decided a conference call regarding the CDA issues will be held on August 8, 2008 at 10:00 a.m. A notice regarding this call will be sent out by Watermaster staff prior to the call.

**VII. FUTURE MEETINGS**

September 11, 2008	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, 2008	9:00 a.m.	Advisory Committee Meeting
September 25, 2008	11:00 a.m.	Watermaster Board Meeting

The Watermaster Board meeting was dismissed by Chair Willis at 12:05 p.m.

Secretary: \_\_\_\_\_

Minutes Approved: \_\_\_\_\_

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**CHINO BASIN WATERMASTER**  
**WATERMASTER BOARD CONFERENCE CALL**  
*August 8, 2008*

The Watermaster Board Conference Call was held on August 8, 2008 at 10:00 a.m.

**WATERMASTER BOARD MEMBERS ON CALL**

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

**Watermaster Staff**

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

**Watermaster Consultants**

Scott Slater	Brownstein, Hyatt, Farber & Schreck
Mark Wildermuth	Wildermuth Environmental Inc.

**Others**

John Rossi	Western Municipal Water District
Jack Safely	Western Municipal Water District
Ken Jeske	City of Ontario
Raul Garibay	City of Pomona
Mark Kinsey	Monte Vista Water District
Gerald Thibeault	Regional Water Quality Control Board

The Watermaster Board Conference Call was called to order by Chair Willis at 10:04 a.m.

**AGENDA - ADDITIONS/REORDER**

There were no additions or reorders made to the agenda.

**I. BUSINESS ITEMS**

**A. DESALTER EXPANSION PROGRESS**

Mr. Manning stated he is going to turn the meeting over to Counsel Slater who attended the CDA board meeting last night and to review what will be transpiring over the next 30-45 days. Mr. Manning stated he wanted to state for all parties involved in this process that all parties have had very important issues that needed to be resolved as part of these discussions and that Watermaster getting involved has helped resolve those issues. A lot has been accomplished over the last few weeks and Mr. Manning thanked the City of Chino, City of Chino Hills, City of Ontario, Western Municipal Water District, Jurupa Community Services District, and all the agencies involved in these discussions. Mr. Manning notes all did an outstanding job on finding commonality on how these issues could be dealt with effectively. Counsel Slater referenced a report from Watermaster which included a proposed framework for resolution of desalter issues. Counsel Slater noted the concern expressed at the last Advisory Committee and Watermaster Board meetings regarding the status of the desalter expansion because of a letter received from

the Regional Board regarding its progress. Western Municipal Water District also expressed concern regarding a loss of a grant which would occur this year in the event this endeavor did not proceed. Watermaster Board members directed staff and counsel to meet with the sponsor group and the CDA parties to work through the various issues that were causing the delay. Time was spent in meetings with all the related parties collectively and individually to frame a potential resolution along with a list of measures to be linked to the WMWD inclusion into the CDA. Counsel Slater stated last night a Term Sheet along with a staff recommendation was presented to the CDA Board and that Board conceptually approved WMWD admission into the CDA and directed documents to be prepared in accordance with that direction for subsequent distribution. Counsel Slater thanked the parties for their good faith efforts in working through the issues. Counsel Slater stated staff and counsel have a recommendation on a substitutive term which is important to Watermaster specifically; one of the issues that was identified by the parties that was a barrier to closing was the need and desire to manage the variable of water quality that was going to be produced through the desalter facilities. There will be added costs, both capital and O&M related to treating VOC contamination related to two plumes; these increased costs are going to be born ultimately by the CDA and the sponsor group. It was noted at the recent meetings the benefit of Hydraulic Control and the burden associated with pursuing litigation against third parties was not being fairly distributed. Counsel Slater stated Watermaster staff and counsel agreed that Watermaster would recommend to the Watermaster Board that the Watermaster Board agree that the lead role in pursuing the PRP's whether that be in an administrative or judicial form which should be borne by the Watermaster family. After a decision was made by the Watermaster Board today then the final package would be brought back at the regularly scheduled Watermaster meeting in September. Staff and counsel have discussed this and are recommending that this is the appropriate stance to take and the CDA and sponsor group is expecting this action. The proposed action is to embrace what the parties have done and to accept the recommendation of staff which would be to conceptually approve Watermaster assuming the lead role in prosecuting both settlement and litigation against the responsible parties for the VOC contaminations. A discussion regarding scope and cost ensued. It was noted all costs incurred by the CDA parties and Watermaster in the clean up are going to be pursued including attorney fees as a measure of recovery. Mr. Manning offered comment regarding separating the Ontario Airport plume and the Chino Airport Plume with regard to the potential parties involved including costs. A discussion regarding costs to the potential parties ensued. Counsel Slater noted Watermaster will be coordinating its activities with the CDA throughout this process meaning a joint prosecution agreement along with the CDA to ensure maximum coordination and effort. A discussion on what type of contaminants are in the plumes or could be in the plumes eventually including well locations and expansion of the CDA ensued. A discussion regarding litigation ensued. Mr. Rossi noted this is one step in a series of steps that will need to take place to continue the CDA expanded and the production expanded; a series of additional agreements will also need to be worked out. Chair Willis asked that each Board member on the conference call be so noted for an accurate vote count; it was noted a quorum was present to call for the vote.

*Motion by Bowcock, second by Bowman, and by unanimous vote*

***Moved to approve endorsement of the frame work and support Western Municipal Water District's admission to the CDA group on terms consistent therewith and agree to conceptually agree to assume the lead role in redressing contamination associated with the two VOC plumes, as presented***

Ms. Molino at the request of legal counsel called a roll call for verification on the vote.

Ken Willis	Yes	Charles Field	Yes
David DeJesus	Yes	Paul Hofer	Yes
Jim Curatalo or alternate	not present	Geoffrey Vanden Heuvel	Yes
Bob Bowcock	Yes	Terry Catlin	Yes
Jim Bowman	Yes		

Mr. Thibeault inquired if parties outside the Chino Basin Watermaster family were asked to comment. Chair Willis stated the motion has already been taken and asked if Mr. Thibeault wanted to comment. Mr. Thibeault stated he no longer wanted to offer comment. Mr. Vanden Heuvel stated he wants to hear expressly what Mr. Thibeault has to say and asked staff and or counsel to contact him after the conference call to receive his comments. Mr. Manning stated he would contact Mr. Thibeault directly and report back to the Board Members via an email.

**II. FUTURE MEETINGS**

<b>August 21, 2008</b>	<b>11:00 a.m.</b>	<b>Watermaster Board Meeting (PENDING)</b>
September 11, 2008	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, 2008	9:00 a.m.	Advisory Committee Meeting
September 25, 2008	11:00 a.m.	Watermaster Board Meeting

The Watermaster Board meeting was dismissed by Chair Willis at 10:30 a.m.

Secretary: \_\_\_\_\_

Minutes Approved: \_\_\_\_\_



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**CHINO BASIN WATERMASTER**  
**WATERMASTER BOARD CONFERENCE CALLS**  
*August 13<sup>th</sup> and 14<sup>th</sup>, 2008*

The Watermaster Board Conference Call was held on August 13, 2008 at 4:00 p.m.

**WATERMASTER BOARD MEMBERS ON CALL**

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

**Watermaster Staff**

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

**Watermaster Consultants**

Scott Slater	Brownstein, Hyatt, Farber & Schreck
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**Others**

Art Kidman	McCormick, Kidman & Behrens
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Roll call was taken by Sherri Lynne Molino, recording secretary.

The Watermaster Board Conference Call was called to order by Chair Willis at 4:01 p.m.

**I. BUSINESS ITEM**

**A. PROPOSED ORDER STAYING CONTESTED MATTERS AND JUDICIAL DETERMINATIONS ON WATERMASTER FILINGS**

Counsel Slater stated the reason for this special conference call is that in between the last regularly scheduled Watermaster Board meeting in which the resolution of issues regarding the Western expansion was discussed issues have arisen. An early indication was received by staff and counsel that Judge Gunn's courtroom was no longer going to receive filings and that further filings would be directed to Judge Keith Davis. An attempt to find out if this was a temporary or permanent assignment and if there was any further information on Judge Gunn's return was investigated in order to provide the Watermaster Board as much information so that in return counsel and staff could receive direction on how to proceed. Counsel Slater stated on Tuesday his office received word that Monte Vista Water District, the City of Chino Hills, and the City of Chino had joined together to file an ex parte request to seek a Stay in the pending Watermaster proceedings related to the Cucamonga Valley Water District motion and other contested Watermaster items, pending a resolution as to whether there had been an assignment for all purposes and/or Judge Gunn returned. During review of the paperwork both staff and counsel felt what was being stated by the parties made sense in requesting a Stay until permanent assignment or an understanding of Judge Gunn's circumstance. Counsel reviewed the papers, communicated with counsel for the moving parties, and an agreement on a proposed order was formulated and was distributed today. Counsel and staff are prepared to recommend the proposed order to the Watermaster Board in hopes we will seek an authorization to add the proposed order to be filed. This will indicate to the court that Watermaster has joined with the parties in the requested relief which is to Stay the proceedings for a period of 60 days or until a

judge is assigned for all purposes. There are a couple nuances that were included in the order to ensure routine business was not interrupted and that there were some interventions that needed court approval to move forward on. An ex parte hearing is scheduled for August 14, 2008 at 8:30 a.m. in front of Judge Davis. A request has been filed by three parties asking for a Stay and Watermaster counsel along with the counsel for the moving parties has reached an agreement on a proposed order to be submitted. Counsel Slater stated he has been informed that the City of Ontario, Cucamonga Valley Water District, and the Conservation District are in support of the proposed order. Counsel is unaware of any opposition and is looking for authorization to proceed with the filing of the order and the instruction to participate in the discussion tomorrow requesting a Stay. Counsel Slater stated this afternoon a letter was received by mail from the court clerk indicating an assignment has been made to Judge Davis; it is unclear if the assignment has been made for all purposes for 60 days or for short term until Judge Gunn returns, or on a permanent basis. Therefore counsel does not see any reason not to move forward with the proposal. The first part of the request is to seek the authorization to submit the proposed order along with a no further relief that Watermaster is intending to seek in the event the court has been assigned to Judge Davis for all purposes. In that event, counsel has been notified that parties may seek to move for a continuance. If a continuance was granted for a short duration, Watermaster would have no opposition to that request. At the conclusion of the hearing tomorrow the board members will be communicated with via a memo and notice of a possible special conference call scheduled to receive further direction. A discussion regarding Counsel Slater's statements and/or requests ensued.

*Motion by Kuhn, second by Tiegs, and by unanimous vote*

***Moved to adopt the motion as presented by Counsel Slater to file the proposed order, as presented***

Mr. Manning stated a tentative date and time for another conference call needs to be scheduled for tomorrow in the event decisions need to be made. A discussion regarding the call ensued. It was decided today's conference call will be adjourned tentatively to August 14<sup>th</sup> at 4:30 p.m. and Mr. Manning will send out a brief summary of the happenings at court along with the notice if the conference call is needed at 4:30 p.m. An inquiry regarding discussions with the Special Referee was presented and Counsel Slater stated he has been in contact with Anne and communications are still taking place with her.

The Watermaster Board Conference Call was adjourned to August 14, 2008 at 4:30 p.m. by Chair Willis at 4:30 p.m.

The Watermaster Board Conference Call which was adjourned on August 13, 2008 was reconvened on August 14, 2008 at 4:30 p.m.

#### **WATERMASTER BOARD MEMBERS ON CALL**

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

#### **Watermaster Staff**

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

**Watermaster Consultants**

Scott Slater

Brownstein, Hyatt, Farber &amp; Schreck

**Others**

Mark Kinsey

Monte Vista Water District

Mark Hensley

Burke, Williams &amp; Sorensen

Roll call was taken by Sherri Lynne Molino, recording secretary.

The Watermaster Board Conference Call which was adjourned on August 13, 2008 was called to order by Chair Willis on August 14, 2008 at 4:30 p.m.

**I. BUSINESS ITEM CONTINUED****A. WATERMASTER RESPONSE TO SPECIAL REFEREE'S JULY 29, 2008, AND JULY 31, 2008 REPORT, AND THE JOINT OPPOSITION TO CVWD'S MOTION FOR DISCONTINUANCE OF THE SPECIAL REFEREE**

Counsel Slater noted a transmittal was sent out today regarding a brief summary of what transpired at the court hearing this morning. Counsel Slater stated at that hearing a 170.6 which is called a Preemptory Challenge was filed and consequently Judge Davis was unable to hear any of the substantive matters that had been assigned to him by the court clerk. Regardless whether he was an assigned Judge for all purposes or a temporary Judge, he was disqualified and as a consequence we were informed by Judge Davis's clerk that the matter had been sent to a supervising civil court judge, Judge Plotkin, and that a hearing would be scheduled for tomorrow morning at 8:30 a.m. Counsel Slater noted that counsel has received some information that Judge Plotkin may not be acceptable to one or more parties and their intention is not yet known. Counsel Slater stated there is no further information to report on regarding this matter.

Counsel Slater stated in response to some of the filings that were made in the context of the Special Referee matter, counsel was requested to prepare a summary of factual clarifications. Counsel and staff is aware that the Watermaster Board has already instructed counsel not to get involved in the issues related to Cucamonga Valley Water District's motion for discontinuance of the Special Referee. Counsel Slater stated in an effort to not take a position as directed, but to clarify factual inaccuracies, counsel has prepared a pleading which purports to make those factual inaccuracies stated and to further make the point when the Board's position in relation to CEQA was made clear, that we are not an entity to perform CEQA and that Watermaster defers to Western Municipal Water District and Inland Empire Utilities Agency in the preparation of their CEQA documentation. This was an issue raised in the Special Referee's report in her reviewing of Watermaster's most recent filings. Counsel Slater stated an abbreviated pleading which is being presented to file with the court corrects the record with regard to clarified facts and response to the Special Referee's views with regard to the CEQA process. Counsel Slater stated this pleading has not been filed; this was an effort to carry out the intention expressed yesterday and to put it before this board for comments and/or direction. Counsel Slater stated if this pleading is to be filed it will not be filed until a judge has been appointed. Mr. Vanden Heuvel thanked the parties, staff, and counsel with regard to the unified decision on the Stay; however, noted his concern regarding the pleading concerning clarifying the facts. A discussion regarding the proposed pleading and Mr. Vanden Heuvel's comments ensued. Mr. Kinsey offered comment on Mr. Manning's declaration in the section regarding governance. A discussion regarding Mr. Kinsey's comments and the reason for the clarification of facts ensued. Counsel Slater stated this pleading has not been filed, it has been prepared for the Board's consideration and noted the pleading attempted to stick to the facts as they were known and is consistent with what is stated in the distributed documents. Counsel Slater stated it is possible to have varying views about the facts and it is at the Board's discretion to decide what steps to take next. Mr. Bowcock stated he did ask for clarification, however, agrees that Watermaster must maintain itself out of this situation, and inasmuch as we don't have a judge yet it is

important to weigh in and make sure the record is always correct but there is not an urgency at the present time to clarify the record. Mr. Bowcock noted it is important that the Watermaster Board be kept apprised of all the facts since not all board members attend each sub-committee meeting that takes place. Counsel Slater stated the primary issue is to get a judge assigned for all purposes. The proposed pleading can be digested and evaluated as board members and at the time there is a hearing the pleading can be revisited as to whether you want counsel to make orally the points that are contained within the pleading. Chair Willis stated it appears we need to take a watch position at the moment and there is a regular scheduled meeting in September in which these matters can be ajenized and discussed at that meeting.

*Motion by Vanden Heuvel, second by Bowman, and by unanimous vote*

***Moved to take no action to file the proposed pleading and to ajenize a discussion regarding this matter at the next scheduled September Watermaster Board meeting, as presented***

The Watermaster Board Conference Call was dismissed by Chair Willis at 4:55 p.m.

Secretary: \_\_\_\_\_

Minutes Approved: \_\_\_\_\_





# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### B. FINANCIAL REPORTS

1. Cash Disbursements for the month of July 2008
2. Watermaster Visa Check Detail
3. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2007 through June 30, 2008
4. Treasurer's Report of Financial Affairs for the Period June 1, 2008 through June 30, 2008
5. Profit & Loss Budget vs. Actual July 2007 through June 2008
6. Cash Disbursements for the month of August 2008
7. Watermaster Visa Check Detail
8. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2007 through July 31, 2008
9. Treasurer's Report of Financial Affairs for the Period July 1, 2008 through July 31, 2008
10. Profit & Loss Budget vs. Actual July 2007 through July 2008





# CHINO BASIN WATERMASTER

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

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**KENNETH R. MANNING**  
Chief Executive Officer

## STAFF REPORT

**DATE:** September 10, 2008  
September 16, 2008  
September 25, 2008

**TO:** Committee Members  
Watermaster Board Members

**SUBJECT:** Cash Disbursement Report

### SUMMARY

**Issue** – Record of cash disbursements for the month of July 2008.

**Recommendation** – Staff recommends the Cash Disbursements for July 2008 be received and filed as presented.

**Fiscal Impact** – Funds disbursed were included in the FY 2008-09 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 July 2008 were \$458,613.57. The most significant expenditures during the month were the Wildermuth Environmental Inc. in the amount of \$107,554.58, Fontana Water Company in the amount of \$95,619.02, and Brownstein, Hyatt, Farber & Schreck in the amount of \$45,388.32.

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**CHINO BASIN WATERMASTER**  
**Cash Disbursement Detail Report**  
**July 2008**

Type	Date	Num	Name	Amount
Jul 08				
Bill Pmt -Check	7/1/2008	12451	VERIZON	-329.06
Bill Pmt -Check	7/1/2008	12452	LIATTI & ASSOCIATES	-15,498.00
Bill Pmt -Check	7/1/2008	12453	MATHIS & ASSOCIATES	-7,400.00
Bill Pmt -Check	7/1/2008	12454	MATHIS & ASSOCIATES	-9,550.00
Bill Pmt -Check	7/1/2008	12455	WILDERMUTH ENVIRONMENTAL INC	-107,554.58
Bill Pmt -Check	7/1/2008	12456	CREATIVE BENEFITS, INC.	-9,400.00
Bill Pmt -Check	7/1/2008	12457	CITISTREET	-2,595.66
Bill Pmt -Check	7/1/2008	12458	CITISTREET	-2,595.66
General Journal	7/12/2008	08/07/03	PAYROLL	-7,580.92
General Journal	7/12/2008	08/07/03	PAYROLL	-24,612.16
Check	7/17/2008	12459	SANTA ANA RIVER WATER COMPANY	-8,331.69
Check	7/17/2008	12460	MONTE VISTA IRRIGATION COMPANY	-16,898.44
Check	7/17/2008	12461	FONTANA WATER COMPANY	-95,619.02
Check	7/17/2008	12462	MOBILE COMMUNITY MGMT	-3,320.61
Bill Pmt -Check	7/17/2008	12463	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-4,963.41
Bill Pmt -Check	7/17/2008	12464	W.C. DISCOUNT MOBILE AUTO DETAILING	-75.00
Bill Pmt -Check	7/17/2008	12465	A & R TIRE	-227.38
Bill Pmt -Check	7/17/2008	12466	BANC OF AMERICA LEASING	-3,186.17
Bill Pmt -Check	7/17/2008	12467	BANK OF AMERICA	-1,340.86
Bill Pmt -Check	7/17/2008	12468	BOWCOCK, ROBERT	-125.00
Bill Pmt -Check	7/17/2008	12469	BOWMAN, JIM	-125.00
Bill Pmt -Check	7/17/2008	12470	BROWNSTEIN HYATT FARBER SCHRECK	-45,388.32
Bill Pmt -Check	7/17/2008	12471	CAROLLO ENGINEERS	-3,180.00
Bill Pmt -Check	7/17/2008	12472	COMPUTER NETWORK	-199.34
Bill Pmt -Check	7/17/2008	12473	DAN VASILE	-105.00
Bill Pmt -Check	7/17/2008	12474	DE BOOM, NATHAN	-375.00
Bill Pmt -Check	7/17/2008	12475	DURRINGTON, GLEN	-375.00
Bill Pmt -Check	7/17/2008	12476	FEENSTRA, BOB	-500.00
Bill Pmt -Check	7/17/2008	12477	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	7/17/2008	12478	HETTINGA, PETER	-250.00
Bill Pmt -Check	7/17/2008	12479	HUITSING, JOHN	-375.00
Bill Pmt -Check	7/17/2008	12480	IDEAL GRAPHICS	-591.55
Bill Pmt -Check	7/17/2008	12481	KONICA MINOLTA BUSINESS SOLUTIONS	-373.52
Bill Pmt -Check	7/17/2008	12482	KOOPMAN, GENE	-250.00
Bill Pmt -Check	7/17/2008	12483	KUHN, BOB	-125.00
Bill Pmt -Check	7/17/2008	12484	MATHIS & ASSOCIATES	-1,450.00
Bill Pmt -Check	7/17/2008	12485	MCI	-1,169.95
Bill Pmt -Check	7/17/2008	12486	NIGRO NIGRO & WHITE, PC	-4,616.25
Bill Pmt -Check	7/17/2008	12487	OFFICE DEPOT	-846.07
Bill Pmt -Check	7/17/2008	12488	PIERSON, JEFFREY	-1,125.00
Bill Pmt -Check	7/17/2008	12489	PREMIERE GLOBAL SERVICES	-109.46
Bill Pmt -Check	7/17/2008	12490	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-5,611.91
Bill Pmt -Check	7/17/2008	12491	PUMP CHECK	-7,457.00
Bill Pmt -Check	7/17/2008	12492	PURCHASE POWER	-22.08
Bill Pmt -Check	7/17/2008	12493	REID & HELLYER	-7,423.80
Bill Pmt -Check	7/17/2008	12494	RICOH BUSINESS SYSTEMS-Lease	-933.39
Bill Pmt -Check	7/17/2008	12495	SAFEGUARD DENTAL & VISION	-13.85
Bill Pmt -Check	7/17/2008	12496	SAFETY CLEAN JANITORIAL SERVICES	-590.00
Bill Pmt -Check	7/17/2008	12497	STAULA, MARY L	-136.61
Bill Pmt -Check	7/17/2008	12498	TELECOM SERVICES	-105.00
Bill Pmt -Check	7/17/2008	12499	TLC STAFFING	-296.00
Bill Pmt -Check	7/17/2008	12500	UNION 76	-200.79
Bill Pmt -Check	7/17/2008	12501	UNITED PARCEL SERVICE	-557.12
Bill Pmt -Check	7/17/2008	12502	VANDEN HEUVEL, GEOFFREY	-250.00
Bill Pmt -Check	7/17/2008	12503	VERIZON	-51.38
Bill Pmt -Check	7/17/2008	12504	VERIZON WIRELESS	-685.99
Bill Pmt -Check	7/17/2008	12505	W.C. DISCOUNT MOBILE AUTO DETAILING	-225.00
Bill Pmt -Check	7/17/2008	12506	WEST VALLEY ELECTRIC	-404.27
Bill Pmt -Check	7/17/2008	12507	WESTERN DENTAL SERVICES, INC.	-36.50
Bill Pmt -Check	7/17/2008	12508	YUKON DISPOSAL SERVICE	-142.88
General Journal	7/26/2008	08/07/05	PAYROLL	-9,066.41
General Journal	7/26/2008	08/07/05	PAYROLL	-27,328.41
Bill Pmt -Check	7/29/2008	12524	ACWA SERVICES CORPORATION	-176.26
Bill Pmt -Check	7/29/2008	12525	CITY OF RANCHO CUCAMONGA	-25.00
Bill Pmt -Check	7/29/2008	12526	DIRECTV	-76.98
Bill Pmt -Check	7/29/2008	12527	FRED PRYOR SEMINARS	-780.00
Bill Pmt -Check	7/29/2008	12528	INLAND EMPIRE UTILITIES AGENCY	-127.31
Bill Pmt -Check	7/29/2008	12529	MWH LABORATORIES	-156.00

**CHINO BASIN WATERMASTER**  
**Cash Disbursement Detail Report**  
**July 2008**

Type	Date	Num	Name	Amount
Bill Pmt -Check	7/29/2008	12530	OFFICE CHAIRS.COM	-349.00
Bill Pmt -Check	7/29/2008	12531	PITNEY BOWES CREDIT CORPORATION	-468.72
Bill Pmt -Check	7/29/2008	12532	PRE-PAID LEGAL SERVICES, INC.	-103.60
Bill Pmt -Check	7/29/2008	12533	TLC STAFFING	-488.00
Bill Pmt -Check	7/29/2008	12534	VISION SERVICE PLAN	-16.05
Bill Pmt -Check	7/29/2008	12509	APPLIED COMPUTER TECHNOLOGIES	-3,976.95
Bill Pmt -Check	7/29/2008	12510	ARROWHEAD MOUNTAIN SPRING WATER	-58.30
Bill Pmt -Check	7/29/2008	12511	BOWCOCK, ROBERT	-250.00
Bill Pmt -Check	7/29/2008	12512	BOWMAN, JIM	-250.00
Bill Pmt -Check	7/29/2008	12513	CALPERS	-2,735.55
Bill Pmt -Check	7/29/2008	12514	COMPUTER NETWORK	-482.10
Bill Pmt -Check	7/29/2008	12515	DICK LARSEN - TREASURER/TAX COLLECTOR	-1,341.07
Bill Pmt -Check	7/29/2008	12516	FEENSTRA, BOB	-250.00
Bill Pmt -Check	7/29/2008	12517	KONICA MINOLTA BUSINESS SOLUTIONS	-185.09
Bill Pmt -Check	7/29/2008	12518	R&D PEST SERVICES	-85.00
Bill Pmt -Check	7/29/2008	12519	STANDARD INSURANCE CO.	-555.01
Bill Pmt -Check	7/29/2008	12520	THE STANDARD INSURANCE COMPANY	-156.56
Bill Pmt -Check	7/29/2008	12521	TLC STAFFING	-480.00
Bill Pmt -Check	7/29/2008	12522	VERIZON	-51.67
Bill Pmt -Check	7/29/2008	12523	YUKON DISPOSAL SERVICE	-142.88
<b>Jul 08</b>				<b><u>-458,163.57</u></b>



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CHINO BASIN WATERMASTER  
Check Detail  
July 2008

Type	Num	Date	Name	Account	Paid Amount
Bill Pmt -Check	12467	7/17/2008	BANK OF AMER...	1012 · Bank of America Gen'l Ckg	
Bill	4024...	6/30/2008		6141.3 · Admin Meetings	-89.05
				6031.7 · Other Office Supplies	-261.03
				6312 · Meeting Expenses	-155.60
				6212 · Meeting Expense	-155.59
				6112 · Subscriptions/Publications	-223.31
				6111 · Membership Dues	-73.00
				6192 · Training & Seminars	-26.45
				6909.1 · OBMP Meetings	-57.58
				6191 · Conferences	-299.25
TOTAL					-1,340.86

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

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL APPROPRIATE	POOL AGRICULTURAL	POOL NON-AGRIC.	GROUNDWATER REPLENISHMENT	GROUNDWATER SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2007-2008
Administrative Revenues										
Administrative Assessments			7,480,677		122,298				7,602,975	\$7,540,370
Interest Revenue			161,051	20,700	4,370		63		186,184	181,500
Mutual Agency Project Revenue		237,370							237,370	145,500
Grant Income										0
Miscellaneous Income			35,013		41				35,054	0
Total Revenues	-	237,370	7,676,741	20,700	126,709	-	63		8,061,583	7,867,370
Administrative & Project Expenditures										
Watermaster Administration	509,800								509,800	627,797
Watermaster Board-Advisory Committee	54,884								54,884	60,645
Pool Administration				137,820	6,561				164,661	162,333
Optimum Basin Mgmt Administration		2,462,439							2,462,439	2,852,337
OBMP Project Costs		4,022,898							4,022,898	4,153,883
Education Funds Use							375		375	375
Mutual Agency Project Costs		10,000							10,000	10,000
Total Administrative/OBMP Expenses	564,684	6,495,337		137,820	6,561		375		7,225,057	7,867,370
Net Administrative/OBMP Income	(564,684)	(6,257,967)							-	-
Allocate Net Admin Income To Pools			430,784	122,806	11,094					
Allocate Net OBMP Income To Pools			4,774,055	1,360,969	122,943					
Agricultural Expense Transfer			1,607,286	(1,607,286)						
Total Expenses	6,832,405		14,309	6,391	(13,889)		375	(312)	7,225,057	7,867,370
Net Administrative Income	844,336								836,526	-
Other Income/(Expense)										
Replenishment Water Assessments						3,402,393			3,402,393	0
MZ1 Supplemental Water Assessments										0
Water Purchases										0
Balance Adjustment			370,656		1,011	(371,667)				0
Groundwater Replenishment						(3,325,123)			(3,325,123)	0
Net Other Income			370,656		1,011	(294,397)			77,270	0
Net Transfers To/(From) Reserves			1,214,992	6,391	(12,878)	(294,397)		(312)	913,796	-
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			5,437,854	481,995	143,650	-	158,251	1,343	6,223,093	
06/07 Assessable Production			130,826,204	37,295,410	3,369,080				171,490,694	
06/07 Production Percentages			76.288%	21.748%	1.965%				100.000%	

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

<b>DEPOSITORIES:</b>			
Cash on Hand - Petty Cash		\$	500
Bank of America			
Governmental Checking-Demand Deposits		\$	152,465
Zero Balance Account - Payroll			152,465
Local Agency Investment Fund - Sacramento			5,993,631
			<hr/>
<b>TOTAL CASH IN BANKS AND ON HAND</b>	6/30/2008	\$	<b>6,146,596</b>
<b>TOTAL CASH IN BANKS AND ON HAND</b>	5/31/2008		<b>7,102,333</b>
			<hr/>
<b>PERIOD INCREASE (DECREASE)</b>		\$	<b>(955,737)</b>

**CHANGE IN CASH POSITION DUE TO:**

Decrease/(Increase) in Assets:	Accounts Receivable	\$	(242,527)
	Assessments Receivable		79,461
	Prepaid Expenses, Deposits & Other Current Assets		13,524
(Decrease)/Increase in Liabilities	Accounts Payable	\$	360,663
	Accrued Payroll, Payroll Taxes & Other Current Liabilities		33,290
	Transfer to/(from) Reserves		(1,200,148)
			<hr/>
<b>PERIOD INCREASE (DECREASE)</b>		\$	<b>(955,737)</b>

**SUMMARY OF FINANCIAL TRANSACTIONS:**

	Petty Cash	Gov't'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Balances as of 5/31/2008	\$ 500	\$ 458,202	\$ -	\$ 6,643,631	\$ 7,102,333
Deposits	-	79,993	-	-	79,993
Transfers	-	589,049	60,951	(650,000)	-
Withdrawals/Checks	-	(974,779)	(60,951)	-	(1,035,730)
					<hr/>
Balances as of 6/30/2008	\$ 500	\$ 152,465	\$ -	\$ 5,993,631	\$ 6,146,596
					<hr/>
<b>PERIOD INCREASE OR (DECREASE)</b>	\$ -	\$ (305,737)	\$ -	\$ (650,000)	\$ (955,737)



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

**INVESTMENT TRANSACTIONS**

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
6/26/2008	Withdrawal	L.A.I.F.	\$ 650,000				
<b>TOTAL INVESTMENT TRANSACTIONS</b>			<b>\$ 650,000</b>				

\* The earnings rate for L.A.I.F. is a daily variable rate; 3.11% was the effective yield rate at the Quarter ended June 30, 2008.

**INVESTMENT STATUS  
June 30, 2008**

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 5,993,631			
<b>TOTAL INVESTMENTS</b>	<b>\$ 5,993,631</b>			

Funds on hand are sufficient to meet all foreseen and planned Administrative and project expenditures during the next six months. All investment transactions have been executed in accordance with the criteria stated in Chino Basin Watermaster's Investment Policy.

Respectfully submitted,



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

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

	<u>Jul '07 - Jun 08</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4010 · Local Agency Subsidies	237,370	145,500	91,870	163.14%
4100 · Administrative Assessments				
4110 · Admin Asmnts-Approp Pool	7,480,676	7,423,878	56,798	100.77%
4120 · Admin Asmnts-Non-Agri Pool	122,298	116,492	5,806	104.98%
4700 · Non Operating Revenues	221,238	181,500	39,738	121.89%
<b>Total Income</b>	<b>8,061,582</b>	<b>7,867,370</b>	<b>194,212</b>	<b>102.47%</b>
<b>Gross Profit</b>	<b>8,061,582</b>	<b>7,867,370</b>	<b>194,212</b>	<b>102.47%</b>
<b>Expense</b>				
6010 · Salary Costs	486,402	477,247	9,155	101.92%
6020 · Office Building Expense	91,237	101,580	-10,343	89.82%
6030 · Office Supplies & Equip.	36,517	46,500	-9,983	78.53%
6040 · Postage & Printing Costs	89,126	83,000	6,126	107.38%
6050 · Information Services	139,480	132,000	7,480	105.67%
6060 · Contract Services	95,138	117,500	-22,362	80.97%
6080 · Insurance	15,414	18,210	-2,796	84.65%
6110 · Dues and Subscriptions	17,472	16,750	722	104.31%
6140 · WM Admin Expenses	2,576	4,650	-2,074	55.39%
6150 · Field Supplies	554	2,500	-1,946	22.16%
6170 · Travel & Transportation	18,443	25,000	-6,557	73.77%
6190 · Conferences & Seminars	24,172	22,500	1,672	107.43%
6200 · Advisory Comm - WM Board	17,065	18,931	-1,866	90.15%
6300 · Watermaster Board Expenses	37,819	41,714	-3,895	90.66%
8300 · Appr PI-WM & Pool Admin	20,280	24,001	-3,721	84.5%
8400 · Agri Pool-WM & Pool Admin	25,808	24,004	1,804	107.52%
8467 · Ag Legal & Technical Services	97,703	95,000	2,703	102.85%
8470 · Ag Meeting Attend -Special	14,309	12,000	2,309	119.24%
8500 · Non-Ag PI-WM & Pool Admin	6,561	7,328	-768	89.53%
6500 · Education Funds Use Expens	375	375	0	100.0%
9500 · Allocated G&A Expenditures	-506,732	-419,640	-87,092	120.75%
	729,720	851,150	-121,430	85.73%
6900 · Optimum Basin Mgmt Plan	2,285,083	2,711,138	-426,055	84.29%
6950 · Mutual Agency Projects	10,000	10,000	0	100.0%
9501 · G&A Expenses Allocated-OBMP	177,356	141,199	36,157	125.61%
	2,472,439	2,862,337	-389,898	86.38%
7101 · Production Monitoring	104,920	101,709	3,211	103.16%
7102 · In-line Meter Installation	24,844	17,791	7,053	139.65%
7103 · Grdwtr Quality Monitoring	98,466	117,104	-18,638	84.08%
7104 · Gdwtr Level Monitoring	189,377	182,667	6,710	103.67%

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

	<u>Jul '07 - Jun 08</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7105 · Sur Wtr Qual Monitoring	13,527	15,553	-2,026	86.98%
7107 · Ground Level Monitoring	275,165	270,465	4,700	101.74%
7108 · Hydraulic Control Monitoring	193,337	199,232	-5,895	97.04%
7109 · Recharge & Well Monitoring Prog	33,157	102,827	-69,670	32.25%
7200 · PE2- Comp Recharge Pgm	918,727	945,827	-27,100	97.14%
7300 · PE3&5-Water Supply/Desalte	131,340	159,509	-28,169	82.34%
7400 · PE4- Mgmt Plan	147,404	159,674	-12,270	92.32%
7500 · PE6&7-CoopEfforts/SaltMgmt	111,259	138,533	-27,274	80.31%
7600 · PE8&9-StorageMgmt/Conj Use	90,116	82,660	7,456	109.02%
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	322,589	278,441	44,148	115.86%
	<u>4,022,897</u>	<u>4,153,883</u>	<u>-130,986</u>	<u>96.85%</u>
<b>Total Expense</b>	<u>7,225,057</u>	<u>7,867,370</u>	<u>-642,313</u>	<u>91.84%</u>
<b>Net Ordinary Income</b>	836,525	0	836,525	100.0%
<b>Other Income/Expense</b>				
<b>Other Income</b>				
4210 · Approp Pool-Replenishment	3,393,137			
4220 · Non-Ag Pool-Replenishment	9,256			
<b>Total Other Income</b>	<u>3,402,393</u>			
<b>Other Expense</b>				
5010 · Groundwater Replenishment	3,325,123			
9999 · To/(From) Reserves	913,796			
<b>Total Other Expense</b>	<u>4,238,919</u>			
<b>Net Other Income</b>	<u>-836,525</u>			
<b>Net Income</b>	<u><u>                    </u></u>	<u><u>                    </u></u>	<u><u>                    </u></u>	<u><u>                    </u></u>



# CHINO BASIN WATERMASTER

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

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**KENNETH R. MANNING**  
Chief Executive Officer

## STAFF REPORT

**DATE:** September 10, 2008  
September 16, 2008  
September 25, 2008

**TO:** Committee Members  
Watermaster Board Members

**SUBJECT:** Cash Disbursement Report

### SUMMARY

**Issue** – Record of cash disbursements for the month of August 2008.

**Recommendation** – Staff recommends the Cash Disbursements for August 2008 be received and filed as presented.

**Fiscal Impact** – Funds disbursed were included in the FY 2008-09 Watermaster Budget.

### BACKGROUND

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

### DISCUSSION

Total cash disbursements during the month of August 2008 were \$1,019,447.60. The most significant expenditures during the month were the Wildermuth Environmental Inc. in the amount of \$332,844.17, Santa Ana River Water Company in the amount of \$258,000.00, Inland Empire Utilities Agency in the amount of \$159,441.73, and Brownstein, Hyatt, Farber & Schreck in the amount of \$74,893.07.

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**CHINO BASIN WATERMASTER**  
**Cash Disbursement Detail Report**  
**August 2008**

Type	Date	Num	Name	Amount
<b>Aug 08</b>				
Bill Pmt -Check	8/4/2008	12535	WILDERMUTH ENVIRONMENTAL INC	0.00
Bill Pmt -Check	8/4/2008	12536	WILDERMUTH ENVIRONMENTAL INC	-174,108.41
Bill Pmt -Check	8/6/2008	12537	APPLIED COMPUTER TECHNOLOGIES	-3,071.30
Bill Pmt -Check	8/6/2008	12538	AUTOMATED GATE SERVICES, INC.	-119.00
Bill Pmt -Check	8/6/2008	12539	BOWCOCK, ROBERT	-125.00
Bill Pmt -Check	8/6/2008	12540	BOWMAN, JIM	-125.00
Bill Pmt -Check	8/6/2008	12541	CALPERS	-800.00
Bill Pmt -Check	8/6/2008	12542	COMPUTER NETWORK	-392.21
Bill Pmt -Check	8/6/2008	12543	HSBC BUSINESS SOLUTIONS	-284.40
Bill Pmt -Check	8/6/2008	12544	INLAND EMPIRE UTILITIES AGENCY	-159,441.73
Bill Pmt -Check	8/6/2008	12545	JAMES JOHNSTON	-855.00
Bill Pmt -Check	8/6/2008	12546	KUHN, BOB	-250.00
Bill Pmt -Check	8/6/2008	12547	LIATTI & ASSOCIATES	-208.00
Bill Pmt -Check	8/6/2008	12548	OFFICE DEPOT	-1,096.77
Bill Pmt -Check	8/6/2008	12549	PARK PLACE COMPUTER SOLUTIONS, I...	-5,175.00
Bill Pmt -Check	8/6/2008	12550	PAYCHEX	-341.49
Bill Pmt -Check	8/6/2008	12551	PIERSON, JEFFREY	-125.00
Bill Pmt -Check	8/6/2008	12552	PRINTING RESOURCES	-639.65
Bill Pmt -Check	8/6/2008	12553	PURCHASE POWER	-35.14
Bill Pmt -Check	8/6/2008	12554	REID & HELLYER	-7,233.10
Bill Pmt -Check	8/6/2008	12555	SAFETY CLEAN JANITORIAL SERVICES	-712.95
Bill Pmt -Check	8/6/2008	12556	TLC STAFFING	-512.00
Bill Pmt -Check	8/6/2008	12557	UNITED PARCEL SERVICE	-364.26
Bill Pmt -Check	8/6/2008	12558	VANDEN HEUVEL, GEOFFREY	-125.00
Bill Pmt -Check	8/6/2008	12559	VERIZON	-374.29
Bill Pmt -Check	8/6/2008	12560	WILLIS, KENNETH	-250.00
Bill Pmt -Check	8/6/2008	12561	INLAND EMPIRE UTILITIES AGENCY	0.00
Bill Pmt -Check	8/7/2008	12562	SANTA ANA WATERSHED PROJECT AU...	-13,474.00
General Journal	8/9/2008	08/08/04	PAYROLL	-7,545.12
General Journal	8/9/2008	08/08/04	PAYROLL	-26,654.56
Bill Pmt -Check	8/11/2008	12564	COMPUTER NETWORK	-5,185.39
Bill Pmt -Check	8/11/2008	12565	CREATIVE BENEFITS, INC.	-1,651.20
Bill Pmt -Check	8/11/2008	12567	SANTA ANA RIVER WATER COMPANY	-258,000.00
Bill Pmt -Check	8/11/2008	12569	STATE COMPENSATION INSURANCE FU...	-683.94
Bill Pmt -Check	8/11/2008	12563	UNION 76	-74.69
Bill Pmt -Check	8/11/2008	12568	VANDEN HEUVEL, ROB	-500.00
Bill Pmt -Check	8/20/2008	12570	ACWA SERVICES CORPORATION	-181.48
Bill Pmt -Check	8/20/2008	12571	BANC OF AMERICA LEASING	-3,186.17
Bill Pmt -Check	8/20/2008	12572	BANK OF AMERICA	-2,000.60
Bill Pmt -Check	8/20/2008	12573	CITISTREET	-2,595.66
Bill Pmt -Check	8/20/2008	12574	COMPUTER NETWORK	-9,833.27
Bill Pmt -Check	8/20/2008	12575	PREMIERE GLOBAL SERVICES	-61.90
Bill Pmt -Check	8/20/2008	12576	PUBLIC EMPLOYEES' RETIREMENT SYS...	-5,540.29
Bill Pmt -Check	8/20/2008	12577	RICOH BUSINESS SYSTEMS-Lease	-224.12
Bill Pmt -Check	8/20/2008	12578	SAFEGUARD DENTAL & VISION	-63.85
Bill Pmt -Check	8/20/2008	12579	SPAM SOAP, INC	-201.60
Bill Pmt -Check	8/20/2008	12580	SPECIAL DISTRICT INSTITUTE	-735.00
Bill Pmt -Check	8/20/2008	12581	STAULA, MARY L	-136.61
Bill Pmt -Check	8/20/2008	12582	TLC STAFFING	-480.00
Bill Pmt -Check	8/20/2008	12583	VERIZON WIRELESS	-538.56
Bill Pmt -Check	8/20/2008	12584	W.C. DISCOUNT MOBILE AUTO DETAILI...	-75.00
Bill Pmt -Check	8/20/2008	12585	WESTERN DENTAL SERVICES, INC.	-26.50
Bill Pmt -Check	8/20/2008	12586	CITISTREET	-2,595.66
Bill Pmt -Check	8/20/2008	12587	PUBLIC EMPLOYEES' RETIREMENT SYS...	-5,903.50
Bill Pmt -Check	8/21/2008	12588	PEREZ, ALEXANDRA	-209.30
General Journal	8/23/2008	08/08/06	PAYROLL	-7,807.94
General Journal	8/23/2008	08/08/06	PAYROLL	-27,137.27
Bill Pmt -Check	8/25/2008	12589	BLACK & VEATCH CORPORATION	-8,577.50
Bill Pmt -Check	8/25/2008	12590	BROWNSTEIN HYATT FARBER SCHRECK	-74,893.07
Bill Pmt -Check	8/25/2008	12591	CALPERS	-3,906.43
Bill Pmt -Check	8/25/2008	12592	CAROLLO ENGINEERS	-5,355.00
Bill Pmt -Check	8/25/2008	12593	CITY OF RANCHO CUCAMONGA	-52.00
Bill Pmt -Check	8/25/2008	12594	COMPUTER NETWORK	-171.32
Bill Pmt -Check	8/25/2008	12595	CUCAMONGA VALLEY WATER DISTRICT	-5,495.00
Bill Pmt -Check	8/25/2008	12596	ELLISON, SCHNEIDER & HARRIS, LLP	-15,984.10
Bill Pmt -Check	8/25/2008	12597	FIRST AMERICAN REAL ESTATE SOLUTI...	-125.00
Bill Pmt -Check	8/25/2008	12598	LOS ANGELES TIMES	-46.40
Bill Pmt -Check	8/25/2008	12599	MCI	-1,169.95

**CHINO BASIN WATERMASTER**  
**Cash Disbursement Detail Report**  
**August 2008**

Type	Date	Num	Name	Amount
Bill Pmt -Check	8/25/2008	12600	OFFICE DEPOT	-150.57
Bill Pmt -Check	8/25/2008	12601	PAK, BEN	-1,087.26
Bill Pmt -Check	8/25/2008	12602	PETTY CASH	-428.78
Bill Pmt -Check	8/25/2008	12603	PRE-PAID LEGAL SERVICES, INC.	-103.60
Bill Pmt -Check	8/25/2008	12604	QUILL	-439.28
Bill Pmt -Check	8/25/2008	12605	RICOH BUSINESS SYSTEMS-Lease	-888.94
Bill Pmt -Check	8/25/2008	12606	THE STANDARD INSURANCE COMPANY	-156.56
Bill Pmt -Check	8/25/2008	12607	TLC STAFFING	-496.00
Bill Pmt -Check	8/25/2008	12608	WHEELER METER MAINTENANCE	-600.00
Bill Pmt -Check	8/28/2008	12609	WILDERMUTH ENVIRONMENTAL INC	-158,735.76
Bill Pmt -Check	8/28/2008	12610	BEST BUY	-517.20
<b>Aug 08</b>				<b><u>-1,019,447.60</u></b>

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CHINO BASIN WATERMASTER  
Check Detail  
August 2008

Type	Num	Date	Name	Account	Paid Amount
Bill Pmt -Check	12572	8/20/2008	BANK OF AMER...	1012 · Bank of America Gen'l Ckg	
Bill	4024...	7/31/2008		6141.3 · Admin Meetings	-263.93
				6031.7 · Other Office Supplies	-1,198.89
				6312 · Meeting Expenses	-225.14
				6212 · Meeting Expense	-179.43
				7204 · Comp Recharge-Supplies	-32.33
				6909.1 · OBMP Meetings	-100.88
TOTAL					-2,000.60

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

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL APPROPRIATIVE	POOL AGRICULTURAL	POOL NON-AGRIC.	GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2008-2009
Administrative Revenues										
Administrative Assessments										\$7,841,054
Interest Revenue			1,798						1,798	174,368
Mutual Agency Project Revenue										148,410
Grant Income										0
Miscellaneous Income										0
Total Revenues			1,798						1,798	8,163,832
Administrative & Project Expenditures										
Watermaster Administration	67,487								67,487	619,960
Watermaster Board-Advisory Committee	4,689								4,689	61,201
Pool Administration			2,286	8,587	293				11,166	166,523
Optimum Basin Mgmt Administration		94,557							94,557	1,913,484
OBMP Project Costs		389,692							389,692	5,392,289
Education Funds Use										375
Mutual Agency Project Costs										10,000
Total Administrative/OBMP Expenses	72,176	484,249	2,286	8,587	293				567,591	8,163,832
Net Administrative/OBMP Income	(72,176)	(484,249)								
Allocate Net Admin Income To Pools	72,176		55,061	15,697	1,418					
Allocate Net OBMP Income To Pools		484,249	369,422	105,313	9,513					
Agricultural Expense Transfer			115,288	(115,288)						
Total Expenses			542,058	14,309	11,224				567,591	8,163,832
Net Administrative Income			(540,260)	(14,309)	(11,224)				(565,793)	
Other Income/(Expense)										0
Replenishment Water Assessments										0
MZ1 Supplemental Water Assessments										0
Water Purchases										0
Balance Adjustment										0
Groundwater Replenishment										0
Net Other Income										0
Net Transfers To/(From) Reserves			(540,260)	(14,309)	(11,224)				(565,793)	



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

<b>DEPOSITORIES:</b>		
Cash on Hand - Petty Cash	\$	500
Bank of America		
Governmental Checking-Demand Deposits	\$	194,296
Zero Balance Account - Payroll		-
Local Agency Investment Fund - Sacramento		5,540,455
		<u>5,735,251</u>
		6,146,596
		<u>\$ (411,345)</u>

<b>TOTAL CASH IN BANKS AND ON HAND</b>	7/31/2008
<b>TOTAL CASH IN BANKS AND ON HAND</b>	6/30/2008

**PERIOD INCREASE (DECREASE)**

**CHANGE IN CASH POSITION DUE TO:**

Decrease/(Increase) in Assets: Accounts Receivable	\$	46,824
Assessments Receivable		(125,967)
Prepaid Expenses, Deposits & Other Current Assets		-
(Decrease)/Increase in Liabilities		238,916
Accounts Payable		(5,324)
Accrued Payroll, Payroll Taxes & Other Current Liabilities		(565,794)
Transfer to/(from) Reserves		-
		<u>\$ (411,345)</u>

**PERIOD INCREASE (DECREASE)**

**SUMMARY OF FINANCIAL TRANSACTIONS:**

	Petty Cash	Gov't'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Balances as of 6/30/2008	\$ 500	\$ 152,465	\$ -	\$ 5,993,631	\$ 6,146,596
Deposits	-	-	-	46,824	46,824
Transfers	-	431,407	68,593	(500,000)	-
Withdrawals/Checks	-	(389,576)	(68,593)	-	(458,169)
Balances as of 7/31/2008	\$ 500	\$ 194,296	\$ -	\$ 5,540,455	\$ 5,735,251
<b>PERIOD INCREASE OR (DECREASE)</b>	-	41,831	-	(453,176)	\$ (411,345)

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

**INVESTMENT TRANSACTIONS**

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
7/15/2008	Interest	L.A.I.F.	\$ 46,824				
7/16/2008	Withdrawal	L.A.I.F.	\$ (500,000)				
<b>TOTAL INVESTMENT TRANSACTIONS</b>				<b>\$ (453,176)</b>			

\* The earnings rate for L.A.I.F. is a daily variable rate; 3.11% was the effective yield rate at the Quarter ended June 30, 2008.

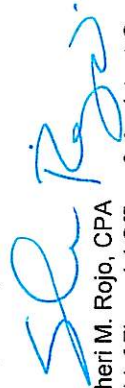
**INVESTMENT STATUS  
July 31, 2008**

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 5,540,455			
<b>TOTAL INVESTMENTS</b>	<b>\$ 5,540,455</b>			

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

All investment transactions have been executed in accordance with the criteria stated in Chino Basin Watermaster's Investment Policy.

Respectfully submitted,



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

CHINO BASIN WATERMASTER  
Profit & Loss Budget vs. Actual  
July 2008

	<u>Jul 08</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4010 · Local Agency Subsidies	0	148,410	-148,410	0.0%
4110 · Admin Asmnts-Approp Pool	0	7,708,817	-7,708,817	0.0%
4120 · Admin Asmnts-Non-Agri Pool	0	132,237	-132,237	0.0%
4700 · Non Operating Revenues	1,798	174,368	-172,570	1.03%
<b>Total Income</b>	<u>1,798</u>	<u>8,163,832</u>	<u>-8,162,034</u>	<u>0.02%</u>
<b>Gross Profit</b>	1,798	8,163,832	-8,162,034	0.02%
<b>Expense</b>				
6010 · Salary Costs	53,417	484,302	-430,885	11.03%
6020 · Office Building Expense	2,772	102,000	-99,228	2.72%
6030 · Office Supplies & Equip.	3,269	46,500	-43,231	7.03%
6040 · Postage & Printing Costs	6,514	87,380	-80,866	7.46%
6050 · Information Services	6,170	144,000	-137,830	4.29%
6060 · Contract Services	5,175	98,000	-92,825	5.28%
6080 · Insurance	15,498	17,730	-2,232	87.41%
6110 · Dues and Subscriptions	0	16,750	-16,750	0.0%
6140 · WM Admin Expenses	264	4,000	-3,736	6.6%
6150 · Field Supplies	0	2,500	-2,500	0.0%
6170 · Travel & Transportation	2,887	39,200	-36,313	7.37%
6190 · Conferences & Seminars	1,902	26,500	-24,598	7.18%
6200 · Advisory Comm - WM Board	1,682	19,181	-17,499	8.77%
6300 · Watermaster Board Expenses	3,007	42,020	-39,013	7.16%
8300 · Appr PI-WM & Pool Admin	2,286	24,008	-21,722	9.52%
8400 · Agri Pool-WM & Pool Admin	1,354	24,820	-23,466	5.46%
8467 · Ag Legal & Technical Services	7,233	98,000	-90,767	7.38%
8470 · Ag Meeting Attend -Special	0	12,000	-12,000	0.0%
8500 · Non-Ag PI-WM & Pool Admin	293	7,695	-7,402	3.8%
6500 · Education Funds Use Expens	0	375	-375	0.0%
9500 · Allocated G&A Expenditures	-30,381	-448,902	418,521	6.77%
<b>Subtotal G&amp;A Expenditures</b>	<u>83,342</u>	<u>848,059</u>	<u>-764,717</u>	<u>9.83%</u>
6900 · Optimum Basin Mgmt Plan	86,554	1,775,525	-1,688,971	4.88%
6950 · Mutual Agency Projects	0	10,000	-10,000	0.0%
9501 · G&A Expenses Allocated-OBMP	8,003	137,959	-129,956	5.8%
<b>Subtotal OBMP Expenditures</b>	<u>94,557</u>	<u>1,923,484</u>	<u>-1,828,927</u>	<u>4.92%</u>
7101 · Production Monitoring	14,150	107,515	-93,365	13.16%
7102 · In-line Meter Installation	1,293	87,931	-86,638	1.47%
7103 · Grdwtr Quality Monitoring	11,619	210,458	-198,839	5.52%
7104 · Gdwtr Level Monitoring	21,757	342,538	-320,781	6.35%
7105 · Sur Wtr Qual Monitoring	0	46,717	-46,717	0.0%

CHINO BASIN WATERMASTER  
 Profit & Loss Budget vs. Actual  
 July 2008

	<u>Jul 08</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7107 · Ground Level Monitoring	8,454	651,468	-643,014	1.3%
7108 · Hydraulic Control Monitoring	14,392	743,476	-729,084	1.94%
7200 · PE2- Comp Recharge Pgm	193,792	1,115,883	-922,091	17.37%
7300 · PE3&5-Water Supply/Desalte	14,631	148,477	-133,846	9.85%
7400 · PE4- Mgmt Plan	4,321	217,371	-213,050	1.99%
7500 · PE6&7-CoopEfforts/SaltMgmt	6,810	216,307	-209,497	3.15%
7600 · PE8&9-StorageMgmt/Conj Use	76,095	76,909	-814	98.94%
7690 · Recharge Improvement Debt Pymt	0	1,110,000	-1,110,000	0.0%
7700 · Inactive Well Protection Prgm	0	6,296	-6,296	0.0%
9502 · G&A Expenses Allocated-Projects	22,378	310,943	-288,565	7.2%
<b>Subtotal Special Project Expenditures</b>	<b>389,692</b>	<b>5,392,289</b>	<b>-5,002,597</b>	<b>7.23%</b>
<b>Total Expense</b>	<b>567,591</b>	<b>8,163,832</b>	<b>-7,596,241</b>	<b>6.95%</b>
<b>Net Ordinary Income</b>	<b>-565,794</b>		<b>-565,794</b>	<b>100.0%</b>
<b>Other Income/Expense</b>				
<b>Other Expense</b>				
9999 · To/(From) Reserves	-565,794			
<b>Total Other Expense</b>	<b>-565,794</b>			
<b>Net Other Income</b>	<b>565,794</b>			
<b>Net Income</b>				



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### C. INTERVENTION

#### 1. Sunkist-Ontario 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:** September 11, 2008  
September 16, 2008  
September 25, 2008

**TO:** Committee Members  
Watermaster Board Members

**SUBJECT:** City of Ontario request for Intervention as an Overlying (Non-Agricultural) Party

### SUMMARY

**Issue** – On August 19, 2008, Watermaster received a request for Intervention into the Overlying (Non-Agricultural) Pool from the City of Ontario. This Staff Report provides a summary and analysis of the proposed Intervention.

**Recommendation** - Staff recommends approval of the request for Intervention.

**Fiscal Impact** – No fiscal impact on the Watermaster Budget.

### BACKGROUND

In 2006, Sunkist Growers, Inc. sold a portion (i.e., 15 acres) of its real property to Koll, and in 2008 permanently transferred 22.000 AFY of its adjudicated rights to Koll for use on the Koll Property. After the Koll transfer, Sunkist's remaining adjudicated right is 1,851.402 AFY. Sunkist is currently in escrow to sell the Sunkist plant property to the City of Ontario (11.1 acres consisting of parcel numbers 20108, 20207, 20206, and 104923221), with the exception of Sunkist's tank farm (parcel number 104922101), which will be retained by Sunkist.

### DISCUSSION

According to the Judgment, a producer is assigned to the Overlying (Non-Agricultural) Pool if it is an overlying producer who produces water for industrial or commercial purposes. (Judgment para. 43(b).) "Any party who changes the character of his use may, by subsequent order of the Court, be reassigned to the proper pool . . . . Any non-party producer or any person who may hereafter commence production of

water from Chino Basin, and who may become a party to [the] physical solution by intervention, shall be assigned to the proper pool by the order of the Court authorizing such intervention." (Judgment para. 43.)

Interventions are governed by paragraph 60 of the Judgment: "Any non-party assignee of the adjudicated appropriative rights of any appropriator, or any other person newly proposing to produce water from the Chino Basin, may become a party to this Judgment upon filing a petition in intervention. Said intervention must be confirmed by order of [the] Court. Such intervenor shall thereafter be a party bound by [the] Judgment and entitled to the rights and privileges accorded under the Physical Solution . . . through the pool to which the Court shall assign such intervenor."

Paragraph 4.4 of the Peace II Agreement amplifies the Judgment: "The Parties acknowledge and agree that any Party to the Judgment shall have the right to purchase Non-Agricultural overlying property within the Basin and appurtenant water rights and to intervene in the Non-Agricultural Pool."

The City of Ontario has requested intervention into the Overlying (Non-Agricultural) Pool for the purpose of accepting the Transfer of Sunkist's water rights. The City of Ontario intends to be members of both the Appropriative and Overlying (Non-Agricultural) Pools, and will therefore hold separate Annual and Storage accounts with Watermaster within each Pool.

Watermaster's practice has been to accept interventions informally by way of a letter request and then process the request through the Pools, Advisory Committee and Board. After this internal approval process, the request for Intervention is filed with the Court for approval.

## **POOL PROCESS**

All three pools have unanimously approved the intervention. At the Appropriative Pool meeting a discussion occurred regarding the scope of authorized uses and place of use of the water that will be transferred to Ontario after it has successfully intervened into the Pool. The Pool requested that as a part of the staff report for the Advisory Committee and Board that Watermaster staff provide an interpretation of the existing authorities as they will inform Watermaster accounting of Ontario's production as a member of the Pool.

To assist in this interpretation, Ontario has provided the following description of its intended use of the water and its own comparison of those uses with uses by other members of the Non-Agricultural Pool:

"Sunkist is a long standing business in the Ontario community. Due to changing agricultural production trends and market conditions Sunkist has closed and moved most of their Ontario operations. Ontario intends to insure proper reuse/redevelopment of the property and desires to keep the local water resources in local beneficial use including use on the Sunkist properties. Ontario and Sunkist agree to a property sale and acquisition to accomplish these goals.

"After the intervention and water rights transfer is complete, Ontario understands that these non-agricultural rights will continue to be accounted in the Non-Agricultural Pool and subject to provisions and agreements pertinent to that Pool.

"Once Ontario is a member of the Pool, Ontario therefore intends to use this water on its overlying property. That property includes uses similar and consistent with uses historically and currently allowed and performed by other members of the Pool. Examples are: median/streetscape landscaping (current example in the Pool would be CCG and other Pool members using water for landscape irrigation, Swan Lake for irrigation of common areas, streetscapes and in fact for residential use in mobile homes); irrigation of recreational parks and community center facilities (current example would be Speedway use for a recreational purpose and landscaping as well a Swan Lake uses); use at other community/municipal/safety building/properties, (examples again would be CCG's commercial/industrial uses and landscaping, the Speedway and Swan Lake – such City facilities, including most parks and community centers listed above operate commercial activities, field rentals, event rental, facility rental, pay to play activities, pay to attend classes and events similar to the Speedway uses although on a somewhat smaller scale or provide a public service); use at Ontario's Citizen Business Bank Event Center and Ontario's Convention Center (commercial venues similar to the Auto Club Speedway use); and,

municipal facility uses such as the City Operation Center (which is in a designated industrial area and is uses similar to other trucking/warehouse/industrial activities). These non-agricultural uses will be metered separately from appropriative uses.”

### **SCOPE OF USE**

The only definition of the scope of allowable uses of Non-Agricultural Pool water is found in Paragraph 1 or Exhibit “G” to the Judgment: “Said pool includes producers of water for overlying industrial or commercial (non-agricultural) purposes . . . .”. This is a general description which on its face would allow a broad category of beneficial uses. However, the scope of use of Non-Agricultural Pool water is also informed by the history of actual use by the Pool members, as the custom and usage among the parties to the Judgment and similarly situated users. As Ontario points-out above, Non-Agricultural water is used for a variety of uses including landscaping, indoor uses at facilities and outdoor uses at commercial and industrial facilities. Watermaster has not historically regulated specific uses of Non-Agricultural Pool water by members of the Pool so long as they are using the water on land owned by the Pool member that overlies the Basin.

### **PLACE OF USE**

The 1978 Judgment specified that Non-Agricultural Pool rights are appurtenant to the land and are therefore only assignable with the land for overlying uses on that land. (Judgment Paragraph 8; Exhibit “G” paragraph 6.) This appurtenancy requirement was modified through the Peace Agreement process and Paragraph 8 and Exhibit “G” paragraph 6 were amended to allow Pool members to transfer or lease their rights as between members of the Pool. The Peace II process which allowed for Non-Agricultural Pool water to be transferred to Watermaster and ultimately to members of the Appropriative Pool under defined conditions further modified this appurtenancy requirement.

Accordingly, Exhibit “G” as amended provides that all overlying rights may be transferred and leased within the Pool. Once Ontario has intervened, it will be able to make the acquired right available for the benefit of other land owned by the City that overlies the Chino Basin as permitted by the Judgment.

Watermaster therefore interprets the applicable authorities as allowing Ontario to use the water transferred to it by Sunkist according to its intended uses as described above.

### **RECOMMENDATION**

Watermaster staff finds that the proposed intervention is consistent with the Judgment. On this basis, Watermaster staff recommends the approval of the request for Intervention.

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CITY OF



ONTARIO



PUBLIC WORKS AND  
COMMUNITY SERVICES AGENCY

PAUL S. LEON  
MAYOR

JASON ANDERSON  
MAYOR PRO TEM

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

August 19, 2008

GREGORY C. DEVEREAUX  
CITY MANAGER

MARY E. WIRTES, MMC  
CITY CLERK

JAMES R. MILHISER  
TREASURER

KENNETH L. JESKE  
PUBLIC WORKS / COMMUNITY  
SERVICES DIRECTOR

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

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

Dear Mr. Manning:

The City of Ontario (City) hereby submits this request to intervene in the above-referenced action (the "Judgment") as a member of the overlying non-agricultural pool. The City's request is based on the following facts:

A. The Judgment allocates water rights based on each party's land ownership. As an owner of real property overlying the Chino Groundwater Basin ("Basin"). Sunkist Growers, Inc. ("Sunkist") was provided under the Judgment with 1,873.40 AFY of adjudicated safe yield when the Judgment was first entered in 1978/1979. The real property held by Sunkist at that time included the real property described in the next paragraph.

B. Sunkist sold real property overlying the Basin to the City of Ontario, known as the Sunkist plant (11.1 acres consisting of parcels # 20108, 20207, 20206, and 104923221) with the exception of Sunkist's tank farm (parcel # 104922101), which will be retained by Sunkist.

C. As part of the sale transaction referenced in Section B above, Sunkist wishes to transfer all of its remaining adjudicated water rights (approximately 1,851.402 AFY), and all Sunkist water in storage (13,633.504 AF as of June 30, 2007, plus any additional Sunkist stored water for FY 2007-08) to the City of Ontario. Form 5 (Application to Transfer Annual Production Right or Safe Yield) and Form 3 (Application for Sale or Transfer of right to Produce Water from Storage) are attached.

D. The City of Ontario is requesting to intervene in the Judgment to become a member of the overlying Non-Agricultural Pool. A Motion to Intervene will be filed with the court if deemed necessary by the Watermaster.

E. The City's request to intervene is pursuant to Section 4.4 of the Peace II agreement which states: "Non-Agricultural Pool Intervention. The Parties acknowledge and agree that any Party to the Judgment shall have the right to purchase Non-Agricultural overlying property within the Basin and appurtenant water rights and to intervene in the Non-Agricultural Pool."


F. The City of Ontario will use the groundwater described under Section C above for uses authorized in the Judgment including providing water service to properties in Ontario, which have been sold or still are retained by Sunkist.

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

Based on the foregoing, the City of Ontario respectfully requests that the Watermaster approve its request to intervene in the Judgment to become a member of the overlying Non-Agricultural Pool and Sunkist's request to transfer its remaining adjudicated rights (approximately 1,851.402 AFY) of overlying groundwater rights, and all of Sunkist water in storage (13,633.504 AF as of June 30, 2007, plus any additional Sunkist stored water for FY 2007-08) to the City of Ontario. The City of Ontario shall comply with all provisions of the Judgment.

Please agendaize the City's request for the September Pool meetings. If you have any questions regarding the foregoing, please contact me.

Respectfully submitted,



Mohamed El-Amamy  
Utilities Director





# CHINO BASIN WATERMASTER

## II. BUSINESS ITEMS

### A. SEMI-ANNUAL STATUS REPORT





# CHINO BASIN WATERMASTER

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

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**KENNETH R. MANNING**  
Chief Executive Officer

## STAFF REPORT

**DATE:** September 11, 2008  
September 16, 2008  
September 25, 2008

**TO:** Committee Members  
Watermaster Board Members

**SUBJECT:** Status Report 2008-1

### SUMMARY

***Recommendation – Approve Status Report 2008-1 for filing with the Court***

### BACKGROUND

Status Report 2008-1 covers the period of January 1, 2008 through June 30, 2008. While the bulk to the report describes work conducted for each element of the Optimum Basin Management Program (OBMP) during the six-month period, it also references the reports and court filings made to address the issues of the Peace II implementation.

Staff recommends approval of the report for filing with the Court.

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## Optimum Basin Management Program

### Status Report 2008-1: January to June 2008

#### Introduction

This status report covers the period January 1, 2008 through June 30, 2008. The bulk of this report describes the activities that occurred and status of the work conducted for each program element of the Optimum Basin Management Program (OBMP). However, there are additional significant efforts that occurred during the reporting period, which are listed below.

In compliance with the Superior Court's "Order Concerning Motion for Approval of Peace II Documents," dated December 21, 2007, Conditions Subsequent Numbers 1-6 were filed with the Court as follows:

- Condition Subsequent 1, a brief to explain the amendments to Judgment Paragraph 8 and Judgment Exhibit "G," was filed on February 1, 2008.
- Condition Subsequent 2, a corrected initial schedule to replace Resolution No. 07-05 Attachment "E," together with an explanation of the corrections made, was filed on February 1, 2008.
- Condition Subsequent 3, a new Hydraulic Control technical report that addressed all factors included in the Special Referee's Final Report and Recommendations (including a technical analysis of the projected decline in safe yield, and a definition and analysis of "new equilibrium" issues), was filed on March 3, 2008.
- Condition Subsequent 4, the status of CEQA documentation, compliance, and requirements, and assurances to the Court that Watermaster's approval and participation in any project that is a "project" for CEQA purposes has been or will be subject to all appropriate CEQA review, was filed on April 1, 2008.
- Condition Subsequent 5, a detailed outline of the scope and content of its first Recharge Master Plan update, was filed on June 30, 2008.
- Condition Subsequent 6, the development of standards and criteria by which the RWQCB will determine that hydraulic control is achieved and maintained, was filed on June 30, 2008.

In addition, the following court hearings and orders occurred during the reporting period:

- January 10, 2008: Notice of Change of Firm Name [from Hatch & Parent to Brownstein Hyatt Farber Schreck].
- February 14, 2008: Stipulation to Continue Defendant City of Chino's Motion Under Paragraph 15.
- April 11, 2008: Response to Watermaster's Compliance with Conditions Subsequent Numbers Three and Four of the Court's December 21, 2007 Order; Request for Additional Time to Evaluate Watermaster's Compliance with Condition Subsequent Number Three; and Withdrawal of Monte Vista Water District's Joinder to Watermaster's Motion for Approval of Peace II Documents; AND Declaration of Mark Kinsey; AND Motion Requesting Approval of Intervention of the Riboli Family/San Antonio Winery and Fuji Natural Foods, Inc.
- April 17, 2008: Comments of Special Referee on Watermaster Compliance with December 21, 2007 Order Conditions 1 through 4.
- April 25, 2008: Watermaster's Response to Comments of Special Referee on Watermaster Compliance with December 21, 2007 Order Conditions 1 through 4.
- April 29, 2008: Cucamonga Valley Water District's Joinder to Watermaster's Response to Comments of Special Referee on Watermaster Compliance with December 21, 2007 Order Conditions 1 through 4.
- May 2, 2008: Joint Response of Western Municipal Water District and Inland Empire Utilities Agency and Joinder to Chino Basin Watermaster's Response to Watermaster Compliance with December 21, 2007 Order Conditions 1 through 4; AND Declaration of Tom Dodson in Support of Joint Response of Western Municipal Water District and Inland Empire Utilities Agency and Joinder to Chino Basin Watermaster's Response to Watermaster Compliance with December 21, 2007 Order Conditions 1 through 4.
- June 30, 2008: Cucamonga Valley Water District's Notice of Motion and Motion to Discontinue the Appointment of the Special Referee.





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## Program Element 1: Develop and Implement a Comprehensive Monitoring Program

### *Groundwater Level Monitoring*

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

### *Groundwater Quality Monitoring*

During this reporting period no additional private wells were sampled. (All of the key wells were sampled during the previous reporting period.) Watermaster continued a comprehensive data collection program whereby water quality data from other sources are routinely collected, QA/QC'd, and loaded into Watermaster's database. These sources include the appropriators, DTSC, RWQCB, USGS, the Counties, and other cooperators.

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

### *Groundwater-Production Monitoring*

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

### *Surface Water Monitoring*

**Water Quality and Quantity in Recharge Basins.** Watermaster measures the quantity and quality of storm and supplemental water entering the recharge basins. Pressure transducers or staff gauges are used to measure water levels during recharge operations. In addition to these quantity measurements, imported water quality values for State Water Project water are obtained from the Metropolitan Water District of Southern California (MWDSC) and recycled water quality values for the RP-1 and RP-4 treatment plant effluents are obtained from IEUA. Watermaster monitors the storm water quality in the eight major channels (San Antonio, West Cucamonga, Cucamonga, Deer Creek, Day Creek, San Sevaine, West Fontana, and DeClez) usually after each major storm event. Combining the measured flow data with the respective water qualities enables the calculation of the blended water quality in each recharge basin, the "new yield" to the Chino Basin, and the adequate dilution of recycled water.

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

### *HCMP Annual Report*

In January 2004, the RWQCB amended the Water Quality Control Plan (Basin Plan) for the Santa Ana River Basin to incorporate an updated total dissolved solids (TDS) and nitrogen (N) management plan. The Basin Plan Amendment includes both "antidegradation" and "maximum benefit" objectives for TDS and nitrate-nitrogen for the Chino and Cucamonga groundwater management zones. The application of the "maximum benefit" objectives relies on Watermaster and IEUA's implementation of a specific program of projects and requirements, which are an integral part of the OBMP. On April 15, 2005, the RWQCB adopted resolution R8-2005-0064; thus approving the Surface Water





Monitoring Program and Groundwater Monitoring Program in support of maximum benefit commitments in the Chino and Cucamonga Basins.

Pursuant to the Basin Plan Amendment and the Watermaster/IEUA permit to recharge recycled water, Watermaster and IEUA have conducted groundwater and surface water monitoring programs. During this reporting period Watermaster measured 711 manual water levels at private wells throughout the Chino Basin, conducted two quarterly downloads at the 130 wells containing pressure transducers, and collected 70 groundwater quality samples, and 221 surface water quality samples. Quarterly Surface Water Monitoring Program reports that summarize data collection efforts were submitted to the RWQCB in January and April of 2008. An annual HCMP report for 2007 was submitted to the RWQCB in April 2008.

### ***Chino Basin Groundwater Recharge Program***

IEUA, Watermaster, Chino Basin Water Conservation District, and the San Bernardino County Flood Control District jointly sponsor the Chino Basin Groundwater Recharge Program. This is a comprehensive water supply program to enhance water supply reliability and improve the groundwater quality in local drinking water wells throughout the Chino Groundwater Basin by increasing the recharge of storm water, imported water, and recycled water. The recharge program is regulated under RWQCB Order No. R8-2007-0039 and Monitoring and Reporting Program No. R8-2007-0039.

**Recharge Activities.** On-going recycled water recharge occurred in the Hickory Basin during this reporting period, and a six month recycled water test recharge program concluded at the 7<sup>th</sup> and 8<sup>th</sup> Street basins in early 2008.

**Monitoring Activities.** Watermaster and IEUA collect weekly and bi-weekly water quality samples from basins that are actively recharging recycled water and from lysimeters installed within those basins. During this reporting period, approximately 218 basin and lysimeter samples were collected. Monitoring wells located downgradient of the recharge basins were sampled every two weeks during the reporting period for a total of about 62 samples.

**Construction Activities.** Lysimeters and monitoring wells associated with the 7<sup>th</sup> and 8<sup>th</sup> Street Basins were installed in the first half of fiscal year (FY) 2007/08. There have been no further construction activities since that time.

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

- 4Q07 Quarterly Report, submitted to the RWQCB – February 2008
- 1Q08 Quarterly Report, submitted to the RWQCB – May 2008
- 2007 Annual Report, submitted to the RWQCB – May 2008
- Brooks Basin Tracer Test Protocols Using Recycling Water, submitted to CDPH – June 2008

### ***Land Surface Monitoring***

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

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

In February 2006, Watermaster submitted the MZ-1 Summary Report, which contained Guidance Criteria to minimize subsidence and fissuring. The Guidance Criteria included a listing of Managed Wells and their owners subject to the criteria, a map of the so-called Managed Area, an initial threshold water level (Guidance Level) of 245 feet below the top of the PA-7 well casing, and a plan for ongoing monitoring and notification. The MZ-1 Summary Report and the Guidance Criteria were adopted by the Watermaster Board in May 2006. The Guidance Criteria formed the basis for the MZ-1 Plan, which was approved by Watermaster in October 2007. The Court approved the MZ-1 Plan in November 2007 and ordered its implementation.





During this reporting period, Watermaster began implementation of the MZ-1 Plan, which includes:

- Continuing the scope and frequency of monitoring that was implemented during the IMP within the Managed Area.
- Expanded monitoring of the aquifer system and land subsidence in other areas of MZ-1 and Chino Basin where the IMP indicated concern for future subsidence and ground fissuring.
- Detailed monitoring of horizontal strain across the historical fissure zone.
- Further evaluation of the potential contribution of pumping in the central and northern portions of MZ-1 on groundwater conditions in the central and southern portions of MZ-1.
- Additional testing and monitoring to refine the Guidance Criteria.
- Development of alternative pumping plans for the MZ-1 producers that are impacted by the MZ-1 Plan.
- Construction and testing of a lower-cost extensometer facility at Ayala Park.
- Evaluation and comparison of ground-level surveying and InSAR, and recommendation for future monitoring by both techniques.
- An ASR (aquifer injection and recovery) feasibility study at a production well owned by the City of Chino Hills within the Managed Area.

The continued and expanded monitoring elements of the MZ-1 Plan (first and second bullets above) are currently being implemented. The scopes of work and cost estimates for the remaining elements of the plan (last seven bullets) were developed by the MZ-1 Technical Committee during this reporting period and recommended for implementation in 2008 and beyond. These recommendations and supporting documentation were forwarded to Watermaster and were approved and included in the FY 2008/09 budget.

In June 2008, the City of Chino Hills was awarded grant funding from DWR's Local Groundwater Assistance Fund for \$214,000 for the ASR feasibility study (last bullet above). This grant funding could be raised to \$250,000 by the DWR. Watermaster composed the grant application, and the grant funds will offset Watermaster's expenditures for the ASR feasibility study.

## Program Element 2: Develop and Implement a Comprehensive Recharge Program

Construction on the Chino Basin Facilities Improvement Project (CBFIP) Phase I was completed by December 31, 2005 at a cost of \$38M; 50-percent from a SWRCB Proposition 13 Grant, and 25-percent each from Watermaster and IEUA. A CBFIP Phase II list of projects was developed by Watermaster and IEUA, including monitoring wells, lysimeters, recycled water connections, SCADA system expansions, three MWDSC turnouts, and berm heightening and hardening. At a cost of approximately \$10.5M, these Phase II facilities will be financed through a 50-percent Grant from DWR and 25-percent each from Watermaster and IEUA.

In FY 2005/06, the CBFIP Phase I facilities were able to recharge approximately 49,000 AF of storm and supplemental water. With the completion of the Phase II facilities by December 31, 2008, the total recharge capacity will be about 96,000 AF. By the start of FY 2009/10, most of the basins will be able to operate on a 12 months-per-year basis with combinations of storm, imported, and recycled water, with occasional downtime for silt and organic growth removal. Operations and basin planning are coordinated through the Groundwater Recharge Coordinating Committee (GRCC), which met quarterly during this reporting period.

Because of the drought and Delta water quality, water supply, and environmental issues, MWDSC has been unable to provide replenishment water to southern California since May 1, 2007. This greatly restricts Watermaster's ability to recharge recycled water, since the California Department of Public Health requires that one part of diluent water (imported or storm water) be blended with each part of recycled water. For this reporting period, just under 8,500 AF of storm and recycled water have been recharged.

Preparation of the Recharge Master Plan update is underway, in satisfaction of Condition Subsequent No. 5. On March 28, 2008, the initial meeting of the group occurred. A detailed outline of the scope and content of the Recharge Master Plan update was filed with the Court for approval on June 30, 2008. Progress reports on the completion of the updated plan are to be submitted on January 1, 2009 and July 1, 2009, with the final updated Recharge Master Plan due to the Court by July 1, 2010. The Recharge Master Plan update will be the primary focus of the upcoming Strategic Planning Conference, to be held in late September 2008.





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

### **Program Element 5: Develop and Implement Regional Supplemental Water Program**

Construction of the Chino I Desalter Expansion and the Chino II Desalter facilities was completed in February 2006. As currently configured, the Chino I Desalter provides 2.6 MGD of treated (air stripping for VOC removal) water from Wells Nos. 1-4, 4.9 MGD of treated (ion exchange for nitrate removal) water from Well Nos. 5-15, and 6.7 MGD of treated (reverse osmosis for nitrate and TDS removal) water from Wells Nos. 5-15 for a total of 14.2 MGD (15,900 AFY). The Chino II Desalter provides 4.0 MGD of ion exchange treated water and 6.0 MGD of reverse osmosis treated water from eight additional wells for a total of 10.0 MGD (11,200 AFY).

Negotiations are currently underway between the Chino Desalter Authority and Western Municipal Water District to allow WMWD to join the CDA and to expand the Chino II Desalter by 10.5 MGD (11,800 AFY). Raw water will be drawn from existing CDA II wells, and possible additional new wells if needed. In addition, a new Chino Creek Well Field, required for hydraulic control, will provide additional raw water to the Chino I Desalter, enabling existing Well Nos. 13, 14, and 15 to shift production to the expanded Chino II Desalter facility if needed.

### **Program Element 4: Develop and Implement a Comprehensive Groundwater Management Plan for Management Zone 1 and Management Zone 3**

#### ***MZ-1 Management Plan***

Because of the historical occurrence of pumping-induced land subsidence and ground fissuring in southwestern Chino Basin (southern MZ-1), the OBMP called for the development and implementation of an interim management plan for MZ-1 that would:

- Minimize subsidence and fissuring in the short-term,
- Collect information necessary to understand the extent, rate, and mechanisms of subsidence and fissuring, and
- Formulate a management plan to reduce to tolerable levels or abate future subsidence and fissuring.

From 2001-2005, Watermaster developed, coordinated, and conducted an Interim Monitoring Program (IMP) under the guidance of the MZ-1 Technical Committee, which is composed of representatives from all major MZ-1 producers and their technical consultants. The IMP was an aquifer-system and land subsidence investigation focused in the southwestern region of MZ-1 that would support the development of a long-term management plan to minimize and abate subsidence and fissuring (MZ-1 Plan). The IMP involved the construction of highly-sophisticated monitoring facilities, such as deep borehole extensometers and piezometers, the monitoring of land surface displacements through traditional ground-level surveys and remote-sensing techniques, the detailed monitoring of the aquifer system with water-level-recording transducers installed at an array of production and monitoring wells, and the purposeful stressing of the aquifer system through multiple controlled pumping tests.

The investigation methods, results, and conclusions are described in detail in the MZ-1 Summary Report, dated February 2006. The investigation provided enough information for Watermaster to develop Guidance Criteria for the MZ-1 producers in the investigation area that, if followed, would minimize the potential for subsidence and fissuring during the completion of the MZ-1 Plan. The MZ-1 Summary Report and the Guidance Criteria were adopted by the Watermaster Board in May 2006. The Guidance Criteria formed the basis for the MZ-1 Plan, which was approved by Watermaster in October 2007. The Court approved the MZ-1 Plan in November 2007 and ordered its implementation.

#### ***MZ-3 Monitoring Program***

The former Kaiser plume has been incorporated into an overall monitoring program for the MZ-3 area. The MZ-3 monitoring program is also assessing the groundwater quality impairment from total dissolved solids (TDS), nitrate, and perchlorate. The perchlorate may have originated from the Mid-Valley Landfill (in Rialto Basin, across the Rialto-Colton fault) or it may be a non-point source that resulted from the historical application of Chilean fertilizer. Two rounds of quarterly samples (February and May 2008) have been collected from the two new monitoring wells constructed in 2007. Results from the entire monitoring program for MZ-3 will be presented in the final report, to be completed by December 2008.





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

### Program Element 7: Develop and Implement a Salt Management Program

A Water Quality Committee meeting was held on February 12, 2008 to discuss the status of the investigations of the three major water quality plumes (Chino Airport, Ontario Airport, and Stringfellow Hazardous Waste site) in the Basin and provide an update on the MZ-3 monitoring program. Following are the major technical accomplishments and activities for Program Elements 6 and 7 for the reporting period:

**Ontario International Airport.** Watermaster coordinated with Lynne Preslo at EcoGeo and Roy Marroquin at GeoTrans, Inc. regarding the drilling schedule for the OIA monitoring wells and Watermaster technical input on well design. Watermaster prepared for and attended a meeting with GeoTrans on March 7, 2008 to discuss drilling coordination and also attended a site walk with GeoTrans on April 17, 2008 at OIA MW-3. Watermaster reviewed and approved the well designs for OIA MW-1 and OIA MW-3. Watermaster reviewed a letter from Northrop describing their historical operations at the Ontario International Airport.

**Chino Airport.** Watermaster prepared for and attended a meeting at the City of Ontario on May 22, 2008. The meeting was attended by the staff of Watermaster and the City of Ontario, as well as Watermaster consultants and the consultants to the County of San Bernardino Department of Airports. The purpose of the meeting was to inform the County's consultant about the direction that the Chino Desalter Authority (CDA) and Watermaster were taking concerning the proposed alignment of the Chino Creek Desalter Well Field and the schedule. Watermaster reviewed the Chino Airport "Offsite Well Installation Work Plan" and the quarterly report.

**California Institute for Men.** Watermaster reviewed a letter from the California Institute for Men (CIM) to the Regional Water Quality Control Board (RWQCB) requesting site closure. Watermaster prepared a response to the RWQCB stating that No Further Action was not appropriate and recommended that the monitoring program continue, but at a reduced level of effort. Groundwater elevations in key wells should be measured and maps of groundwater elevation contours should be developed by CIM annually to demonstrate that the plume continues to be contained hydraulically. Certain key monitoring wells should also be sampled for VOCs every three years to further demonstrate that the plume is not migrating off-site. Watermaster stated that it would be amenable to working with CIM in developing the new monitoring program.

**Crown Coach.** Watermaster reviewed documentation (including site data and maps), prepared comments, and recalculated expected salt concentrations related to their proposed in situ treatment. Watermaster coordinated with Mr. Uday Shah at the City of Ontario to obtain unit O&M costs associated with the desalter to understand the economic impacts of Crown Coach's proposed remediation. Watermaster participated in a teleconference with the RWQCB and composed a comment letter to the RWQCB. The conclusion of this letter states,

"Watermaster recognizes that the proposed project will reduce the mass of volatile organic chemicals (VOCs) in groundwater at the site by enhancing bioremediation during the interim period while the site is being developed. We also recognize that the addition of 14 pounds of sodium chloride salt into the basin represents a de minimus impact. Watermaster would like to state, for the record, that should this project – or other projects proposed by other stakeholders – produce a significant salt load to the groundwater basin, Watermaster has the option to seek compensation to offset the considerable expense already borne by the Parties.

Watermaster would also like an assurance that this site will continued to be monitored to ensure that the VOC plume does not migrate off-site and that, if the site warrants the re-installation and operation of an active remediation system, the Regional Board will enforce the current order issued to Crown Coach."

**Santa Ana River Perchlorate Sampling.** Watermaster compiled perchlorate data for samples collected in the Santa Ana River and its tributaries and began analyzing recent surface water samples at a lower detection limit (0.5 µg/L) to determine the presence/absence of perchlorate in surface water.



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

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

The existing Watermaster/IEUA/Metropolitan Dry Year Yield (DYY) program continued during the reporting period. The construction statuses of local facilities included in the DYY program for the participating parties are as follows:

- City of Ontario – Wellhead treatment (IX) facility: construction began in March 2008 and is anticipated to be completed by February 2009. DYY Wells: Equipping Well Nos. 44 and 52 began in March 2008 and is anticipated to be completed by January 2009.
- Cucamonga Valley Water District – Five new wells (Nos. 39-43): construction completed for Well Nos. 39-42 and Well No. 43 is anticipated to be completed in September 2008.
- City of Upland – New IX treatment facility constructed and online.
- City of Pomona – Expansion of existing IX treatment facility is complete, a permit to operate has been issued, and the facility is fully functioning.
- City of Chino Hills – The original intent to Refurbish the Pellisier well did not yield the results the City was hoping to achieve. As a result, in January 2008, the DYY grant money and shift obligation was transferred to MVWD's Well No. 32.
- Monte Vista Water District – Well No. 31: well construction completed July 2006 and well equipping is scheduled for completion in September 2008. Well No. 32 is substantially complete. Well No. 33 and treatment facility (joint MVWD/Chino project): Well construction is complete and treatment facility construction is underway, with completion scheduled for November 2008.
- Jurupa Community Services District – Expansion of the Teagarden IX facility completed and online.

Due to the current drought situation, Metropolitan ceased allowing deposits into the account on April 1, 2007. As of June 30, 2008, about 86,000 AF had been stored in the Basin in Metropolitan's DYY account, after accounting for losses. On May 1, 2008, Metropolitan called for the parties to begin withdrawing water from the DYY account in the total amount of 33,000 AF per 12-month period.

Discussions have been underway with Metropolitan since September 2007 to increase the DYY account to 150,000 AF. Feasibility studies are currently being performed by Black & Veatch and Wildermuth Environmental Inc.



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# CHINO BASIN WATERMASTER

## II. BUSINESS ITEMS

### B. BUDGET AMENDMENT





# CHINO BASIN WATERMASTER

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

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**KENNETH R. MANNING**  
Chief Executive Officer

## STAFF REPORT

**DATE:** September 11, 2008  
September 16, 2008  
September 25, 2008

**TO:** Committee Members  
Watermaster Board Members

**SUBJECT:** Proposed Budget Amendment Request

### SUMMARY

**Recommendation** - Staff recommends that the Pools, Advisory Committee, and Board to consider approval of the attached Budget Amendment.

### DISCUSSION:

Each fiscal year, Watermaster budgets money to contribute to the debt service related to the Phase 1, Recharge Improvement Project. The amount budgeted by Watermaster each year is obtained from IEUA during the budget process and invoiced to Watermaster at the beginning of each fiscal year. IEUA in turn holds the money until the payment is due at the end of the fiscal year.

This year, the budget amount provided to Watermaster was \$360,000, but the invoice came in at \$511,594 which requires a budget amendment in the amount of \$151,594.

Watermaster plans to revisit the budget and the status of projects to determine the need to update budgeted amounts which would be reflected in the final assessment package distributed in November 2008. Because the "pre-assessment package budget review" has not yet been performed, it is currently unclear whether this proposed budget amendment will result in increases to the ultimate assessments that are greater than originally was estimated when the budget was approved.



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## CHINO BASIN WATERMASTER BUDGET AMENDMENT

To: **All Parties**

Fiscal Year 2008-2009

From: Sheri Rojo

Date: September, 2008

**Describe reason for the budget amendment here:** The amount of the debt service budgeted based on estimate was \$360,000. Based on invoice received from IEUA, amount due = \$511,594.33 based on current interest rates.

<b>Expenditure Amendment</b>				
<i>Line Item Description</i>	<i>Account Number</i>	<i>Original Budget</i>	<i>Amended Budget</i>	<i>Amendment Amount</i>
Recharge Debt Payment	7690	\$ 360,000	\$ 511,594	\$ 151,594
<b>TOTAL:</b>				<b>\$ 151,594</b>

<b>Revenue Source</b>				
<i>Line Item Description</i>	<i>Account Number</i>			<i>Amount</i>
Assessment Increase				\$ 151,594
<b>TOTAL:</b>				<b>\$ 151,594</b>

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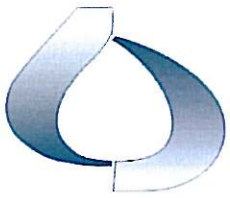


# CHINO BASIN WATERMASTER

## II. BUSINESS ITEMS

### C. INLAND EMPIRE UTILITIES AGENCY DRY YEAR YIELD REPORT BY IEUA STAFF





**Inland Empire**  
UTILITIES AGENCY \*

6075 Kimball Avenue • Chino, CA 91710  
P.O. Box 9020 • Chino Hills, CA 91709  
TEL (909) 993-1600 • FAX (909) 597-8875  
[www.ieua.org](http://www.ieua.org)  
\* A Municipal Water District

DYY Participants,

This is a follow-up letter to the water demand forecast meetings that have taken place over the past month. Again, thank you for taking the time to meet and discuss.

As part of the DYY Expansion Program, we are required to complete the CEQA process by December 2008. Part of the CEQA requires developing groundwater modeling scenarios, which will be completed by Wildermuth Environmental Inc. (WEI), and will describe possible effects to the Chino Basin through the DYY Program. An essential part of the modeling is entering water demand forecast data. Attached is a spreadsheet that contains the DRAFT demand forecasts. WEI will be using the final version for their modeling scenarios. (The forecasts do not take into account the current DYY "call" or MWD's Water Allocation Plan.)

Given our project schedule, any comments/edits to the data must be to be no later than next **Wednesday August 27<sup>th</sup>** in order to give WEI and Tom Dodson the necessary time to complete their tasks. Please let me know if you have any questions/concerns.

Sincerely,

Inland Empire Utilities Agency  
Richard Atwater  
CEO/General Manger

*Fifty-Five Years of Excellence in Water Resources & Quality Management*

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Date: September 2, 2008

Prepared By: Inland Empire Utilities Agency

Reviewed By: Black & Veatch and Wildermuth Environmental Inc.

Subject: Final Water Demand and Supply Forecasts for Chino Basin Dry Year Yield Expansion Program CEQA Analysis – Technical Memo #2

*Supplement to the April 16, 2008 IEUA Tech Memo #1 –  
Net Groundwater Replenishment Obligations through 2015 Based upon  
Projected Water Demands and Available Supplies to the Chino Basin*

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### **Background**

Inland Empire Utilities Agency (IEUA), Chino Basin Watermaster (CBWM), Black & Veatch (B&V), Wildermuth Environmental Inc. (WEI) and Tom Dodson & Associates (TDA) are working together to complete the Chino Basin Dry Year Yield (DYY) Expansion Program CEQA documentation process by December 31, 2008. The purpose of this memo is to update the collaborative process for updating the projected individual retail water demands and supplies for the Chino Basin and that will be used for the DYY Program CEQA modeling process.

This memo updates and is a supplement to the April 16, 2008 Technical Memo #1, *Net Groundwater Replenishment Obligations through 2015 Based upon Projected Water Demands and Available Supplies to the Chino Basin*, which analyzed current water use trends, future water demands, replenishment requirements, available supplies and Chino Basin groundwater pumping scenarios to assess the need for additional replenishment capacity (See Appendix C).

### **Projected Retail Water Demand and Supplies in the Chino Basin**

The Chino Basin groundwater modeling performed by WEI is largely driven by the water demand projections and projected groundwater data that are entered into the model, reinforcing the need for up-to-date water demand and supply forecasts. In early 2008, B&V gathered initial demand forecast data for the purposes of the Dry Year Yield Expansion Program. In July and August, IEUA staff met with each IEUA retail agency to review current

water supply and growth conditions, update future water demand and supply trends and identify possible future replenishment obligations.<sup>1</sup>

Current conditions that were discussed that may impact near term demand trends include:

- Fiscal Year 2006/07 was the driest year on record, and is thus likely to be the highest water demand recorded in the Chino Basin for the near future;
- Continued slowdown of the housing market which will delay increases in water demand and thus delay the need for additional water supplies;
- Enhanced regional conservation efforts and programs to respond to the continued statewide dry conditions, reduced MWD imported supplies and the potential mandatory reduction in MWD imported supplies; and
- The Governor's call for a 20% statewide reduction in water use by 2020 is leading to the development and implementation of increased conservation programs statewide, including DWR's 20x20x20 conservation initiative, SWRCB's consideration of regulatory conservation programs, and legislation such as AB 2175.

Since April and during this summer discussions with the retail agencies also addressed the implementation of programs that are increasing local water supplies including the recycled water program (consistent with the expedited scheduled under the 3 Year Business Plan) and the expansion of the Chino Desalter production.

Appendix A contains the updated water demand and supply projections that were reviewed by the IEUA retail agencies. These projections will be used in the WEI modeling to complete the DYY CEQA process by December 31, 2008. The projections will also be used in the modeling analysis for the update of the Chino Basin Groundwater Recharge Master Plan (July 2010).

## **Conclusion**

Total projected water demands and supplies for the IEUA service area over the next seven years are expected to range from 244,000 AFY to 260,000 AFY (increasing to 300,000 AFY by 2035). Overall, these updated forecasts still appear to be high when considering all of the current conditions facing the Chino Basin. In particular, the stronger, more aggressive conservation message that is being delivered by the Governor, State Water Resources Control Board, the California Department of Water Resources and MWD will reinforce local water efficiency programs and enhance the near and long term effectiveness of these efforts.

It is important to note that Chino Basin groundwater pumping by DYY participating agencies is projected to remain steady through 2015, at approximately 140,000 AFY, and then increase to approximately 175,000 AFY in 2035. This projection through 2015 reflects, in large part, the planned increase in other local water supplies (such as the growth in the direct use of recycled water from 12,000 AFY to 35,000 AFY) and lower overall water demands (due to increased

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<sup>1</sup> City of Pomona and Jurupa Community Services District initial demand forecasts were used for this analysis.



conservation) that will reduce the need for additional groundwater pumping. In the summer discussions, none of the IEUA retail agencies indicated that they expected to increase their respective Chino Basin groundwater replenishment obligations as a result of their groundwater pumping plans over the next ten years.

Chino Basin DYY participants projected groundwater use is lower (140,000 AFY in 2015 to 175,000 AFY in 2035) as compared to the initial forecasts of 180,000 AFY in 2015 to 200,000 AFY in 2035. Thus overall replenishment needs for MWD spreading supplies is significantly lower than previously projected. And opportunities exist to enhance storing supplemental supplies in the Chino Basin. For example, with a current recharge capacity for Chino Basin facilities at approximately 110,000 AFY with all the phase 1 and 2 improvements, the future replenishment of recycled water (20,000 AFY - 35,000 AFY by 2012 with a five year moving average) along with increased storm water capture will allow significant operating flexibility to use MWD supplies from the SWP when available (about 30-40 percent of the time) to achieve the Judgment requirements for replenishment. The additional combination of new in-lieu replenishment programs (30,000 AFY - 40,000 AFY) and aquifer storage and recovery (ASR) wells (10,000 – 15,000 AFY) can increase the Basin’s annual “put” into storage capacity, producing a potential total of 150,000 AFY – 165,000 AFY of recharge capacity (assumes that in-lieu water is appropriately priced and ASR wells can be constructed under an expanded DYY program).

<b>Current &amp; Additional Chino Basin Recharge Capacities</b>	
<b>Basins</b>	110,000 AFY
<b>In-Lieu</b>	30,000 – 40,000 AFY
<b>ASR Wells</b>	10,000 – 15,000 AFY
<b>TOTAL</b>	<b>150,000 – 165,000 AFY</b>

Recharge Capacity Sources: 1. Basins – Appendix B; 2. In-Lieu – historical data; and 3. ASR Wells – DYY Expansion

Appendix A  
Chino Basin Updated Water Demand Supply Projections

Fontana Water Company - Water Demand & Supply Projections											
Source of Water Use	2009	2010	2011	2012	2013	2014	2015	2020	2025	2030	2035
Chino Basin Groundwater	14,500.00	13,500.00	12,500.00	11,000.00	10,000.00	10,000.00	10,000.00	11,000.00	11,500.00	12,000.00	12,500.00
Other Basin Groundwater	16,500.00	14,000.00	13,000.00	12,000.00	11,000.00	11,000.00	11,000.00	12,000.00	13,000.00	13,500.00	14,000.00
Imported Water	10,000.00	12,000.00	14,000.00	16,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00
Surface Water	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	5,000.00	6,000.00	6,000.00	6,000.00
Recycled Water	1,000.00	2,500.00	3,500.00	5,000.00	5,500.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Desaliner Water	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>46,500.00</b>	<b>46,500.00</b>	<b>47,500.00</b>	<b>48,500.00</b>	<b>49,000.00</b>	<b>49,500.00</b>	<b>49,500.00</b>	<b>52,000.00</b>	<b>54,500.00</b>	<b>55,500.00</b>	<b>56,500.00</b>

Cucamonga Valley Water District - Water Demand & Supply Projections											
Source of Water Use	2009	2010	2011	2012	2013	2014	2015	2020	2025	2030	2035
Chino Basin Groundwater	16,598.00	16,598.00	18,787.00	18,787.00	21,229.00	21,229.00	21,229.00	26,729.00	31,229.00	37,729.00	37,729.00
Other Basin Groundwater	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00
Imported Water	35,202.00	33,000.00	30,811.00	30,811.00	28,369.00	28,369.00	28,369.00	28,369.00	28,369.00	28,369.00	28,369.00
Surface Water	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
Recycled Water	1,000.00	3,300.00	3,940.00	4,580.00	5,220.00	5,860.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00
Desaliner Water	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>60,700.00</b>	<b>60,798.00</b>	<b>61,438.00</b>	<b>62,078.00</b>	<b>62,718.00</b>	<b>63,358.00</b>	<b>63,998.00</b>	<b>69,498.00</b>	<b>74,998.00</b>	<b>80,498.00</b>	<b>80,498.00</b>

Monte Vista Water District - Water Demand & Supply Projections											
Source of Water Use	2009	2010	2011	2012	2013	2014	2015	2020	2025	2030	2035
Chino Basin Groundwater	20,000.00	16,000.00	16,000.00	16,000.00	16,000.00	16,000.00	17,000.00	18,500.00	20,000.00	21,500.00	21,500.00
Other Basin Groundwater	-	-	-	-	-	-	-	-	-	-	-
Imported Water	6,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00
Surface Water	150.00	300.00	400.00	400.00	400.00	400.00	400.00	450.00	500.00	500.00	500.00
Recycled Water	-	-	-	-	-	-	-	-	-	-	-
Desaliner Water	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>26,150.00</b>	<b>27,300.00</b>	<b>27,400.00</b>	<b>27,400.00</b>	<b>27,400.00</b>	<b>27,400.00</b>	<b>28,400.00</b>	<b>29,950.00</b>	<b>31,500.00</b>	<b>33,000.00</b>	<b>33,000.00</b>

City of Upland - Water Demand & Supply Projections											
Source of Water Use	2009	2010	2011	2012	2013	2014	2015	2020	2025	2030	2035
Chino Basin Groundwater	1,433.00	1,284.00	1,284.00	2,140.00	2,140.00	2,140.00	2,140.00	2,140.00	2,140.00	2,140.00	2,140.00
Other Basin Groundwater	6,810.00	6,420.00	6,420.00	6,420.00	6,420.00	6,420.00	6,420.00	6,420.00	6,420.00	6,420.00	6,420.00
Imported Water	6,345.00	5,778.00	5,564.00	4,494.00	4,494.00	4,494.00	4,280.00	4,280.00	4,280.00	4,280.00	4,280.00
Purchased Water (SAWCO)	8,495.00	7,918.00	7,918.00	7,918.00	7,918.00	7,918.00	7,918.00	7,918.00	7,918.00	7,918.00	7,918.00
Recycled Water	-	-	214.00	428.00	642.00	856.00	1,070.00	1,070.00	1,070.00	1,070.00	1,070.00
Desaliner Water	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>23,483.00</b>	<b>21,400.00</b>	<b>21,400.00</b>	<b>21,400.00</b>	<b>21,400.00</b>	<b>21,400.00</b>	<b>21,400.00</b>	<b>21,400.00</b>	<b>21,400.00</b>	<b>21,400.00</b>	<b>21,400.00</b>

City of Ontario - Water Demand & Supply Projections											
Source of Water Use	2009	2010	2011	2012	2013	2014	2015	2020	2025	2030	2035
Chino Basin Groundwater	26,000.00	25,000.00	24,000.00	23,000.00	23,000.00	23,000.00	23,000.00	26,000.00	28,000.00	30,000.00	30,000.00
Other Basin Groundwater	-	-	-	-	-	-	-	-	-	-	-
Imported Water	12,000.00	12,000.00	12,000.00	12,000.00	11,500.00	11,000.00	11,000.00	12,000.00	12,000.00	12,000.00	12,000.00
Surface Water	4,000.00	5,000.00	6,000.00	7,000.00	8,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00
Recycled Water	5,000.00	5,000.00	5,500.00	5,500.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Desaliner Water	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>47,000.00</b>	<b>47,000.00</b>	<b>47,500.00</b>	<b>47,500.00</b>	<b>48,500.00</b>	<b>49,000.00</b>	<b>49,000.00</b>	<b>53,000.00</b>	<b>55,000.00</b>	<b>57,000.00</b>	<b>57,000.00</b>



Appendix A  
Chino Basin Updated Water Demand Supply Projections

City of Chino - Water Demand & Supply Projections											
Source of Water Use	2009	2010	2011	2012	2013	2014	2015	2020	2025	2030	2035
Chino Basin Groundwater	9,971.00	9,971.00	10,145.60	10,320.20	10,494.80	10,669.40	10,844.00	11,018.60	12,777.00	13,963.00	12,963.00
Other Basin Groundwater	-	-	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00
Imported Water	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00
Surface Water	2,000.00	3,000.00	4,000.00	5,000.00	5,500.00	5,500.00	5,500.00	6,000.00	6,000.00	6,000.00	6,000.00
Recycled Water	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
Desalator Water	20,571.00	21,571.00	22,745.60	23,920.20	24,594.80	24,769.40	24,944.00	25,911.00	27,377.00	27,563.00	27,563.00
<b>TOTAL</b>											

City of Chino Hills - Water Demand & Supply Projections											
Source of Water Use	2009	2010	2011	2012	2013	2014	2015	2020	2025	2030	2035
Chino Basin Groundwater	12,500.00	14,200.00	14,500.00	14,800.00	15,100.00	15,400.00	15,700.00	16,000.00	16,000.00	16,000.00	16,000.00
Other Basin Groundwater	1,500.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00
Imported Water	-	-	-	-	-	-	-	-	-	-	-
Surface Water	1,685.00	1,700.00	1,875.00	2,050.00	2,225.00	2,400.00	2,400.00	2,500.00	2,500.00	2,500.00	2,500.00
Recycled Water	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00
Desalator Water	19,885.00	21,300.00	21,775.00	22,250.00	22,725.00	23,200.00	23,200.00	23,900.00	23,900.00	23,900.00	23,900.00
<b>TOTAL</b>											

Jurupa Community Services District - Water Demand & Supply Projections											
Source of Water Use	2009	2010	2011	2012	2013	2014	2015	2020	2025	2030	2035
Chino Basin Groundwater	23,000.00	25,000.00	26,000.00	27,000.00	28,000.00	29,000.00	29,711.00	30,009.00	30,009.00	30,009.00	30,009.00
Other Basin Groundwater	-	-	-	-	-	-	-	-	-	-	-
Imported Water	-	-	-	-	-	-	-	-	-	-	-
Surface Water	8,700.00	8,700.00	8,700.00	8,700.00	8,700.00	8,700.00	8,700.00	8,700.00	8,700.00	8,700.00	8,700.00
Recycled Water	33,700.00	33,700.00	34,700.00	35,700.00	36,700.00	37,700.00	38,411.00	38,709.00	38,709.00	38,709.00	38,709.00
Desalator Water	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>											

City of Pomona - Water Demand & Supply Projections											
Source of Water Use	2009	2010	2011	2012	2013	2014	2015	2020	2025	2030	2035
Chino Basin Groundwater	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00
Other Basin Groundwater	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00
Imported Water	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Surface Water	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Recycled Water	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Desalator Water	31,500.00	31,500.00	31,500.00	31,500.00	31,500.00	31,500.00	31,500.00	31,500.00	31,500.00	31,500.00	31,500.00
<b>TOTAL</b>											

TOTAL IEUA Participants - Water Demand & Supply Projections											
Source of Water Use	2009	2010	2011	2012	2013	2014	2015	2020	2025	2030	2035
Chino Basin Groundwater	101,002.00	96,553.00	97,216.60	96,047.20	97,963.80	98,438.40	99,613.00	112,180.00	122,646.00	132,332.00	132,832.00
Other Basin Groundwater	28,710.00	25,820.00	24,820.00	23,820.00	22,820.00	22,820.00	22,820.00	23,820.00	24,820.00	25,320.00	25,820.00
Imported Water	74,647.00	78,578.00	78,175.00	79,105.00	78,163.00	77,663.00	77,449.00	78,449.00	78,449.00	78,449.00	78,449.00
Surface Water	15,895.00	14,918.00	14,918.00	14,918.00	14,704.00	14,490.00	14,490.00	14,990.00	15,990.00	15,990.00	15,990.00
Recycled Water	9,835.00	15,800.00	19,928.00	24,458.00	27,487.00	30,016.00	30,870.00	31,570.00	31,570.00	31,570.00	31,570.00
Desalator Water	14,200.00	14,200.00	14,700.00	14,700.00	15,200.00	15,200.00	15,200.00	15,200.00	15,200.00	15,200.00	15,200.00
<b>TOTAL</b>	<b>244,289.00</b>	<b>245,869.00</b>	<b>249,758.60</b>	<b>253,048.20</b>	<b>256,337.80</b>	<b>258,627.40</b>	<b>260,442.00</b>	<b>276,459.00</b>	<b>288,675.00</b>	<b>298,861.00</b>	<b>299,861.00</b>

TOTAL DYY Participants - Water Demand & Supply Projections											
Source of Water Use	2009	2010	2011	2012	2013	2014	2015	2020	2025	2030	2035
Chino Basin Groundwater	137,002.00	134,533.00	136,216.60	136,047.20	138,963.80	140,438.40	142,374.00	155,189.00	165,655.00	175,341.00	175,841.00
Other Basin Groundwater	36,310.00	33,320.00	32,320.00	31,320.00	30,320.00	30,320.00	30,320.00	31,320.00	32,320.00	32,820.00	33,320.00
Imported Water	80,647.00	84,578.00	84,175.00	85,105.00	84,163.00	83,663.00	83,449.00	84,449.00	84,449.00	84,449.00	84,449.00
Surface Water	17,895.00	16,918.00	16,918.00	16,918.00	16,704.00	16,490.00	16,490.00	16,990.00	17,990.00	17,990.00	17,990.00
Recycled Water	12,835.00	18,800.00	22,928.00	27,458.00	30,487.00	33,016.00	33,870.00	34,570.00	34,570.00	34,570.00	34,570.00
Desalator Water	22,900.00	22,900.00	23,400.00	23,400.00	23,900.00	23,900.00	23,900.00	23,900.00	23,900.00	23,900.00	23,900.00
<b>TOTAL</b>	<b>307,489.00</b>	<b>311,069.00</b>	<b>315,958.60</b>	<b>320,248.20</b>	<b>324,537.80</b>	<b>327,827.40</b>	<b>330,353.00</b>	<b>346,368.00</b>	<b>358,884.00</b>	<b>369,070.00</b>	<b>370,070.00</b>

**DRAFT - Appendix B**  
**Chino Basins Recharge Capacity & Recharge Sources: Recycled Water, Storm Water, Imported Water**

Basin	Recharge Capacity cfs	Recharge Capacity AF per day	Total Capacity (80% Usage)	Recycled Water (20%) Title 22 Report	Recycled Water (20%) (AF)	Recycled Water (30%) (AF)	Recycled Water (50%) (AF)	Storm Water (30%) (AF)	Imported Water (50%) For basins with no RW then (70%) (AF)	Imported Water (40%) For basins with no RW then (70%) (AF)	Imported Water (20%) For basins with no RW then (70%) (AF)
Banana Basin	5	9.9	2,900	1,000	580	870	1,450	870	1,450	1,160	580
Deleze Basins	6	11.9	3,500	500	690	1,040	1,730	1,040	1,730	1,390	690
Etiwanda Cons. Ponds	Not Developed			1,600							
Hickory Basin	5	9.9	2,900	1,300	580	870	1,450	870	1,450	1,160	580
Jurupa Basin	0	0.0	0	0	0	0	0	0	0	0	0
RP-3 Basins	7	13.9	4,000	2,400	810	1,210	2,020	1,210	2,020	1,620	810
Turner Basins	6	11.9	3,500	1,900	690	1,040	1,730	1,040	1,730	1,390	690
7th & 8th Street Basins	5	9.9	2,900	1,100	580	870	1,450	870	1,450	1,160	580
Etiwanda Debris Basin	7	13.9	4,000	2,400	810	1,210	2,020	1,210	2,020	1,620	810
Lower Day Basin	9	17.8	5,200	1,000	1,040	1,560	2,600	1,560	2,600	2,080	1,040
Brooks Street Basins	5	9.9	2,900	1,400	580	870	1,450	870	1,450	1,160	580
College Heights Basins	15	29.7	8,700	0	0	0	0	2,600	6,070	6,070	6,070
Montclair Basins	40	79.2	23,100	0	0	0	0	6,940	16,190	16,190	16,190
Upland Basin	20	39.6	11,600	0	0	0	0	3,470	8,090	8,090	8,090
San Seavaine Basins	50	99.0	28,900	4,100	5,780	8,670	14,450	8,670	14,450	11,560	5,780
Victoria Basin	6	11.9	3,500	1,400	690	1,040	1,730	1,040	1,730	1,390	690
Ely Basins	5	9.9	2,900	660	580	870	1,450	870	1,450	1,160	580
Subtotal			110,500	20,760	13,410	20,120	33,530	33,130	63,880	57,200	43,760

**NOTES:**

1. Recycled Water Recharge Capacity By Basin using Operations Data from FY2005/06 (assumes diluent water is available from stormwater or imported water)
2. In previous years, MWD replenishment water was thought to be available 7 out of 10 years. Under current conditions it is thought to be available only 3 out of 10 years. This is the assumption that is going into Wildermuth Environmental Inc. modeling efforts.





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Date: April 16, 2008  
Prepared By: IEUA - Ryan Shaw, Kathy Tiegs, Martha Davis and Richard Atwater  
Subject: Recharge Master Plan – Technical Memo (UWMP Scenarios)

*Net Groundwater Replenishment Obligations through 2015 Based Upon Projected Water Demands and Available Supplies to the Chino Basin*

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### **Background**

Chino Basin Watermaster and Inland Empire Utilities Agency (IEUA) are working together to update the 2002 Recharge Master Plan. The purpose of this memo is to analyze the current water use trends, water demands, replenishment, available supplies and in particular Chino groundwater pumping scenarios to eliminate the need for replenishment capacity.

In July 2007, Wildermuth Environmental Inc. (WEI) published the Optimum Basin Management Plan (OBMP) that described the “state” of the Chino Basin. (“State of the Basin – 2006,” July 2007) As part of the OBMP, Watermaster conducted hydrogeologic investigations and collected new hydrogeologic data and is currently updating their hydrogeologic conceptual model of the Chino Basin.

The safe yield for Chino Basin is based primarily on accurate estimations of groundwater production, artificial recharge, and basin storage changes over time. Watermaster has been expanding its monitoring program extensively in order to get a better understanding for the current and future trends in groundwater production. The following are general trends in groundwater production:

- There was a basin wide increase in the number of wells producing over 1,000 AFY between 1978 and 2006. This is consistent with (1) the land use transition from agricultural to urban, (2) the trend of increasing imported water costs, and (3) the use of desalters.
- Since the implementation of the OBMP in 2000, the number of active production wells has decreased. This is consistent with the conversion of land use from agriculture to urban.
- Since the implementation of the OBMP in 2000, desalter pumping has commenced and has progressively increased to 16,542 AF in 2005/06.
- Since the implementation of the OBMP in 2000, groundwater production has decreased west of Euclid Avenue. This is consistent with (1) the MZ-1 Interim Management Plan, and (2) reduced the pumping in the City of Pomona, Monte Vista Water District and the City of Chino Hill, as these agencies have been participating in the Dry Year Yield Program.

- In accordance with the hypothesis that urbanization is the cause of decreased agricultural production, Appropriative Pool production tends to increase at approximately the same rate that Agricultural Pool production decreases.

In November 2007, Wildermuth Environmental Inc. (WEI) published a report for Chino Basin Watermaster, modeling and evaluating outcomes of the Peace II agreements. In March 2008, the Peace II agreements were approved. These agreements recognize that Hydraulic Control is an essential goal of the Watermaster and critical to the implementation of the Basin Plan for the Chino Basin. To accomplish this, Watermaster parties must pump 400,000 AF of water from the southern end of the basin creating a capture zone that prevents any measurable amount of low quality water from escaping into Prado Reservoir and eventually making its way into the Orange County aquifer. This controlled overdraft is a cornerstone to the plan approved by the court. By creating Hydraulic Control, the region will be allowed the continued use of recycled water for direct use on parks, golf courses and other non-potable demands, and also will be allowed the regulated use of recycled water for recharge into the Chino Ground Water Basin. The important question that came out of the Peace II agreements and WEI's report was whether there a need for additional groundwater recharge facilities in order to meet future replenishment obligations.

The Peace Agreement and the OBMP Implementation Plan both require Watermaster to develop a Recharge Master Plan. Program Element 2 of the OBMP set forth specific expectations and requirements for the development and implementation of specific recharge improvements.

With the adoption of the Peace II Measures, the parties to the Judgment assumed additional responsibilities to elevate the extent of their collective recharge efforts to address conditions arising from Basin Re-Operation and the effort to secure Hydraulic Control. (See e.g. Peace Agreement II Section 8.2.)

Watermaster committed to submitting an updated Recharge Master Plan to the Court for approval by July 10, 2010. In approving the Peace II Measures, the Court also added several procedural deadlines to ensure that the parties continued to make progress towards that end. Specifically, Watermaster must submit a detailed outline of the scope and content of the Recharge Master Plan to the Court for approval by July 1, 2008, and then make further progress reports on January 1, 2009 and July 1, 2009.

These commitments were restated to some degree and amplified in the Report of the Special Referee. These commitments that are inclusions for the Report are summarized as follows:

- A representation of baseline conditions that are clearly defined and supported by technical analysis. The "baseline condition" includes pumping demand, recharge capacity, total Basin water demand, and availability of replenishment water.
- An annual estimate of Safe Yield. The approach must be technically defensible.
- An evaluation of measures that can be taken to lessen or stop the projected Safe Yield decline. If a measure is practicable it should be evaluated in terms of potential benefits and feasibility.
- Annual evaluations and reporting on impacts on groundwater storage and water levels.



- Demand and imported water forecasts, supported by technical analysis for 2015, 2020, 2025 and 2030.

To address the finite character of the Basin resource, the Plan must include a detailed technical comparison of current and projected groundwater recharge capability and current and projected demand for groundwater.

This technical memorandum will review the baseline, future water demand and water supply projections, over the next five years and evaluate replenishment obligation in the Chino Basin.

### **Future Water Demand Projections**

This section will discuss IEUA's Urban Water Management Plan, the retail agencies Urban Water Management Plan and Black & Veatch's future water demand projections, offer other future water demand projections that take into account recent events that are impacting water demands and supplies within the Chino Basin.

The adopted plan for future water demand and supply is the 2005 Urban Water Management Plan (UWMP). The UWMP is a public statement of the goals, objectives and strategies needed to maintain a reliable water supply for the IEUA service area. It is intended to be consistent with and to support the implementation of the Chino Basin Watermaster's OBMP.

### ***Current Water Demand Projection Scenarios***

IEUA completed its UWMP in November 2005, after receiving population, water supply and water demand projections from each of its retail agencies. The projections were based on an expected growth rate through 2025 that continued slightly lower through 2030. The UWMP forecasts water demands to increase from 255,280 AF to 316,825 AF by 2015, approximately a 25% increase *without considering conservation efforts*. The UWMP forecasts water demand to increase from 255,280 AF to 373,374 AF by 2030, approximately a 45% increase *without considering conservation efforts*. (See Appendix A) IEUA estimates that the regional conservation programs will reduce the above demands by at least 10%. (2005 UWMP, Appendix Z) (Note: Jurupa Community Service District, Chino Desalter Authority's UWMP and the City of Pomona projections are not included in the IEUA UWMP, and they do include San Antonio Water Company as it is part of the IEUA service area.)

Over the past 4 months, Black and Veatch gathered projections for future water supplies in the Chino Basin for the Metropolitan Water District's Dry Year Yield expansion feasibility study. It is assumed that this data was developed based off of Fiscal Year 2006/07 actual water production. These forecasts show an increase from 266,298 AF to 342,484 AF by 2015, approximately a 30% increase. These forecasts show an increase from 266,298 AF to 383,339 AF by 2030, approximately a 45% increase. (See Appendix A) (Note: In order to compare these projections to IEUA's UWMP, Jurupa Community Services District and the City of Pomona data was not included. However these projections do include San Antonio Water Company as it is a part of the IEUA service area.)

The UWMP and Black & Veatch's water demand projections do not take into account recent events that are expected to reduce water demands in the near future. These events include the following:

Conservation efforts over the past two years have exceeded expectations. Southern California experienced a record dry year, last year, which has led to more intensive regional investments in indoor and outdoor conservation. These programs will continue to grow over the next five years in response to recent legal decisions that have reduced imported water supplies available to Southern California by 35%. In addition, on February 28, 2008 Governor Schwarzenegger called on a 20% reduction of daily water use by 2020.

The current recession facing California has already had significant economic impacts on the Inland Empire region. The housing market has dropped significantly and last year foreclosures were at the highest ever, in the San Bernardino and Riverside counties. These directly affect the projected growth in the Chino Basin, and therefore reduce the water demands.

Effectiveness in recent conservation efforts are can be seen on regional wastewater flow trends. In the Chino Basin, IEUA has experienced no growth in overall wastewater flows, effectively “flat-lining” the average daily flow. (Figure 1)

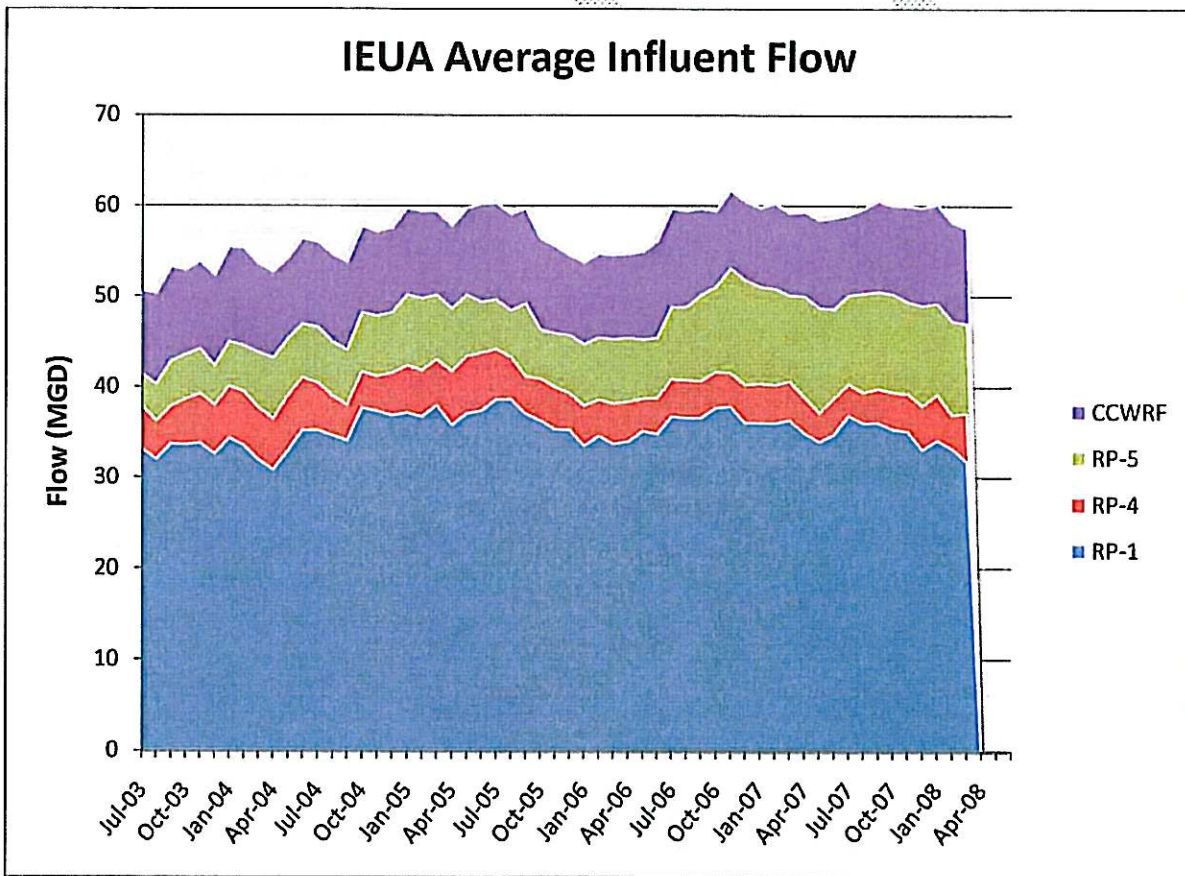


Figure 1 – Shows IEUA’s average wastewater influent flow from 2003 to 2008.

Other Southern California agencies have observed similar trends in wastewater treatment. Los Angeles County and Orange County, which are built-out areas, are actually experiencing declines in wastewater flows. (See Exhibits 1 thru 3.)



**Alternative Water Demand Projection Scenarios**

Given the impacts of recent events on water demand, the following scenarios incorporate these factors below.

The first scenario comes from MWD’s January 2008 “Drought Allocation Plan,” in which IEUA’s growth rate is set at 2.5%. (MWD’s Drought Allocation Plan, 2008) Using MWD’s growth rate, water demand projections are expected to increase from 255,280 AF to 268,204 AF by 2015, approximately a 5% increase. Using MWD’s growth rate, water demand projections are expected to increase from 255,280 AF to 288,826 AF by 2030, approximately a 13% increase. (See attachment A)

The second scenario is IEUA’s “adjusted water demand projection.” Water demand projections are expected to decrease from 255,280 AF to 219,200 AF by 2015, approximately a 14% decrease. This scenario takes into account aggressive conservation, minimal growth, and historical trends in water demand. The Chino Basin can expect to see a similar response to a strong conservation message, as it did when Southern California reduced its demand dramatically after the 1988-1993 drought.

Figure 2 shows the comparison of all four water demand projections.

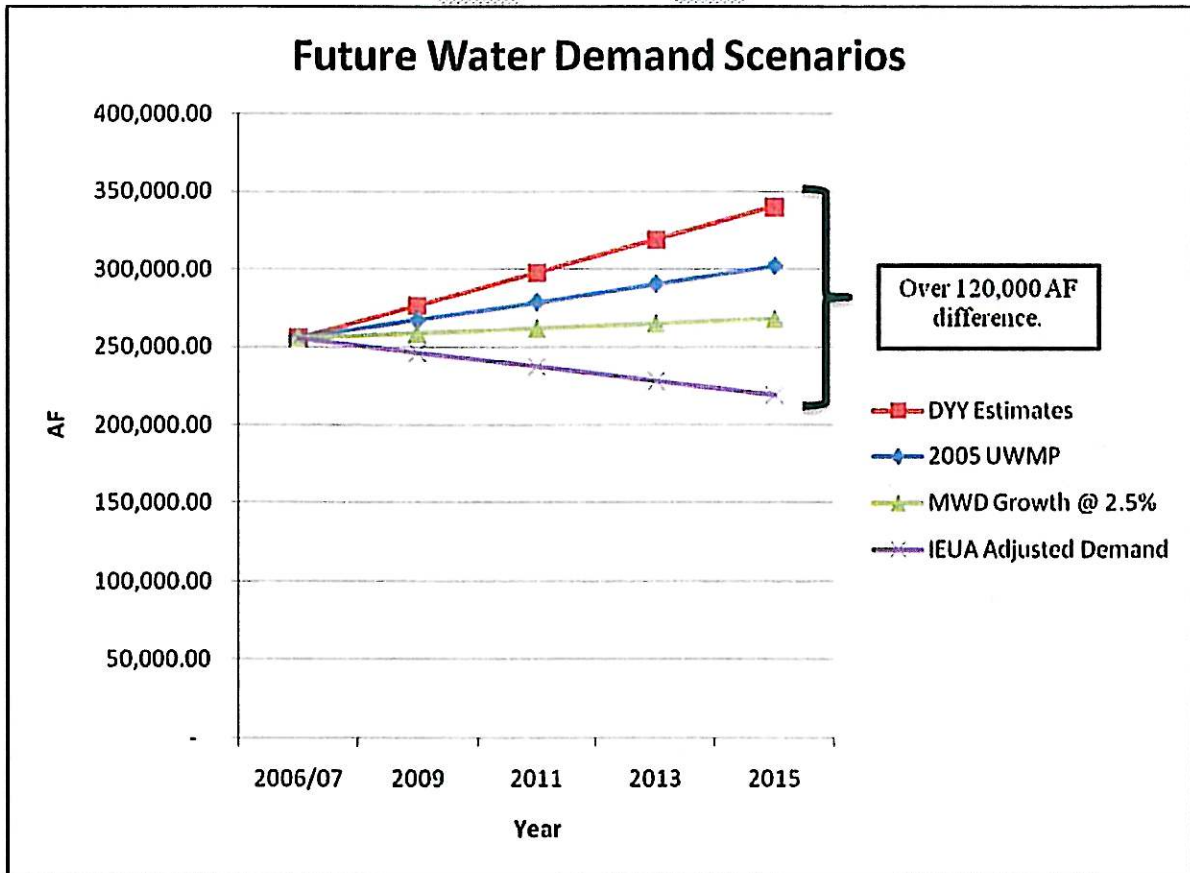


Figure 2 – Future water demand projections, comparing Black & Veatch, the UWMP, a MWD scenario and an IEUA adjusted demand scenario.



Overall, the projections produced by Black and Veatch appear to be significantly high when considering all the realities facing the Chino Basin. In FY 2006/07, California experienced the driest year on record, which also means California produced one of the highest water demand years on record. This suggests that using FY 2006/07 production data from the Chino Basin as a starting point for future projections, will extrapolate extremely high water demand projections. Taking all of the above factors into account, IEUA believes that the future water demand will be much lower than the projections mentioned above.

### **Future Water Supply Projections**

The goal of the IEUA UWMP is to maximize local water sources and minimize the need for imported water, especially during dry years and other emergency shortages from MWD. The integrated plan strives to achieve multiple objectives of increased water supply, enhanced water quality, improved quality of life and energy savings. The UWMP projects that the expected increase of local supplies and the increase in conservation efforts will allow the Chino Basin to be self-reliant in future years, even during droughts.

The IEUA recently developed a 3-Year Recycled Water Business Plan that will increase the use of recycled water, which replaces the potable demand. For example, if recycled water is used in place of groundwater pumping, it will reduce the amount of water needed for groundwater replenishment. Not to mention recycled water is the only water resource that the Chino Basin can still increase, at a minimal cost, and it is virtually drought proof.

The Chino Desalter Authority is another reliable local water resource. The CDA is planning on continuing expanding its production over the next few years. This will reduce other groundwater pumping and will reduce imported water demand, which will be very beneficial in times of drought or emergency.

Overall, the increase of local supplies and conservation efforts will create a growing "cushion" between demand and available supply, with over 80,000 AF net supplies available over projected demand. (Figure 3) These available supplies can be expected to reduce the need for additional groundwater pumping and future replenishment requirements. Water supplies in the Chino Basin easily exceed the future demand, but suggest the need to continue increasing local supplies to allow the Chino Basin to be self-sufficient during a time emergency when no imported water supplies may be available. The increase in local supplies will reduce the groundwater pumping needed for past demands, which will reverse the need for replenishment/recharge that will no longer be required.

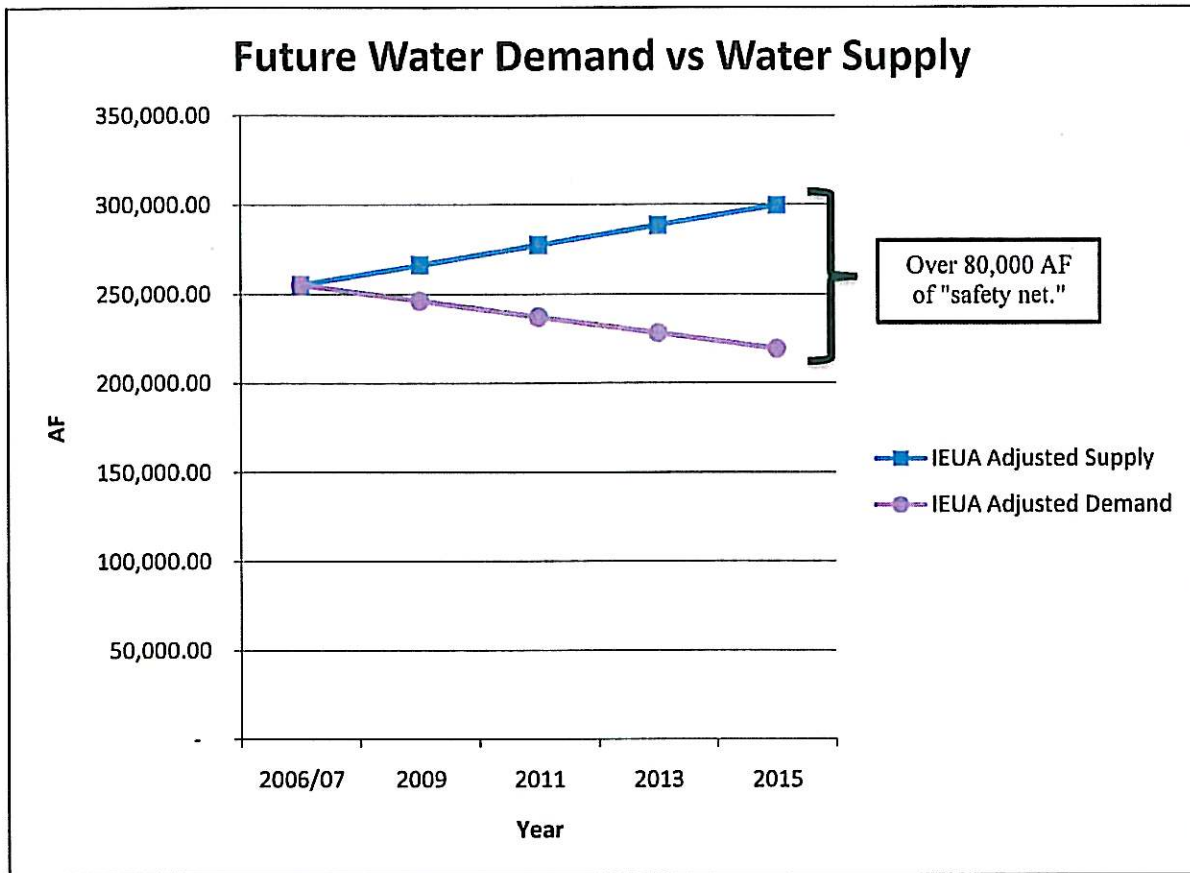


Figure 3 – Shows the comparison between water demand vs supply. There is a large “cushion” between demand and supply.

### Net Replenishment Evaluation

Currently the recharge components in the Chino Basin include: the safe yield; the controlled overdraft; replenishment with wet water and by exchange; recharge for cyclic storage and other conjunctive use programs with wet water and by exchange; five-year, 6,500 AFY MZ1 recharge program; new yield from new storm water recharge; and desalter replenishment from new Santa Ana River recharge.

Under the assumptions of a decreasing or “flat-lining” future water demand and increasing development of local supplies, mentioned above, there is no need for additional recharge facilities within the next five years.

- Continued conversion of water rights, as mentioned in the 2006 State of the Basin Report, from the Non-Agricultural and Agricultural Pools to the Appropriative Pool will reduce the groundwater pumping and increase recycled water use. The Non-Ag Pool will shift 5,000 AF to the Appropriative Pool by converting large industries like California Steel Inc. and Sunkist to recycled water. There is no additional recharge required. The Ag Pool will shift 10,000 – 20,000 AF to the Appropriative Pool by converting Chino’s Institute for Men (CIM) and others to recycled water.



- The implementation of the 3-Year Recycled Water Business Plan will increase direct reuse as well as recharge. On top of the increase in recycled water use is the decrease in groundwater pumping that would have taken place without the recycled water.
- The Dry Year Yield Program requires an increase in groundwater pumping; however there are not any additional recharge requirements, as a result of the In-Lieu Program.
- The Dry Year Yield Expansion Program will increase from 100,000 AF to 150,000 AF with the development of ASR wells, providing recharge capacity.
- The CDA expansion will be increasing production; however there will not be any additional recharge requirements.

### **Conclusion**

The current conditions suggest that retail urban water demands will probably decrease over the next several years in the Chino Basin. Fiscal Year 2006/07 was the driest year on record, thus the highest water demand recorded in the Chino Basin. The continued conservation efforts and programs combined with the reduction in State Water Project water and the Governor's call for a 20% reduction, will keep the demand lower than what was projected in the UWMP and Black & Veatch's projections.

Continued development of the recycled water program, CDA expansion and conservation efforts will increase local supplies. These supplies are projected to be much higher than the retail urban demand, creating a 80,000 AF "cushion" between supply and demand. These expanding programs may reduce the projected increase in groundwater pumping. Thus, the projected replenishment obligation is not expected to exceed 20,000 AF per year prior to 2015.

Therefore, based on these water demand and water supply scenarios, IEUA staff suggests that with the current recharge facilities (about 90,000 to 100,000 AF) there is no need for additional recharge capacity. The budgeted improvements are adequate for the next 5-10 years. In-lieu replenishment and additional ASR wells can augment the recharge spreading capacity by an additional 25,000 to 40,000 AFY.

IEUA Retail Agencies  
Water Demand & Supply Plans

APPENDIX A

	2006/2007 Actuals		IEUA Projected Supply	Black & Veatch Supply Projections	
	IEUA	Black & Veatch	Next 5 Years	2010	2015
<b>City of Chino</b>					
Chino Basin GW	8,908.93	8,861.00	8,000.00	9,288.00	12,514.00
CDA Supply (Chino Basin GW)	4,689.57	4,690.00	5,000.00	5,000.00	5,000.00
Other Basin GW	-	-	-	-	-
Imported Water	4,278.59	4,309.00	5,000.00	5,353.00	5,353.00
Recycled Water	2,303.92	3,612.00	5,500.00	4,936.00	7,250.00
Local Surface Water	-	-	-	-	-
<b>Total</b>	<b>20,181.01</b>	<b>21,472.00</b>	<b>23,500.00</b>	<b>26,587.00</b>	<b>32,132.00</b>
			<b>IEUA's Range of Demand</b>	<b>17,300 to 20,500</b>	

	IEUA	Black & Veatch	Next 5 Years	2010	2015
			See MVWD	See MVWD	See MVWD
<b>City of Chino Hills</b>					
Chino Basin GW	5,190.34	4,154.00	See MVWD	See MVWD	See MVWD
CDA Supply (Chino Basin GW)	3,253.07	5,532.00			
Other Basin GW	-	-			
Imported Water	10,459.49	1,395.00			
Recycled Water	1,630.57	2,942.00			
Local Surface Water	-	-			
<b>Total</b>	<b>20,533.48</b>	<b>14,023.00</b>			
			<b>IEUA's Range of Demand</b>	<b>See MVWD</b>	

	IEUA	Black & Veatch	Next 5 Years	2010	2015
			20,000.00	33,500.00	38,300.00
<b>CVWD</b>					
Chino Basin GW	18,786.47	18,787.00	20,000.00	33,500.00	38,300.00
CDA Supply (Chino Basin GW)	-	-	-	-	-
Other Basin GW	6,308.04	6,308.00	6,500.00	5,400.00	5,400.00
Imported Water	32,825.07	32,825.00	32,000.00	29,000.00	29,000.00
Recycled Water	253.28	147.00	4,000.00	3,700.00	7,500.00
Local Surface Water	4,368.77	4,369.00	5,000.00	2,500.00	2,500.00
<b>Total</b>	<b>62,541.63</b>	<b>62,436.00</b>	<b>67,500.00</b>	<b>74,100.00</b>	<b>82,700.00</b>
			<b>IEUA's Range of Demand</b>	<b>55,000 to 64,000</b>	

	IEUA	Black & Veatch	Next 5 Years	2010	2015
			20,000.00	25,000.00	25,000.00
<b>FWC</b>					
Chino Basin GW	16,218.42	16,218.00	20,000.00	25,000.00	25,000.00
CDA Supply (Chino Basin GW)	-	-	-	-	-
Other Basin GW	24,351.20	25,051.00	25,000.00	22,600.00	22,600.00
Imported Water	-	-	5,000.00	23,000.00	23,000.00
Recycled Water	-	-	6,000.00	2,600.00	5,000.00
Local Surface Water	9,971.32	10,263.00	12,000.00	11,000.00	11,000.00
<b>Total</b>	<b>50,540.94</b>	<b>51,532.00</b>	<b>68,000.00</b>	<b>84,200.00</b>	<b>86,600.00</b>
			<b>IEUA's Range of Demand</b>	<b>43,000 to 55,000</b>	



MVWD*	IEUA	Black & Veatch	Next 5 Years	2010	2015
Chino Basin GW	8,529.52	11,279.00	14,000.00	15,372.00	18,567.00
CDA Supply (Chino Basin GW)	-	-	5,000.00	4,200.00	4,200.00
Other Basin GW	-	-	-	9,617.00	10,052.00
Imported Water	3,845.66	11,484.00	16,000.00	13,351.00	11,856.00
Recycled Water	-	-	3,500.00	3,300.00	4,500.00
Local Surface Water	-	-	-	-	-
<b>Total</b>	<b>12,375.18</b>	<b>22,763.00</b>	<b>38,500.00</b>	<b>45,840.00</b>	<b>49,175.00</b>
			<b>IEUA's Range of Demand</b>	<b>30,300 to 34,500</b>	

City of Ontario	IEUA	Black & Veatch	Next 5 Years	2010	2015
Chino Basin GW	28,014.11	28,014.00	30,000.00	28,000.00	32,400.00
CDA Supply (Chino Basin GW)	4,961.95	5,070.00	7,500.00	8,921.00	8,921.00
Other Basin GW	-	-	-	-	-
Imported Water	13,219.30	13,314.00	12,000.00	16,500.00	16,500.00
Recycled Water	3,672.65	-	8,600.00	7,900.00	8,800.00
Local Surface Water	-	-	-	-	-
<b>Total</b>	<b>49,868.01</b>	<b>46,398.00</b>	<b>58,100.00</b>	<b>61,321.00</b>	<b>66,621.00</b>
			<b>IEUA's Range of Demand</b>	<b>43,600 to 51,000</b>	

City of Upland	IEUA	Black & Veatch	Next 5 Years	2010	2015
Chino Basin GW	1,270.71	2,237.00	2,000.00	4,000.00	4,000.00
CDA Supply (Chino Basin GW)	-	-	-	-	-
Other Basin GW	15,494.55	14,074.00	15,000.00	13,632.00	15,383.00
Imported Water	4,825.00	4,725.00	7,000.00	6,300.00	5,588.00
Recycled Water	16.74	-	800.00	400.00	1,000.00
Local Surface Water	2,199.11	2,342.00	2,000.00	1,300.00	1,300.00
<b>Total</b>	<b>23,806.11</b>	<b>23,378.00</b>	<b>26,800.00</b>	<b>25,632.00</b>	<b>27,271.00</b>
			<b>IEUA's Range of Demand</b>	<b>19,500 to 24,200</b>	

San Antonio	IEUA	Black & Veatch	Next 5 Years	2010	2015
Chino Basin GW	3,113.08	3,113.08	5,000.00	-	-
CDA Supply (Chino Basin GW)	-	-	-	-	-
Other Basin GW	7,676.13	7,676.13	7,000.00	-	-
Imported Water	-	-	-	-	-
Recycled Water	-	-	-	-	-
Local Surface Water	4,644.44	4,644.44	5,000.00	-	-
<b>Total</b>	<b>15,433.65</b>	<b>15,433.65</b>	<b>17,000.00</b>	<b>-</b>	<b>-</b>
			<b>IEUA's Range of Demand</b>	<b>10,500 to 14,000</b>	

Total for Appropriators	IEUA	Black & Veatch	Next 5 Years	2010	2015
Chino Basin GW	90,031.58	92,663.08	99,000.00	115,160.00	130,781.00
CDA Supply (Chino Basin GW)	12,904.59	15,292.00	17,500.00	18,121.00	18,121.00
Other Basin GW	53,829.92	53,109.13	53,500.00	51,249.00	53,435.00
Imported Water	69,453.11	68,052.00	77,000.00	93,504.00	91,297.00
Recycled Water	7,877.15	6,701.00	28,400.00	22,836.00	34,050.00
Local Surface Water	21,183.64	21,618.44	24,000.00	14,800.00	14,800.00
<b>Total</b>	<b>255,279.99</b>	<b>257,435.65</b>	<b>299,400.00</b>	<b>315,670.00</b>	<b>342,484.00</b>
			<b>IEUA's Range of Demand</b>	<b>219,200 to 263,200</b>	

\* Probable Retail Demands & Total Supply Available include MVWD and Chino Hills projections.



**APPENDIX B**

<b>FY 2006/07 Total Comparison**</b>	<b>IEUA</b>	<b>Black &amp; Veatch</b>	<b>Difference</b>
Chino Basin GW	90,031.58	92,663.08	2,631.50
CDA Supply (Chino Basin GW)	12,904.59	15,292.00	2,387.41
Other Basin GW	53,829.92	53,109.13	(720.79)
Imported Water	69,453.11	68,052.00	(1,401.11)
Recycled Water	7,877.15	6,701.00	(1,176.15)
Local Surface Water	21,183.64	21,618.44	434.80
<b>Total</b>	<b>255,279.99</b>	<b>257,435.65</b>	<b>2,155.66</b>

\*\*Comparison doesn't include JSCD or Pomona

**APPENDIX C**

<b>2015 Total Supply Comparison**</b>	<b>IEUA</b>	<b>Black &amp; Veatch</b>	<b>Difference</b>
Chino Basin GW	99,000.00	130,781.00	31,781.00
CDA Supply (Chino Basin GW)	17,500.00	18,121.00	621.00
Other Basin GW	53,500.00	53,435.00	(65.00)
Imported Water	77,000.00	91,297.00	14,297.00
Recycled Water	28,400.00	34,050.00	5,650.00
Local Surface Water	24,000.00	14,800.00	(9,200.00)
<b>Total</b>	<b>299,400.00</b>	<b>342,484.00</b>	<b>43,084.00</b>

\*\*Comparison doesn't include JSCD or Pomona

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## Chino Basin Watermaster Appropriative & Non-Ag Pool

Updated Water Demand & Supply Forecasts and  
Dry Year Yield Status

September 11, 2008

### Updated Demand & Supply Forecasts

- There are two main uses for the updated forecasts:
  - The DYY Expansion Program CEQA
  - The Groundwater Recharge Master Plan Update
- Wildermuth Environmental Inc. model is largely driven by demand & supply forecasts and production data.
- 2005 UWMP demand & supply forecasts do not reflect current conditions.
- IEUA retail agencies have reviewed the forecasts
  - CVWD, MVWD, Upland, Ontario, Chino, Chino Hills, Fontana
  - (Initial forecast data for Pomona & JCSD will be included)

## Updated Demand & Supply Forecasts

IEUA DYY Participants	2009	2015	2035
Chino Basin GW	101,002	99,613	132,832
Other Basin GW	28,710	22,820	25,820
Imported Water	74,647	77,449	78,449
Surface Water	15,895	14,490	15,990
Recycled Water	9,835	30,870	31,570
Desalter Water	14,200	15,200	15,200
<b>TOTAL</b>	<b>244,289</b>	<b>260,442</b>	<b>299,861</b>
All DYY Participants	2009	2015	2035
Chino Basin GW	137,002	142,324	175,841
Other Basin GW	36,210	30,320	33,320
Imported Water	80,647	83,449	84,449
Surface Water	17,895	16,490	17,990
Recycled Water	12,835	33,870	34,570
Desalter Water	22,900	23,900	23,900
<b>TOTAL</b>	<b>307,489</b>	<b>330,353</b>	<b>370,070</b>

## Updated Demand & Supply Forecast Trends

- Even with all DYY Participants, Chino Basin GW pumping will be “flat-lined” through 2015.
- Even with Fontana's new MWD connection (10,000 – 18,000 AFY), imported water will be “flat-lined” through build-out, 2035.
- Recycled Water (direct use not replenishment) will increase to 35,000 AFY by 2015 (if not sooner).
- The forecasts show an increase in overall demand through 2015, increasing from 307,000 AFY to 330,000 AFY.
  - IEUA DYY Participants – from 244,000 AFY to 260,000 AFY
  - Pomona & JCSD – from 63,000 AFY to 70,000 AFY
- Demands through 2015 still appear to be high given current statewide emphasis on water conservation.

## Implications for Groundwater Replenishment Options

- Reduced demand & increased local supply means that Chino Basin groundwater pumping (140,000 AFY) will not be as high as previously thought (180,000 AFY).
- Alternative options to constructing new recharge facilities:
  - Basins
  - In-Lieu
  - ASR Wells

Current & Additional Chino Basin Recharge Capacities	
Basins	110,000 AFY
In-Lieu (thru expanded DYY)	30,000 – 40,000 AFY
ASR Wells	10,000 – 15,000 AFY
<b>TOTAL</b>	<b>150,000 – 165,000 AFY</b>

## Summary of Initial and Expanded DYY Program "Puts" and "Takes"

**Table 3-1  
Summary of Initial and Expanded DYY Program Participants and Proposed Pu/Take Capacities**

Agency	Initial DYY Program (1)		DYY Program Expansion (2)		
	Put Capacity (afy)	Take Capacity (afy)	Put Capacity (afy) (4)	Take Capacity (afy)	
City of Chino	(3)	1,159	500-1,000	2,000	
City of Chino Hills		1,448	–	1,000	
Cucamonga Valley Water District		11,353	4,000-5,000	None	
Fontana Water Company		0	–	2,000	
Jurupa Community Services District		2,000	–	2,000	
Monte Vista Water District		3,983	3,000-4,000	3,000-5,000	
City of Ontario		8,076	2,000-3,000	None	
City of Pomona		2,000	–	2,000	
City of Upland		3,001	–	1,000	
Three Valleys Municipal Water District		0	1,000-2,000	None	
Western Municipal Water District		0	–	8,000-10,000	
<b>Total</b>		<b>25,000</b>	<b>33,000</b>	<b>10,500–15,000</b>	<b>21,000-25,000</b>

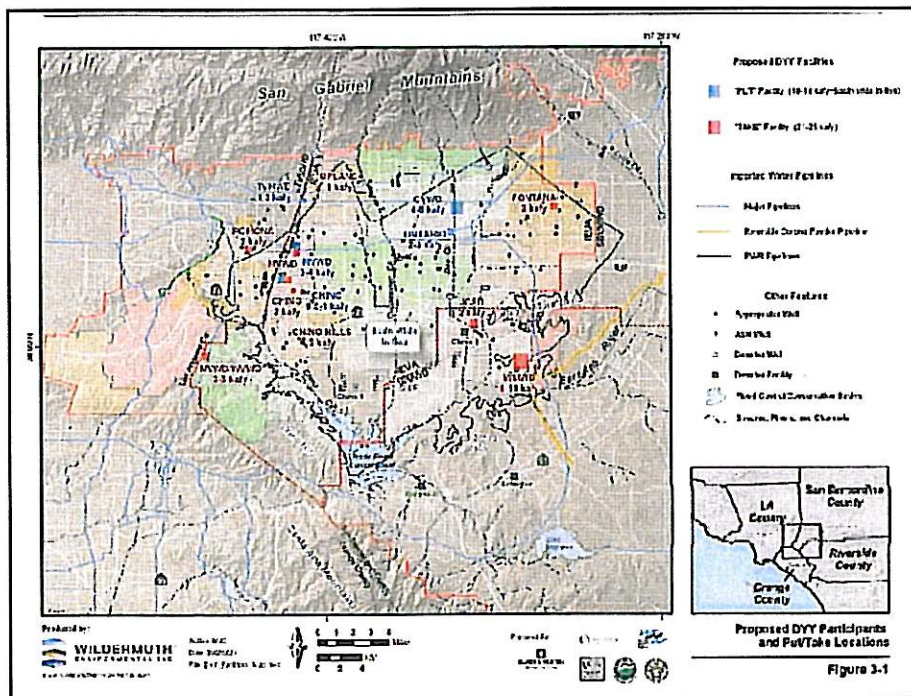
**Notes:**  
 (1) Initial 100,000 AF DYY Program includes maximum 25,000 afy "put" over a four-year period of surplus and a maximum 33,000 afy "take" over a three-year dry period.  
 (2) DYY Program Expansion includes increases in total storage, "put" capacity, and "take" capacity.  
 (3) "Put" for the initial DYY Program are accomplished by a combination of direct recharge and in-lieu deliveries.  
 (4) Does not include basin-wide in-lieu deliveries and direct recharge.



## Summary of Program Participants and Facility Requirements

Table 5-1  
Summary of Program Participants and Facility Requirements

Agency	Facility Requirements
City of Chino	<ul style="list-style-type: none"> <li>Regenerable IX treatment at existing well nos. 3 and 12</li> <li>ASR Site at Well No. 14: Regenerable IX treatment at existing well no. 14 and rehabilitation of existing Chino agriculture well for injection</li> </ul>
City of Chino Hills	<ul style="list-style-type: none"> <li>Convert existing well no. 19 to ASR</li> </ul>
Cucamonga Valley Water District	<ul style="list-style-type: none"> <li>Four new ASR wells</li> </ul>
Fountain Water Company	<ul style="list-style-type: none"> <li>Non-regenerable IX treatment at existing well no. F13A</li> <li>Non-regenerable IX treatment at existing well no. F25A</li> <li>Non-regenerable IX treatment at existing well no. F35A</li> </ul>
Jurupa Community Services District	<ul style="list-style-type: none"> <li>New well no. 27 ("Galleano Well")</li> <li>New well no. 28 ("Oda Well")</li> <li>New well no. 29 ("IDI Well")</li> </ul>
Monte Vista Water District	<ul style="list-style-type: none"> <li>New ASR well and regenerable IX treatment</li> <li>Rehabilitate existing well no. 2 and regenerable IX treatment</li> <li>Regenerable IX treatment at existing ASR well no. 4 and well no. 27</li> <li>Conveyance facilities to deliver water from MVWD via Chino Hills to Walnut Valley Water District service area</li> </ul>
City of Ontario	<ul style="list-style-type: none"> <li>Conveyance facilities to establish interconnection with CVWD</li> </ul>
City of Pomona	<ul style="list-style-type: none"> <li>Regenerable IX treatment at existing Reservoir No. 5 site</li> </ul>
City of Upland	<ul style="list-style-type: none"> <li>New well in Six Basin</li> </ul>
Three Valleys Municipal Water District	<ul style="list-style-type: none"> <li>Treated water pipeline from WFA WTP to Miramar WTP</li> <li>Raw water pipeline from Azusa-Devil Cyn Pipeline to WFA WTP</li> <li>Tieout along Azusa-Devil Cyn Pipeline</li> </ul>
Western Municipal Water District	<ul style="list-style-type: none"> <li>Conveyance facilities to establish interconnection between planned RC Feeder and JCSD service area</li> </ul>



### "Condensed" Project Work Plan and Schedule

PROJECT TASK	MILESTONE (completion date)
<b>CEQA*</b>	
Develop <b>Final</b> Project Description	September 19, 2008
Prepare Draft IS/MND and Submit to CH**	October 24, 2008
Close of Public Comment Period	December 12, 2008
Conduct Public Hearing at IEUA and Adopt	December 17, 2008
<b>TECHNICAL WORK</b>	
Complete Groundwater Modeling Report	December 12, 2008
Develop Conceptual Designs for Facilities	December 12, 2008
Prepare and Submit Draft Project Report	December 12, 2008
Prepare and Submit Final Project Report	December 31, 2008
<b>OTHER</b>	
Negotiate Facilities, Shift and Funding	Jan. — Sept. 2009

\* Assumes preparation of MND. If EIR is triggered from Initial Study, CEQA process will likely continue into 2009.

\*\* Abbreviated hydrogeology/modeling section prepared for CEQA document based on preliminary modeling results.

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### EDUCATION

- B.S. cum laude Saint Mary's College of California (Classics & Economics, 1962)
- M.A., Ph.D. Claremont Graduate School (Economics, 1965, 1971  
*Dissertation: Economic Impact of Defense Closures on the Inland Empire.*)

### RECENT CLIENTS HAVE INCLUDED

- Southern California Metropolitan Water District
- Southern California Association of Governments
- Roadway Express/Yellow Freight Systems
- March Inland Global Port
- Southern California Edison
- Verizon
- Hillwood (©A Perot Company)
- Citizens Business Bank
- Burlington Northern Santa Fe Railroad
- City National Bank
- Inland Empire Economic Partnership
- Orange County Transportation Agency
- Inland Valley Development Agency
- Southern California Logistics Airport
- General Growth Properties
- Forest City Development
- Riverside County Transportation Commission
- San Bernardino Associated Governments
- Western Riverside Council of Governments
- Coachella Valley Economic Partnership
- GE Capital
- California Speedway
- San Bernardino County
- Riverside County
- Arrowhead Credit Union
- Entrepreneurial Capital Group
- San Bernardino Valley Municipal Water District
- State of California
- PFF Bank
- Over 30 Cities

### POSITIONS HELD



- Vice President **Economics & Politics, Inc.** & predecessor (Economics & Finance, 1981-Present)
- Editor/Writer **Inland Empire Quarterly Economic Report** (Economic Research, 1988-Present)
- Columnist **The Business Press** (Inland Empire Newspaper, 1998-Present)
- Executive Committee **Inland Empire Economic Partnership** (Economic Development, 1995-2003)
- President **Inland Empire Economic Partnership** (Economic Development, 1994)
- Economist **Inland Empire Business Center, California State University San Bernardino** (Economic Research, 1990-1992)
- Senior Consultant **California State Assembly** (Majority Services Analyst, 1980-1984)
- Associate Professor **San Bernardino Valley College** (Business & Economics, 1966-1981)

## **SAMPLES OF RECENT APPLIED RESEARCH**

### **1. Logistics & Distribution: An Answer to Regional Upward Social Mobility, 2004**

Analysis of Southern California's declining per capita income status, the need for a sector to replace manufacturing as a source of upward mobility for marginally educated workers, and the case why the logistics industry can play this role if its infrastructure issues are met. Client: Southern California Association of Governments

### **2. San Bernardino County General Plan Update, Economic Background & Strategies, 2003-2004**

440 page analysis of each of six economic zones in San Bernardino County looking at its history, demographics, housing, employment, retail trade, competitive location characteristic and quality of life indicators. Client: San Bernardino County; sub-contractor to URS Corporation.

### **3. Transportation Uniform Mitigation Fees (TUMF). 2004**

Researched the impact of Western Riverside County's TUMF fees on non-residential projects in that area compared to Orange County and San Bernardino County. Client: Western Riverside Council of Governments

### **4. Annual Budget Forecasts. 1992-2004**

Researched and documented annual budget forecasts for key variables for San Bernardino and Riverside counties, plus the sales tax revenues from San Bernardino Associated Government's Measure "I". Clients: San Bernardino & Riverside Counties; SANBAG

### **5. 2000-2030 Long Term Population, Job & Housing Forecasts, Inland Empire, 2000 & 2003-2004**

As part of the SCAG long term forecasting process, helped create the forecasts of jobs, housing and population with emphasis on the Inland Empire. Client: variously performed under contract to the San Bernardino Associated Governments, the City of Moreno Valley and SCAG.

### **6. Comprehensive Economic Development Strategy, Rancho Cucamonga, 2003**

Detailed economic development strategy for the city based upon its current economic conditions and the forces affecting it and the Inland Empire. Client: City of Rancho Cucamonga

### **7. Inland Empire & Southern California's Airport Policy, 2000-2001; 2003**

Examination of economic trends in the Inland Empire compared to the balance of Southern California and their implications for airport policy. Client: San Bernardino Associated Governments, Riverside County Transportation Commission; Southern California Edison.

### **8. Reorganization of Riverside County Transportation Commission, 2002**

Facilitated and later mediated discussions between elected representatives of the 24 cities and Riverside County Board of Supervisors that resulted in the reorganization of RCTC from a seven person board to a board with one representative of each city and all five supervisors. The negotiation also resulted in the establishment of a formula for allocating SB 45 transportation funds between the Coachella Valley and the Western Riverside areas. Client: Riverside County

### **9. Comparative Economic Behavior of Inland Empire versus L.A. & Orange Counties, 1995 and 2002**

Researched the reasons why the Inland Empire economy has added jobs faster than the larger adjacent counties and why this trend will continue into the foreseeable future. Identified the strengths and weaknesses of the inland area vis-à-vis its coastal county neighbors and the policy issues arising for both groups of counties. Clients: Verizon; Riverside County; Orange County Transportation Agency.

### **10. Analyze/criticize U.S. Fish & Wildlife economic impact study of San Bernardino Kangaroo Rat, Santa Ana Sucker, 2002, 2004**

After a thorough review of the U.S. Fish & Wildlife economic impact studies of the San Bernardino Kangaroo Rat and Santa Ana Sucker, wrote critiques and criticism of them. The service redid their work and admitted that the impacts were far above their estimates. Clients: SB Valley Municipal Water District, SB County Flood Control.

### **11. Community College Role In Economic Development & Upward Social Mobility, 2001 & 2004**

Analysis of the changing education needs of entry-level and adult workers and the role of the community colleges, economic development community and business community in designing and implementing programs to fill them. Clients: San Bernardino Community College District; Chaffey Community College District

**12. Economic Development Data & Strategies:** IEEP Factbook, Banning, Cathedral City, Coachella, Corona, Chino, Chino Hills, Colton, Desert Hot Springs, Fontana, Grand Terrace, Indio, Indian Wells, Lake Elsinore, La Quinta, Norco, Ontario, Palm Desert, Palm Springs, Perris, Pomona, Rancho Cucamonga, Rancho Mirage, Riverside, San Bernardino, Temecula, County of Riverside, County of San Bernardino, 1996-2004

Almanacs tracking such local variables as population, retail sales, home prices & sales, assessed valuation, new firm locations, employment, law enforcement, education. Explanations of the forces at work. Strategic recommendations.

### **13. Coachella Valley Economic Development Report, 2000-2004**



First analysis of the Coachella Valley economy based solely on data from within the region.

#### **14. Moody's, Fitch's and Standard & Poor Bond Ratings, 1993-2004**

Researched the impact of the California recession/recovery on the near & long term health of the Inland Empire. Made repeated presentations to the New York and San Francisco offices of Fitch's, Moody's and Standard & Poor bond rating agencies on behalf of Inland Empire counties, school districts and transportation authorities. Feature speaker Bond Buyer conference on California municipal securities, 1995. Clients: San Bernardino & Riverside Counties and Transportation Agencies, Chaffey Community College District, San Bernardino Community College District.

#### **15. Inland Empire Quarterly Economic Report, 1965-1969; 1988-2004**

Author of the respected Inland Empire QER, a publication now in its 16 th year that is distributed to 12,000 business and governmental leaders. The QER gives hard data on the Inland Empire economy, discusses the impacts of economic trends and governmental policies. Sponsors: IEEP, Riverside County Transportation Commission, San Bernardino Associated Governments, Arrowhead Credit Union.

#### **16. Economic Impact of Santa Fe Intermodal Rail Yards on San Bernardino, 1995, 2001**

Researched the job and economic impact of developing a 500,000 lift capacity intermodal rail yard in the City of San Bernardino. Work explained the location advantage of intermodal rail for warehousing & manufacturing firms in an era County. Client: BNSF Railroad

#### **17. Economic Impact of Roadway Express cross docking facilities on the efficiency of goods movement in the I-10 Corridor of San Bernardino County, 1999.**

Study of how locating Roadway's cross docks near to Burlington Northern Santa Fe Railroad intermodal yard, Ontario International Airport and the 200 million feet of industrial space developed since 1985 will increase the efficiency, lower the cost and increase the competitiveness of the goods moving industry in that area. Client: Roadway Express

#### **18. Impact of the El Sobrante Landfill on the character of economic development south of Corona, California, 1998**

Examined competing views of the impact of this facility on the nature of residential values and the types of likely manufacturing development in light of experiences at mature landfills elsewhere in Southern California. Client: Riverside County Board of Supervisors.

#### **19. Helped Coordinate Successful Effort to Stop Closure of Naval Warfare Assessment Division, Norco, 1995**

Modeled cumulative employment and dollar impact of adding NWAD to the Norton, George, & March AFB closures and/or downsizing. Documented weaknesses in Navy's case for closing NWAD. Helped coordinated local lobbying efforts. Testified before BRAC 1995 & 1993. Wrote sections of Governor Wilson's BRAC testimony both years. 1,500 direct jobs saved at NWAD. Client: City of Norco, Consortium of Riverside County agencies.

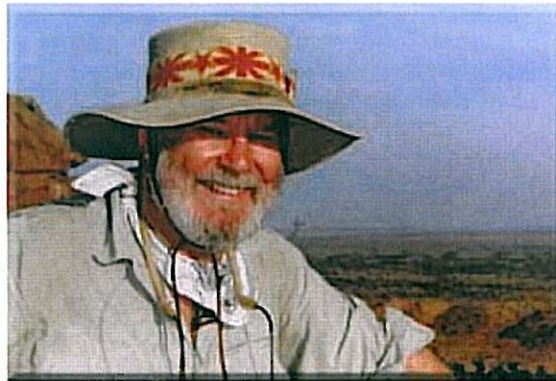
#### **20. Inland Empire Data Base, 2004**

Maintain extensive database of Riverside & San Bernardino County statistical indicators.

Sources include: DataQuick Information Systems; CB Commercial; Grubb & Ellis; U.S. Census; U.S. Bureau of Economic Analysis; Bureau of Labor Statistics; CA Employment Development Dept.; CA Dept. of Finance; CA Board of Equalization; The Meyer's Group; Hinderliter & DeLlamas; The Resource Group; The Findley Reports; Construction Industry Research Board; Sheshunoff Business Information Group; Real Estate Research Council; CA Department of Education; U.S. Department of Justice.

## ADVENTURES

- Trekked over the Himalayas to Tibet; kora around Mt. Kailash to 18,600 feet; 1,000 mile 4-wheeling across Tibet, 2004
- West Africa (Senegal, Mali, Burkina Faso, Cote d'Ivoire), 2001
- First Contact, clans of the Kombai Tribe, Irian Jaya, New Guinea Rain Forest, 1996, 1998 (*Read about this fascinating adventure*).
- Climbed into the Lost World of Mt. Rorima in Venezuela, 1987.
- Climbed to Mt. Everest base camp (18,600), Nepal, 1984.
- Climbed Mt. Kilimanjaro (19,342), Tanzania, 1967, 1979.
- Jogged 8 1/2 miles through the heaviest concentration of lion in the Serangeti National Park, Tanzania, 1979.
- Crossed Alakili Swamp, 1978
- Professional White Water Guide, Western American Rivers, 1972-1973
- Extensive Travel: 52 Countries



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# CHINO BASIN WATERMASTER

## III. REPORTS/UPDATES

### A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

#### 2. LRP Funding Agreement



AGREEMENT NO. 93343  
CHINO BASIN DESALINATION PROGRAM, PHASE II  
JOINT PARTICIPATION AGREEMENT FOR RECOVERY, TREATMENT AND  
UTILIZATION OF CONTAMINATED GROUNDWATER AMONG  
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA,  
THE WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY,  
INLAND EMPIRE UTILITY AGENCY, AND  
CHINO BASIN DESALTER AUTHORITY

THIS AGREEMENT is made and entered into as of July 1, 2007, by and among THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (hereinafter "Metropolitan"), WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY (hereinafter "WMWD"), INLAND EMPIRE UTILITIES AGENCY (hereinafter "IEUA"), and CHINO BASIN DESALTER AUTHORITY (hereinafter "CDA").

RECITALS

- A. Metropolitan was incorporated under the Metropolitan Water District Act ("Act") for the purpose of developing, storing, and distributing water for domestic and municipal purposes.
- B. The Act empowers Metropolitan to acquire water and water rights within or without the State; develop, store and transport water; provide, sell and deliver water at wholesale for domestic and municipal uses and purposes; fix water rates, acquire, construct, operate and maintain any and all works, facilities, improvements and property necessary or convenient to the exercise of the powers granted by the Act.
- C. WMWD and IEUA, as member public agencies of Metropolitan under the Act, are wholesale purchasers within its service area of water developed, stored, and distributed by Metropolitan.
- D. CDA is a California joint powers agency comprised of IEUA, the Jurupa Community Services District, the Santa An River Water Company, and the cities of Chino, Chino Hills, Norco, and Ontario. CDA was formed by these entities pursuant to the Joint Exercise of Powers Agreement Creating the CHINO DESALTER AUTHORITY, dated as of September 25, 2001 for the purpose of jointly exercising powers to own, operate and maintain water desalting facilities in the lower part of the Chino Basin.
- E. Metropolitan's water supply and demand projections for its service area, including that encompassed by WMWD and IEUA, show that additional sources of water must be developed to meet future needs.

- F. Metropolitan, WMWD and IEUA and CDA have determined that it is mutually beneficial for local projects originating in the service areas of WMWD and IEUA be developed as a supplement to Metropolitan's imported water supplies in order to meet future water needs.
- G. CDA owns and operates the Chino Basin Desalination Program, Phase II (Project), which commenced operation June 30, 2006. The Project treats approximately 15,000 acre-feet per year of contaminated groundwater from the Chino Groundwater Basin for domestic and municipal purposes.
- H. Metropolitan, in accordance with its Integrated Resources Plan, and Board Letter 7-11, dated June 12, 2007 and attached hereto as Exhibit "A", desires to assist WMWD, IEUA and CDA with the cost of a study to expand water storage in Chino Basin and, if the expansion is implemented, with the cost of that expansion, under the Chino Basin Groundwater Storage Agreement, AGREEMENT NO. 49960 (Storage Agreement) executed in June 2003, attached hereto as Exhibit "B", between Metropolitan, The Chino Basin Watermaster, Three Valleys Municipal Water District and IEUA.
- I. In return for Metropolitan's financial assistance for the study to expand water storage in Chino Basin and, if the expansion is implemented, with the cost of that expansion, WMWD, IEUA and CDA desire to eliminate the Metropolitan losses provision in the Storage Agreement, and to comply with the provisions of Board Letter 7-11, Exhibit "A", and the terms of this Agreement.
- J. This agreement is part of a group of agreements intended to better integrate the various elements of several related programs that all have an impact on the production and beneficial utilization of the Chino Groundwater Basin. Through coordination of resources and operations, Metropolitan's Conjunctive Use Program, Local Resources Programs, which include the Groundwater Recovery Program and Recycled Water Program, can provide benefits for the region. An aspect or change in one program may impact one or more of these other programs. In addition to the current agreement, two other agreements are either being prepared or have been executed. These three agreements are summarized as follows:
1. Chino Basin Desalination Program, Phase II, under which Metropolitan pays an incentive payment for water produced by existing facilities constructed without Metropolitan financial support as part of support for a study, and possible construction, of facilities to expand the amount of water Metropolitan can store in Chino Basin. This agreement expires after two years if the existing storage agreement is not amended for a planned expansion and after five years if the amendments under the storage agreement have not been implemented.



2. The Chino Basin Groundwater Study, Agreement No. 88734, to explore possible expansion of the existing Metropolitan's Conjunctive Use Program for the storage of water in Chino Basin.

3. An Amendment to Metropolitan's Chino Basin Groundwater Storage Conjunctive Use Program to eliminate Metropolitan's responsibility for loss of water held in the Metropolitan's storage account under that agreement.

Three other existing related agreements involving storage of groundwater in Chino Basin are:

1. Chino Basin Groundwater Storage – under the Conjunctive Use Program, Agreement No. 49960, between Metropolitan, Inland Empire Utilities Agency, Three Valleys Municipal Water District, Chino Basin Watermaster, June 19, 2003.

2. Chino Basin Desalination Program, Phase I – a Groundwater Recovery Project under the Local Resources Program, Agreement No. 4912, between Metropolitan, Santa Ana Watershed Project Authority, Western Municipal Water District of Riverside County, Chino Basin Municipal Water District, Orange County Water District, December 7, 1995.

3. IEUA Regional Recycled Water Distribution System – a Recycled Water Project under the Local Resources Program, June 1996.

These existing agreements are included herein as Exhibits I, J, and K as any amendments to any of these agreements must be checked with the other agreements for consistency of overall program goals.

NOW, THEREFORE, in consideration of the promises and covenants herein set forth, the Parties do agree as follows:

### **Section 1. Definitions**

The following words and terms, unless otherwise expressly defined in their context, shall be defined to mean:

- 1.1. "Allowable Yield" shall mean the amount of Recovered Groundwater that is delivered to End User by CDA from the Project in any fiscal year eligible to receive Metropolitan's financial assistance. Allowable Yield, measured in acre-feet, shall exclude any Recovered Groundwater Metropolitan reasonably determines will not reduce WMWD and IEUA's demand for Metropolitan's imported water. Metropolitan shall not be obligated to purchase in excess of 18,000 acre-feet (120 percent of the Project's approximate capacity), of Recovered Groundwater in any one fiscal year, unless otherwise agreed in writing. Allowable Yield shall exclude: (1) any non-Project water

conveyed through the Project facilities; (2) Allowable Yield from other projects with active or terminated LRP, Groundwater Recovery Program, or LPP agreements.

- 1.2. "Degraded Groundwater" shall mean groundwater that does not meet applicable drinking water quality standards such as those set forth in Division 4, Environmental Health of Title 22, California Code of Regulations, as amended from time to time, or any successor regulations.
- 1.3. "End User" shall mean each user that purchases Recovered Groundwater furnished by the Project, unless otherwise approved by Metropolitan.
- 1.4. "Fiscal year" shall mean Metropolitan fiscal year that begins on July 1 and ends on June 30.
- 1.5. "Final Groundwater Storage Program Contribution" shall mean the financial contribution by Metropolitan to the Project in dollars per acre-foot of Allowable Yield. The Final Groundwater Storage Program Contribution for the Project is equal to the sum of the Project Unit Cost and Deferred Cost minus Metropolitan's prevailing full service treated water rate, but shall not exceed \$250 per acre-foot.
- 1.6. "Project" shall mean the Chino Basin Desalination Program, Phase II, owned and operated by CDA, as described in Exhibit C and incorporated herein by reference, consisting of facilities capable of producing and distributing the Allowable Yield. CDA shall notify Metropolitan prior to making any changes to the Project that require new environmental documentation other than addendum to the existing environmental documentation. After reviewing the proposed change and associated environmental documentation, Metropolitan shall inform WMWD and IEUA and CDA of Metropolitan's decision to include or exclude the Project change to this Agreement.
- 1.7. "Recovered Groundwater" shall mean all Degraded Groundwater recovered and delivered for beneficial use by the Project in a fiscal year.
- 1.8. "Replenishment Water" shall mean that water obtained from Metropolitan and used for the purpose of replenishing natural groundwater basins.
- 1.9. "Estimated Contribution" shall mean the advanced financial contribution in dollars per acre-foot Metropolitan pays for Allowable Yield to CDA for monthly billing purposes until the Final Groundwater Storage Program Contribution is calculated pursuant to procedures in Sections 4.2 and 5.2, respectively.
- 1.10. "Project Unit Cost" shall mean the actual cost to produce an acre-foot of water by the Project in a fiscal year and is comprised of three components: Annualized Capital Component, Operation and Maintenance Component, and Annualized Replacement Component as specified in Exhibits D, E, and F, incorporated herein by this reference.

- 1.11. "Deferred Cost" shall mean that cost, in dollars per acre-foot, carried forward from the preceding fiscal year as calculated in Exhibit G, incorporated herein by this reference.

## **Section 2. Warranties**

- 2.1. CDA warrants that the Project will continue to increase groundwater production for potable uses from the Chino Groundwater Basin and improve regional water supply reliability.
- 2.2. CDA warrants that it will continue to extract groundwater from the Chino Groundwater Basin to operate the Project subject to appropriate water rights.
- 2.3. CDA warrants that it is able and has a right to utilize and distribute Allowable Yield.
- 2.4. CDA warrants that it does not discriminate against employees or against any applicant for employment because of age, ancestry, color, creed, denial of family and medical care leave, mental or physical disability (including HIV and AIDS), marital status, medical condition, national origin, race, religion, sex or sexual orientation, and further warrants that it requires all contractors and consultants performing work on the Project to comply with all laws and regulations prohibiting discrimination against any applicant for employment because of age, ancestry, color, creed, denial of family and medical care leave, mental or physical disability (including HIV and AIDS), marital status, medical condition, national origin, race, religion, sex or sexual orientation.
- 2.5. CDA warrants that it has or will comply with the provisions of the California Environmental Quality Act for each and all components of the Project facilities.

## **Section 3. Ownership and Responsibilities**

- 3.1. CDA is the sole owner of Project facilities. Metropolitan, WMWD and IEUA have no ownership right, title, security interest or other interest in the Project facilities.
- 3.2. CDA is solely responsible for all design, environmental documentation, right-of-way acquisitions, permits, construction, and cost of the Project and all modifications thereof.
- 3.3. CDA is solely responsible for operating and maintaining the Project in accordance with all applicable local, State, and federal laws. Metropolitan and WMWD and IEUA shall have no rights, duties or responsibilities for operation and maintenance of the Project.
- 3.4. CDA agrees to install, operate and maintain metering devices for the purpose of measuring the quantity of Allowable Yield delivered to its distribution system.
- 3.5. CDA agrees, at all times during the term of this Agreement, to use its best efforts to operate or cause the Project facilities to be operated to maximize Allowable Yield on a sustained basis.

**Section 4. Billing Process**

- 4.1. CDA shall invoice Metropolitan monthly for the Contribution based upon the Allowable Yield delivered to End Users during the previous month. After receiving CDA's invoice, Metropolitan shall include a credit equal to CDA's invoice amount on the next monthly water service invoice issued to WMWD and IEUA.
- 4.2. Upon receiving the Metropolitan invoice, WMWD and IEUA shall include the full amount of the credit received from Metropolitan pursuant to Section 4.1 as credit on its next water service invoice to CDA.
- 4.3. Unless otherwise provided for in this Agreement, all invoicing, billing and crediting processes shall be in accordance with the rules and regulations established from time to time by Metropolitan as reflected in Metropolitan's Administrative Code.

**Section 5: Reconciliation Process**

- 5.1. By December 31 of each fiscal year, CDA shall provide Metropolitan with: (a) records of Recovered Water and Allowable Yield; (b) supporting documentation of the actual cost of the Project for the previous fiscal year required to perform the calculations prescribed in Exhibits "D", "E", and "F"; (c) the terms and schedule of payments of the Project's financing instrument; and (d) a description of any changes to the Project's financing instruments. Metropolitan will suspend its Estimated Contribution if CDA fails to provide any of the above-required data by April First of each fiscal year. During the suspension period, CDA shall continue to invoice Metropolitan for the Allowable Yield for water accounting purposes. Metropolitan will resume the monthly Estimated Contribution once complete data is received and conduct the corresponding reconciliation pursuant to Section 5.2. Failure by CDA to provide reconciliation data within 18 months after the end of the fiscal year for which reconciliation is required shall constitute material breach of the Agreement.
- 5.2. Within 180 days after Metropolitan receives complete data from CDA, pursuant to Section 5.1, Metropolitan shall calculate the Final Contribution for the fiscal year. The Final Contribution shall then apply retroactively to all Allowable Yield for the applicable fiscal year. An adjustment shall be computed by Metropolitan for over- or under-payment for the Allowable Yield and included on the next billing issued to WMWD and IEUA and payments shall be made in accordance with Metropolitan's Administrative Code.
- 5.3. Parties agree that all contributions other than those derived from within WMWD and IEUA service area boundaries received prior to and during the term of this Agreement that offset eligible Project cost shall be deducted from respective cost components. During the reconciliation following receipt of such contributions, the Parties shall determine the equitable apportionment of such contributions for capital and/or operational purposes. If the Parties are unable to arrive at agreement, Section 6 shall apply.



## **Section 6: Coordinating Committee**

- 6.1. The Coordinating Committee is composed of one participant each from Metropolitan, WMWD, IEUA, and CDA. The Coordinating Committee shall meet as needed to resolve issues regarding the Contribution, Annualized Capital Component, Operation and Maintenance Component, Annualized Replacement Component, and Project Unit Cost. Coordinating Committee's responsibilities exclude renegotiating the terms of this agreement.
- 6.2. The Coordinating Committee shall, to the extent possible, seek to establish consensus in carrying out its responsibilities. Metropolitan shall have one vote and WMWD, IEUA, and CDA shall collectively have one vote on the committee. If by voting the Coordinating Committee cannot resolve a particular matter or matters, a third party shall be appointed by the Parties to provide a third vote on the Committee, and the Coordinating Committee shall then act by majority vote as to the matter or matters. The Coordinating Committee's decision shall be final and binding on all Parties. If the Parties cannot agree on the third party, then any Party may request a court to appoint the third party pursuant to Code of Civil Procedure, Section 1281.6. Costs for the third party shall be paid equally by Parties, and shall not be included in the Project Unit Cost.

## **Section 7: Term and Amendments**

- 7.1. This Agreement shall commence on July 1, 2007 and terminate on June 30, 2032 unless terminated earlier pursuant to the provisions set forth in the sections below.
- 7.2. This Agreement may be amended at any time by written mutual agreement of the parties.
- 7.3. CDA may terminate this Agreement upon 30 days prior notice.
- 7.4. Consistent with Met Board Letter 7-11, dated June 12, 2007 and included hereto as Exhibit "A", Metropolitan will terminate this Agreement upon 30 days prior notice upon the following occurrences, whichever occurs first, unless these deadlines are subsequently extended by Metropolitan's Board:
  - (a) on September 1, 2009 (two years from September 1, 2007) if the parties have not amended Agreement No. 49960 (Groundwater Storage Program Funding Agreement) to expand the groundwater storage program as contemplated in Exhibit "A".
  - (b) on September 1, 2009 (two years from September 1, 2007) if the parties have not amended Agreement No. 49960 (Groundwater Storage Program Funding Agreement) to eliminate losses to the Metropolitan Storage Account contemplated in Agreement No. 49960 section VI.C.1.c. retroactive to September 1, 2007 and for the term of Agreement No. 49960 for the expanded storage program, as amended from time to time.

(c) on September 1, 2012 (five years from September 1, 2007) if the parties have not implemented the actions defined in the amended Agreement No. 49960 (Groundwater Storage Program Funding Agreement). Implemented, for purposes of this section means: completed construction for all facilities and signed all agreements necessary for performance of the expanded Groundwater Storage Program set forth in the amendment to Agreement No. 49960.

7.5 Metropolitan will terminate this agreement upon 30 days prior notice upon the following occurrences:

(a) breach of this Agreement by any other party, other than Metropolitan.

(b) If the Project does not continue to produce at least 10,000 acre-feet per year.

(c) breach of Agreement No. 49960 (Groundwater Storage Program Funding Agreement) by any other party, other than Metropolitan.

**Section 8: Record Keeping and Audit**

- 8.1. CDA shall establish and maintain accounting records of all costs incurred for the construction, operation and maintenance, and replacement parts of the Project as described in Exhibits "D", "E", and "F" and all contributions as described in Section 5.3. Accounting for the Project shall utilize generally accepted accounting practices and be consistent with the terms of this Agreement. CDA's Project accounting records must clearly distinguish all costs for the Project from CDA's other water production, treatment, and distribution costs. CDA's records shall also be adequate to determine Allowable Yield and Recovered Groundwater to accomplish all cost calculations described in this Agreement.
- 8.2. CDA shall establish and maintain accounting records of all contributions including grants that offset eligible Project capital costs, operation and maintenance costs, and/or replacement costs, as outlined in Section 5.3.
- 8.3. CDA shall collect Recovered Water and Allowable Yield data for each fiscal year of Project operation and retain records of that data based on the metering requirements in Section 3.4.
- 8.4. Metropolitan shall have the right to audit all Project costs and other data relevant to the terms of this agreement for a period of three fiscal years following the termination of this Agreement. Metropolitan may elect to have such audits conducted by its staff or by others, including independent accountants, as designated by Metropolitan. CDA shall make available for inspection to Metropolitan or its designee, upon 30 days advance notice, all records, books and other documents, including all billings and costs incurred by contractors, relating to the construction, operation and maintenance of the Project; any grants and contributions, as described in Exhibits "D", "E", and "F"; and capital cost financing. Upon 30 days advance notice and at Metropolitan's request, CDA shall also allow Metropolitan's personnel or its designee to accompany CDA staff in inspecting

CDA's contractors' records and books for the purpose of conducting such audits of Project costs.

- 8.5. In lieu of conducting its own audit(s), Metropolitan shall have the right to direct CDA to have an independent audit conducted of all Project costs incurred in any fiscal year(s) pursuant to this Agreement. CDA shall then have an audit performed for said fiscal year (s) by an independent certified public accounting firm and provide Metropolitan copies of the audit report within six months after the date the audit was requested. The cost of any independent audit performed under this agreement shall be paid by CDA and is an allowable Project operation and maintenance cost pursuant to Exhibit "E". Based on the results of any independent audit, an adjustment for over or under payment of Allowable Yield for each applicable fiscal year shall be paid by Metropolitan or CDA through WMWD and IEUA within one year of determination after such adjustment.
- 8.6. With the first submittal of Project data as required by Section 5, CDA shall provide Metropolitan with an audit of costs pursuant to Section 8.5 and a certification from an independent certified public accounting firm indicating that CDA has established an accounting system to record Project water deliveries and costs pursuant to Sections 8.1, 8.2, and 8.3.

#### **Section 9: Interruption of Water Supply**

- 9.1. Replenishment for the Project pumping is contemplated to be derived from: intercepting rising water, reclaimed water, transfer or abandonment of existing presently unused water, the new water introduced to the basin and Metropolitan's imported water if available, and if the aforementioned sources are insufficient.
- 9.2. Nothing in this agreement guarantees replenishment water deliveries by Metropolitan needed to support the Project's Allowable Yield. Availability of such deliveries shall be solely at Metropolitan's discretion.
- 9.3. CDA agrees to diligently prepare for and operate the Project during interruption of Metropolitan's replenishment deliveries pursuant Subsection 9.2.
- 9.4. Subsequent to restoration of Metropolitan deliveries of replenishment water, the parties shall diligently replenish the Chino Basin to sustain another three years of interruption of Metropolitan replenishment water. Subject to the provisions of Metropolitan's policies and Administrative Code, Metropolitan shall make deliveries of replenishment water requested by the Watermaster for its use in restoring groundwater storage.

#### **Section 10. Hold Harmless and Liability**

- 10.1. CDA agrees at its sole cost and expense to protect, indemnify, defend, and hold harmless Metropolitan, WMWD, and IEUA and their Board of Directors, officers, representatives, agents and employees from and against any and all claims and liability of any kind (including, but not limited to, any claims or liability for injury or death to any person, damage to property, natural resources or the environment, or water quality problems) that arise out of or relate to CDA's approval, construction, operation, repair or ownership of the Project, including any use, sale, exchange or distribution of Project water. Such

indemnity shall include all damages and losses related to any claim made, whether or not a court action is filed, and shall include attorney fees, administrative and overhead costs, engineering and consulting fees and all other costs related to or arising out of such claim of liability.

- 10.2. CDA shall include the following language in its agreement with any consultant or contractor retained by CDA to work on the Project:“(Consultant) agrees at its sole cost and expense to protect, indemnify, defend, and hold harmless Metropolitan, WMWD, and IEUA, and their Board of Directors, officers, representatives, agents and employees from and against any and all claims and liability of any kind (including, but not limited to, any claims or liability for injury or death to any person, damage to property, natural resources or to the environment, or water quality problems) that arise out of or relate to CDA’s approval, construction, operation, repair or ownership of the Project, including the use, sale, exchange or distribution of Project water. Such indemnity shall include all damages and losses related to any claim made, whether or not a court action is filed, and shall include attorneys’ fees, administrative and overhead costs, engineering and consulting fees and all other costs related to or arising out of such claim or liability.”

**Section 11. Notice**

Any notice, payment or instrument required or permitted to be given hereunder shall be deemed received upon personal delivery or 24 hours after deposit in any United States post office, first class postage prepaid and addressed to the Party for whom intended, as follows:

If to Metropolitan:	The Metropolitan Water District of Southern California Post Office Box 54153 Los Angeles, California 90054-0153  Attention: Jeffrey Kightlinger
If to CDA:	CHINO DESALTER AUTHORITY 6905 Kimball Avenue Chino, California 91710  Attention: Dean Martin
If to WMWD:	Western Municipal Water District of Riverside County P. O. Box 5286 Riverside, California 92517  Attention: John V. Rossi
If to IEUA:	Inland Empire Utilities Agency P. O. Box 9020 Chino Hills, CA 91709-9020  Attention: Richard W. Atwater



Any Party may change such address by notice given to each of the other Parties as provided in this section.

**Section 12. Successors and Assigns**

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties hereto. This Agreement and any portion thereof shall not be assigned or transferred to any entity not an original Party to this Agreement, nor shall any of the duties be delegated, without the express written consent of all the Parties. Any attempt to assign or delegate this Agreement or any of the obligations or benefits of this Agreement without the express written consent of all Parties shall be void and of no force or effect.

**Section 13. Severability**

The partial or total invalidity of one or more sections of this Agreement shall not affect the validity of this Agreement.

**Section 14. Integration**

This Agreement comprises the entire integrated understanding between the Parties concerning the Project, and supersedes all prior negotiations, representations, or agreements.

**Section 15. Governing Law**

The law governing this Agreement shall be the laws of the state of California and the venue of any action brought hereunder shall be in Los Angeles County, California.

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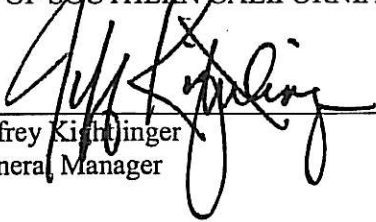
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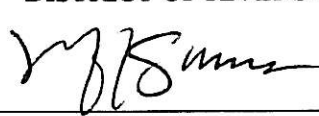
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IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the date first hereinabove written.

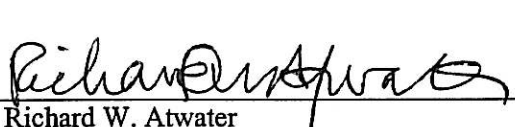
THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

  
\_\_\_\_\_  
Jeffrey Kightlinger  
General Manager

WESTERN MUNICIPAL WATER  
DISTRICT OF RIVERSIDE

  
\_\_\_\_\_  
POB: John V. Rossi  
General Manager

INLAND EMPIRE UTILITIES AGENCY

  
\_\_\_\_\_  
Richard W. Atwater  
General Manager

CHINO DESALTER AUTHORITY

  
\_\_\_\_\_  
Dean Martin  
Treasurer

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EXHIBIT "A"

BOARD LETTER 7-11 DATED JUNE 12, 2007

EXHIBIT "B"

CHINO BASIN GROUNDWATER STORAGE AGREEMENT, AGREEMENT NO. 49960  
EXECUTED IN JUNE 2003

EXHIBIT "C"

PROJECT DESCRIPTION

**Chino Basin Desalination Program, Phase II**

The Chino Basin Desalination Program, Phase II Project, consists of the construction, operation and maintenance of groundwater production wells, pipelines, with ion exchange and reverse osmosis treatment system facilities and ancillary facilities to recover degraded groundwater from the Chino Basin as shown on the attached figure. The project includes clearwell, booster pumps, storage tanks and transmission pipelines, groundwater raw water pipelines, and wastewater brine sewers connecting to the Santa Ana Watershed Project Authority (SAWPA) Santa Ana Regional Interceptor (SARI) system.

The project will yield an estimated 15,000 acre-feet per year (AFY) of treated "potable" water for use within the Inland Empire Utilities Agency and Western Municipal Water District. Approximately 3,000 AFY of brine concentrate will be discharged into the SARI system.

The project will include the extraction of groundwater containing high concentrations of total dissolved solids (tds) and nitrates, treatment of groundwater and conveyance of product water to the cities of Chino, Chino Hills, Ontario, Norco, and Santa Ana River Mutual Water Company, and Jurupa Community Services District potable systems. All of these agencies are members of the CDA, which owns and operates the Chino Basin Desalination Facilities.





ANNUALIZED CAPITAL COMPONENT

1. The Annualized Capital Component shall be computed using only the following incurred costs for the Project:
  - a. Final design and construction management services.
  - b. Construction of Project facilities (including start-up), more particularly described in Exhibit "C". Additional capital improvements that are not consistent with the Project Description outlined in Exhibit "C" must be submitted to Metropolitan for review. Written approval by Metropolitan is required before such costs are considered eligible for inclusion in the Annualized Capital Component calculation.
  - c. Agency administration of the design, construction and start-up not to exceed three percent of the eligible construction costs unless approved in writing by Metropolitan.
  - d. Permits, including required data collection.
  - e. Purchase of land, rights-of-way and easements for the Project described in Exhibit "C" except as provided herein.
  - f. County Sanitation District of Orange County (CSDOC) treatment capacity charge, not to exceed CSDOC's uniform capacity rate applicable to all other users at the time of capacity purchase.
  - g. CDA's Santa Ana Regional Interceptor (SARI) capacity charge, not to exceed CDA's uniform SARI capacity rate applicable to all other users at the time of capacity purchase.
  - h. All contributions (except those derived from Metropolitan water management incentives), which are received by CDA from others and offset the above listed eligible capital costs shall be treated as negative capital cost values for the purpose of computing Annualized Capital Component.
2. Cost of the following items shall not be used to calculate the Annualized Capital Component:
  - a. Distribution and concentrated waste disposal facilities beyond the Project's points of connection.
  - b. Environmental planning, documentation, and mitigation measurements required to comply with applicable environmental laws, including but not limited to the California Environmental Quality Act (CEQA), National Environmental Policy Act (NEPA), and the California and Federal Endangered Species Acts.
  - c. Existing water systems, facilities, land, rights-of-way, and easements except as provided herein.
  - d. Feasibility studies.

- e. Deposit of any reserve funds required as a condition of financing.
- f. All others not specified in Section 1 of this Exhibit.

3. Annualized Capital Cost (ACCost) in dollars per year shall be computed using the following procedure:

- a. For fixed-interest rate financing with uniform payments:

$$\text{ACCost} = \text{CRF}_1 \times P_1 + \text{CRF}_2 \times P_2 + \dots + \text{CRF}_j \times P_j$$

Where:

- i.  $P_j$  is each portion of incurred capital cost for Project with a distinct financing arrangement.
  - ii.  $\text{CRF}_j$  is the capital recovery factor for each distinct financing arrangement, as follows:
  - iii.  $\text{CRF}_j = [i \times (1+i)^n] / [(1+i)^n - 1]$
  - iv.  $i$  is the interest rate (%)
  - v.  $n$  is the term of financing commencing in the first fiscal year of Project operation (years)
  - vi.  $j$  is the number of each separate financing element
- b. If the Project capital cost is part of a broad financing arrangement that includes other costs, annual payments shall be calculated by prorating the annual payments of the broad financing using the ratio of the Project capital cost to total principle of the financing instrument.
  - c. For variable-interest rate financing, annual payments shall be computed based on the actual payments made in applicable fiscal year according to CDA's financing documents. Any principal payments toward the Project capital cost before the Project operation will be treated as cash. CDA shall provide Metropolitan with the accumulated paid principal pursuant to Section 5.1.
  - d. For fixed-interest rate financing with a non-uniform annual payment schedule, an economically equivalent uniform annual payment schedule shall be calculated based on "Internal Rate of Return" analysis to establish the annualized capital cost.
  - e. Project capital costs not covered by a financing arrangement described above and all grants and contributions as defined in Section 5.3 shall be amortized over 25 years at an interest rate equal to the lesser of:
    - i. Metropolitan's most recent weighted cost of long-term debt on June 30 in the year the capital expenditure occurred; or
    - ii. The fiscal year average of the 25-bond Revenue Bond Index (RBI), as published in the Bond Buyer, in the year the capital expenditure occurred.

- f. All grants or contributions shall be amortized as a negative capital cost values beginning in the year that money was received.
- g. After first fiscal year of operation, only refinancing changes, which lower the Annualized Capital Component, shall be included in the Annualized Capital Component calculation of each subsequent fiscal year.
- h. If the Project capital cost is part of a broad financing arrangement, annual payments shall be calculated by prorating the annual payments of the broad financing using the ratio of the Project capital cost to total amount of the bigger financing.
- i. For all capital financing, cash expenditures, and grants and contributions received after the Project operation, annual payments shall be calculated, using above process, beginning in the fiscal year the costs occur.

4. The Annualized Capital Component (ACCom) in dollars per acre-foot for purposes of determining the Project Unit Cost each fiscal year shall be calculated using the following formula:

$$ACCom = (ACCost)(D)/[(365)(Q)]$$

Where:

Q is Recovered Groundwater, and may not be less than 12,000 acre-feet (80% of approximate Project Capacity) unless otherwise approved in writing by Metropolitan; and

D is number of days, not to exceed 365, in a fiscal year following the initial start of operation, and prior to the termination of the agreement.

OPERATION AND MAINTENANCE COMPONENT

1. The Operation and Maintenance Component shall be computed using the costs incurred during the applicable fiscal year for the following:
  - a. Professional consulting services for Project operation, maintenance and audits, excluding daily Project operation.
  - b. CDA labor costs and/or contract labor costs for the hours worked by CDA's staff specifically pertaining to administration of the Project, not to exceed the sum total of \$150,000 for fiscal year 2007/08. This upper limit shall be escalated pursuant to changes in the Consumer Price Index for Los Angeles area, using the following formula:  
$$(\$50,000 \times \text{ENRCCI-LA for July of fiscal year } i) / (\text{ENRCCI-LA for July 2007}),$$
any Party may request the Coordinating Committee to revise the allowable labor cost. Labor cost in the first fiscal year of production of Allowable Yield shall be prorated based on the number of days of production of Allowable Yield.
  - c. Chemicals and supplies for Project operation, maintenance and repair to maintain reliable system operation and achieve regulatory compliance.
  - d. Electrical or gas energy use, not to exceed \$5,000,000 per year, for:
    - (i) Project supply wells.
    - (ii) Project lighting and general electrical needs.
    - (iii) Project booster pumps.
    - (iv) Concentrate waste disposal pumping.
  - e. Water quality sampling and analysis for the Project.
  - f. Contractor staff or O&M services and supplies for Project operation, maintenance and repair to maintain reliable system operation and achieve regulatory compliance, or if CDA chooses to do this work itself, this O&M cost shall be subject to Metropolitan's approval.
  - g. Concentrate disposal user fee limited to CDA's and CSDOC's uniform SARI rate applied to all other water discharged into CDA's Santa Ana Regional Interceptor pipeline and CSDOC's treatment facilities.



- h. All contributions (except those derived from Metropolitan water management incentives), which are received by CDA from others and offset the listed eligible operation and maintenance costs shall be treated as negative values for the purpose of computing Operation and Maintenance Component.
  - i. Watermaster replenishment charges and appropriate administration costs applied to all groundwater pumped for Project operation. These charges shall be equal to or less than:
    - A. The uniform rate charged by the Chino Basin Watermaster applied to comparable municipal groundwater production in the Chino Basin, or
    - B. A uniform rate, not to exceed i. (A.) above charged by others for replenishment water.
  - j. Project Insurance.
  - k. Lease of Project site.
  - l. Replacement parts costs that are less than or equal to \$100,000 per unit.
2. Costs of the following items shall not be used to calculate the Operation and Maintenance Component:
- a. Operation and maintenance of distribution, concentrate waste disposal and storm drain systems beyond Project's points of connection.
  - b. Replacement parts pursuant to Exhibit "F".
  - c. Concentrate waste disposal fee unless approved by Metropolitan.
  - d. All other operation and maintenance items not specified in Section 1 of this Exhibit.
3. The Operation and Maintenance Component (OMC) in dollars per acre-foot for purposes of determining the actual Project Unit Cost each fiscal year shall be calculated using the following formula:

$$(OMC) = (\text{Actual Annual Cost of O\&M})/(\text{Recovered Groundwater}).$$

ANNUALIZED REPLACEMENT COMPONENT

1. The Annualized Replacement Component shall be computed using incurred costs for the following:

- a. Membrane replacement.

Replacement of major parts exceeding \$100,000 per unit, including existing components described in Exhibit "C".

- b. All contributions (except those derived from Metropolitan water management incentives), which are received by CDA from others and offset the listed eligible replacement costs, shall be treated as negative values for the purpose of computing Annualized Replacement Component.
- c. Salvage of replaced parts shall be a negative replacement cost.

2. Costs of the following items shall not be used to calculate the Annualized Replacement Component:

- a. Replacement of distribution and concentrate waste disposal systems beyond the Project's points of connection.
- b. Any capital or operation and maintenance costs as previously defined in Exhibits "D" and "E", respectively.
- c. Reserve funds.

3. The Annualized Replacement Cost (ARCost) regarding each replacement occurrence defined in this Exhibit "F" shall be calculated using the following procedure:

$$\text{ARCost} = (\text{CRF}) \times (\text{R})$$

Where:

- a. R is the summation of all costs of replacing major Project parts other than membranes, incurred through the term of the Agreement.
- b. CRF is the capital recovery factor specified in Exhibit "D", used to amortize incurred replacement costs, other than membranes, over 20 years using Metropolitan's default interest rate. Metropolitan's default interest shall be equal to the lower of:

- i. Metropolitan's most recent weighted cost of long-term debt; or
- ii. the average of the 25-bond Revenue Bond Index (RBI) (as published in the Bond Buyer), or such other index that may replace the 25-bond RBI, over the most recent six-month period prior to the date the replacement cost was incurred by CDA.

4. The Annualized Replacement Component (ARCom) for each replacement occurrence in dollars per acre-foot shall be calculated using the following procedure:

$$\text{ARCom} = \text{ARCost}/Q$$

Where:

Q is the Recovered Groundwater for the fiscal year, and shall not be less than  $(0.8)(\text{Project Capacity})(D/365)$ , unless otherwise approved in writing by Metropolitan; and

D is the number of days, not to exceed 365, in a fiscal year following the initial start of operation, and prior to the termination of the Agreement.

DEFERRED COST

Deferred Cost (DC) applicable to the determination of Agreement Purchase Price for the next fiscal year is computed as follows:

$$DC = (EPC) / (\text{Recovered Groundwater})$$

Where:

1. EPC is the Excess Project Cost incurred in a fiscal year, and it is calculated using the following formula:

$$EPC = [(\text{Project Unit Cost}) - (\text{Treated Non-interruptible Water Rate} - \text{Metropolitan's Maximum Financial Incentive Rate})] \times [\text{Allowable Yield}]$$

The EPC value for a given fiscal year shall be used only in the calculation of DC for the next fiscal year and shall be considered zero thereafter. There shall be no DC value carryover upon Agreement termination.

2. The Recovered Groundwater term is the Project water in acre-feet produced in the next fiscal year.





● **Board of Directors**  
**Water Planning and Stewardship Committee**

June 12, 2007 Board Meeting

7-11

**Subject**

Authorize execution of an agreement for the Chino Basin Desalination Phase II desalter; and appropriate \$1.5 million to study expansion of the existing Chino Basin Groundwater Storage Program (Approp. 15272)

**Description**

**Background**

In the early 1990s, Metropolitan and its member agencies developed its Integrated Water Resources Plan (IRP) to ensure regional water supply reliability. The IRP identifies in-basin groundwater storage as an important part of Metropolitan's water resource mix. In 2004, the Board approved the IRP Update, which updated the resource development targets for groundwater storage. The groundwater storage dry-year yield target for 2010 is 275,000 acre-feet per year (AFY).

Entities within the Chino Basin have developed a comprehensive planning document, the Optimum Basin Management Plan (OBMP), which identifies strategies to protect and manage the Chino Basin for the next 50 years. The goals of the OBMP are to provide additional water supplies, improve water quality, "drought proof" the region, enhance economic development, and improve environmental quality. The OBMP has nine elements, including groundwater storage and salt management plans. Parties within the Chino Basin have begun implementation of various strategies outlined in the OBMP.

In June 2003, Metropolitan executed the Chino Basin Groundwater Storage Agreement (Storage Agreement) with the Chino Basin Watermaster (Watermaster), Three Valleys Municipal Water District (TVMWD), and Inland Empire Utilities Agency (IEUA) for a groundwater storage program in the Chino groundwater basin. The Storage Agreement gives Metropolitan the ability to store 100,000 AF of water in the basin. Metropolitan funded facilities in the basin to pump and treat its stored water. These facilities will give the participating agencies the ability to produce 33,000 AFY of water from the basin at Metropolitan's call. Total funding for the project is \$27.5 million, including \$18.5 million of Metropolitan funds and \$9 million of Proposition 13 funds. Currently, more than 90,000 AF of water is stored in Metropolitan's storage account.

**Current Proposal**

Watermaster, TVMWD, IEUA, and Western Municipal Water District (Western) are proposing to expand the storage capacity in the existing Storage Agreement from 100,000 AF to 150,000 AF, with a corresponding increase in dry-year yield from 33,000 AFY to 50,000 AFY. As an essential element for expanding the Storage Agreement, Watermaster, TVMWD, IEUA, and Western are also proposing an agreement that would pay up to \$250/AF for about 15,000 acre-feet per year of water produced by the existing Phase II of the Chino Desalination Project. This desalter has been producing water since June 30, 2006.

As an integral part of the Storage Program these facilities will eliminate losses for water stored in the existing agreement, and help provide needed flexibility in the basin.

The expanded Storage Program is expected to provide the following regional benefits: (1) Additional storage capacity – an increase of 50 percent to 150,000 AF; (2) Additional dry year yield increasing from 37,000 AF to 50,000 AF; (3) Elimination of losses in Metropolitan's account; (4) The ability to help manage peak delivery on the East Branch and Rialto Feeder; and (5) Improved water quality in the Chino Basin.

In order to implement the program, staff recommends the following terms and conditions for the two agreements:

Chino Desalter II Agreement—The proposed terms of the agreement would be as follows:

- Metropolitan would pay \$250/AF for up to 15,000 AFY for water from Phase II of the Chino Desalination Project (this agreement is not under the Local Resources Program);
- The Chino II Desalter Agreement would expire in two years if the existing Storage Agreement has not been amended consistent with the terms noted in the board letter;
- The Chino II Desalter Agreement would expire in five years if the amendments to the Storage Agreement have not been implemented; and
- The term of the agreement would be 25 years.

Storage Agreement—The proposed amendments to the Storage Agreement would be as follows:

- Metropolitan's stored water in the basin would not be subject to losses;
- Participants would reduce peak demands at Metropolitan's request;
- Western would be added as a party to the Storage Agreement; and
- Metropolitan would reimburse \$1.5 million to Chino Basin entities to conduct the groundwater study.

Groundwater study—Metropolitan's partners in the Chino Basin would conduct a groundwater and operational study. The proposed budget for the study would be \$1.5 million and would be reimbursed by Metropolitan. This funding level would be approximately equivalent to what Metropolitan paid to fund the study for the existing Groundwater Storage Agreement. The study would be designed to:

- Determine facility and operational components needed to allow dry-year yield to be increased to approximately 50,000 AFY;
- Determine facilities needed, with a cost limited to \$15 million for capital, to implement the expanded Storage Agreement;
- Develop an operating plan for the expanded Storage Agreement to determine local agency participation;
- Investigate optimized operations of the Azusa Pipeline, Rialto Feeder, Upper Feeder and East Branch of the California Aqueduct;
- Investigate the impacts of reduced peaking on the East Branch and the Rialto Pipeline; and
- Perform preliminary engineering design and CEQA for the expanded program.

### **Conclusion**

Without the Chino Desalination Project desalination activities, Metropolitan's ability to participate in conjunctive use programs in the Chino Basin would be limited. Pumping and treatment by the Chino Desalination Project maintains groundwater levels conducive to storing water in the basin, keeps poor quality water from flowing into the Santa Ana River, and treats previously unusable groundwater for potable use. In addition, Metropolitan's stored water in the Chino Basin would not be subject to losses, which would reduce costs. These actions would help meet Chino Basin's OBMP objectives and help Metropolitan meet its water supply objectives. Upon completion of the study, staff would return to the Board with a proposal for amending the Storage Agreement.

Funds for this study have been budgeted within the Local Groundwater Storage Agreement Program. See **Attachment 1** for the Financial Statement.

### **Policy**

As adopted by the Board, the IRP Update recommends developing an in-basin dry-year yield of 275,000 AFY by 2010 and 300,000 AFY by 2025.

## California Environmental Quality Act (CEQA)

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### CEQA determination for Option #1:

The proposed actions are not subject to CEQA because they involve other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines). In addition, the proposed actions consist of basic data collection and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. This may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded. Accordingly, the proposed actions also qualify for a Class 6 Categorical Exemption (Section 15306 of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed actions are exempt from CEQA pursuant to Sections 15306 and 15378(b)(4) of the State CEQA Guidelines.

### CEQA determination for Option #2:

The proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed action consists of basic data collection and resource evaluation activities, which do not result in a serious or major disturbance to an environmental resource. This may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded. Accordingly, the proposed action qualifies as a Class 6 Categorical Exemption (Section 15306 of the State CEQA Guidelines).

The CEQA determination is: Determine that pursuant to CEQA, the proposed action qualifies under a Categorical Exemption (Class 6, Section 15306 of the State CEQA Guidelines).

### CEQA determination for Option #3:

None required

## Board Options

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### Option #1

Adopt the CEQA determination and

- a. Authorize the General Manager to execute the Chino Desalter II Agreement for up to \$250 per acre-foot of desalted water. This agreement will expire in two years if the existing Storage Agreement has not been amended consistent with the terms noted in the board letter, or if the amendments to the Storage Agreement have not been implemented within five years;
- b. Appropriate \$1.5 million in budgeted funds; and
- c. Authorize the General Manager to reimburse IEUA, TVMWD and Western \$1.5 million for a study to expand the existing Storage Agreement.

**Fiscal Impact:** \$3.75 million of desalted water per year for 15,000 AFY from Phase II of the Chino Desalter at \$250/AF for 25 years, and \$1.5 million in studies for the expanded conjunctive use program

**Business Analysis:** The IRP Update includes targets for developing an in-basin dry-year yield of 275,000 acre-feet by the year 2010. In-basin conjunctive use is an integral part of Metropolitan's overall plan to ensure the future reliability of Metropolitan's water supply. Not approving these actions could jeopardize Metropolitan's ability to meet its in-basin and local project targets. Phase II of the Chino Desalination Project is already producing water. While Metropolitan does not usually pay incentives to assure continued production from existing programs, this project is an integral element for expanding the Storage Agreement.

### Option #2

Adopt the CEQA determination and

- a. Appropriate \$1.5 million in budgeted funds; and
- b. Authorize the General Manager to expend \$1.5 million for the groundwater study. Based on the outcome of the studies, the General Manager would then negotiate the Chino Desalter II Agreement and amendments to the existing Storage Agreement to initiate payment of up to \$250/AF for produced water.

**Fiscal Impact:** \$1.5 million for the groundwater studies and \$3.75 million per year for desalted water, once the program is approved

**Business Analysis:** The IRP Update includes targets for developing an in-basin dry-year yield of 275,000 acre-feet by the year 2010. In-basin conjunctive use is an integral part of Metropolitan's overall plan to ensure the future reliability of Metropolitan's water supply. Not approving these actions could jeopardize Metropolitan's ability to meet its dry-year yield targets.

**Option #3**

- a. Do not appropriate funds for the groundwater study or the agreement.
- b. Authorize the General Manager to enter into negotiations with the member agencies for the Chino Desalter II Agreement and to amend the existing Storage Agreement under different terms.
- c. Return to the Board for approval of the amended agreements.

**Fiscal Impact:** None

**Business Analysis:** Groundwater rights holders may be less likely to enter into conjunctive use agreements without information on impacts to the basin and assurances for payments for desalter production.


**Staff Recommendation**

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Option #1

  
 Stephen N. Arakawa  
 Manager, Water Resource Management

5/29/2007  
Date

  
 Jeffrey Lightinger  
 General Manager

5/31/2007  
Date

**Attachment 1 – Financial Statement for Local Groundwater Storage Agreements Program**

BLA #5459



**Financial Statement for Local Groundwater Storage Agreements Program**

A breakdown of Board Action No. 8 for Appropriation No. 15272 for the Local Groundwater Storage Agreements Program is as follows:

	<b>Previous Total Appropriated Amount (May 2006)</b>	<b>Current Board Action No. 8 (June 2007)</b>	<b>New Total Appropriated Amount</b>
Labor			
Studies & Investigations	\$ 210,000	-	\$ 210,000
Materials and Supplies	-	-	-
Incidental Expenses	-	-	-
Professional/Technical Services	480,000	1,500,000	1,980,000
Equipment Use	-		-
Contracts	60,200,000		60,200,000
Remaining Budget	-	-	-
<b>Total</b>	<b>\$ 60,890,000</b>	<b>\$ 1,500,000</b>	<b>\$ 62,390,000</b>

**Funding Request**

<b>Program Name:</b>	Local Groundwater Storage Agreements		
<b>Source of Funds:</b>	Revenue Bonds, Replacement and Refurbishment or General Funds		
<b>Appropriation No.:</b>	15272	<b>Board Action No.:</b>	8
<b>Requested Amount:</b>	\$ 1,500,000	<b>Capital Program No.:</b>	15272-S
<b>Total Appropriated Amount:</b>	\$ 62,390,000	<b>Capital Program Page No.:</b>	E-45
<b>Total Program Estimate:</b>	\$ 210,000,000	<b>Program Goal:</b>	S – Supply and Delivery Reliability

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